



## **Blanket Waiver of Subrogation Endorsement FAQs for Brokers**

### **Q: When did the Blanket Waiver of Subrogation endorsement become available?**

**A:** The Blanket Waiver of Subrogation endorsement (also referred to as Blanket Waiver endorsement or Endorsement 2572) is available for new and renewing policies with inception dates on or after September 1, 2013. (Exception: Quotes *issued in June 2013* for new policies with inception dates of September 1, 2013, or later will not include the Blanket Waiver endorsement option and therefore will not include the two percent premium charge. You will need to contact your underwriter to add the Blanket Waiver endorsement once coverage is in effect as of September 1, 2013, or later. This may result in an additional deposit bill for your client, and cause a recalculation of your client's State Fund bills.)

Beginning in July, quotes issued for policies incepting on September 1, 2013, or later will include the Blanket Waiver endorsement and the related premium charge if you request the endorsement with your submission.

### **Q: How do I have the Blanket Waiver endorsement added to a policy?**

**A:** The Blanket Waiver of Subrogation endorsement must be added to the policy at inception.

*Renewing policies:* Answer "Yes" to the question asking if you want the Blanket Waiver endorsement on the policy on the Renewal Information Form.

*New policies:* Online submissions must include your request for the Blanket Waiver endorsement in the Comments section. When you submit into our new PriceNow Submission portal, indicate you want the Blanket Waiver endorsement in the Additional Info > Additional Comments section.

In both cases, the two percent charge for the blanket waiver will be included in the quote (except on quotes issued in June 2013—see the first question above).

*If the Blanket Waiver endorsement is not requested prior to the inception of a new or renewing policy, it will not be added until the next renewal.*

### **Q: Which clients should consider a blanket waiver?**

**A:** A blanket waiver is a good option for policyholders who enter multiple written contracts that require a waiver of subrogation and cover much of their business activity in a year. Also, it's a good option for those policyholders who want the ease associated with one decision at the time the policy is requested and eliminates the need to provide segregated payroll to the premium auditor.

**Q: How can I figure out which option best suits my client?**

**A:** The best way to assess whether a blanket waiver or specific waiver is best for your client is to evaluate the cost of the surcharges. Estimate what two percent of the annual premium would be, then figure out the premium associated with third parties that require a waiver. If it is less than two-thirds of two percent of the annual premium, then the specific waiver may carry less of a surcharge. You may also want to factor in the cost of requesting the specific waivers each time one is needed versus requesting the blanket option upfront—doing so may make the blanket waiver a better option.

**Q: Can my clients change options after the policies are issued?**

**A:** *Once a policy is issued with either a blanket or specific waiver your client can not choose another option until renewal.* For that reason, it is best for your client to make the decision prior to binding coverage with us for either a new or renewal policy.

**Q: When can I note on the ACORD 25 certificate that the blanket waiver exists on a policy?**

**A:** Once the blanket waiver is endorsed onto the policy and appears in the Endorsement List in State Fund Online, it can be noted on the ACORD 25. Also, if you need to attach a copy of the Blanket Waiver endorsement to a certificate, a copy will be available in the Documents section of State Fund Online.

***Important:** You should add the Blanket Waiver endorsement and/or attach a copy of the endorsement to the ACORD 25 certificate ONLY when the third party requires a waiver in their written contract with your client.*

**Q: Should I request that the specific waivers on a policy be deleted when the Blanket Waiver endorsement is added?**

**A:** Yes, you will need to determine if any existing specific waivers should remain on your client's policy. Some third parties, such as Los Angeles World Airport (LAX), do not accept the blanket version of a waiver of subrogation endorsement and require a specific waiver instead. After reviewing your client's needs, you may request that any unneeded specific waiver endorsements be deleted from the policy by contacting your State Fund underwriter.

**Q: If my client no longer needs a Blanket Waiver endorsement, can I have it removed from the policy?**

**A:** Once endorsed on a policy, the Blanket Waiver endorsement will automatically renew with the policy. You can request the endorsement be removed from the policy prior to policy renewal for the upcoming year—it can only be removed as of the policy renewal date.

If you have any questions, please contact State Fund's Customer Service Center at 888-STATEFUND (1-888-782-8338), or your State Fund underwriter.