



Self Insurers Fund *Bulletin*

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

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New and Expanded Class of Business

Effective late August of 2010, the SCHBSIF was given the authority to accept risks that are 100 percent commercial contracting. Service contracting risks are also eligible. Previously, we were limited to 49 percent commercial work. We are excited about this expansion in eligibility and are looking forward to assisting HBA members who fall in this class with their workers' compensation coverage.

Contractors must do some on-site work to be eligible. Operations with fall exposures over three stories in height are not eligible. Both general contractors and artisan contractors are acceptable, as well as industrial maintenance operations. ●



New Headquarters!

We are pleased to announce that the South Carolina Home Builders Self Insurers Fund (SCHBSIF) purchased an office building which is serving as its permanent headquarters. After an exhaustive analysis of commercial properties available in the Columbia area, the Board of Trustees of the SCHBSIF chose a building that will allow for future expansion of the SCHBSIF while building members' equity through appreciation. The building is currently home to other commercial tenants whose monthly lease payments will greatly subsidize the cost of ownership and provide SCHBSIF with a significantly lower cost of occupancy. ●



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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SCHBSIF Beginning its 15th Year of Operations

The SCHBSIF was formed in 1995 by members of the homebuilding industry who recognized the need for a stable, cost-effective source of workers' compensation coverage. From its beginning, the SCHBSIF has been an attractive member benefit of the Home Builders Association of South Carolina. Our Board of Directors is made up of contractors who have years of experience in the various aspects of residential and light commercial construction.

Today, the SCHBSIF provides workers' compensation coverage to about 1,000 general contractors and artisan subcontractors who contribute approximately \$7,000,000 annually to pay for the costs of claims and administration of the SCHBSIF. The SCHBSIF employs a staff of veteran insurance professionals who provide claim management, risk control, auditing and policyholder's services exclusively to SCHBSIF members. Today, the SCHBSIF handles all operational functions with its own in-house staff. This allows us to provide our members with outstanding service and the ability to address marketplace changes quickly. We provide many of the services that standard insurance carriers do not.

Added Value

Over its 15 years, the SCHBSIF has refunded back to its members over \$1,500,000 in member contributions. The majority of the refunds were in the last several years. This is proof that the SCHBSIF is a good steward of the funds our members entrust us with to pay their potential workers' compensation claims.

Members are provided with risk control and safety assistance at no additional charge. This includes on-site safety surveys, assistance with company safety programs and safety seminars. We were among the first workers' compensation insurers in the area to provide safety seminars to residential contractors. The SCHBSIF, together with the HBASC, has received two Susan Harwood Safety Training Grants from OSHA to assist with providing safety training to home builders and subcontractors throughout South Carolina. Safety surveys assist members in reducing

the number of hazards present on jobsites, and thereby reduce the potential for accidents and injuries to employees. The goal of the work of the Risk Control and Safety Department is to reduce claims, and thereby reduce or slow the growth of the cost of workers' compensation insurance for our members.

The SCHBSIF was one of the first workers' compensation coverage to provide a monthly self reporting plan. This allows members to pay premiums if they have work and reduce payments when they have less work. With the current economic conditions, the SCHBSIF has reduced our monthly minimum payment to zero to better serve our members. Our annual minimum premium still applies.

Two years ago, the SCHBSIF created an in-house Audit Department to better serve our members. Auditors are instructed to educate and work with our members in securing accurate audit information. Most other insurers simply outsource this function, which generally leaves the insured at a disadvantage if there are questions or problems with the audit.

Our Claims Department manages our members' claims in lieu of just paying bills that are submitted. This, over time, has produced a considerable savings in claims costs which in turn reduces cost for our members.

New Additions

As we begin our 15th year, we are proud to announce some new additions. We have recently installed a new IT system along with adding an IT department to better serve our members. Our previous system was purchased in 1997 and you are all aware of the changes in computing capabilities since then. This system will be very beneficial when we transition to a mutual insurance company during the middle of next year. Just recently, we have been granted authority to underwrite light commercial contractors. We are excited about this expansion and look forward to being able to assist commercial contractors in the same professional manner as our current residential contractors.

Currently, as we look back over our accomplishments during our first 15 years, we see more opportunities to assist our members in controlling their workers' compensation exposure. As we have done in the past, we will continue to progress to better serve our members in challenging times ahead. ●