



Self Insurers Fund *Bulletin*

A PUBLICATION OF THE SOUTH CAROLINA HOME BUILDERS SELF INSURERS FUND * FOURTH QUARTER 2010

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Great News for your 2011 Renewal

The days are getting shorter, the temperature cooler, and we are reminded once again that it is Workers' Compensation coverage renewal time at the SCHBSIF.

It is with much anticipation that we await the 2011 policy year as we are very excited to announce that for the FIFTH YEAR IN A ROW THE SCHBSIF WILL NOT BE INCREASING RATES! The Board of Trustees has voted to REDUCE rates effective January 1, 2011 an average of 5%. All rates will be reduced but the reduction will vary by class code.

The Board of Trustees has also voted to reduce the annual minimum premium for 2011 from \$1,200 to \$900. We will continue to waive the minimum monthly payment; however, the \$900 annual minimum earned premium will still apply at year-end audit. These changes have been implemented due to the current economic conditions as we are very aware of the financial struggle that many of our insureds have faced over the past year.

Your renewal will be mailed before Thanksgiving along with a separate mailing containing your 2011 Renewal Billing Statement. Your renewal packet will contain all pertinent information for your 2011 renewal including your 2011 Quick Reference Rate Sheet, First Report of Injury Form, Operations Guidelines, along with the Recordkeeping and Annual Payroll Audit Booklet. Please be sure to thoroughly review all information in your renewal packet.

The Renewal Billing Statement is your Renewal Invoice. This will be the only invoice you will receive. This invoice will show the status of your deposit account or annual premium. Any additional renewal deposit or annual premium that is due must be received in our office on or before January 1, 2011 to avoid possible late fees. If you would like to discuss payment options please contact your CSR immediately. The additional renewal deposit due includes the \$180 expense constant, which is required annually. A return envelope will be enclosed if you have an additional deposit or premium due on your renewal invoice.

It is our hope that our commitment to the members of the Home Builders Association of South Carolina is evident. It is our goal to provide a stable, cost effective and secure source for Workers' Compensation coverage and to be the insurer of choice for the homebuilding industry.

We are always available to discuss any questions or concerns you have regarding your policy with the SCHBSIF. We appreciate your business and look forward to serving you in the coming year. Please do not hesitate to contact our office with any questions or concerns that you have regarding your renewal.

Your Policy Services Staff

Policy Services & Underwriting Manager, Brandy Shealy

Customer Service Representatives, Kathy Fleming – Members A-F

Kenyana Carter – Members G-M

Linda Humphries – Members N-Z ●



The South Carolina Home Builders Self Insurers Fund (SCHBSIF) provides a quality workers' compensation program for qualified builders and subcontractor members of the HBA of SC. The Fund

offers a cost-effective, stable and reliable workers' compensation program.

Designed by builders for builders, it also provides more effective control over workers' compensation costs and claims, which result in a direct savings for member companies. The SCHBSIF's workers' compensation program is available statewide through an extensive network of independent agents.

You may also contact the SCHBSIF office directly.

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It's That Time of Year Again – "Audit Time"

by Brian Emery Manager, Premium Audit Services

Having knowledge of what is needed for audit and obtaining the necessary documents before the audit appointment will contribute to a smoother audit process, reduce the need for additional appointments and time and help ensure the audit and invoice are completed correctly the first time.

Documents needed for audit:

- Payroll by employee, split by type of work performed, if applicable, with backup documentation.
- Properly documented overtime. A credit for a portion of overtime is available if shown in the payroll records by employee.
- Listing of payments to Vendors and payment dates.
- Certificates of Insurance for subcontractors used. This is the primary reason for revisions. COI's are not available at the time of audit. COI's do not cover the "entire period" of time payments and work is being done by the subcontractor. Optimally COI's should be obtained before the subcontractor starts the job.
- Subcontractor invoices showing labor and material charges. If properly documented we charge only for the labor portion. If not properly documented we will only offer a 25% credit for materials.
- Verification information. All audits must be verified to a second record source. This is normally a federal or state report you are required to file such as: 941's (quarterly payroll tax reports), 1096 (summary of 1099's issued), W3 (summary of W2's issued), Schedule C (if an individual from personal tax return – Profit & Loss from Business) and P & L Statement.
- If the audit cannot be verified to a second record source return premiums cannot be refunded until these documents are provided. ●



Fifth year without a rate increase

by Andrew Woodham CPCU AAI, Marketing Manager

The Board of Trustees of the SCHBSIF has voted to reduce rates effective January 1, 2011. Rates will be decreased an average of 5%. All rates will be reduced but the reduction will vary by class code. Also effective January 1, 2011, the annual minimum premium will be decreased from \$1,200 to \$900. A monthly minimum payment will no longer be required, however, the new annual minimum premium will apply.

This will be the FIFTH consecutive year The Fund has not raised rates. The last rate increase was 2006. In addition to holding rates down The Fund has refunded a percentage of members' contributions to every member who participated in The Fund during 2008 and 2009.

We hope this news will illustrate our commitment to the membership of the Home Builders Association of South Carolina to provide a stable, cost effective, and secure source of workers' compensation coverage. Together, as members of the HBASC, we plan to continue to work just as hard to constantly earn your business. ●