



FARMERS INSURANCE POOL
 3357 39th St SW, Suite 1
 Fargo, North Dakota 58104
 Ph. 701-271-9183 • Toll Free 888-217-5100
 Fax 701-356-0010
 www.farmersinsurancepool.com

WORKERS' COMPENSATION INSURANCE APPLICATION

Applicant (Legal Entity that pays the payroll): _____

Contact Person: _____ Telephone # _____

Mailing Address: _____ Cell # _____

_____ Fax # _____

Farm Address (if different from Mailing Address): _____

E-mail Address: _____

Cooperative: American Crystal Minn-Dak Southern MN Not Applicable

Entity Type: Individual Partnership Corporation Other _____

Federal Employer ID # _____ (Required)

Unemployment ID # _____ (If applicable) Are you Exempt? _____

List Ownership and Percentage of Ownership Below:

- Corporations: List owners with 5% or more of voting stock and number of shares owned.
- Partnerships: List each General Partner and their share in the profits.
- Other: If no voting stock, list members of the Board of Directors or comparable governing body.

Requested Effective Date* of Policy: ____/____/____

*Coverage not bound until approved by Insurance Company Month / Day / Year

Normal Anniversary Rating Date (the policy effective date from your current policy): _____

ESTIMATE OF PAYROLL BY CLASSIFICATION

Please provide your best estimate for payroll.

<u>Classification</u>	<u>Code</u>	<u>Estimated Payroll - From the Effective Date above to Dec 31st</u>
General Farm Labor.	0006	\$ _____
Hand Cultivation	0008	\$ _____
Machine Shop	3632	\$ _____
Clerical (NOC).	8810	\$ _____
Other: _____ .. _____		\$ _____

The Limits of the Employer's Liability Insurance are:

\$1,000,000 each accident / \$1,000,000 by disease policy limit / \$1,000,000 by disease each employee

Don't Forget to Answer the Questions and Sign the Application on the Back

RETURN THE FOLLOWING WITH THIS APPLICATION:

- 5-Year Loss History (see attached letter)
- Election of Coverage Form
- Contract Authorization Form

PLEASE ANSWER THE FOLLOWING QUESTIONS:

1. Briefly Describe your Farm Operation.

Grain Farmer Yes No Crops Grown: _____

Livestock Yes No

<u>Type of Livestock</u>	<u>Number of Livestock</u>
_____	_____
_____	_____
_____	_____

2. Type of Labor for your Operation.

<u>Employees</u>	<u>Number of Employees</u>	<u>Type of Labor Performed</u>
Seasonal	_____	_____
Part Time	_____	_____
Full Time	_____	_____

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND (NY: SUBSTANTIAL) CIVIL PENALTIES. (Not applicable in CO, HI, NE, OH, OK, OR, TN OR VT; in DC, LA, ME and VA. Insurance benefits may also be denied).

Signature of Applicant _____ Date: _____



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TO: New Applicant for Workers' Compensation Insurance

FROM: Brenda Lang, CEO

RE: Statement of Prior Workers' Comp Coverage

PLEASE INCLUDE ONE OF THE FOLLOWING WITH YOUR APPLICATION AS IT APPLIES TO YOU:

- **If you have carried** workers' comp insurance coverage before, please contact your agent and request a 5-year loss history. Please provide this history with your application to the Farmers Insurance Pool.
- **If you have NOT carried** workers' comp insurance before, then include a separate sheet of paper that states the following;

"Due to the fact that I have never had workers' compensation insurance coverage in the past, I do not have a loss history to provide."

Please sign this statement and return with the application forms.

Thank you!

WORKERS' COMPENSATION ELECTION OF COVERAGE

Minnesota Workers' Compensation law (Minn. § Stat. 176.041) exempts coverage for the following employed persons and their spouses, parents or children (regardless of age or wage rate):

1. An individual owner of a business (a Sole Proprietorship).
2. Partners of a Partnership.
3. Executive officers of a Family Farm Corporation.
4. Managers of Limited Liability Companies in which the LLC has:
 - 10 or fewer members (i.e., owners)
 - Less than 22,880 hours of payroll in the previous calendar year,
 - If both are applicable, only managers who own at least 25% membership interest are excluded and must elect to be included.

I N C L U D E	E X C L U D E	<ul style="list-style-type: none"> List the name(s) of: the Sole Proprietor, All Partners, All Executive Officers, or Managers of LLC. Indicate by checking the appropriate box whether each person is to remain excluded for coverage or whether coverage is desired. 	Title

SIGNATURE _____ **TITLE** _____ **DATE** _____

I N C L U D E	E X C L U D E	<ul style="list-style-type: none"> List the name(s) of: spouse, parents or children of those people listed in the section above. Indicate by checking the appropriate box whether each person is to remain excluded for coverage or whether coverage is desired. 	Relationship

SIGNATURE _____ **TITLE** _____ **DATE** _____

Named Insured: _____

Policy Number: _____



Return Original to:
 Farmers Insurance Pool • 3357 39th St SW, Ste 1 • Fargo, ND 58104
 Toll Free at (888) 217-5100 or 271-9183

ELECTION OF COVERAGE

Understanding Who Is Covered and Who is Not Covered on a Workers' Compensation Insurance Policy

When electing coverage for an Owner/Partner/Officer or Family Member there are *minimum* payroll amounts that must be met to calculate premiums.

Policy Year	Sole Prop/Partner/Officer Minimum Payroll	Family Member Minimum Payroll
2010	\$19,760/yr -or- \$380/week	\$13,260/yr -or- \$255/week

To calculate premium, divide payroll by 100 then multiply by class code rate.
For further information about the minimum payroll amounts, please contact the Pool.

Sole Proprietorship

If your entity is a "Sole Proprietorship", the following people are EXCLUDED from Workers' Comp Coverage unless you choose to endorse any of these people onto the policy:

- The Policy Owner
- Owner's Spouse
- Owner's Parents
- Owner's Immediate Children (regardless of age and including stepchildren)

Partnership

If your entity is a "Partnership", the following people are EXCLUDED from Workers' Comp Coverage unless the partners choose to endorse any of these people onto the policy:

- The Partners
- Partners' Spouses
- Partners' Parents
- Partners' Immediate Children (regardless of age and including stepchildren)

Family Farm Corporation

The following people are EXCLUDED from Workers' Comp Coverage in a Family Farm Corporation unless the Corporation chooses to endorse any of these people onto the policy:

- Any Executive Officer: (Pres, VP, Secretary, Treasurer, CEO, CFO, etc.)
- Officers' Spouses
- Officers' Parents
- Officers' Immediate Children (regardless of age and including stepchildren)



CONTRACT AUTHORIZATION FORM

AUTHORIZATION FOR DEDUCTION OF WORKERS' COMPENSATION & EMPLOYER'S LIABILITY PREMIUMS FOR THE FARMERS INSURANCE POOL

CHECK ONE:

- AMERICAN CRYSTAL SUGAR COMPANY; Moorhead, Minnesota
- MINN-DAK FARMERS COOPERATIVE; Wahpeton, North Dakota
- SOUTHERN MINNESOTA BEET SUGAR COOPERATIVE; Renville, Minnesota

The undersigned policyholder is a sugarbeet grower who has entered into a contract with said sugarbeet cooperative for the growing and delivery of sugarbeets during the current crop season and subsequent crop seasons. The undersigned policyholder has also become a member of the Farmers Insurance Pool.

Said Insurance Pool has been authorized to acquire from a reputable insurance carrier, Workers' Compensation and Employer's Liability insurance, for the grower members of such Pool. The premium to be paid for such coverage will be calculated by such insurance carrier and the amount of premium owed by each grower will be calculated separately and the premium owed by the undersigned policyholder to such insurance carrier will be invoiced by the Growers' Insurance Pool as a separate dollar amount and such invoice will be sent to said sugarbeet cooperative.

The undersigned policyholder hereby authorizes said sugarbeet cooperative to pay the amount of any such invoice as it becomes due, including the amount of any invoice for additional premiums which may result from the audit of the undersigned policyholder's payroll records for any policy which may result in an additional premium being due. Also, I do hereby authorize said sugarbeet cooperative to pay any administrative fee or penalties as may be assessed from time to time by the Board of Directors of the Insurance Pool. This Authorization shall continue to be effective even if I am no longer a member of the Insurance Pool or until it is properly revoked, in writing, as is indicated below.

The undersigned policyholder does hereby authorize said sugarbeet cooperative, until such time as this authorization is revoked in writing (by giving one year written notice prior to the effective date of such revocation), to deduct from each year's sugarbeet crop delivered by the undersigned policyholder to the place designated by said sugarbeet cooperative, the amount of such invoices for insurance premiums and to remit the same to the Growers' Insurance Pool who will remit such premium payments to the appropriate insurance carrier. I further authorize said sugarbeet cooperative to deduct the amounts so paid from any check which may be due me from said sugarbeet cooperative, and agree, as between the undersigned policyholder and the sugarbeet cooperative, to be bound by the face amount of such invoice, looking solely to the insurance carrier or the Growers' Insurance Pool for any error in invoicing.

Printed Shareholder's Name(s) on the Contract

Printed Name of Policyholder

Sugarbeet Cooperative Contract Number

Address of Policyholder

City, State, Zip

Dated

Signatures of all Shareholders on the Contract

Grower-Please Keep a Copy





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ENTRANCE/EXIT CRITERIA

WORKERS' COMPENSATION INSURANCE

ENTRANCE CRITERIA

New members will be subject to the following Entrance Criteria:

- ▶ Is a Minnesota Grain/Row Crop Operation or Dairy Producer
- ▶ Over 50% of Gross Payroll in Classification Codes:
 - 0006 - General Farm; or
 - 0008 - Hand Cultivation; or
 - 3732 - Machine Shop
- ▶ Loss Ratio less than 50%
- ▶ No more than one loss in the three-year period over \$5,000

Notwithstanding the above criteria, all potential applicants must meet the membership guidelines of the Farmers Insurance Pool's by-laws.

Any classification or new operation, other than those currently in the program, will not be added without prior consent of the Farmers Insurance Pool and Insurance Company.

AUDIT CRITERIA

Any member of the Pool who has a loss ratio of 60% or greater, based upon a five year average, and one loss over \$5,000, may have a loss control survey completed during the next growing season. The findings of this review will be reported to the Board of Directors as to their annual findings with reference to which members of the Pool, if any, are subject to these audit provisions. A written report shall be provided confirming that these loss control surveys have been completed for each Pool member in question, and which are subject to these audit criteria on an annual basis.

These audit criteria shall not limit and/or eliminate the responsibilities of the insurer with reference to the targeting of loss control dollars or other obligations that they may have to the Pool as a result of other agreements. Failure to provide a loss survey pursuant to this audit procedure shall not limit the Pool's ability to enforce the Exit Criteria as set forth herein.

EXIT CRITERIA

Each spring, the Pool will request and analyze loss information on all members. Individual loss ratios will be compiled on all members for where a member's losses exceed \$5,000 during the past year. Loss Ratio is defined as Total Incurred Losses divided by the Total Paid Premium.

(continued on reverse)

EXIT CRITERIA CONTINUED:

Criteria for Exit from the Pool is as follows:

- Loss ratio greater than 60% within the last five years; AND
- More than two losses over \$7,500.

There will be a two-year waiting period before re-application can be made to the Pool.

AUTHORITY OF INSURANCE COMPANY

The above referenced criteria are those established by the Board of Directors of the Farmers Insurance Pool. It is recognized that the Insurance Company has the authority to refuse to provide coverage as part of the Pool to any individual member independent of the above referenced Entrance and or Exit Criteria.

AUDIT REQUIREMENTS

By February 1st, the insured will be required to submit a year-end Audit Report that will be mailed by the end of December. This form will require that copies of tax form 943 or 941(s) accompany it. Without the Audit Report and copies of tax form(s), the insured may be subject to a Physical Audit; and will also be responsible for the costs of any such review. Failure to provide these audit reports may also be cause for exit from this Pool.