

**PUBLIC ENTITY
EXCESS WORKERS COMPENSATION
COVERAGE PART**

In return for the payment of the premium and subject to all terms of this coverage agreement, we agree with you as follows:

GENERAL SECTION

- A. Self-Insurance.** Your acceptance of this coverage agreement indicates that you are now and will remain until the end of the coverage agreement period a duly qualified self-insurer in Florida. If you are not a duly qualified self-insurer with respect to any loss covered by this coverage agreement, this coverage agreement will apply as if you were.
- B. Covered party.** The covered party is named in the supplemental declarations. If the Covered party is a partnership or joint venture, each partner or member of the joint venture is covered party only in the capacity as employer of employees of the partnership or joint venture.
- C. The Coverage Agreement.** This Coverage Agreement includes the supplemental declarations and any attached endorsements. It is a contract of coverage between you (the Covered party named in the supplemental declarations) and us (the Trust named on the supplemental declarations). The only agreements related to this coverage are stated in this coverage agreement. The terms of this coverage agreement may not be changed or waived except by endorsement issued by us to be a part of this coverage agreement
- D. Coverage Agreement Period** means the period of time covered by this coverage agreement as shown in the declarations. If this coverage agreement is cancelled, the coverage agreement period will end at 12:01 A.M. on the cancellation date.
- E. Workers' Compensation Law** includes occupational disease law. It does not include the provisions of any law that provides non-occupational disability benefits.
- F. State** means any state of the United States of America and the District of Columbia.

PART ONE - WORKERS' COMPENSATION

- A. How This Part Applies.** Part One applies to loss paid by you because of liability imposed upon you by the workers' compensation law of Florida. Part One also applies to loss paid by you because of liability imposed upon you by the workers' compensation law of any other state. **LIABILITY MUST RESULT FROM BODILY INJURY BY ACCIDENT OR BODILY INJURY BY DISEASE SUSTAINED BY AN EMPLOYEE YOU NORMALLY EMPLOY IN FLORIDA.** Bodily injury includes resulting death.

Bodily injury by accident must occur during this period. A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the coverage agreement period. Bodily injury by disease does not include disease that results directly from bodily injury by accident. **Bodily injury by disease includes cumulative trauma.**

- B. Your Retention.** You must retain loss as shown the supplemental declarations. This retention applies to Part One loss and to Part Two loss together. **IT IS IMPORTANT FOR YOU TO UNDERSTAND THAT YOUR RETENTION FOR DISEASE APPLIES SEPARATELY TO EACH EMPLOYEE.** Naming more than one covered party in the supplemental declarations does not increase your retention.
- C. Our Indemnity.** We will indemnify you for loss paid by you in excess of your retention. This indemnity may be reduced by a late reporting penalty.
- D. Our Limit.** The most loss we will reimburse you for with respect to each accident is shown in the supplemental declarations. The most loss we will reimburse you for with respect to each employee for disease is shown in the supplemental declarations. Naming more than one Covered party in the supplemental declarations does not increase our limit.
- E. Late Reporting Penalty.** As respects each accident or each employee for disease:
1. If you do not give us written notice within one year of when required by Part Three, our indemnity will be reduced by 15%.
 2. If you do not give us written notice within three years of when required by Part Three, our indemnity will reduced by 40%.
- F. Loss** means the amount actually paid by you for regular benefits provided under the workers' compensation law in effect upon the date the accident or disease exposure occurs. Loss includes:
1. The amount paid by you in settlement of claims for regular benefits under the workers' compensation law;
 2. The amount paid by you in satisfaction of awards or judgments for regular benefits under the workers' compensation law;
 3. Court Costs, interest upon awards and judgments, and allocated investigation, adjustment and legal expenses pertaining to workers' compensation claims. This subparagraph 3 does not include:
 - (i) salaries paid to your employees;
 - (ii) service company fees;
 - (iii) claims administrator fees.
- G. Exclusions.** Part One does not cover:
1. Loss insured by full coverage workers' compensation or employers liability insurance;
 2. Loss payable under the workers' compensation law of any state other than Florida, if you are protected from the loss by any other insurance.
 3. Any loss arising out of operations for which you have rejected any workers' compensation law;
 4. Punitive or exemplary damages because of bodily injury sustained by any employee;
 5. Punitive, exemplary or compensatory damages because of your conduct, or the conduct of anyone acting for you;
 - (a) in the investigation, trial or settlement of any workers' compensation claim;
 - (b) in failing to pay or delay in payment of any workers' compensation claim.
 6. Any assessment made upon self-insurers, whether imposed by statute, regulation or otherwise.
- H. Payments You Must Make.** You are responsible (without reimbursement from us) for any payments in excess of the benefits regularly provided by the workers' compensation law including those required because:
1. Of your serious and willful misconduct;
 2. You knowingly employ an employee in violation of law;
 3. You fail to comply with a health or safety law or regulation;

4. You discharge, coerce or otherwise discriminate against any employee in violation of the workers' compensation law; or
5. You violate or fail to comply with any workers' compensation law.

- I. Other Insurance.** If, as respects Florida, any other insurance exists protecting you against loss covered by this Coverage Agreement, this Coverage Agreement shall apply in excess of the other insurance.
- J. Recovery From Others.** We have your rights, and the rights of persons entitled to compensation benefits from You, to recover our loss from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them. The recovered loss will first be used to reduce our loss. Then we will pay the balance, if any, to you. Expenses of all proceedings to recover from anyone liable for injury covered by this coverage agreement will be allocated between you and us in the ratio represented by the allocation of any damages which have been recovered.

PART TWO - EMPLOYERS LIABILITY

- A. How This Part Applies.** Part Two applies to loss paid by you for damages imposed upon you by the laws of Florida. Part Two also applies to loss paid by you for damages imposed upon you by the law of any other state. DAMAGES MUST RESULT FROM BODILY INJURY BY ACCIDENT OR BODILY INJURY BY DISEASE SUSTAINED BY AN EMPLOYEE YOU NORMALLY EMPLOY IN FLORIDA. Bodily injury includes resulting death.

Bodily injury must arise out of and in the course of the injured employee's employment by you.

Bodily injury by accident must occur during the coverage agreement period. A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the coverage agreement period. Bodily injury by disease does not include disease that results directly from bodily injury by accident. **Bodily injury by disease includes cumulative trauma.**

- B. Your Retention.** You must retain loss as shown in the supplemental declarations. This retention applies to Part One loss and part Two loss together. IT IS IMPORTANT FOR YOU TO UNDERSTAND THAT YOUR RETENTION FOR DISEASE APPLIES SEPARATELY TO EACH EMPLOYEE. Naming more than one Covered party in the supplemental declarations does not increase your retention.
- C. Our Indemnity.** We will indemnify you for loss paid by you in excess of your retention. This indemnity may be reduced by a late reporting penalty.
- D. Our Limit.** The most loss we will reimburse you for with respect to each accident is shown in the supplemental declarations. The most loss we will reimburse you for with respect to each employee for disease is shown in the supplemental declarations. Naming more than one Covered party in the supplemental declarations does not increase our limit.
- E. Late Reporting Penalty.** As respects each accident or each employee for disease:
1. If you do not give us written notice within one year of when required by Part Three, our indemnity will be reduced by 15%
 2. If you do not give us written notice within three years of when required by Part Three, our indemnity will be reduced by 40%.

F. Loss means the amount actually paid by you for damages imposed upon you by law. Loss includes:

1. The amount paid by you in settlement of claims for legal damages;
2. The amount paid by you in satisfaction of awards or judgments for damages;
3. Court costs, interest upon awards and judgments, and allocated investigation, adjustment and legal expenses pertaining to employers liability claims. This subparagraph 3 does not include:
 - (i) salaries paid to your employees;
 - (ii) service company fees;
 - (iii) claims administrator fees.

G. Damages includes:

1. Damages for which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against such third party as a result of injury to your employee; and
2. Damages for care and loss of services; and
3. Damages for consequential bodily injury to a spouse, child, parent, brother or sister of the covered employee;

Provided that these damages are the direct consequence of bodily injury that arises out of and in the course of the covered employee's employment by you; and

4. Damages because of bodily injury to your employee that arise out of and in the course of employment, claimed against you in a capacity other than as employer.

H. Exclusions. Part Two does not cover:

1. Liability assumed under a contract;
2. Loss payable under the law of any other state than Florida, if you are protected from the loss by any other insurance;
3. Punitive or exemplary damages because of bodily injury sustained by any employee;
4. Punitive, exemplary or compensatory damages because of your conduct, or the conduct of anyone acting for you;
 - (a) in the investigation, trial or settlement of any employers liability claim;
 - (b) in failing to pay or delay in payment of any employers liability claim.
5. Bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers.
6. Any obligation imposed by a workers' compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
7. Bodily injury intentionally caused or aggravated by you. This exclusion does not apply to claim expenses (listed in subparagraph 3 of the definition of loss) related to the injury;
8. Damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline,
 - (a) defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions;
9. Bodily injury occurring outside the United States of America. This exclusion does not apply to bodily injury to a citizen or resident of Florida who is temporarily working outside the United States for the Covered party;
10. Damages arising out of operations for which you:
 - (a) have violated or failed to comply with any workers' compensation law, or
 - (b) have rejected any workers' compensation law.

I. Other Insurance. If, as respects Florida, any other insurance exists protecting you against loss covered by this Coverage Agreement, this Coverage Agreement shall apply in excess of the other insurance.

J. Recovery From Others. We have your rights to recover our loss from anyone liable for any injury covered by this coverage. You will do everything necessary to protect those rights for us, and to help us enforce them. The recovered loss will first be used to reduce our loss. Then we will pay the balance, if any, to you. Expenses of all proceedings to recover from anyone liable for injury covered by this coverage agreement will be allocated between you and us in the ratio represented by the allocation of any damages that have been recovered.

PART THREE - CLAIMS

A. Your Claims Handling Duties. It is your responsibility to investigate, settle, defend and appeal any claim made against you. It is also your responsibility to investigate, settle, defend and appeal any suit brought or other proceedings instituted against you.

B. Your Claims Reporting Duties. It is important for you to understand that "Written Notice" shall contain complete details of the injury, disease or death. Providing loss runs does not constitute notice.

1. You must give us written notice as soon as you learn of any of the following events involving loss which exceeds (or might in the future exceed) 50% of your retention:
 - (a) claim;
 - (b) award;
 - (c) verdict;
 - (d) action;
 - (e) suit;
 - (f) proceeding;
 - (g) judgment.
2. You must give us immediate (within 30 days) written notice of any accident involving:
 - (a) fatality;
 - (b) spinal cord injury;
 - (c) a permanent total disability as defined in the workers' compensation law;
 - (d) serious burn injury;
 - (e) brain injury;
 - (f) amputation of a major member.
3. You must give us prompt written notice of any claim in which the injured employees' disability exceeds 52 weeks, even if the claim is being contested by you;
4. You must give us immediate (within 30 days) written notice of all occurrences involving two or more of your employees.

C. Claims Information. You agree to send to us any claims information which we may request.

D. Claims Participation By Us. At our own election and expense, we have the right and shall be given the opportunity to participate with you in the settlement, defense or appeal of any claim, suit or proceeding which might involve a loss to us. We have no duty to investigate, handle, settle or defend any claims, suites, or proceedings against you.

E. Proof of Loss. When paid loss exceeds your retention, you must provide us with a payment register listing all payments made on the claim. We will reimburse you the amount you have paid in excess of your retention, within 30 days of receiving in a form acceptable to us, a complete and proper proof of loss.

F. Commutation. Beginning thirty-six (36) months after receipt of notice by us of a claim, we may then, or at any time after, submit the claim for commutation. If we so elect, the claim shall be submitted to an actuary or appraiser to be mutually appointed by you and us. Should we both fail to agree upon an actuary or appraiser, then each party shall select an actuary or appraiser who shall then select an independent actuary, or appraiser who shall fix a lump sum amount. We may pay

the lump sum amount, which shall constitute a full and final release of our liability for the claim. However, such lump sum payment shall not constitute a full and final release of our liability if, after the lump sum payment, any supplemental award is made increasing the amount of benefits payable to the Employee and his/her dependents. Any additional liability, at our election, may immediately be commuted via the process above and we may discharge such liability payment of another lump sum.

- G. Claim Audit.** You will let us or our representative examine and audit claim files upon our request. These audits may be conducted during your regular business hours.

PART FOUR - PREMIUM

- A. Deposit and Adjustment Premiums.** At the beginning of the coverage agreement period you must pay us the deposit premium shown in the supplemental declarations.
At the end of the coverage agreement period:
1. You will owe us the amount by which the final premium is greater than the deposit premium;
or
 2. We will owe you the amount by which the deposit premium is greater than the final premium.
- B. Payroll Report.** Within 45 days after the end of the coverage agreement period, send us a report showing the amount of payroll earned by your employees during the coverage agreement period. The report must show payroll separately for each classification.
- C. Final Premium.** The final premium due us for the coverage agreement period will be computed as shown in the supplemental declarations.

If we cancel this coverage agreement, final premium will be calculated pro rata based on the time this coverage agreement was in force. Final premium will not be less than the pro rata share of the minimum premium.

If you cancel the coverage agreement, final premium will be more than pro rata; it will be based on the time this coverage agreement was in force, and increased by the customary short rate table and procedure. Final premium will not be less than the short rate portion of the minimum premium.

- D. Payroll** means the gross pay of your employees for the coverage agreement period plus other amounts and items received by your employees as part of their pay for the coverage agreement period. We will send you a payroll reporting form describing what is included in payroll.
- E. Records.** You will keep records of information needed to compute premium. You will provide us with copies of those records when we ask for them.
- F. Audit.** You will let us or our representatives examine and audit all your payroll records. The audits may be conducted during your regular business hours.

PART FIVE - CONDITIONS

- A. Agreement Upon Terms.** Your acceptance of this coverage agreement means that you agree with us upon the terms of this coverage agreement.
- B. Sole Representation.** The Covered party first named in the supplemental declarations will act on behalf of all Covered Parties to change this coverage agreement, accept loss payments, receive return premium and give or receive notice of cancellation.

- C. Bankruptcy or Insolvency.** Your bankruptcy or insolvency will not relieve us from the payment of any claim covered by this coverage agreement. After the retention shown on the supplemental declarations has been paid, we will make payments as if you had not become bankrupt or insolvent but not in excess of the Trusts Limit of Indemnity. An appropriate court will make payment to the Trustee in Bankruptcy or as directed.
- D. Transfer of Your Rights and Duties.** Your rights or duties under this coverage agreement may not be transferred without our written consent. This provision does not apply to duties transferred to a service company or a claims administrator.
- E. Service and Administration.** This Agreement contemplates the concurrent and continued existence of separate service agreement between you and a Service Company approved by us. You must notify us within 60 days should you decide to change the service company.



PUBLIC ENTITY

SELF INSURED RETENTION SCHEDULE AND EDORSEMENT

Covered Party:
Agreement No.:

SELF INSURED RETENTION SCHEDULE

The Coverage Limits shown on the Declarations Pages and/or General Change Endorsement/s will apply excess of the "Self Insured Retention" when indicated below.

<input type="checkbox"/> PROPERTY	\$ SIR Each Occurrence
<input type="checkbox"/> INLAND MARINE	\$ SIR Each Occurrence
<input type="checkbox"/> CRIME	\$ SIR Each Occurrence
<input type="checkbox"/> GENERAL LIABILITY (includes Employee Benefits)	\$ SIR Each Occurrence
<input type="checkbox"/> LAW ENFORCEMENT LIABILITY	\$ SIR Each Occurrence
<input checked="" type="checkbox"/> EXCESS WORKERS COMPENSATION	\$350,000 SIR Each Occurrence
<input type="checkbox"/> AUTOMOBILE LIABILITY	\$ SIR Per Person / Per Accident
<input type="checkbox"/> AUTOMOBILE PHYSICAL DAMAGE - COMP	\$ SIR Each Accident
<input type="checkbox"/> AUTOMOBILE PHYSICAL DAMAGE - COLL	\$ SIR Each Accident
<input type="checkbox"/> GARAGE KEEPERS / GARAGE LIABILITY	\$ SIR Each Accident
<input type="checkbox"/> PUBLIC OFFICIALS LIABILITY	\$ SIR Each Occurrence
<input type="checkbox"/> EMPLOYMENT PRACTICES	\$ SIR Each Occurrence

CLAIMS

A. Your Claims Handling Duties. It is your responsibility to investigate, settle, defend and appeal any claim made against you for coverages indicated above. It is also your responsibility to investigate, settle, defend and appeal any suit brought or other proceedings instituted against you.

B. Your Claims Reporting Duties. It is important for you to understand that "Written Notice" shall contain complete details of the allegation, claim, injury, or death. Providing loss runs does not constitute notice.

1. You must give us written notice as soon as you learn of any loss which exceeds, or might in the future exceed, 50% of your "self insured retention".

2. You must give us immediate (within 14 days) written notice of any accident involving:

- a. Death
- b. Head injuries involving brain damage
- c. Quadriplegia, paraplegia or paralysis
- d. Amputation of a major body member
- e. Loss of vision or any other senses
- f. Rape and/or serious physical assault
- g. Class action
- h. Environmental claims involving pollution, contamination, toxic chemicals, radiation or asbestos

C. Claims Information. You agree to send to us any claims information which we may request.

D. Claims Participation By Us. At our own election and expense, we have the right and shall be given the opportunity to participate with you in the settlement, defense or appeal of any claim, suit or proceeding which might involve a loss to us. We have no duty to investigate, handle, settle or defend any claims, suites, or proceedings against you.

E. Change of Claim Handling Agency. The insured shall get our direct written consent to change, or end, a "third party administrator's" services. This provision also applies subsequent to the term of this policy.

F. Appeal. We have the right to appeal any judgment that results in a verdict when the verdict is equal or greater than the insured's "self insured retention."

G. Proof of Loss. When paid loss exceeds your retention, you must provide us with a payment register listing all payments made on the claim. We will reimburse you the amount you have paid in excess of your retention, within 30 days of receiving in a form acceptable to us, a complete and proper proof of loss.

H. Claim Audit. You will let us or our representative examine and audit claim files upon our request. These audits may be conducted during your regular business hours.

DEFINITIONS

A. Allocated Claims Expenses

"Allocated claims expense" means expenses incurred in connection with the investigation of "occurrences," adjustment of claims and defense and settlement or trial of "suits." "Allocated claims expenses" include, but are not limited to, payments for attorneys, law firms, doctors, experts, appraisers, photographers, adjusters, investigators, printers, stenographers, costs of appeal bonds and pre and post judgment interest. "Allocated claims expense" does not include any salaries or fees paid to the "third party administrator," or salaries or wages of any regular full time or part time employee of the insured.

B. Self Insured Retention

The "self insured retention" means that sum or sums indicated in the Liability Coverage Declarations or the Self Insured Retention Schedule, which the insured shall pay:

1. For settlement or satisfaction of claims, "suits" or judgments, after making deductions for all salvages and recoveries; plus
2. "Allocated claims expenses."

The "self insured retention" shall be paid by the insured prior to any obligation on the part of this Company.

C. Third Party Administrator

"Third party administrator" means the independent organization that provides claims services under contract to you.