Multiple Coordinated Policies

Multiple Coordinated Policy Model

The Multiple Coordinated Policy (MCP) model uses separate policies issued to the Professional Employer Organization (PEO) and each of its client companies. Some of the characteristics of this policy model are:

- Separate classifications, payrolls, and losses are maintained for the PEO and each client company
- Separate endorsements are applied to limit coverage, identify PEO names, and provide exclusive remedies
- Separate employer records are reported for proof of coverage
- Client-level experience is reported for experience rating and class ratemaking
- Individual experience ratings are produced and applied to each policy—PEO and client companies
- The PEO policy of an MCP provides coverage for the PEO's non-leased employees only, with separate client policies issued for the clients' leased employees

The PEO policy of the Multiple Coordinated Policy arrangement must be issued regardless of any exposure since it serves multiple key purposes:

- Acts as an umbrella to bridge each separate client policy together by endorsement
- Centralizes all billing and policy activity and information
- Provides coverage for PEO's non-leased employees

Multiple Coordinated Policy Benefits

If a single client terminates the leasing contract, there is no impact on unit reporting systems and rating procedures. Separate client data is reported for the individual policy, and the cancellation record affects only the former client policy.