

MULTI-STATE COVERAGE PROGRAM INSTRUCTION GUIDE FOR AGENTS

Our vision for Pinnacol's Multi-State Coverage (MSC) program is to attract and retain Colorado customers and provide them with sustainable coverage. In other words, we want to look for a way to say yes, responsibly, for our mutual customers. To deliver on this promise, we have consolidated our MSC book to a group of underwriters who provide the program's expertise.

In addition to including instructions for submitting an MSC application for review, this guide includes Frequently Asked Questions and a list of MSC exposures that may be outside of our underwriting guidelines. If you'd like additional information or have additional questions, please don't hesitate to contact your Pinnacol underwriter.

PINNACOL'S MSC GUIDELINES

Pinnacol is very interested in reviewing all MSC opportunities referred by our agent partners. A business does not have to be headquartered or domiciled in Colorado to be considered for an MSC policy with Pinnacol. They simply need to have a Colorado exposure.

You'll find a list of exposures that may be outside of our MSC guidelines at the end of this guide.

HOW TO SUBMIT AN MSC APPLICATION FOR REVIEW

1. Submit new and renewal MSC applications to your Pinnacol MSC underwriter.
 2. You must submit complete information on an ACORD application for new MSC business or if you are updating or adding a new exposure to an existing MSC policy. If you are editing an existing policy, you can send us an ACORD change form.
 3. Our goal is to respond quickly to your request for a quote. If your Pinnacol underwriter approves the exposure, they will provide a quote. After you get the quote, you (the agent) can choose to request to issue the policy for a date in the future.
-

SUBMITTING AN APPLICATION

What information does Pinnacol need to quote a new MSC application?

- A complete ACORD application
- Currently valued three to 10 years of loss runs
- A detailed description of operations by state/location, including applicable safety information
- A list of any special circumstance like endorsements, deductibles, limits, experience modification worksheet (if applicable), etc.

Will there be any restriction on class codes?

Although Pinnacol has expanded our MSC guidelines, some exclusions remain outside of our guidelines. You'll find a list of exposures that may be outside of our MSC guidelines at the end of this guide.

Does Pinnacol have any state limitations? What states does Pinnacol not write in?

Technically, we don't have any state limitations. The only real limitation is that we can't write Colorado on the Zurich policy since that is a Pinnacol policy. We are limited and can't write U.S. Territories such as Guam and Puerto Rico. The exclusion of Alaska and Hawaii and other monopolistic states is conditional and be negotiated and covered in the right circumstances.

Will Zurich have an all states policy, or will I need to list each state?

The Zurich policy is an all states policy. However, some exclusions should be expected. Although we will exclude Alaska and Hawaii, there are times we have and will write coverage for these states. Other states may also be excluded on a case-by-case basis and will be listed in Part 3.C. of the policy upon issuance.

Can we write a state on an IF ANY business?

IF ANY exposures are most often a state or location that has no employee presence or payroll. The IF ANY exposure doesn't calculate a premium because there isn't an employee presence or payroll. However, at the time of an audit, a minimum premium charge may be calculated if the policy minimum hasn't been met.

Your Pinnacol MSC underwriter will review IF ANY exposures on a case-by-case basis. A state or location can be considered for an IF ANY exposure, but the overarching policy has to have some insurable interest even if it is in a different state or location.

If a customer's business expands, can they add additional states to their existing MSC coverage?

If the customer meets the criteria outlined in Part 3.C. of their MSC (Zurich) policy, we can backdate MSC coverage to the policy effective date. Take a look at our [Expanding MSC Coverage flowchart](#) for more details about our backdating review process. This chart illustrates the process Pinnacol's MSC underwriters follow for new state exposures that are discovered at midterm or during an audit.

Can new MSC policies be backdated?

New MSC policies will be issued for an effective date in the future. Coverage won't be backdated in this case, similar to Pinnacol's Colorado policy quote/bind/issue standards.

Are there any exceptions to Pinnacol's backdating review process?

There may be exceptions to our backdating review process. If you have a question about backdating coverage outside of the midterm/audit or new policy guidelines, please contact your Pinnacol MSC underwriter.

Pinnacol does not non-renew Colorado policies. Will that be the same policy with Zurich, or will they have to follow the specific state cancellation/non-renewal guidelines?

Pinnacol is dedicated to providing a sustainable MSC product to our agency partners and customers. Our desire is not to write a piece of business for the short-term and then non-renew it. However, we do reserve the right to non-renew an MSC policy if needed. The non-renewal will be issued per the specific state guidelines.

Do the deductibles have to match for each state?

The deductibles for each state do not have to match. We do, however, want to see the Employers Liability Limits match. When the limits on two different policies are mismatched, one policy has the potential to become "excess" if the limits are exceeded on the other policy in a severe situation.

Will the Employers Liability Limits be the same on all states?

We do want to see the Employers Liability Limits match. With mismatched limits on two different policies, one policy can become "excess" if the limits are exceeded on the other policy in a severe situation.

Do we have the same effective dates for the MSC and Pinnacol policy?

The Zurich policy expiration date will mirror the Pinnacol policy. If a midterm adjustment is made to add MSC or a new exposure or state, the effective date does not need to match the Colorado effective date. If changes are made at renewal, the effective dates will align with the Colorado policy.

Here is an example:

The Colorado policy has an effective date of 01/01/21 through 01/01/22. A new MSC policy is added on 12/30/20, which means its effective dates are 12/30/20 through 01/01/21. The policy will then renew from 01/02/21 through 01/01/22, ensuring that the effective/expiration dates will remain consistent.

Will there be a "years in business" requirement to write an MSC policy?

No.

How can I submit an MSC application online?

You can use the Agent Quote app in Pinnacol's Agency Portal to submit an application. You can also submit an application to your underwriter directly via email.

After I submit an application, when can I expect a quote?

Our goal is to complete most quotes within 3-5 business days.

NEW BUSINESS POLICY ISSUANCE

What information does Pinnacol need to issue an MSC quote?

- A written (email will work) request to issue the policy for a date in the future.
- Effective for all MSC policies written for or renewing on January 1, 2022, or later, we will automatically renew the policy unless Pinnacol or the policyholder provides a written notice of intent for non-renewal or if the renewal premium is unpaid.

After I receive a Pinnacol quote, when can I request the policy to be issued?

After you receive Pinnacol's quote, you (the agent) can choose to request to issue the policy for a date in the future.

COMMISSION AND PROFIT-SHARING ON MSC POLICIES

How will the MSC affect my loss ratio for my entire book?

Currently, MSC losses are not factored in for profit-sharing purposes. As data reporting improves, MSC losses may be factored into the loss ratio for profit sharing purposes. We will be sure to notify agency partners if there are any changes in the future.

Will I receive any additional compensation for placing MSC business with Pinnacol, other than the commission, as this will affect my total compensation with other companies with whom we write business?

Yes, the thresholds for new business incentives will be based on the Colorado and MSC premium combination.

WHERE CAN I FIND MSC INFORMATION?

Can I see the other states' information in the Agent Portal?

You can view the MSC installment information on Pinnacol's Agent and Policyholder Portals. MSC policy packet is now available on the Agent and Policyholder Portals. We will continue working to enhance the MSC information that's available on the portals. If you have enhancements you'd like to recommend, please feel free to email Allison Piehl, Pinnacol's Underwriting Programs & Products Director, at allison.piehl@pinnacol.com.

Can I find MSC claims information on Pinnacol's Agent Portal?

You can view MSC claims information on [Zurich's RiskIntelligence Express](#) — Zurich's web-based tool that allows you to view your MSC claims information on demand. For more information, contact your Pinnacol Agency Sales Manager or visit zurichna.com/claims/riskintelligence.

WHO SHOULD I CONTACT WITH QUESTIONS?

After Pinnacol issues the MSC policy, who can my customer or I contact if we have questions regarding claims handling, etc.?

Please email us at multistateclaims@pinnacol.com or call us at 303.361.4256.

MSC EXPOSURES OUTSIDE OF PINNACOL'S UNDERWRITING GUIDELINES

We are always excited about new MSC opportunities, and we want to find a way to say yes to as many opportunities as we responsibly can. That said, the following list of exposures may be outside of our current MSC guidelines.

All aircraft or aviation exposure, including airport operations, servicing, maintenance, aircraft dealers, distributors, storage, and products or parts manufacturing intended for use within an aircraft

Ammunition manufacturing, transporting, storage or remediation of waste ordinance

Armored car services

Avalanche control

Battery manufacturing

Black lung or brown lung exposures

Blood banks

Bridge, tunnel and elevated highway work

Catastrophe/restoration construction

Coal, oil sands, oil shales

Coming out of a self-insured pool

Conveyance and livery

Defense Base Act

Detective agencies, penal systems, arms-bearing persons, or security training facilities

Disease-loaded (floods, fires, mold, debris, asbestos, lead, etc.)

Employee leasing companies or Master Professional Employer Organization

Explosive operations inclusive of fireworks manufacturing, selling, storage or transporting

Extreme sports, (e.g., white water rafting)

Federal Coal Mine Health and Safety Act

Feedlots

Firearms manufacturing, sales, distribution or repair

Firefighters and emergency responders

Framing

Grain milling or elevator operations

Guarantee/Insolvency funds

International and U.S. Territory exposures

Logging

Marijuana, Cannabis, CBD, Hemp

Migrant and seasonal workers

Mining

Moving and storage

Nuclear or environmental construction or clean-up operations

Occupational disease exposures (i.e., silica, heavy metals (such as lead, cadmium), asbestos, noise, radiation) with exception to sudden and/or accidental events in which workers would not normally be exposed

Paint and varnish manufacturing

Professional athletic teams

Remediation work

Rifle, pistol, skeet or trap shooting ranges

Roofing operations of all kinds, including incidental outside sales, supervisors and independent contractors

Storm chasers

Towing

Traffic control/barricades

Tribal relations, jurisdictions, sovereign nation

USL + H

Volunteers