

the**valleongroup**



**T**he word Valleon stems from the Latin 'val', meaning strong and worthy, and 'leon', the Latin word for lion. At the **valleon** group, we are committed to live up to the expectations that our name imposes by ever strengthening our infrastructure, our ties with our agents, and the financial status of our clients. The lion, a symbol of strength, integrity, and honor, embodies the spirit of the word Valleon... the spirit of our firm.



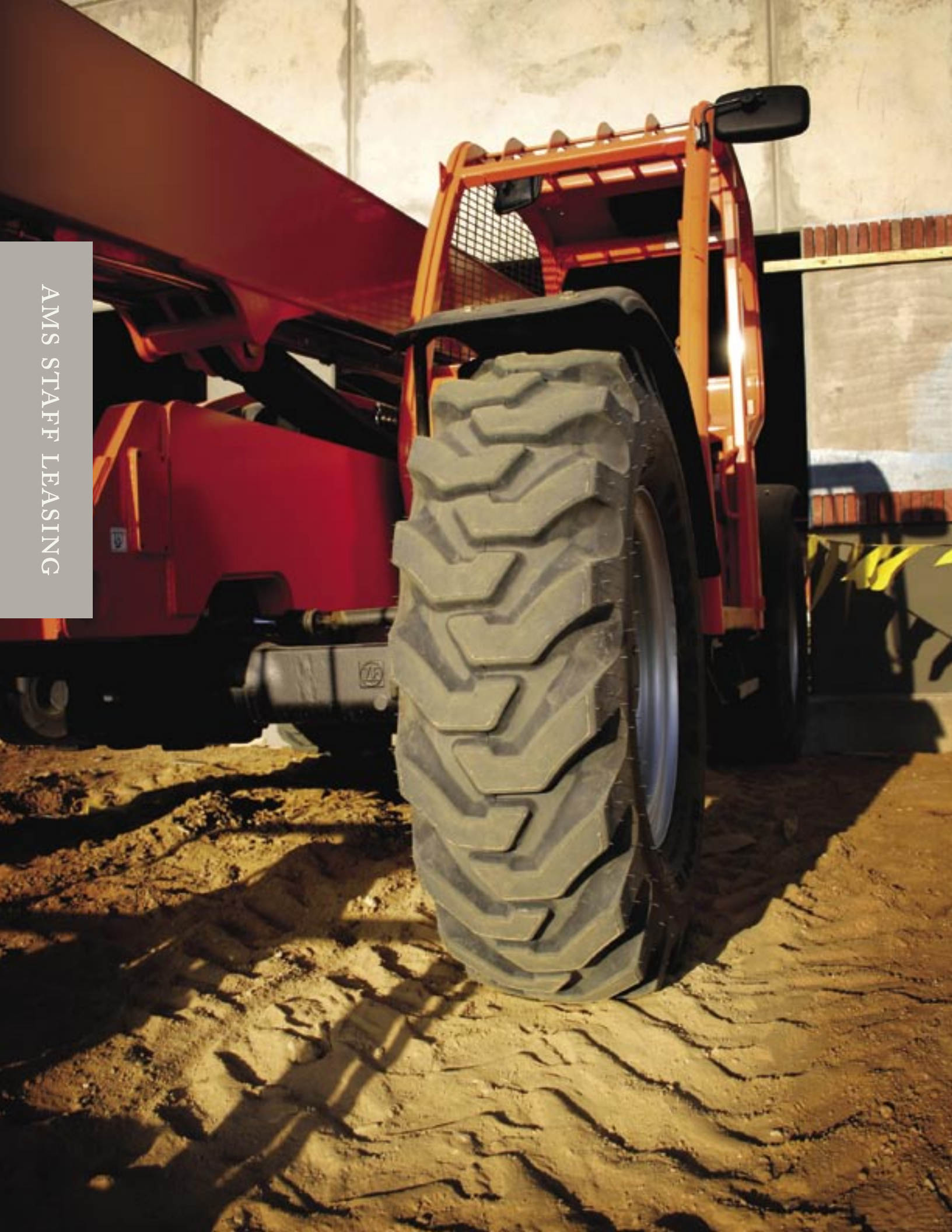


## thevalleongroup

established in 1997, was created to offer a solution to the construction trade's dilemma regarding the volatility of Workers' Compensation Pricing and the inability to secure proper Workers' Compensation Insurance Coverage. As a broker of PEO/Staff Leasing Services, thevalleongroup has assisted thousands of companies in procuring the necessary and preferred alternative to a standard workers' compensation policy.

The founders of thevalleongroup, who remain active within the company today, possess experience equivalent to 106 years in the insurance industry. This experience has been realized in many facets of the industry, including:

- Agency Management and Ownership
- Risk Management
- Claims Adjudication
- Loss Prevention
- Insurance Company Management
- Captive Insurer Management and Development
- Employee Leasing/PEO Company Consultation



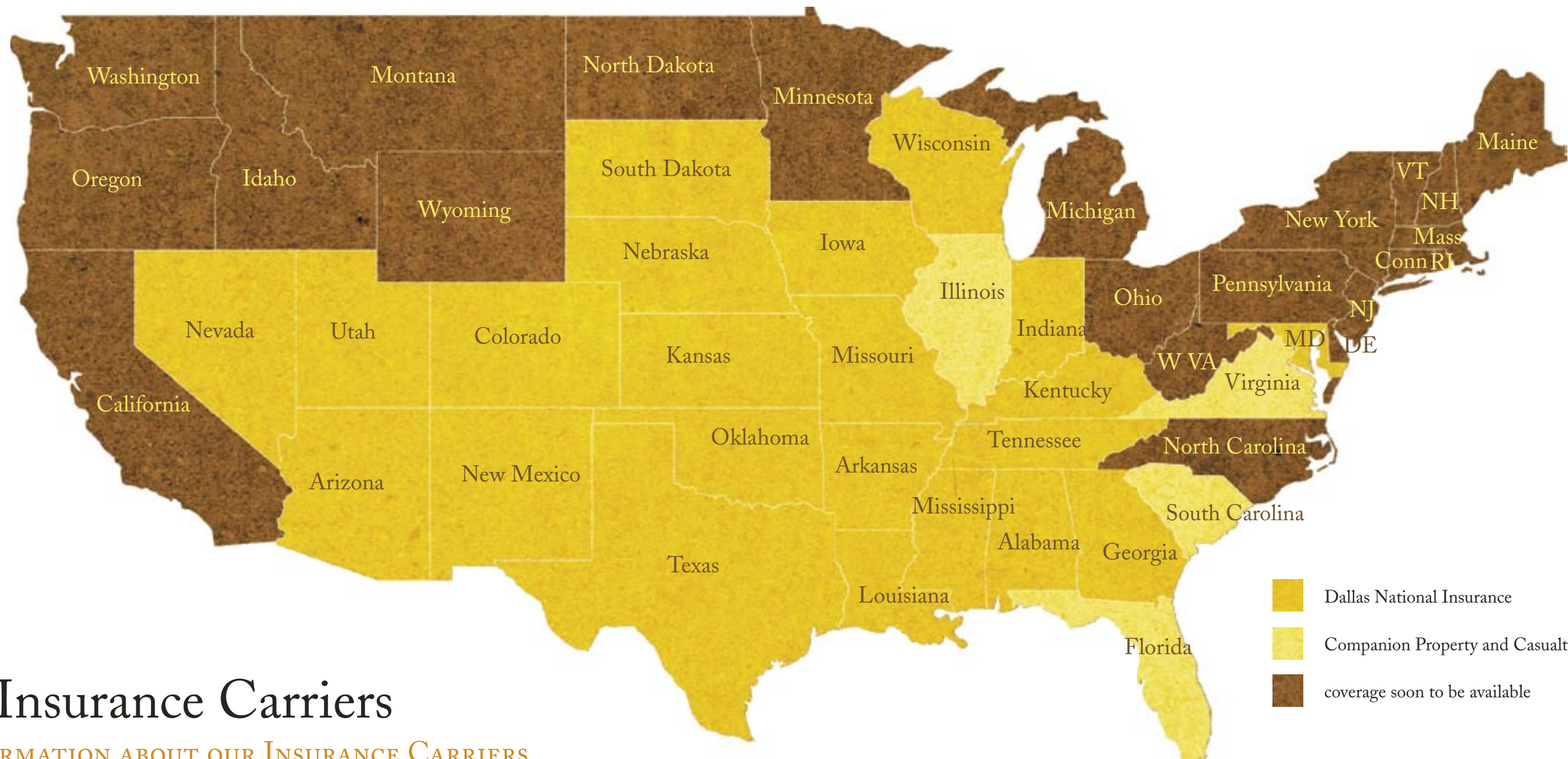
# AMS Staff Leasing is

the largest privately held Professional Employers Organization in the nation today! They provide workers' compensation coverage while managing claims, reporting federal and state taxes, and processing the payroll for your clients. AMS will also benefit your clients by controlling their employment costs while insuring their compliance with safety rules and regulations set forth by State and Federal Agencies. For over twenty years AMS has been *the* PEO that specializes in the construction industry. With over 65,000 employees, AMS understands and caters to the special needs of employers in the construction industry.

- Directs and controls worksite employees in matters involving human resource management and compliance with employment laws
- Controls employment costs
- Provides workers' compensation insurance for the client's employees, management of claims and assists in providing a safe workplace through proactive loss control and safety programs
- Provides unemployment insurance

By providing these services, AMS enables your clients to concentrate on their business without the challenges and distractions associated with the "business of employment." As a result, AMS enhances the profitability of your clients. Further, costs related to monitoring of and compliance with employment laws are reduced, as are the potentially significant costs of failure to comply with such laws.

At its core, AMS is driven to allow your clients to focus on the business instead of the paperwork, and to improve their growth and profitability all while providing them with workers' compensation coverage from A-rated carriers.



## Insurance Carriers

INFORMATION ABOUT OUR INSURANCE CARRIERS,  
COMPANION PROPERTY & DALLAS NATIONAL,  
ACCORDING TO AMBEST.COM:

- Both are A rated by AMBEST
- Both have VI (\$25 million+) and better financial strength
- Both have been in business for 15 or more years with stable growth and positive outlooks
- Both specialize in the workers compensation and construction industries

PLEASE CHECK OUT THEIR WEBSITES...

Companion Property and Casualty:

[www.companiongroup.com](http://www.companiongroup.com)

Dallas National Insurance:

[www.dallasnationalins.com](http://www.dallasnationalins.com)



## WE SPECIALIZE IN CONSTRUCTION CLASS CODES

- Roofers
- Framers
- Steel Erectors, Steel Fabrication
- Debris Removal, Painting
- Siding, HVAC, Plumbing
- Construction Supervisors
- Masonry, Concrete

## WE ALSO DO AN EXCELLENT JOB IN NON-CONSTRUCTION CODES AS WELL

- Local Delivery, Moving and Storage, Restaurants, Garbage and Refuse Collection, Landscaping
- Most codes with workers compensation rates greater than \$10

Don't forget, our program is an excellent option for new companies, clients with experienced modifiers of 1.0 or higher and for those clients where you have difficulty finding a standard compensation market.

# WHAT thevalleongroup PROVIDES FOR CLIENTS

As one of the largest and most reputable PEO Brokerage Services in the nation, thevalleongroup is the primary choice for insurance agents, CPAs, Risk Managers, and other professionals seeking solutions for their client's Payroll Administration, Workers' Compensation, and Staff Leasing needs.

thevalleongroup provides our clients needs with PEO services, Workers' Compensation, payroll services and claims and loss control services from AMS Staff Leasing. We help save our clients thousands of dollars and hundreds of hours by reducing overall labor costs and assuming many of the employer duties and liabilities.

We provide coverage for employees in nearly all states and are dedicated to providing the most advanced products and services in the market today.

Because we are specialists in handling insurance and administrative services, we can provide these services more efficiently and at a lower cost.

## WE ASSIST CLIENTS BY PROVIDING:

- Improved client cash flow—no large WC deposit premiums, pay as you go system, and no unexpected audit adjustments
- More time to run their business—they spend less time on administrative tasks
- Assured compliance with regard to tax and employment labor laws
- Better managed labor costs—lower WC costs, often lower payroll tax rates

thevalleongroup will help you determine if your company is a prospect for PEO services. We will evaluate your needs and offer you SOLUTIONS.

ALSO...

thevalleongroup is one of the only PEO brokerages that have the ability for qualified clients to process their own payroll using our downloadable payroll software at no additional cost.

For our clients: thevalleongroup will operate as your partner, at no additional cost to you. Our fees are paid by those PEO's with whom we do business.





**thevalleongroup** targets  
up to 30% saving on  
insurance costs.

We can and will assist our clients in meeting the challenges of the need to focus completely on their core business. A relationship with **thevalleongroup** will allow your clients to move the “non-revenue generating” tasks to a third party (PEO), which will accomplish the following:

- Evaluate prospective PEO client’s needs
- Gather prospect’s information necessary to provide a PEO proposal
- Determine which PEO would provide the best products and services for the most competitive price
- Provide PEO proposal to prospect
- Answer prospect’s questions and/or concerns
- Provide all necessary forms in a paperless environment from our website
- Facilitate a smooth transition among all parties
- Continue to be available, (after the sale) for ongoing questions, problems, concerns, suggestions, etc.
- Monitor PEO’s growth, stability, insurance products, etc. going forward
- Control costs
- Redirects the time of your staff to productive tasks, rather than dealing with tax entities, paperwork, insurance and human resource problems
- Reduces employee turnover and helps attract excellent employees due to improved business operations
- Simplifies claims management for workers’ compensation and unemployment insurance
- Provides better benefit packages for employees, in many cases
- Reduces accounting costs by ensuring professional compliance with state and federal laws and regulations
- Allows for payment of workers’ compensation costs based on a *pay as you go* system—ideal for contractors and many other types of business
- Payroll reports-
  - certified payrolls/reports
  - job costing and departmental breakout
  - payroll and invoice reports with detail
  - several formatting options



the**valleongroup** offers the ability for you to:

## QUOTE ONLINE

- Quoting online is made quick and easy by immediate underwriting and instant quoting
- Printable quotes and applications reduce your waiting time! Once your instant quote pops up, you are ready to present and close a new piece of business
- You will have the ability to view and edit your prospects' information on the the**valleongroup** Agent Interface

## GENERATE INCOME

the**valleongroup** pays excellent placement bonuses in addition to commission on each account referred.

- For small accounts (annual payroll under \$250,000) you will receive a one time check for \$150 once the client has run their first payroll
- For large accounts (annual payroll over \$250,000) you will receive a one time check for \$250 once the client has run their first payroll

The benefits of commission based on payroll rather than premium:

example	Payroll	\$200,000
	WC Rate	20%
	Standard Worker's Compensation Premium	\$40,000
	Typical agent commission through WC insurance at 5% premium	\$2,000
	Typical agent commission through the <b>valleongroup</b> at 3% of payroll	\$6,000

- As the example shows the**valleongroup**'s payroll-based commission structure gives you the opportunity to earn thousands more than the standard premium based commission structure
- When quoting with the**valleongroup** you can earn up to 3% of the total annual payroll in commissions

## INCREASE RETENTION

- the**valleongroup** achieves significantly higher retention than traditional insurance programs, so you have more time to develop new business instead of struggling to maintain existing customers
- Existing accounts are protected from other agents who may present your business to us

## REDUCE BUSINESS COSTS

- Managing the day-to-day maintenance of your clients, the**valleongroup** eliminates the high cost of servicing small and medium size businesses. Since the**valleongroup** provides a continual, open-ended agreement with your clients, there are no renewals. Therefore, you do not need to gather new or updated information every year.
- the**valleongroup** provides your producers with marketing materials and field sales support from a trained representative.



As your friends in the PEO industry, our knowledgeable staff is here to serve you and your clients.

## Questions and Answers:

### WHAT DOES EMPLOYEE LEASING OR PEO MEAN?

For the purpose of understanding, we will say that the terms Employee Leasing and PEO are synonymous. Employee Leasing is a tool which allows your client to outsource their payroll administration and obtain workers' compensation insurance coverage on their employees through the leasing company—all with the potential of saving money on each line item of expense. Every employer is responsible for the following items: FICA and Medicare taxes, Federal Unemployment taxes, State Unemployment taxes and Workers' Compensation. With a PEO, however, the leasing company assumes responsibility for all of these items—usually, at less expense than the client will pay if they do not lease their employees. This program provides your client an opportunity to have their payroll functions outsourced and it provides workers' compensation to their employees. For those “hard to place” accounts or accounts which you might otherwise pass on, you now have a market. However, the program does not place insurance like a “standard” insurance company. It provides two elements for your insured—a payroll service and workers' compensation for the employees.

### IS THIS WORKERS COMPENSATION INSURANCE?

Not in the truest sense. **thevalleongroup** provides workers' compensation to the employees of the leasing company. If your client were to enroll into the program, their employees would be covered by the worker's compensation program of the leasing company.

### WHY SHOULD MY CLIENT CONSIDER EMPLOYEE LEASING?

To save money! Under the normal standards of doing business, your client pays payroll taxes, pays for someone, either internally or outsourced, to provide their payroll and tax report filings and they pay for workers' compensation insurance. Under the employee leasing concept your client would be relieved of all of these functions. The employee leasing company would assume those responsibilities. Additionally, the State Unemployment Tax Rate for the leasing company is often lower than that of the client. Also, the client's time and money spent in investigating and challenging questionable workers' compensation claims is saved.

### WHAT IF THEY ARE ALREADY WITH A PEO OR EMPLOYEE LEASING COMPANY?

All the better. They understand the concept. And, they are probably paying too much for these services. Within our specialization, the construction industry and the "high WC rate" arena, there are not but a handful of employee leasing companies doing business. Most cannot compete with us.

### IS EMPLOYEE LEASING AND PAYROLL SERVICE REQUIRED?

Yes. In order to be covered under the workers' compensation plan of the PEO, your client has to enroll into the employee leasing arrangement. Our leasing arrangement consists of two mandatory components: 1) employee leasing and 2) payroll services.

### WHAT IF THEY ALREADY HAVE A PAYROLL SERVICE?

That expense of outsourcing their payroll would no longer be needed. Plus, one of the cost factors, whether they are using a payroll service or not, is their payroll taxes. Within **thevalleongroup's** arrangement, that burden falls upon the leasing company. Most of the time, our tax rate will be lower than the employer's.

### WHAT IF THE CLIENT CHANGES THEIR MIND AT THE LAST MINUTE?

Not a problem. There is no long term contract with the service. And, the client may terminate its relationship with us at any time.

### HOW DOES THIS COMPARE TO THE STATE FUNDS?

The State Funds are different within each state. The "competitive" state funds vary from year to year in their pricing and underwriting approach. **thevalleongroup** is more static with regards to their appetite for specific types of business and their underwriting approach to those niches in which they specialize.

### HOW DO YOU HANDLE "BROKER OF RECORD CHANGE REQUESTS"?

**thevalleongroup** honors Broker of Record requests from our existing clients for our internal producers and "registered" brokers only.

### HOW FAR IN ADVANCE SHOULD I SUBMIT MY ACCOUNTS FOR THE BEST SERVICE?

At least one week would be suggested on larger accounts. However, we will attempt to have quotes back to you within a few days. On smaller accounts, you can get an instant quote at [www.valleon.com](http://www.valleon.com)

## Payment Questions

### HOW DO YOU BILL FOR THE SERVICE?

The client can turn in their hours by email or fax. They are then invoiced, again by email or fax. The client then can pay by a variety of methods, depending upon which program they are enrolled in. **NO WC DEPOSITS, NO AUDITS, NO RETURN PREMIUMS.** It is a "pay as you go" system.

### WHAT IS THE DOWN PAYMENT NEEDED?

Nothing for the workers' compensation coverage for their employees. An enrollment fee to enroll into the program will usually be their only "up front" costs.

### DOES THE BILL COME TO ME OR MY CLIENT?

All billings are emailed or faxed directly to the client.

## Enrollment Questions

### WHAT IS REQUIRED TO ENROLL?

A small amount of paperwork is required to be signed by the client and each of their employees complete an application, I-9 and W-4.

### HOW IS THE ENROLLMENT HANDLED?

All enrollments are ultimately handled by our office.

### CAN I BE INVOLVED IN THE ENROLLMENT?

Yes, if you wish.

## Account Service Questions

### HOW ARE CLAIMS HANDLED?

Claims are ultimately handled by the PEO's insurance company. However, **thevalleongroup** has an inhouse claims department dedicated to keeping your claims cost low.

## DO YOU PROVIDE LOSS CONTROL SERVICES?

Loss control services can be provided, as needed, either by the insurance company on a request basis, or through independent safety professionals on a fee basis.

## HOW ARE RENEWALS HANDLED?

There are no renewals. Once a client is enrolled, they are continually a client until the relationship is ended by the client or the **valleon** group.

## WHO DOES MY CLIENT CALL WHEN THEY HAVE QUESTIONS?

They will need to call our office at 972.323.9777.

## DO YOU SERVICE THE ACCOUNT OR DO WE?

The servicing of the account will be provided by our office. The agent has no service requirements of any kind. We do, however, suggest you continue to “keep close” to your client.

## HOW DO I KNOW TAX DEPOSITS ARE BEING MADE?

The PEO will provide proof of tax deposits upon request of the client company. In addition, the client company may confirm through the proper federal and state agencies that the leasing company is, in fact, current on its payment of 941 and quarterly taxes.

## Underwriting Questions

### WHAT KIND OF LOSS RATIOS ARE ELIGIBLE?

Loss ratios are not really the underwriting criteria. We look at the frequency and severity of losses in order to attempt to trend future losses.

### WHAT EXPERIENCE MODS WILL YOU CONSIDER?

Up to and including 2.00.

## Geographic Questions

### WHAT STATES WILL YOU INSURE IN?

We provide leasing services in many states. The number continues to grow.

### WILL YOU ACCEPT A MULTI-STATE RISK?

Yes, in most cases.

### WHAT STATES DO YOU OPERATE IN?

Please see our map on page 7 and 8.

## Timeliness Questions

### HOW LONG DOES IT TAKE FOR COVERAGE TO TAKE EFFECT?

Once we provide the first payroll services, we consider coverage to be in force. Coverage will be effective as of the beginning date of the first payroll. Coverage only applies to those employees for whom we perform payroll services.

### HOW FAST CAN WE EXPECT A BINDER?

Binders are not issued. Typically, certificates of insurance can be generated within 24 hours of the effective date of the agreement.

### HOW LONG DOES IT TAKE TO GET A QUOTE?

Often, within 2-3 days, on larger accounts. On smaller accounts, you can immediately receive a quote at [www.valleon.com](http://www.valleon.com).

### HOW FAST ARE CERTIFICATES OF INSURANCE ISSUED?

Usually within 24 hours of request.

## Stability Questions

### IS THE AMS PROGRAM STABLE?

Yes.

### HOW LONG HAVE YOU BEEN DOING THIS?

We have been associated with the insurance business since 1976. We have been providing employee leasing services to our clients since 1990.

### HOW MANY CUSTOMERS DO YOU HAVE?

the **valleon** group provides PEO opportunities for a large number of clients on a national basis.

### DO YOU HAVE REFERRALS THAT WE CAN CONTACT?

Upon request.

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