



# Your Workers' Compensation Insurance Quote

**Proposal created date:**

September 30, 2020 12:07 PM

**Quote good through\*:**

December 28, 2020 12:00 AM

**Your reference number:**

34 WEC AH6GRB - 005

**Policy term:**

October 1, 2020 - October 1, 2021

**Information about your business:**

Divine Designs, LLC  
11414 GARRETT AVE  
SAINT PAUL, MN 55124

**Information about your agent:**

COMMERCIAL INSURANCE GROUP LLC  
1773 South 8th Street Ste 200  
Colorado Springs, CO 80905

**Proposal created by:**

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Amanda@cig-llc.biz  
(303) 900-2960

\*Premium is based on information provided during the application process and is subject to change should any change be made to the policy. Examples of possible changes include, but are not limited to, changes to coverage, Named Insured(s), location(s), and effective date.

**YOUR ESTIMATED ANNUAL PREMIUM IS: \$2,339.00**

**SEE INSIDE:**

|  |        |  |        |
|--|--------|--|--------|
| Your Proposal Coverage and Policy Limits | Page 3 | How We'll Calculate Your Final Premium | Page 5 |
| Your Class Code and Rating Details       | Page 4 | How to Pay Your Premium                | Page 6 |

**IMPORTANT MESSAGE:**

- Please review the coverages and limits displayed to ensure that they are appropriate for the needs of your business.
- To accept the terms of the quote proposal, be sure to sign where indicated.
- In order to issue your policy, a down payment will be required, which will be the greater of \$1,000.00 (minimum premium) or the applicable down payment for the number of payments chosen. If we cancel for non-payment, the policy's minimum premium will be

**WHAT YOU NEED WHEN YOU NEED IT**

The Hartford was the first insurer with a dedicated small business team more than 30 years ago. Today, we're still the best choice for small business, providing our customers with industry-leading products and online service tools like 24/7 account access, online bill pay and more.



<sup>1</sup> Customer reviews were collected and tabulated by The Hartford, and reviews are not representative of all customers.

<sup>2</sup> World's Most Ethical Companies, Ethisphere Institute (2008-2012, 2014-2018).

This document is only a proposal. It can't be used as proof of coverage, unless bound by an authorized agent.

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retained. If you cancel for any reason, the final premium will be based on the time the policy is in force, and increased by our short rate cancellation table and procedure.

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# Your Proposal Coverage and Policy Limits

## Part 1: Workers' Compensation Insurance

This section of your policy pays to treat, rehabilitate and replace income of workers who are injured on the job. Statutory coverage as provided by the following states:

- Minnesota

Notes for owners/officers:

- MN-Excluded

## Part 2: Employer's Liability Insurance

This section of your policy pays to indemnify and defend you from lawsuits by injured workers.

|                           | LIMITS OF INSURANCE |               |
|---------------------------|---------------------|---------------|
| Bodily Injury By Accident | \$ 100,000          | Each Accident |
| Bodily Injury By Disease  | \$ 500,000          | Policy Limit  |
| Bodily Injury By Disease  | \$ 100,000          | Each Employee |

## HOW WE ESTIMATED YOUR PREMIUM

Your premium depends on several factors, aside from your coverage choices above. Two key factors are your class code and your rate. A class code is a standardized way to describe your employees' jobs. We do this because each type of job has inherently different risks.

The class code determines the rate, which is the amount you pay for every \$100 of your payroll. We multiply that rate by your premium basis. That's your best guess at the total amount you'll pay those employees during the policy year.

At the end of the year, we'll review your premium basis together to make sure it was correct. This is called a "premium audit." (See "How we calculate your final premium" for more information about this.)

Your premium calculations also include payroll-based factors. These include, but are not limited to, state surcharges, catastrophe, minimum premium, experience modification, and terrorism.

You'll find a breakdown of these and other charges beginning on the following pages.

## ACKNOWLEDGED AND ACCEPTED BY:

  
 Anthony Leong (Oct 1, 2020 08:17 CDT)

Signature of the Insured

Oct 1, 2020

Date

Reference Number: 34 WEC AH6GRB - 005



# Your Class Code and Rating Details

We calculate your premium based on every employee, location and state. Below you'll find calculations for your employees located in Minnesota

**Location: 1**

**Your employees are located at:** 11414 GARRETT AVE  
SAINT PAUL, MN 55124

| CLASS CODE | DESCRIPTION                   | RATE | BLENDED RATE | PREMIUM BASIS (RATE PER \$100 OF EXPOSURE) | CLASS PREMIUM |
|------------|-------------------------------|------|--------------|--|---------------|
| 0042       | LANDSCAPE GARDENING & DRIVERS | 8.61 | 6.68         | 32,000                                     | \$ 2,755.00   |

| DESCRIPTION OF CHARGE   | PREMIUM ADJUSTMENT | AMOUNT             |
|---|--------------------|--------------------|
| Total Class Premium   |                    | \$ 2,755.00        |
| Schedule Rating Factor  | 0.750000           | \$ -689.00         |
| Total Estimated Annual Standard Premium   |                    | \$ 2,066.00        |
| Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement \$32,000.00 | 0.009000           | \$ 3.00            |
| MN Special Compensation Fund Assessment (CBAI 72)                                       | 3.400000           | \$ 70.00           |
| Expense constant  | 0                  | \$ 200.00          |
| <b>STATE ESTIMATED ANNUAL PREMIUM</b>   |                    | <b>\$ 2,339.00</b> |

As required by law, workers' compensation policies are subject to an annual premium audit.

Merit and Experience Mods are tentative and subject to final calculation.

To learn more about how your premium is calculated on the payroll billing method please visit:

<https://www.thehartford.com/blended>

Like many insurance companies, The Hartford is legally made up of several property and casualty affiliate companies. Depending on the state, the "writing company" may be different. Coverage in this state is provided by: Hartford Accident and Indemnity Company, a member company of The Hartford.



# How We'll Calculate Your Final Premium

Keep in mind that the minimum annual premium required in your state is \$1,000.00. We are not allowed to charge less than that.

Your business can change a lot over the course of the year and your insurance premium should reflect your business. We base your premium estimate on your current payroll. At the end of the year, we need to double-check, or "audit," your payroll to verify we charged you correctly.

Your premium will change, for example, if you:

- Hire or terminate employees
- Pay overtime
- Give raises
- Change employees' job functions

If it turns out you overpaid, we refund you. If you underpaid, we bill you for the difference. Not only is it required of us, we want to bill you fairly based on actual payroll.

If you choose to pay your premium with Payroll Billing, we rely on real-time payroll to calculate your monthly premiums, resulting in more accurate premium payments. This means you are less likely to pay more than you need to throughout the year or owe an audit adjustment at the end of the policy term because of under-reported payroll.

## **WE'LL REACH OUT WHEN IT'S TIME**

As your policy term ends, we'll send you a request for the information we'll need to complete your premium audit. You'll most likely just have to submit a few documents and answer some questions about your business. It's a simple and straightforward process.



# How to Pay Your Premium

You can pay your worker's comp premiums after you receive your bill each month. But you also have another option. With **payroll billing**, your premiums are paid based on your actual payroll numbers every time you run payroll, instead of on an estimate, so premium payments are more accurate. Take a look at this payment comparison:

| COMPONENT              | DIRECT BILL  | PAYROLL BILLING                           |
|------------------------|--|---|
| Down payment           | \$1,000.00   | \$0                                       |
| Payment type           | Estimated payments derived from payroll projections for the year | Accurate payments based on actual payroll |
| Premium payment        | 9 additional installments  | Paid automatically after each payroll     |
| Payment fee            | Yes  | No  |
| Late fees              | May apply  | No  |
| Post audit adjustments | Potential costly adjustment if payroll was underestimated        | Simplified – minimal adjustments          |

*\*Comparison based on 10 pay Direct Bill Plan. Keep in mind that the dates and amounts could change depending on when the policy is processed. Additional options on following page.*

And, it means no down payments, and less chance of a surprise during premium audit. You won't have to deal with monthly billing or finance fees or remember to write a check, since the payments are set up directly through your bank. Best of all, it's free—no fees or service charges

Here are your options if you don't opt for payroll billing:

- **AutoPay.** Sign up for Repetitive Electronic Funds Transfer (EFT) to pay automatically from your bank account. You'll save money by reducing your installment fees. Ask your insurance professional how to set it up.
- **Online.** Register at [thehartford.com/servicecenter](http://thehartford.com/servicecenter) to pay your bill quickly and securely.
- **Check.** Mail your check and include your payment stub in the envelope we provide.
- **Phone.** Call us toll-free 1-866-467-8730 to pay your bill by phone.



# How to Pay Your Premium

CONTINUED

## DIRECT BILL PAYMENT BREAKDOWN

The chart below show how we'll bill you, according to the payment plan you select. We calculate the due date(s) and minimum amount(s) due based on the anticipated effective date of your policy. Keep in mind that the dates and amounts could change depending on when the policy is processed.

| Full Pay    |                |
|-------------|----------------|
| One Payment |                |
| Due Date    | Payment Amount |
| 11/01/2020  | \$2,339.00     |

| MONTHLY OPTIONS – TOTAL ANNUAL ESTIMATED PREMIUM: \$2,339.00 |            |                                      |   |
|--|------------|--------------------------------------|---|
|  |            | With AutoPay<br>Fee: \$5 per payment | Without AutoPay<br>Fee: \$7 per payment |
| NUMBER OF PAYMENTS   | DUE DATE   | PAYMENT AMOUNT                       | PAYMENT AMOUNT                          |
| Two  | 11/01/2020 | \$1,204.50 – Initial Down Payment    | \$1,431.40                              |
|  | 04/01/2021 | \$1,134.50                           | \$907.60                                |
| Four   | 11/01/2020 | \$1,000.00 – Initial Down Payment    | \$1,000.00                              |
|  | 02/01/2021 | \$204.50                             | \$317.95                                |
|  | 05/01/2021 | \$567.25                             | \$567.25                                |
|  | 08/01/2021 | \$567.25                             | \$453.80                                |
| Ten  | 12/01/2020 | \$1,000.00 – Initial Down Payment    | \$1,000.00                              |
|  | 01/01/2021 | \$0.00                               | \$0.00                                  |
|  | 02/01/2021 | \$0.00                               | \$15.93                                 |
|  | 03/01/2021 | \$0.00                               | \$189.01                                |
|  | 04/01/2021 | \$204.50                             | \$189.01                                |
|  | 05/01/2021 | \$226.90                             | \$189.01                                |
|  | 06/01/2021 | \$226.90                             | \$189.01                                |
|  | 07/01/2021 | \$226.90                             | \$189.01                                |
|  | 08/01/2021 | \$226.90                             | \$189.01                                |
|  | 09/01/2021 | \$226.90                             | \$189.01                                |
| Twelve   | 11/01/2020 | \$1,000.00 – Initial Down Payment    | \$1,000.00                              |
|  | 12/01/2020 | \$0.00                               | \$0.00                                  |
|  | 01/01/2021 | \$0.00                               | \$0.00                                  |
|  | 02/01/2021 | \$0.00                               | \$0.00                                  |
|  | 03/01/2021 | \$113.74                             | \$113.74                                |
|  | 04/01/2021 | \$204.21                             | \$204.21                                |
|  | 05/01/2021 | \$204.21                             | \$204.21                                |
|  | 06/01/2021 | \$204.21                             | \$204.21                                |
|  | 07/01/2021 | \$204.21                             | \$204.21                                |
|  | 08/01/2021 | \$204.21                             | \$204.21                                |
|  | 09/01/2021 | \$204.21                             | \$204.21                                |

A payment fee is assessed on each payment invoice except where prohibited by law.

Any down payment provided will be withdrawn immediately regardless of down payment date shown.



# Mandatory Disclosure: Insuring Against Terrorism

Protecting your business means preparing for risks – even unlikely ones. Your policy includes coverage for certain acts of terrorism. We are required to provide you the following disclosure about your terrorism coverage, premium and related information.

## **Terrorism Coverage and Premium**

In accordance with the federal Terrorism Risk Insurance Act (as amended “TRIA”), we are required to make coverage available under your policy for “certified acts of terrorism.” The actual coverage provided by your policy(ies) will be limited by the terms, conditions, exclusions, limits, and other provisions of your policy(ies), as well as any applicable rules of law.

The portion of your premium attributable to terrorism coverage is shown in the premium section(s) of this quote proposal. This offer of coverage under TRIA applies only where a premium for terrorism is shown in this quote proposal.

## **Definition of Certified Act of Terrorism**

A “certified act of terrorism” means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of TRIA, to be an act of terrorism under TRIA. The criteria contained in TRIA for a “certified act of terrorism” include the following:

1. The act results in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to TRIA; and
2. The act results in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and
3. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States government by coercion.

## **This Disclosure of Federal Share of Terrorism Losses under TRIA**

The United States Department of the Treasury will reimburse insurers for 80% of insured losses that exceed the applicable insurer deductible. However, if aggregate industry insured losses under TRIA exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion. The United States government has not charged any premium for their participation in covering terrorism losses.

## **Cap on Insurer Liability for Terrorism Losses**

If aggregate industry insured losses attributable to “certified acts of terrorism” under TRIA exceed \$100 billion in a calendar year, and we have met, or will meet, our insurer deductible under TRIA, we shall not be liable for the payment of any portion of the amount of such losses that exceed \$100 billion. In such case, your coverage for terrorism losses may be reduced on a pro-rata basis in accordance with procedures established by the Treasury, based on its estimates of aggregate industry losses and our estimate that we will exceed our insurer deductible.

In accordance with the Treasury’s procedures, amounts paid for losses may be subject to further adjustments based on differences between actual losses and estimates.

Note to Producer on TRIA: The premium for terrorism coverage and the TRIA disclosures above must be provided to the insured or prospect at the time of quoting.





# Electronic Delivery Consent Form for Commercial Business Insurance Customers

## TERMS & CONDITIONS FOR PAPERLESS DELIVERY OF COMMUNICATIONS FOR COMMERCIAL INSUREDS

By consenting to receive communications from The Hartford, electronically, through your agent:

\_\_\_\_\_ (hereinafter "your agent"), you are agreeing that documents and official notices which you are required to receive may be sent to you electronically rather than in paper form. You agree these paperless communications are the legal equivalent of officially required communications relating to your policy(ies) which you would otherwise receive in paper form. These communications may include, but are not limited to, policy declarations, policy forms and endorsements and related forms, insurance ID cards, billing statements, legally required notices, and other official correspondence. YOU AGREE TO RECEIVE ALL MAILINGS AND COMMUNICATIONS ELECTRONICALLY. SUCH ELECTRONIC MAILING OR COMMUNICATIONS MAY EVEN INCLUDE CANCELLATION OR NONRENEWAL NOTICES. This consent will apply to all policies The Hartford may issue to you.

Not all documents are currently available for electronic delivery. Those that are not available will continue to be sent to you by your agent via US mail. As new documents become available for electronic delivery, your agent may send them electronically.

You may at any time, request that your agent resume communications through the delivery of paper documents. You will not be charged a fee for this request and may make such request by notifying your agent in writing or by email: \_\_\_\_\_. Your request to withdraw consent to receive communications by electronic means will be effective at the conclusion of the policy term.

You agree to provide your agent with your current email address so your agent can send you notices and other documents via email or notify you that documents are available for your review. You also agree to update your account and notify your agent of any change in your email address. You can make such a change by notifying your agent via one of the methods listed above. You agree to be responsible for any late payment fees that result from your failure to provide your agent with your current email address.

You may request a paper copy of an official notice sent to you, or of your policy documents. There is no fee to request such copies. You may make such request by notifying your agent via one of the methods listed above. Official policy notices and other documents will be sent solely and directly to you and will not be emailed to other users.

**SYSTEM REQUIREMENTS:** You acknowledge and agree that you have sufficient access to a privately owned computer and email system (as opposed to one with limited access, such as those housed in public libraries) that will: Permit you to access, view, and print the communications your agent will send; permit you to receive emails that contain hyperlinks to websites; and permit you to access websites. The following system requirements are necessary for you to receive and view these communications:

You must have Adobe Reader version 4.0 or later. Download the correct version of Acrobat Reader from the Adobe website at [adobe.com](http://adobe.com).

**ATTENTION AGENTS:** THE FOLLOWING SENTENCE MUST BE INCLUDED/COMPLETED ONLY IF INSUREDS WILL BE ACCESSING DOCUMENTS VIA AN ELECTRONIC FILING CABINET OR OTHER ONLINE PORTAL:

Online documents are supported on Microsoft Internet Explorer version \_\_\_\_ and later, Firefox version \_\_\_\_ and later, and Google Chrome version \_\_\_\_ and later.



# Electronic Delivery Consent Form for Commercial Business Insurance Customers

## CONTINUED

By signing this document, you (a) agree that you are the named insured and (b) agree to the terms and conditions of Paperless Delivery.

Please note that even if you enroll in Paperless Delivery, your agent may deliver certain documents via U.S. Mail due to legal requirements and/or system limitations.

**I accept the terms & conditions set forth above and consent to enroll in paperless delivery.**

**You must list below one policy number from The Hartford; however, please be advised this consent will apply to *all* policies issued to you by The Hartford.**

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Policy No. & Description

---

Authorized Person - Name and Title

---

Authorized Person Email Address

---

Date