GET THE FACTS
6 Important Questions to Consider Before Joining a Captive
Dear Moving and Storage Business Owner

Mover’s Choice is pleased to provide you with a “Quick Facts” guide related to Captive Insurance.

Captive insurance options have been available to the transportation industry for several decades. The moving and storage industry is experiencing an influx of captive options on a national basis. Captive insurance programs can provide an excellent opportunity for a moving company to share in the profits for years that experience good claims, however, most moving and storage companies are not being given all the actuarial facts to make an educated decision on what is best for their company when making this important insurance decision.

In the enclosed “Quick Facts” guide, we provide an overview of various types of captives, the potential advantages and disadvantage of joining or forming a captive and, most importantly, a list of 6 QUESTIONS your company should consider before making the faithful leap into securing insurance through a captive insurance program.

In today’s challenging economy, moving and storage companies must carefully consider all expenses that affect their bottom line. Insurance is a major expense and, naturally, is a big indicator to the bottom line profit of a company. While captive insurance programs can provide potential additional revenues, they do not come without significant financial risk. Entering into a captive is a long term decision to form and manage your own insurance company, often times at the expense of long term capital that may be more wisely invested in the industry you know best – moving and storage.

I hope this guide proves to be a useful resource to help you better understand and properly evaluate whether, or not, entering into a captive program is best for your company.

All of us at Paul Hanson Partners look forward to continuing to help you move your business forward.

Lisa R. Paul, CPCU
President, CEO
Paul Hanson Partners
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This section is to give you a quick fact overview on Captive Programs. A more in depth analysis is provided later in the guide.

Captive insurance programs are a risk financing technique where businesses form a subsidiary to insure the loss exposures of the group.

The three most common Captive Types currently available to the Moving Industry

**Single Parent Captive**
An insurance or reinsurance company formed primarily to insure the risks of its non-insurance parent or affiliates

**Association Captive**
A company owned by a trade, industry, or service group for the benefit of its members

**Group Captive**
A company, jointly owned by a number of companies, created to provide a vehicle to meet a common insurance need

The Perceived Main ‘Advantages’ of Captive Programs

- **Lower Insurance Costs** by retaining the profit of a successful insurance program if the group performs well
- **Improved Cash Flow** by having lower upfront premium and out of pocket expenses
- **Risk Retention** gives the insured a mechanism to retain more risk then traditional guaranteed cost insurance programs

The Perceived Main ‘Disadvantages’ of Captive Program

- **Financial Loss** to insured’s due to inadequate loss reserves. Basically the actual losses exceed the initial expected levels
- **Requires an up-front capital investment** and can require continued investment
- **Not easy to enter and exit** program compared to purchasing insurance in the commercial insurance market
- **No choice** for the insured in their service providers and claims handling administrator
- **Excess Funds** may not be released for a number of years
6 IMPORTANT QUESTIONS

NOTE: NOT ALL CAPTIVES ARE CREATED EQUAL. PLEASE REFER TO THE FOLLOWING OVERVIEW OF CAPTIVE TYPES AS WELL AS ADVANTAGES AND DISADVANTAGES. THIS QUICK FACTS GUIDE IS INTENDED TO PROVIDE ASSISTANCE WHEN CONSIDERING THE OPTIONS OF JOINING OR FORMING A CAPTIVE.

1. If considering a group captive, are you given the opportunity to offer an opinion on who participates? Do you know the other members? Are you able to see the participating member’s historical loss experience? Does the captive have years of history? Why is this important to consider?

Keep in mind the captive is based on individual and group results. Your company needs to be confident that these other members are as financially stable as your company. A major advantage to a captive is the future financial gains if the captive exceeds loss expectations so it is imperative to review loss experience history to verify future potential projected gains. If the group is not put together yet, it has no loss history and no prior results. You need to understand the risk - It would be like making an investment into a new mutual fund with a manager that has no proven track record.

2. Who controls all aspects of the captive? Are captive members permitted to market the insurance company or other service providers? Why is this important to consider?

Most captives have several moving parts that need to work fluently for it to have any chance to succeed. Ideally these moving parts are provided by separate companies who provide a specialty to their field that add additional benefits to the captive, best explained in the following example of a typical captive layout: a fronting insurance company, reinsurance company, claims handling third party administration company, a loss control consulting company, a captive manager provides accounting and actuary review, and a captive consultant who helps monitor all these companies and provide insight to the captive members. You can see the importance of being able to change any of these service providers if you feel their services are not helping the overall financial strength of the captive. If you do not have any control, or all these services are unchangeable you must be completely confident in these partners ability to always run the captive in manner that is looking out for its captive membership first and foremost. By participating in a bundled captive the individual service providers cannot be put to bid each year, this results in dramatically higher costs. At the very least the claims facility should not be the same as the reinsurance or captive fronting company to avoid conflict of interest.
3. What is the current state of the insurance market place? What is the history and experience of the carrier being presented? Why is this important to consider?

Let's take a look at 2009-2010. The overall national workers' compensation market environment is running a 120% combined loss ratio, which means that insurers are losing 20% on every dollar. A factor in the profitability of workers compensation insurance to the carrier is promulgated by the local states legal statues that determine coverage rules and benefits. Therefore, it is very important to pick a captive insurance partner who has shown recent success in profitably writing this line of coverage over the past several years. Otherwise, if the carrier has a history of providing guarantee cost insurance and has recently been unsuccessful in showing a profit for this line of coverage, the intention to start offering a captive option will solely benefit the carrier by shifting some of the loss reserve responsibility to the captive carrier partners. The workers' compensation marketplace and profitability is driven each year by state results and state workers' compensation legislation. A shift of a workers' compensation statute in one state can significantly impact the captive results if a captive participants from multiple states are allowed into the program.

In addition, 2009-2011 are considered a very soft market years which means insurance company’s premiums are continuing in downward trend. Insurance carriers have an influx of corporate cash, less desire to reinvest in other financial institutions and desire to increase premium writings, which created extreme competition in the market place. The moving and storage industry has seen very competitive pricing over these years. Therefore, in most cases the captive options being presented now are not going to save you a tremendous amount of money on upfront premium costs. If it is your desire to take on more risk, increase your deductible to achieve additional premium savings, rather than investing capital in the formation of a new insurance company with unproven results.

4. Is your company prepared for the continued letter of credit obligations required over the first several years of participation? Is your company planning on merging or acquiring new companies and/or selling the company over the next 5-7 years? Why is this important to consider?

Most captives being offered to the moving storage industry require you to provide a letter of credit to guard against future claim reserve responsibilities. These obligations generally increase over time as the years of exposure stack up. You need to determine the probable maximum exposure of loss by year to pinpoint potential future credit obligations. In the initial years this could prevent you from being able to access additional credit for acquisitions since you already have a large credit line in place funding their captive. In addition, many captives have “evergreen and irrecoverable” clauses that allow the captive carrier to keep the line of credit in place at their discretion. If this is combined with a captive that is not unbundled for claims, reinsurance and fronting there is no incentive for the carrier to release collateral they are holding until all claims are closed. Most letters of credit are released after 5-7 years on long tail type claims (i.e. workers’ compensation and auto liability). If you want to sell your business in 5-7 years there is continued liability if these claims are not closed. This continued liability would have to be “sold” with the business, which generally presents a difficult hurdle to over come in the sale of your moving company. These potential liabilities must be reported on corporate financials and may impede the companies’ ability to secure collateral for normal operations.
5. How does my loss experience and the overall group loss experience affect my return of profits from the captive? Are my premium and losses calculated separately or combined with other movers? How are profits calculated? Why is this important to consider?

Group captives aggregate premium and losses of all members to calculate the profit in the captive. Most captive programs have similar calculations for captive members.

The factors are:
- **(BR)** Basic Retention – this is the portion of the captive dollars used to pay for management of the captive, licensing fees, taxes, marketing, loss control services, reinsurance, filing fees, fronting costs and any other overhead of the captive.
- **(LCF)** Loss Conversion Factor – this is the cost to adjust and handle claims for the captive.
- **(TDF)** Trend and Development Factor
- **(IBNR)** Incurred but Not Reported Claims two factors that account for unreported claims or claims that have a higher cost in the future.

A sample calculation looks something like this:

Profit = Premium – [(Premium x BR) + (Losses x LCF) + (Losses x IBNR) + (Losses x TDF)]

Assume $1,000,000 in premium and a 25% loss ratio and 45% BR, 1.10 LCF, 0.05 IBNR, TDF 0.10

$237,500 = $1,000,000 – [$450,000 + $275,000 + $12,500 + $25,000]

Which sounds appealing. However, the current average loss ratio of the moving and storage business for auto liability and worker compensation nationwide is 55%. That calculation looks like this:

-$137,500 = $1,000,000 – [$450,000 + $605,000 + $27,500 + $55,000]

Just as profits are distributed to members so are losses. The advantage of a captive for an insurance company is that it transfers the insurance risk from the insurance company to the individual policyholders, in effect leaving them individually liable for losses of the group. In today’s environment of poor workers’ compensation results the insurer is transferring their liability on the workers’ compensation to the captive participants. The most profitable and consistent lines of coverage for the moving industry nationally has been property and inland marine coverages which some bundled captives are not including in the captive program and instead are remaining with the insurer bundling the captive.
6. What can I reasonably expect the loss experience of the group to look like over time? What happens as the group gets larger?

The law of large numbers tells us that the greater the size of the group and the greater the spread of risk the closer the group will perform to the industry as a whole. The moving industry is typically one that has a low frequency of claims but higher claim severity and putting more members in the group averages the trend and creates less volatility in the market. However, it also reduces the chance of profit for the group as a whole. Below is a typical spread of loss experience for movers.

<table>
<thead>
<tr>
<th>Mover</th>
<th>Year 1 Losses</th>
<th>Year 2 Losses</th>
<th>Year 3 Losses</th>
<th>Year 4 Losses</th>
</tr>
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<tbody>
<tr>
<td>Mover 1</td>
<td>$0</td>
<td>$42,000</td>
<td>$36,000</td>
<td>$120,000</td>
</tr>
<tr>
<td>Mover 2</td>
<td>$55,000</td>
<td>$0</td>
<td>$25,000</td>
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</tr>
<tr>
<td>Mover 3</td>
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<td>$250,000</td>
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</tr>
<tr>
<td>Mover 4</td>
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<td>$2,000</td>
<td>$82,000</td>
</tr>
<tr>
<td>Mover 5</td>
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<td>$0</td>
<td>$15,000</td>
<td>$0</td>
</tr>
<tr>
<td>Mover 6</td>
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<td>$45,000</td>
<td>$15,000</td>
<td>$95,000</td>
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<tr>
<td>Mover 7</td>
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<tr>
<td>Mover 8</td>
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<td>$0</td>
<td>$45,000</td>
</tr>
<tr>
<td>Mover 9</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Mover 10</td>
<td>$35,000</td>
<td>$15,000</td>
<td>$120,000</td>
<td>$43,000</td>
</tr>
</tbody>
</table>

Total Losses: $419,000  $460,000  $528,000  $465,000  
Total Premium: $1,000,000  $1,000,000  $1,000,000  $1,000,000  
Profit: $43,010  -$6,600  -$88,880  -$12,650

Total Group Profit for 4 years = -$65,120 at a 46% loss ratio. The results get much worse when looking at the industry average. This group of movers has only one mover with a higher than 100% loss ratio over 4 years and it also has several movers that have no losses per year and one mover that has no losses for 4 years. This group as a whole performs 9% better than the industry average, yet still has significant loss on investment.

Captives are an excellent tool for managing risk when insurance products are scarce or volatile, but in a soft market with flat or reducing premiums guaranteed cost insurance program are almost always the best way to manage risk. Statistics show that group captive participation rises in hard insurance markets and decreases in soft insurance markets. Since the Gramm-Leach-Bliley Act where banks were allowed to compete in the insurance market the trend of soft markets have been much more pervasive and during that time group captives have reduced substantially. At the end of the last hard market in 1989 there were 1,138 group captives and in 2009 there were 586 a clear sign of the pressures of a soft insurance market.
IN DEPTH CAPTIVE OVERVIEW

What is a Captive Insurance company?
Captive insurance programs are a risk financing technique where businesses form a subsidiary to insure the loss exposures of the group.

Why do companies initially consider forming captive insurance program?
- Heavy and increasing premium cost in almost every line of insurance coverage.
- Difficulties in obtaining coverage for certain types of risk.
- Difference in coverage in various parts of the world.
- Inflexible credit rating structure which reflect market trends rather than individual loss experience.
- Insufficient Premium Credit for Deductibles and/or loss control efforts.

What types of insurance captives are being formed?
- Single Parent Captives - is an insurance or reinsurance company formed primarily to insure the risks of its non-insurance parent or affiliates.
- Association Captive - is a company owned by a trade, industry, or service group for the benefit of its members
- Group Captive – is company, jointly owned by a number of companies, created to provide a vehicle to meet a common insurance need.
- Agency Captive – is a company owned by an insurance agency or brokerage firm so they may reinsure a portion of their risks through that company.
- Rent – a – Captive - is a company that provides ‘captive’ facilities to others for a fee, while protecting itself from losses under individual programs, which are also isolated from losses under other programs within the same company. This facility is often used for the programs that are too small to justify establishing their own captive.

What is Domicile? Does it matter?
Captives are licensed in many jurisdictions with the primary jurisdiction known as the captive’s domicile. There are two types of domicile: Domestic (located and corporate filed in the United States) and Foreign (located and corporate filed outside of the United States).
Several off shore jurisdictions have lower capitalization requirements, which allow captives to be set up with less initial investment and lower reserves. Off shore captive insurers also sometimes have lower tax rates off investment and underwriting income. Most US moving and storage operations require insurance filings to be made on their behalf to state and federal agencies, which require there insurance company’s to be domiciled and admitted in the United States. The potential expense to be able to provide this required insurance filing would be determined by the domicile of the captive.
CAPTIVE ADVANTAGES

Advantages for forming or joining a captive:

**Lower Insurance Costs**

Insurance premiums must be adequate to meet the cost of the claims, but in common with other commercial enterprises, insurers are in the business to make money and therefore include in the premium an element to provide for the acquisition costs, overhead, and profit. The portion of the premium can represent as much as 35-40% of the whole. In establishing or joining a captive, your company seeks to retain the profit within the group rather than see it go to an outside party.

**Cash Flow**

Apart from pure underwriting profit, insurers rely heavily on investment income. Premiums are typically paid in advance while claims are paid out over a longer time period. Until claims become payable the premium is available for investment.

**Risk Retention**

Ability for captive to retain more risk, particularly by increasing deductible levels.

**Claim experience benefits**

Captives generally retain a portion of the overall risk, through high deductibles, and reinsure the remainder. For this reason, claims experience (loss history) is better than anticipated; the excess of net premiums over claims is retained by the group. The reinsurance taken out by the captive is tailored to minimize the group’s exposure where claims experience is worse than projected.

**Unavailability of coverage**

When the commercial marketplace is unable or unwilling to provide traditional insurance contracts risk or where the price quoted is seen to be unreasonable.

**Risk Management**

A captive can act as a focus for the risk management and risk financing activities of its parent organization. An effective risk management program will result in recognized profits for the captive. Group captives establish key company characteristics (i.e. Corporate size, Years in Business, Financial Strength, Historical Loss History, Organization Management Culture, etc.) prior to offering an invitation to join.
Claim Management benefits

In some cases, the process of making a claim from a third party insurer can be long and involve a good deal of cost to the claimant. Where the insurer is a captive, the claims handling procedure can be dictated by management which cuts down on delays and bureaucracy that are often a necessary part of the claims handling procedures of commercial insurers. This is not the case in a bundled captive where the claims function is not controlled and marketed annually for their services separate from the front and reinsurance partner to the captive.

Tax minimization and deferral

Tax considerations, in forming a captive, will depend on the domicile of both the parent and the captive. Integration of a captive, as part of an overall tax planning strategy, is a complex subject so that professional legal and tax advice is essential.

Underwriting Benefit Inherent Over Time

A key advantage of a captive is its ability to provide management information across a spectrum of disciplines. Among these is an ability to analyze historical claims information. Depending on the risk involved, a wide range of sophisticated, analysis tools can be employed to help calculate IBNR (Incurred But Not Reported) losses.

Over time these tables can be enhanced to show numbers of claims and differentiate between paid and outstanding amounts so that the cash flow effect may be monitored. It can be effective when its limitations are understood.

For example:

1. The composite of the portfolio may have changed over the years, i.e. new members from different states and jurisdictions will change the loss analysis and trend and development factors.

2. The method of reserving may have altered over time, especially because it is often based on human, not scientific, judgment.

3. Deductibles may vary year to year distorting information
CAPTIVE DISADVANTAGES

Disadvantages for joining or forming a Captive

**Financial loss to owners/insured**

Potential for inadequate loss reserves – when actual losses exceed initially expected levels, insured’s might need additional funds to be allocated. If risks are not well assessed initially, you could suffer adverse financial consequences.

**Dependency on service providers**

The quality of service that captive offers depends on the quality of the third-party service providers that it utilizes, unbundling these service providers and getting an annual bid from the fronting carrier, claims facility, reinsurer and loss control service company are essential for long term success and from reducing conflict of interest of a bundled provider.

**Requires an up-front capital investment**

Establishing a captive insurance company requires a substantial amount of initial capital to ensure that the captive remains financially healthy during tumultuous times.

**May present uncertainty**

As to the federal tax treatment of premiums and captive profits.

**Not easy to enter and exit**

Compared to purchasing insurance from the commercial market.

**May decrease an insured’s purchase power**

For other coverage's in the commercial market.

**Requires management time**

To participate on captive’s board and manage captive investments.

**Merger or Acquisition**

A captive’s existence may complicate merger or acquisition activity.

**Volatility of Reinsurance Market**

Generally speaking, the reinsurance market acts more swiftly than primary insurance market in the event of adverse experience. Since the reinsurance market tends to be experience rated (premiums closely reflect the loss history of the insured) a reinsured risk of a captive might face premium increases sooner than a commercially insured risk.
Group Captive Disadvantages (Industrial Insured, Associations and Risk retention groups)

- Takes longer to form
- May not offer the best policy form for each and every insured.
- May utilize service providers that offer less than optimal services.
- Offer much less control over claims handling than do pure captives.
- May require insured’s to share in the poor loss experience of others.
- Require higher overall levels of capital than do pure captives.
- Tend to be more reliant on the availability and the cost of the reinsurance.
- May present conflicts regarding profit and earnings distribution.
- Offer less confidentiality.
- Are subject to greater regulatory requirements.
- Are more complex and at-risk regarding taxations and ownership.
- Are high risk of losing members (and their capital) to competing programs.
- Insured’s may not be able to easily exit a group captive program.
- Conflict of interest if all service providers are bundled into one offer.

Sponsored/Protected Cell Captive Disadvantages

- Policy Form may be dictated by the sponsor.
- Insured does not have a choice of whom their service providers are.
- Sponsors usually require that each cell be fully funded or collateralized up to the aggregate limit of liability, with such collateral being held for a number of years.
- The IRS may not deem the arrangement as insurance for Federal Tax Purposes.
- Excess funds in a cell may not be released by sponsor for a number of years.
- Conflicts of interest between the sponsor and insured are more likely.
MOVER’S CHOICE PROGRAM

Paul Hanson Partners Specialty Insurance Solutions is a full-service Program Administrator for our exclusive package program for the moving and storage industry. Our program, Mover’s Choice, is underwritten by either Zurich North America or Chartis Insurance Company. These programs are available to moving agents and van lines across the country. We are proud to be associated with the two of the leading international insurance organizations and among the largest underwriters of commercial and industrial insurance.

Our program is unique in that it is specifically designed for the moving industry and provides a comprehensive coverage form at a competitive price. Our cargo and warehouse legal liability coverages are among the most comprehensive in the industry, and our auto, property, and general liability forms are second to none. Unlike other moving and storage programs, our adjusters have specific moving and storage claims experience and understand release valuation, depreciated value, declared value, and replacement cost coverage.

Mover’s Choice Program includes the following coverages:

- Workers’ Compensation
- Truck Liability
- Auto Physical Damage
- General Liability
- Property
- Cargo Legal Liability
- Warehouse Legal Liability
- Mover’s Equipment Coverage
- Satellite Equipment
- Business Income Coverage
- Crime Coverage
- Garage Keepers Liability
- Trip Transit Coverage Options
- Umbrella Coverage
- Mover’s Extended Policy Coverages
- International Cargo
- Surety Bonds
- Independent Contractor Work Injury Programs
THE MOVER’S CHOICE ADVANTAGE

Paul Hanson Partners has developed a reputation as an expert in insurance products and services for the moving and storage industry. Established in 1993, Paul Hanson Partners provides risk management and insurance placement services to the transportation industry throughout the US. In 1998, we launched Mover’s Choice as part of our national Program Administration Division for Zurich American Insurance Company. Several van lines and state associations endorse Mover’s Choice as their exclusive and recommended insurance provider.

When it comes to ease of doing business, our customers know we’re the best

• Since 1998, more than 92% of our customers have renewed their insurance program with us
• Driver eligibility criteria provided to expedite driver hiring
• All certificates and filings are issued within 24 hours
• We’re the only national moving and storage all-lines program that has been issued on ”A” rated paper for the past 10 years with no disruption to your bids, contracts, per-line requirements and military work. Underwritten by member companies of Zurich North America, an A.M. Best A+ (superior) rated carrier

We can help you run your business profitably

• Customer access to extensive, on-line library of training videos available for you and your employees.
• Direct communications with our customers to help you better understand how your business decisions will affect your risk.
• The unparalleled financial strength of our insurance carriers help provide Mover’s Choice with the power to provide stable, quality insurance coverage at competitive price, even in the toughest of insurance markets.

Paul Hanson Partners is available and responsive

• 18-hour/6-day operation
• Completed submissions are quoted within 14 days.
• Policies are issued within 20 days.
• All endorsements are processed within 30 days.
• Completed submissions are never declined due to time constraints, and 90 percent of submissions are handled within 24 hours.
Mover's Choice programs are designed to fit your business

• National Commercial Package Program - for all types of movers with or without a warehouse operation
• Workers' Compensation Program - designed to go along with our commercial package program to provide coverage to the household goods moving and storage industry
• Independent Contractor Work Injury Program - designed for the Independent Contactor that works exclusively under contract with one motor carrier. This is the only contractor program that has the ability to provide Workers' Compensation and/or Occupational Accident coverage alternatives to the contract driver.
• Surety Bond Program - Mover's Choice has received the authority to underwrite several specially designed, transportation-related surety bonds, including MTMC, FMC, ICC, DOD, NVOCC, PUC, ERISA, Lease Guarantee, and Job Performance.
• International Cargo Program - to help provide the appropriate cargo coverage for your international move exposure
• Remote Staffing - Resource Pro can improve the efficiency, turnaround speed and quality of service in your back office with significant reductions in your operating expenses.

Mover’s Choice Program highlights

• Cargo and warehouse legal liability coverages are among the most comprehensive in the industry.
• Auto, property, and general liability forms are second to none.
• Adjusters have specific moving and storage claims experience and understand release valuation, depreciated value, declared value, and replacement cost coverage.
• Wide variety of on-site safety and loss control services specially designed for the transportation industry can be facilitated by our experienced transportation staff. Our goal is to be part your safety management team.

The Last Mile Delivery Program - insurance for furniture and appliance delivery

Paul Hanson has launched the Last Mile Delivery Program. We are pleased to offer you this specialty insurance product that was designed to insure both the last mile delivery company and their contractors.

Coverage includes: Workers’ compensation, autolability lauto physical damage, cargo/warehouse legal liability, commercial property, commercial general liability, excess/umbrella, and independent contractor occupational injury coverage.

To learn more about this product, contact us today.
The Mover’s Choice Program has teamed up with Zurich Services Corporation to provide innovative online risk management tools designed to help you improve your operation’s safety and loss control program. As a Mover’s Choice customer, your company will be given access to three specially designed loss control management tools on a customized micro-Internet site customized for your company: Virtual Consulting, Zurich Online Training, and eZ Transitions.

Virtual Consulting is an innovative online tool created by Zurich that helps you identify the most common hazards in your business and provides real-world solutions that you can implement.

Virtual Consulting becomes available to you once you become a Mover’s Choice customer. This service is available 24 hours a day, 7 days a week and provides you access to tools that can help you develop and implement controls to reduce your risk.

Some of the Virtual Consulting loss control tools and resources include:
• Inspection Checklists
• Safety Plans
• Sample Procedures
• Technical Information
• Videos
• Links to Other Useful Websites
• And more

By providing data-driven insights into loss exposures, and then helping translate these insights into practical actions, Virtual Consulting generates tangible value for your business - quickly and easily.

Zurich Online Training is a Web-based tool that features practical activities and full-motion video to provide employee training. With Zurich Online Training, it is now possible to deliver customized Web training that does not sacrifice effectiveness, control or reporting.

Zurich Online Training includes:
• Full-motion video - choose from two bandwidth options
• Narrated interactions - students participate in practice activities and simulations.
• Learner Controls - students can repeat information, jump forward, access the glossary of terms and more.

Whether you opt to deliver training via DVD rentals, IVOD video downloads, or your own customized online Learning Management System (LMS), you will have access to more than 300 Safety, Health and Environmental training modules.
You can mix and match course delivery methods

- DVD Rentals for the classroom
- 3-day shipping
- Return mailer included
- 3D-day rental from order
- Includes handbook
- Includes lesson menu
- Includes 'interactions'
- Also available in LMS
- IVOD video downloads

eZ Transition© is an online tool to help you with the process and implementation of a successful Return-to-Work (RTW) Program.

Zurich's eZ Transition© is a no-cost, user-friendly, online tool that supports a wide range of employer return-to-work programs. It helps you reduce workers' compensation cost and is accessible to Zurich customers through its Web site.

Benefits of using eZ Transition

- Return-to-work programs are an effective way to help you reduce the cost of employee injuries, which are expected to rise
- Reduce costs through the creation and implementation of pre-injury (preventative) loss controls that may ultimately impact/reduce lost workday cases
- Pre-injury information to better assure necessary employee communications, prompt injury reporting, and effective use of health care provider networks
- eZ Transition© is an easy-to-use, customized return-to-work resource that can be accessed and modified 24/7 for fast, effective communications to injured employees, health care providers, claims, and managed care professionals

We appreciate your consideration of the Mover’s Choice Program and Zurich for your insurance needs, and hope your company takes advantage of these valuable risk management services.
1. Who Is Paul Hanson Partners?

Paul Hanson Partners was established in 1993 to provide risk management and insurance placement services to the transportation industry. Paul Hanson Partners Specialty Insurance Solutions is a full service Program Administrator for our exclusive package program for moving and storage industry called Mover’s Choice.

2. Who Is Zurich?

Zurich’s North America Commercial and Global Corporate in North America business divisions are part of Zurich Financial Services Group (Zurich), an insurance-based financial services provider with a global network of subsidiaries and offices in North America and Europe as well as in Asia Pacific, Latin America and other markets. Founded in 1872, the Group is headquartered in Zurich, Switzerland. It employs approximately 60,000 people serving customers in more than 170 countries. In North America, Zurich (www.zurichna.com) is a leading commercial property-casualty insurance provider serving the global corporate, large corporate, middle market, specialties and programs sectors.

3. What Is The Movers Choice Program?

The Mover’s Choice Program is a specially designed insurance program for the moving and storage industry administered by Paul Hanson Partners.

The following coverages are currently available in the Mover’s Choice Program:
• Auto Liability
• Auto Physical Damage

• Workers’ Compensation
• Cargo Legal Liability
• Warehouse Legal Liability
• Property
• Commercial General Liability
• Crime
• Surety Bonds
• Umbrella
• International Cargo
• Independent Contractor Work Injury Program including non-trucking liability and physical damage

4. What type of submission requirements does Paul Hanson require for their Movers Choice Program?

To submit an application Paul Hanson needs a completed application which includes the following:
• Accord applications for all coverages
• M&S Supplemental Application
• 4 years loss history for all lines
• Annual Financial Statement (Income & Balance Sheet)
• Drivers list with Motor Vehicle Reports (MVRs)
• Vehicle Schedule
• A copy of applicant’s bill of lading and warehouse receipt
• Long Haul Supplemental Application - Required only when LH coverage is requested
5. Does Paul Hanson Partners offer any safety and loss control services with the Movers Choice Program?

Yes, to support our transportation customers, Paul Hanson conducts training for safety and loss services. Some of services we provide cover topics like:

- Individual Company Management and Fleet Survey
- Workers’ Compensation Fraud Education Program
- Forklift Training Program
- Regional Seminars
- Claims Reviews of All Claims
- Back to Work & Rehabilitation for Injured Workers
- Consulting and Preparation for Insurance Co.

Inspections
- Agent Safety Manual
- DOT I OSHA Compliance

6. What are the advantages of doing business with Paul Hanson Partners?

Paul Hanson Partners has developed a reputation as an expert in insurance products and related services to the moving and storage industry and currently insures more than 2000 moving and storage agents, van lines and contract drivers across the nation.

Some of the Paul Hanson advantages include:

- All inquiries are answered within one hour.
- Instant response is provided for driver qualification.
- All certificates and filings are issued within 24 hours.
- 18-hour/6-day operation
- Policies are issued within 20 days.
- Completed submissions are quoted within 14 days.

- All endorsements are processed within 30 days.
- Completed submissions are never declined due to time constraints, and 90 percent of submissions are handled within 24 hours.

7. How do I obtain a quote from Paul Hanson Partners?

You and your agent can either complete a request a quote form out on moverschoiceinfo.com or contact Cory Tiebout via phone at 1-800-852-1968 or via e-mail at coryt@paulhanson.com.

8. What is the turn around time to get a Movers Choice quote?

In many cases Paul Hanson Partners can turn around a Movers Choice quote in 14 days as long as all of the necessary submission requirements have been completed.

9. How can I contact Paul Hanson Partners?

You and your agent can contact Paul Hanson Partners corporate headquarters by calling 800-852-1968 Monday through Friday, 7:00 a.m. to 5:30 p.m. PST.

You can e-mail Paul Hanson Partners at coryt@paulhanson.com.
The Mover’s Choice Program is nationally marketed through an extensive insurance broker network that specializes in providing insurance to movers. Please contact us directly if you would like us to provide you with a quotation, and we will refer you to a local insurance broker in your area. If you would like us to work with your current insurance broker, please have them contact us regarding the opportunity to become a Mover’s Choice insurance broker.

Don’t forget the Last Mile Delivery Program that has been added to our product line. Contact us today to discuss this program and its benefits to you. Like the Mover’s Choice Program, we will refer you to a local insurance broker in your area for a quotation.

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