

PALLAY INSURANCE AGENCY

P.O. Box 727 • Mokena, IL 60448
Phone: 708-478-7499, Ext.133 • Fax: 815-526-8661
Email: rosspallay@pallayinsurance.com

TO: Participating Agents

RE: Atlantic Specialty Insurance Company, a OneBeacon Insurance Group Underwriting Company
Occupational Accident Insurance Policy #216-001-684, for Owner-Operators and Contract Drivers of Owners
who are members of the National Independent Truckers and Contractors Association, Inc. (NITACA)

■ **REQUIREMENTS TO BE AN AUTHORIZED SUB-PRODUCER/AGENT**

Sub-producer/Agent must:

1. Provide Pallay Insurance Agency with a copy of Sub-producer/Agent's license in the states where he/she is soliciting;
2. Provide Pallay Insurance Agency with a copy of Sub-producer/Agent's E&O declarations page with minimum limits of one (1) million dollars (\$1,000,000) per occurrence and in the aggregate;
3. Sign at the bottom of this document stipulating to Pallay Insurance Agency that Sub-producer/Agent:
 - a. is acting on behalf of the applicant/insured person and not as the agent for Pallay Insurance Agency or its insurance company;
 - b. will hold premium in a fiduciary trust account;
 - c. will notify Pallay Insurance Agency and its insurance company of a claim, regulatory inquiry or notice, or subpoena or lawsuit immediately upon receipt of same;
 - d. will not use advertising material of any type without prior approval of Pallay Insurance Agency's insurance company;
 - e. will comply with the billing directives and procedures provided by Pallay Insurance Agency;
 - f. will comply with applicable insurance laws and privacy laws; and
 - g. agree that Pallay Insurance Agency has the right to audit.
4. Return this signed document to Pallay Insurance Agency.

■ **ELIGIBILITY**

Our Occ/Acc program is available to Owner-Operators, ages 18 and older, with at least 1 year of driving experience, who are 1099's (W-2's are NOT eligible), and who are operating a power unit they own or lease (drivers operating a power unit owned by the motor carrier they are contracted with are NOT eligible). Contract drivers paid as 1099's by an owner of a power unit that is leased on to another motor carrier are also eligible. The cost of the insurance is the sole obligation and responsibility of the independent driver to be insured.

The plans offered through this program require active membership in the National Independent Truckers and Contractors Association, Inc. (NITACA). At time of monthly premium remittance, \$3.00 NITACA member dues will be required as well.

EXCLUDED GROUPS: Coverage not available to drivers hauling or involved in following operations: Hazardous material haulers; livestock haulers; PEO's, driver leasing or temporary services; moving and storage operations; logging and lumbering operations; home delivery operations; mobile home haulers; garbage haulers, oilfield equipment haulers; couriers of any kind.

EXCLUDED STATES: AK, HI, ID, MD, MT, RI, SD, VT (excluded state list subject to change)

■ **SUBMITTING NEW BUSINESS**

Sub-producer/Agent emails or faxes completed Driver Enrollment and Beneficiary Forms for the Occupational Accident insurance program to Pallay Insurance Agency as he/she receives them. (Sub-producer/Agent retains a copy for their files.) Newly insured persons' names should be added to Sub-producer/Agent's Monthly Premium Report Form to be sent to Pallay Insurance Agency with applicable premium. Coverage will not be bound until the signed and dated enrollment forms are received by Pallay Insurance Agency prior to the requested effective dates and approved by Pallay Insurance Agency. Driver Kits containing an Insurance Certificate and instructions for reporting Occupational Accident claims will be sent to Sub-producer/Agent for delivery to insured persons.

■ **COMMISSION AND COLLECTION OF MONTHLY PREMIUMS FROM INSURED PERSONS**

Commission is 10%, and Sub-producer/Agent is responsible for collecting the premium and remitting net to Pallay Insurance Agency. (*Pallay Insurance Agency can direct-bill the insured for a reduced commission of 5%.*)

Each month, Sub-producer/Agent sends invoices to insured persons prior to premium due date. Insured persons remit the amount owed to the Sub-producer/Agent.

Grace Period – If Pallay Insurance Agency does not receive from Sub-producer/Agent the premium payment for the insured person within 31 days of the premium due date, Pallay Insurance Agency will notify the Sub-producer/Agent of the effective date of termination for that insured person.

■ **REMITTING MONTHLY PREMIUMS TO PALLAY INSURANCE AGENCY**

A Monthly Premium Report Form will be provided to Sub-producer/Agent by Pallay Insurance Agency. When Sub-producer/Agency remits payments to Pallay Insurance Agency, the name of each insured driver should be entered on the form. NOTE: The names of those drivers who have chosen the Passenger Accident option should be entered twice – once for Occ/Acc plan, and once for Passenger Accident option.

The amount which needs to be remitted by Sub-producer/Agent each month to Pallay Insurance Agency for each insured driver (net insurance premium, plus \$3.00 monthly NITACA dues) will be shown on the Monthly Premium Report provided. Please pay the correct amount due. Checks should be made payable to Pallay Insurance Agency.

Premium is due by the last day of the effective month of coverage (i.e. January premium is due in Pallay's office by the 31st of January). If premium is not received when due, any claims which occur during the month for which premium has not been received by Pallay will be denied. **Sub-producer/Agent should only remit premiums received. Sub-producer/Agent should NEVER advance premium for his/her clients.**

New Drivers enrolled from the 1st to the 14th of a month will pay full premium for that month.

New Drivers enrolled from the 15th to the last day of the month will not pay premium for that month.

Drivers cancelled from the 1st to the 14th of a month will not pay premium for the month the cancellation was effected.

Drivers cancelled from the 15th to the last day of the month will pay full premium for the month in which the cancellation was effected.

Exceptions: A Driver enrolled on or after the 15th of one month who then terminates coverage prior to the 15th of the following month will owe one full month of premium.

When Sub-producer/Agent cancels an individual please enter the date of termination in the correct column on the Monthly Premium Report form sent to Pallay Insurance Agency. Sub-producer/Agent should also immediately notify Pallay Insurance Agency of any cancellations by email or fax.

■ **CLAIMS PROCEDURE**

All claims will be processed directly through Atlantic Specialty Insurance Company.

Insured person is to call **866-568-2233** to report an occupational injury.

Pallay Insurance Agency will provide verification of coverage to Atlantic Specialty Insurance Company based on the Monthly Premium Report Forms it receives from Sub-producer/Agent. Sub-producer/Agent should be prepared to assist Pallay Insurance Agency in the collection of additional information from Driver, if needed.

■ **ACORD CERTIFICATE OF LIABILITY INSURANCE FORMS, IF APPLICABLE**

Please note – It will be the responsibility of the Sub-producer/Agent to complete an ACORD Certificate of Liability Insurance form for his/her clients upon request. . A sample of a properly completed ACORD certificate is attached hereto.

■ **AGENCY REQUIREMENTS**

By signing below Sub-producer/Agent agrees to the requirements to be a Sub-producer/Agent and has reviewed and understands the administrative instructions for this program as outlined in this document.

Name of Agency: _____

Your name and title (please print): _____

Signature: _____

Date: _____

Email or Fax this signed document, together with copies of your E&O and Insurance License, to:

Ross Pallay
rosspallay@pallayinsurance.com
Fax: 815-526-8661

I look forward to working with you and appreciate the opportunity to provide you with this valuable Occupational Accident insurance coverage for your clients.

If you have any questions, please call me at 708-478-7499, Ext. 133.

Sincerely,



Ross Pallay

