

Workforce Safety & Insurance

Applicating for Workers
Compensation Insurance



**Workforce Safety
& Insurance**
To us, it's personal.

1600 E Century Ave Ste 1 - PO Box 5585
Bismarck ND 58506-5585
(701) 328-3800 1-800-777-5033
Hearing impaired: (701) 328-3786
Fraud & Safety HotLine: 1-800-243-3331
www.WorkforceSafety.com

July 2005

Workers' Compensation Coverage

Welcome!

At Workforce Safety & Insurance (WSI), we are committed to providing safety education and training to you and your workers so workplace accidents can be prevented. In the event one of your workers does experience a work-related injury or illness, we will provide claim services to assist your injured worker. As part of our proactive approach to managing work injuries, we will work closely with you, the injured worker, and the medical provider in assessing whether your injured worker can be offered a transitional job rather than be taken off work.

The Role of Workforce Safety & Insurance

WSI manages and regulates an exclusive employer-financed, no-fault insurance system covering workplace injuries, illnesses, and death. WSI is the sole provider and administrator of the workers' compensation system in North Dakota. In addition to collecting premium payments from employers and processing claims filed by North Dakota workers, WSI promotes workplace safety by assisting employers in providing safe work environments for their workers. Benefits of WSI coverage include payment of medical, disability (wage replacement), vocational rehabilitation (if medically and vocationally necessary), impairment, and death benefits. General liability, health, and accident insurance are not substitutes for workers' compensation insurance. North Dakota Workers' Compensation Law, with limited exceptions, requires all employers to insure their full-time, part-time, seasonal, and occasional workers.

Workers' Compensation Insurance: Protection and Benefits

When your premium is paid by the due date on your billing statement, WSI provides you with protection against civil liability. Therefore, a worker injured while in the course of employment cannot sue an employer with current workers' compensation coverage. For your workers, WSI provides benefits in relation to work-related injuries to include payments for medical expenses, disabilities, and death; awards for permanent impairment; and vocational rehabilitation services. WSI also has a scholarship fund for spouses and dependent children of workers who lost their lives in work-related accidents. Since WSI is the sole provider of workers' compensation insurance in the state, employers' liability part two coverage is not available.

Employers who are Required to Obtain Coverage

North Dakota Law, with limited exceptions, requires all employers to secure workers' compensation insurance to cover their full-time, part-time, seasonal, or occasional employees *prior* to hiring. An employer is defined as a person who receives the services of another for remuneration. It includes individuals, the state, corporations and their officers, partnerships and their partners, limited liability companies and their managers, associations, legal representatives of a deceased person, and receivers and trustees. Please contact our Policyholder Services Department for assistance in determining if your business entity is an employer for purposes of North Dakota law. Under the North Dakota Century Code, workers' compensation provides injured workers with wage-loss and medical benefits for injuries sustained in the course of employment. General liability, health, and accident insurance are not substitutes for workers' compensation insurance.

Individuals Who Are Not Required to Obtain Coverage

- Licensed real estate brokers subject to certain criteria.
- Farm and ranch labor, certain custom operations, household domestic workers, and employees engaged in the operation and maintenance of a place of worship.

- Independent contractors – to be considered an independent contractor, you may need to complete an Independent Contractor Verification Application provided by the North Dakota Department of Labor. Upon the approval of the Department of Labor or WSI, you would then be exempt under the workers' compensation statutes.
- Federal and railroad employees.
- Children of the employer(s) who are under the age of 22 are not required to be covered. (NOTE: Children aged 22 and older who are receiving compensation for employment must be reported as employees.)
- Newspaper delivery personnel subject to certain criteria.

Failure to Obtain Coverage

If you have employees working for you at this time and you do not have a WSI policy, you are uninsured in the state of North Dakota. Since you are required, by law, to cover your workers against injuries, you will be required to pay premium for the period you were not insured, and you may also be subject to penalties for failure to secure coverage. Additionally, injured workers may bring suit against you as an uninsured employer for damages caused by an injury during the period in which you were uninsured.

How to Obtain Coverage

- The Application for Insurance is one of our Online Services available on our web site at www.WorkforceSafety.com.
- Complete the Application for Insurance form which follows this document and either fax it (701-328-3750) or mail it to us.
- Download the Application for Insurance form from our web site at www.WorkforceSafety.com, complete it, and either fax it (701-328-3750) or mail it to us.

If you have any questions when applying for insurance coverage, contact our Policyholder Services Department and we'll guide you through the application process making sure that your account reflects the appropriate job classifications and rates. Once your application has been processed, WSI will calculate your premium based on the payroll estimate you have provided and mail you a statement.

The Effective Date of Your Coverage

- North Dakota State Law requires a business to make application prior to hiring workers.
- Your coverage is effective the date we receive your completed Application for Insurance form at either the Bismarck office or the field office in your area.
- If you mail your application to WSI, your coverage is effective as of the date stamp applied on the date that it is received.
- If you fax your application (701-328-3750) to WSI, your coverage is effective as of the date it is received by the WSI fax machine.

Your Proof of Insurance

After either full payment of your premium or your first monthly installment, your proof of insurance is a Certificate of Premium Payment issued by WSI. You may make copies of this certificate or request a duplicate certificate from our Policyholder Services Department. North Dakota State Law requires that you post your Certificate of Premium Payment. This certificate includes WSI's toll-free number used to report unsafe working conditions and actual or suspected workers' compensation fraud.

Premium and Payroll

Your premium is based on the amount of remuneration you paid during the policy period. Remuneration means money or substitutes for money. North Dakota Law prohibits employers from deducting wages or otherwise billing workers for any part of the premium. Remuneration includes:

- Commissions
- Bonuses
- Extra pay for overtime

- Reportable tips
- Pay for holidays, vacations, or sick leave
- Cafeteria plans, 401K's, Annuity plans, Davis-Bacon wages, etc.
- Value of meals, lodging, or other gratuities received by a worker as part of their pay.
- Rental value of a house or apartment provided to a worker as part of their pay.

Liability for Payment of Workers' Compensation Premium

As a general rule, when a business organizes formally as a corporation, an LLC, or some similar entity, one of the major benefits is the protection of the owners' personal assets against business losses.

North Dakota State Law, however, permits WSI to pursue individuals personally for the debts of their business. North Dakota Century Code § 65-04-26.1 assesses personal liability against officers and directors of a corporation, managers and governors of a limited liability company, partners in a limited liability partnership (after August 1, 2003), and employees who own 20% of the business and have control over the reporting of payroll to WSI. Once liability is assessed and the employer's appeal time has expired, WSI may pursue the debt through a civil lawsuit.

The employees of an independent contractor or subcontractor are deemed employees of the general contractor pursuant to N.D.C.C. § 65-01-02(17)(c). As a consequence, the statute authorizes the assessment of unpaid premium against the general contractor for the unpaid workers' compensation premium debt of his subcontractors or independent contractors.

Premium Calculation and Payroll Reports

Your payroll reports are used by WSI to calculate the premium you pay for workers' compensation insurance. Upon reviewing the payroll report, premium is calculated by applying the rate for a class of employment to the amount of taxable payroll in that classification. If you have several classifications, your premium is the sum total for all classifications. The maximum taxable payroll for each worker is capped at 70% of the state's average annual wage. This amount is commonly referred to as the "wage cap". The average annual wage cap becomes effective on July 1 of each year.

Determining Classifications and Rates

Some classes of employment are inherently more hazardous than others, and our rate class system reflects that risk. Based on the risk, each class of employment is assigned a classification. In turn, each classification is assigned a rate. These rates reflect factors such as occupational risk, medical costs, and benefit levels. To view our Classification Manual and our Rates Sheet, visit our web site at www.WorkforceSafety.com (Library section).

Earn a Premium Discount

Visit our web site at www.WorkforceSafety.com (Safety section) to learn more about the safety discount programs available to help save you premium dollars while providing a safer workplace for your workers.

Policyholder Services Main Office / Field Locations

Bismarck

Telephone: 328-5964, 328-5947

Fax: 328-3750

Devils Lake

Telephone: 662-9340

Fax: 662-9310

Fargo

Telephone: 298,4994, 298-4983, 298-4980

Fax: 298-4999

Grand Forks

Telephone: 795-3925

Fax: 795-3929

Minot

Telephone: 857-7745

Fax: 857-7747

Online Services for Employers

Please visit our web site at www.WorkforceSafety.com (Online Services section) to utilize a wide range of online services designed to save you time and money.



APPLICATION FOR INSURANCE
WORKFORCE SAFETY & INSURANCE
POLICYHOLDER SERVICES DIVISION
 SFN 5556 (07/2005)

WSI HelpLine
 1-800-777-5033
 Questions? Call us. Report Injuries Immediately.

ND Fraud and Safety Hotline
 1-800-243-3331
 Report Fraud and Unsafe Work Conditions.

1600 EAST CENTURY AVENUE, SUITE 1
 PO BOX 5585
 BISMARCK ND 58506-5585
 TELEPHONE NUMBER (701) 328-3800
 FAX NUMBER (701) 328-3750
 TDD NUMBER (for the hearing impaired only)
 (701) 328-3786
 www.WorkforceSafety.com

PLEASE TYPE OR PRINT USING BLACK OR BLUE INK

FOR WSI USE ONLY				
Employer Account Number	Effective Date of Coverage	Expiration Date - Payroll Period	SIC Code	NAICS
GENERAL INFORMATION				
Legal Name of Entity or Individual		Trade Name of Business or DBA (if different from legal name)		
Web Site Address		Federal Employer I.D. Number	Unemployment Account Number	
First date employee(s) worked or are expected to work in ND		Date operations will begin/began in ND		
Will you be utilizing the services of a Professional Employer Organization (PEO) or employee leasing company? <input type="checkbox"/> Yes <input type="checkbox"/> No				
If yes, please provide their business name:				
Will you be using a Temporary Staffing Agency? <input type="checkbox"/> Yes <input type="checkbox"/> No				
If yes, please provide their business information:				
Name		Address		
City		State	Zip	
Your Mailing Address: (However, if you will be utilizing the services of a Professional Employer Organization or employee leasing company, please provide their mailing address here.)				
Attention To				
Address		Suite/Apt #		
PO Box	City	State	Zip	
Your Business Address: <input type="checkbox"/> Same as mailing address above				
Address		Suite/Apt #	PO Box	
City	County	State	Zip	
North Dakota Locations: Enter address of other North Dakota locations if different from the Mailing Address above. No PO Boxes please (additional sheets may be attached).				
Address	City	State	Zip	Phone
Contact Person:				
First Name		Middle Initial	Last Name	
Title		Email		
Phone	Cell Phone	Fax		

Legal Name of Entity or Individual

Outside Accountant:

First Name	Middle Initial	Last Name
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Phone	Email
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REASON FOR APPLYING

Please indicate your reason for applying for insurance coverage:

- New or existing business and are now requesting workers' compensation insurance coverage
- Change of entity

CHANGE OF ENTITY

If you have indicated a change of entity, please indicate your change below:

- | | |
|---|--------------------------------------|
| <input type="checkbox"/> Purchase | <input type="checkbox"/> Merger |
| <input type="checkbox"/> Reorganization | <input type="checkbox"/> Other _____ |

Complete if applicable:

Date of Acquisition	What percent of the business did you acquire?
Prior Owner's Name(s)	Prior Business Name
Prior Workers' Comp Account Number (if known)	Prior Business Address

TYPE OF ENTITY

Choose the entity type that most closely describes your business:

- | | | | |
|--|--|--|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Cooperative | <input type="checkbox"/> General Partnership | <input type="checkbox"/> Limited Partnership |
| <input type="checkbox"/> Limited Liability Partnership | <input type="checkbox"/> Association | <input type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Government |
| <input type="checkbox"/> Corporation | <input type="checkbox"/> Nonprofit Corporation | <input type="checkbox"/> Sub-S Corporation | |

COMPLETE IF YOU ARE AN OUT-OF-STATE CORPORATION OR AN OUT-OF-STATE COOPERATIVE ASSOCIATION

State of Incorporation	Date of Incorporation
------------------------	-----------------------

TYPE OF BUSINESS

Choose the item that best describes the principal activity of your business (choose only one.):

- | | |
|--|---|
| <input type="checkbox"/> Accommodation and Food Service
<input type="checkbox"/> Administrative and Support and Waste Management and Remediation Services
<input type="checkbox"/> Agriculture, Forestry, Fishing, and Hunting
<input type="checkbox"/> Arts, Entertainment, and Recreation
<input type="checkbox"/> Construction
<input type="checkbox"/> Education Services
<input type="checkbox"/> Finance and Insurance
<input type="checkbox"/> Health Care and Social Assistance
<input type="checkbox"/> Information
<input type="checkbox"/> Management of Companies and Enterprises | <input type="checkbox"/> Manufacturing
<input type="checkbox"/> Mining
<input type="checkbox"/> Professional, Scientific, and Technical Services
<input type="checkbox"/> Public Administration
<input type="checkbox"/> Real Estate and Rental and Leasing
<input type="checkbox"/> Retail Trade
<input type="checkbox"/> Transportation
<input type="checkbox"/> Utilities
<input type="checkbox"/> Warehousing
<input type="checkbox"/> Wholesale Trade |
|--|---|

If business type is construction, check all that apply:

- | | |
|---|--|
| <input type="checkbox"/> Road Construction | <input type="checkbox"/> Building Construction |
| <input type="checkbox"/> Steel Construction | <input type="checkbox"/> Other _____ |

If business type is transportation, check all that apply:

- | | |
|---|---|
| <input type="checkbox"/> Over-the-Road Transportation | <input type="checkbox"/> Grain Transportation |
| <input type="checkbox"/> Gravel/Dirt Transportation | <input type="checkbox"/> Other _____ |

Are you leased on to another transportation company? Yes No

If yes, please indicate leasing company name:

Legal Name of Entity or Individual

NAME(S) OF OWNERS, PARTNERS, CORPORATE OFFICERS

Name	Title	Address	Home Phone	Soc. Sec. No.	% Owned	Is Coverage Desired?
						<input type="checkbox"/> Yes <input type="checkbox"/> No
						<input type="checkbox"/> Yes <input type="checkbox"/> No
						<input type="checkbox"/> Yes <input type="checkbox"/> No
						<input type="checkbox"/> Yes <input type="checkbox"/> No

EMPLOYER(S) OPTIONAL COVERAGE: (Additional sheets may be attached). **Coverage for the owner, partner, or corporate officers of a business corporation is optional.** Check coverage boxes above, if coverage is desired. An employer electing optional coverage will be charged an annual premium based upon the maximum taxable payroll cap. An optional coverage contract will be sent to you. Coverage becomes effective upon WSI's receipt of that completed, signed contract.

EMPLOYER'S SPOUSE AND/OR CHILDREN COVERAGE: You must list the spouse and all children under the age of 22 of the employer(s) who have received or will receive compensation from your business. **COVERAGE FOR SPOUSE AND CHILDREN UNDER AGE 22 IS PROVIDED BY SPECIAL CONTRACT ONLY.** Spouse - Premium calculated on wage cap amount. Children 21 and under for payroll period - Premium based on actual wages. Children 22 and older for payroll period - Actual wages would be reported along with the other employees. **Coverage becomes effective upon WSI's receipt of a completed, signed optional coverage contract.** (Additional sheets may be attached).

Name of Family Member	Soc. Sec. No.	Date of Birth	Relationship	Class Code	Actual Wages	Estimated Wages	Is Coverage Desired?
							<input type="checkbox"/> Yes <input type="checkbox"/> No
							<input type="checkbox"/> Yes <input type="checkbox"/> No
							<input type="checkbox"/> Yes <input type="checkbox"/> No

EMPLOYEE ACTIVITY AND ESTIMATED 12-MONTH PAYROLL (Additional sheets may be attached).

Describe each unique type of work performed within the business (e.g., clerical office, janitorial, traveling personnel, etc.) List the number of employees engaged in that type of work and estimate the payroll which will be expended for each in the next 12 months. If you need assistance, contact the Policyholder Services Department for more information at (701) 328-3800 or 1-800-777-5033.

Place Where Work Is Performed	Description of Work Performed	Number of Employees (not including owners)	Estimated payroll (include room and board allowance)

EXTRATERRITORIAL COVERAGE

Do you anticipate having any North Dakota based employee(s) that will travel outside ND for work? Yes No

Do you intend to cover your ND based employee(s) under your WSI policy while temporarily working outside ND?
 Yes No

If yes, please indicate those state(s) in which your ND based employee(s) will be working:

If no, do you have separate coverage in the state(s) where the employee(s) will be working? Yes No

PENALTY FOR FILING FALSE PAYROLL WITH WORKFORCE SAFETY & INSURANCE

North Dakota law provides that any employer who willfully misrepresents to WSI the amount of payroll upon which compensation premium is based is guilty of a class A misdemeanor. If the premium owing exceeds \$500, the employer is guilty of a class C felony. The employer is also civilly liable to WSI in the amount of THREE (3) times the difference between the premium paid and the amount that should have been paid.

I acknowledge that I have read this Fraud Warning and understand that failing to secure workers' compensation coverage, filing a false payroll report, or willfully misrepresenting the amount of payroll is a criminal offense. I understand that WSI is relying upon the truth of my statements on this application. I CERTIFY THAT I HAVE NOT FILED ANY FALSE PAYROLL INFORMATION, NOR MADE ANY FALSE STATEMENT, NOR KNOW OF ANY FALSE STATEMENT MADE IN CONNECTION WITH THIS APPLICATION.

I declare that the payroll information entered on this report is true and correct and that it accurately reflects the identity of owners or officers and the earnings of all covered employees. I have read and understand this Fraud Warning.

Signature of Owner/Officer		Printed Name		Date
Title	Phone	Email		