

AUGUST 2011

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Revised Agent Of Record Guidelines

Synergy Coverage Solutions regularly reviews our procedures to determine if modifications are necessary based on shifts in industry conditions and trends. With this in mind, Synergy Coverage Solutions has enhanced our Agent of Record policy.

Our desire is to continue to reward our most loyal producers by protecting their renewal book of business. Therefore, we will not accept agent of record letters on the renewal business of our top producing agents and brokers for one renewal period once an Agent of Record Letter is presented. Those producers with \$1,500,000 in written business with Synergy Coverage Solutions qualify for this protection. In the same spirit of rewarding our most loyal producers, if we receive an Agent of Record Letter from a 'protected producer' on renewal business of another 'protected producer', the Company will in fact accept the Agent of Record Letter.

In addition to supporting our most loyal producers, it is essential that Synergy Coverage Solutions also supports all of our valuable markets. Therefore, if a producer is restricted in accepting or presenting a quote from any of Synergy Coverage Solution's carrier partners or self-insurance funds due to reasons such as but not limited to A.M. Best Rating, not meeting agency/brokerage firm financial requirements or limitations in E&O coverages and a complete submission is received from a second agent, we reserve the right to release a quote to the second agent using a market the original agent is restricted from using. This could potentially result in Synergy Coverage Solutions releasing a quote to more than one producer using different carrier partners or funds.

These enhancements will become effective immediately. Please contact your Marketing Representative if you have any questions.

Synergy Underwriters

Derrick Killian
704-927-7028
dkillian@synergyinsurance.net

Richard Steinbruck
704-927-6180
rsteinbruck@synergyinsurance.net

Kathy Wolf
704-405-5536
kwolf@synergyinsurance.net

Jan Thomas
704-927-7035
jbthomas@synergyinsurance.net

Jill Bowyer
704-634-2603
jbowyer@synergyinsurance.net

Ken Gesner
704-962-0308
kgesner@synergyinsurance.net

Synergy Coverage Solutions Values Your Opinion

Changes In Workers' Compensation Legislation

North Carolina and Illinois have each recently made changes to their respective Workers' Compensation Acts. Both states' legislation changes will have some impact on the strategy of claims handling and could reduce the cost and life of workers' compensation claims. Below is a brief summary of the more noteworthy changes in each state. In the coming months as judgements are made with regards to the new legislation and the intent of the changes becomes more clear, we will provide an in depth summary of how the changes will affect workers' compensation claims.

North Carolina Revisions

The first legislation revision is regarding willful misrepresentation at the commencement of employment.

No compensation shall be granted when the employer can prove that either at the time of hire, through a "Post Offer Medical Questionnaire" or "Post offer Medical Examination":

1. The employee knowingly and willfully made a false representation as to his/her physical condition.
2. The employer made their decision to hire the employee based on the false representations and,
3. There was a causal connection between the false representation and the employee's injury or occupational disease.

The second significant North Carolina change is regarding Temporary Total Disability. There is now a 500 week cap on temporary total disability. The employee can request '*extended compensation*' from the NC Industrial Commission after 425 weeks have passed. In order for the Commission to grant the extension, the employee is required to prove a total loss of wage earning capacity.

Another significant change is Full Commissioners are now limited to 2 terms of 6 years, new commissioners are now subject to confirmation by both houses of the General Assembly once appointed by the Governor.

There are several other changes in NC that over time we will be able to comment on once the changes move through the 'Workers' Compensation system and we learn more about how they will be interpreted.



In the coming months, Synergy Coverage Solutions will begin surveying our agency partners and insureds regarding our services to determine what we are doing well and what we need to improve. We will send the surveys electronically each quarter on a random basis.

Each recipient should receive the survey no more than once a year. We know your time is very valuable, therefore, in creating the survey, we are intent on making it as easy and quick to complete as possible.

When you receive the survey, please take a few minutes to give us your feedback. We continue to make it our goal to provide the highest standard of service possible; the responses you provide will help us to consistently meet this goal.

Illinois Revisions

The first Illinois revision indicates the employer may be able to direct care of an injured worker by using a panel of physicians; the Illinois Department of Insurance must promulgate the rules and guidelines for this "Panel of Physicians" before we can implement this new procedure.

The second revision allows a reduction in the Illinois Medical Fee Schedule of 30%.

Another change is a wage deferential claim in Illinois is now limited to age 67 or 5 years whichever is greater; wage differentials are no longer a lifetime benefit.

The changes in each state could impact the handling and cost of workers' compensation claims. Therefore, Synergy Coverage Solutions will embrace these changes and we recommend that our policyholders implement procedures that reflect these recent changes in legislation. Of course, Synergy Coverage Solutions is committed to assisting employers with implementing these procedures.

Some Recent Synergy Successes

Class Code	Description	Premium	Prior Carrier
4243	Box MFG.-Folding Paper	\$80,000.00	Stonewood
8829	Convalescent Home All Employee	\$1,000,000.00	NHRMA
8835	Home Health Services	\$105,000.00	United Heartland
8842	Group Home All Employee	\$50,000.00	Companion
8864	Social Services Organization	\$45,000.00	Travelers
8868	College or School-Professional	\$130,000.00	Key Risk
9063	YMCA YWCA YMHA or YWHA	\$95,000.00	Liberty

Synergy Coverage Solutions

217 South Tryon, NC 28202 704.927.2860 synergyinsurance.net

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