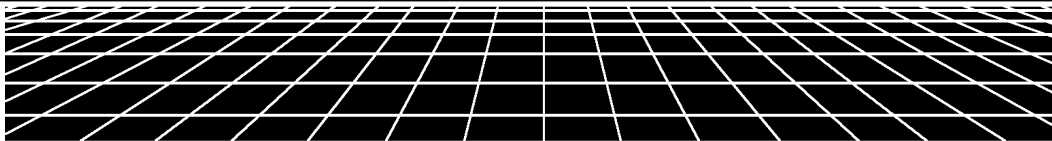


MIDWESTERN INSURANCE ALLIANCE



Workers' Compensation Program

General Information

January 2011

Mailing Address:

Midwestern Insurance Alliance, Inc.
P.O. Box 436909
Louisville, KY 40253-6909

Contact Numbers:

Phone: 502-429-9990
Phone: 800-356-8457
Fax: 502-426-7067

Website: www.midwesterninsurance.com

Midwestern Insurance Alliance



The race is not always won by the fastest and the swiftest. Many times endurance is the quality possessed by the winner. Midwestern Insurance Alliance is that type of “winning” administrator/MGA. Many companies have come into and gone out of this market leaving only a cloud of dust. Our producers count on Midwestern to provide sound underwriting, professional loss control, aggressive claims management, and personal, responsive service. Coverage is issued through Praetorian Insurance Company. With Praetorian, we offer the financial strength and integrity that comes with a company rated excellent by A.M. Best. At Midwestern, our employees are ready to go the distance for you and your customers.

Midwestern Insurance Alliance is endorsed by ten associations.

Kentucky Automotive Wholesalers Association

Kentucky Feed & Grain Association

Kentucky Motor Transport Association

Home Builders Association of Southern Indiana

Alliance of State Automotive Aftermarket Associations

Kentucky Rural Water Association

Horsemen’s Benevolent Protective Association

Kentucky Manufactured Housing Institute.

Kentucky Fertilizer and Agricultural Chemical Association

Indiana Motor Truck Association

Workers' Compensation Administration

The administration of this workers' compensation program is provided by Midwestern Insurance Alliance, Inc. Below you will find general information to assist you. If you have any questions regarding coverage, billing, loss control or claims, let us assist you.

Pages 6, 7 and 8 contain commonly asked questions with a listing of the Midwestern staff most likely to be able to handle your inquiry. As always, your marketing representative stands ready to be of service.

Underwriting Contacts:

Marc Risen	President; Underwriting	mhrisen@midwesterninsurance.com
Diane Armstrong	Underwriting Manager	darmstrong@midwesterninsurance.com
Kathy Johnson	Renewal Underwriter	kmjohnson@midwesterninsurance.com
Kelly Feger	New Business	kjfeger@midwesterninsurance.com
Cheri Amlung	Renewals	caamlung@midwesterninsurance.com
Ashley Skaggs	Policy Issue / Status	arscaggs@midwesterninsurance.com
Melissa Alvey	Endorsements / Service	msalvey@midwesterninsurance.com
Joan Millan	Loss Runs / Service	jmmillan@midwesterninsurance.com

Marketing Services:

Rick Mitchum	Director of Marketing	ramitchum@midwesterninsurance.com Direct Phone Line 502-992-6153
Rusty Burnett	Marketing Representative	rpburnett@midwesterninsurance.com Direct Phone Line 502-992-6125
Steve Traylor	Marketing Representative	srtraylor@midwesterninsurance.com Direct Phone Line 502-992-6151
Jim Allonier	VP Southeastern Region	jmallonier@midwesterninsurance.com Direct Phone Line 803-732-1646

Loss Control Services:

Keith Wertz	Loss Control Manager	krwertz@midwesterninsurance.com
Jim Bryant	Loss Control Representative	jjbryant@midwesterninsurance.com
Barry Spurlock	Loss Control Representative	bsspurlock@midwesterninsurance.com

Workers' Compensation Administration

Accounting Contacts:

Amber Ward	Commission Statements	amward@midwesterninsurance.com
Amber Ward	Premium Installment Inquiries	amward@midwesterninsurance.com
Kathy Edmiston	Premium Audits	koedmiston@midwesterninsurance.com
Sherry Brumley	Premium Audits	slbrumley@midwesterninsurance.com
Melanie Cheshire	Premium Audits	mscheshire@midwesterninsurance.com

Claims Service - Louisville, KY:

Cathy New	Claims Manager	canew@midwesterninsurance.com
Brenda Hulker	Claims Supervisor	bghulker@midwesterninsurance.com

Claims Service - Nashville, TN:

Miles Tate	Claims Manager	mjtate@midwesterninsurance.com
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Underwriting Guidelines and Procedures

Underwriting Criteria

The goal of underwriting is to encourage the writing of business which will produce a favorable loss history. Although some classes of business are excluded, it is our philosophy to base the final decision on the merits of each individual risk.

Each account that applies for a quotation must meet the following criteria:

- ◆ Risk must be an eligible class of business
- ◆ General Classes - Domiciled in Indiana, Kentucky, Missouri or Tennessee (80% payroll in IN, KY, MO & TN. Other states incidental exposure)
- ◆ Transportation - Domiciled in Arkansas, Georgia, Indiana, Kansas, Kentucky, Missouri, South Carolina or Tennessee (80% payroll in AR, GA, IN, KS, KY, MO, SC & TN. Other states incidental exposure)
- ◆ Exist as a business for at least three years (if less than 3 years, must have 5 years experience in same industry)
- ◆ Establish a loss prevention program and demonstrate a positive attitude towards safety
- ◆ Demonstrate a good credit rating
- ◆ Meet minimum premium criteria:

Transportation	\$2,500
Contractors	\$2,500 (light hazard) / \$10,000 (other)
Automotive	\$ 700
General Classes	\$1,000

(some risks may have higher minimum premium requirements based on their experience)

Excluded classes of business

24 Hour Retail Exposures	Explosive or Ammunition Mfg	Quarries
Armed Guards	Foundries	Radiator Manufacturing
Aviation Risks	Harvesting Operations	Railroad Operations / FELA
Asbestos Exposures	Home Health Care	Refractory Products Manufacturing
Bars and Taverns	Hospitals	Residential Roofers
Boiler Install or Repair	Independent Law Enforcement	Tunneling or Shaft Sinking
Chemical Manufacturers	Jones or other Federal Acts	Underground Mining
Coal Mining/Hauling Operations	Logging or Lumbering Operations	USL & H (other than incidental)
Crane Operations	Moving & Storage	Utilities
Elevator Erection or Repair	Nuclear Exposures	Wrap-Ups
Emergency Vehicles	Nursing Homes (Under \$75K Prem)	Water & Sewer Line Construction
Employee Leasing /Temp Agency	Professional Sport Teams	

Payroll Audit Procedures

For determination of final premium, workers' compensation is audited for payroll by class code. Accounts with an estimated premium less than \$10,000 will be sent an "Audit Inquiry" two weeks prior to renewal. Accounts with an estimated premium greater than \$10,000 will be handled by an auditor.

Commonly Asked Questions Underwriting and Submissions

What information should be submitted for a quotation?

A submission should include the following:

1. Completed ACORD 130S Workers' Compensation application (Please note that if coverage is written, the application must be signed by the named insured.)
2. Currently valued company loss runs (within 90 days) for five policy periods. If five years of loss information is not available, three is acceptable.
3. NCCI experience rating worksheet. If unavailable, the three most recent payroll audits are required.
4. Premium and Payrolls for the past three years.
5. If trucking risk, should include supplemental trucking application which is available at www.midwesterninsurance.com.

Will Midwestern accept multiple submissions?

No. If two or more submissions from different producers are received on the same account, the first application received will be the "producer of record". In order to become the producer of record, we require a current dated letter from the insured on its company letterhead designating the new producer of record. The first producer of record will be notified and given five business days to obtain a rescinding letter.

How are experience modifications calculated?

The NCCI modification factor will be used.

When is the "Effective Date of Coverage?"

Coverage may be effective on the "Requested Effective Date" or the date notice to bind coverage is received from the producer. Coverage cannot be backdated

Do producers have binding authority?

No. Producers do not have binding authority. A quote is considered eligible as soon as it is issued and is valid for 30 days from the date it is released. To request coverage to be bound, a producer must notify Midwestern by fax. *Coverage is bound after Midwestern notifies the producer that coverage is considered bound subject to receipt of the down payment and other requirements within 5 days.*


Commonly Asked Questions

Premium Inquiries, Policy Status, Endorsements and Commissions

What payment options are available?

Two options are available to our insureds: 1) Annual payment, or 2) a 25% deposit with balance collected in nine monthly installments. A \$5.00 service charge is added to each installment .

* Monthly Reporting is available for accounts over \$30,000 in premium with a 15% deposit.

Payments may be made online using the virtual check link  available on our website at www.midwesterninsurance.com.

If I need to check on a premium payment, who should I talk with?

Please phone (502) 429-9990 or (800) 357-8457 and ask to speak with one of the underwriting assistants.

What are the commissions, and how are they paid?

Commission are based on annual premiums and are paid in accordance to your Producer Agreement (See Producer Agreement for commission percentage). Commissions are paid within 90 days of the close of the month in which business is effective. Commissions on premium audits will not be paid until the audit billing is paid. Producer commission inquiries should be directed to Amber Ward. Amber's direct phone line is 502-992-6126; her e-mail address is amward@midwesterninsurance.com.

How will renewals be handled?

A renewal quotation will be sent to the producer approximately 30 days prior to the renewal date. In addition to the quotation, a renewal invoice and questionnaire will be attached. The premium payment and questionnaire should be sent to Midwestern Insurance Alliance on or before the renewal date. ***The insured will not receive any notice or billing from Midwestern.*** If we do not receive the payment by the renewal date, a direct notice of cancellation will be mailed to the insured and a copy sent to the producer.

Who can update me on the status of a policy being issued?

Ashley Scaggs handles policy issue. Ashley can be reached by phone (502-429-9990 or 800-357-8457) or through e-mail at arscaggs@midwesterninsurance.com.

How should I direct questions regarding endorsements or general policy service?

Endorsement and general policy service questions can be directed to Melissa Alvey. Melissa can be reached by phone (502-429-9990 or 800-357-8457) or through e-mail at msalvey@midwesterninsurance.com.

Commonly Asked Questions

Premium Inquiries, Policy Status, Endorsements and Commissions

How should I direct questions regarding endorsements or general policy service?

Endorsement and general policy service questions can be directed to Melissa Alvey. Melissa can be reached by phone (502-429-9990 or 800-357-8457) or through e-mail at msalvey@midwesterninsurance.com.

What is the procedure for obtaining loss runs for my insureds?

Loss run requests are not taken over the phone. Requests need to be made in writing. Please e-mail or fax your request to Joan Millan at jmmillan@midwesterninsurance.com or fax 502-426-7067. Since these reports do not fax well, loss runs will be returned via mail within one week or emailed.