

**Premium Basis and Payroll Allocation for  
Construction Service Providers Pursuant to TCA 50-6-  
902(b)(4) and (5) – Change Effective February 1, 2013**

You are receiving this notice because your type of business may be subject to the specific workers compensation insurance provisions found in the above referenced Tennessee state statute.

Construction Services Providers (CSPs) who wish to be exempt from carrying workers compensation insurance on themselves must have a valid exemption by being listed on the Workers' Compensation Exemption Registry with the Office of the Secretary of State (<http://tnbear.tn.gov/wc/>), or be exempt pursuant to TCA 50-6-902(b)(4) and (5).

Any CSP who is not required to purchase a workers compensation insurance policy on themselves pursuant to TCA 50-6-902(b)(4) and (5) may elect to purchase a workers compensation insurance policy. In this case, the premium calculation for the policy must include the full amount of payroll for the CSP insured on the policy. If said CSP obtains and maintains a valid exemption and is listed on the Workers' Compensation Exemption Registry with the Office of the Secretary of State, then the CSP's payroll will not be applied (and no premium charged for them) under the policy.

This premium basis and payroll allocation change will be effective on **February 1, 2013** and thereafter for all current, new and renewal policies. In the unlikely event you, as the non-exempt CSP, have a claim before this date, an appropriate premium charge will be made. Failure of the CSP to acquire and maintain a valid exemption with the Office of the Secretary of State will result in the allocation of the CSP's payroll and appropriate premium charges at the time of the final payroll audit of your policy.