

Unemployment Risk Solutions Program Agent Guide



Use this helpful guide to determine if your client should consider a different option to manage their unemployment costs.

Eligible Clients



501(c)(3)



Public Entities

State and local government



Federally recognized Tribal Governments and their wholly owned enterprises

The Two Methods to Fund Unemployment Costs

| Contributory Employer | Reimbursing Employer |
|---|--|
| <p data-bbox="241 1108 819 1213">Pays State Unemployment Insurance (SUI) tax into the state's fund</p> <p data-bbox="232 1247 835 1377">Assigned a tax rate for every calendar year period, determined by the state fund's solvency status and the employer's own individual unemployment benefits paid.</p> <p data-bbox="232 1400 827 1499">May have a higher tax rate to help subsidize the state fund for unemployment benefits paid to other employers' separated employees.</p> <p data-bbox="232 1522 835 1621">Completes a quarterly wage report, containing total gross wages, taxable wages, and the amount of the payment due, and sends it to the state.</p> <p data-bbox="232 1650 558 1682">Funding characteristics:</p> <ul data-bbox="232 1707 835 1976" style="list-style-type: none">• State government run unemployment program• State pools funds to pay for entire state's unemployment costs• SUI tax costs are adjusted annually for each employer• SUI tax charges may often be more than actual charges paid to separated employees• State does not refund overpayments | <p data-bbox="918 1108 1496 1213">Reimburses the state directly into the employers own unique account</p> <p data-bbox="910 1247 1546 1278">Reimburses the state dollar for dollar for benefits paid.</p> <p data-bbox="910 1299 1414 1331">Pays only for their separated employees.</p> <p data-bbox="910 1352 1529 1383">Doesn't subsidize the state fund or pay any SUI tax.</p> <p data-bbox="910 1404 1513 1535">Receives a bill from the state on a monthly or quarterly basis, typically due within 30 days. Nonpayment will cause the state to charge interest or fines.</p> <p data-bbox="910 1650 1232 1682">Funding characteristics:</p> <ul data-bbox="910 1707 1554 1944" style="list-style-type: none">• Employers pay only for their own organizations' charges• No longer subjected to the state's annual adjustments• Generally, the employer pays less as a reimbursing employer because it is only covering their own costs• Allows employers to allocate savings from SUI tax funding into other areas of their operation |

Managing Unemployment Claims

1. **Internal Human Resources Coordinator**
2. **Third-party Claims Administrator**

Third-party claims administrators provide services such as:

- Professional unemployment claims management that includes expert attention to an employer's claims to avoid paying fraudulent or wrongful claims
- Knowledge of a state's unique and complex UI integrity rules
- Representation at all unemployment hearings
- Unemployment cost management training

Third-party claims administrator services are included as part of the policy.

Determine The Best Option

For Contributory Employers

We need to determine if the employer is subsidizing the state's unemployment pool and paying more in taxes than actual benefits paid to separated employees. Our goal is to determine if we can save your client money by becoming a reimbursing employer.

If we determine it would be financially beneficial for the client to become a reimbursing employer, we will quote the account to determine a premium for coverage and present the actual savings for the client.

If the client wishes to bind coverage, the appointed claims administrator will assist the client with the opt out process. Opting out is a simple process of submitting the required paperwork to the state.

For Reimbursing Employers

We need to determine if Great American's admitted Unemployment Risk Solutions program is right for them. Our Unemployment Risk Solutions program indemnifies the employer for their responsibilities to reimburse the state by transferring the risk to an "A+" rated carrier, for all benefits that are covered by the insurance policy.

Please submit the following information to Great American:

| | For Contributory Employers | For Reimbursing Employers |
|--|----------------------------|---------------------------|
| Completed <u>Unemployment Risk Solutions Application</u> | ✓ | ✓ |
| Recent three years of the <u>State Taxpayer Form</u> | ✓ | ✗ |
| Recent three years of unemployment benefits paid that can be found on the state invoices | ✗ | ✓ |

Other documents may be required upon request.

D. Why choose Great American's Unemployment Risk Solutions Program?



Admitted insurance that provides consistent and reliable service from an AM Best rated "A+" (Superior) insurance carrier.



Fixed premium that is budget friendly and non-auditable, meaning cost will not increase after the expiration due to an audit.



Risk transfer that is customizable to meet your clients unique risk tolerance and individual needs.



Potential cost savings compared to SUI tax allowing employers to allocate more money into their missions.