

ORIGINAL

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM RICHLAND COUNTY
Court of Common Pleas

G. Thomas Cooper, Jr., Circuit Court Judge

Appellant Case No. 2014-000963

RECEIVED

NOV 20 2014

SC Court of Appeals

Allen Patterson, Steve Tilton, Richard Sendler,
Lincoln Privette, Marc Ellis, Joey Carter, Barry Davis,
Michel Nieri, Allen Patterson Residential LLC, Tilton
Group, Sendler Construction Co., Inc., Privette Enterprises,
Ellis Construction Co., Inc., The Barry Davis Company, Inc.,
Great Southern Homes, and J. Carter, LLC, on behalf of
themselves and others similarly situated.....Appellants,

v.

Herb Witter, Colin Campbell, Eddie Weaver,
Tom Markovich, Keith Smith, Jim Gregorie,
individually and as Trustees of the South Carolina
Home Builders Self Insurers Fund, and the South Carolina
Home Builders Self Insurers Fund.....Respondents.

RECORD ON APPEAL - SUPPLEMENT

James Edward Bradley
S. Jahue Moore
Margaret "Meg" Hazel
Moore Taylor Law Firm, P.A.
P.O. Box 5709
West Columbia, SC 29171
803-796-9160
Attorneys for Appellants

William W. Wilkins
Burl F. Williams
Nexsen Pruet, LLC
P.O. Drawer 10648
Greenville, SC 29603
864-282-1199

and

James Lynn Werner
Lawrence M. Hershon
Parker Poe Adams & Bernstein LLP
P.O. Box 1509
Columbia, SC 29202
803-255-8000

Attorneys for Respondent South Carolina
Home Builders Self Insurers Fund

Pope D. Johnson
Johnson & Barnette, LLP
P.O. Drawer 11209
Columbia, SC 29211-1209
803-799-9791

and

James Lynn Werner
Lawrence M. Hershon
Parker Poe Adams & Bernstein LLP
P.O. Box 1509
Columbia, SC 29202
803-255-8000

Attorneys for Respondents Herb Witter,
Colin Campbell, Eddie Weaver, Tom
Markovich, Keith Smith and Jim Gregorie,
individually and as Trustees of the South
Carolina Home Builders Self Insurers Fund



WORKERS COMPENSATION APPLICATION

DATE (MM/DD/YYYY)

AGENCY NAME AND ADDRESS	COMPANY:	
	UNDERWRITER:	
	APPLICANT NAME:	
	OFFICE PHONE:	MOBILE PHONE:
	MAILING ADDRESS (Including ZIP + 4 or Canadian Postal Code)	
PRODUCER NAME:	YRS IN BUS:	
CS REPRESENTATIVE NAME:	SIC:	
OFFICE PHONE (A/C No. Ext):	NAICS:	
MOBILE PHONE:	WEBSITE ADDRESS:	
FAX (A/C No.):	E-MAIL ADDRESS:	
E-MAIL ADDRESS:	SOLE PROPRIETOR CORPORATION LLC TRUST	
CODE:	PARTNERSHIP SUBCHAPTER "S" CORP JOINT VENTURE OTHER	
SUB CODE:	CREDIT BUREAU NAME:	
AGENCY CUSTOMER ID:	FEDERAL EMPLOYER ID NUMBER NCQI RISK ID NUMBER	
	ID NUMBER:	
	OTHER RATING BUREAU ID OR STATE EMPLOYER REGISTRATION NUMBER	

STATUS OF SUBMISSION		BILLING / AUDIT INFORMATION	
☐ QUOTE	☐ ISSUE POLICY	☐ BILLING PLAN	☐ PAYMENT PLAN
☐ BOUND (Give date and/or attach copy)	☐ AGENCY BILL	☐ ANNUAL	☐ AT EXPIRATION
☐ ASSIGNED RISK (Attach ACORD 133)	☐ DIRECT BILL	☐ SEMI-ANNUAL	☐ SEMI-ANNUAL
		☐ QUARTERLY	☐ QUARTERLY
		% DOWN:	

LOCATIONS	
LOC #	STREET, CITY, COUNTY, STATE, ZIP CODE

POLICY INFORMATION				
PROPOSED EFF DATE	PROPOSED EXP DATE	NORMAL ANNIVERSARY RATING DATE	PARTICIPATING	RETRO PLAN
PART 1 - WORKERS COMPENSATION (States)		PART 2 - EMPLOYER'S LIABILITY	PART 3 - OTHER STATES INS	DEDUCTIBLES (N/A in W)
		\$ EACH ACCIDENT		AMOUNT / % (N/A in W)
		\$ DISEASE-POLICY LIMIT		OTHER COVERAGES
		\$ DISEASE-EACH EMPLOYEE		U.S.L. & H. VOLUNTARY COMP
DIVIDEND PLANS/SAFETY GROUP		ADDITIONAL COMPANY INFORMATION		FOREIGN COV
SPECIFY ADDITIONAL COVERAGES / ENDORSEMENTS (Attach ACORD 101, Additional Remarks Schedule, if more space is required)				

TOTAL ESTIMATED ANNUAL PREMIUM - ALL STATES		
TOTAL ESTIMATED ANNUAL PREMIUM ALL STATES	TOTAL MINIMUM PREMIUM ALL STATES	TOTAL DEPOSIT PREMIUM ALL STATES
\$	\$	\$

CONTACT INFORMATION				
TYPE	NAME	OFFICE PHONE	MOBILE PHONE	E-MAIL
INSPECTION				
ACCTG RECORD				
CLAIMS INFO				

INDIVIDUALS INCLUDED / EXCLUDED									
PARTNERS, OFFICERS, RELATIVES (Must be employed by business operations) TO BE INCLUDED OR EXCLUDED (Remuneration/Payroll to be included must be part of rating information section.)									
Exclusions in Missouri must meet the requirements of Section 287.090 RSMo.									
STATE	LOC #	NAME	DATE OF BIRTH	TITLE/RELATIONSHIP	OWNER-SHIP %	DUTIES	INC/EXC	CLASS CODE	REMUNERATION/PAYROLL

SIF 001

AGENCY CUSTOMER ID:

FOR MULTIPLE STATES, ATTACH AN ADDITIONAL PAGE 2 OF THIS FORM

[illegible]

STATE:	FACTOR	FACTORED PREMIUM		FACTOR	FACTORED PREMIUM
TOTAL	N/A	\$			\$
INCREASED LIMITS		\$	SCHEDULE RATING *		\$
DEDUCTIBLE *		\$	CCPAP		\$
		\$	STANDARD PREMIUM		\$
EXPERIENCE OR MERIT MODIFICATION		\$	PREMIUM DISCOUNT		\$
		\$	EXPENSE CONSTANT	N/A	\$
ASSIGNED RISK SURCHARGE *		\$	TAXES / ASSESSMENTS *	N/A	\$
ARAP *		\$			\$

TOTAL ESTIMATED ANNUAL PREMIUM	MINIMUM PREMIUM	DEPOSIT PREMIUM
\$	\$	\$

SIF 002

ACORD 130 (2009/09)

Page 2 of 4

ROA Supp000002

PRIOR CARRIER INFORMATION / LOSS HISTORY

AGENCY CUSTOMER ID: _____

PROVIDE INFORMATION FOR THE PAST 5 YEARS AND USE THE REMARKS SECTION FOR LOSS DETAILS						LOSS RUN ATTACHED
YEAR	CARRIER & POLICY NUMBER	ANNUAL PREMIUM	MOD	# CLAIMS	AMOUNT PAID	RESERVE
	CO: _____ POL #: _____					
	CO: _____ POL #: _____					
	CO: _____ POL #: _____					
	CO: _____ POL #: _____					
	CO: _____ POL #: _____					
	CO: _____ POL #: _____					

NATURE OF BUSINESS / DESCRIPTION OF OPERATIONS

GIVE COMMENTS AND DESCRIPTIONS OF BUSINESS, OPERATIONS AND PRODUCTS: MANUFACTURING - RAW MATERIALS, PROCESSES, PRODUCT, EQUIPMENT; CONTRACTOR - TYPE OF WORK, SUB-CONTRACTS; MERCANTILE - MERCHANDISE, CUSTOMERS, DELIVERIES; SERVICE - TYPE, LOCATION; FARM - ACREAGE, ANIMALS, MACHINERY, SUB-CONTRACTS.

GENERAL INFORMATION

EXPLAIN ALL "YES" RESPONSES	Y / N
1. DOES APPLICANT OWN, OPERATE OR LEASE AIRCRAFT / WATERCRAFT?	
2. DO / HAVE PAST, PRESENT OR DISCONTINUED OPERATIONS INVOLVE(D) STORING, TREATING, DISCHARGING, APPLYING, DISPOSING, OR TRANSPORTING OF HAZARDOUS MATERIAL? (e.g. landfills, wastes, fuel tanks, etc)	
3. ANY WORK PERFORMED UNDERGROUND OR ABOVE 15 FEET?	
4. ANY WORK PERFORMED ON BARGES, VESSELS, DOCKS, BRIDGE OVER WATER?	
5. IS APPLICANT ENGAGED IN ANY OTHER TYPE OF BUSINESS?	
6. ARE SUB-CONTRACTORS USED? (If "YES", give % of work subcontracted)	
7. ANY WORK SUBLET WITHOUT CERTIFICATES OF INSURANCE? (If "YES", payroll for this work must be included in the State Rating Worksheet on Page 2)	
8. IS A WRITTEN SAFETY PROGRAM IN OPERATION?	
9. ANY GROUP TRANSPORTATION PROVIDED?	
10. ANY EMPLOYEES UNDER 16 OR OVER 60 YEARS OF AGE?	
11. ANY SEASONAL EMPLOYEES?	
12. IS THERE ANY VOLUNTEER OR DONATED LABOR? (If "YES", please specify)	

GENERAL INFORMATION (continued)

AGENCY CUSTOMER ID: _____

EXPLAIN ALL "YES" RESPONSES	Y/N
13. ANY EMPLOYEES WITH PHYSICAL HANDICAPS?	
14. DO EMPLOYEES TRAVEL OUT OF STATE? (If "YES", indicate state(s) of travel and frequency)	
15. ARE ATHLETIC TEAMS SPONSORED?	
16. ARE PHYSICALS REQUIRED AFTER OFFERS OF EMPLOYMENT ARE MADE?	
17. ANY OTHER INSURANCE WITH THIS INSURER?	
18. ANY PRIOR COVERAGE DECLINED / CANCELLED / NON-RENEWED IN THE LAST THREE (3) YEARS? (Missouri Applicants - Do not answer this question)	
19. ARE EMPLOYEE HEALTH PLANS PROVIDED?	
20. DO ANY EMPLOYEES PERFORM WORK FOR OTHER BUSINESSES OR SUBSIDIARIES?	
21. DO YOU LEASE EMPLOYEES TO OR FROM OTHER EMPLOYERS?	
22. DO ANY EMPLOYEES PREDOMINANTLY WORK AT HOME? If "YES", # of Employees: _____	
23. ANY TAX LIENS OR BANKRUPTCY WITHIN THE LAST FIVE (5) YEARS? (If "YES", please specify)	
24. ANY UNDISPUTED AND UNPAID WORKERS COMPENSATION PREMIUM DUE FROM YOU OR ANY COMMONLY MANAGED OR OWNED ENTERPRISES? IF YES, EXPLAIN INCLUDING ENTITY NAME(S) AND POLICY NUMBER(S).	

REMARKS (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

APPLICABLE IN TENNESSEE AND VERMONT: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO ANY PARTY TO A WORKERS COMPENSATION TRANSACTION FOR THE PURPOSE OF COMMITTING FRAUD. PENALTIES INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND [NY: SUBSTANTIAL] CIVIL PENALTIES. (Not applicable in CO, DC, FL, HI, MA, NE, OH, OK, OR, VT or WA; In LA, ME, TN and VA, insurance benefits may also be denied)

IN THE DISTRICT OF COLUMBIA, WARNING: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES.

IN MASSACHUSETTS, NEBRASKA, OREGON AND VERMONT, ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, MAY BE COMMITTING A FRAUDULENT INSURANCE ACT, WHICH MAY BE A CRIME AND MAY SUBJECT THE PERSON TO CRIMINAL AND CIVIL PENALTIES.

IN WASHINGTON, IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES, AND DENIAL OF INSURANCE BENEFITS.

APPLICANT'S SIGNATURE (Must be Officer, Owner or Partner)	DATE	PRODUCER'S SIGNATURE	NATIONAL PRODUCER NUMBER
---	------	----------------------	--------------------------

ACORD 130 (7/00/01)

ROA Supp000004



SCHBSIF CONTRACTORS SUPPLEMENTAL APPLICATION

- ☐ HOMEBUILDER % Residential _____
☐ ARTISAN
☐ OTHER % Commercial _____

Agency Name: _____

Applicant _____ Effective Date _____

Type of Business _____ Applicant's Cell/Mobile # _____

Has the owner ever been insured or quoted by the SCHBSIF?

☐ Yes ☐ No If yes, policy number(s) _____

Do you currently have Workers Compensation coverage in force? ☐ Yes ☐ No

If yes, who is your current WC carrier? _____ If not in force, please advise last
cancellation/expiration date for WC coverage: _____

Are you currently an HBA member? Yes No If so how long have you been an HBA member? _____

Years in Business _____ Years Experience _____ # of Employees _____

Previous FEIN's, DBA's and AKA's _____

Payroll Past Year: Employees _____

Payroll Past Year: Uninsured Subcontractors _____

What type of uninsured subs does the applicant use? _____

Are insured subcontractors allowed to work without providing the applicant with a certificate of insurance?

☐ Yes ☐ No If Yes, Details: _____

Do you use any cash, casual labor, or labor services? ☐ Yes ☐ No If Yes, how many days per year is it
used? _____ What is the estimated cost for cash, casual or labor services? _____

If cash services used, how is it documented? _____

Any work performed outside the state of South Carolina? ☐ Yes ☐ No If Yes, please describe _____

Please describe hiring procedures for employees: _____

.....
Please complete the following sections as they apply to the applicant. If N/A, please note. Explain all
"Yes" responses in remarks.

Fall Protection

1. Is Scaffolding used? ☐ Yes ☐ No

2. If Yes, to what height? _____

3. Are guard rails used on scaffolding? ☐ Yes ☐ No

Describe in detail all fall protection used on job site (i.e. guardrails, harnesses, covers, etc.) and under what
circumstances they are used: _____

Air Conditioning & Heating

1. Any Boiler Work Done? ☐ Yes ☐ No

2. Any Asbestos Removal Done? ☐ Yes ☐ No

Carpentry

1. Any Roofing Done? If "yes", what % _____ ☐ Yes ☐ No

2. Any Shop Work Done? ☐ Yes ☐ No

3. Any Renovation Work Done? If "yes", what % _____ ☐ Yes ☐ No

4. Any Gutting of Interior Load Bearing Walls? ☐ Yes ☐ No

Electrical Wiring

1. Any Underground Cable Work? ☐ Yes ☐ No

Excavation & Grading of Land and Septic Tank Installation

1. Depth-typical and maximum _____

2. Type of Excavation: Water Lines ☐ Yes ☐ No
 Sewer ☐ Yes ☐ No
 Septic ☐ Yes ☐ No
 Basements ☐ Yes ☐ No
 Other _____ ☐ Yes ☐ No

3. Any Work Done in Streets or Roads? ☐ Yes ☐ No

4. Are trench boxes used? ☐ Yes ☐ No

Describe when and how they are used. If no, explain: _____

Insulation

1. Any removal? If "yes, indicate what type and disposal Procedures ☐ Yes ☐ No

2. Indicate type of insulation work done _____

Landscaping

1. Any grading of land or excavation work done? ☐ Yes ☐ No
If "Yes", what % _____

2. Any spraying of bushes, lawn, etc, with pesticides, herbicides, or fertilizers? If "Yes", explain extent, how often and what is used? ☐ Yes ☐ No

3. Any Tree Trimming work done? ☐ Yes ☐ No
If "Yes", what % _____

Masonry

1. Do you excavate also? ☐ Yes ☐ No

Painting

1. Inside % _____ Outside % _____ ☐ Yes ☐ No

2. Any work done above two stories? ☐ Yes ☐ No

3. Any scaffolding used? ☐ Yes ☐ No
If "Yes", to what height? _____

4. Any epoxies used? ☐ Yes ☐ No

5. Any lead paint removal done? ☐ Yes ☐ No

Plumbing

1. Any septic tank installation? ☐ Yes ☐ No

Remarks: Explanations as needed from responses above: _____

To the best of my knowledge all the information I have given about my business is true and correct. If information is found to be different as the result of my knowingly attempting to defraud the SCHBSIF, or information is concealed for the purpose of misleading, or another person files an application for insurance containing materially false information the SCHBSIF may send direct notice of cancellation.

Officer or Owner of Business

Date

SCHBSIF Supplemental Application (01/2011)



No Loss Statement

I certify that there have been no losses, accidents or circumstances that might give rise to a claim for the following time period: _____ to _____

Applicant/Member Name (Please print)

Applicant/Member Signature

Member # (If applicable): _____

P O Box 7727 Columbia, SC 29202 * 800/678-8178 * 803/771-0566
Claims Fax 803/771-1598 * Policy Services/Admin. Fax 803/252-8581

RESUME

Name of Applicant: _____

of Years in Business: New Venture

of Years Experience: _____

I, _____, have experience working in the
_____ business for the past _____ years.

My experience includes the following:

Signature of Applicant

Date

Statement of Assets & Liabilities
(Balance Sheet)
(if CPA-prepared balance sheet is not available, use this form)
for the purpose of
SOUTH CAROLINA HOME BUILDERS SELF INSURERS FUND

Company Name _____ Date _____

A. Current Assets

Cash on Hand.....	\$ _____
Cash in Bank.....	\$ _____
Notes Receivable.....	\$ _____
Other.....	\$ _____
Other.....	\$ _____
Total of Section A.....	\$ _____

B. Fixed Assets

Machinery/Tools.....	\$ _____
Real Estate.....	\$ _____
Investment.....	\$ _____
Other.....	\$ _____
Other.....	\$ _____
Total of Section B.....	\$ _____

C. TOTAL ASSETS (A&B)..... \$ _____

D. Current Liabilities

Accounts Payable.....	\$ _____
Other.....	\$ _____
Other.....	\$ _____
Total of Section D.....	\$ _____

E. Long-Term Debt

Notes Payable.....	\$ _____
Bonded Indebtedness.....	\$ _____
Mortgage Indebtedness.....	\$ _____
Other.....	\$ _____
Other.....	\$ _____
Total of Section E.....	\$ _____

F. TOTAL LIABILITIES (D&E)..... \$ _____

G. OWNER'S EQUITY or NET WORTH.... \$ _____

(subtract line F from line C)

Signature of Company Owner _____

Note: Applications with negative equity (line G) will be declined

(To be completed by all applicants)

Executed this _____ day of _____, _____
(month) (year)

Resident Address: _____
Resident Phone # _____

PERSONAL GUARANTY

Executed this _____ day of _____, _____
(month) (year)

SSN: _____ DOB: _____

SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

CORPORATE OFFICER NOTICE TO REJECT

To the Employer of the Undersigned and the Employer's Insurance Carrier:

The undersigned officer rejects their terms, conditions and provisions of the South Carolina Workers' Compensation Act and elects to pursue compensation for personal injuries under the common law and statutes of South Carolina.

As provided by law (Section 42-I-520), "An officer of a corporation who elects not to operate under this title, shall, in any action to recover damages for personal injury or death brought against an employer accepting the compensation provisions of this title, proceed at common law and the employer may avail himself of the defenses of contributory negligence, negligence of a fellow servant, and assumption of risk, as such defenses exist at common law."

This notice becomes effective on the date listed below, no sooner than the day following the date signed by the corporate officer.

*** PLEASE PRINT OR TYPE ALL INFORMATION*** ORIGINAL SIGNATURES REQUIRED***

Name of Officer Corporate Title

Name of Business (Legal Name)

Street Address Post Office Box

Street Address Post Office Box

City State Zip

City State Zip

Social Security Number

Federal Employer ID#

Area Code Telephone Number

Area Code Telephone Number

Signature of Officer Date

Effective Date

Subscribed and sworn to me this _____ day of _____

My commission expires: _____

Notary Public

This form may be used when an officer desires to become exempt from the provisions of the South Carolina Workers' Compensation Act. For additional information regarding the provision of Section 42-I-520 and this form, contact your insurance carrier or the South Carolina Workers' Compensation Commission, Coverage and Compliance Division, Post Office Box 1715, Columbia, South Carolina 29202-1715 (803) 737-5709.

NOTICE OF ELECTION OF COVERAGE
UNDER WORKERS' COMPENSATION LAW

To: South Carolina Home Builders
Self-Insurers Fund

Effective Date _____
Unit # 010- _____
NCDI # _____
FEIN # _____

RE: _____
Please type or print the owners' name(s)

doing business as _____
Firm or Trade name

Street Address and City

I / we, sole proprietor or partner of the above named business, do hereby certify that I / we devote full time to the proprietorship or partnership and that I / we hereby elect to be included in the definition of employee for the purpose of entitlement to benefits under the workers' compensation coverage issued to this company.

Name of Owner or Partners:

Type or print name and position under signature

Date

Signature _____

Name & Position _____

Signature _____

Name & Position _____

Signature _____

Name & Position _____

THE COVERAGE SHALL BE EFFECTIVE THIRTY DAYS AFTER RECEIPT

APPLICATION FOR MEMBERSHIP IN A SELF-INSURED FUND

1. Fund Name: _____
2. Applicant's Name: _____
3. Applicant's Address: _____
4. Applicant's Telephone Number: (____) _____
5. Employer's Federal Identification Number: _____
6. The Employer is a: (check one)

☐ (A) Corporation: Attach a list of officers and their residence address.

☐ (B) Partnership: Attach a list of officers and their residence address.

☐ (C) Sole Proprietorship: Name and Residence: _____

☐ (D) Other. Explain _____

7. Who is your present workers' compensation insurance carrier:

8. In the most recent fiscal year what was your workers' compensation premium and experience modification for South Carolina?

Premium Amount: _____ Experience Modification: _____

9. List all employment locations in South Carolina.
(provide attachment if necessary)

Locations	Number of Employees
_____	_____
_____	_____
_____	_____

10. Provide the following information for workers' compensation claims for South Carolina for the past three years.

Year	Number of Claims	Amount Paid	Amount Incurred

For further information, refer to Article 15 of the South Carolina Workers' Compensation Commission's Regulations.

South Carolina Workers' Compensation Commission
SELF-INSURANCE DIVISION
P.O. Box 1715 • 1612 Marion Street
Columbia, South Carolina 29202-1715
(803) 737-5706

Page Two of Two

11. Describe the nature of your business including products manufactured, sold or services provided.

12. Provide the following employment information for the current year.

Year _____	Employee Class Codes	Number of Employees	Estimated Payroll

13. Attach a current financial statement.

14. Attach a twenty-five dollar application fee. Make the check payable to the South Carolina Workers' Compensation Commission.

In consideration of the approval of this application, the applicant agrees to fully comply with the terms of the South Carolina Workers' Compensation Act and Regulations.

If the applicant is approved, it is agreed and acknowledged, that the applicant, along with the other members of the Fund will be jointly and severally liable, for any liability of the Fund, which is incurred during the applicants membership in the Fund.

By: Applicant's Name: _____

Signature: _____

Sworn and subscribed before me
this _____ day of _____ year _____

Notary Public for: _____

My commission expires: _____

Reserved for Commission Use Only

Fund Number: _____ Effective Date: _____

For further information, refer to Article 15 of the South Carolina Workers' Compensation Commission's Regulations.

WCC FORM # 6A REV. DATE 3/96

APPLICATION FOR MEMBERSHIP IN A SELF-INSURED FUND

ROA Supp000014

SIF 014

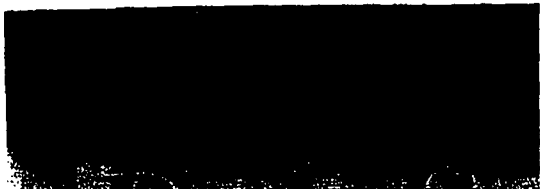
WORKERS' COMP COVERAGE



Self Insurers

SIF 015





Benefits OF SOUTH CAROLINA HOME BUILDERS



COLUMBIA
(803) 771-0566
TOLL FREE
1-800-678-8178

Looking out for *your* SAFETY



COLUMBIA
(803) 771-0566
TOLL FREE
1-800-678-8178

- All fund services provided "in-house" by our Columbia office
- Competitive rates and discounts
- Monthly self-audit billing that provides coverage on consignment
 - the covered member pays each month based on his payroll for that month
- Competitive Risk control plan
 - the plan provides safety service of job sites, accident analysis, local safety seminars, recommendations for the correction of hazardous work practices and the implementation of a safety program, thereby reducing the potential for claims that raise experience rating and premiums.
- Personalized and aggressive claims management
 - managing claims vs. claims paying approach
 - rehabilitation services
 - report accidents over the telephone
 - drug and alcohol policy
 - all claims with lost time from work investigated
 - pursue Second Injury Fund and subrogation claims

A service available *only* to members of the Home Builders Association of South Carolina

Application packet to Bind/Issue

Acord 130

Contractors Supplemental Application

Loss information :

- If prior coverage, please provide 3 year loss information or 3 year signed no- loss statement.
- Loss runs are required within 30 days of coverage being bound.
- If no prior coverage, please provide signed 3 year no-loss statement

Application for membership in a Self Insured Fund

Inclusion and/or exclusion forms if applicable

Statement of Assets and Liabilities (Balance Sheet)

Agreement to Pay Premiums and Reasonable Attorney's Fees and Costs in the Event Collection Becomes Necessary/Personal Guaranty Forms

Deposit check made payable to SCHBSIF

\$25.00 check made payable to SCWCC

If applicable:

- Mod Sheet
- If no prior coverage, please provide resume on all owners/officers showing at least 5 years experience.

NOTE: Coverage cannot be bound until original signed documents and payment checks are received by SCHBSIF. Faxed or E-Mailed copies of checks cannot be used to bind coverage. If you have any questions please contact the SCHBSIF office.



New Member Checklist

General:

___ Membership in a local HBA is required for all residential contractors. If membership cancels, the policy is subject to non-renewal.

___ All new members must attend a Risk Control & Claims seminar within the first 12 months of the policy term. Upcoming meetings are included in each monthly report mailing and are available on our website.

Policy Services:

___ Monthly reporting forms are mailed on or around the 24th of the month. The completed form and premium due must be received by the 10th of the following month. If not received by the 20th a late notice will be issued and a \$25.00 fee will apply. If still not received by the last day of that month, a cancellation notice will be mailed and a reinstatement fee of \$30.00 will apply.

___ Undocumented payroll exposure may be grounds for cancellation of coverage.

___ Roofing is not acceptable. If more than 10% of total audited payroll is roofing, the policy will be subject to cancellation.

___ All policies are audited annually. We require payroll, tax records, certificates of insurance and job descriptions to complete the audit. For subcontracted work, invoices must be broken down between labor and materials.

___ Certificates of Insurance for subcontractors should be obtained from an insurance agent directly BEFORE work begins. Save this Certificate of Insurance for audit purposes.

___ Only incidental out of state exposure is allowed (10% or less), but there is no coverage if the employee is hired out of state, is a casual laborer from out of state or is an uninsured subcontractor from out of state. All employees must have contract of hire in South Carolina.

___ Certificates of Insurance that you need to provide are obtained from your insurance agent.

___ If you need to add a class code to your policy, please call your Customer Service Representative.

___ If there are any changes in your business including address, telephone, officer, or type of business, please contact your Customer Service Representative.

P.O. Box 7727 Columbia, SC 29202 800/678-8178 803/771-0566
Claims Fax 803/771-1598 Policy Services/Admin Fax 803/252-8581

ROA Supp000018



Risk Control:

___ Cooperation with Risk Control is a condition of membership in the SCHBSIF.

___ Risk Control will be contacting you to schedule surveys. Please return calls.

___ Follow the enclosed safety guidelines. If you have questions about these guidelines or other safety concerns, please call the Risk Control Department.

Do you have company vehicles? (circle one) YES NO If so, how many? ___

If you have company vehicles, who maintains them? _____

Claims:

___ Have all existing and new employees complete the following forms immediately. This needs to be prior to a workplace accident to be valid:

1. Post-Injury Drug and Alcohol Testing Acknowledgement Form (page 9 in Operations Guidelines)

___ In the event of a workplace accident, please note the following:

1. Complete the Accident Reporting and Treatment Form. Fill out for every injury, even if reported for information only. Fill out the gray part and send with the patient to the doctor.
2. A list of approved doctors is included. Use Doctors Care or Urgent Care. If it is an emergency, use ambulance and ER.
3. Tell the doctor that you are a SCHBSIF member and the injured worker needs a drug test.
4. Call us by telephone to report the injury. We will need the information on the enclosed Acord Form.
5. Please note that prompt accident reporting is the law.
6. When an injured employee returns to work, inform the adjuster.

Member Name: _____ Member #: _____

Member Cell #: _____ Member Fax #: _____

Date: _____

SIF: _____ Date: _____

P.O. Box 7727 Columbia, SC 29202 800/678-8178 803/771-0566
Claims Fax 803/771-1598 Policy Services/Admin Fax 803/252-8581

ROA Supp000019

03/12/2012

Hi, I am your Customer Service Representative for your workers' compensation coverage. Let me be the first to welcome you and encourage you to contact me if you have any questions concerning your policy.

Enclosed in this packet is information regarding claims reporting, coverage agreement, and useful ways of keeping records that can potentially save you even more money.

Again, welcome to South Carolina Home Builders Self Insurers Fund. We are glad you are with us and appreciate your support of the Home Builder's programs efforts on behalf of the residential industry in South Carolina.

Sincerely,

Your CSR

cc:



Dear Homebuilder:

Welcome to the South Carolina Home Builders Self Insurers Fund (SIF). We are pleased that you have chosen to become a member of the Home Builders Association of South Carolina, and to enjoy the benefits of the Workers' Compensation program available only to HBA of SC members.

The SIF was formed in 1995 by members of the homebuilding industry who recognized the need for a stable, cost-effective source of workers' compensation coverage. They considered various options, and decided upon forming a Workers' Compensation self insurers fund which was approved by, and is closely regulated by the South Carolina Workers' Compensation Commission.

Today, the SIF provides workers' compensation coverage to over 1000 general contractors and artisan subcontractors who contribute approximately \$8,000,000 annually to pay for the costs of claims and administration of the SIF. The SIF employs a staff of veteran insurance professionals who provide claim management, risk control, and policyholder services exclusively to members of the SIF.

While the SIF provides coverage to many members, admission to the program is not guaranteed to everyone. And because members share risk, it is essential that everyone abide by the rules (copy provided with this letter) governing participation. As a requirement of participation, each new member whose effective date of coverage is July 1, 2003 or later will be required to attend an Orientation Seminar within 1 (one) year of the effective date of coverage. Failure to comply with this requirement may result in the termination of your workers' compensation coverage. These seminars provide valuable information regarding the operation of the SIF; loss control and the promotion of occupational safety; and your participation in the claim management process. The staff of the SIF will conduct approximately 24 (twenty-four) seminars annually in various locations around the state. Please consult the enclosed schedule for the locations and dates of seminars near you.

Again, welcome to the South Carolina Home Builders Self Insurers Fund. We look forward to your participation and hope that you will contact our staff if you have questions or require assistance. A list of key contacts and their telephone numbers is included in this package for your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Herb Witter".

Herb Witter
Chairman, SCHBSIF

Operations & Audit

GUIDELINES



www.schbsif.com

Effective January 2012



OPERATIONS & AUDIT GUIDELINES

TABLE OF CONTENTS

I)	General Information.....	4
II)	Safety and Risk Control	4
III)	Safety and Risk Control and Claims Management Seminars.....	4
IV)	Hiring Practices.....	5
V)	Discount Schedule	5
VI)	Payment Plans.....	5
VII)	Special Conditions or Operations Affecting Coverage and Premium	6
	a) Corporate Officers	6
	b) Partners, Sole Proprietors and Officers of a Limited Liability Co./Corp.....	6
	c) Changes in Operations.....	6
VIII)	Certificate of Insurance.....	6
IX)	Subcontractors	6-7
X)	Endorsements/Changes	7
XI)	Operations - Exclusions	7
XII)	Out of State Exposures.....	7
XIII)	Late Fees, Cancellation, Reinstatement and Termination	7-8
XIV)	Renewals	8
XV)	Expense Constant.....	8
XVI)	Premium Audit Guidelines	9
	Section A - Employee Records	10
	Section B - Subcontractor, Contractor, or Casual Labor	11
	Section C - An example of Acord Certificate of Insurance	12-14
	Audit Appointment Letter.....	15
	Monthly SCHBSIF Payroll Report	16
	Computerized Payroll Report.....	17
	Corporate Officer Notice to Reject Form	18
	Computerized Accounts Payable Printout	19
	Materials & Labor Invoice.....	20
XVII)	Deposits.....	21
XVIII)	Return Checks.....	21
XIX)	Drug and Alcohol Testing	21
	a) Post-Injury and Alcohol Testing Policy	21
	b) Service Procedures for Workers' Compensation Management	22
	Post-Injury Drug and Alcohol Testing Acknowledgement Form	23
	Physician's Post-Injury Drug and Alcohol Testing Authorization Form.....	24
XX)	Notice of Compliance	25
XXI)	Report of Injury	25
XXII)	Initial Report	25
XXIII)	Return to Work Report	25
XXIV)	Claims Reporting Procedures.....	25
XXV)	Contacts.....	26

I-General Information

It is required that all members of the SCHBSIF be a member of any local Home Builders Association in SC. Failure to maintain membership will result in cancellation of your workers' compensation coverage.

We reserve the right to reject any application for membership, when in the judgment of management, to accept such application may obligate SCHBSIF to accept risk contrary to the best interest of its members.

II-Safety and Risk Control

As your workers' compensation insurer, we share your commitment to preventing workplace accidents and injuries. The workers' compensation premiums you pay provide coverage for medical expenses and a portion of your injured employees' wages. Indirect costs associated with occupational accidents and injuries can result in substantial additional costs to you such as work stoppage, damaged materials and replacement of injured workers. As the costs of accidents and injuries increase, your expenses may increase as a result of higher workers compensation insurance rates and if applicable, an increase in your experience modifier.

The Risk Control and Safety Department conducts safety surveys of SCHBSIF's members to assist them in providing a safe workplace for their employees and reducing the potential for accidents and injuries. Your cooperation with the scheduling of surveys and compliance with prescribed corrective actions is vital to the success of this program.

Being a SCHBSIF member gives you the opportunity to affect your workers' compensation premium by controlling on-the-job accidents. To achieve this objective, an effective Safety and Risk Control Plan is a viable and necessary cost containment tool. For these reasons, and as part of our service, we provide numerous accident prevention services including:

- A) Consultation on specific safety related problems
- B) Safety surveys of your premises and/or job sites
- C) Analysis of accident causes
- D) Recommendation for correction of hazards of work practices or work sites
- E) Employee safety training
- F) Regional safety seminars

Safe work practices are *required* of all members. See safety insert for specific requirements.

All members of SCHBSIF are expected to follow OSHA regulations at a minimum.

Please contact the Risk Control and Safety Department at SCHBSIF if you have a specific loss problem or would like safety assistance.

III-Safety and Risk Control and Claims Management Seminars

All new members are **REQUIRED** to attend a Safety and Risk Control/Claims Management Seminar within 12 months of joining SCHBSIF. If you report your premiums monthly, you will be notified monthly, by mail, of all upcoming seminars. You may also locate upcoming seminars on our website at www.schbsif.com under the topics Safety and Risk Control or Calendar of Events, or in your member packet. In addition, if you are placed on probation based on losses or other reasons, you will be required to attend the NEXT seminar in your area which will be specified in a letter mailed to you about the probationary status. Also, if your loss ratio is 70% or greater at renewal you will be required to attend a seminar during the policy term. You will receive notification with your renewal information if this is required.

Failure to attend the required seminars will result in cancellation of your workers' compensation coverage.

IV-Hiring Practices

Your hiring decisions can have a direct impact on your workers' compensation experience. Hiring qualified individuals who know how to do the job and are capable of performing the tasks needed coupled with a safe work environment makes good business sense. Consider the following in your hiring practices:

Be cautious of who you consider for employment

- Confirm prior employment
- Check job references
- Require a Motor Vehicle Record of any employee operating a vehicle for your business-your vehicle or theirs. CDL if required by law.
- Is the applicant qualified to do the job? If not, is training available to ensure they will perform the job safely and properly?
- Is the applicant physically capable for the demands of the job?
- I-9 Form completed

Please remember, any casual labor or uninsured subcontractor is your employee for workers' compensation purposes. Can you verify the above information for these individuals as well? If not, a workers' compensation claim could become your responsibility.

V-Premium Volume Discount /Schedule Credits/Debits

- A. Premium volume and /or scheduled credits/debits are determined annually.
- B. Final premium volume discounts are based upon audited premium and may vary with the final adjustment of actual premium.
- C. There are no premium discounts for minimum premium policies.
- D. Those members attaining the Master Builder designation created by the Home Builders Association of South Carolina will receive up to a 10% credit on their premiums. If the designation is received prior to July 1st, the credit will apply for the entire fund year. If the Master Builder designation is received July 1st or later, the credit will be applied to the next year's renewal.

VI-Payment Plans

Annual Pay

Monthly Self Reporting

Members on monthly reporting will receive a monthly payroll reporting form.

This form:

- A. Provides maximum control of cash flow
- B. Projects a more realistic final audit due to accurate monthly payroll reporting

Monthly payroll reports are mailed to each member on or around the 24th of the month. They are to be completed and returned along with premium owed by the 10th of the following month. If no payroll is generated for the month, return the report indicating no payroll. *Premiums and/or Monthly Payroll Reports received after the 10th day of the month will be considered delinquent. If the Premiums and/or Monthly Payroll Reports are not credited to your account by the close of business on the 20th day of the month, a Late Notice will be mailed to the member and a Late Fee of \$25.00 will apply. Premiums and/or Monthly Payroll Reports credited to your account after the close of business on the last day of the month will result in cancellation. If the policy is reinstated, only the applicable reinstatement fee will apply.*

SCHBSIF does not accept premium finance contracts.

VII-Special Conditions or Operations Affecting Coverage and Premium

A) Corporate Officers

Executive officers of a corporation are defined as the "president, vice president, treasurer or any other officer appointed in accordance with the charter or bylaws of corporation."

Executive officers covered under the policy have the same status as the other employees under the policy. In South Carolina, executive officers can elect not to be subject to coverage provided by the law by completing and signing a Corporate Officer Notice to Reject form. If a Corporate Officer chooses to exclude himself from coverage, the change will be effective the date we receive the properly completed form in our office.

B) Sole Proprietors, Partners and Members of a Limited Liability Company or Limited Liability Partnership

These individuals are excluded from workers' compensation coverage unless they elect to be covered. While normally not considered employees, sole proprietors, partners and members of a limited liability company or limited liability partnership can be covered under the policy by election. Once covered, they will have the same status as employees under the policy.

When covered sole proprietors, partners or members of a limited liability company or limited liability partnership are considered employees, their payroll will be assigned to classifications and rates under the rules that apply to employees. Premium for each sole proprietor, partner and member of a limited liability company or limited liability partnership treated as an employee shall be based on the flat payroll amount established by NCCI. Please contact the Policy Services Department at SCHBSIF if you have any questions.

For any form of business, an Election of Coverage form can be secured from your agent or from SCHBSIF. Once an election has been filed, it remains in effect until a withdrawal of election is filed. If an election of coverage is requested after inception of coverage, the election will be effective 30 days after receipt at SCHBSIF.

C) Changes in Operation

If your firm experiences a change in operation or undertakes a new operation that is not reflected on your monthly payroll report, please call SCHBSIF for new payroll classifications. This will provide us with more accurate payroll reports and notify us of a new exposure, and will allow you to report your exposures correctly.

VIII-Certificate of Insurance

Please contact your insurance agent for all Certificates of Insurance. If a Waiver of Subrogation, individual or blanket, is needed, the agent must obtain prior approval. A waiver of subrogation request form must be completed and include the following information:

- A. Location of job
- B. Type of work to be performed
- C. Length of job
- D. Contract number (#) if available

The agent must also show on all Certificates of Insurance whether Principals (Proprietor/Partner/Corporate Officer or Member of Limited Liability Company or Limited Liability Partnership) are included or excluded from coverage.

IX-Subcontractors

Members of SCHBSIF will be subject to the following provision relating to workers' compensation coverage for their uninsured subcontractors:

A contractor is liable for the injuries to any uninsured subcontractor including its sole proprietor, partner, corporate officer or member of a limited liability company or limited liability partnership or any employee of any uninsured subcontractor.

The member is responsible for benefits and therefore liable for premium for all uninsured subcontractors. Waivers of Subrogation in lieu of Certificates of Insurance are not acceptable.

X-Endorsements/Changes

The following is a list of changes that require an endorsement. Please notify your agent or SCHBSIF in writing for any of the following:

- A) Name Change
- B) Address Change
- C) Changes in Federal Employer ID number
- D) Ownership Change
- E) Addition/Deletion of Named Insured with the same Federal Employer ID Number
- F) Changes in Legal Entity
- G) Addition or Deletion of an Officer
- H) Change in Percentage Ownership by Officers/Partners

*Please note that certain changes will require that you complete an ERM-14 and a new Agreement to Pay Premium and Reasonable Attorney's Fees and Costs in the Event Collection Becomes Necessary/Personal Guaranty Form. This form will be provided to you by your agent or can be located on our website at www.SCHBSIF.com under the topic Applications and Forms.

XI-Operations-Exclusions

This coverage excludes exposures under the US Longshoreman and Harbor Workers Act, the Admiralty Law and the Federal Employers Liability Act. This coverage also excludes exposure arising out of aircraft operations. If at audit or during inspection it is determined the member's payroll includes prohibited operations, the coverage may be subject to nonrenewal.

XII-Out-of-State Exposures

SCHBSIF provides South Carolina workers' compensation benefits to employees hired in South Carolina by an employer domiciled in South Carolina. There may be coverage afforded for *incidental* out of state exposures. Please contact your agent or SCHBSIF if you will be working outside the state of South Carolina.

There is NO coverage afforded for employees, casual labor or uninsured subcontractors hired outside the state of South Carolina. Please note that if your percentage of out of state payroll exceeds 10% your coverage may be subject to cancellation.

XIII-Late Fees, Cancellation, Reinstatement and Termination

A) Late Fees

Premiums and/or Monthly Payroll Reports received after the 10th day of the month are considered delinquent. If the Premiums and/or Monthly Payroll Reports are not credited to your account by the close of business on the 20th day of the month, a Late Notice will be mailed to you and a Late Fee of \$25.00 will apply. Premiums and/or Monthly payroll reports credited to your account after the close of business on the last day of the month will result in cancellation. If the policy is reinstated, only the applicable reinstatement fee will apply.

B) Cancellation

Cancellation of your coverage can occur for the following reasons:

- 1) Nonpayment of premium due (30 day notice of cancellation)
- 2) Noncompliance (30 day notice of cancellation)
 - a) Failure to submit monthly payroll report
 - b) Failure to comply with HBA membership requirements

ROA Supp000027

- c) Failure to comply with year end physical audit
- d) Failure to comply with Safety & Risk Control recommendations
- e) Unsafe work practices
- f) Delinquency in claims reporting
- g) Failure to cooperate with Claims Department in the investigation and/or defense of a claim
- h) Failure to attend a required seminar
- i) Underwriting reasons

C) Reinstatement

The Board of Trustees has adopted a reinstatement fee policy for members that have received cancellation notices. *If a reinstatement is allowed*, a fee of \$30.00 will be applied to your account.

Only three (3) cancellations and reinstatements are allowed per member in any policy year. Members whose policies are cancelled for nonpayment of premium(monthly premium, renewal premium, renewal deposit, expense constant or premium audit due) and/or failure to submit Monthly Payroll Reports *for a fourth time* during that policy year will be ineligible for coverage for a period of 12 months from the final date of cancellation.

D) Cancellation – Member's Request

Requests for cancellation of coverage must be in writing from the member and received in our office no later than 30 days in advance of the requested cancellation date and must include:

- 1) Signature of an Owner or Officer
- 2) Reason for cancellation of coverage

We are required to give 30 days notice of cancellation to the SCWCC. If we do not receive your request at least 30 days in advance, the cancellation date will be 30 days after we have received your request in our office.

Duplicate Coverage

In the event that you replace your coverage with a new carrier, you must send proof of coverage (binder or copy of new policy) in order to cancel on the effective date of the new coverage.

Short Rate Penalty

Please be advised that if you request to cancel your workers' compensation policy midterm, there will be a short rate penalty calculated in accordance with NCCI rules.

XIV-Renewals

All members have a common renewal date of January 1st, regardless of their original effective date. **Your policy will automatically renew on January 1st unless you request cancellation thirty (30) days prior to that date.** We are required by the South Carolina Workers' Compensation Commission to give 30 day notice of cancellation. **If we do not receive the request at least 30 days in advance, the cancellation date will be 30 days after we receive the signed request in our office.**

The staff of SCHBSIF annually reviews the program's overall safety record to determine which members will be required to attend a Safety and Risk Control and Claims Management Seminar during the next fund year. The decision is based on the cost of claims that a member's employees incur, the nature of the injury as well as premiums paid. The member will be notified with their renewal policy if attendance is required. *Attendance will be required irrespective of whether the member has attended a seminar in any previous year. Failure to attend will result in cancellation of coverage.*

XV-Expense Constant

All members are charged annually for an Expense Constant. This is an administrative fee. The fee is fully earned and nonrefundable in the event of cancellation of coverage.

XVI- Premium Audit Guidelines

Final audits are required and will be conducted for all members after each policy year. The audit consists of obtaining and verifying gross payrolls by job classification for all employees, included owners as well as uninsured subcontractors, contract, casual and cash laborers.

The purpose of the final payroll audit is to accurately and equitably determine the amount of premium payable to SCHBSIF for the length of time coverage was provided. *Compliance with an audit is mandatory. You will receive a letter detailing the audit appointment and records needed. See sample of audit appointment letter page 15.*

Failure to comply with an audit appointment request after two attempts will result in your audit being "Closed Out". The result of this action will be the doubling of your policy premium. The state of South Carolina permits a tripling of premium under these circumstances. SCHBSIF has chosen to take a more moderate approach. This premium is payable and due until a final audit is completed. Please keep in mind our auditors cover an extensive territory and are not readily available to return to your area if you cancel an appointment.

SECTION A

EMPLOYEE RECORDS REQUIRED FOR AUDIT

- Records Required:** Computerized Payroll Printout or Manual Payroll Register
(See sample of Computerized Payroll Printout on Page 17)
General Ledger/Journal
Check Book
- Verification Documents:** W2's, W3, 941's, 940, Schedule C, 1120, P & L Statement,
or South Carolina Employment Security documents.
(If the audit cannot be verified to a second record source return premiums
cannot be refunded until these documents are provided.)
- Notes:** The following is included in payroll:
- Payments for bonuses, travel, commissions, holidays or vacations, overtime, periods of sickness, value of meals and value of lodging/housing.
 - Corporate officers are subject to minimum and maximum payrolls annually unless they elect to be excluded - see *sample of Corporate Officer Notice to Reject form on page 18*. The current minimum is \$26,000 annually and the maximum is \$145,600 annually. This amount is subject to change based on NCCI rules.
 - Owners/sole proprietors, partners and members of LLC/LLP, who elect to be included for coverage, are subject to a flat amount for annual payroll. The current annual amount is \$36,700. This amount is subject to change based on NCCI rules.
 - Payments or allowances to employees for hand or power tools furnished by employees.
 - Flat expenses included in payroll are not deductible unless properly documented with receipts or expense reports.
Employee contributions to medical and dental plans.
- The following applies to exclusion of payroll:
- **Corporate officers must elect to exclude themselves** from coverage if so desired, by completing a Corporate Officer Notice to Reject Form-see *sample of Corporate Officer Notice to Reject form on page 18*. This form is available from SCHBSIF or your Insurance Agent. The effective date of the Exclusion form is the date received by SCHBSIF. The exclusion cannot be backdated.
 - Overtime, when properly documented, will be credited at 1/3 rate for time and a half and 1/2 rate for double time. To qualify for this discount you must maintain accurate records providing a detailed listing by employee of the amount of overtime paid and an exact description of the work performed.
 - Employer contributions to medical and dental plans.
 - Severance pay, uniform allowance, third party sick pay, active military duty pay and jury duty pay.
 - Reimbursed expenses and flat expense allowances, except for hand or power tools, paid to employees may be excluded, provided they meet the following conditions:
 1. The reimbursed actual expense or expenses for which the allowances were paid were incurred in conjunction with business conducted for or on behalf of the employer,
and
 2. The amount of each employee's expense payments or allowances is shown separately in the records of the employer.

SECTION B

SUBCONTRACTOR, CONTRACTOR OR CASUAL LABOR

Records Required:

Payment Printout by subcontractor, contractor and casual labor
Computerized Accounts Payable Printout-see *sample* on Page 19.

Check Book/Register
General Ledger/Journal
Disbursement Journal
1096

1099's

Schedule C (from personal income tax return)

Certificates of Insurance

- COI's are required to be available on the date of the audit appointment
- COI's must show workers' compensation coverage for the entire period of time that the subcontractor was engaged and/or paid for work performed. Multiple COI's may be necessary to cover the period.
- Lapses in coverage will be included as payroll for audit

Uninsured subcontractors may be eligible for Materials Credit if properly documented-must have an itemized Material and Labor Invoice reflecting division for each job performed. Please note this division must be by dollar amount—percentages are not acceptable.-see *sample of Invoice* on Page 20.

- In the absence of an itemized Material and Labor Invoice and at the **auditor's discretion**, if through the auditor's investigation on a specific job it is **substantiated** that the subcontract price includes materials, then payroll **may** be calculated as follows:
 - o In contracts for mobile equipment with operators (such as but not limited to earth movers, graders, or bulldozers. the payroll shall not be less than 33 1/3% of the subcontract price.
 - o In contracts for labor and material, without an invoice, the payroll shall be 100% of the subcontract price.
 - o In contracts for labor and material, with an invoice, but no breakdown, the payroll shall not be less than 75% of the subcontract price.
 - o In contracts for labor and material with an invoice breaking each down, the payroll shall be the actual labor cost.
 - o In contracts for labor only, the payroll shall be established at 100% of the subcontract price.

ACORD. CERTIFICATE OF LIABILITY INSURANCE

1

DATE (MM/DD/YYYY)

PRODUCER

2

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

NAIC #

INSURED

3

INSURER A:

INSURER B:

INSURER C:

INSURER D:

INSURER E:

4

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR (ADD'L LTR) (INSR)	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY ☐ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS MADE ☐ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC				EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY ☐ ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
	EXCESS/UMBRELLA LIABILITY ☐ OCCUR ☐ CLAIMS MADE ☐ DEDUCTIBLE ☐ RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$ \$ WC STATU-TORY LIMITS OTH-ER
4	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER				E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

5

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

6

CERTIFICATE HOLDER

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

7

8

SECTION C

CERTIFICATES OF INSURANCE

What Is A "Good" Certificate of Insurance (COI)?

Following is a checklist of items you should note when accepting a COI. *The following information corresponds to the COI example on page 12.*

- 1) **Date:** The date should correspond with the date the Certificate of Insurance was requested by you. Also, agents may often keep a log of Certificate Holders and routinely mail new certificates at the time the policy is renewed. *However, the responsibility for obtaining a current certificate of insurance rests with you or insured.*
- 2) **Producer:** This should be the complete name and address of the agent that issued the Certificate of Insurance. It should include their telephone number and fax number.
- 3) **Insured:** The name of the insured must match the subcontractor's name. It will also include the insured's address. Payments must be made in this *exact name*. Example: payments for John Smith Concrete, Inc. cannot be made to Jack Smith. This is unacceptable and no exceptions will be made.
- 4) **Insurers Affording Coverage:** A carrier's name should appear and correspond with the Insurer Letter (A,B, etc) shown on the far right hand column for workers' compensation and employers' liability coverage.
- 5) **Workers' Compensation and Employers' Liability:** If any principals are excluded from coverage it should be marked "Y" or "Yes" in Section 4. List Excluded persons by name under Description of Operations, Section 6. The policy number should be shown. **If this is shown as "Binder", TBD or NCCI you need to follow up with the Agent to obtain a revised COI showing the policy number.** Clearly stated policy effective and expiration dates should always be shown. Employer Liability Limits should always be shown.
- 6) **Description of Operations/Locations/etc:** This section should be used to state if any subcontractor principals are excluded from coverage. It is also used to state if a Waiver of Subrogation applies complete with all the details of the specific project.
- 7) **Certificate Holder:** This must be your complete name and should include your address. Most agents will also show your fax number.
- 8) **Authorized Representative:** All Certificates of Insurance issued by an agency and must be signed by a licensed agent.

IMPORTANT INFORMATION!!!!!!

Do not allow a subcontractor to perform work for you until you have a valid Certificate of Insurance in hand. Otherwise, this can cause you increased premium and possibly effect your experience modification due to the potential of claims exposure.

Request a new COI or verbally verify the COI with the Insurance Agent every 30 days. If workers' compensation insurance is cancelled for nonpayment of premium or any other reason, 30 days notice of cancellation must be provided to the insured (Not the Certificate Holder) as required by the South Carolina Workers' Compensation Commission. *The insurance agent is not required to notify a Certificate Holder of cancellation of coverage.* **According to Section 42-1-415 of the workers' compensation statute, the subcontractor is required to notify the higher tier subcontractor, contractor or project owner of a lapse in coverage within five days after the lapse. Failure to do so is considered fraud. This notification of cancellation of coverage must be by certified mail to the higher tier contractor.**

Accept COI's ONLY FROM YOUR SUBCONTRACTOR'S INSURANCE AGENT. Do not accept a COI from the subcontractor directly.

If there is any appearance of alteration of the Certificate of Insurance-different font type, obvious white out and retyping of information, please contact the Insurance Agent listed on the Certificate of Insurance immediately.

If you know the Certificate of Insurance presented is not valid, it is deemed to be insurance fraud and should be reported to the Attorney General's Office for Investigation.



TO:

Member #:
Policy Period:

to

NOTICE OF INSURANCE PREMIUM AUDIT APPOINTMENT

Dear Member,

When your Workers' Compensation policy was written, the premium was based on anticipated exposures for the policy year. Now that your policy year, noted above, has expired, an audit of the actual exposure must be completed, per the policy provisions, in order to determine if a final adjustment is necessary.

DATE OF VISIT: _____

I have multiple appointments scheduled for this date. If you require an estimated time for our appointment or you are unable to meet with me on this date please contact me ASAP so we can schedule a time or new date. Please understand if you cancel our appointment it may be some time before I am back in the area again.

PLEASE HAVE THE FOLLOWING RECORDS, if applicable, READY FOR REVIEW:

☒	Payroll Records For All Locations - QuickBooks, Dome, ADP, manual, etc
☒	Subcontractor/Contractor List & Payments - showing payment dates
☒	Subcontractor Costs - breakdown of labor vs material , if applicable
☒	Certificates of Insurance for subcontractors
☒	Cash Disbursements Journal, Check Book
☒	Uninsured Subs & Contract Labor - Name, Amount Paid, Type Of Work (including amounts of \$600 or less)
☒	Listing of All Cash Payments Made To Laborers
☒	1099's & 1096
☒	Federal 941 Quarterly Reports, State Quarterly Wage & Tax Report, W3 or 940
☒	Personal Income Tax Return Schedule C - for sole proprietors
☒	Most Current Profit & Loss Statement



SAMPLE MONTHLY PAYROLL REPORT

ABC Construction
123 Main Street
Anywhere, SC 29200

For Month:	March, 200x
Payment Due:	April 10, 200x
Payrolls from:	3/1/200x Through 3/31/200x

Payroll Code	Payroll Description	Number of Employees	Actual Gross Payroll	Rate per \$100	Manual Premium
42	Landscaping				
5022	Masonry NOC				
5190	Electrical Wiring				
5348	Stone Mosaic or Terrazzo				
5437	Carpentry Cabinet & Trim				

Please report all figures using rounded numbers (nearest whole dollar) only.

CONTINUED NEXT PAGE

Previous Balance:	1. Total Manual Premium	
Deposit Due:	2. Experience Modifier (multiply)	x
Expense Constant:	3. Subtotal (equals)	=
Fees:	4. Discount/Surcharge factor (multiply)**	x
Unpaid Premium:	5. Current Premium Due	=
Subtotal:*	6. Enter total from line 5 or enter \$100, whichever is greater	
Month not reported:***	7. Previous Balance (add)	+
Make check payable to: SC Home Builders SIF P O Box 8476 Columbia, SC 29202-8746	Pay this amount*** (line 6 plus line 7; in every case, this must be \$100 or greater)	=

All subcontractors must furnish valid certificates of workers' comp. coverage; otherwise they must be reported/included in this report.

*Subtotal from previous balance is shown in box 7.

**Includes (when applicable) discounts, surcharges and increased limit factor

***Failure to report/pay will lead to prompt cancellation.

Contact:	Phone:	Date:
----------	--------	-------

__ PLEASE CHECK IF NEW PHONE #

SAMPLE COMPUTERIZED PAYROLL REPORT

WORKERS COMP PAYROLL JOURNAL ABC CONSTRUCTION COMPANY

Period 1-1-200x to 12-31-200x

Employee Number	Department Number	Name Last	First	Int.	Labor Code	Job/Duties Description	Regular Wages	Over Time Wages	Gross Pay	Employee Count
Masonry & Brick Department										
2253	300	Poplin	Carl	F	5022	Mason-Brick	39,076.12	0.00	39,076.12	
3012	300	Sullivan	Frank	C	5022	Mason-Brick	200.00	0.00	200.00	
3392	300	Taylor	Robert	L	5022	Mason-Brick	35,332.88	1,788.00	37,120.88	
Code: 5022		Department Total					74,609.00	1,788.00	76,397.00	3
Cement Work & Driveways Department										
1426	515	Money	Glen	A	5221	Cement Work/Drwy	400.00	0.00	400.00	
5123	515	Newman	Morton	E	5221	Cement Work/Drwy	38,483.36	2,480.00	40,963.36	
2532	515	Pardue	Pat	L	5221	Cement Work/Drwy	31,234.80	2,045.00	33,279.80	
4775	515	Robinson	Ron	R	5221	Cement Work/Drwy	24,135.04	45.00	24,180.04	
Code: 5221		Department Total					94,253.20	4,570.00	98,823.20	4
Carpentry Trim & Cabinets Department										
3405	550	Howell	Charles	A	5437	Carpentry-Trim	33,721.92	25.84	33,747.76	
4238	550	Bail	Jack	C	5437	Carpentry-Trim	35,616.00	163.00	35,779.00	
1371	550	Adams	Jeff	K	5437	Carpentry-Trim	38,048.40	1,149.00	39,197.40	
103	550	Cauthern	Lewis	S	5437	Carpentry-Trim	33,348.00	0.00	33,348.00	
2007	550	Douglas	Paul	L	5437	Carpentry-Trim	51,001.92	0.00	51,001.92	
864	550	Fitch	Todd	P	5437	Carpentry-Trim	39,315.84	0.00	39,315.84	
110	550	Gaither	Ray	C	5437	Carpentry-Trim	44,444.64	0.00	44,444.64	
Code: 5437		Department Total					275,496.72	1,337.84	276,834.56	7
Drywall Installation Department										
275	310	Huffman	Don	S	5445	Drywall-Installation	28,396.40	1,798.00	30,194.40	
4871	310	Johnson	Phillip	L	5445	Drywall-Installation	24,806.56	1,566.00	26,372.56	
5078	310	Kincaid	Robert	A	5445	Drywall-Installation	28,927.04	0.00	28,927.04	
348	310	Lincoln	James	M	5445	Drywall-Installation	40,496.08	0.00	40,496.08	
Code: 5445		Department Total					82,130.00	3,364.00	125,990.08	4
Sales Department										
1694	340	Duncan	Patty	D	8742	Sales-Outside	43,949.84	0.00	43,949.84	
4276	340	Everham	Doug	T	8742	Sales-Outside	29,191.96	1,358.00	30,549.96	
Code: 8742		Department Total					73,141.80	1,358.00	74,499.80	2
COMPANY TOTALS							599,630.72	12,417.84	612,048.56	20

SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

CORPORATE OFFICER NOTICE TO REJECT

To the Employer of the Undersigned and the Employer's Insurance Carrier:

The undersigned officer rejects their terms, conditions and provisions of the South Carolina Workers' Compensation Act and elects to pursue compensation for personal injuries under the common law and statutes of South Carolina.

As provided by law (Section 42-I-520), "An officer of a corporation who elects not to operate under this title, shall, in any action to recover damages for personal injury or death brought against an employer accepting the compensation provisions of this title, proceed at common law and the employer may avail himself of the defenses of contributory negligence, negligence of a fellow servant, and assumption of risk, as such defenses exist at common law."

This notice becomes effective on the date listed below, no sooner than the day following the date signed by the corporate officer.

***** PLEASE PRINT OR TYPE ALL INFORMATION*** ORIGINAL SIGNATURES REQUIRED*****

Name of Officer Corporate Title

Name of Business (Legal Name)

Street Address Post Office Box

Street Address Post Office Box

City State Zip

City State Zip

Social Security Number

Federal Employer ID#

Area Code Telephone Number

Area Code Telephone Number

Signature of Officer Date

Effective Date

Subscribed and sworn to me this _____ day of _____.

Notary Public My commission expires: _____

This form may be used when an officer desires to become exempt from the professions of the South Carolina Workers' Compensation Act. For additional information regarding the provision of Section 42-I-520 and this form, contact your insurance carrier or the South Carolina Workers' Compensation Commission, Coverage and Compliance Division, Post Office Box 1715, Columbia, South Carolina 29202-1715 (803) 737-5709.

Sample Computerized Accounts Payable Printout

Accounts Payable Department
ABC Construction Company

Period 1-1-200x to 12-31-200x

Contractor Number	Transaction Date	Contractor Name	Type Work	Job/Services Performed	Amount Paid	Labor Charges	Material Charges	Insured with Certificate
J1005	01/05/0x	Jimmy Jones Heating & Air	Furnace	Repair Furnace	320.00	180.00	140.00	No
	03/03/0x	Jimmy Jones Heating & Air	Furnace	Repair Furnace	675.00	431.00	244.00	No
	04/04/0x	Jimmy Jones Heating & Air	A/C	Replace Unit	7,800.00	3,400.00	4,400.00	No
	09/07/0x	Jimmy Jones Heating & Air	A/C	Re-charge Unit	480.00	190.00	290.00	No
	09/24/0x	Jimmy Jones Heating & Air	A/C	Adjust A/C	120.00	120.00	0.00	No
	11/01/0x	Jimmy Jones Heating & Air	Furnace	Annual Service	600.00	600.00	0.00	No
	Vendor/Contractor Totals				9,995.00	4,321.00	5,074.00	
D1032	03/15/0x	D & J Electrical	Electrical	Add Outlet	124.00	112.00	12.00	Yes
	04/13/0x	D & J Electrical	Electrical	Light Repairs	370.00	300.00	70.00	Yes
	05/26/0x	D & J Electrical	Electrical	Re-Wire Office	4,200.00	2,900.00	1,300.00	Yes
	09/18/0x	D & J Electrical	Electrical	Repair to Breakers	760.00	340.00	420.00	Yes
	10/01/0x	D & J Electrical	Electrical	Add service outlets	398.00	347.00	49.00	Yes
	Vendor/Contractor Totals				5,850.00	3,999.00	1,851.00	
P1071	02/07/0x	Pat Heffernan Plumbing	Plumbing	Comode Repairs	276.00	146.00	130.00	No
	04/08/0x	Pat Heffernan Plumbing	Plumbing	Leaking Pipe	182.00	182.00	0.00	No
	05/05/0x	Pat Heffernan Plumbing	Plumbing	Add Utility Sink	332.00	140.00	192.00	No
	07/01/0x	Pat Heffernan Plumbing	Plumbing	Pipe damage repair	486.00	320.00	166.00	No
	08/01/0x	Pat Heffernan Plumbing	Plumbing	Clogged Drain	132.00	132.00	0.00	No
	09/09/0x	Pat Heffernan Plumbing	Plumbing	Clogged Drain	132.00	132.00	0.00	No
	Vendor/Contractor Totals				1,540.00	1,052.00	488.00	
U1053	04/22/0x	Tom's Roof Services	Roof Repairs	Leaky Roof-fix	766.00	535.00	231.00	Yes
	7/27/0x	Tom's Roof Services	Roof Repairs	Roof Patch	388.00	320.00	68.00	Yes
	Vendor/Contractor Totals				1,154.00	855.00	299.00	

Sample Materials & Labor Invoice

Jimmy Jones Heating & A/C

1001 Cool Lane
Beach City, SC 29277

Phone Number 843-555-5555

SOLD TO:
ABC Construction Company
123 Main Street
Anywhere, SC 29200

SHIPPED TO:
Cozy Home-Lot #5
Cozy Home Devepment S/D
Hwy 11
Beach City, SC 29277

Invoice Number	200x-12-155
Invoice Date	Dec 15-200x
Our Order Number	N/A
Your Order Number	Cozy Home #5
Terms	
Sales Rep	Jones
Shipped Via	

Quantity	Description	Unit Price	Amount
1	Trane 2.5Ton Heat Pump-A/C SER12 Model #12.5-12 Ser#22222	3,400.00	3,400.00
1	Installation Assembly Kit	432.00	432.00
1	Base Mount Platform	42.00	42.00
1	Air Handler/Filtration	1,440.00	1,440.00
1	Duct Work package 230'	230.00	230.00
1	Labor-A/C System Installation	1,835.00	1,835.00
		Sutotal	7,379.00
		Tax	
		Freight	

Questions concerning this invoice?

MAKE ALL CHECKS PAYABLE TO:

\$7,379.00

Call: 843-555-5555

Jimmy Jones Heating & A/C

**PAY THIS
AMOUNT**

THANK YOU FOR YOUR BUSINESS!

**Note: For an invoice presented in this manner, only \$1,835.00 will
be used as labor for workers' compensation premium calculation purposes.**

XVII-Deposits

SCHBSIF requires a deposit in the amount equal to 15% of the estimated annual premium on all monthly reporting policies. The deposit is adjusted annually based on your most recent audited or reported payrolls in order to maintain 15% of the estimated annual premium and is retained to apply towards audited premium in the event of nonpayment after cancellation. This requirement promotes the financial integrity of SCHBSIF by controlling exposure to bad debt.

A surety bond may be available in lieu of deposit.

XVIII- Returned Checks

All checks which are returned for "insufficient funds" or other reasons will subject the member to an additional charge per check. The second time a member submits a payment that is returned as described above, it will be necessary for the member to submit all future payments to SCHBSIF with certified checks or money orders.

XIX-Drug and Alcohol Testing

A) Post-Injury Drug and Alcohol Testing

History- Drug and alcohol abuse poses a direct threat to the well being of the user, the workplace and the public at large. The use of alcohol, drugs, illegal or nonprescription controlled substances impair judgment and motor sensory coordination on the job. SCHBSIF policy requires post injury drug and alcohol testing after any alleged work related injury.

Purpose- In order to protect the public and to promote health and safety in the workplace, SCHBSIF has established a post injury drug and alcohol testing program.

Statement of Policy- Any employee reporting a work related injury requiring medical treatment must be tested for the presence of drugs or alcohol at the time of the initial treatment.

An employee's refusal to submit to drug and alcohol testing will be deemed an admission of impairment. Any person who refuses to submit to such a screening, test or any other procedure to help in the detection of drug and alcohol use, or is found working under the influence of alcohol, illegal substances or non-prescribed controlled substances may be denied workers' compensation benefits under 42-11-100 of the Workers' Compensation Act. All terms and conditions of employment are strictly within the discretion and control of the employer.

Procedures- SCHBSIF requires each member to notify its employees of this policy, and to obtain a signed authorization form as soon as an employee is hired.

SCHBSIF requires that you instruct your employees to immediately report any alleged work-related injury to the appropriate company representative.

Employers must contact SCHBSIF office immediately to report the incident and to receive assistance on the initial medical treatment and drug and alcohol testing procedures.

SCHBSIF requires a signed Drug and Alcohol Testing Acknowledgement Form accompany any employee seeking medical treatment whenever possible. Drug and alcohol testing for emergency room cases should be managed in the way most suitable to the member, but it must be done within the requirements of the policy.

SCHBSIF requires that employers refer any alleged related injury treatment to an approved health care provider. Please see the enclosed list of approved medical providers or contact the Claims Department for additional information.

B) Service Procedures for Workers' Compensation Management

- 1) After the initial hiring, ensure all employees sign the Drug and Alcohol Testing Acknowledgement Form.
- 2) Report all alleged work-related injuries to SCHBSIF as soon as you are aware of them.
- 3) For non-emergencies, refer injured employees to one of the providers approved by SCHBSIF.
- 4) When an injury occurs outside of normal operating hours, or in an emergency situation, the injured employee should be directed to the nearest emergency facility.
- 5) Ensure the employee provides the Accident Reporting and Treatment Form to the health care provider before initial treatment.
- 6) Ensure the Insured employee's supervisor completes the gray shaded portion of the top of the Accident Reporting and Treatment Form before giving it to the employee.
- 7) Utilize alternative or light duty work options for employees who return to work after the authorized treating physician releases them to restricted work capabilities.

Please contact SCHBSIF if you have any questions. Proper claims management will ensure proper care for your employees.

**POST-INJURY
DRUG AND ALCOHOL TESTING
ACKNOWLEDGEMENT FORM**

I have read and understand the policy of the South Carolina Home Builders Self Insurers Fund. I understand that all insured member employees shall be tested for drugs and alcohol use if the employee is involved in an alleged work-related injury which may result in the filing of a workers compensation claim.

I am an employee of a SCHBSIF member employer and I consent and agree to be tested for the use of drugs, alcohol, illegal or non-prescribed substances in the event of an alleged work-related injury.

I understand that if I do not agree to be tested or to submit to any procedure to detect the presence of drugs, alcohol, illegal or non-prescribed substances, this will be deemed an admission of impairment by such substances.

I understand that according to South Carolina law, my workers compensation claim may be denied.

I understand that if the results of the test are positive for drugs or alcohol, my claim for workers compensation benefits may be denied.

I hereby acknowledge receipt of this policy concerning drug and alcohol testing.

Employee Name

Date

Employee Name (Print)

Company Representative Signature

Member Company Name

**PHYSICIAN'S POST-INJURY
DRUG AND ALCOHOL TESTING
AUTHORIZATION FORM**

Employer Information

Company Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Testing Results Recipient's Name: _____ Title: _____

Phone #: _____ Fax #: _____

Employee Information

Name: _____ Occupation: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Phone #: _____

Forward Drug and Alcohol Testing Fees to:

**Attn.: Claims Department
South Carolina Home Builders Self Insurers Fund
P.O. Box 7727
Columbia, SC 29202
1-800-678-8178 or (803) 771-0566**

XX-Notice of Compliance

The South Carolina Workers' Compensation Commission Notice of Compliance (available at no charge from SCHBSIF) is to be posted in a conspicuous location where it can be seen by all employees.

XXI-Report of Injury

The law requires the employer to report an on the job injury within ten (10) days of notification. Failure to do so could cause a fine to be levied against the employer. Proper reporting following the enclosed guidelines, will also ensure prompt payment of those claims that are covered.

XXII-Initial Report

Call SCHBSIF at 1-800-678-8178 or 803-771-0566 to report a new injury. Specific instructions regarding information needed are enclosed.

XXIII-Return to Work Report

Whenever an employee returns to work, please call SCHBSIF at 1-800-678-8178 or 803-771-0566 to ensure the appropriate workers' compensation benefit is paid.

XXIV-Claims Reporting Procedures

After an on the job accident, the member should direct the appropriate immediate medical attention: on-site first aid, Minor Emergency/Urgent Care Center, emergency room or ambulance assistance. *Advise the care provider that this is a workers' compensation accident and to perform an alcohol and drug test during treatment. All medical procedures after the initial treatment must be authorized by SCHBSIF to secure payment of further procedures.* Send all correspondence and medical bills to SCHBSIF office.

Immediately after learning of an on the job injury, please complete an Acord Form 4 (Workers' Compensation-First Report of Injury or Illness). The form should be accurate, complete and legible. As an alternative, you can call SCHBSIF at 1-800-678-8178 or 803-771-0566 and we will take the claim over the telephone.

The Workers' Compensation-First Report of Injury or Illness form must include the employee's correct social security number, address and date of birth, as well as the county where the accident occurred and the member's federal tax identification number. The company name must be the exact name on the workers' compensation policy. The claim cannot be processed without these items.

You may fax the Acord Form 4 (Workers' Compensation-First Report of Injury or Illness) to SCHBSIF (fax 803-771-1598), but please mail the original to: SCHBSIF, P.O. Box 7727, Columbia, SC 29202.

- *Do not mail* the Acord Form 4 to your agent, your association office or the SC Workers' Compensation Commission Office.
- Mail new reports of injury separately from other correspondence.
- Please send subsequent correspondence, SC Workers' Compensation Commission Forms and medical bills to SCHBSIF office.

When sending follow up material on pending claims, some members identify that material by attaching a photocopy of the Acord 4 to the material. If you do this, please write "Photocopy" on the form so it will not be confused with a new claim. All that is needed to identify a claim is the employer name, the employee name or the social security number and the date of the accident.

XXV - Contact Information for the SCHBSIF

Address: P. O. Box 7727 • Columbia, SC 29202

Telephone: 803-771-0566

Toll Free: 800-678-8178

Fax-Policy Services: 803-252-8581

Fax-Claims: 803-771-1598

Email Addresses

Jeff Ranew, Administrator	JRanew@schbsif.com	803-309-9601
Brandy Shealy, Policy Services/Underwriting Manager	BShealy@schbsif.com	
Kathy Fleming, Policy Services-CSR-names A-F	KFleming@schbsif.com	
Kenyana Carter, Policy Services-CSR-names G-M	KCarter@schbsif.com	
Linda Humphries, Policy Services-CSR-names N-Z	LHumphries@schbsif.com	
Darlene Frick, Claims Manager	DFrick@schbsif.com	803-309-9761
Vickie Rita, Senior Claims Adjuster	VRita@schbsif.com	
Danny Dilworth, Risk Control Safety Manager	Dilworth@schbsif.com	803-309-9603
Scott Manns, Safety Consultant	SManns@schbsif.com	803-600-2468
Kerry Grimm, Safety Consultant	KGrimm@schbsif.com	803-309-9604
Tammy Floyd, Risk Control Scheduler	TFloyd@schbsif.com	
Brian Emery, Manager, Premium Audit Services	BEmery@schbsif.com	803-603-2297
John Iannace, Senior Audit Consultant	JIannace@schbsif.com	803-603-5227
Craig Manning, Senior Audit Consultant	CManning@schbsif.com	803-603-5228
Andrew Woodham, Marketing Manager	AWoodham@schbsif.com	803-309-3564
Mike Hill, Controller	MHill@schbsif.com	803-603-5362
Kelly Credille, Accounting Clerk	KCredille@schbsif.com	



www.schbsif.com

PO Box 7727 • Columbia, SC 29202 • 803.77.0566 or 1.800.678.8178

ROA Supp000047

Information & Forms



SOUTH CAROLINA HOME BUILDERS SELF INSURERS FUND

Quick Reference

Classification & Rates
Effective January 1, 2012

Code	Classification	Preferred Rate per \$100	Standard Rate per \$100	Recouper Rate pe \$10
0005	Farm: Nursery Employees & Drivers-includes planting at customers location(s) when incidental to insured's nursery operation	4.67	4.92	5.16
0042	Landscape Gardening & Drivers.....	6.99	7.69	8.46
1803	Stone Cutting or Polishing - Referral Required	5.91	6.25	7.13
2802	Carpentry-Shop Only & Drivers.....	7.46	7.89	9.00
2812	Cabinet Works-with power machinery	7.73	8.14	8.57
2883	Furniture Manufacturing	4.49	4.74	5.41
3257	Wire Goods Mfg.	4.73	4.98	5.22
3724	Machinery or Equipment Erection or Repair NOC & Drivers-includes installation of overhead (garage) doors if performed by specialty contractors.	8.82	9.28	9.74
4130	Glass Merchant	6.62	7.00	7.98
5020	Ceiling Installation-Suspended Acoustical Grid Type	8.26	8.72	9.95
5022	Masonry NOC-includes brick cleaning & plastering or stucco work on building exteriors, includes installation of structural glass blocks	9.58	10.11	11.54
5102	Door, Door Frame or Sash Erection-Metal or Metal Covered-does not apply to storm doors or storm sash or overhead door installation.....	9.55	10.09	11.51
5183	Plumbing NOC & Drivers-includes installation of underground lawn sprinkler systems	5.99	6.59	7.25
5190	Electrical Wiring-Within Buildings & Drivers.....	6.50	7.15	7.87
5215	Concrete Construction-Incidental to the Construction of Private Residence-ex. Pouring of concrete footings, foundation walls, cellar floors, basements, sidewalks and driveways.	7.50	8.25	9.08
5221	Concrete or Cement Work-Floors, Driveways, Yards or Sidewalks & Drivers-does not apply to work on commercial buildings	6.49	6.83	7.20
5223	Swimming Pool Construction-Not Iron or Steel & Drivers	8.94	9.41	9.90
5348	Ceramic Tile, Indoor Stone, Marble or Mosaic Work-includes installation of cultured marble and bathtub and shower liners	5.25	5.78	6.35
5437	Carpentry-Installation of Cabinet Work or Interior Trim/Punch List Work-includes installation, sanding or scraping of wood floors-except wood flooring installed using glue-down or interlocking methods	11.59	12.26	13.05
5445	Wallboard Installation within Buildings & Drivers	8.73	9.23	9.46
5474	Painting or Paperhanging NOC & Shop Operations, Drivers-includes interior and exterior painting	11.25	11.89	13.55
5478	Carpet/Tile Installation excluding ceramic, stone, terrazzo and mosaic tile.	4.77	5.04	5.75
5479	Insulation Work NOC & Drivers	11.21	11.85	13.52
5480	Plastering NOC & Drivers-interior plastering only	13.13	13.82	14.55

SIF 049



Fall Protection Requirements

Work on roofs: Any workers on a roof after the sheathing is completed must be protected by safety harnesses and lanyards. This includes papering unless the paper is installed at the same time as the roof sheathing. Included in this requirement is work by any trade. **Only incidental roofing payroll is allowed. If roofing payroll including payroll of uninsured subcontractors exceeds 10% of total annual payroll, coverage is subject to cancellation.**

Truss and rafter erection, floor joist installation: If the fall hazard exceeds six feet, work must be done from below using interior scaffolding or ladders. Workers may work from interior top plates only after the first two trusses or rafters are in place and braced. These workers must remain within the braced trusses or rafters. No workers are allowed on exterior top plates.

Roof sheathing: Slide guards (a 2x4 with a 2x6 turned up in front) or roof jacks must be used along the roof eave and then again every 8 feet on roofs with a pitch less than 8:12 and every 4 feet on roofs with pitch greater than or equal to 8:12.

Sub flooring installation: If the fall hazard exceeds six feet, the first sheets must be installed from below using scaffolding or ladders. Once a work platform is secured, workers may complete the work from the deck using harnesses and lanyards. After the deck is complete, the floor will be marked with a painted warning line six feet from any open side until the walls are erected. Any workers outside the warning line must be in a safety harness.

Wall construction and erection: If the fall hazard exceeds six feet, all workers within six feet of the edge must use safety harnesses. After the wall is erected, window and door openings must be guarded immediately.

Scaffolding: All scaffolding must be properly erected and braced to support four times its maximum intended load. All braces and pins must be in place. The working surfaces must be completely decked with scaffold grade lumber or manufactured walk boards. Guardrails and toe boards are required if the fall hazard exceeds six feet. Ladders must be used for scaffold access. If job built scaffolds are used safety harnesses and lanyards must be used if the fall hazard exceeds six feet.



Safety & Risk Control/Claims Management Seminar Schedule for 2012

January

12th Myrtle Beach

February

21st Spartanburg

March

8th Columbia

April

10th Beaufort

May

10th Rock Hill

June

12th Greenville

July

26th Florence

August

21st Charleston

September

13th Aiken

October

11th Anderson

November

7th Charleston

8th Columbia

10th Greenwood

**If you are interested in a Spanish Seminar
Please contact Tammy Floyd at (800) 678-8178**

**Call Tammy Floyd at Extension 114 at (800) 678-8178 or (803) 771-0566
to make your reservation**

P.O. Box 7727 Columbia, SC 29202 800/678-8178 803/771-0566
Claims Fax 803/771-1598 Policy Services/Admin Fax 803/252-8581

ROA Supp000051

Local Executive Officers

Aiken County - 4208

Mary Ellen Bush
HBA of Aiken County
4360 Whiskey Road
Aiken, SC 29803
803-641-6863
803-641-0061 Fax
mbrush@aikenbuilders.com

Anderson - 4210

Dino Hicks-Brannon
HBA of Anderson
1921 McConnell Springs Rd
Anderson, SC 29621
864-226-0347
864-226-2415 Fax
hbaa@att.net

Charleston-Trident - 4216

Phillip Ford
Charleston-Trident HBA
2120 Noisette Blvd., Ste. 106
N. Charleston, SC 29405
843-572-1414
843-572-8227 Fax
pford@charlestonhomebuilders.org

Cherokee County - 4220

Richard L. Lavender
HBA of Cherokee County
PO Box 218
Gaffney, SC 29342
864-487-5529
864-487-5529 Fax
Richard1640@bellsouth.net

Greater Columbia - 4224

Earl E. McLeod, Jr.
HBA of Greater Columbia
PO Box 725
Columbia, SC 29202
803-256-6238
803-779-0635 Fax
earl@columbiabuilders.com

Greater Pee Dee - 4232

Cheryl Floyd
HBA of Greater Pee Dee
PO Box 13494
Florence, SC 29504
843-665-5885
843-629-9488 Fax
cfloyd@hbapeedee.org

Greater Spartanburg - 4272

Jennifer Bradley Hoy
HBA of Greater Spartanburg
PO Box 2592
Spartanburg, SC 29304
864-583-5471
864-583-5472 Fax
jenniferbradley@hbaspartanburg.com

Greenville - 4240

Michael Dey
HBA of Greenville
5 Creekside Park Court, Suite A
Greenville, SC 29615
864-254-0133
864-254-0134 Fax
mdey@hbaofgreenville.com

Hilton Head Area - 4248

Ashley Feaster
Hilton Head Area HBA
PO Box 22360
Hilton Head, SC 29925
843-681-9240
843-689-5780 Fax
afeaster@hhahba.com

Horry-Georgetown - 4251

Rose Ann O'Reilly
Horry-Georgetown HBA
728 Hwy 501 Bypass East
Conway, SC 29526
843-438-4124
843-347-2774 Fax
rao@hghba.com

Lakelands - 4242

Nick Nicholson
Lakelands HBA
PO Box 3194
Greenwood, SC 29648
864-229-7722
864-229-7722 Fax
lakelandsHBA@emeraldis.com

Lancaster County - 4230

Donna Fox
HBA of Lancaster County
305 West Dunlap Street, Suite C
Lancaster, SC 29720
803-285-2600
803-283-5972 Fax
homebuilders@comporium.net

Laurens-Newberry - 4250

Lallie Waites
Laurens-Newberry HBA
PO Box 257
Pomaria, SC 29126
803-276-4590
803-276-4550 Fax

Lowcountry - 4213

Deb Fielding
HBA of the Lowcountry
PO Box 716
Beaufort, SC 29901
843-524-5203
843-524-2660 Fax
info@beaufort.org

Oconee - 4280

Russ Price
HBA of Oconee
PO Box 337
Seneca, SC 29679
864-882-1657
864-882-1676 Fax
info@hbaoconee.com

Orangeburg-Bamberg-Calhoun - 4260

Adolphus Johnson
HBA of Orangeburg-Bamberg-Calhoun
PO Box 870
Orangeburg, SC 29116
803-534-1383

Sumter-Clarendon - 4276

Nelle Tomlinson
HBA of Sumter-Clarendon
PO Box 1215
Sumter, SC 29151
803-775-6800
803-775-6801 Fax
hbasumclar@ftc-i.net

Union County - 4290

Jerry Harris
Union County HBA
1501 Whitmire Highway
Union, SC 29379
864-429-9033
864-429-9035 Fax
unlimitedagain@live.com

York County - 4264

Linda Wilson
HBA of York County
PO Box 2881
Rock Hill, SC 29732
803-328-8460
803-328-1917 Fax
hbayc@comporium.net



PROMPT ACCIDENT REPORTING IT'S THE LAW!!!

It is the law in South Carolina that an employer must promptly report all workers compensation injuries or be subject to a fine.

Failure to promptly report an injury does not make the injury go away. In fact, it can make the claim more costly to your company by reducing the control we have over medical treatment, extends the claimants time out of work, and increases the overall cost of the claim.

It is the sole responsibility of the employer to see that his/her employees and uninsured subcontractors report losses promptly. Each employer should examine his/her claim reporting procedures and make sure that all employees/uninsured subcontractors are aware of the guidelines for prompt reporting.

As a member of the South Carolina Homebuilders Self Insurers Fund, there are no reporting forms to complete. You can simply call us locally at 803-771-0566 or toll free at 1-800-678-8178. We will take the loss information from you by telephone. If you would prefer, you may also complete the enclosed Acord 4 and fax or mail to:

SCHBSIF
P O Box 7727
Columbia, SC 29202

Fax: 803-771-1598

The most important information needed will be:

- Name
- Date of birth
- Social security number
- Telephone number
- Address
- Date of accident
- Type of injury
- How it happened
- Work status

Late reporting or failure to report will jeopardize your coverage with the South Carolina Homebuilders Self Insurers Fund.



**Approved Medical Providers
Minor Emergency/Urgent
Care Centers**

Aiken

Doctors Care-Aiken
850 Aiken Mall Drive
Aiken, SC 29803
803-648-1464

Doctors Care-North Aiken
1029 York Street
Aiken, SC 29801
803-648-4119

Family Medcenters
216 Edgefield Ave. NW
Aiken, SC 29801
803-648-4224

Anderson

Doctors Care-Anderson
2126 Highway 81
Anderson, SC 29621
864-226-2660

Beaufort

Doctors Care-Beaufort
1510 South Ribaut Road
Port Royal, SC 29935
843-770-0676

Bluffton

Doctors Care-Bluffton
64 Bluffton Road
Bluffton, SC 29910
843-757-0676

Cayce

Doctors Care-Cayce
977 Knox Abbott Drive
Cayce, SC 29033
803-794-0476

Charleston

Doctors Care-West Ashley
1851 Sam Rittenberg Blvd.
Charleston, SC 29407
843-556-5585

Charleston-cont'd

Doctors Care- James Island
743 Folly Road
Charleston, SC 29412
843-762-2360

Doctors Care-Northwoods
8091 Rivers Avenue
Charleston, SC 29406
843-572-7000

Doctors Care-Charleston West
3424 Shelby Ray Court
Charleston, SC 29414
843-402-6834

Clemson

Clemson Urgent Care
885 Tiger Blvd.
Clemson, SC 29631
864-654-6800

Columbia

Doctors Care-Ridgeview
4234 Hardscrabble Road
Columbia, SC 29223
803-736-8955

Doctors Care-Seven Oaks
100 Jimmy Love Lane
Columbia, SC 29212
803-772-5030

Doctors Care-Northeast
110 Atrium Way
Columbia, SC 29223
803-788-1153

Doctors Care-Columbia East
7659 Garners Ferry Road
Columbia, SC 29209
803-783-2661

Doctors Care-Forest Acres
4416 Forest Drive, Suite A
Columbia, SC 29206
803-738-9522

Columbia-cont'd

Doctors Care-Beltline
511 Beltline Blvd.
Columbia, SC 29205
803-782-4051

Conway

Doctors Care-Conway 501
1113 Church Street
Conway, SC 29526
843-248-6269

Doctors Care-Conway
1400 Main Street
Conway, SC 29526
843-381-8206

Darlington

McLeod Medical Center-Urgent
Care
964 Lochend Drive
Darlington, SC 29532
843-393-6056

Florence

Firstchoice Healthcare
1920 2nd Loop Road
Florence, SC 29501
843-678-9777

Doctors Care-S. Irby
2200 S. Irby Street
Florence, SC 29505
843-662-9945

Doctors Care-Hoffmeyer
2410 Hoffmeyer Road
Florence, SC 29501
843-662-8182

McLeod Urgent Care Center
3015 W. Palmetto Street
Florence, SC 29501
843-777-6870



**Approved Medical Providers
Minor Emergency/Urgent
Care Centers**

Rock Hill

Riverview Medical Center
1393 Celanese Road
Rock Hill, SC 29732
803-329-3103

Piedmont East Urgent Care Center
760 Addison Avenue
Rock Hill, SC 29730
803-329-1930

Simpsonville

Doctors Care-Simpsonville
35 Ray E. Talley Court
Simpsonville, SC 29680
864-967-7028

Spartanburg

Doctors Care-East Blackstock
218 East Blackstock Road
Spartanburg, SC 29301
864-576-8646

Urgent Care Mary Black
Westside Medical Park
2995 Reidville Road
Spartanburg, SC 29301
864-587-3010

Summerville

Doctors Care-Dorchester
10160 Dorchester Road
Summerville, SC 29485
843-871-7900

Doctors Care-Summerville
410 North Main Street
Summerville, SC 29483
843-871-3277

Sumter

Doctors Care-Sumter
2745 Broad Street
Sumter, SC 29150
803-778-6555

Surfside Beach

Doctors Care-Surfside
1600 Hwy 17 North
Surfside Beach, SC 29575
843-238-1461

Swansea

Lexington Medical Center-Swansea
935 West 2nd Street
Swansea, SC 29160
803-568-2000

West Columbia

Doctors Care
2836 Augusta Road
West Columbia, SC 29170
803-939-0545

Doctors Care Family Medical
3240 Sunset Boulevard
West Columbia, SC 29169
803-796-4251

York

Piedmont West Urgent Care
1190 Filbert Hwy
York, SC 29745
803-628-0004



P.O. Box 7727
Columbia, SC 29202
803/771-0566 • Fax 803/771-1598
800/678-8178

ACCIDENT REPORTING AND TREATMENT FORM

Claim # _____

*** ACCIDENT DATA**

Employer Name _____ Time _____
Date _____ Employer Contact _____ Employee SS# _____ Phone _____
Employee Name _____ Birthdate _____
Home Address _____ Home Phone # _____
Job Title _____ Date of Injury _____
Describe what happened including exact location, machine or activity _____
Supervisor Name _____ Witness (if any) _____

MEDICAL CASE

I hereby authorize any physician, practitioner, hospital, clinic, insurance company or other organization, institution or person that has any records of (Employee Name) _____ to give to (Employer Name) _____, South Carolina Home Builders SIF or its authorized representatives any such information.

A photographic copy of this authorization shall be as valid as the original.

Employee Signature _____ Date _____

FIRST AID

Nature of Injury:
☐ New Injury ☐ No injury/illness found ☐ Recurrence/aggravation of existing condition ☐ Employee refused treatment

Type of injury: _____ Body part injured: _____

Treatment action taken:
☐ Return to work ☐ Needs additional treatment

MEDICAL PROVIDER

Where was the employee taken for initial treatment? _____ Arrival time: _____

Nature of injury:
☐ New Injury ☐ No injury/illness found ☐ Recurrence/aggravation of existing condition ☐ Employee refused treatment

Type of injury: _____ Body part injured: _____ Dominant hand: R L

RECOMMENDATIONS FOR WORK: ☐ Regular work ☐ Transitional-duty ☐ No work	LIFTING LIMITED TO: ☐ 10 lbs. ☐ 20 lbs. ☐ 30 lbs. ☐ 40 lbs. ☐ 50 lbs. ☐ No lifting ☐ Lifting limited to _____ times per hour.	CARRYING LIMITED TO: ☐ 10 lbs. ☐ 20 lbs. ☐ 30 lbs. ☐ 40 lbs. ☐ 50 lbs. ☐ No carrying ☐ Carrying limited to _____ times per hour.	PUSHING/PULLING LIMITED TO: ☐ 10 lbs. ☐ 20 lbs. ☐ 30 lbs. ☐ 40 lbs. ☐ 50 lbs. ☐ Pushing/pulling limited to _____ times per hour.	POSITION LIMITATION: ☐ No repetitive body motion (list body part) _____ ☐ No reaching above shoulders ☐ No reaching below knee ☐ No exposure to substances (specify): _____ ☐ Sitting/Standing limited to _____ hrs/day ☐ No climbing ☐ Not to drive vehicles ☐ Other work limitations _____
---	--	---	---	--

Treatment and comments: _____

Patient disposition: ☐ Return to Supervisor; no modifications needed. ☐ Return to Supervisor with modifications (above) for _____ days.
☐ Return to Supervisor; send home (employee can return to work on _____ (date).
Follow up appointment on _____ with _____

Medical provider signature _____ Date _____

RTW

To be completed by the employee and his/her supervisor
The above restrictions (if applicable) have been reviewed and the employee:

☐ Has been placed in an appropriate transitional-duty position ☐ Cannot be accommodated at this time ☐ Was sent home per medical instructions	☐ Returned to full duty, no modifications ☐ Employee refused transitional-duty ☐ Employee did not return to work
--	---

Supervisor _____ Date _____

SIF 062

ROA Supp000056



**P.O. Box 7727
Columbia, South Carolina 29202**

Phone: (803) 771-0566 • Toll Free 1-800-678-8178
Fax Claims: (803) 771-1598 • Fax Policy Services: (803) 252-8581
www.schbsif.com

SIF 066

ROA Supp000057

*--"Client satisfaction is the top priority of our agency.
The SCHBSIF provides this better than any company
we represent."*

Howard Cox, Agent
Greenville, SC

*"I like the program and try to sell it to all my fellow
builders and sub-contractors."*

Alex Hudson, Builder
Spartanburg, SC

*"I like the way the program is set up and the monthly
reporting."*

George Wyant, Sr., Builder
Spartanburg, SC

*"The SCHBSIF provides cost-effective, affordable
worker's comp coverage for the residential construction
industry. The SCHBSIF and its independent agents
are good 'partners' with the local HBAs."*

Audrey Cook, Executive Officer
HBA of the Greater Pee Dee



SIF 067

State of South Carolina Workers' Compensation Commission

CERTIFICATE OF APPROVAL TO SELF-INSURE WORKERS' COMPENSATION LIABILITIES IN THIS STATE

SI: FEIN:

Being a business of similar nature to other businesses in the fund, and in compliance with S.C. Code 42-1-10 et seq., (1976, amended), and Chapter 67 of the Code of Regulations, (1990, as amended), has been granted the privilege of self-insuring its workers' compensation liabilities as a member of the South Carolina Home Builders SIF.

The employer and the Fund are subject to and shall abide by all requirements of the Workers' Compensation Act, amendments thereto, and regulations that now are or hereafter adopted by the South Carolina Workers' Compensation Commission.

This Certificate shall remain in force for thirty days following notice to the Commission of the employer's voluntary or involuntary withdrawal from the Fund. The Fund shall remain liable for all claims incurred by the employer and its employees while the employer was a member of the Fund until all benefits available under the Act are fully paid.

The privilege to self-insure is subject to revocation by the Commission upon sixty days notice and an opportunity for the employer to be heard.

This Certificate becomes effective on

**SOUTH CAROLINA
WORKERS' COMPENSATION COMMISSION**

Gary M. Cannon
Executive Director

SIF 068



ROA Supp000059

From: Smith, W [mailto:WSmith@wcc.sc.gov]
Sent: Monday, August 09, 2010 9:09 AM
To: Jeff Ranew
Subject: Building Purchase

Dear Jeff! We have reviewed the information you provided concerning the purchase of a building to serve as offices for the SCHBSIF. We approve the use of \$1.6 million in fund investments to purchase the building. We will require the fund to designate an additional \$500,000 in investments as pledged to the South Carolina Workers' Compensation Commission prior to the purchase. Please have your bank send me a new safe keeping receipt for all securities pledged to the Commission to include the additional \$500,000. If you have any questions please advise and keep us informed as to your progress with the property purchase.
WC Smith, Director, Self-Insurance, SCWCC

3/9/2012

SIF 069

ROA Supp000060





RECEIVED
FEB 25 2011
SCHBSIF

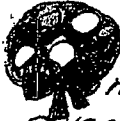
BALLOT

- To vote upon the establishment of the South Carolina Home Builders Mutual Group Insurance Company (SCHBMGIC), and
- To approve the transfer of assets of the South Carolina Home Builders Self Insurers Fund (SCHBSIF) to SCHBMGIC for the purpose of providing surplus funds sufficient to meet the requirements of Title 38 of The South Carolina Code of Laws.

THIS BALLOT MAY ONLY BE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY

2-24-11
Date

Yes, I approve the above proposal *See condition of my yes vote attached below: yes only, "if"*
Lincoln L. Privette Sr. X Lincoln L. Privette Sr.
Printed Name / Title *Pres. Privette Enterprises Inc.* Signature

 *Only if the SCHBA retains governance over the Home Mutual Comp. by way of SCHBA's 5 districts having total say (vote) on the board members and the election thing each & every third year.*

d of Trustees of SCHBSIF to vote on my behalf

X
Signature

X
Signature

(332-2)

SIF 070





RECEIVED
FEB 17 2011
SCHBSIF

BALLOT

1. To vote upon the establishment of the South Carolina Home Builders Mutual Group Insurance Company (SCHBMGIC), and
2. To approve the transfer of assets of the South Carolina Home Builders Self Insurers Fund (SCHBSIF) to SCHBMGIC for the purpose of providing surplus funds sufficient to meet the requirements of Title 38 of The South Carolina Code of Laws.

2-15-11

Date

Yes, I approve the above proposal

Lonnie J. Carter, Jr.
Printed Name

X
Signature

I waive my voting privilege and authorize the Board of Trustees of SCHBSIF to vote on my behalf

Printed Name

X
Signature

No, I do not approve the above proposal

Printed Name

X
Signature



RECEIVED
FEB 17 2011
SCHBSIF

BALLOT

1. To vote upon the establishment of the South Carolina Home Builders Mutual Group Insurance Company (SCHBMGIC), and
2. To approve the transfer of assets of the South Carolina Home Builders Self Insurers Fund (SCHBSIF) to SCHBMGIC for the purpose of providing surplus funds sufficient to meet the requirements of Title 38 of The South Carolina Code of Laws.

2-15-11

Date

Yes, I approve the above proposal

MARE ELLIS
Printed Name

x *Mare Ellis*
Signature

I waive my voting privilege and authorize the Board of Trustees of SCHBSIF to vote on my behalf

X
Printed Name Signature

No, I do not approve the above proposal

X
Printed Name Signature

(1699)



BALLOT

- To vote upon the establishment of the South Carolina Home Builders Mutual Group Insurance Company (SCHBMGIC), and
- To approve the transfer of assets of the South Carolina Home Builders Self Insurers Fund (SCHBSIF) to SCHBMGIC for the purpose of providing surplus funds sufficient to meet the requirements of Title 38 of The South Carolina Code of Laws.

THIS BALLOT MAY ONLY BE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY

3/1/2011
Date

Yes, I approve the above proposal

Berry Davis / President
Printed Name / Title

x Berry Davis
Signature

I waive my voting privilege and authorize the Board of Trustees of SCHBSIF to vote on my behalf

X
Printed Name / Title Signature

No, I do not approve the above proposal

Berry Davis / President
Printed Name / Title

x Berry Davis
Signature

RECEIVED

(2437-2)

MAR 02 2011

SCHBSIF



BALLOT

1. To vote upon the establishment of the South Carolina Home Builders Mutual Group Insurance Company (SCHBMGIC), and
2. To approve the transfer of assets of the South Carolina Home Builders Self Insurers Fund (SCHBSIF) to SCHBMGIC for the purpose of providing surplus funds sufficient to meet the requirements of Title 38 of The South Carolina Code of Laws.

Date

Yes, I approve the above proposal

Printed Name

X

Signature

I waive my voting privilege and authorize the Board of Trustees of SCHBSIF to vote on my behalf

J. ALLEN PATTERSON
Printed Name

[Signature]
Signature

No, I do not approve the above proposal

Printed Name

X

Signature

(4957)



BALLOT

- To vote upon the establishment of the South Carolina Home Builders Mutual Group Insurance Company (SCHBMGIC), and
- To approve the transfer of assets of the South Carolina Home Builders Self Insurers Fund (SCHBSIF) to SCHBMGIC for the purpose of providing surplus funds sufficient to meet the requirements of Title 38 of The South Carolina Code of Laws.

THIS BALLOT MAY ONLY BE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY

MARCH 1, 2011
Date

Yes, I approve the above proposal

RICHARD N. SENDLER, PRES.
Printed Name / Title

SENDER CONSTRUCTION CO., INC.
X Richard N. Sandler, PRES.
Signature

I waive my voting privilege and authorize the Board of Trustees of SCHBSIF to vote on my behalf

Printed Name / Title

X

Signature

No, I do not approve the above proposal

Printed Name / Title

X

Signature

RECEIVED

(5469-2)

MAR 02 2011

SCHBSIF



RECEIVED
FEB 16 2011
SCHBSIF

BALLOT

1. To vote upon the establishment of the South Carolina Home Builders Mutual Group Insurance Company (SCHBMGIC), and
2. To approve the transfer of assets of the South Carolina Home Builders Self Insurers Fund (SCHBSIF) to SCHBMGIC for the purpose of providing surplus funds sufficient to meet the requirements of Title 38 of The South Carolina Code of Laws.

2-15-11
Date

Yes, I approve the above proposal

Maureen M. Spindall
Printed Name

X [Signature]
Signature

Authorized Agent for Great Southern Home

I waive my voting privilege and authorize the Board of Trustees of SCHBSIF to vote on my behalf

X
Printed Name Signature

No, I do not approve the above proposal

X
Printed Name Signature



BALLOT

1. To vote upon the establishment of the South Carolina Home Builders Mutual Group Insurance Company (SCHBMGIC), and
2. To approve the transfer of assets of the South Carolina Home Builders Self Insurers Fund (SCHBSIF) to SCHBMGIC for the purpose of providing surplus funds sufficient to meet the requirements of Title 38 of The South Carolina Code of Laws.

2/24/11
Date

Yes, I approve the above proposal

RON BOSHAU
Printed Name

X
Signature

I waive my voting privilege and authorize the Board of Trustees of SCHBSIF to vote on my behalf

X
Printed Name Signature

No, I do not approve the above proposal

X
Printed Name Signature

5854 -- Tilton Group, Inc.

Address Tilton Group Inc PO Box 1937 Bluffton, SC 29910	Phone (843) 757-5896	Contact Steve Tilton x 224
--	-------------------------	-------------------------------

CSR -- Linda Humphries

DATE	TIME	BY	COMMENTS
2/28	1:51	ADW	Left Message
3-7	11:07		Steve mailed ballot last week

Jeff Ranew

From: Smith, W [WSmith@wcc.sc.gov]
Sent: Monday, May 23, 2011 3:46 PM
To: Jeff Ranew
Cc: Fickle, Brad
Subject: Fund Closure

Hello Jeff! This email is in follow-up to our meeting this past Friday, May 20, 2011, and our analysis of the supporting data you provided. In response to your request we have approved the release of \$5 million in non-pledged assets of the SC Home Builders Self-Insurers Fund to be used solely to capitalize the SC Builders Insurance Group, Inc., in conjunction with the closure of the self-insured fund. It is understood that the fund will cease accepting new members effective July 1, 2011 and will become no longer self-insured for workers' compensation in South Carolina effective January 1, 2012. The outstanding liabilities of the fund at the time of closure, January 1, 2012, will remain the responsibility of the self-insured fund and its membership under joint and several liability. The fund is required to provide a final audited financial statement following closure and will continue to provide the Commissions Form 11, Fund Quarterly Financial Report, until further notice. The fund will also be required to comply with Self-Insurance Tax and Second Injury Fund Assessment requirements following the funds closure. If I can be of further assistance please advise. WC Smith, Director, Self-Insurance, SCWCC



SCHBSIF Trustee Meeting
September 24, 2003

The September meeting of the South Carolina Home Builders Self Insurers Fund Trustees was held at the SCHBSIF office. Those in attendance were Herb Witter, Chairman, Al Bailey, Vice Chairman, Trustees, John Curl, Eddie Weaver, Keith Smith, Roland Bergeron, Colin Campbell, and Tom Markovich. Also present were Jeff Ranew, Danny Dilworth, Darlene Frick, Brandy Shealy, and Mary Ann Ray.

Chairman Witter called the meeting to order and the minutes of the August 14th meeting were reviewed. There was a mistake in the minutes as Colin Campbell attended the August 14th meeting and was not listed. John made a motion to approve the minutes of the last meeting and Eddie seconded. The motion carried.

Chairman Witter went over the Monthly Financials. The comparative financials were missing and we will make sure they are listed for the October 22nd meeting.

Darlene Frick went over the Fund Profile and claims update.

Mary Ann Ray went over the Marketing & Cancellation Reports. A discussion was held regarding the cancellation procedures and reinstatement fees. Mary Ann recommended that we return to the 4th and final cancellation rule and increase the reinstatement fees as we have members that continuously pay late. Al made a motion to accept Mary Ann's recommendation. Effective 1/1/04 we will start the 4th and final cancellation procedure. The administrator for extenuating circumstances may make exceptions. Jeff will advise the Board of any exceptions. The reinstatement fees will be increased to the following:

- 1st cancellation - \$100.00
- 2nd cancellation - \$200.00
- 3rd cancellation - \$300.00
- 4th cancellation - Will not be reinstated. Cannot be rewritten for a full year.

Eddie seconded the motion. No opposed and the motion carried.

Danny Dilworth updated the Board on the Risk Control & Claims Orientation Seminars. They are going great. He has hired the new Risk Control Consultant. They have also implemented some new procedures. They are now leaving a list of recommendations. If there was a serious fall hazard then a written response will be required from the insured.

Jeff Ranew went over the Fund update. He informed the Board that Midwest Employers recently audited the Fund. This was an underwriting audit, which went really well. We received excellent reviews. We should be receiving a premium indication by October 15th for the 2004 renewal.



SIF 082

A discussion was held regarding the 2004 rates. Colin made a motion to give staff the authority to review rates and recommend a minimum increase of 12% with the maximum recommendation still competitive. The Board would like to generate at least a 1 million dollar fund balance. Al seconded the motion and the motion carried.

Tom Markovich advised the Board that we have not received any nominations for the upcoming Trustee election. Al and Roland will be running unopposed. The Trust Agreement states there shall be an election so ballots will need to be mailed out.

Jeff advised the Board that the State Farm building currently has a contract on it but we are looking for other buildings. We also have a real estate agent looking for other options.

Neely Loring and Tom Colton with Matrix Consulting presented a proposal for a new AS/400. The current machine is seven years old and the capacity is almost at max. The estimated cost for new hardware is \$35,000.00. Roland made a motion to go ahead and purchase new hardware. Eddie seconded the motion. No opposed and the motion carried.

Tim Buhler and Greg Liechty with Evergreen Investment went over the investment accounts and their procedures.

* The Board then discussed the possibility of becoming a mutual insurance company. After much discussion Keith made a motion to take the next step in the review process. Eddie seconded. No opposed and the motion carried. The Executive Committee of the HBA of SC is having a retreat 10/9/03 – 10/11/03. Herb and Jeff will attend and advise the Executive Committee.

Herb advised everyone the next meeting is scheduled for October 15th. He asked everyone to think about locations for the Trustee Retreat and bring recommendations to the next meeting.

* Multi-State will be October 29-31 in Norfolk, VA. They are in the process of putting an agenda together.

Roland made a motion to go into Executive Session.

Meeting adjourned.

SCHBSIF Trustee Meeting
October 15, 2003

The October meeting of the South Carolina Home Builders Self Insurers Fund Trustees was held at the SCHBSIF office. Those in attendance were Herb Witter, Chairman, Al Bailey, Vice Chairman, Trustees, John Curl, Eddie Weaver, Keith Smith, Roland Bergeron, and Colin Campbell. Also present were Jeff Ranew, Danny Dilworth, Darlene Frick, Brandy Shealy, and Buddy Leaphart.

Chairman Witter called the meeting to order and the minutes of the September 24th meeting were reviewed. There was a mistake in the minutes as the next Board meeting was scheduled for October 15th not October 22nd. Roland made a motion to approve the minutes of the last meeting with the correction and Al seconded. The motion carried.

Jeff updated the Board on the status of the new AS/400. Matrix Consulting has offered an alternate proposal for a used AS/400 costing less money. The Board gave the Administrator the authority to review the proposals and make the decision on which to purchase.

Buddy went over the Quarterly Financials.

Herb went over the Quickbooks Budget Comparison YTD.

Darlene went over the Fund Profile. She also informed the Board that the adjusters are contacting providers to attempt to reduce/negotiate large medical bills.

Jeff went over the Marketing & Cancellation reports.

Danny presented a proposed new safety plan for fall hazards. Should we observe a fall hazard greater than 20 feet, we will advise the insured to correct the hazard before continuing work. Should the insured fail to cooperate, we would issue cancellation notice. If cancellation is issued the member may request a review during the pending cancellation time frame to show the SIF that this issue has been corrected. The agent would also be notified. We would like to implement 1/1/04. There was a discussion held regarding insured subs and actual members and their employees. Colin suggested that we design a small card with the Top 10 Hazards we will be looking for and maybe put the SIF telephone number on it. After much discussion, Danny will have program outlined for the Board's review at our next meeting.

Jeff advised the Board that we have received the Midwest renewal. We are still working on other options but we have received a proposed contract for 2004.

Jeff also informed the Board that we have received a proposed realty contract. Jeff has had Ms. Smith review and she has some recommendations for changes. The Board would also like clarification on the commission to be paid.

A discussion was held regarding the 2004 Trustee Meeting schedule. Jeff will send out a proposed schedule to all Trustees. Jeff will also look into the Trustee Retreat for 2004.

X Herb updated the Board on his and Jeff's visit with the Executive Committee of the HBA of SC to inform them of the possibility of the SIF becoming a mutual insurance company.

The next SIF Board meeting is scheduled for November 19th.

Executive Session

The meeting was adjourned.

SCHBSIF Trustee Meeting
November 19, 2003

The November meeting of the South Carolina Home Builders Self Insurers Fund Trustees was held at the SCHBSIF office. Those in attendance were Herb Witter, Chairman, Al Bailey, Vice Chairman, Trustees, John Curl, Eddie Weaver, Roland Bergeron, Marc Ellis and Colin Campbell. Also present were Jeff Ranew, Danny Dilworth, Mary Ann Ray, Brandy Shealy, and Buddy Leaphart.

Chairman Witter called the meeting to order and the minutes of the October 15th meeting were reviewed. There was a mistake in the minutes, as the Board did not hold an Executive Session at this meeting. Al made a motion to approve the minutes of the last meeting with the correction and Roland seconded. The motion carried.

Buddy went over the monthly financials.

Herb went over the QuickBooks Budget Comparison.

Jeff went over the Fund Profile and the claims update.

A discussion was held on the proposed rates for 2004. Al made a motion to approve the proposed rates with an effective date of 1/1/04. Eddie seconded. No opposed and the motion carried.

Danny presented the Fall Protection Plan. A discussion was held. Colin made a motion to approve and Eddie seconded.

Brandy Shealy went over the agenda and menu for the SIF Christmas party scheduled for December 12, 2003 at the Adams Mark Hotel.

Jeff advised the Board that we now have a signed contract with a real estate agent. We are expanding the search area and looking at a lease with the option to buy.

X Jeff also updated the Board on where we are with the mutual insurance company. He met with WC Smith last week and he seemed willing to consider releasing some of the 9 million dollars of securities prior to 2 years but we will have to wait and see.

Jeff and Al updated the Board on their recent trip to the Multi-State Meeting. The 2004 Fall Multi-State Meeting will be in Charleston and the SIF will host.

The next SIF Board meeting is scheduled for December 17th.

The meeting was adjourned.

SCHBSIF Trustee Meeting
April 21, 2004

The April meeting of the South Carolina Home Builders Self Insurers Fund Trustees was held at the SCHBSIF office. Those in attendance were Herb Witter, Chairman, Trustees, John Curl, Eddie Weaver, Vern Pottenger, Tom Markovich, Colin Campbell, and Keith Smith. Also present were Jeff Ranew, Danny Dilworth, Mary Ann Ray, Brandy Shealy, and Darlene Frick.

Chairman Witter called the meeting to order and the minutes of the March 24th meeting were reviewed. Keith made a motion to approve the minutes of the last meeting and Colin seconded. None opposed and the motion carried.

Buddy Leaphart went over the monthly financials. After a three-year study was done, it was determined that the premium audits usually generate 9 to 10 % increase in premium. This increase has been adjusted to revenues on the March financials and will continue going forward.

Jeff Ranew presented a summary of the Accounts Receivable by Fund year for the 1995-2003 years. Jeff also presented the Board with a copy of a Personal Guaranty drafted by Crews Law Firm.

Mary Ann Ray went over the Marketing and Cancellation Reports.

Attorney Sam Crews and Kip Fordham of Crews Law Firm joined the Board meeting. Mary Ann Ray went over the procedures on how a file is processed as well as when and how a file is turned over to collections if money is owed that we have not been able to collect. Sam then informed the Board of how files are handled in their office once they are received. He explained to the Board that we have 36 months to sue on bad debt. SC Law goes by the date the bill was actually due or last payment made. Crews went over the Personal Guaranty they drafted. He suggested that we attach this Personal Guaranty to all renewals for 2005 with a note stating "Please see attached new change in policy". He also stated that it would be safer to send out each year rather than just initially. It would need to be sent to each individual company. Colin Campbell made a motion to make the Personal Guaranty policy on all new business and 2005 renewals. The limit is not negotiable and it should be sent out each year to all members. John raised a question regarding joint and several liability being shared by each company, as we are a self-insured fund. Would signing the Personal Guaranty be him personally accepting joint and several liability? He would not want to do this. Jeff will ask Crews to tighten up the Personal Guaranty limiting it to only premiums due and ask WC Smith to clearly define what happens in joint and several liability. There being no other discussion there were none opposed and the motion carried.

Jeff presented the Board with a handout regarding a building for sale. He will keep looking for more opportunities.

Danny informed the Board that he has been speaking at local HBA meetings and also wrote a newsletter article for Vee Daniel, which was forwarded to all local EO's. He is currently still in search of another Risk Control Consultant. We are listed on 5 different college websites.

Jeff informed the Board of a seminar done for Poinsett Homes. Pointsett Homes required all on their subcontractors to attend. Jeff has asked Danny to pick the 5 biggest accounts and continue with this process.

Jeff advised the Board of Regina McMichael's proposal to do a Safety Seminar at the 2004 State HBA Convention. Colin made a motion to approve and John seconded. All SIF members that attend will receive credit. Tom Markovich advised the Board that the State HBA will cover some of the cost but is not sure at this point exactly how much funds are available.

Jeff advised the Board he has been contacted by the NAHB regarding creating a database of loss experience (no personal information). He will not give out information without Board approval.

Jeff went over his and Brandy's meeting with NBSC and visit to their operations center in Sumter where their lockbox is processed. The lockbox would actually be in Columbia and a courier would pick the mail up each day and take it to Sumter to be processed. If we decide to change our banking relationship it would make sense to move investments as well. Jeff will be meeting with them later next week to discuss. In the meantime he will check with other banks regarding lockboxes in SC and bring information back to the Board.

Mary Ann Ray updated the Board of the status of the 2003 audits. Overland Solutions are also working on the 15 special general contractors audits to compare to the template that Roland is working on. Southern Homes of the Upstate has a history of audit issues. Jeff is planning on meeting with them and we may end up actually reauditing them. We are going to treat this as an isolated case for now.

Jeff discussed dates and locations for the 2004 Agents Advisory Committee. It was decided that July 29-31st appeared to be best for the Board. A location of somewhere on the coast was discussed. We will also attempt to work the July SIF Board meeting in during the Agents Advisory Committee Retreat.

Jeff informed the Board that he had been contacted by an insurance company in Atlanta that is considering providing GL coverage if the SIF will allow them to place our excess insurance. Jeff will bring more information back to the Board as received.

X

Jeff also informed the Board that we are still looking at January 1st for the Mutual Insurance Company however the financial condition of the SIF will play a large role.

X

John McCoy will be here on May 5 with Lloyds of London to discuss excess for the mutual in case Midwest decides they don't like us.

A discussion was held regarding a rate increase. It was determined that a mid-year rate increase would not do us a whole lot of good if it just affected new business. It was decided to look at 1/1/05 for a rate increase.

The next meeting is scheduled for May 19th @ 9:00 am.

Colin made a motion to go into executive session. There being no other business the meeting was adjourned. The Board then met in Executive Session.

SCHBSIF Trustee Meeting
May 19, 2004

The May meeting of the South Carolina Home Builders Self Insurers Fund Trustees was held at the SCHBSIF office. Those in attendance were Herb Witter, Chairman, Al Bailey, Vice Chairman, Trustees, John Curl, Eddie Weaver, Vern Pottenger, Tom Markovich, Colin Campbell, Roland Bergeron, and Keith Smith. Also present were Jeff Ranew, Danny Dilworth, Mary Ann Ray, and Brandy Shealy.

Chairman Witter called the meeting to order and the minutes of the April 21st meeting were reviewed. Keith made a motion to approve the minutes of the last meeting and Vern seconded. None opposed and the motion carried.

Danny Dilworth introduced Trey Brown, Risk Control Consultant.

John Sadler presented the D&O renewal. This policy covers the Trustees liabilities as well as the operations of the insurance company. John then went over the policy exclusions and terrorism coverage. After a brief discussion Roland made a motion to exclude terrorism and Al seconded. There were no opposed and the motion carried. Tom made a motion to accept the D&O renewal and Keith seconded. There were no opposed and the motion carried.

Al Bailey made a motion to go into Executive Session to receive information from the Fund's attorney.

The Board came out of Executive Session.

After a brief discussion on rates, Colin Campbell made a motion to increase rates 15% for all tiers effective 7/1/04. This rate increase will be for new business only. Eddie Weaver seconded the motion. There were no opposed and the motion carried. Jeff will visit or call our top 15 agents to make them aware of this rate increase.

Jeff went over the monthly financials as well as the QuickBooks YTD Summary.

Jeff then went over the Fund Profile and claims update.

Mary Ann Ray went over the Marketing & Cancellation Reports.

Jeff informed the Board that our new Marketing Representative, Leigh Polhill, has been on the road 4 to 4 1/2 days per week visiting agents. She has found out there is a new company writing workers' compensation for residential builders with 15% down and 10 installments.

Danny Dilworth went over the Risk Control Activities for the month of April as well as year to date. Danny will continue this on a monthly basis.

X

Jeff informed the Board that the Agents Advisory Retreat is scheduled for July 29-31st. He asked the Board to let him know if they would be attending and whether or not they will be bringing a guest. We are pushing ahead with the applications for the mutual insurance company. Once they are submitted the state is required to respond within 60 days. We are also still meeting with different banks gathering information and will bring information back to the Board once completed.

Roland has provided a template for the special audits and we are still working on these audits to see if we are losing revenue.

Jeff is still looking for a new building. The lease runs out here in February of 2005.

Herb advised the Board that Darlene has provided a list of the top 20 claims for their review.

Herb also informed the Board that the Personal Guarantee has been revised due to the joint and several liabilities. John Curl thinks we need to have some exceptions to the personal guarantee. Jeff will put together a list of possible exceptions for the next Board meeting.

The next meeting is scheduled for June 16th @ 9:00 am.

SCHBSIF Trustee Meeting
June 16, 2004

The June meeting of the South Carolina Home Builders Self Insurers Fund Trustees was held at the SCHBSIF office. Those in attendance were Herb Witter, Chairman, Al Bailey, Vice Chairman, Trustees, John Curl, Eddie Weaver, Vern Pottenger, Tom Markovich, and Roland Bergeron. Also present were Jeff Ranew, Danny Dilworth, Darlene Frick, and Brandy Shealy.

Chairman Witter called the meeting to order and the minutes of the May 19th meeting were reviewed. Al made a motion to approve the minutes of the last meeting and John seconded. None opposed and the motion carried.

Danny Dilworth introduced Eric Buchanan, Risk Control Consultant. Danny then went over the number of surveys conducted in May.

Herb Witter went over the Monthly Financials and the QuickBooks YTD summary.

Darlene Frick went over the claims update and Fund Profile.

Jeff Ranew went over the Marketing and Cancellation Reports.

X Jeff then advised the Board of his meeting with the Department of Insurance to go over the first cut of the mutual insurance applications. We should know where we stand and some sort of time line in the next couple of months. He also reminded the Board of the Agents Advisory Retreat in Pawley's Island July 29th - 31st. We also have the annual State HBA convention coming up in Asheville. Regina McMichael will be helping with the Risk Control & Claims Seminar we will be holding at the convention. The Multi-State Meeting will be in October. So far we know that New Mexico, Louisiana, Minnesota, and Kansas will be joining us.

Jeff advised the Board that we are finishing up Roland's loss ratio report. We are still working on the Accounts Receivable and bad debt. We think we will be looking at around \$500,000 to \$550,000 to write off.

Jeff is still looking for a new building. We are now focusing on lease options or lease with purchase. We now know that the State HBA will not be moving with us so we have reduce the square footage to around 8,000.

Jeff has completed the analysis of the banks but he is not qualified to make a decision on the investment piece. The service we have been getting with the lockbox is the driving force behind changing banks. Jeff thinks the choice should be narrowed down to Carolina First or NBSC, as they are the only banks with lockbox in SC. Al made a motion to choose NBSC for portfolio and treasury services. John Curl recused himself

because he sits on the Bank Advisory Board. Tom seconded the motion. There were no opposed and the motion was unanimously approved.

Herb advised the Board that John Curl and Eddie Weaver will be up for re-election in 2005. Vern Pottenger will be head of the nominating committee. All other members of the Board not up for re-election will be on the nominating committee.

The next Board meeting will be July 29th @ 12:00 in Pawley's Island at the Agents Advisory Retreat. The 2003 year end financials should be ready by then.

Roland made a motion to go into Executive Session. Tom seconded. The Board then went into Executive Session.

The Board came out of Executive Session and the meeting was adjourned.

SCHBSIF Trustee Meeting
August 25, 2004

The August meeting of the South Carolina Home Builders Self Insurers Fund Trustees was held at the SCHBSIF office. Those in attendance were Herb Witter, Chairman, Al Bailey, Vice Chairman, Trustees, John Curl, Eddie Weaver, Vern Pottenger, Tom Markovich, Keith Smith, Colin Campbell, and Roland Bergeron. Also present were Jeff Ranew, Danny Dilworth, Darlene Frick, and Brandy Shealy.

Chairman Witter called the meeting to order and the minutes of the July 29th meeting were reviewed. Al made a motion to approve the minutes of the last meeting and Colin seconded. None opposed and the motion carried.

Herb Witter and Jeff Ranew went over the monthly financial statements.

Brandy Shealy went over the Quick Books YTD.

Darlene Frick went over the Fund Profile and claims update.

Jeff Ranew went over the Marketing and Cancellation Reports. July had many cancellations but 38 of the 49 non-pay cancellations were for non-pay of 2003 audit.

Danny Dilworth went over the Risk Control Activities for July and year to date. He also informed the Board that we have sold the Nissan Xterra to Trey Brown at his request and will begin paying him mileage.

Brandy Shealy presented a payment plan policy to the Board. Keith made a motion to approve and Al seconded. There were no opposed and the motion carried.

Jeff Ranew passed out the by-laws for New Mexico and Minnesota for Board review.

Jeff Ranew also presented the Board with a chart of premium and losses by cell along with the suggested new underwriting Procedures for renewal review. He also informed the Board of his plan for staff changes for 2005. He is currently looking for a staff accountant. Brandy will be moving back to Policy Services Department. She will be working with Leigh Polhill who has 20+ years experience in underwriting and Jeff to develop underwriting criteria. We will look to Midwest and Towers Perrin for training courses for Brandy.

Jeff advised the Board that we have distributed the new Employee Handbook to all staff. We are also in the process of changing banks. The investments were actually transferred to NBSC yesterday and the premium receipts will start September 1st. He then informed the Board that the multi-state room rates are only good for a few more days. Jeff asked the Board to make sure they have a reservation if they plan on attending. We are expecting a really good turn out.

Martin Moore went over the available lease property with the Board. Roland made a motion to let Jeff and Herb decide on which building would be best for the SIF. Colin seconded the motion. There were no opposed and the motion carried.

Jeff informed the Board of a request for change in the Agency Agreement. Michael Miles of Miles Insurance has written in the statement that the agency actually owns the accounts at expiration if the agency contract should be terminated. Jeff asked the Board for their recommendation. Al recommended that we allow the change for Miles Insurance Agency Agreement but not all agreements unless requested by agent. Jeff will gather copies of other companies contracts and ask Pope for his opinion. He will bring information back to the Board for review.

Jeff then informed the Board that he has received a question from an agent regarding how the SIF classifies punch list guys. We have been putting them under 9014. Is this where the Board would like for us to continue to put them? After a discussion was held, John made a motion to put punch list guys under 5437 effective 1/1/05. Tom seconded the motion. There were no opposed and the motion carried.

Jeff also advised the Board that we have agents that are combining offices for market purposes. There is not common ownership in the agencies. Will we require each office to join an HBA? The Board advised that unless there is common ownership each agency will need to join.

X

Jeff then informed the Board that the application for the mutual insurance company is now in the hands of the Department of Insurance. The big issue is how we are going to get the money needed. Jeff has a meeting with Tyler Hudson of NBSC to see what we will need for loan application. Jeff will attend the HBA Executive Committee Meeting and let them know that we have submitted the application for the mutual insurance company.

The next Board meeting will be September 22, 2004 @ 10:00 am.

There being no other business the meeting was adjourned.

Minutes of the Board of Trustees Meeting
South Carolina Home Builders Self Insurers Fund
10:00 am June 21, 2006

Those present were Herb Witter, Chairman, Colin Campbell, Vice Chairman, John Curl, Tom Markovich, James G. Graves, Ted Smith, Eddie Weaver, and Keith Smith. Staff present was Jeff Ranew, Brandy Shealy, Danny Dilworth, Darlene Frick, and Mike Hill.

Chairman Witter called the meeting to order and the minutes of the May 17, 2006 Board meeting were reviewed. John Curl moved for their acceptance, Keith Smith seconded and they were unanimously approved.

Mike Hill presented the monthly financials and Quick Book YTD Summary. Chairman Witter asked about the status of our attorney collections. Jeff Ranew informed the Board that Trey Brown has written a program through Access that will enable us to track the status of our collection accounts more efficiently. Jeff also informed the Board that we are also starting to see some money collected as a result of the Personal Guarantee Forms.

Brandy Shealy advised the Board that there are approximately 26 accounts that still have not returned the signed Personal Guarantee form. These 26 accounts represent an estimated annual premium of about \$177,127.00.

Brandy Shealy then advised the Board that there are about 10 payroll audits from the 2005 policy year that remain under investigation. We will continue to work with RTS to finish these as quickly as possible. We have billed an additional \$1.9 million in premium and issued credits in the amount of \$1.1 million which resulted in an additional premium billed of \$854,145.92.

Brandy Shealy also informed the Board that the Policy Services Department has begun the outgoing calls program in an attempt to update members' contact and policy information in our system. We will also include an update information request with the next monthly reporting forms which will be mailed out around the 24th of this month.

Darlene Frick presented the Fund Profile and Claims Update.

Jeff Ranew presented the Marketing and Cancellation Reports. Jeff also informed the Board that the Administrative Law Judge should be rendering a decision on the NCCI loss cost rate increase request within the next several weeks. We have also been advised that several of our competitors are increasing their loss cost multiplier as well as debiting their accounts at renewal as a result of the pending rate increase.

Danny Dilworth presented the Risk Control Activities for the month and year to date. Danny also showed the Board a video he has recorded of individuals on jobsites. He will begin to show these videos to our members at the monthly Safety Seminars. Danny also advised the Board that he has filled the Risk Control Scheduler position with a temporary staff hire from Jerman Personnel. This individual will start on June 26, 2006.



Jeff Ranew passed out a packet containing guidelines for our members in regards to recordkeeping and the annual payroll audit process. He asked the Board to review and advise of any changes or suggestions.

Jeff Ranew also advised the Board that he discussed the Executive Supervisor class code with the other SIF's at the Multi-State Meeting. It appears that each SIF handles this situation differently. He provided the Board with a draft copy of a job description and new classification for a job supervisor. A discussion was held. Jeff will make some adjustments to the description and discuss with RTS. He will then bring the results back to the next Board meeting for review.

Jeff Ranew also passed around a memo regarding the fall Multi-State Meeting which will be held in New Mexico. Jeff asked the Board to let them know who will be attending and what their travel itinerary will be.

Jeff Ranew then presented the Board with an updated pie chart showing the results of the 2005 audit financials. These will be posted on the SIF website and published in the next SIF newsletter.

Jeff Ranew informed the Board that the Agents Advisory Retreat has been finalized for August 24th – 26th in Savannah. He asked the Board to please complete the information sheets as requested and return to Leigh Polhill.

Jeff Ranew advised the Board that he received a call from John Cone with the HBA of SC. Carolina First has offered to donate \$10,000 to the renovation of the State HBA office and has asked to discuss a banking relationship with the SIF. Jeff Ranew advised the Board that we did not choose Carolina First when we were reviewing our banking relationships due to them not being able to offer the lockbox functions required. Jeff has agreed to meet with Carolina First and hear what they have to say and will bring the results back to the Board.

Chairman Witter had asked the SIF staff to review the information for the upcoming Trustee Election. Tom Markovich and Ted Smith will each be running again for their seat. Vern Pottenger will be the Nominating Committee Chairman and any Trustee not up for election will be part of the nominating committee. The SIF staff will send out a letter to the Local EO's by the end of July advising them of the upcoming election. An article will also be placed in the next SIF newsletter.

A discussion was held regarding the Royalty Agreement. This agreement will automatically renew for one year beginning August 15, 2006. It will then renew annually as is unless notification is given by either party six months prior to the next renewal date.

Jeff Ranew advised the Board that he has received a request from Vee Daniel for the SIF to sponsor a dinner at the annual EO Retreat. A discussion was held. Colin Campbell made a motion to donate \$800.00 to the Local EO's for this retreat. John Curl seconded. There were no opposed and the motion carried.

Jeff Ranew then advised the Board that he has received a request from the HBA of SC for two donations of \$1000.00 each for the Executive Committee Retreat to be held in October, and for sponsorship of a hospitality suite at the International Builders Show in February of 2007. A discussion was held. Colin Campbell made a motion to sponsor these two events at \$1000.00 each and Eddie Weaver seconded. There were no opposed and the motion carried.

Jeff Ranew updated the Board on the status of the mutual insurance company. The applications previously sent are now stale dated and will need to be completed again. He plans to have the applications completed around mid July. The state will then have 60 days to approve the applications. Jeff is in the process of reviewing IT platforms and has been in contact with NCCI. He has also talked with Dean Kruger about coming out to do a mock examination for us to help with the approval process.

Jeff Ranew informed the Board that we have reason to believe one of our substantial insured's has a casual laborer working for them that does not appear to have been picked up on the 2005 audit. We will attempt to verify this and will contact the insured if needed and request a 1099 for this individual.

Brandy Shealy advised the Board that we have received a request from a Premium Research Services to provide documentation regarding a policy in force with the SCHBSIF during 1998 & 1999. A letter is attached from the prior member giving Premium Research Services the authority to request this information. A discussion was held. It was determined that due to the fact this file is over seven years old this information is no longer available.

The next meeting is scheduled for July 19, 2006 @ 10:00 am.

The meeting was adjourned.

An Executive Session was held.

Minutes of the Board of Trustees Meeting
South Carolina Home Builders Self Insurers Fund
10:00 am January 17, 2007

Those present were Herb Witter, Chairman, Colin Campbell, Vice Chairman, John Curl, Tom Markovich, Keith Smith, Bill Smith, Eddie Weaver, and Ted Smith. Staff present was Jeff Ranew, Brandy Shealy, Danny Dilworth, Darlene Frick, Mike Hill, and Leigh Polhill. Guests in attendance were Tyler Hudson, Neil Price, and Donna Nesbitt of NBSC and Synovus.

Chairman Witter called the meeting to order. The minutes of the December 20, 2006 meeting were reviewed. Tom Markovich made a motion to approve as written. Keith Smith seconded. There were none opposed and the motion carried.

A discussion was held regarding the election of Chairman and Vice Chairman. Tom Markovich made a motion for Herb Witter to remain Chairman for the 2007 year. Eddie Weaver seconded the motion. There were none opposed and the motion carried. Keith Smith made a motion for Colin Campbell to remain Vice Chairman for the 2007 year. Tom Markovich seconded the motion. There were none opposed and the motion carried.

Mike Hill presented the compiled financials and Quick Books Summary. Jeff Ranew informed the Board that the audited fund balance for the year ended 12/31/05 was approximately \$715,000 on a pre-tax basis. The compiled (unaudited) financial statements for the period ended 12/31/06 provide an estimated, comparable fund balance of approximately \$5,500,000. This difference is due primarily to a continued reduction in claims liabilities and related expenses.

Leigh Polhill presented the Marketing and Cancellation Reports. Brandy Shealy advised the Board that 12 of the 41 accounts which cancelled in December were nonrenewals which represented \$307,025 of the total premium cancelled of \$524,270. Leigh also advised the Board that so far in January we have written 11 new accounts with an estimated annual premium of \$146,145.

Darlene Frick presented the Fund Profile and Claims Update. She reported on a new claim filed by Leacon Construction which occurred in December 2006 and is currently reserved at approximately \$269,000. This claimant has undergone surgery and we are awaiting receipt of charges from the hospital. Darlene also reported that she has made significant progress in closing the Cromer claim, and anticipates a reduction in total reserves based upon recent settlement of the indemnity portion of the claim.

Brandy Shealy updated the Board on the Leacon, Inc. account discussed at the last Board meeting. This insured has had 3 fall claims involving 4 workers since July of 2005 with the last claim reported reserved over \$268,000. Since inception this account has a loss ratio of 144% and a three year loss ratio of 307%. The insured has been placed on probation on two separate occasions for fall claims and has attended a safety seminar. Jeff Ranew will meet with this insured regarding our decision to cancel his coverage prior to notice being issued.

Tyler Hudson of NBSC attended this meeting along with Neil Price and Donna Nesbitt of Synovus. Tyler Hudson thanked the SIF for the relationship we have shared over the last three years. He then advised the Board that he had a discussion last week with Jeff Ranew regarding the funds moved from the Synovus investment account to a Money Market at NBSC during 2005. He suggested that we should review this structure as the SCHBSIF may benefit by returning funds to the actively managed Synovus portfolio. Tyler will work with Jeff and Neil Price to complete this transfer.

Neil Price with Synovus then presented an update of the pledged and non-pledged investments accounts. Jeff Ranew advised the Board that Synovus has been working with him over the last several months on the Custodial Agreement required by the Department of Insurance. Jeff thanked Neil and Synovus for all their help with this agreement.

Danny Dilworth updated the Board on the Risk Control Activities for the month of December and year to date. Danny also advised the Board that we have recently purchased the two trucks over 6000 lbs that were approved at the last Board meeting.

Danny then advised the Board that he plans to make an offer of employment to a candidate for the Risk Control Consultant position this afternoon.

A brief discussion was held on the progress of the Susan Harwood Grant. Danny advised the Board that we have the opportunity to apply for a six month extension on the grant due to the grant becoming effective at the time of notification that we actually received the grant.

Jeff Ranew thanked the HBA for their help and support with the Susan Harwood Grant. Jeff Ranew, Mike Hill, and Danny Dilworth are meeting with the staff at the HBA this afternoon to update the contact information for the grant.

Jeff Ranew advised the Board that he has received the draft of the 2006 reserve analysis. There are two material differences this year: one being that we are no longer seeing the reduction of claims reserves that we have seen in the past; and that anticipated recoveries from the 2nd Injury Fund have been reduced by approximately 98%. Other self-insured funds in the state are experiencing similar reductions. After discussion it was decided that the reserve analysis will reflect elimination of these recoveries beginning with the 2004 year and forward.

Jeff Ranew updated the Board on the mutual insurance company. Dean Kruger will conduct a trial examination at our office on January 22 & 23 to help us prepare for the examination to be completed by the SC Department of Insurance on February 27 & 28. Jeff advised the Board that once these are completed we should again review the requirements for the start-up and successful operation of the mutual insurance company. Per the plan of operation approved by the SC Department of Insurance the mutual company must attain on an ongoing basis a net loss ratio of 50% or less; accrue liabilities for 2nd Injury Fund assessment at a rate of 11% or less; and provide a minimum of \$5,000,000 contributed surplus (est'd at \$7mm pre-tax).

Chairman Witter advised the Board that he attended a Master Builder Committee Meeting last week. Marc Nix, Executive Officer of the HBASC has agreed to update their website monthly to ensure that the SIF can properly identify and apply credit for the Master Builders that are insured with the SIF.

Chairman Witter informed the Board that at the last meeting Leigh Polhill asked the Board to review the website and advise. Herb thought the website looked good and was easy to operate.

Chairman Witter advised the Board that he has had several discussions with Vern Pottenger in the last several weeks. A discussion was held. Vern Pottenger's absence from this meeting has been excused. Colin Campbell made a motion to start noting absences in the minutes and noting whether they are excused absences. An absence will be considered excused if the Board member notifies the Chairman or the Administrator prior to the meeting that he will not be able to attend, or makes a request for an excused absence prior to the approval of the minutes at the meeting following the absence. Eddie Weaver seconded this motion. There were none opposed and the motion carried.

The next meeting will be February 21, 2007 at 10:00 am at the SIF office.

The meeting was adjourned.

An Executive Session was held.

Minutes of the Board of Trustees Meeting
South Carolina Home Builders Self Insurers Fund
10:00am June 20, 2007

Those present were Herb Witter, Chairman, Colin Campbell, Vice Chairman, John Curl, Keith Smith, Bill Smith, Ted Smith, Eddie Weaver, Tom Markovich and Jim Gregorie. Staff present were Jeff Ranew, Brandy Shealy, Leigh Polhill, Danny Dilworth, Mike Hill and Diane Tolbert. Guest in attendance was Mark Nix from the HBA of SC.

Chairman Witter called the meeting to order. The minutes of the May 2007 meeting were reviewed. Keith Smith moved that they be accepted. Colin Campbell seconded. The minutes were unanimously approved.

Herb welcomed Jim Gregorie to the Board of Trustees to fill the remainder of the term vacated by Vern Pottenger. As a non-member of SCHBSIF, Mr. Gregorie will be welcome to discuss any topic but will not be allowed to vote.

Mike Hill presented the May 2007 Compiled Financial Statements. The balance sheet as of May 31, 2007 shows a fund equity of \$2,685,825.28. The statement of revenue and expenses shows expenses in excess of revenues in the amount of \$232,360.14. Colin Campbell mentioned that he would like to see a document showing the change in our financial position from the month prior. We will start providing this information in the future.

Jeff Ranew and Diane Tolbert presented the Claims Update & Fund Profile. Jeff Ranew discussed the Fund Profile for all years to present. On the reserve changes greater than \$25,000, there has been an overall increase of \$893,492.30. Some of this is attributable to the fact that since a prior claims adjuster left the Fund, all her outstanding claims files were reviewed and in some cases adjustments were made to outstanding liabilities. Diane Tolbert discussed the 20 largest open claims. Increases in reserves were noted for Williams and Dodgens. For Williams, which is a lifetime medical case, there has been a change in condition and reserves have been increased for lifetime exposure. For Dodgens, the reserves have been increased due to psychological problems as well as pain management. Overall the claim reserves increase since last month have increased the loss ratio from 33.29% to 43.45%.

Overview of events on Phil D. Tims

I was contacted the evening of June 10th by our case manager and advised that Mr. Tims had been admitted into Greenville Memorial Hospital in a non-responsive state. There was little known at that time; however we later learned that the aide who was taking care of him on the 9th had taken him away from the home due to the ex-wife having a wedding at the house. The aide left the house around 12:15 and did not return until 5:30. The events of the day were unknown as the aide did not show up at the hospital and has not been able to be located. We do not have any medical notes from the hospital as they will not release them to us since we are currently denying this stay. Our case manager has

been in contact with the hospital and with Mr. Tims' ex-wife. The information received does indicate that Mr. Tims did have a drug screen and he did test positive for cocaine and methamphetamine. There is also some indication that Dr. Muranda at Greenville Memorial has diagnosed Mr. Tims as having had a heat stroke which was caused by an infection in his body in combination with him being in the heat for so long on the 9th. (This has not been confirmed)

We scheduled the deposition of Dana Earls (the aide) and Pat Holcombe (ex-wife). The deposition of Pat was held on July 2nd, where we learned that according to Mr. Tims the events of that day were as follows: Mr. Tims and Dana left the home around 12:15 and drove around to see if they could locate a friend of Mr. Tims and when they were unable to locate him they went to the bank to get Mr. Tims some money to shop at Wal-Mart. Then went and picked up a lady (friend of Ms. Earl's). Went to the west side of Greenville where according to Mr. Tims the 2 ladies purchased illegal drugs and administered them to him by IV needle. After that they drove to Wal-Mart where Mr. Tims did not get out of the car. While waiting on Ms. Earls he began to feel very hot and ill. That is all he can recall of the day, however he does recall it being around 2:30 when they were at Wal-Mart.

Mr. Tims had improved some, but has now been placed back in to ICU with double pneumonia and congestive heart failure.

Ms. Earls did not show up for her deposition and we will attempt to serve her in the next couple of days so that we can get her deposition.

It is our understanding from Ms. Holcombe and her attorney that they will attempt to file a suit for liability in this case. We should anticipate being named as a party.

Reserves have not been changed in this case, however if Mr. Tims does survive and the current events are deemed compensable we will need to discuss with our excess carrier the possibility of increasing medical expense since Mr. Tims will most likely now need 24 hour care. If in fact Mr. Tims does not survive benefits will be limited to either 500 weeks or if the cause of death is deemed not compensable we should not owe additional indemnity benefits.

Current Action Plan:

Will attempt to reschedule Ms. Earl's deposition

Subpoena medical records from Greenville Memorial

Schedule depositions of physician to determine cause

Leigh Polhill presented the Marketing and Cancellation Report. For the month of May, 2007 there has been a net loss of 5 accounts with an associated reduction in estimated annual premium of \$34,291. Overall year to date we are down 15 accounts; however estimated annual premium is up by \$600,514, indicating a growth of \$72,388 from April. The primary reason for cancellation is nonpayment of premium accounting for 13 of the 22 cancellations for May. Also provided was a spreadsheet showing the new business written since January 1, 2007. Based on the policy count and premium size to date, it is estimated that we should write approximately \$2,000,000 in new business in 2007. We are seeing a slow down in submissions that seem to trend with the building industry as a whole. Mark Nix indicated there is an 18% decrease statewide in new home starts; however, South Carolina is still trending more positively than the nation as a whole. Keith Smith indicated it is very difficult to track new homes construction. Permits tend to be used; however, even though a permit is granted, it may be years before construction begins.

Danny Dilworth presented the Risk Control Update. Jeff Ranew noted that a representative from OSHA will be in our office tomorrow to conduct a financial audit of the Susan B. Harwood Grant which has been awarded to the HBASC. He will be auditing the record keeping for the delivery of services provided by SCHBSIF, and the HBA of SC to verify the charges billed for services they provide for their portion of the funds. McGregor & Co. has provided documentation to help us with this audit. The second part of this audit that will review program content will be conducted in the OSHA Atlanta office using information provided to them by the grant recipient and its subcontractors.

Danny Dilworth indicated that Trey Brown has resigned as Risk Control Consultant. He is going to work for one of the Liberty Mutual companies in Florida. Danny has two interviews on Friday; one experienced person and one without experience. In addition to this he is utilizing Monster.com to locate qualified candidates. Danny showed the Board of Trustees the 1/3 scale scaffolding that he obtained after approval at the last board meeting. He intends to use this at future Risk Control seminars and in the future will contact brick companies and building supply companies to hold meetings for interested subcontractors.

Brandy Shealy presented the Underwriting/Policy Services Update. The audits for the 2006 Fund Year are completed. Approximately 22 remaining accounts have a return premium of over \$1000 and are being reviewed for accuracy and reaudit if needed. Audit revisions have slowed but will likely increase once cancellation notices are mailed for audit premiums not paid. Overall, even though debits exceed credits, the additional premium is lower than in past years. Brandy also indicated the outgoing call program will be completed in the next two weeks.

Jeff Ranew brought the board up to date on a number of issues. The 401K administrator is being changed and the transition is moving smoothly. The loan for the HBA of SC has been approved by W.C. Smith and will be ready for disbursement when requested by the HBASC. The Multi-State meeting will be held in Nashville on October 3-5. Jeff

discussed the long term strategy session and provided the Board with a suggested agenda by NAHB. The date for this meeting is set for November 1-2, 2007. Locations suggested were the Westin Poinsett in Greenville and the Hampton Inn in downtown Greenville. Jeff will investigate these options and report back.

Leigh Polhill confirmed that we will have 100% attendance at our Agents Advisory Council meeting in August to be held in Highlands.

Leigh Polhill discussed the Christmas Party. The Hilton Convention Center hotel has agreed to allow us to hold our party there on December 14, 2007. We are awaiting contracts. We will have a block of rooms held for those who want to stay overnight.

Jeff Ranew brought two accounts to the attention of the Board. First is Tomberlin which is requesting that we reimburse him \$225.00 for the time it took him to provide us with the data to revise his audit. It was noted that his policy cancelled for failure to sign the Personal Guaranty form effective January 1, 2007. The board decided we would not make this reimbursement. Monteray Construction is contesting their 2006 audit. During the course of investigation it was revealed that this account has 100% commercial exposure. The Board instructed Jeff to treat this account as we would any other member as regards classifications and future insurability.

Jeff Ranew indicated that we have received a database from the HBA of SC for the entire membership of the state. This database can be sorted by builder and associate member as well as nature of business. With this information he plans to request that the South Carolina Workers Compensation Commission permit the SCHBSIF to offer coverage to all members of the HBASC, full and associate members alike.

Jeff Ranew updated the board on the Mutual Insurance Company. Several reinsurers will be visiting in September. Among the criteria to move forward is a loss ratio consistently at or below 50%; Second Injury Fund assessments at or below 12% on a consistent basis; \$7,000,000 or more in pre-tax surplus; and a computer system that will allow us to meet the regulatory requirements. Keith Smith mentioned that the House did vote today to pass the Workers Compensation reform bill and the Governor is expected to sign it into law. This legislation will impact us in a favorable manner as it will eventually dissolve the Second Injury Fund and has provisions to roll back prior legal decisions which impede the claims adjudication process.

Jeff Ranew discussed the IT issues we face with the conversion to a Mutual. He noted our options at this point are acquisition of a new system which operates in a language entirely different from our current system and would require extensive data conversion; a combination of separate sub-systems linking internal functions; or an upgrade of our existing system. Jeff continues to work with Dean Kruger in helping us make the best decision based on cost and ability to perform the needed functions. A discussion was held. Herb Witter suggested this be discussed further at next month's Board of Trustees meeting.

Leigh Polhill discussed the issues we were having with Van Miller in the publishing and prompt delivery of our quarterly newsletter. The Board indicated we were free to pursue other options as this point.

Leigh Polhill brought up a member, Edgar Lewis Gartman, Jr. who through a reported claim was determined to being paying the injured worker in undocumented cash. This is the second claim for this insured and in both instances the employee was paid in cash. In the prior claim in 2003, this employee was not reported on the audit. The Board instructed Leigh to proceed with reporting this individual to the Attorney General's office for Insurance Fraud.

Herb Witter brought to the Board's attention that two trustees, John Curl and Eddie Weaver are up for election in 2008. When we made our application for creation of a Mutual Insurance Company, the DOI stated that it would be compulsory that the charter Board of Directors of the mutual insurance company be comprised of those members of the Board of Trustees of the SCHBSIF. Herb asked the Board if an election should be held under the circumstances. Colin Campbell made a motion that we hold no elections for these two Trustee positions. Tom Markovich seconded. John Curl did not vote. Eddie Weaver left the meeting before the vote was conducted. The decision was unanimous to not hold elections for these two positions. Keith Smith will advise the Executive Board of the HBA of SC of the decision.

The next meeting is scheduled for July 18th at 10:00am at the SIF office. The August Board Meeting will be held in conjunction with the State HBA Convention at the Marriott Grande Dunes on August 15th at 5:30 pm.

There being no further business the meeting was adjourned.

Minutes of the Board of Trustees
South Carolina Home Builders Self Insurers Fund
10:00am January 14, 2009

Those present were Herb Witter, Chairman, Colin Campbell, Vice Chairman, Keith Smith, Eddie Weaver, Jim Gregorie, John Curl, Tom Markovich, and Steven Mungo. Staff present was Jeff Ranew, Brandy Shealy, Mike Hill, Andrew Woodham and Brian Emery.

Chairman Witter called the meeting to order. The minutes of the December 19, 2008 meeting were reviewed. Keith Smith moved that they be accepted. John Curl seconded. The minutes were unanimously approved.

Herb Witter introduced and welcomed Steven Mungo as the newest member of the Board. Mr. Mungo was recently elected to the position of Vice President of the HBA of South Carolina and accordingly becomes a member of the Board of the Fund. Chairman Witter pointed out that although Mr. Mungo holds a seat on the Board he will not have voting privileges since he is not a member of the Self Insurers Fund.

Chairman Witter asked the Board if there were any nominations for the position of Chairman and Vice Chairman of the Fund. John Curl made the motion that Herb Witter be re-elected Chairman and that Colin Campbell be re-elected Vice Chairman. Keith Smith seconded the motion and the motion was unanimously approved.

Mike Hill presented the December, 2008 Compiled Financial Statements. For the month ending December 31, 2008 there has been an increase in Fund Equity of \$623,838 which resulted in total Fund Equity of \$4,699,579. There was a net income from operations for the month of \$417,506 and there was an unrealized gain on securities totaling \$206,332. The Income Statement for the twelve month period ending December 31, 2008 reflects expenses exceeding revenues by a total of \$61,891.08. After an Income Tax credit of \$21,043, expenses exceeded revenues by \$40,848.08. Mike then reviewed the schedule of budgeted expenses and explained the variances of any expenditure over budget. John Curl questioned why the year to date total for premiums on the Contributions from Members Report totaled

\$11,897,332 while the contributions from members on the income statement showed \$10,053,387. Mike explained that the Contributions from Members Report was on a cash basis while the income statement is reported on an earned basis. Jeff Ranew advised the Board that we received the actuarial report from Casualty Actuarial Consultants two days earlier and it indicated a significant reduction in the claim reserves as compared to the reserve on the Fund Profile. Mike advised the Board that based on the reserve provided in the actuarial report it is estimated that the Fund equity would be approximately \$5.6 million at year end.

Andrew Woodham presented the marketing report. Andrew reported that there were 4 new accounts with 20 terminations which generated a net reduction in estimated annual premium of \$105,018. Andrew provided the Board with a list of members that had cancelled coverage indicating the annual premium and the reason for cancellation. According to the report the larger accounts cancelled because our deposit requirements were deemed to be too high. Colin Campbell commented that Builders Mutual offers deposit requirements as low as ten to fifteen percent. Andrew stated that some members also prefer to pay a consistent monthly premium rather than pay based on actual payrolls. Steven Mungo said this is because our member's bankers are requiring that their clients provide accurate monthly cash flow projections to support the lines of credit being provided. Andrew stated that he continues to be upbeat about his impression of how our agents view the Fund and the services we offer. Andrew referred the Board to a summary report listing the number of cancellations for the month of December and for the full year, noting that the primary reason was due to non payment of premiums. Jeff stated that the requirement of HBA membership for membership in the SIF and the associated fees for HBA membership are being viewed as part of the cost for insurance coverage and is beginning to impact cancellations. Keith Smith asked how much new business has been written now that we have approval to write additional classes of business. Brandy Shealy replied that we have only written a couple landscaping companies and a couple cabinet makers which are attributable to the downturn in construction. John Curl commented that it is estimated that it will take approximately eleven months to reverse the downturn in construction activity because of the current excess housing inventory.

Jeff Ranew presented the claims report. Jeff stated that there were no material changes in the twenty largest claims. Jeff reported that we lost our appeal in the Timms case before the Workers Compensation Commission.

Our reinsurer has indicated that they will appeal to the Supreme Court and have asked us to appeal to the Circuit Court. Since we denied coverage there has been additional hospital expenses incurred of approximately three million dollars. We hired Medical Services Company (MSC) who then subcontracted with Home Watch Care Givers, the firm that provided the attendant for Timms and who is believed to be responsible for Timms worsened condition. Timms' attorney has filed suit against MSC and Home Watch Care Givers. Tom Markovich observed that while we have already exceeded our reinsurance retention we will have to accrue for the Second Injury Fund liability for the additional hospital expenses.

Brandy Shealy reported to the Board on the Policy Services activities. Brandy stated that she is continuing to send letters to HBA members and to firms in the Assigned Risk Pool in an attempt to obtain new business by pointing out the benefits of becoming a member of the Fund. She advised that she has been working with Brian Emery to train on the VisualAudit software that Brian has begun using for his payroll audit activities. Brandy then requested guidance from the Board on an issue that has arisen regarding Fund member, Precision Builders. Kenneth Lowe of Precision Builders has requested that the Fund reopen the 2007 Fund Year in order to allow him to present information regarding the splitting of payrolls between the interior and exterior carpentry classifications. After a brief discussion Keith Smith made a motion that the 2007 fund year not be reopened. Eddie Weaver seconded and the motion was unanimously approved.

Jeff Ranew briefly discussed the Risk Control & Safety activities. He referred the Board to the statistics set forth in the Board package indicating that there were 52 site surveys in December and 1,105 year to date. There were 9 surveys for underwriting and there were 13 surveys scheduled but later cancelled for varying reasons. Jeff then provided the Board with a hand out stating that South Carolina OSHA has revised its compliance guidelines for residential fall protection effective December 30, 2008. It was noted that OSHA's definition of residential construction is now the same as the SC Commercial Code. For work to be residential, it must be on a residential structure not more than 3 floors in height and not have more than 16 units in an apartment building.

Brian Emery presented his report of the payroll audit activities for the month. Brian reported that he had completed 9 physical audits resulting in a reduction of premium of \$4,917. Brian advised the Board that he has been training the two new auditors on the VisualAudit software. He stated that John Iannace and Craig Manning are now performing audits and should be completing close to twenty audits in January and February. Brian told the Board that when splitting payroll and materials that he will allocate 75% to payroll and 25% to materials when the member is unable to provide specific itemized invoices detailing labor and materials charges. John Curl commented that this procedure would not work with HVAC contractors. Keith Smith stated that this would also be a problem with plumbing contractors and Steven Mungo added the same would be true for turn-key concrete work. Chairman Witter responded that the operational procedure of using 75% for labor and 25% for material would be acceptable.

Jeff Ranew presented the updated strategic plan noting that the items highlighted in yellow indicated completion of these objectives and strategies. Jeff then updated the Board on the status of the IT plan noting that Trae Jones of ATSC had accepted the position of Vice President of Marketing for Tropics and that our new contact with ATSC would be Janeen Blanton. Jeff said that he was waiting on the contract from Mike Mobar of Tropics to review with ATSC and the Board. Jeff added that the details of the contract would vary depending on who we select to host the system. Tropics currently has another client who is supported by the firm Peak Ten. We are also considering whether to have our current hosting provider, Matrix, host the Tropics system.

Chairman Witter commented to the Board that the newly received Actuarial Report indicated a significant decrease in reserve requirements which would therefore increase the Fund's equity. Given the anticipated improvement in the Fund's equity Chairman Witter questioned whether it was appropriate to set a tentative target date for conversion to a mutual company. Jeff Ranew stated that the implementation of a new software platform was a condition of beginning operations as a mutual. Jeff advised that there are several variables associated with the IT conversion not the least of which is the conversion of data to the new system. It was agreed that the completion of the IT conversion would make it impractical to consider converting to a mutual insurance company prior to July 1, 2010 with a more likely date of January 1, 2011.

Mike Hill told the Board that the deposit requirement to reserve the Old Edwards Inn for the 2009 Agency Advisory Council meeting was now due. The amount of the deposit is \$10,420. Mike asked for the Board's approval to proceed to pay the deposit in light of current market conditions. After a general discussion the Board asked Andrew Woodham to investigate whether the meeting could be held at an alternate site in order to reduce costs and to report back to the Board at the next meeting.

Brandy Shealy asked the Board to consider the date for the 2009 Christmas Party so that she may be prepared to discuss plans with the Hilton hotel where the most recent party was held. After a general discussion it was agreed that the tentative date for the party would be Friday, December 18 to be held in conjunction with the December Board meeting. The Board requested that prior to making any commitment to the Hilton hotel that Brandy begin reviewing options to hold the party at other hotels or restaurants in Columbia in order to reduce costs.

Jeff reminded the Board that the next Multi-State meeting will be held in Williamsburg, Virginia on May 6 through May 8 at the Marriott hotel.

Chairman Witter asked the Board to consider whether the Fund should host a dinner for the Executive Officers of the HBA as has been done in the past in order to bring the EOs up to date regarding the activities of the Fund. The Board asked Andrew Woodham to consult with the Executive Officers to set a date that would be mutually convenient for everyone.

Chairman Witter announced that the next Board meeting will be held on Wednesday, February 18 10:00am. There being no further business the meeting was adjourned.

Minutes of the Board of Trustees
South Carolina Home Builders Self-Insurers Fund
10:00 a.m. March 18th, 2009

Those present were Herb Witter, Chairman, Colin Campbell, Vice Chairman, Keith Smith, Eddie Weaver, Tom Markovich, Jim Gregorie and Steven Mungo. Staff present was Jeff Ranew, Brandy Shealy, Darlene Frick, Mike Hill, Brian Emery, Danny Dilworth, guest Mark Nix Executive Officer of the HBASC, Buddy Leaphart from McGregor & Co., and Christina Webster, Director at ATSC.

Herb called the meeting to order. The minutes of the February 18th, 2009 meeting were reviewed. Tom Markovich made a motion that they be accepted and Keith Smith seconded. The minutes were unanimously approved.

Herb introduced our guest from ATSC, Christina Webster. Jeff began by discussing the contract with Tropics. It had been sent back to Tropics several times for changes and our attorney Pope Johnson referred the contract to a lawyer in Florida for review because the situs is the State of Florida. Jeff and Christina then began a discussion on the technical perspective of the contract, and amendments to the draft contract. They explained to the Board the changes to the contract that had occurred since the December Board meeting, and the resulting increase in estimated 7-year cost of \$741,981. Included in this increase were additional modules related to insurance company functionality which accounted for approximately \$ 480,000 of the increase. They explained that a part of these insurer-related modules can be installed and purchased at a later date, and that the initial emphasis would be on installing the components required to run the SIF.

Mark Nix then presented the Board with an update on the projects that the HBASC is working on. He also advised that membership remains above 5,000 and that there will be two membership drives conducted during 2009. Mark then asked the board if they would be willing to make a \$3,000.00 donation to the USC Moore School of Business to assist in underwriting a portion of the cost of the economic forecast study being prepared by the school.

Mark advised the Board that the program would be beneficial for the home building community and should also benefit the SIF. A discussion followed and Colin recommended that we review the 2009 budget to determine if funding is available.

Mike then presented the February 2009 compiled financial statements. For the month ending February 2009 total assets were \$31,929,797. There was a decrease in total cash contributions collected for the month of February 2009 of \$272,409. There was an unrealized gain of Securities of \$590,559. There was total revenue of \$2,023,575. Mike then reviewed the schedule of budgeted expenses and explained the variances of any expenditure over budget. Mike then discussed the deposits we have with NBSC. Jeff and Mike met with Neal Price of Synovus Trust Company and Tyler Hudson of NBSC who advised that we have approximately \$3,700,000 invested in money market and operating checking accounts which is federally insured to \$250,000. Mike then discussed the options available to fully insure the assets in these accounts. Jeff and Mike will make the transfers necessary to accomplish this.

Buddy Leaphart then presented the discussion regarding the SIF's federal income tax liability. He advised the Board of our current estimated income tax liability and the recent estimated tax payment made, then discussed the possibility of a premium refund to the members. After a discussion the Board agreed that this might be a good time to consider refunding premium to members who were participants during 2008, and who renewed coverage for the 2009 year. Herb recommended that Jeff and Mike develop a plan for accomplishing this, and to consult with Pope Johnson before the next board meeting.

Jeff Ranew presented the marketing report and advised that we had sent renewal billings to 1,223 members and at the end of February we had 1,170 actively enrolled. Jeff asked the Board to note that "out of business and insured request" were beginning to account for more of the cancellations. Jeff then briefly explained the marketing activities for the month of February 2009. He updated the Board on the plan to revise the website. Jeff stated that we have approximately 450 visits monthly to the website, of which about 100 are confirmed legitimate searches for content or forms. The cost to update the website would be about \$2,700.00. After some discussion Steven Mungo requested that we poll the agents and the members to solicit input regarding

suggestions for improvements. Andrew will report his findings at the next Board meeting.

Darlene presented the claims reports. She went over the fund profile, and then advised the Board of the changes to the 20 largest claims. The 2008 Timothy Childers' case with reserves currently set at \$1,133,317 may have to be increased based on the cost projection we have received. She advised the Board that once we receive the final evaluation and neuropsychological evaluation we will resubmit the cost projection. Also, there was one claim added to this report for 2009 on Nicholas Cruz-Lopez. She then updated the Board on the reserve changes over \$25,000 since the last meeting and advised the board that several lifetime medicals cases had been increased in the amount of approximately \$1,200,000 which will be reflected in the March report. She then advised the board of the new Medicare reporting requirements that we are preparing for, and the potential exposure of penalties that could be assessed.

Brandy reported on the policy services activities. She reported that there had been 2 more cancellations for the month of January that had not been on last month's reports resulting in loss of annualized premium in the amount of \$16,545. She reported that there had been 20 cancellations issued, and that 6 of those members either paid or made payment arrangements. There are an additional 14 accounts yet to renew which represent about \$143,308 in premium. She then discussed an account which is currently in collections. This is the largest account we have had in collections, totaling premium due of \$85,453. They made an offer to settle for \$15,000. The board recommended that we submit a counteroffer of \$20,000, in a lump sum, with monthly payments following until a total of \$60,000 was repaid and secured with a confession of judgment.

Brandy then discussed the 2009 credits that are a result of the 2009 deposit adjustments. In a previous meeting it was decided to not refund any of these credits until the 2008 year end audits were completed. Once the 2008 audit was completed we were going to retain an amount equal to six months premium and refund any overage. Brandy advised the Board that we have had several members call in to request a refund. These members were not happy with the decision to hold six months premium. Brandy recommended that once the 2008 audit was completed we could revise the 2009 renewal off of 2008 audited figures and refund any overpayment as the credits would then be based off of audited

figures. The Board agreed to allow these refunds to be returned to the insured once the 2008 year end audit had been completed.

Danny presented his reports on the Risk Control & Safety activities. He reported that there appear to be fewer major hazards on jobsites. Colin Campbell asked Danny if he felt we were still able to justify keeping everyone in the Risk Control & Safety Department on staff and Danny indicated that he felt they could.

Brian presented his report on the payroll audit activities for the month. They have completed 500 audits through last Friday and are approximately halfway through the assigned audits. Additional estimated premium due the SIF is \$518,204. Tom Markovich asked how they were handling the rescheduling of audits and Brian advised that they are rescheduling audits as they are back in that area again, in order to control travel costs. There was discussion regarding alternate methods for conducting them including telephonic and mail-in audits. Jeff advised the board that this is something we will review after the completion of the 2008 payroll audits. Herb Witter requested that Brian and Jeff develop recommendations before the September Board meeting.

Tom Markovich asked that we re-address the topic of travel expense for ex-officio Board members. After a general discussion, Steven Mungo requested that his travel expense be retained by the SIF.

Herb Witter then advised the board that Colin Campbell missed last month's meeting due to illness, and that John Curl missed this meeting due to a commitment with the Labor and Licensing Commission. Herb requested a motion for them to be excused. Tom Markovich made the motion and Keith Smith seconded the motion. It was unanimously approved.

The meeting was then adjourned.

An executive session was held.

Minutes of the Board of Trustees
South Carolina Home Builders Self Insurers Fund
February 17th, 2010
10:00AM
SCHBSIF Conference Room
Columbia, SC

Those present were Herb Witter, Chairman, Colin Campbell, Vice Chairman, John Curl, Keith Smith, Tom Markovich, Eddie Weaver, Mike Lowman, Jim Gregorie and Steven Mungo.

Staff present were Jeff Ranew, Mike Hill, Andrew Woodham, Brian Emery, Danny Dilworth, Darlene Frick and Brandy Shealy.

The meeting was called to order by Herb Witter.

John Curl moved that the minutes for the January meeting be approved. Tom Markovich seconded the motion. They were unanimously approved.

Mike Hill then presented the financial report and noted that liabilities were \$20,221,564 with total assets of \$27,524,952. Total equity is now \$7,303,388 and this increase over last month was due to a decrease in claims reserves. Mike advised the Board that total cash collected for the month of January was \$510,954.59. Mike noted that this cash collected does not include interest income. Mike then reviewed the Balance Sheet and Income Statement. He reviewed budgeted expenses compared to actual expenses.

Jeff Ranew gave an update on the Tropics implementation. Implementation is currently running about two weeks behind schedule due to some data conversion issues. Currently our staff is testing the system to make sure it performs to our satisfaction. He then reviewed the Tropics budget expenses through January 2010. Final implementation is still scheduled for June 2010.

Andrew then presented the Board with his Marketing Report and advised that we had written 7 new accounts in January totaling \$49,879. The average premium per account was \$6040. The list of cancellations was reviewed. The Board suggested that the new business by agents not listed be shown on the report.

Andrew then recommended that the 2010 AAC meeting be held July 22-24 at the Biltmore Estates in Asheville, NC. The recommendation was approved and Andrew will complete the necessary details.

Darlene presented the Claims report. Seven claims have been reported in 2010. One is a motor vehicle accident (MVA) death claim currently reserved for \$264,000. The 20 largest outstanding claims were the same with the exception of the addition of S. Keesee claim. Regarding the Johnny Conger claim, the South Carolina Workers' Compensation Commission (SCWCC) has ruled in our favor but the injured worker has 15 days to appeal the decision.

The Underwriting report was given by Brandy. There were 1080 accounts offered renewal with an estimated premium of \$7,054,500. 1028 of these are active and represent premium of \$6,937,466. 73 accounts have an outstanding balance with an estimated annual premium totaling \$316,000. Cancellation notices for nonpayment of renewal premium were issued yesterday.

Brandy presented a request from one of our agents to allow the Master Builder discount for a current member who holds a National Master Builder Certificate. After a discussion was held the request was denied by the Board as the SIF only allows the 10% Master Builder credit for SC Certified Master Builders.

Brandy also presented a request to reinstate coverage on a 4th and final cancellation for one of our members. We would allow him three weeks to pay all prior fees and charges for 2009 as well as the 2010 renewal premium. A motion was made by Colin Campbell to allow reinstatement based on premium and charges being paid in full within three weeks. The motion was seconded by Tom Markovich. After discussion the motion passed unanimously.

Herb expressed thanks to Brandy for retaining an insured and the HBA membership by allowing the member to pay HBA dues from a SIF credit.

The Risk Control update was given by Danny. Loss Control is having trouble finding people to inspect due to volume of work. A discussion about motor vehicle accidents as they relate to workers' compensation claims was held. It was recommended that Danny include this in the 3 hour safety seminar.

Brian Emery gave the Audit report. There were 121 audits conducted in January 2010. In February there have been over 200 audits completed. We are on track to meet our goals for 2010. Average additional premium through February is \$245 per member. The Audit Department has completed 11 audits using the alternative handling (mail-in) method. These have resulted in an additional average audit payable of \$120.

Jeff distributed a survey that will be sent to SIF members to gauge interest in a group cooperative healthcare plan for SIF members sponsored by the SCHBSIF. Jeff will discuss this issue further with Ed Byrd before proceeding.

The Multi State meeting in New Orleans is scheduled for April 7 through 9 and room reservations must be made by March 8.

Jeff led a discussion on the possible time frame for becoming a mutual insurance company. A motion was made by John Curl to continue to proceed with becoming a mutual. It was seconded by Colin Campbell. The motion was unanimously approved.

The meeting was then adjourned.

An executive session was held.

**Minutes of the Board of Trustees
South Carolina Home Builders Self Insurers Fund
November 17, 2010
10:00 AM
Columbia, SC**

Those present were Herb Witter, Chairman, Colin Campbell, Vice Chairman, John Curl, Eddie Weaver, Jim Gregorie, Mike Lowman, Keith Smith, Tom Markovich and Mark Nix.

Staff present was Jeff Ranew, Mike Hill, Andrew Woodham, Mitch Draper, Danny Dilworth, Darlene Frick, Brian Emery and Brandy Shealy.

The meeting was called to order by Herb Witter.

Tom Markovich moved that the minutes for the October meeting be approved. Keith Smith seconded the motion. The minutes were unanimously approved.

Jeff introduced Bruce Hockman with Towers Watson. Bruce then discussed the current state of the Workers' Compensation marketplace both on a national and a state (SC) level. His comments included information on loss trends, loss ratios, and the current competitive market. He suggested that insurers that will survive this difficult economic environment will control expenses, create ways to grow market share, and maintain reasonable expectations about performance. He emphasized that a key factor in growth is the ability to effectively distribute product.

Mike Hill then presented the financial report as of the end of October and noted that liabilities were \$18,618,740 with total assets of \$25,523,252 and total equity of \$6,904,512. Mike advised the Board that total cash collected for the month of October was \$399,596, and the total number of members is 967. Mike noted that this cash collected does not include interest income. Mike then reviewed the Balance Sheet and Income Statement. He noted that Net Operating Income for the year to date is \$26,124.

Mitch Draper gave the IT update. We are currently in the renewal cycle and experiencing some issues with the Tropics software; however, he expects the renewals to go out on schedule. After renewals are complete, the latest version of the software will be placed in test. At that time, we will begin Phase II development and deployment, which will include changes and enhancements to support the mutual insurance company. Current cost projections remain at 108% to 110% of the initial project estimated cost.

Andrew then presented the Board with his Marketing Report and advised that we had written 5 new accounts in October totaling \$41,166. The number of terminations for the month was 14, resulting in a loss of \$68,300 in annualized premium. The New Business and Cancellations Report by Selected Agents were presented. The Summary of Business Submitted and Marketing Manager reports were also reviewed.

Darlene gave the Claims Department report with the Fund Profile Account Report. There are 38 lifetime Medical claims open and a few are Second Injury claims. She referred to the 39 open claims for the 2010 year, and the average number of claims which has been 7 per month. She then updated the Board on the large claim status which included comments about the W. Fleming and Ken Campbell claims. The Safety Seminars for 2011 have been reduced from 29 to 20. Currently we are looking into the possibility of hosting joint seminars with local HBA's to reduce cost.

Brandy gave the underwriting report. Renewals are being processed with some new challenges arising from ongoing problems with Tropics software; however, she is expecting them to be mailed by Thanksgiving. The Christmas party is scheduled for Friday December 17 at the Hilton in Columbia.

The Risk Control update was given by Danny. He advised that he is seeing fewer fall hazards on the job sites. However, he is seeing a greater turnover in employees and most are not as familiar with the tasks they are performing. He mentioned the new OSHA standards that will be effective next year.

Brian gave his Audit report. He is organizing the 967 audits for 2010 so his department can hit the ground running in January. He reported a favorable court ruling on Hudson & Associates audit legal question. Also the auditors have been making marketing calls with Andrew, and individually will call on some selected agents in the future.

Jeff then surveyed the Board members as to their preferred date for the Spring Multistate meeting in Florida. It was May the 11th thru 13th. He noted that Suite 160 is being cleared of items stored and will be available to rent shortly. The negotiations are continuing on Suite 120. Jeff is still awaiting receipt of the lease documents between the LLC and SCHBSIF, and the corporate resolution which is being prepared by Ken Ormand.

Eddie Weaver then updated the Board on the implementation status of the building security system.

Jeff then reminded everyone that the planning meeting tomorrow is scheduled to begin at 9AM with the staff and Board. We will be joined by Pope Johnson after lunch.

An Executive secession was then held.

Minutes of the Board of Trustees
South Carolina Home Builders Self-Insurers Fund
December 17, 2010
12:30PM
Hilton in the Vista
Columbia, SC

Those present were Herb Witter, Chairman, Colin Campbell, Vice Chairman, John Curl, Eddie Weaver, Jim Gregorie, Mike Lowman, Keith Smith, and Tom Markovich.

Staff Present were Jeff Ranew, Mike Hill, Andrew Woodham, Mitch Draper, Danny Dilworth, Darlene Frick, Brian Emery and Brandy Shealy.

The meeting was called to order by Herb Witter.

Keith Smith moved that the minutes for the November meeting be approved. Colin Campbell seconded the motion. The minutes were unanimously approved.

Mark Nix, Executive Director of the HBASC gave an update. The membership decline has leveled off with current membership about 4000. Verizon will sponsor a HBA membership drive this year. Mark then gave an overview of residential construction in the state with comments about each general area of the state. He also noted that the HBASC is sponsoring a fundraiser January 27 for Governor Haley and planning to raise \$30-40M for her campaign debt reduction. The South Carolina Association of Realtors will also participate in this function. Mark was very pleased with the 97% election success of candidates supported by the HBASC.

Mike Hill then presented the financial report as of the end of November and noted that liabilities were \$18,382,020 with total assets of \$25,327,243 and total equity of \$6,945,223. Mike advised the Board that total cash collected for the month of November was \$522,243, and the total number of members is 960. Mike noted that the monthly cash collected was down compared to last year. This is due to Tropics applying payments for the 2011 policy year received in 2010.

Brian gave his Audit Department report. The audit team is preparing to begin the 2010 audits the second week in January. Also, the auditors have been making informational/marketing calls to selected agents. Visits are being coordinated with both Marketing and Audit departments.

Jeff then advised that he had received the 2011 reinsurance renewal terms. It contained a 4.3% reduction from the 2010 rates. Favorable terms were also negotiated for the July 1 cut off for the mutual insurance company. Jeff announced the availability of other states coverage for applicants with less than 25% out of state payroll through Midland's PMA Insurance Company.

Jeff then reminded everyone that the next Board meeting will be January 19, 2011.

An Executive session was then held.

Minutes of the Board of Trustees
South Carolina Home Builders Self-Insurers Fund
January 19, 2011
10:00 AM

Those present were Herb Witter, Chairman, Colin Campbell, Vice Chairman, John Curl, David Gully, Jim Gregorie, Mike Lowman, Keith Smith, and Tom Markovich. Eddie Weaver was absent due to medical reasons.

Staff Present were Jeff Ranew, Mike Hill, Andrew Woodham, Mitch Draper, Danny Dilworth, Darlene Frick, Brian Emery and Brandy Shealy.

Also in attendance was Mark Nix, Executive Director, HBASC.

The meeting was called to order by Herb Witter.

Tom Markovich moved that the minutes for the November meeting be approved. Keith Smith seconded the motion. The minutes were unanimously approved.

Herb Witter introduced David Gully, newest member of the board.

Elections for Board Chairman and Vice Chairman were held. Herb Witter was re-elected Chairman and Colin Campbell was re-elected Vice Chairman.

Mike Hill presented the financial report as of the end of December and noted that liabilities were \$18,296,792.99 with total assets of \$25,333,915.23 and total equity of \$7,037,122.24. Mike advised the Board that total cash collected for the month of December was \$453,025.81, and the total number of members is 952. Mike then reviewed the Balance Sheet and Income Statement. Through December, Mike reported net operating income of \$270,353.30.

Mitch Draper gave the IT update. IT expenses were slightly over budget in 2010. This was primarily due to conversion costs. We are staged to move the newest release of Tropics into use.

Andrew then presented the Board with his Marketing Report and advised that we had written 10 new accounts in December totaling \$94,720 in annualized premium. The number of terminations for the month was 19, resulting in a loss of \$74,459 in annualized premium. This marks the largest month in new premium written since February 2009. The New business and Cancellations report by Selected Agents was presented. The Summary of Business Submitted and Marketing Manager reports were also reviewed.

Darlene gave the Claims Department report with the 'Fund Profile Account Report'. There are 38 lifetime Medical claims open. The Tims trial will begin January 24. The trial is expected to last about two weeks. She then pointed out a new claim that was received on a 2008 injury. The employer had been paying the employee's medical bills himself until the employee was laid off. The employee is now represented by an attorney. The Conger case has been won by us at single commissioner, full commission, and appellate trial. We will be having a hearing to stop PPD in February.

Brandy gave the Underwriting Department report. There are 175 outstanding renewal payments. Member will have until February 15th to submit renewals.

The Risk Control report was given by Danny. We should see little change in South Carolina from the change in OSHA fall protection requirements. SCOSHA had made a similar change two years ago.

Brian gave his Audit Department report. Each auditor will have approximately 320 audits to complete. The audit team has scheduled audit appointments through Feb. 17. All first appointments should be scheduled to occur before April 7. Rescheduled audits will then be done.

Mark Nix, Executive Director of the HBASC gave an update. The HBASC had 3744 members at the end of 2010. This is three more than was projected. Mark then updated the board on the HBA legislative agenda and the recent Supreme Court ruling that changed the definition of "occurrence" in general liability policies. This change means that GL insurance covers primarily Premises and Operations exposures and provides reduced coverage for Completed Operations exposures.

Mitch proposed bringing Matrix services in house. This would involve some purchases of computer equipment. He presented a pro forma that shows pay back time for the purchased equipment at 9.3 months. Tom Markovich made the motion that we proceed. John Curl seconded. The motion was carried unanimously.

Jeff stated that Eddie had quoted additional security for the building as requested. We could not pass on costs to tenants until January 2012. He will ask Eddie to quote a simpler system. All of the building tenants have different leases. We will have a standard lease form on their renewal.

Jeff, Andrew, and Mitch have been having webinars for agents concerning the move to a mutual insurance company. These will continue for the rest of the week. Agents are on board with the change providing we have competitive rates, commissions, and profit sharing program. They are excited by the prospect of the mutual writing additional classes of business.

Letters to members describing the change to a mutual were discussed. These will include a ballot. Up to three letters will be sent. Members will be told that not sending in a ballot will be giving the board their proxy. Colin Campbell moved that this be done. Jim Gregorie seconded. Motion was carried unanimously.

Mike Lowman asked for a letter of intent to the HBASC. The letter will contain the board's intent to reach agreement with the HBA concerning financial, membership, and leadership issues. Keith Smith made the motion that this be done. Colin Campbell seconded. The motion passed unanimously.

The next board meeting is February 16.

The meeting was adjourned.

An Executive session was then held.

Minutes of the Board of Trustees
South Carolina Home Builders Self Insurers Fund
February 16, 2011
10:00 AM

Those present were Herb Witter, Chairman, Colin Campbell, Vice Chairman, John Curl, David Gully, Jim Gregorie, Mike Lowman, Keith Smith, Eddie Weaver, and Tom Markovich.

Staff Present were Jeff Ranew, Mike Hill, Andrew Woodham, Mitch Draper, Danny Dilworth, Darlene Frick, and Brian Emery.

Also in attendance was Mark Nix, Executive Director, HBASC.

The meeting was called to order by Herb Witter.

John Curl moved that the minutes for the January meeting be approved with one amendment. Minutes are amended to show that Eddie Weaver was not at the January meeting due to surgery and was excused. Keith Smith seconded the motion. The minutes were unanimously approved.

Mike Hill presented an abbreviated financial report. Final numbers are not available due to a death in Mike's family. There was a \$358,000 increase in reserves, mostly due to the Kenneth Campbell case. January cash collected was \$370,000 compared to \$453,000 in December. Earned premium was \$771,000. This will be reviewed as it was much larger than the 2010 average of \$494,000.

Mike has been working with NBSC on wire transfers and our ability to move money to and from different accounts. Mike will get signatures from the five Trustees. The bank will check with one of these by phone after receiving a transfer request. John Curl will no longer have to physically go to the bank. The limit on these transfers is \$250,000.

Jeff stated that Neal Price, our investment manager with Synovus has left the company. David Kirkpatrick who has been assisting him will be taking over this job. He will meet with us at a future board meeting.

Mitch Draper gave the IT update. Last month he presented a plan to in- source the IT operations that were currently being done by Matrix. Jeff met with Tom Colton of Matrix and found that we have a three year contract instead of the two year contract that we thought we had. He expects to hear from Matrix later this week on how we can begin to bring these operations in house. This may increase the payback time on the project.

We are working with Tropics on the conversion to a mutual. They will need our carrier code as soon as possible. Uploading rates will only take a couple of days.

Andrew then presented the Board with his Marketing Report and advised that we had written 9 new accounts with an estimated premium of \$61,859. We lost 17 accounts with an estimated premium of \$138,115. The New Business and Cancellations report by Selected Agents was presented. The Summary of Business Submitted and Marketing Manager reports were also reviewed. Andrew also presented a suggested logo for the mutual. Andrew conducted eight webinars with agents to discuss the mutual. There were seventy-four attendees from forty-six agencies. This represents 77% of our premium. Andrew will have met with all agents that did not attend a webinar by the end of February. The AAC normally meets in July. Andrew suggested that due to the starting of the mutual on July 1, this be changed to September or October. He will have some suggested locations at the next meeting.

Mark Nix reported from the HBA of SC. Membership has stabilized. They are approaching the GL issue on the legislative, regulatory, and judicial sides. Several of our agents have been having classes on GL and WC issues. They are emphasizing the importance of ensuring that subcontractors have both GL and WC coverage. The HBA is also working on the issues of unemployment insurance rate increases. The Legislative Day is March 16 and The Bird Supper is March 30.

Darlene gave the Claims Department report with the 'Fund Profile Account Report'. All years are closed up to 2000. There are 38 lifetime med cases open. The Tims case trial was in January. The claimant's attorney does not want to settle the compensation portion based on the potential lifetime medical exposure.

Jeff gave the Underwriting Department report. Ballots are starting to come in. So far we have 65 yes and 3 no votes. The next letter will go out February 21 and the third ten days after that. We have several small accounts in arrears that have problems paying the reinstatement fees. The board suggested we give a one time relief on the reinstatement fees. There is an account in arrears for \$7476. The owner intends to pay. He has proposed to pay \$25 per month or to give us a lot off of Garners Ferry Rd. in Columbia. We will look at the lot and decide what to do. Greenville HBA made changes on the form to receive their first royalty payment. We will not accept changed wording on the June and future forms.

Danny gave the Risk Control report. Scheduling still is a challenge to the amount of work our members are doing. We are finding fewer serious hazards on jobsites.

Brian gave his Audit Department report. 315 audits have been completed and submitted as of February 15 with approximately \$100,000 in additional premium due. Many of our members are considering shopping coverage to eliminate HBA dues.

The board met with Darlene to discuss a claim.

Jeff presented a time line for the conversion to a mutual. He also had biographical information forms for the board and management to complete. There is a pending NCCI rate change. We do not know what the proposal will be. Jeff met with Colliers Keenan about leasing suite 160. Their representative stated that we could expect to lease for about \$14-15 per square foot. We will inquire about having an outside door installed in 160.

Eddie Weaver presented a revised proposal for hall security. Cost would be \$7067. Keith moved that we accept estimate number 2638. Tom seconded. The motion was passed unanimously with Eddie Weaver abstaining.

Herb proposed we change our next meeting date to March 23 to avoid a conflict with the NAHB legislative day. The board agreed with the proposal.

The meeting was adjourned.

An Executive session was then held.

Minutes of the Board of Trustees
South Carolina Home Builders Self Insurers Fund
March 23, 2011
10:00 AM

Board members present were Herb Witter, Chairman, Colin Campbell, Vice Chairman, John Curl, David Gully, Jim Gregorie, Mike Lowman, Keith Smith, Eddie Weaver, and Tom Markovich.

Staff Present were Jeff Ranew, Brandy Shealy, Mike Hill, Andrew Woodham, Mitch Draper, Danny Dilworth, Darlene Frick, and Brian Emery.

Also in attendance were Mark Nix, Executive Director, HBASC, Buddy Leaphart, McGregor and Co., David Kirkpatrick and Donna Nesbitt, Synovus.

The meeting was called to order by Herb Witter.

Tom Markovich moved that the minutes for the February meeting be approved. Keith Smith seconded the motion. The minutes were unanimously approved.

Mike Hill presented the financial report. Cash contributions were \$232,000. This is down from January. Mike believes the premium paid number is understated and is working with Tropics to get this corrected. Mike discussed several line items that are over budget so far. Most of these are due to pre-payments being made. Staff travel is over budget due to Jeff and Mitch's travel to NCCI. Claim reserves were raised a total of \$600,000.

Buddy Leaphart spoke about several tax and accounting issues. We have filed extensions for 2010 federal income tax returns. Payroll audits need to be completed before the final filing of tax returns can be completed. 2010 interim financial statements record claim reserves at the high end of actuarial estimates, and the accrual for 2nd Injury Fund assessments at approximately 17%. Buddy stated it may be prudent to leave reserves at high end due to potential volatility based on low premium. There would be tax and financial implications of any changes to our current assumptions.

Jeff Ranew said that he has met with W.C. Smith at the Workers' Compensation Commission and that we are having an analysis performed by Casualty Actuarial Consultants, Inc. to project the final cost to perfect all known and unknown claims, including loss adjustment expense and taxes for which SCHBSIF will remain responsible. The valuation date of the study will be 4/30/2011. Herb Witter stated that we need to prepare for future tax liabilities and perhaps use more realistic estimates and accruals for claims liabilities and taxes/assessments which would increase surplus. The question was raised about members rolling their annual premium deposits to the mutual insurer, and what that percentage should be. The current deposit is 25% of estimated annual premium, while some of our competitors have reduced or eliminated the deposit requirement. The question was also raised as to whether reduction or elimination of the deposit would create a taxable event. Answers to these questions will be based in part on the new actuarial study.

Mark Nix stated that the HBASC has 3750 members. This is slightly lower than projected. There will be a membership drive in May. The Bird Supper is next week. NAHB projections are for 20% growth in building in 2011. SC should be one of the top states in growth. Mark updated the board on legislative issues. Mark has met with the new state Fire Marshal.

Mitch Draper gave the IT update. We are progressing with moving servers from our current hosting vendor Matrix to our office at Center Point V. The system should be up and running in May.

We are working with Tropics on the conversion to a mutual insurer. Procedures and processes need to be developed for payment plans and deductibles. We will be a full NCCI subscriber soon so Tropics can begin updates.

Jeff stated that NCCI will be much less expensive than we thought for the first year.

Andrew then presented the Board with his Marketing Report and advised that we had written five new accounts with an estimated premium of \$10,578. We lost 12 accounts with an estimated premium of \$42,000. The New business and Cancellations report by Selected Agents was presented. The Summary of Business Submitted and Marketing Manager reports were also reviewed. Andrew

presented several options for the AAC in October. We will move forward with Market Pavilion in Charleston on October 20.

Darlene gave the Claims Department report with the 'Fund Profile Account Report'. Kenneth Campbell, Alfred Lopez, and Ed Mays reserves increased. Tropics' system is generating an inaccurate number for FY 2010 premium and skewing the loss ratio for that period. Correct numbers were presented. Darlene reported a potential death claim in the upstate. It is thought the death will be ruled a suicide.

Brandy Shealy gave the Underwriting Department report. She reported on a cancelled account, Premier Investments, with an outstanding balance of over \$7,000. Insured had previously offered a building lot in exchange for the amount owed on his account. Since the last Board meeting Premier Investments has advised us that they actually want us to purchase the lot from them. They are asking \$32,000 for the lot but would sell this lot to us for their asking price minus the amount currently owed to us. The Board recommended that we allow the member to make monthly payments as requested of \$25.00 per month in lieu of purchasing the lot provided the insured signs a Confession of Judgment.

Brandy advised the Board that we currently have 16 accounts that are pending cancellation for HBA membership. This is higher than normal. 10 accounts are pending cancellation for nonpayment of renewal. The Christmas party will be December 16 at the Hilton in Columbia. Brandy reported on two audits with large outstanding balances. Nine new accounts have been written so far in March with a total premium of about \$70,000. The Greenville HBA has requested that we change the way we verify HBA membership. They have requested information that the Board feels we cannot give them.

Danny gave the Risk Control report. We will have an OSHA close out audit in April. They have requested the same information as previous audits. Surveys continue to show fewer fall hazards and more equipment hazards. This is largely due to the type of work being done.

Brian gave his Audit Department report. As of March 22, 749 audits have been completed with 229 remaining. The outstanding audits have all been scheduled. There is a 24% rate of appointment cancellation. Additional premium due SCHBSIF as a result of the 2010 audits is \$326,000 as of March 22. This is down from previous years.

Jeff Ranew reported that he is working on the lease renewal with the tenants in Suite 120. Suite 160 is cleaned out and ready to lease. An outside door on Suite 160 would cost about \$10,000.

David Kirkpatrick of Synovus reported on last year's investment results and plans for the future including the conversion to a mutual.

A name for the mutual was discussed. John Curl moved that the name be South Carolina Builders Insurance Group and, if that was not available, Builders Insurance Group of South Carolina. Eddie Weaver seconded. The motion was passed.

Jeff reported on the ballots for the mutual. 933 were mailed. We received 531 yes votes, 188 ballots giving the board proxy, and 34 no votes. Per the mailings, ballots not received by March 11 give the board proxy. There were 165 not received. John Curl made the motion that the board votes the given proxies and the non-returned proxies as yes. Eddie Weaver seconded. The motion passed unanimously.

John Curl made the motion that we move forward to become a mutual insurance company. Keith Smith seconded. The motion passed unanimously.

The next board meeting is April 20.

The meeting was adjourned.

Minutes of the Board of Trustees
South Carolina Home Builders Self-Insurers Fund
April 20, 2011
10:00 AM

Board members present were Herb Witter, Chairman, Colin Campbell, Vice Chairman, John Curl, Jim Gregorie, Mike Lowman, Keith Smith, Eddie Weaver, and Tom Markovich.

Staff Present were Jeff Ranew, Mike Hill, Andrew Woodham, Mitch Draper, Danny Dilworth, Darlene Frick, and Brian Emery.

Also in attendance was Ed Byrd, SIC.

The meeting was called to order by Herb Witter.

Keith Smith moved that the minutes for the March meeting be approved. John Curl seconded the motion. The minutes were unanimously approved.

Jeff Ranew presented the HBA report from Mark Nix. Mark is meeting with state legislators. Membership for the HBASC is firming up. A membership drive is planned for May. The SIF is featured as one of the benefits of membership.

Ed Byrd reported on the progress of the health insurance plan. Carolina Care Plan presented a plan that would require us to include all current members of the HBA plan. It is very much like any other plan available. Ed suggested that we look at a self-funded co-op. We would need to do things and demand things of our members that others don't require to be competitive. This would include wellness plans and education. Ed will continue to work on the co-op. He will report back to the board.

Mike Hill presented the financial report. Cash contributions were \$383,000. This is up from February. The balance sheet, statement of revenues and expenses, and fund equity all reflect the adjustments in claim reserve and SIF reserve that were discussed at last month's meeting. Mike discussed several line items that

are over budget so far. Most of these are due to quarterly payments being made. Risk Control travel is higher than the pro-rated budget due to gasoline costs.

We will be writing off some of the old bad debt in preparation for our audit and mutual conversion.

Mitch Draper gave the IT update. All thin clients have been replaced with PC's. We have reserved scbig.com for our web site. We are moving forward on updating to Tropics 4.3. Mitch is also working with an outside company on disaster recovery for the mutual.

Jeff stated that we, NM, and MN. are having similar issues with Tropics. We will be working with them to compile a list of issues to present to them. We will also present a list of additional functionalities that we would like to see.

Andrew then presented the Board with his Marketing Report and advised that we had written eleven new accounts in March with a total estimated premium of \$81,100. We lost 11 accounts during the same time period with annualized premium of \$30,299 for a net gain in annualized premium of \$50,801. The AAC meeting will be moved to the Plantation Inn in Charleston. Andrew also showed potential logos and the motto "Small Company, BIG Service." It was suggested that this could be used with other last lines such as "Small Company, BIG Value."

Darlene gave the Claims Department report with the 'Fund Profile Account Report'. One large claim has been reported. It has been denied. The claim does show in the current loss ratio.

Brandy Shealy gave the Underwriting Department report. The account that we were allowing to pay monthly has not returned its confession of judgment. She will check back with them. We are finishing the audit process.

Danny gave the Risk Control report. The OSHA audit was conducted. We will receive a report in about 30 days. We have received the final payment from the grant.

Brian gave the Audit Department report. As of 4/19, 912 audits have been done. 70 remain. All are scheduled to be done before the end of April. Additional

premium as of 4/19 is \$463,000. This is down from previous years. Last year 4 audits were closed due to lack of cooperation. So far this year we have had 5.

Jeff reported that we are moving forward with the mutual. He gave the board a copy of the critical issues time line. The DOI committee that approves new companies meets the fourth Thursday of each month. This may cause the mutual to be pushed back depending on how quickly the DOI can get its audit and other work done.

John Curl stated that the May meeting was during Spring Boards. The meeting was rescheduled for May 4 at 4:00 PM at the multi-state meeting.

Keith presented a mission statement. Comments or changes are needed by the next board meeting.

Brandy asked about deposits and payment plans for the mutual. Our current deposit requirement is higher than most of our competition. We will also need to offer quarterly installments and nine month payments in addition to our current payment options. The staff will give the board a suggested solution at the next meeting. Brandy also asked about seminar attendance requirements. A general industry safety program will be developed for non-contractor members of the mutual. Brandy also brought up processing of audit payments. They will be processed based on the date of the audit being finalized.

Jeff stated that the leasing agreement for the building has been signed with Colliers Keenan.

The meeting was adjourned.

**Minutes of the Board of Trustees
South Carolina Home Builders Self Insurers Fund
March 23, 2011
10:00 AM**

Board members present were Herb Witter, Chairman, Colin Campbell, Vice Chairman, John Curl, David Gully, Jim Gregorie, Mike Lowman, Keith Smith, Eddie Weaver, and Tom Markovich.

Staff Present were Jeff Ranew, Brandy Shealy, Mike Hill, Andrew Woodham, Mitch Draper, Danny Dilworth, Darlene Frick, and Brian Emery.

Also in attendance were Mark Nix, Executive Director, HBASC, Buddy Leaphart, McGregor and Co., David Kirkpatrick and Donna Nesbitt, Synovus.

The meeting was called to order by Herb Witter.

Tom Markovich moved that the minutes for the February meeting be approved. Keith Smith seconded the motion. The minutes were unanimously approved.

Mike Hill presented the financial report. Cash contributions were \$232,000. This is down from January. Mike believes the premium paid number is understated and is working with Tropics to get this corrected. Mike discussed several line items that are over budget so far. Most of these are due to pre-payments being made. Staff travel is over budget due to Jeff and Mitch's travel to NCCI. Claim reserves were raised a total of \$600,000.

Buddy Leaphart spoke about several tax and accounting issues. We have filed extensions for 2010 federal income tax returns. Payroll audits need to be completed before the final filing of tax returns can be completed. 2010 interim financial statements record claim reserves at the high end of actuarial estimates, and the accrual for 2nd Injury Fund assessments at approximately 17%. Buddy stated it may be prudent to leave reserves at high end due to potential volatility based on low premium. There would be tax and financial implications of any changes to our current assumptions.

Jeff Ranew said that he has met with W.C. Smith at the Workers' Compensation Commission and that we are having an analysis performed by Casualty Actuarial Consultants, Inc. to project the final cost to perfect all known and unknown claims, including loss adjustment expense and taxes for which SCHBSIF will remain responsible. The valuation date of the study will be 4/30/2011. Herb Witter stated that we need to prepare for future tax liabilities and perhaps use more realistic estimates and accruals for claims liabilities and taxes/assessments which would increase surplus. The question was raised about members rolling their annual premium deposits to the mutual insurer, and what that percentage should be. The current deposit is 25% of estimated annual premium, while some of our competitors have reduced or eliminated the deposit requirement. The question was also raised as to whether reduction or elimination of the deposit would create a taxable event. Answers to these questions will be based in part on the new actuarial study.

Mark Nix stated that the HBASC has 3750 members. This is slightly lower than projected. There will be a membership drive in May. The Bird Supper is next week. NAHB projections are for 20% growth in building in 2011. SC should be one of the top states in growth. Mark updated the board on legislative issues. Mark has met with the new state Fire Marshal.

Mitch Draper gave the IT update. We are progressing with moving servers from our current hosting vendor Matrix to our office at Center Point V. The system should be up and running in May.

We are working with Tropics on the conversion to a mutual insurer. Procedures and processes need to be developed for payment plans and deductibles. We will be a full NCCI subscriber soon so Tropics can begin updates.

Jeff stated that NCCI will be much less expensive than we thought for the first year.

Andrew then presented the Board with his Marketing Report and advised that we had written five new accounts with an estimated premium of \$10,578. We lost 12 accounts with an estimated premium of \$42,000. The New business and Cancellations report by Selected Agents was presented. The Summary of Business Submitted and Marketing Manager reports were also reviewed. Andrew

presented several options for the AAC in October. We will move forward with Market Pavilion in Charleston on October 20.

Darlene gave the Claims Department report with the 'Fund Profile Account Report'. Kenneth Campbell, Alfred Lopez, and Ed Mays reserves increased. Tropics' system is generating an inaccurate number for FY 2010 premium and skewing the loss ratio for that period. Correct numbers were presented. Darlene reported a potential death claim in the upstate. It is thought the death will be ruled a suicide.

Brandy Shealy gave the Underwriting Department report. She reported on a cancelled account, Premier Investments, with an outstanding balance of over \$7,000. Insured had previously offered a building lot in exchange for the amount owed on his account. Since the last Board meeting Premier Investments has advised us that they actually want us to purchase the lot from them. They are asking \$32,000 for the lot but would sell this lot to us for their asking price minus the amount currently owed to us. The Board recommended that we allow the member to make monthly payments as requested of \$25.00 per month in lieu of purchasing the lot provided the insured signs a Confession of Judgment.

Brandy advised the Board that we currently have 16 accounts that are pending cancellation for HBA membership. This is higher than normal. 10 accounts are pending cancellation for nonpayment of renewal. The Christmas party will be December 16 at the Hilton in Columbia. Brandy reported on two audits with large outstanding balances. Nine new accounts have been written so far in March with a total premium of about \$70,000. The Greenville HBA has requested that we change the way we verify HBA membership. They have requested information that the Board feels we cannot give them.

Danny gave the Risk Control report. We will have an OSHA close out audit in April. They have requested the same information as previous audits. Surveys continue to show fewer fall hazards and more equipment hazards. This is largely due to the type of work being done.

Brian gave his Audit Department report. As of March 22, 749 audits have been completed with 229 remaining. The outstanding audits have all been scheduled. There is a 24% rate of appointment cancellation. Additional premium due SCHBSIF as a result of the 2010 audits is \$326,000 as of March 22. This is down from previous years.

Jeff Ranew reported that he is working on the lease renewal with the tenants in Suite 120. Suite 160 is cleaned out and ready to lease. An outside door on Suite 160 would cost about \$10,000.

David Kirkpatrick of Synovus reported on last year's investment results and plans for the future including the conversion to a mutual.

A name for the mutual was discussed. John Curl moved that the name be South Carolina Builders Insurance Group and, if that was not available, Builders Insurance Group of South Carolina. Eddie Weaver seconded. The motion was passed.

Jeff reported on the ballots for the mutual. 933 were mailed. We received 531 yes votes, 188 ballots giving the board proxy, and 34 no votes. Per the mailings, ballots not received by March 11 give the board proxy. There were 165 not received. John Curl made the motion that the board votes the given proxies and the non-returned proxies as yes. Eddie Weaver seconded. The motion passed unanimously.

John Curl made the motion that we move forward to become a mutual insurance company. Keith Smith seconded. The motion passed unanimously.

The next board meeting is April 20.

The meeting was adjourned.

**Minutes of the Board of Trustees
South Carolina Home Builders Self-Insurers Fund
April 20, 2011
10:00 AM**

Board members present were Herb Witter, Chairman, Colin Campbell, Vice Chairman, John Curl, Jim Gregorie, Mike Lowman, Keith Smith, Eddie Weaver, and Tom Markovich.

Staff Present were Jeff Ranew, Mike Hill, Andrew Woodham, Mitch Draper, Danny Dilworth, Darlene Frick, and Brian Emery.

Also in attendance was Ed Byrd, SIC.

The meeting was called to order by Herb Witter.

Keith Smith moved that the minutes for the March meeting be approved. John Curl seconded the motion. The minutes were unanimously approved.

Jeff Ranew presented the HBA report from Mark Nix. Mark is meeting with state legislators. Membership for the HBASC is firming up. A membership drive is planned for May. The SIF is featured as one of the benefits of membership.

Ed Byrd reported on the progress of the health insurance plan. Carolina Care Plan presented a plan that would require us to include all current members of the HBA plan. It is very much like any other plan available. Ed suggested that we look at a self-funded co-op. We would need to do things and demand things of our members that others don't require to be competitive. This would include wellness plans and education. Ed will continue to work on the co-op. He will report back to the board.

Mike Hill presented the financial report. Cash contributions were \$383,000. This is up from February. The balance sheet, statement of revenues and expenses, and fund equity all reflect the adjustments in claim reserve and SIF reserve that were discussed at last month's meeting. Mike discussed several line items that

are over budget so far. Most of these are due to quarterly payments being made. Risk Control travel is higher than the pro-rated budget due to gasoline costs.

We will be writing off some of the old bad debt in preparation for our audit and mutual conversion.

Mitch Draper gave the IT update. All thin clients have been replaced with PC's. We have reserved scbig.com for our web site. We are moving forward on updating to Tropics 4.3. Mitch is also working with an outside company on disaster recovery for the mutual.

Jeff stated that we, NM, and MN. are having similar issues with Tropics. We will be working with them to compile a list of issues to present to them. We will also present a list of additional functionalities that we would like to see.

Andrew then presented the Board with his Marketing Report and advised that we had written eleven new accounts in March with a total estimated premium of \$81,100. We lost 11 accounts during the same time period with annualized premium of \$30,299 for a net gain in annualized premium of \$50,801. The AAC meeting will be moved to the Plantation Inn in Charleston. Andrew also showed potential logos and the motto "Small Company, BIG Service." It was suggested that this could be used with other last lines such as "Small Company, BIG Value."

Darlene gave the Claims Department report with the 'Fund Profile Account Report'. One large claim has been reported. It has been denied. The claim does show in the current loss ratio.

Brandy Shealy gave the Underwriting Department report. The account that we were allowing to pay monthly has not returned its confession of judgment. She will check back with them. We are finishing the audit process.

Danny gave the Risk Control report. The OSHA audit was conducted. We will receive a report in about 30 days. We have received the final payment from the grant.

Brian gave the Audit Department report. As of 4/19, 912 audits have been done. 70 remain. All are scheduled to be done before the end of April. Additional

premium as of 4/19 is \$463,000. This is down from previous years. Last year 44 audits were closed due to lack of cooperation. So far this year we have had 5.

Jeff reported that we are moving forward with the mutual. He gave the board a copy of the critical issues time line. The DOI committee that approves new companies meets the fourth Thursday of each month. This may cause the mutual to be pushed back depending on how quickly the DOI can get its audit and other work done.

John Curl stated that the May meeting was during Spring Boards. The meeting was rescheduled for May 4 at 4:00 PM at the multi-state meeting.

Keith presented a mission statement. Comments or changes are needed by the next board meeting.

Brandy asked about deposits and payment plans for the mutual. Our current deposit requirement is higher than most of our competition. We will also need to offer quarterly installments and nine month payments in addition to our current payment options. The staff will give the board a suggested solution at the next meeting. Brandy also asked about seminar attendance requirements. A general industry safety program will be developed for non-contractor members of the mutual. Brandy also brought up processing of audit payments. They will be processed based on the date of the audit being finalized.

Jeff stated that the leasing agreement for the building has been signed with Colliers Keenan.

The meeting was adjourned.

**Minutes of the Board of Trustees
South Carolina Home Builders Self-Insurers Fund
May 4, 2011**

Board members present were Herb Witter, Chairman, Colin Campbell, Vice Chairman, John Curl, Jim Gregorie, Keith Smith, Eddie Weaver, Tom Markovich and David Gully.

Staff Present was Jeff Ranew.

The meeting was called to order by Herb Witter.

Keith Smith moved that the minutes for the April meeting be approved. John Curl seconded the motion. The minutes were unanimously approved.

Ranew presented the departmental reports on behalf of the managers. He updated the group on the progress of the development of the mutual insurance company and reviewed the proposed timeline for completion of key tasks leading to the proposed start date of July 1, 2011. ✓

A discussion was held regarding an OSHA initiative to strengthen fall protection measures, including specific written plans for jobsites where certain criteria cannot be met, i.e. guardrails and harnessing. Plans will be required only when the above criteria are not met.

The meeting was adjourned.

Jeff Ranew

From: Smith, W [WSmith@wcc.sc.gov]
Sent: Monday, May 23, 2011 3:46 PM
To: Jeff Ranew
Cc: Fickle, Brad
Subject: Fund Closure

Hello Jeff! This email is in follow-up to our meeting this past Friday, May 20, 2011, and our analysis of the supporting data you provided. In response to your request we have approved the release of \$5 million in non-pledged assets of the SC Home Builders Self-Insurers Fund to be used solely to capitalize the SC Builders Insurance Group, Inc., in conjunction with the closure of the self-insured fund. It is understood that the fund will cease accepting new members effective July 1, 2011 and will become no longer self-insured for workers' compensation in South Carolina effective January 1, 2012. The outstanding liabilities of the fund at the time of closure, January 1, 2012, will remain the responsibility of the self-insured fund and its membership under joint and several liability. The fund is required to provide a final audited financial statement following closure and will continue to provide the Commissions Form 11, Fund Quarterly Financial Report, until further notice. The fund will also be required to comply with Self-Insurance Tax and Second Injury Fund Assessment requirements following the funds closure. If I can be of further assistance please advise. WC Smith, Director, Self-Insurance, SCWCC



State of South Carolina

1333 Main Street, Suite 500
P.O. Box 1715
Columbia, S.C. 29202-1715



Tel: (803) 737-5700
Fax: (803) 737-1258
www.wcc.sc.gov

Workers' Compensation Commission

August 4, 2011

Mr. Jeff Ranew
Administrator
South Carolina Home Builders SIF
1370 Browning Road, Suite 130
Columbia, SC 29210

Re: Distribution of member dividends

Dear Mr. Ranew:

The purpose of this letter is to address the matter of distribution of member dividends of self-insurance funds operating in South Carolina.

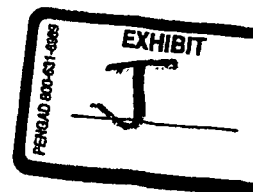
Pursuant to Chapter 67-1504 of the South Carolina Workers' Compensation Commission Regulations no self-insured fund may distribute member dividends without prior review and approval by the South Carolina Workers' Compensation Commission's Self-Insurance Division. A fund wishing to distribute member dividends will submit a current financial statement, a detailed plan including the proposed methodology for calculation of individual member distributions, and include an independent actuarially derived loss reserve analysis, including a provision for loss adjustment expense, IBNR, and applicable taxes and fees. The study must demonstrate that the distribution of dividends will not impair or diminish the financial integrity of the fund.

Please be advised that even if such plan is approved by the Commission's Self-Insurance Division, the members of the fund remain jointly and severally liable for all claims and related liabilities that may later arise which were not contemplated in the actuarial study. Should assessment of the members become necessary it will be the responsibility of the fund's board of trustees to submit a plan to cure the deficiency which will include an independent actuarially based study of liabilities, and a provision for additional funding through assessment sufficient to return the fund to an acceptable surplus. Failure to do so would result in the Commission's Self-Insurance Division imposing a mandatory assessment of the funds membership and the loss of the fund's self-insurance privileges.

Sincerely,

A handwritten signature in black ink, appearing to read "W.C. Smith, III", followed by a long horizontal line.

W.C. Smith, III, CPCU, ARM
Director, Self Insurance



SIF 146

ROA Supp000135

Handwritten:
1/25/12
W.C. Lath
1.23.2012

AGREEMENT AND DECLARATION OF TRUST

CREATING THE

SOUTH CAROLINA HOME BUILDERS SELF INSURERS FUND

THIS AGREEMENT, made and entered into this 27th day of September, 1995 by and between the Home Builders Association of South Carolina, Inc., a corporation not for profit, organized and existing under and by virtue of the laws of the State of South Carolina, hereinafter referred to as the "Settlor", and a Board of Trustees, hereinafter referred to as the "Trustees", has been designated for the purposes, among others, of directing the affairs of the Fund.

WITNESSETH:

WHEREAS, the Settlor and the Trustees intend to apply to the South Carolina Workers' Compensation Commission for the establishment of a group self insurers fund pursuant to South Carolina statutes for the benefit of the members of the Home Builders Association of South Carolina, Inc. and;

WHEREAS, the establishment of a group self insurers fund for the purpose of satisfying an employers' obligation under the South Carolina Workers' Compensation Act would be in the best interest of the members of the Home Builders Association of South Carolina, Inc. and;

WHEREAS, it is considered to be in the best interest of the members of the Home Builders Association of South Carolina, Inc. that an Agreement and Declaration of Trust fully setting forth the duties and responsibilities of the Trustees be entered into;



NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, the SOUTH CAROLINA HOME BUILDERS SELF INSURERS FUND is hereby established as follows:

ARTICLE I

DEFINITIONS

Fund - The group self insurers fund or funds which are hereby created for the purposes set forth herein.

Indemnity Agreement - The Indemnity Agreement which shall be filed by the SOUTH CAROLINA HOME BUILDERS SELF INSURERS FUND pursuant to the Rules for Self Insurers as issued by the South Carolina Workers' Compensation Commission.

*WV 1
2-10-2012*
Member - A company, firm, corporation, individual partnership or other legal entity involved in on-site ~~home~~ construction.

Rules for Self-Insurers - The Rules for Self Insurers under the South Carolina Workers' Compensation Act as amended from time to time and administered by the South Carolina Workers' Compensation Commission.

Service Agent - Any individual, co-partnership, corporation, firm or other legal entity engaged in the business of servicing approved workers' compensation self insurance programs which has made application to, and been approved by, the South Carolina Workers' Compensation Commission.

Trustees - The Trustees appointed to serve on the Board of Trustees of this Fund as provided herein.

ARTICLE II

CREATION OF THE TRUST

There is hereby established and created a Trust Fund which shall be known as the SOUTH CAROLINA HOME BUILDERS SELF INSURERS FUND and the Trustees thereof may hold property, enter into contracts and in all matters as hereinafter set forth act in behalf of the Trust Fund in that name. This Trust Fund shall be used for the purposes as hereinafter set forth.

ARTICLE III

PURPOSE

This Trust Agreement is made and executed for the purpose of meeting and fulfilling an employer's obligations and liabilities under the South Carolina Workers' Compensation Act; to form an overall self insurers fund pursuant to Laws of the State of South Carolina, which provides for workers' compensation coverage and benefits; to provide, as appropriate, allowable advance discounts on premium payments made by employers for workers' compensation coverage; and to minimize the cost of providing workers' compensation coverage by developing and refining specialized claim services and a loss prevention program within the South Carolina Home Building industry.

ARTICLE IV
DESIGNATION OF TRUSTEES

SECTION 1. NUMBER AND ELIGIBILITY OF TRUSTEES.

The operation and administration of the Trust Fund shall be the joint responsibility of a Board of Trustees consisting of a number of Trustees of not less five (5) nor more than nine (9). Trustees shall be a Chairman and Vice Chairman. Trustees shall be elected by the participating members by a mail ballot. The Trustees shall elect from one of their number one Trustee to serve as Chairman. ^{MEMBERS OF THE BUILDING INDUSTRY} Only ~~builders~~ domiciled in South Carolina whose businesses participate in the Trust, or their employees, may serve as Trustees

WLS
2-10-2012

SECTION 2. RESIGNATION OF TRUSTEES.

Any Trustee herein named, or any successor Trustee, may resign at any time, with or without cause, by giving not less than sixty (60) days written notice of the intention to so resign to the Board of Trustees. Prior to the effective date of such resignation the Board of Trustees may nominate a successor Trustee to complete the term of the resigned Trustee. No successor Trustee shall be liable or responsible for any acts or defaults of any predecessor Trustee, or for any losses or expenses resulting from or occasioned by anything done or neglected to be done in the administration of the Trust Fund prior to his becoming a Trustee or subsequent to his resignation as Trustee. A successor Trustee shall not be required to inquire into or take any notice of the prior administration of the Trust Fund. Any successor Trustee, immediately upon his acceptance in writing to the Trust, shall become vested with all the estates, rights, powers, discretion and duties of his predecessor Trustee with like effect as if originally named as Trustee herein.

No Trustee may be appointed who is, or continues to serve as a Trustee after becoming an owner, officer or employee of a service agent.

SECTION 3. TRUSTEES' TITLE

In case of death, resignation, refusal or inability to act by any one or more of the Trustees, the remaining Trustees shall have all of the powers, rights, estates and interest of this Trust and shall be charged with its duties, provided that in such cases no action may be taken unless it is concurred in by not less than a majority of the remaining Trustees, which shall be not less than two (2) in number.

SECTION 4. TRUSTEE OFFICERS.

The Trustees shall meet as promptly as possible after execution of this Trust Agreement and elect from among the Trustees a Chairman and a Secretary of the Board of Trustees. The term of such offices shall commence on the date of their election and continue to the end of the fiscal year. Thereafter, such officers shall be elected annually.

ARTICLE V

ADMINISTRATION OF FUND

SECTION 1. MEETINGS.

The Trustees shall meet at least quarterly, and more often if required, at the principal office of the Fund or at such other location as may be acceptable to a majority of the Trustees. The Chairman of the Trustees shall set the date, time and location of each meeting, and notice thereof shall be furnished to each Trustee by the Secretary or Administrator not less than ten (10) days prior to the date of such meeting. Such notice shall specify the date, time and location of such meeting and may specify the purpose

thereof and any action proposed to be taken thereat. Whenever any notice is required to be given to any Trustee hereunder, such notice shall be directed to the said Trustee by certified mail, return receipt requested, to the address of such Trustee as recorded in the office of the Fund.

Special meetings of the Trustees may be held at any time and place without notice. For the purposes of a duly called and noticed meeting of the Board of Trustees a quorum shall consist of four (4) members of the Board or Trustees, unless the Board of Trustees consists of less than four (4) Trustees in which case all Trustees shall be required to constitute a quorum. Meetings, including votes, may be conducted by telephone conference. The Secretary, acting Secretary, or his designee shall keep minutes of all meetings, proceedings and acts of the Board of Trustees, but such minutes need not be verbatim. Copies of all minutes of the meetings of the Board of Trustees shall be sent by the Secretary, acting Secretary or a designee to all Trustees.

SECTION 2. VOTING.

All actions by, and decisions of, the Board of Trustees shall be by the vote of a majority of the number of Trustees attending a duly called meeting of the Trustees at which a quorum is present; provided, however, that actions by, and decisions of, the Board of Trustees may be taken by a vote of a majority of the number of Trustees attending a special meeting.

SECTION 3. OFFICE OF THE FUND.

The Trustees shall establish and maintain an office of the Fund, the exact location of which is to be made known to the parties interested in or participating in the said Fund and

to the appropriate governmental agencies and departments of state. The books and records pertaining to the Fund and its administration shall be kept and maintained at the office of the Trust.

SECTION 4. EXECUTION OF DOCUMENTS.

A certificate signed by the chairman and secretary of the Fund shall be evidence of the action of the Board of Trustees and any such certificate or other instrument so signed shall conclusively be presumed to be authentic, and all facts and matters stated therein shall conclusively be presumed to be true.

SECTION 5. APPOINTMENT OF ADMINISTRATOR.

The Trustees shall designate a fiscal agent and/or an Administrator to administer the financial affairs of the Fund; provided, however, such fiscal agent or Administrator shall not be an owner, officer, or employee of a service agent.

Any fiscal agent and/or Administrator so appointed shall furnish a fidelity bond with the Trust as obligee, in an amount sufficient to protect the Fund against the misappropriation or misuse of any monies or securities held by or in the name of the Fund. The amount of the bond shall be determined by the Trustees and evidence of such bond shall be filed with the appropriate governmental agencies and departments.

SECTION 6. APPROVAL OF NEW MEMBERS.

The Trustees, after the inception date of the Fund, shall receive applications for membership from prospective new members to the Fund and shall approve such application for membership in accordance with the Rules for Self-Insurers, the terms of

the Indemnity Agreement and the rules and regulations established and promulgated by the Trustees for the admission of new members to the Fund. The Board of Trustees may delegate the ministerial authority for membership approval to the Administrator or such other person as they select; provided that such Administrator or person designated is not an owner, officer, or employee of a service agent. Membership in the Fund is also contingent on the regulations of the state of South Carolina and approval by the South Carolina Workers' Compensation Commission.

SECTION 7. ESTABLISHMENT OF FUNDS.

The Trustees shall be responsible for establishing such Trustee funds, loss funds, or other funds which may be required from time to time by South Carolina Statutes, or the Rules for Self-Insurers or the Rules of Conduct and Administration of this Fund as may be established by the Trustees from time to time.

SECTION 8. POSTING OF SECURITY.

The Trustees shall be responsible for and shall undertake the posting of such security deposit and/or security bonds as may be required to be posted with the South Carolina Workers' Compensation Commission pursuant to South Carolina Statutes, or the Rules for Self-Insurers or such other legislative enactments or administrative regulations which may be established from time to time.

SECTION 9. REPORTS BY TRUSTEES.

The Trustees shall be responsible for and shall cause to be filed such annual or other periodic audits, reports, and disclosures as may be required from time to time pursuant to

applicable federal or state statutes or governmental regulations.

SECTION 10. FISCAL MANAGENT AND AUTHORITY.

The Trustees shall have said authority and take all necessary precautions to safeguard the assets of the Fund including, but not limited, to the following:

a. The designation of a fiscal agent and/or Administrator to administer the financial affairs of the Fund, who shall furnish a fidelity bond with the Trustees as obligee, in an amount sufficient to protect the Fund against the misappropriation or misuse of any monies or securities. The amount of the bond shall be determined by the Trustees, and evidence of such bond shall be filed with the Commission, said bond being one of the conditions required for approval of the establishment and continued operation of a self insurers fund. Such fiscal agent or Administrator shall be an owner, officer, or employee of the service organization.

b. Retaining control of all monies collected or disbursed for the Fund. All loss funds or funds of any type shall remain in the custody of the Trustees or the authorized Administrator. Provided, however, that a revolving fund for payment of compensation benefits due and other related expenses may be established for the use of the authorized service company. The service company shall furnish a fidelity bond covering its employees, with the Trustees as obligee, in an amount sufficient to protect all monies placed in such revolving fund. Provided, however, that should the bond required of the fiscal agent and/or Administrator also cover the monies in the revolving fund, separate bond shall not be required.

c. Having the accounts and records or the Fund audited annually or at any other time as may be necessary to determine the financial stability of the Fund or the adequacy

of the monetary reserves, such audits to be made by Certified Public Accountants.

d. The Trustees shall make active efforts to collect delinquent accounts resulting from any unpaid premiums by members.

e. The Trustees or fiscal agent or Administrator shall not utilize any of the monies collected as premium for any purpose unrelated to workers' compensation insurance.

f. The Trustees shall be authorized to invest Trustees' funds, claims funds and unappropriated surplus in the following types of investments only:

1. Savings accounts or certificates of deposit in a duly chartered commercial bank located within the State of South Carolina and insured through the Federal Deposit Insurance Corporation.

2. Share accounts or savings certificates in a duly chartered savings and loan association located within the State of South Carolina and insured through the Federal Savings and Loan Insurance Corporation.

3. Direct obligations of the United States Treasury, such as notes, bonds or bills which are backed by the full faith and credit of the United States Government.

g. The safety of any investment of surplus monies or claims reserves shall be the responsibility of the Trustees.

h. The Trustees shall be prohibited from making any type of investment as authorized by these rules with the intent to trade, dispose or sell the security in any manner other than redeeming it at maturity. Therefore, it shall be the responsibility of the Trustee to purchase securities in such denominations and with dates of maturity to insure

that these securities shall be redeemable at the same time and in the same amounts as the Fund's current and long-term liabilities.

i. The Trustees shall report annually, as part of the financial statement of the Fund, a schedule showing the disposition of all investment income earned during the Fund year just ended.

j. The Board of Trustees shall have all authorities and powers granted to Trustees generally under the laws of South Carolina including the powers and authorities conferred under the Uniform Trustee's Powers Act which is incorporated herein by reference as permitted by statute 62-7-703 (b) as if fully set out herein.

SECTION 11. RULES AND REGULATIONS.

The Trustees may prescribe such rules and regulations as may, in their discretion, be proper and necessary for the sound and efficient administration of the Trust, provided the rules and regulations shall not be inconsistent with the provisions of this Declaration of Trust, the Indemnity Agreement, the Rules for Self Insurers, applicable federal and/or state statutes and applicable governmental regulations.

SECTION 12. TRUSTEES' LIABILITIES.

No Trustees or employee of the Trust shall be liable for any action taken pursuant to this Trust Agreement in good faith or for an omission, by any other Trustee or by any employee of Trustee.

The Trustees are hereby authorized and empowered to obtain at the expense of the Fund, liability insurance fully protecting the Trustees and the Fund from any loss or expense incurred, including reasonable attorney's fees, for all acts of the Trustees except

bad faith and gross negligence on the part of the Trustees. The Fund hereby agrees to save, hold harmless and indemnify the Trustees and employees of the Fund while acting in the capacity of Trustees or employees excepting bad faith and gross negligence.

SECTION 13. RELIANCE ON COUNSEL'S OPINION.

The Trustees may consult with legal counsel concerning any questions which may arise with reference to the duties and powers or with reference to any other matter pertaining to this Agreement or the Trust created hereby; and the opinion of such counsel shall be full and complete authorization and protection in respect to any action taken or suffered by the Trustees hereunder in good faith in accordance with the opinion of such counsel, and the Trustees shall not be liable therefor.

ARTICLE VI

MISCELLANEOUS

SECTION 1. AMENDMENTS.

This Agreement may be amended in writing at any time by the concurrence of a majority of the Trustees. However, this Agreement may not be amended so as to change its purpose as set forth in Article III above or to permit the diversion or application of any of the funds of the Trust for any purpose other than those specified herein. The Trustees, upon amending this Agreement, shall send a copy of any such amendment bearing the necessary signatures, to the Settlor. Amendments will not be effective until approved by the South Carolina Workers' Compensation Commission.

SECTION 2. TERMINATION OF TRUST.

This Trust may be terminated at any time by the Trustees and the concurrence of the South Carolina Workers' Compensation Commission.

This Trust shall terminate in any case upon the death of the last survivor of such persons who were living at the time of the creation of the Trust and who were participating in the Trust, unless, without the benefit of this provision, the Trust does not violate the rule against perpetuities; in which case, the Trust may continue in perpetuity unless otherwise terminated. This Agreement shall continue in full force and effect as may be amended and supplemented from time to time subject, however, to the above termination provision.

In the event of termination, the remaining funds available in the Trust, after providing for all outstanding obligations, shall be distributed, through a formula determined by the Trustees, to the participating members.

SECTION 3. SITUS OF THE TRUST.

This Trust Agreement is executed by the Parties hereto and accepted by the Trustees in the State of South Carolina, and all questions pertaining to its validity, construction and administration shall be determined in accordance with the laws of the State of South Carolina.

SECTION 4. CONSTRUCTION.

Whenever any words are used in this Agreement in the masculine gender, they shall be construed as though they were also used in the feminine or neuter gender in all situations where they would so apply, and whenever any words are used in this

Agreement in the singular form, they shall be construed as though they were also used in the plural form in all situations where they would so apply, and whenever any words were used in the Agreement in the plural form, they shall be construed as though they were also in the singular form in all situations where they would so apply.

IN WITNESS WHEREOF, this Agreement and Declaration of Trust has been executed the day and year first above written.

SETTLOR:

HOME BUILDERS ASSOCIATION OF SOUTH CAROLINA, INC

By: Warren Carpenter
President

ATTEST:

Patricia C. Shepard
My Commission
expires 5-2-2001

State of South Carolina

1333 Main Street, Suite 500
P.O. Box 1715
Columbia, S.C. 29202-1715



Tel: (803) 737-5700
Fax: (803) 737-1258
www.wcc.sc.gov

Workers' Compensation Commission

September 14, 2011

Jeff Ranew
Administrator
South Carolina Home Builders Self Insurers Fund
P.O. Box 7727
Columbia, SC 29202

Dear Mr. Ranew:

You have asked me to put in writing the position of the South Carolina Workers' Compensation Commission's Self-Insurance Division regarding the recent amendment of the Trust Agreement by the South Carolina Home Builders Self Insurers Fund. Please let this confirm the following:

1. The proposed amendments to the Trust Agreement were presented to me for consideration and approval on August 18, 2011.
2. Based upon our review of the Trust Agreement, the fund's trustees alone have the authority to make the amendments and revisions which were proposed and that the changes comply with and are not prohibited by Title 42 of the South Carolina Workers' Compensation Law or South Carolina Workers' Compensation Commission Regulation 67-1500.
3. We approved the same on August 18, 2011.

Please let me know if I can be of any further assistance regarding this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "W.C. Smith, III".

W. C. Smith, III, CPCU, ARM
Director, Self Insurance

SIF 161



ROA Supp000150

State of South Carolina

1333 Main Street, Suite 500
P.O. Box 1715
Columbia, S.C. 29202-1715



Tel: (803) 737-5700
Fax: (803) 737-1258
www.wcc.sc.gov

Workers' Compensation Commission

January 26, 2012

Jeff Ranew
Administrator
South Carolina Home Builders Self Insurers Fund
P.O. Box 7727
Columbia, SC 29202

Dear Mr. Ranew:

I am writing in regard to the proposed amendments of the By-Laws/Trust Agreement of the South Carolina Home Builders Self-Insurance Trust Fund that were presented to us for consideration January 23, 2012. Based on our review the proposed changes comply with and are not prohibited by Title 42 of the South Carolina Workers' Compensation Law or South Carolina Workers' Compensation Regulation 67-1500.

Please let me know if I can be of any further assistance regarding this matter.

Sincerely,

W. C. Smith, III, CPCU, ARM
Director, Self Insurance

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

Appeal from Richland County
Court of Common Pleas

G. Thomas Cooper, Circuit Court Judge

Appellate Case No. 2014-000963

Allen Patterson, Steve Tilton, Richard Sendler,
Lincoln Privette, Marc Ellis, Joey Carter, Barry Davis,
Michel Nieri, Allen Patterson Residential LLC, Tilton
Group, Sendler Construction Co., Inc., Privette Enterprises,
Ellis Construction Company, Inc., The Barry Davis Company, Inc.,
Great Southern Homes, and J. Carter, LLC, on behalf of
themselves and others similarly situated.....Appellants,

v.

Herb Witter, Colin Campbell, Eddie Weaver,
Tom Markovich, Keith Smith, Jim Gregorie,
individually and as Trustees of the South
Carolina Home Builders Self Insurers Fund, and
the South Carolina Home Builders Self Insurers Fund.....Respondents.

PROOF OF SERVICE

I certify that I have served the Record on Appeal - Supplement on the
Respondents by depositing a copy of it in the United States Mail, postage prepaid, on
November 20, 2014, addressed to their attorneys of record as follows:

Pope D. Johnson, III, Esquire
1230 Richland Street
Columbia, SC 29201

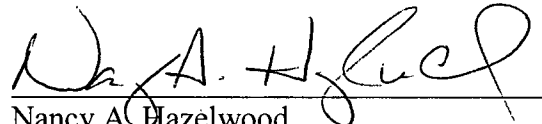
RECEIVED

NOV 20 2014

SC Court of Appeals

William W. Wilkins, Esquire
P.O. Drawer 10648
Greenville, SC 29603

Lawrence Hershon, Esquire
P.O. Box 1509
Columbia, SC 29202


Nancy A. Hazelwood

West Columbia, South Carolina

November 20, 2014