



## Large Risk PEO Workers Compensation Overview and Underwriting Criteria

Over the past 12 years, Zurich and Cedar Hill Insurance Agency, recently acquired by Artex Risk Solutions and now known as Artex Cedar Hill, have consistently provided exceptional workers compensation underwriting services to the PEO industry's finest companies.

Zurich's Global Corporate Casualty unit, based in Atlanta, Georgia, manages Zurich's large risk PEO program, which includes a number of the nation's largest PEO's, as well as those with significant regional presence. PEO's qualifying for this program should have at least 3 years of audited financial statements and greater than \$1.0 million in manual workers compensation premium.

Negotiation of pricing and program design is directly conducted with Zurich's Global Corporate Casualty unit. Artex Cedar Hill acts as a Servicing Partner to Zurich in upfront underwriting of the PEO and its underlying client companies, and provides post-binding services including tracking/underwriting additions and deletions of client companies in an expedient on-line environment, providing management of policy/certificate issuance, and audit of the PEO insured.

With a combination of PEO industry specialization and financial strength, we have the resources to fulfill your expectations for the long run. Please direct all inquiries and submissions to:

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*Underwriting shall be based on the following criteria:*

1. Qualified PEO should have 3 years of audited financial statements with auditor's notes, as well as interim statements.
2. Signed, completed Acord applications for PEO and individual policy clients.
3. Signed, completed NCCI ERM-14 (Confidential disclosure of ownership – include any and all related entities)
4. Response to specific client level underwriting questions as developed.
5. Organizational chart and resumes of key management.
6. Description of marketing plan, strategic affiliations, related affinity groups.



7. Complete and thorough list of current active client-companies of PEO, including but not limited to the following essential data (preferably in an MS Excel format):
  - A. Client name and D/B/A for each client company, if any
  - B. PEO client # for each client operation
  - C. Estimated annual payroll by class code and state at the client-company level.
    - i) Physical and mailing address for each client operation (including at each client location level).
  - D. For concentration of risk purposes, provide detailed employee counts at the client-company level, and by location.
  - E. Detailed description of each client-company's operations. We strongly encourage you to provide more than a short sentence description. Our underwriting team requires a highly detailed understanding of each client's operation.
  - F. Specifically identify if the client of PEO does or does not have:
    - International exposures
    - Aviation exposures
    - Defense base exposures
    - USL&H exposures
    - Nuclear exposures
    - FELA or any other rail exposures
8. Currently valued, insurance carrier or Third Party Administrator ("TPA") generated summary loss runs for PEO in the aggregate, as well as for acquired entity by PEO, if any, for each of the past 5 years. For loss stratification and frequency analysis, ideally loss runs are broken down to the client-company level and claimant level.
9. Detailed explanation of all losses above \$75,000 for each of the past 5 years.
10. Audit payroll summary for each of the past 5 years for PEO, as well as for acquired entity by PEO, if any.