

OCCUPATIONAL ACCIDENT

General Provisions

Through Zurich American, 5Star Specialty Programs can offer Occupational Accident Coverage for independent owner-operators (**no operating authority or primary commercial auto liability**) and their contract drivers not requiring Workers' Compensation. If a group of drivers for a given motor carrier is more than '10' we may require that a separate policy, aside from the master policy, be written.

This is not Workers' Compensation and should only be used in cases where Workers' Compensation is not required by law. Benefits and premiums can be tailored to meet the needs of specific groups ineligible for the master policy.

Eligible enrollees are limited to independent owner-operators (**no operating authority or primary commercial auto liability**) and their contract drivers. In either instance, the enrollee **must** be paid on a 1099 basis. All drivers must be in good health and physicals are recommended. Refer to the certificate of insurance for definitions of both owner-operators and contract drivers to determine whether the enrollee meets the independent contractor eligibility requirements. **Coverage is not available for those residing in the State of NC, CO, NJ, NV, NY, & WA.** The use of "care of" addresses or using the motor carrier to whom leased or owner-operator to whom contracted address is not permitted.

Occupational: Coverage for accidental injury or death while engaged in the usual and customary duties of the insured person's occupation as an independent owner-operator and their contract drivers while in the business of the motor carrier and are a client of 5Star Specialty Programs, Occupational Accident program. Usual travel to and from work, bona fide leaves of absence, and vacations are not covered.

Non-Occupational: Coverage for accidental injury or death while not engaged in the usual and customary duties as an independent owner-operator or their contract driver in the business of the motor carrier.

Application

The Occupational Accident enrollment forms are included in the manual. Three enrollment forms are available:

\$ 300,000.	Plan A
\$ 500,000.	Plan B
\$1,000,000.	Plan C

Plans A, B, and C apply for insured's with 1-9 drivers

FLEETS – 10+ DRIVERS

For fleets of 10 or more drivers a separate occ/acc policy will be written, contingent liability is available for fleet accounts under Plan C benefit limits only. WC to cover the clerical/office staff as well as a small percentage of company drivers is also available. Please send the following items in order to obtain a quote: Group application, Contingent Liability application, copy of the lease agreement, list of drivers by state, loss runs for the past 3 years, details for any loss over \$25,000, copy of the safety/driver manual.

Benefits

The benefits shown on the enrollment forms describe many of the benefits provided under the master policy. These benefits are subject to the limitations and/or exclusions of the policy.

Binding

5Star Specialty Programs will accept an enrollment form by fax or e-mail provided the enrollment form is signed, dated, and the agency has been paid a minimum of one months premium. Coverage will incept no earlier than the date upon which **we** receive a properly completed, signed, and dated enrollment form. **No exceptions.** For insureds written under a separate group policy, the date of binding will be agreed upon by the agent and us.

Premium

\$ 300,000.	Plan A	\$115.00 monthly
\$ 500,000.	Plan B	\$125.00 monthly
\$1,000,000.	Plan C	\$135.00 monthly

Billings: Enrollees added the 1st to the 15th of a month will be billed for that month. Enrollees added the 16th to the last day of the month will be billed starting the following month.
No deposit will be collected.
5Star will invoice your agency once each month. Your office will receive a broker statement that includes all activity for this program. (we do not offer direct bill at this time)

Surcharges: Accidents – two within the prior 36 months add \$25 per month.
Dump trailers (side or end dump) add \$15 per month.
Livestock operations add \$60 per month.
Tanker operations add \$30 per month.

In the event of multiple exposures, use the highest surcharge.

Excluded: Accidents – more than two within the prior 36 months
Dump Trucks
Garbage/Refuse haulers
Furniture Moving and Storage
Local (less than 100 miles per trip) Delivery Operations
Any unit with a GVW less than 20,000 lbs.

Exception: The minimum earned premium equals one full month during the initial term and one full month for each subsequent anniversary term. Note, the minimum earned will still apply regardless of whether a premium was charged when initially written. For example, an enrollee added on 9/17/07 would not incur a charge for September. If that enrollee cancelled coverage on 10/5/07, a charge for October would also not apply. Although there was no charge for the period 9/17/07 to 10/5/07, the one month minimum earned premium would still be applicable.

Exception: Monthly premiums may be increased on any enrollee or group at any anniversary should loss experience indicate an increase is warranted.

Exception: Premiums for separate group policies will be individually negotiated.

Commission

10%

Exception: Commissions for separate group policies will be individually negotiated.

Cancellations

Coverage can be cancelled by:

1. The enrollee, providing a written request to cancel coverage. Cancellations generally can be effective no earlier than 15 days from the date we receive the cancellation request in our office.
2. The agent, providing a written request to cancel coverage for non-payment or the enrollee no longer being under a long-term lease or contract, which is a condition of coverage. Cancellations can generally be effected no earlier than 15 days from the date we receive the request in our office. 5Star is required to send out proper statutory notice for non payment of premium cancellations. We will use the number of days required by the state plus 5 days mailing.

Billings:

Enrollees cancelled the 1st to the 15th of a month will not be billed for the month in which the cancellation was effected. Enrollees cancelled between the 16th and the last day of the month will be billed for the month in which the cancellation was effected. All subsequent monthly billings will be stopped.

Anniversaries

The first anniversary date will be one year from the date coverage was bound. Coverage is continuous until cancelled. If anything changes with the insured's operation such as the company they are leased to, type of trailer they pull/commodities they haul then 5Star must be notified immediately. This may result in an increase or decrease in the monthly premium at anniversary time. We will review the risk at each anniversary date.

Claims

All claims should be reported to:

Zurich American Insurance Company
P.O. Box 307010
Jamaica, NY 11430-7010
Phone (866) 280-4394

Definitions of Eligible Enrollees

Independent Owner-Operators

CLASS I

Actively at Work Owner/Operators who have enrolled for coverage under the **Policy** and agree to participate in the **Trust**. For purposes of the **Policy** an **Owner/Operator** must:

1. have a valid and current Commercial Driver's License;
2. own or lease a power unit;
3. be responsible for the maintenance of the power unit;
4. be responsible for the operating costs of the power unit, including but not limited to fuel, repairs, supplies and other expenses associated with the operation of the power unit;
5. be responsible for maintaining physical damage insurance on the power unit;
6. be responsible for hiring and supervising personnel who operate the power unit;
7. be compensated on a basis other than time expended in the performance of work;
8. be responsible for determining the route and hours for an assignment;
9. have the right to select the load;
10. be classified as an independent contractor by the person who has engaged his or her services and not as an employee for purposes of workers' compensation insurance, federal income taxes, state income taxes, social security, unemployment insurance or for any other purpose; and
11. must receive for federal income tax reporting purposes a 1099 not a W-2.

Contract Drivers of Independent Owner-Operators

CLASS II

Actively at Work Contract Drivers who have enrolled for coverage under the **Policy** and agree to participate in the **Trust**. For purposes of the **Policy** a **Contract Driver** must:

1. have a valid and current Commercial Driver's License;
2. be authorized by an **Owner/Operator** to operate a power unit owned or leased by an **Owner/Operator**. (The **Contract Driver** must neither own nor lease the power unit);
3. be compensated on a basis other than time expended in the performance of work;
4. must be responsible for determining the route and time for an assignment;
5. must operate the power unit of the person who has engaged his or her services as an independent contractor. (Operating the unit must be the principal duty of the **Contract Driver**);
6. be classified as an **Independent Contractor** by the person who has engaged his or her services and not as an employee for purposes of workers' compensation insurance, federal income taxes, state income taxes, social security, unemployment insurance, or for any other purpose;
7. must receive for federal income tax reporting purposes a 1099 and not a W-2;
8. must not be an employee of the **Owner/Operator**;

The **Insured Person** cannot be covered by any other Occupational **Accident Policy** issued by this **Company**.

If the **Insured Person** pays premium but is not eligible for coverage or does not qualify for benefits under the **Policy**, the **Company** will refund premium paid in error.

