



## Workers' Compensation Program July 1, 2013 – July 1, 2014

- Insurers:** AORMA – primary pooled layer coverage  
Safety National Casualty Corporation – excess coverage
- Name Insured:** California State University Risk Management Authority – Auxiliary Organizations Risk Management Alliance (AORMA)
- Covered Members:**
- California State University, Bakersfield Auxiliary for Sponsored Programs and Administration
  - California State University, Bakersfield Foundation
  - University Glen Corporation
  - Associated Students of California State University, Chico
  - The CSU, Chico Research Foundation
  - Associated Students, California State University, Dominguez Hills
  - California State University, Dominguez Hills Foundation
  - Donald P. and Katherine B. Loker University Student Union, Incorporated
  - Associated Students, California State University, East Bay
  - California State University, East Bay Foundation, Inc.
  - California State University, Fresno Association, Inc.
  - The California State University, Fresno Athletic Corporation
  - Associated Students, California State University, Fullerton, Inc.
  - CSU Fullerton Auxiliary Services Corporation
  - Associated Students, Humboldt State University
  - Humboldt State University Center Board of Directors
  - Humboldt State University Sponsored Programs Foundation
  - Associated Students, California State University, Long Beach
  - California State University, Long Beach Research Foundation
  - Forty-Niner Shops, Inc., CSU Long Beach
  - Cal State L.A. University Auxiliary Services, Inc.
  - University-Student Union Board, California State University, Los Angeles
  - The University Corporation at Monterey Bay
  - Associated Students, California State University, Northridge, Inc.
  - The University Corporation, CSU Northridge
  - University Student Union of California State University, Northridge
  - Associated Students Inc., California State Polytechnic University, Pomona
  - The Cal Poly Pomona Foundation, Inc.
  - Associated Students of California State University, Sacramento
  - University Enterprises, Inc., CSU Sacramento
  - Associated Students Inc., California State University, San Bernardino
  - Santos Manuel Student Union of California State University, San Bernardino
  - University Enterprises Corporation at CSUSB

*While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.*

## Workers' Compensation Program July 1, 2013 – July 1, 2014

- Associated Students, San Diego State University
- Associated Students, Inc., San Francisco State University
- Cesar Chavez Student Center, San Francisco State University
- The University Corporation, San Francisco State
- Associated Student, San Jose State University
- San Jose State University Research Foundation
- Spartan Shops, Inc., San Jose State University
- The Student Union of San Jose State University
- The Tower Foundation, San Jose State University
- Associated Students, Inc., California Polytechnic State University at San Luis Obispo
- Cal Poly Corporation
- University Auxiliary and Research Services Corporation
- Associated Students of Sonoma State University
- Associated Students, Inc., California State University, Stanislaus
- University Student Union of California State University, Stanislaus

**Coverages:** Self Insured Under Layer Workers' Compensation  
Specific Excess Workers' Compensation & Employer's Liability Insurance

<b>Coverage Limits:</b>							
<i>Primary - AORMA</i>	<table border="0"> <tr> <td style="padding-right: 20px;">\$500,000</td> <td>Workers' Compensation - each accident</td> </tr> <tr> <td>\$500,000</td> <td>Employer's Liability - each accident</td> </tr> <tr> <td>\$500,000</td> <td>Employer's Liability – each employee for disease</td> </tr> </table>	\$500,000	Workers' Compensation - each accident	\$500,000	Employer's Liability - each accident	\$500,000	Employer's Liability – each employee for disease
\$500,000	Workers' Compensation - each accident						
\$500,000	Employer's Liability - each accident						
\$500,000	Employer's Liability – each employee for disease						
<i>Excess</i>	<table border="0"> <tr> <td style="padding-right: 20px;">Statutory</td> <td>Workers' Compensation – each accident</td> </tr> <tr> <td>\$5,000,000</td> <td>Employer's Liability – each accident</td> </tr> <tr> <td>\$5,000,000</td> <td>Employer's Liability – each employee for disease</td> </tr> </table>	Statutory	Workers' Compensation – each accident	\$5,000,000	Employer's Liability – each accident	\$5,000,000	Employer's Liability – each employee for disease
Statutory	Workers' Compensation – each accident						
\$5,000,000	Employer's Liability – each accident						
\$5,000,000	Employer's Liability – each employee for disease						

**Coverage Extension(s):**

1. Allocable Loss Adjustment Expense (“defense costs”) included as loss to satisfy the retention
2. All States Coverage
3. USL&H (Incidental Only)
4. Jones Act (Incidental Only)
5. Ninety (90) days notice to Insured if policy is cancelled by carrier; except for non-payment of premium.

**Claim Reporting:** Written notice to insurer within thirty (30) days required for the following occurrences

- Fatality
- Paraplegics and quadriplegics
- Amputation of a major extremity

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## Workers' Compensation Program July 1, 2013 – July 1, 2014

- Brain injury
- Spinal cord injury
- Serious burn injury (2<sup>nd</sup> or 3<sup>rd</sup> degree burn of 25% or more of the body)
- Any Occurrence which results in a serious injury to two or more employees
- The reopening of any claim in which a further award might involve
- Claim exceeding 50% of the Self-Insured Retention
- Permanent total disability

### Claims Administrator:

Sedgwick CMS  
PO Box 14629  
Lexington, KY 40512-4629

Katie Brant, Adjuster  
Tel: (916) 851-8058  
Fax: (916) 851-8079  
Email: [katie.brant@sedgwickcms.com](mailto:katie.brant@sedgwickcms.com)

Biba Olson, Claims Assistant  
Tel: (916) 851-8059  
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Brian Montagnese, Claims Supervisor  
Tel: (916) 851-8060  
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Email: [brian.montagnese@sedgwickcms.com](mailto:brian.montagnese@sedgwickcms.com)

Trish Daniels, Operation Manager  
Tel: (916) 851-771-2981 (office)  
Fax: (916) 626-7225 (cell)  
Email: [patricia.daniels@sedgwickcms.com](mailto:patricia.daniels@sedgwickcms.com)



**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
AUXILIARY ORGANIZATION RISK MANAGEMENT ALLIANCE  
WORKERS' COMPENSATION PROGRAM**

**MEMORANDUM OF COVERAGE**

**DECLARATIONS**

**Memorandum Number:** 5558

**Item 1: Member**

See the **Member** listing attached.

The AORMA Workers' Compensation Program agrees with the Named Member, in consideration of the payment of premium and in reliance upon statements in the Declarations and subject to the limits of liability, exclusions, conditions, and other terms of this memorandum, to provide the coverage as stated in this memorandum.

**Item 2: Coverage Period**

July 1, 2013 to July 1, 2014

**Item 3: Form of Business:**

Auxiliary Organization of the California State University as defined by the Education Code of the State of California

**Item 4: Limit of Liability:**

- 1. Workers' Compensation .....\$500,000 each accident or each employee for disease
- 2. Employers' Liability .....\$500,000 each accident or each employee for disease

**Item 5: Deductible:**

None

**Item 6: Payroll Reporting and Adjusting Period:**

Annual



**Item 7: Loss Reporting:**

**Brian N. Montagnese, Claims Team Leader - WC**

Sedgwick CMS  
P.O. Box 14479  
Lexington, KY 40512-4479

E-mail: [brian.montagnese@sedgwickcms.com](mailto:brian.montagnese@sedgwickcms.com)

Tel: 916-851-8060

Fax: 916-851-8079

**AND / OR:**

**Katie Brandt, Claim Examiner III**

Sedgwick CMS  
P.O. Box 14479  
Lexington, KY 40512-4479

E-mail: [katie.brant@sedgwickcms.com](mailto:katie.brant@sedgwickcms.com)

Tel: 916-851-8058

Fax: 916-851-8079

To be valid, this agreement must be signed by our Program Administrator.

Authorized Signature

**Item 1: Member**

**Member Listing**

<b>Campus</b>	<b>Auxiliary</b>
1 Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration
2 Bakersfield	California State University, Bakersfield Foundation
3 Channel Islands	University Glen Corporation, CSU Channel Islands
4 Chico	Associated Students of California State University, Chico
5 Chico	The CSU, Chico Research Foundation
6 Dominguez Hills	Associated Students, California State University, Dominguez Hills
7 Dominguez Hills	The Donald P. and Katherine B. Loker University Student Union, Inc.
8 Dominguez Hills	California State University, Dominguez Hills Foundation
9 East Bay	Associated Students, California State University, East Bay
10 East Bay	California State University, East Bay Foundation, Inc.
11 Fresno	California State University, Fresno Association, Inc.
12 Fresno	The California State University, Fresno Athletic Corporation
13 Fullerton	Associated Students, California State University, Fullerton, Inc.
14 Fullerton	CSU Fullerton Auxiliary Services Corporation
15 Humboldt	Humboldt State University Sponsored Programs Foundation
16 Humboldt	Humboldt State University Center, Board of Directors
17 Humboldt	Associated Student, Humboldt State University
18 Long Beach	Associated Students, California State University, Long Beach
19 Long Beach	California State University, Long Beach Research Foundation
20 Long Beach	Forty-Niner Shops, Inc., CSU Long Beach
21 Los Angeles	Cal State L.A. University Auxiliary Services, Inc.
22 Los Angeles	University-Student Union Board, California State University, Los Angeles
23 Monterey Bay	The University Corporation at Monterey Bay
24 Northridge	Associated Students, California State University, Northridge, Inc.
25 Northridge	The University Corporation, CSU Northridge
26 Northridge	University Student Union of California State University, Northridge
27 Pomona	Associated Students Inc., California State Polytechnic University, Pomona

28	Pomona	The Cal Poly Pomona Foundation, Inc.
29	Sacramento	Associated Students of California State University, Sacramento
30	Sacramento	University Enterprises, Inc., CSU Sacramento
31	San Bernardino	Associated Students Inc., California State University, San Bernardino
32	San Bernardino	University Enterprises Corporation at CSUSB Santos Manual Student Union of California State University, San Bernardino
33	San Bernardino	
34	San Diego	Associated Students, San Diego State University
35	San Francisco	Associated Students, Inc., San Francisco State University
36	San Francisco	Cesar Chavez Student Center, San Francisco State University
37	San Francisco	The University Corporation, San Francisco State
38	San Jose	Associated Student, San Jose State University
39	San Jose	San Jose State University Research Foundation
40	San Jose	Spartan Shops, Inc., San Jose State University
41	San Jose	The Student Union of San Jose State University
42	San Jose	The Tower Foundation, San Jose State University Associated Students, Inc., California Polytechnic State University at San Luis Obispo
43	San Luis Obispo	
44	San Luis Obispo	Cal Poly Corporation
45	San Marcos	University Auxiliary and Research Services Corporation
46	Sonoma	Associated Students of Sonoma State University
47	Stanislaus	Associated Students, Inc., California State University, Stanislaus
48	Stanislaus	University Student Union of California State University, Stanislaus



**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
AUXILIARY ORGANIZATION RISK MANAGEMENT ALLIANCE  
WORKERS' COMPENSATION PROGRAM**

**Workers' Compensation  
& Employer's Liability  
Coverage Agreement**

**July 1, 2013**

# **California State University Risk Management Authority**

## **AUXILIARY ORGANIZATION RISK MANAGEMENT ALLIANCE – WORKERS’ COMPENSATION PROGRAM**

### **Workers’ Compensation & Employer’s Liability Coverage Agreement**

**The California State University Risk Management Authority Auxiliary Organization Risk Management Alliance Workers’ Compensation Program (hereinafter called AORMA WC) is an intergovernmental agency, risk sharing, joint powers authority, duly formed pursuant to California Government Code Sections 6500-6512, and other provisions of law.**

**This Memorandum of Coverage is a contract between the AORMA WC and its Members which sets forth certain duties, responsibilities and obligations of each party. This Memorandum of Coverage is not an insurance policy or document, and is not necessarily subject to the particular rules of law which apply to an insurance policy or to interpretation of insurance policies or insurance related documents.”**

#### **INTRODUCTION**

In return for the payment of the contribution and subject to all terms and conditions of this agreement, California State University Risk Management Authority AORMA WC agrees with you (the Member named in the Declarations) as follows:

#### **GENERAL SECTION**

##### **A. THE AGREEMENT**

This agreement includes the Declarations and all endorsements and schedules attached to it. It is a coverage agreement between you and us. The only agreements relating to this coverage are stated in this coverage agreement.

The terms of this agreement may not be changed or waived except by endorsement issued by us to be part of this agreement. You are responsible for notifying us immediately when the information contained in this agreement is no longer accurate for your operations.

This agreement, including the Declarations, endorsements and schedules attached to it, and Policies and Procedures included by reference, constitutes the coverage agreement. Except as otherwise provided herein, all terms used herein shall also be defined in the CSURMA Joint Powers Authority Agreement.

All other provisions of the CSURMA Agreement not in conflict with this coverage agreement shall be applicable.

No condition, provision, agreement or understanding that is not stated, or included by reference, in this coverage agreement will affect any rights, duties or privileges in connection with this coverage agreement.

## **B. WHO IS COVERED**

The Member named in the Declarations is covered for workers' compensation required by law to its employees, subject to the provisions of this agreement.

## **C. WORKERS' COMPENSATION LAW**

Workers' compensation law means the Workers' Compensation Laws of the State of California (which include injury by both accident and disease). It includes any amendments to that law which are in effect during the coverage period. It does not include the provisions of any law that provide non-occupational disability benefits.

## **D. LOCATIONS**

This agreement covers all of your workplaces in California unless you have other workers' compensation insurance or are self-insured for such workplaces.

## **E. WHO IS ELIGIBLE FOR BENEFITS**

Your employees (or in the event of their death, their dependents) are eligible for benefits under this agreement, except that:

1. Employees who are covered for workers' compensation benefits on any other policy of insurance or self-insurance including but not limited to a comprehensive personal liability (CPL) insurance policy issued to you are not eligible for benefits under this policy; and
2. Employees who are excluded or exempted under the workers' compensation law are not eligible for benefits under this agreement unless they have been included on the Declarations or by endorsement.

## **PART ONE - WORKERS' COMPENSATION COVERAGE**

### **A. HOW THIS COVERAGE APPLIES**

This workers' compensation coverage applies to bodily injury by accident or bodily injury by disease, including resulting death, subject to the following conditions:

1. Bodily injury by accident must occur during the coverage period; and
2. Bodily injury by disease must be caused or aggravated by the conditions the employee's employment. Your employee's exposure to those conditions causing or aggravating such bodily injury by disease must occur during the coverage period.

**B. WE WILL PAY**

We will pay promptly when due to those eligible under this agreement all compensation required of you by the Workers' Compensation Laws of the State of California.

**C. WE WILL DEFEND**

We have the right and duty to defend at our expense any claim, proceeding or suit against you for compensation payable by this coverage. We have the right to investigate and settle these claims, proceedings or suits. We have no duty to defend a claim, proceeding or suit that is not covered by this agreement, including specifically, a claim under Labor Code Section 132(a) (Nondiscrimination policy). We may, at your request, defend you against charges under Labor Code Section 4553 (Serious and willful misconduct).

**D. WE WILL ALSO PAY**

We will also pay these costs, in addition to other amounts payable under this coverage as part of any claim, proceeding or suit we defend:

1. Reasonable expenses incurred at our request, but not loss of earnings;
2. Contributions for bonds to release attachments and for appeal bonds in bond amounts up to twice the amount payable under this coverage;
3. Litigation costs taxed against you;
4. Interest on an award or judgment as required by law; and
5. Expenses we incur.

**E. OTHER INSURANCE OR COVERAGES**

We will not pay more than our share of benefits and costs covered by this agreement and other insurance or self-insurance. All shares will be equal until the loss is paid.

**F. PAYMENTS YOU MUST MAKE**

You are responsible for any payments not covered by this agreement, including, but not limited to, 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 discriminate against any employee in violation of Labor Code Section 132(a) or any other law; or
5. Of injury to an employee under the minimum age specified in the workers' compensation law and illegally employed at the time of injury.

**G. RECOVERY FROM OTHERS**

We may enforce your rights, and the rights of persons entitled to the benefits of this coverage, to recover our payments from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

**H. STATUTORY PROVISIONS**

These statements apply where they are required by law:

1. As between an injured worker and us, we have notice of injury when you have notice.
2. We are directly and primarily liable to any person entitled to the benefits payable by this coverage, subject to the provisions, conditions and limitations of this agreement;
3. Jurisdiction over you is jurisdiction over us for purposes of the workers' compensation law. We are bound by decisions against you under that law, subject to the provisions of this agreement that are not in conflict with that law;
4. Terms of this coverage that conflict with the workers' compensation insurance law are changed by this statement to conform to that law; and
5. Your employee has a first lien upon any amount which becomes owing to you by us on account of this agreement and in the case of your legal incapacity or inability to receive the money and pay it to the claimant, we will pay it directly to the claimant.

Nothing in these paragraphs relieves you of your duties under this agreement.

**PART TWO - EMPLOYER'S LIABILITY COVERAGE**

**A. HOW THIS COVERAGE APPLIES**

This employer's liability coverage applies to bodily injury by accident or bodily injury by disease, including resulting death, subject to the following conditions:

1. The bodily injury must arise out of and in the course of the injured employee's employment by you;
2. The employment must be necessary or incidental to your work in the State of California;
3. Bodily injury by accident must occur during the coverage period;
4. Bodily injury by disease must be caused or aggravated by the conditions of the employee's 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 period; and
5. If you are sued, the suit and any related legal actions for damages for bodily injury by accident or by disease must be brought under the laws of the State of California.

**B. WE WILL PAY**

We will pay all sums you legally must pay as damages because of bodily injury to your employees eligible for benefits under this agreement, provided the bodily injury is covered by this employer's liability coverage.

The damages we will pay, where recovery is permitted by law, include damages:

1. 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;
2. For care and loss of services; and
3. For consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee; provided that these damages are the direct consequence or bodily injury that arises out of and in the course of the injured employee's employment by you; and
4. Because of bodily injury to your employee that arises out of and in the course of employment claimed against you in a capacity other than as employer.

**C. EXCLUSIONS**

This agreement does not cover:

1. Liability assumed under a contract. This exclusion does not apply to a warranty that your work

will be done in a workmanlike manner;

2. Punitive or exemplary damages where coverage for such liability is prohibited by law or contrary to public policy;
3. 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;
4. Any obligation imposed by a workers' compensation, occupational disease, unemployment compensation or disability benefits law, or any similar law;
5. Bodily injury intentionally caused or aggravated by you; or
6. Damages arising out of the discharge of, coercion of or discrimination against any employee in violation of law.

**D. WE WILL DEFEND**

We have the right and duty to defend, at our expense, any claim, proceeding or suit against you for damages payable by this coverage. We have the right to investigate and settle these claims, proceedings and suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this coverage. We have no duty to defend or continue defending after we have paid our limit of liability under this coverage.

**E. WE WILL ALSO PAY**

We will also pay these costs, in addition to other amounts payable under this coverage, as part of any claim, proceeding or suit we defend;

1. Reasonable expenses incurred at our request, but not loss of earnings;
2. Contributions for bonds to release attachments and for appeal bonds in bond amounts up to twice the limit of our liability under this coverage;
3. Litigation costs taxed against you;
4. Interest on a judgement as required by law; and
5. Expenses we incur.

**F. OTHER INSURANCE**

We will not pay more than our share of damages and costs covered by this coverage and any other insurance or self-insurance. Subject to any limits of liability that apply, all shares will be equal until the

loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self insurance will be equal until the loss is paid.

#### **G. LIMIT OF LIABILITY**

Our liability to pay for damages is limited. Our limit of liability is shown in the Declarations. It is the most we will pay for all damages covered by this agreement because of bodily injury to one or more employees in any one accident or occurrence, or series of accidents or occurrences, arising out of any one event.

We will not pay any claims for damages after we have paid the limit of our liability under this coverage as explained above.

#### **H. RECOVERY FROM OTHERS**

We may enforce your rights to recover our payment from anyone liable for an injury covered by this coverage. You will do everything necessary to protect those rights for us and to help us enforce them.

#### **I. ACTIONS AGAINST US**

There will be no right of action against us under this coverage unless;

1. You have complied with all the terms of this agreement; and
2. The amount you owe has been determined with our consent or by actual trial and final judgment.

This coverage does not give anyone the right to add us as a defendant in an action against you to determine your liability.

### **PART THREE - COVERAGE OUTSIDE OF CALIFORNIA**

This coverage is identical to Part One (Workers' Compensation Coverage) of this agreement. It applies to your employees who are hired in California and are eligible for benefits under this agreement while they are working anywhere outside of California. The most we will pay for all damages covered by this agreement is limited to the provisions of the workers' compensation laws of the State of California.

### **PART FOUR - YOUR DUTIES IF INJURY OCCURS**

Notify the Claims Administrator (our representative) at once if injury occurs that may be covered by this agreement. Your other duties are listed here:

1. Provide for immediate medical and other services required by the workers' compensation law.

2. Provide us or our representative the names and addresses of the injured persons and of witnesses, and other information we may need;
3. Promptly provide to us or our representative all notices, demands and legal papers related to the injury, claim, proceeding or suit;
4. Cooperate with us and our representative and assist, as may be requested by us or the representative, in the investigation, settlement or defense of any claim, proceeding or suit;
5. Do nothing after an injury occurs that would interfere with our right to recover from others; and
6. Do not voluntarily make payments, assume obligations or incur expenses, except at your own cost.

## **PART FIVE - CONTRIBUTION**

### **A. CONTRIBUTION**

1. All contributions for this agreement will be determined by the California State University Risk Management Authority AORMA WC in accordance with Administrative Policy and Procedure 8-AOCOMP-AORMA Workers' Compensation Program Rating.
2. Remuneration and loss experience comprise the contribution basis. In addition to the loss experience the contribution basis includes payroll and all other remuneration paid or payable during the coverage period for the services of:
  - a. All your employees eligible for benefits under this agreement while engaged in work covered by this agreement; and
  - b. All other persons engaged in work that could make us liable under Part One (Worker's Compensation Coverage) of this agreement. If you do not have the payroll records for these persons, the contract price for their services and materials may be used as the contribution basis. This paragraph will not apply if you give us proof that the employers of these persons lawfully secured their workers' compensation obligations.

### **B. CONTRIBUTION PAYMENTS**

You will pay all contributions when due.

### **C. FINAL CONTRIBUTION**

The contribution shown on the Declarations and on the schedules and endorsements, if any, is an estimate. The final contribution will be determined after this agreement ends by using the actual, not the estimated cost basis. If the final contribution is more than the contribution you paid to us, you must pay us the balance. If it is less, we will refund the balance to you. The final contribution will not be less than

the minimum contribution for this agreement.

#### **D. RECORDS**

You will keep records of information needed to compute contribution. You will provide us with copies of those records when we ask for them.

#### **E. AUDIT**

We have the right to examine and audit all your records that relate to this agreement. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records and programs for storing and retrieving data. We may conduct the audits during regular business hours during the coverage period and within three years after the coverage period ends. Information developed by audit will be used to determine final contribution.

#### **F. RATE CHANGES**

This agreement is issued by us and accepted by you with the agreement that you will accept any adjustment or change in contribution or in the rates of contribution which may be promulgated under any rating plan approved by the California State University Risk Management Authority AORMA WC, and that the effective date of any such adjustment or change shall be the effective date thereof fixed in accordance with the provisions of any such rating plan approved by the Auxiliary Organizations Risk Management Alliance (AORMA) Committee. Also, the rates used to determine the contribution are subject to adjustment or change during the term of the agreement if an adjustment or change in rates applicable to agreements in force is approved by the California State University Risk Management Authority AORMA WC, and that the effective date of any such adjustment or change shall be the date fixed by the AORMA Committee.

#### **G. DIVIDENDS AND ASSESSMENTS**

The California State University Risk Management Authority AORMA WC program in accordance with the Target Surplus Funding Policy will release or assess Members a dividend or assessment in accordance with the Dividend/Assessment Policy, as adopted by the AORMA Committee.

### **PART SIX - CONDITIONS**

#### **A. INSPECTION**

We have the right, but are not obliged, to inspect your workplaces at any reasonable time. Our inspections relate to the workplaces and the contribution to be charged. We may give you reports on the conditions we find. We may also recommend changes. While they may help to reduce losses, we do not undertake to perform the duty of any person to provide for the health and safety of your employees or the public. We do not warrant that your workplaces are safe or healthful or that they comply with laws regulations, codes or standards.

## **B. LONG TERM POLICY**

If this agreement is written for a period longer than one year, all the provisions of this agreement shall apply separately to each consecutive twelve month period, or if the first or last period is less than twelve months, in the same manner as if a separate agreement had been written for each consecutive period. Until your policy terminates, your deposit contribution will be transferred to each consecutive coverage period to act as a deposit in the same manner as if a separate agreement had been written.

## **C. TRANSFER OF YOUR RIGHTS AND DUTIES**

Your rights or duties under this agreement may not be transferred without our written consent and that of the Department of Industrial Relations.

## **D. OUR NOTICE TO YOU**

Mailing documents that relate to this agreement to you at the mailing address shown in the Declarations will be sufficient to prove notice to you of that document.

## **E. CANCELLATION**

You may withdraw as a party to this agreement and as a participant in the coverage provided you meet the requirements, as specified in the Joint Exercise of Powers Agreement and Bylaws.

If cancellation by California State University Risk Management Authority AORMA WC, or you is effective before the end of the coverage year, California State University Risk Management Authority AORMA WC will return to you the amount of any unearned contribution payment from you for the coverage year. Such amount will be computed on a pro-rata basis from the effective date of cancellation.



A member of the Tokio Marine Group

1832 Schuetz Road  
St Louis, MO 63146-3540  
Telephone (888) 995-5300  
(314) 995-5300  
Fax (314) 995-3843

**CERTIFICATE OF INSURANCE AND CERTIFICATE OF INSURED MEMBER**

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICY LISTED BELOW.

A. THE CERTIFICATE HOLDER: Name:  
Address:

B. CERTIFICATE OF INSURANCE:

This is to certify that the policy of insurance listed below has been issued to the insured association, trust or fund named below and is in force at this time. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policy described herein is subject to all the terms, exclusions and conditions of such policy. Should any of the policy described herein be canceled before expiration date thereof the CORPORATION will endeavor to mail sixty (60) days written notice to the above named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the CORPORATION.

INSURED ASSOCIATION TRUST OR FUND:	AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE
POLICY NUMBER:	SP 4049189
TYPE OF INSURANCE:	Specific Excess Workers' Compensation and Employers' Liability Insurance
LOCATION(S):	CALIFORNIA
POLICY LIABILITY PERIOD:	July 01, 2013 through July 01, 2014
POLICY PAYROLL REPORTING PERIOD:	July 01, 2013 through July 01, 2014

Self-Insured Retention Per Occurrence	\$ 500,000
Maximum Limit of Indemnity Per Occurrence	Statutory
Employers' Liability Maximum Limit of Indemnity Per Occurrence & Aggregate	\$ 1,000,000

C. CERTIFICATE OF INSURED MEMBER:

Further, this is to certify that the insured member named below is a member of the insured association, trust or fund and, as such, may derive benefit from the insurance policy listed above to the extent determined by the insured association, trust or fund.

Insured Member: Name:  
Address:  
Effective Date:

SAFETY NATIONAL CASUALTY CORPORATION

By: Gene R. Maier  
Senior Vice President of Workers' Compensation Underwriting  
Date: September 12, 2013

SPECIFIC EXCESS  
WORKERS' COMPENSATION AND  
EMPLOYERS' LIABILITY INSURANCE AGREEMENT

**SAFETY NATIONAL CASUALTY CORPORATION**

ST. LOUIS, MISSOURI

*(Hereinafter called the CORPORATION)*

In consideration of the payment of premium and subject to all the terms of this Agreement, hereby agrees with the EMPLOYER named in the Declarations (hereinafter called the EMPLOYER), as follows:

**A. Coverage of Agreement**

This Agreement applies only to Loss sustained by the EMPLOYER because of liability imposed upon the EMPLOYER by the Workers' Compensation or Employers' Liability Laws of:

- (1) the State(s) designated in the Declarations, or
- (2) other State(s), provided that the Loss shall not be greater than it would have been had liability been imposed by the State(s) specified in the Declarations,

on account of bodily injury by accident or bodily injury by occupational disease due to Occurrences taking place within the Liability Period to Employees of the EMPLOYER engaged in the business operations specified in the Declarations and all other operations necessary, incidental, or appurtenant thereto. Bodily injury includes resulting death.

The inclusion of more than one EMPLOYER in the Declarations shall not increase the EMPLOYER's Self-Insured Retention nor the CORPORATION's Maximum Limit of Indemnity.

The insurance afforded by this Agreement applies to operations in the State(s) specified in the Declarations, including, however, incidental operations conducted by Employees who are regularly engaged in operations in the specified State(s), but who may be temporarily outside the specified State(s).

**B. Insurance Under This Agreement**

**(1) Specific Excess Insurance**

With respect to each Occurrence taking place within a Liability Period, the EMPLOYER shall retain as its own Loss, as defined below, the amount specified in Item 7 of the Declarations, and the CORPORATION agrees to reimburse the EMPLOYER only for such Loss in excess of such Self-Insured Retention, subject to the Maximum Limit of Indemnity Per Occurrence, or the Employers' Liability Maximum Limit of Indemnity Per Occurrence, whichever is applicable, as specified in Item 8 of the Declarations. The separate Employers' Liability Maximum Limit of Indemnity Per Occurrence shall not operate, in any case, to increase the total amount the CORPORATION agrees to reimburse the EMPLOYER for Loss per any one Occurrence as per Item 8(a) of the Declarations.

**C. Definitions**

- (1) "Loss" – shall mean actual payments, less recoveries, legally made by the EMPLOYER to Employees and their dependents in satisfaction of: (a) statutory benefits, (b) settlements of suits and claims, and (c) awards and judgments. Loss shall also include Claim Expenses, paid by the EMPLOYER, as defined in Paragraph (2) of this Section. The term Loss shall not include the items specifically excluded by Paragraph (3) of this Section.
- (2) "Claim Expenses" – shall mean court costs, interest upon awards and judgments and the reasonable allocated costs of investigation, adjustment, defense, and appeal, including pension or appeal bond costs (provided that the prosecution of such appeal and/or the posting of such pension or appeal bond is approved by the CORPORATION) of claims, suits or proceedings brought against the EMPLOYER under the Workers' Compensation or Employers' Liability Laws of the State(s) designated in the Declarations, or other State(s), as provided in Section A, even though such claims, suits, proceedings or demands are wholly groundless, false or fraudulent. Claim Expenses shall not include fees to the EMPLOYER's Service Company.
- (3) "Exclusions from Loss" – shall refer to the following amounts paid by the EMPLOYER, and specifically excluded from the term Loss:
  - (a) Salaries, wages, and remuneration provided to Employees;
  - (b) Fees to the EMPLOYER's Service Company and/or costs of self-administration of claims;
  - (c) Punitive or exemplary damages as they relate to claims made under the Employers' Liability coverage provided by this Agreement;
  - (d) Fines or penalties assessed against the EMPLOYER for any violation by the EMPLOYER, or its representative(s), of any statute or regulation, unless the fines or penalties result from a reasonable dispute as to Workers' Compensation benefits owed by the EMPLOYER;
  - (e) Assessments and taxes made upon the EMPLOYER as self-insurer whether imposed by statute, regulation, or otherwise;

(f) Any amounts required to be paid by the EMPLOYER because of:

- 1) Serious and willful misconduct of the EMPLOYER, including intentional torts and intentional acts or omissions resulting in injury, acts or omissions taken with reckless disregard of the possible occurrence of an injury or acts or omissions taken that are substantially certain to result in injury, regardless of whether or not said actions may be classified in the State(s) as intentional torts,
- 2) Coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any Employee and/or related personnel practices, policies, acts or omissions by the EMPLOYER,
- 3) Knowingly employing an Employee in violation of law,
- 4) Rejection by the EMPLOYER of any Workers' Compensation Law,
- 5) Failure to comply with any health, safety, or notification law or regulation,

(g) Loss voluntarily assumed by the EMPLOYER under any contract or agreement, whether express or implied;

(h) Loss for which the EMPLOYER carries a full coverage Workers' Compensation and Employers' Liability policy; and

(i) Any amount owed by the EMPLOYER pursuant to provision of any law that provides non-occupational disability benefits.

(4) "Occurrence" – shall mean accident. In addition, bodily injury by occupational disease must be caused or aggravated by the conditions of employment and shall be deemed to have occurred on the last day of the last exposure to those conditions of employment causing or aggravating such injury by occupational disease, or such dates as is otherwise established by the Workers' Compensation and Employers' Liability Laws of the appropriate State(s). Bodily injury by occupational disease sustained by each Employee shall be deemed to be a separate Occurrence unless such disease results directly from an accident.

(5) "Employee" – as respects liability imposed upon the EMPLOYER by the Workers' Compensation Law of any State, the word Employee shall mean any person performing work which renders the EMPLOYER liable under the Workers' Compensation Law of a State named in Item 2 of the Declarations, which is the State of the injured Employee's normal employment, for bodily injuries or occupational disease sustained by such person.

(6) "State" – shall mean any state, territory, or possession of the United States of America and the District of Columbia.

#### **D. Reimbursement**

If the EMPLOYER pays any Loss incurred in any Liability Period in excess of the Self-Insured Retention Per Occurrence, the CORPORATION shall reimburse the EMPLOYER upon receipt of a formal proof of loss and other evidence acceptable to the CORPORATION of such payment. Within a reasonable

period of time, reimbursement payments shall be made by the CORPORATION.

The CORPORATION shall have, and may exercise at any time, and from time to time, the right to offset any balance or balances, whether on account of premiums, Losses or otherwise, due from the EMPLOYER to the CORPORATION against any balance or balances due from the CORPORATION to the EMPLOYER under this Agreement.

#### **E. Liability Period**

The liability of the CORPORATION for Loss hereunder shall be determined separately for each Liability Period. The initial Liability Period shall commence at 12:01 A.M. on the Effective Date and end at 12:01 A.M. on the Anniversary Date, designated in Items 3 and 4 respectively, of the Declarations. Each succeeding Liability Period shall begin concurrently with the end of the previous Liability Period and continue for the same number of consecutive months as the initial Liability Period. All time is stated in local time for the State(s) designated in the Declarations.

In the event the EMPLOYER fails to give express written intent to continue coverage at the end of a given Liability Period, the Agreement shall be deemed terminated, and the Anniversary Date shall serve as the termination date of the Agreement.

#### **F. Premium**

Upon acceptance of the Agreement and at the beginning of each Payroll Reporting Period, as specified in Item 12 of the Declarations, the EMPLOYER shall pay to the CORPORATION the amount of the Deposit Premium specified in Item 11 of the Declarations. The EMPLOYER shall pay premiums when due. The Deposit Premium shall be held by the CORPORATION until the expiration of the Payroll Reporting Period. Within thirty (30) days after the close of each Payroll Reporting Period, the EMPLOYER shall render to the CORPORATION a report, upon a form satisfactory to the CORPORATION, exhibiting, by classification, the amount of such remuneration earned by Employees during such reporting period, and the EMPLOYER shall therewith pay to the CORPORATION the excess of the Earned Premium over the Deposit Premium previously paid. In case the Deposit Premium paid exceeds the Earned Premium, the CORPORATION shall return to the EMPLOYER the amount of such excess or give appropriate credit, subject to the proportion of Minimum Premium for the Liability Period in the case of multi-year Liability Periods.

Upon expiration of a Liability Period, a summary of voluntary payroll reports for such Liability Period shall be made to determine the Earned Premium under this Agreement. In no event, however, shall the Earned Premium in respect of any Liability Period be less than the Minimum Premium specified in the Declarations.

For each Payroll Reporting Period, the CORPORATION shall compute the Earned Premium as follows:

- (1) Remuneration – The remuneration earned, or man hours accumulated during such period by all Employees, including volunteers, engaged in each classification covered by this Agreement shall be computed in accordance with the rules set forth in the appropriate Manual of Workers' Compensation and Employers' Liability Insurance.
- (2) Manual and Standard Premium – The remuneration, or man-hours, so computed for Employees engaged in each such classification shall be multiplied by the Manual Rate per \$100 of remuneration/man-hour, in effect at the inception of each Payroll Reporting Period, and the products so obtained shall be added together to determine the Manual Premium. An Experience Modification Factor may be applied to the Manual Premium to determine a Standard Premium. Such Experience Modification Factor shall be determined at the inception of this Agreement and is subject to annual review and possible revision. A Standard Premium takes precedence over any Manual Premium.
- (3) Earned Premium – Against the Manual or Standard Premium shall be applied the Premium Rate, as specified in Item 9 of the Declarations, to determine the appropriate Earned Premium.

This Agreement is issued by the CORPORATION and accepted by the EMPLOYER subject to the agreement that, in the event of any change in the Rates per \$100 remuneration/man-hour, as stated in Item 6 of the Declarations, because of any general rate increase or any legislative amendment affecting the benefits under the Workers' Compensation Law of any State(s) named in Item 2 of the Declarations, such change, upon the effective date thereof, shall be, without endorsement, made a part of this Agreement.

#### **G. Self-Insurer**

The EMPLOYER, by acceptance of this Agreement, warrants that it is a duly qualified Self-Insurer in the State(s) designated in the Declarations, and will continue to maintain such qualifications during the currency of this Agreement. In the event the EMPLOYER should at any time while this Agreement is in force terminate such qualifications or if they should be cancelled or revoked, such loss of qualifications shall operate as notice of cancellation of this Agreement by the EMPLOYER, subject to the additional terms of the Cancellation Section of this Agreement.

#### **H. Service and Administration**

This Agreement contemplates the concurrent and continued existence of a separate service agreement between the EMPLOYER and the Service Company, its designated representative, named in Item 5 of the Declarations, providing services approved by the CORPORATION. The EMPLOYER agrees that its Service Company shall furnish the CORPORATION with quarterly loss runs concurrent with each Liability Period of this Agreement. The provision of loss runs alone does not relieve the EMPLOYER of its reporting obligations as set forth in Section I of this Agreement. In

addition, the electronic transfer of loss information by a Service Company of the EMPLOYER shall not constitute notice of a claim.

Cancellation of the service agreement between the Service Company and the EMPLOYER shall operate as a notice of cancellation of this Agreement by the EMPLOYER, subject to the additional terms of the Cancellation Section of this Agreement. Any change in service companies must be immediately communicated to and approved by the CORPORATION, and this obligation shall survive the termination or non-renewal of this Agreement.

#### **I. Prompt Reporting of Claims**

As soon as the EMPLOYER becomes aware, the EMPLOYER must provide prompt notice to the CORPORATION of: (a) any claim or action commenced against the EMPLOYER which exceeds, or is likely to exceed, fifty percent (50%) of the Self-Insured Retention Per Occurrence specified in Item 7 of the Declarations and (b) the reopening of any claim in which a further award might involve liability of the CORPORATION under this Agreement.

In addition, the following categories of claims shall be reported to the CORPORATION immediately, regardless of any question of potential involvement of the CORPORATION:

1. Fatalities;
2. Paraplegics and quadriplegics;
3. Serious burns, defined as 2<sup>nd</sup> or 3<sup>rd</sup> degree burns involving 25% or more of the body;
4. Brain injury;
5. Spinal cord injury;
6. Amputation of a major extremity; and
7. Any Occurrence which results in a serious injury to two or more Employees.

If the CORPORATION is prejudiced by the EMPLOYER's failure to provide prompt notice of a claim in accordance with the requirements set forth above and/or as otherwise provided by the Law of any State(s), the CORPORATION may elect to deny coverage for Loss arising from such claim. To constitute prompt, sufficient notice, the EMPLOYER must provide complete information as to the details of the injury, disease, or death.

#### **J. Defense of Claims**

The EMPLOYER shall investigate and settle or defend all claims and shall conduct the defense and appeal of all actions, suits, and proceedings commenced against it. The EMPLOYER shall forward promptly to the CORPORATION copies of any pleadings or reports as may be requested. The CORPORATION shall not be obliged to assume charge of the investigation, defense, appeal or settlement of any claim, suit, or proceeding brought against the EMPLOYER, but the CORPORATION shall be given the opportunity to investigate, defend, or participate with the EMPLOYER in the investigation and defense of any claim, if, in the opinion of the CORPORATION, its liability under this Agreement might be involved.

**K. Good Faith Claims Administration**

The EMPLOYER shall use diligence, prudence, and good faith in the investigation, defense, pursuit of recovery from others and settlement of all claims. The EMPLOYER shall not unreasonably refuse to settle any claim which, in the exercise of sound judgment with respect to the entire claim, should be settled, provided, however, that the EMPLOYER shall not make any payment or agree to any settlement for any sum which would involve the limits of the CORPORATION's liability hereunder without the approval of the CORPORATION.

If the CORPORATION is prejudiced by the EMPLOYER's failure to exercise diligence, prudence, and good faith, the CORPORATION may elect to disclaim coverage for Loss from such claim.

**L. Inspection and Audit**

The CORPORATION shall have the right, but not the obligation, to inspect the premises and equipment and/or to audit the books and records of the EMPLOYER and of its agents and representatives, including all records relating to payroll and claims matters, at any reasonable time during the period of this Agreement and within three (3) years after final settlement of all claims due to Occurrences happening during the term of this Agreement. An audit to determine Manual or Standard Premium shall supersede any and all prior voluntary payroll reports by the EMPLOYER, and will be used to determine the final adjustment of premiums due to the CORPORATION. Should a determination be made that additional audit premium is due to the CORPORATION, the due date for payment of such audit premium shall be thirty (30) days after the date of billing.

**M. Other Insurance**

If the EMPLOYER carries other valid and collectible insurance, reinsurance, or indemnity with any other insurer or reinsurer covering a Loss also covered by this Agreement (other than insurance or reinsurance that is purchased to apply in excess of the sum of the Self-Insured Retention and the Maximum Limits of Indemnity hereunder), the insurance afforded by this Agreement shall apply in excess of and shall not contribute with such other insurance or reinsurance.

**N. Recovery from Others**

The EMPLOYER agrees to prosecute any and all valid claims the EMPLOYER may have against any other party or source that may mitigate any Loss under this Agreement and return to the CORPORATION any amount so recovered, less the reasonable expense of collecting such amounts.

The CORPORATION shall have the EMPLOYER's rights to prosecute any and all valid claims against any other party or source that may mitigate any Loss under this Agreement. The EMPLOYER agrees that it will assist the CORPORATION in any prosecution of any and all valid claims against any other party or source that may mitigate any Loss under this Agreement. Any amounts recovered by the EMPLOYER or the CORPORATION from any party or source that may

mitigate any Loss under this Agreement shall first be used to pay the expenses of collection and to reimburse the CORPORATION for any amount it may have paid the EMPLOYER for the Liability Period concerned, and all remaining amounts collected shall be paid to the EMPLOYER.

**O. Change in Agreement**

No condition, provision, or declaration of this Agreement shall be waived or altered at any time, except as specified in Section F, except by endorsement signed by the President or a Senior Vice President and the Secretary or an Assistant Secretary of the CORPORATION.

This Agreement hereby terminates, supersedes, and replaces all previously issued Workers' Compensation Insurance or Reinsurance Agreements, as amended, between the EMPLOYER and the CORPORATION.

If terms of this Agreement are in conflict with any law applicable to this Agreement, this statement amends this Agreement to conform to such law. In addition, in the event any terms are in conflict with applicable laws, the remaining terms of the Agreement shall be enforceable.

**P. Cancellation**

This Agreement may be cancelled by either party giving the other party written notice not less than sixty (60) days prior to the date of cancellation, except, that if the CORPORATION cancels for non-payment of any premium, the cancellation shall become effective ten (10) days after dispatch of notice by the CORPORATION. The date of cancellation then becomes the termination date of the final Liability Period. This Agreement does not apply to Loss as a result of Occurrences taking place after the effective date of such cancellation.

If cancellation is effected by the EMPLOYER, the Manual or Standard Premium shall be determined by the short rate tables used for casualty insurance, and the Earned Premium shall be the product of the Premium Rate (Item 9) times the Manual or Standard Premium (or the Total Annual Remuneration) so arrived at, but not less than the Minimum Premium specified in the Declarations.

If cancellation is effected by the CORPORATION for non-payment of premium, the EMPLOYER shall pay the CORPORATION Earned Premium for the period up to the date of cancellation.

If the CORPORATION cancels for any other reason, the Manual or Standard Premium (or the Total Annual Remuneration) shall be determined upon a pro rata basis and the Earned Premium adjusted in accordance therewith.

**Q. Assignment**

An assignment of interest under this Agreement will not bind the CORPORATION unless an endorsement signed by the President or a Senior Vice President and the Secretary or an Assistant Secretary of the CORPORATION assigning interest under this Agreement is issued by the CORPORATION.

**R. Bankruptcy or Insolvency of Employer**

The bankruptcy or insolvency of the EMPLOYER will not relieve the CORPORATION or the EMPLOYER of its duties and liabilities under this Agreement. After payments have been made by or on behalf of the EMPLOYER, reimbursements due under this Agreement will be made by the CORPORATION as if the EMPLOYER had not become bankrupt or insolvent, but not in excess of the CORPORATION's limit of indemnity.

**S. Sole Representative**

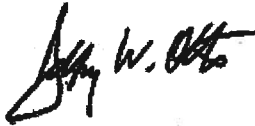
If more than one EMPLOYER is named in Item 1 of the Declarations, or an endorsement related thereto, the EMPLOYER first named in Item 1, or a related endorsement, will act on behalf of all EMPLOYERS to give or receive notice of cancellation, to receive return premium or reimbursement, or to request changes in this Agreement.

**T. Acceptance**

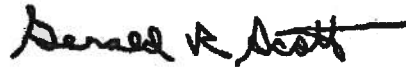
By acceptance of this Agreement, the EMPLOYER agrees that the statements in this Agreement, in the Declarations, and

in the application are the EMPLOYER's representations; that this Agreement is issued in reliance upon such representations; that this Agreement embodies all agreements existing between the EMPLOYER and the CORPORATION, or any of its agents, relating to this excess insurance, and that full compliance by the EMPLOYER with all terms of this Agreement is a condition precedent to the CORPORATION's liability hereunder.

IN WITNESS WHEREOF, SAFETY NATIONAL CASUALTY CORPORATION has caused this Agreement to be executed by printing below the facsimile signatures of its President and Secretary and by the actual signature of its Secretary on the Declarations.



Secretary



President

## SAFETY NATIONAL CASUALTY CORPORATION

### PRIVACY STATEMENT

#### **Our Commitment To Our Customers**

Safety National Casualty Corporation ("Safety National") is proud to have provided quality products and services to its customers for over 50 years. We greatly appreciate the trust that you and all of our customers place in us. We protect that trust by respecting the privacy of all of our customers, both present and past. The following will explain our privacy practices so that you will understand our commitment to your privacy.

#### **We Respect Your Privacy**

When you apply to Safety National for any type of insurance, you disclose information about you to us. The collection, use and disclosure of such information is regulated by law. Safety National and its affiliates maintain physical, electronic and procedural safeguards that comply with state and federal regulations to guard your personal information. Our employees are also advised of the importance of maintaining the confidentiality of your information.

#### **Types Of Information We Collect**

Safety National obtains most of our information directly from you, your agent or broker. The application you complete, as well as any additional information you provide, generally gives us most of the details we need to know. Depending on the nature of your insurance transaction, we may need further details about you.

We may obtain information from third parties, such as other insurance or reinsurance companies, medical providers, government agencies, information clearinghouses and other public records. We may also obtain information about you from your other transactions with us, our affiliates or others.

#### **What We Do With Your Information**

Information that has been collected about you will be retained in our files. We will review your information in evaluating your request for insurance coverage, determining your rates or underwriting risk, servicing your policy or adjusting claims. We may retain information about our former customers and would disclose that information only to affiliates and to non-affiliates as described in this notice or as otherwise permitted by law.

#### **To Whom Do We Disclose Your Information**

We will not disclose any non-public, personal information about our customers or former customers, except as permitted by law. That means we may disclose information we have collected about you to the following types of third parties:

- Our affiliated companies (Members and subsidiaries of the Tokio Marine Holdings, Inc. group of companies).
- Your agent or broker.
- Parties who perform a business or insurance function for Safety National, including reinsurance, underwriting, claims administration or adjusting, investigation, loss control and computer systems companies.
- Other insurance companies or agents as reasonably necessary concerning your application, policy or claim.
- Insurance regulatory or statistical reporting agencies.
- Law enforcement or governmental authorities in connection with suspected fraud or illegal activities.
- Authorized persons as ordered by subpoena, warrant or court order, or as required by law.

We do not disclose any non-public, personal information about you to non-affiliated companies for marketing purposes or for any other purpose except those specifically allowed by law and described above.

#### **Independent Sales Agents or Brokers**

Your policy may have been placed with us through an independent agent or broker ("Sales Agent"). Your Sales Agent may have gathered information about you. The use and protection of information obtained by your Sales Agent is their responsibility, not Safety National's. If you have questions about how your Sales Agent uses or discloses your information, please contact them directly.

**SAFETY NATIONAL CASUALTY CORPORATION**  
1832 SCHUETZ ROAD  
ST. LOUIS, MO 63146-3540

**DECLARATIONS – SPECIFIC EXCESS**

**SP 4049189**

**Item 1. Employer:** AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE INCLUDING ONLY THE INSURED MEMBERS OF THE ALLIANCE (PER ENDORSEMENT 0217)

**Address:** 401 GOLDEN SHORE, 5TH FLOOR, LONG BEACH, CA 94596

**Item 2. This Agreement covers all business operations of the EMPLOYER as a Self-Insurer in the following State(s):** CALIFORNIA

**Item 3. Effective Date:** 12:01 A.M. July 01, 2013

**Item 4. Anniversary Date:** 12:01 A.M. July 01, 2014

**Item 5. The Service Company shall be** SEDGWICK CLAIMS MANAGEMENT SERVICES, INC.

<b>Item 6. CLASSIFICATIONS OF OPERATIONS</b>	<b>Code Number</b>	<b>Estimated Total Annual Remuneration/Manhours</b>	<b>Rate Per \$ 100 Remuneration/Manhours</b>
See Attached			
	<b>Total Estimated Manual Premium</b>		N/A
	<b>SNCC Experience Modification Factor</b>		N/A
	<b>Total Estimated Standard Premium</b>		N/A

**Item 7. Self-Insured Retention Per Occurrence** \$ 500,000

**Item 8. (a) Maximum Limit of Indemnity Per Occurrence** Statutory  
**(b) Employers' Liability Maximum Limit of Indemnity Per Occurrence** See Endt 0288 & 0467

**Item 9. Premium Rate**

**Item 10. Minimum Premium for the Liability Period**

**Item 11. Deposit Premium for the Payroll Reporting Period**

**Item 12. Payroll Reporting Period** Annually as of July 01

**Item 13. Endorsements** See Endorsement Schedule

Signed at St. Louis, Missouri on September 12, 2013



Secretary

Countersigned this day of

By: \_\_\_\_\_ N/A



1004 00 1101 (XWC)

### Endorsement Schedule

RE: AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE, ET AL

Policy No: SP 4049189

Effective Date: 12:01 A.M. July 01, 2013

<b>Number</b>	<b>Title</b>
0217 00 1293 (XWC)	EMPLOYER DELINEATION OF INSURED MEMBERS
0105 00 0712 (XWC)	CALIFORNIA CANCELLATION PROVISION
0276 02 0408 (XWC)	BROAD FORM ALL STATES FOR EMPLOYEE TRAVEL
0288 00 0908 (XWC)	EMPLOYERS' LIABILITY PER OCCURRENCE & AGGREGATE MAXIMUM LIMITS OF LIABILITY
0293 05 1006 (XWC)	FOREIGN VOLUNTARY WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY
0345 12 1112 (XWC)	EXCLUDED BUSINESS OPERATIONS
0467 02 1105 (XWC)	EMPLOYERS' LIABILITY MAXIMUM LIMIT AND AGGREGATE MAXIMUM LIMIT OF INDEMNITY
1061 10 1207 (XWC)	POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE
1810 01 0712 (XWC)	CALIFORNIA SHORT RATE CANCELLATION PROVISION - SPECIFIC EXCESS

ENDORSEMENT

EMPLOYER DELINEATION OF INSURED MEMBERS

Effective 12:01 A.M., Local Time, July 01, 2013

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that Item 1 of the Declarations, EMPLOYER, shall include only the following Insured Members:

INSURED MEMBER

ASSOCIATED STUDENTS INCORPORATED, CALIFORNIA POLYTECHNIC, POMONA  
ASSOCIATED STUDENTS INCORPORATED, CALIFORNIA POLYTECHNIC, SAN LUIS OBISPO  
ASSOCIATED STUDENTS INCORPORATED, CALIFORNIA STATE UNIVERSITY, STANISLAUS  
ASSOCIATED STUDENTS INCORPORATED, CALIFORNIA STATE UNIVERSITY, CHICO  
ASSOCIATED STUDENTS INCORPORATED, CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
ASSOCIATED STUDENTS INCORPORATED, CALIFORNIA STATE UNIVERSITY, EAST BAY  
ASSOCIATED STUDENTS INCORPORATED, CALIFORNIA STATE UNIVERSITY, FULLERTON  
ASSOCIATED STUDENTS INCORPORATED, CALIFORNIA STATE UNIVERSITY, LONG BEACH  
ASSOCIATED STUDENTS INCORPORATED, CALIFORNIA STATE UNIVERSITY, NORTHRIDGE  
ASSOCIATED STUDENTS INCORPORATED, CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
ASSOCIATED STUDENTS INCORPORATED, CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO  
ASSOCIATED STUDENTS INCORPORATED, SAN DIEGO STATE UNIVERSITY  
ASSOCIATED STUDENTS INCORPORATED, SAN FRANCISCO STATE UNIVERSITY  
ASSOCIATED STUDENTS INCORPORATED, SAN JOSE STATE UNIVERSITY  
ASSOCIATED STUDENTS INCORPORATED, SONOMA STATE UNIVERSITY  
ASSOCIATED STUDENTS, HUMBOLDT STATE UNIVERSITY  
CALIFORNIA POLYTECHNIC CORPORATION  
CALIFORNIA POLYTECHNIC POMONA FOUNDATION  
CALIFORNIA STATE FULLERTON UNIVERSITY AUXILIARY SERVICES CORPORATION  
CALIFORNIA STATE LOS ANGELES UNIVERSITY AUXILIARY SERVICES, INC.  
CALIFORNIA STATE UNIVERSITY BAKERSFIELD FOUNDATION  
CALIFORNIA STATE UNIVERSITY CHICO RESEARCH FOUNDATION  
CALIFORNIA STATE UNIVERSITY LONG BEACH FOUNDATION  
CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION  
CALIFORNIA STATE UNIVERSITY, EAST BAY FOUNDATION, INCORPORATED  
CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION  
CESAR CHAVEZ STUDENT CENTER, SAN FRANCISCO STATE UNIVERSITY  
DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION INCORPORATION, CALIFORNIA  
STATE UNIVERSITY, DOMINGUEZ HILLS  
FORTY-NINER SHOPS, INC. CALIFORNIA STATE LONG BEACH  
HUMBOLDT STATE UNIVERSITY CENTER  
HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAM FOUNDATION  
SAN JOSE STATE UNIVERSITY RESEARCH FOUNDATION  
SANTOS MANUEL STUDENT UNION AT CALIFORNIA STATE UNIVERSITY SAN BERNARDINO  
SPARTAN SHOPS, INC., SAN JOSE STATE UNIVERSITY  
STUDENT UNION OF SAN JOSE STATE UNIVERSITY  
THE ATHLETIC CORPORATION, CALIFORNIA STATE UNIVERSITY FRESNO  
THE TOWER FOUNDATION, SAN JOSE STATE UNIVERSITY

ENDORSEMENT (CONTINUED)

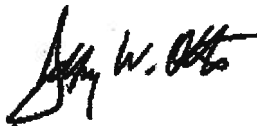
THE UNIVERSITY CORPORATION AT MONTEREY BAY  
THE UNIVERSITY CORPORATION, CALIFORNIA STATE UNIVERSITY NORTHRIDGE  
THE UNIVERSITY CORPORATION, SAN FRANCISCO STATE  
UNIVERSITY AUXILIARY AND RESEARCH SERVICES CORPORATION AT CALIFORNIA STATE  
UNIVERSITY, SAN MARCOS  
UNIVERSITY ENTERPRISES CORPORATION AT CSUSB  
UNIVERSITY ENTERPRISES, INC., CALIFORNIA STATE UNIVERSITY SACRAMENTO  
UNIVERSITY GLEN CORPORATION, CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS  
UNIVERSITY STUDENT UNION OF CALIFORNIA STATE UNIVERSITY, STANISLAUS  
UNIVERSITY STUDENT UNION, CALIFORNIA STATE UNIVERSITY LOS ANGELES  
UNIVERSITY STUDENT UNION, CALIFORNIA STATE UNIVERSITY NORTHRIDGE

No other members shall be considered Insured members unless approved by the CORPORATION and added by endorsement to this Agreement. The effective date of coverage of additional Insured members shall be the effective date of the endorsement. Regardless of the effective date of coverage of an Insured Member, all coverage for all Insured Members shall terminate concurrent with the expiration of the final Liability period. And, further, provided that stipulations by and notices, billings and payments to or by any EMPLOYER shall be binding upon all other EMPLOYERS and Insured Members named herein; providing further, that the inclusion herein of more than one EMPLOYER or Insured Members shall not operate to increase or multiply the Maximum Limit(s) of Indemnity.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4049189, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE, ET AL, dated July 01, 2013.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

ENDORSEMENT

CALIFORNIA CANCELLATION PROVISION

Effective 12:01 A.M., Local Time, July 01, 2013

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

The first sentence of the first paragraph of the Cancellation Section of this Agreement is hereby deleted in its entirety as replaced with the following:

The EMPLOYER may cancel this Agreement by giving the CORPORATION written notice within sixty (60) days prior to the date of cancellation. The CORPORATION may only cancel this Agreement for one or more of the following reasons; however, no notice of cancellation by the CORPORATION shall be effective unless it also complies with the notice requirements of this Endorsement:

- (1) The EMPLOYER'S failure to make any insurance premium payment when due.
- (2) The EMPLOYER'S failure to report payroll, to permit the CORPORATION to audit payroll as required by the terms of the Agreement or of a previous Agreement issued by the CORPORATION, or to pay any additional premium as a result of an audit of payroll as required by the terms of the Agreement or a previous Agreement.
- (3) The EMPLOYER'S material failure to comply with federal or state safety orders or written recommendations of the CORPORATION'S designated loss control representative.
- (4) A material change in any change in the EMPLOYER'S business or operations that materially increases the hazard for frequency or severity of loss, requires additional or different classifications for premium calculations, or contemplates an activity excluded by the CORPORATION'S reinsurance treaties.
- (5) Material misrepresentation by the EMPLOYER or its agent.
- (6) Failure to cooperate with the CORPORATION in the CORPORATION'S investigation of a claim.

This Agreement may not be cancelled by the CORPORATION for the conditions specified in paragraph (1), (2), (5), or (6) above except upon ten (10) days' written notice to the EMPLOYER by the CORPORATION. This Agreement shall not be cancelled by the CORPORATION for the conditions specified in paragraph (3) or (4) above except upon thirty (30) days' written notice to the EMPLOYER by the CORPORATION provided that no notice is required if the EMPLOYER and the CORPORATION consent to the cancellation and the reissuance of the Agreement effective upon a material change in the ownership or operations of the EMPLOYER. If the EMPLOYER remedies the condition to the CORPORATION'S satisfaction within the specified time period, the Agreement shall not be cancelled by the CORPORATION.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4049189, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE, ET AL, dated July 01, 2013.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

ENDORSEMENT

BROAD FORM ALL STATES FOR EMPLOYEE TRAVEL

Effective 12:01 A.M., Local Time, July 01, 2013

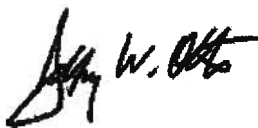
In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that this Agreement shall include the following:

1. If the EMPLOYER undertakes operations in or, at the request of the EMPLOYER, an Employee travels to or is temporarily assigned to, any State not designated in Item 2 of the Declarations, this Agreement applies to such operations, travel or temporary assignment. Should EMPLOYER undertake operations in a state not designated in Item 2 of the Declarations, the EMPLOYER shall give notice to the CORPORATION before or within a reasonable time after the commencement of such operations. The EMPLOYER shall take whatever action is necessary to come within the Workers' Compensation and occupational disease laws of such State.
2. Should an Employee, at the direction of the EMPLOYER, travel to or be temporarily assigned to any State or States not designated in Item 2 of the Declarations, this Agreement shall provide coverage for Loss sustained by the EMPLOYER because of liability imposed upon the EMPLOYER by the Workers' Compensation or Employers' Liability Laws of such non-designated State.
3. This Agreement also applies to Loss sustained by the EMPLOYER because of liability imposed upon the EMPLOYER by the Workers' Compensation and Employers' Liability Laws of such non-designated State.
4. Any Loss covered by this Endorsement shall be subject to all the limitations of this Agreement including but not limited to the Self-Insured Retention Per Occurrence or the Limitation Per Occurrence and the Maximum Limit(s) of Indemnity of the CORPORATION for the Liability Period.
5. The word "State" as used in this Endorsement shall mean any State of the United States of America and the District of Columbia.
6. The insurance afforded by this Endorsement does not cover fines or penalties imposed on the EMPLOYER for failure to comply with the requirements of any Workers' Compensation Law.
7. All of the provisions of this Agreement, insofar as such provisions are not inconsistent herewith, are applicable to the insurance afforded by the Agreement by virtue of this Endorsement.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4049189, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE, ET AL, dated July 01, 2013.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

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ENDORSEMENT

EMPLOYERS' LIABILITY PER OCCURRENCE & AGGREGATE MAXIMUM LIMITS OF LIABILITY

Effective 12:01 A.M., Local Time, July 01, 2013

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

Section B., Insurance Under This Agreement, Specific Excess Insurance, is amended to include:

With respect to each Occurrence taking place within a Liability Period, the CORPORATION agrees to reimburse the EMPLOYER against Loss in excess of the Self-Insured Retention Per Occurrence, subject to the Employers' Liability Maximum Limit of Indemnity Per Occurrence and further subject to an Employers' Liability Aggregate Maximum Limit of Liability with respect to all Occurrences taking place within the Liability Period.

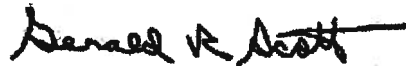
All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4049189, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE, ET AL, dated July 01, 2013.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

ENDORSEMENT

FOREIGN VOLUNTARY WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY

Effective 12:01 A.M., Local Time, July 01, 2013

SECTION 1. SCOPE OF INSURANCE

- A. The insurance afforded by this Agreement also applies to Employees, as defined in Section 2 of this Endorsement, who are employed to work at locations within the following country or countries:

*anywhere in the world outside the United States or United States possessions and territories, except: Afghanistan, Algeria, Belarus, Burma, Burundi, Central African Republic, Chad, Colombia, Cote d'Ivoire, Cuba, Democratic Republic of Congo, Eritrea, Guinea, Haiti, Iran, Iraq, Israel, Kenya, Lebanon, Libya, Mali, Mauritania, Niger, Nigeria, North Korea, Pakistan, Philippines, Republic of South Sudan, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, West Bank and Gaza, Yemen, and Zimbabwe.*

- B. Benefits payable under this Endorsement are the same as those that would be payable if the Employees in question were subject to the Worker's Compensation Law of the following State or States: CALIFORNIA

- C. Benefits payable under this Endorsement shall include repatriation expense in an amount up to \$ 50,000 with respect to any one Employee and as otherwise subject to the CORPORATION'S Foreign Voluntary Endorsement Limit of Liability for Coverage B – Employer's Liability.

- D. The CORPORATION'S Foreign Voluntary Endorsement Limit of Liability for Coverage B – Employer's Liability is limited to \$ 100,000 and applies in excess of the Self-Insured Retention Per Occurrence.

SECTION 2. EMPLOYEES COVERED

- A. It is agreed that the insurance provided by this Agreement also applies to those Employees of the EMPLOYER who are hired or assigned by the EMPLOYER to work at locations within the country or countries not excluded in this Endorsement.

- B. This insurance, with respect to any such Employee, shall attach from the moment such Employee is hired or assigned for such work and shall cease from the moment the employment or assignment for such work is terminated. If the Employee has been hired in the United States of America, coverage continues after termination of employment until the Employee returns to the United States of America or for a reasonable period of time for the opportunity to return to the United States of America, unless termination of employment is due to the Employee's resignation.

- C. This insurance shall not apply to persons other than citizens or residents of the United States of America within the country or countries stated in this Endorsement except as stated herein: NONE.

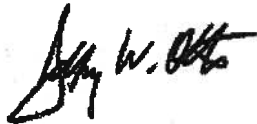
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ENDORSEMENT (CONTINUED)

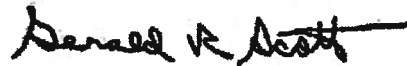
All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4049189, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE, ET AL, dated July 01, 2013.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

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ENDORSEMENT

EXCLUDED BUSINESS OPERATIONS

Effective 12:01 A.M., Local Time, July 01, 2013


In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that this Agreement shall not apply to, and therefore provide no coverage for, Loss due to Occurrences arising out of the following EMPLOYER business Operations:

Operations and Employees of AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE that are separately insured by a subsidiary of the CORPORATION under a Workers' Compensation and Employers' Liability Policy.

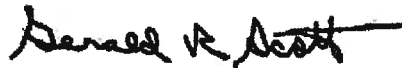
All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4049189, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE, ET AL, dated July 01, 2013.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

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ENDORSEMENT

EMPLOYERS' LIABILITY MAXIMUM LIMIT AND AGGREGATE MAXIMUM LIMIT OF INDEMNITY

Effective 12:01 A.M., Local Time, July 01, 2013

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

DECLARATIONS is amended as follows:

- Item 8. (b) (1) Employers' Liability Maximum Limit of Indemnity Per Occurrence: \$ 1,000,000  
(2) Employers' Liability Aggregate Maximum Limit of Liability with respect to all Occurrences taking place within the Liability Period: \$ 1,000,000

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4049189, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE, ET AL, dated July 01, 2013.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

ENDORSEMENT

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

Effective 12:01 A.M., Local Time, July 01, 2013

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

Coverage for workers' compensation losses caused by certified acts of terrorism is included in this Agreement as set forth under the Terrorism Risk Insurance Act of 2002 as amended ("the Act").

For purposes of this Endorsement, a "certified act of terrorism" is defined as any act:

- a. That is certified by the Secretary of the Treasury in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism; and,
- b. That is violent or dangerous to human life, property or infrastructure; and,
- c. That results in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and,
- d. That has been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Coverage for such losses is still subject to all terms, definitions, exclusions, and conditions in your Agreement, and any applicable federal and/or state laws, rules, or regulations. Under the Act, terrorism losses would be partially reimbursed by the U.S. Government under a formula established by the Act. Under this formula, the U.S. Government would generally reimburse 85% of covered terrorism losses exceeding a deductible paid by the CORPORATION. The Act contains a \$100 billion cap that limits the reimbursement from the U.S. Government as well as from all insurers. If aggregate insured losses for all insurers exceed \$100 billion, the EMPLOYER's coverage may be reduced.

The portion of the EMPLOYER'S annual premium that is attributable to coverage for losses caused by a certified act of terrorism is: 0.5%.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4049189, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE, ET AL, dated July 01, 2013.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

## ENDORSEMENT

## CALIFORNIA SHORT RATE CANCELLATION PROVISION - SPECIFIC EXCESS

Effective 12:01 A.M., Local Time, July 01, 2013

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, the following is hereby understood and agreed.

The second paragraph of the Cancellation Section of this Agreement is deleted in its entirety and replaced by the following:

If cancellation is effected by the EMPLOYER, the Manual or Standard Premium shall be determined by the short rate table below, and the Earned Premium shall be the product of the Premium Rate shown in the Declarations, times the Manual or Standard Premium ( or the Total Annual Remuneration) so arrived at, but not less than the Minimum Premium specified in the Declarations. Nothing in this Endorsement shall preclude, while an Agreement is in force, changes in the premium rate required or authorized by law, regulation, or order of the California Commissioner of Insurance, or otherwise agreed to between the EMPLOYER and CORPORATION.

## CALIFORNIA SHORT RATE CANCELLATION TABLE

Days Policy In Force	Percent of One Year Premium	Days Policy In Force	Percent of One Year Premium	Days Policy In Force	Percent of One Year Premium
1	5%	95 - 98	37%	219 - 223	69%
2	6%	99 - 102	38%	224 - 228	70%
3 - 4	7%	103 - 105	39%	229 - 232	71%
5 - 6	8%	106 - 109	40%	233 - 237	72%
7 - 8	9%	110 - 113	41%	238 - 241	73%
9 - 10	10%	114 - 116	42%	242 - 246	(8 mos.) 74%
11 - 12	11%	117 - 120	43%	247 - 250	75%
13 - 14	12%	121 - 124	(4 mos.) 44%	251 - 255	76%
15 - 16	13%	125 - 127	45%	256 - 260	77%
17 - 18	14%	128 - 131	46%	261 - 264	78%
19 - 20	15%	132 - 135	47%	265 - 269	79%
21 - 22	16%	136 - 138	48%	270 - 273	(9 mos.) 80%
23 - 25	17%	139 - 142	49%	274 - 278	81%
26 - 29	18%	143 - 146	50%	279 - 282	82%
30 - 32	(1 mo.) 19%	147 - 149	51%	283 - 287	83%
33 - 36	20%	150 - 153	(5 mos.) 52%	288 - 291	84%
37 - 40	21%	154 - 156	53%	292 - 296	85%
41 - 43	22%	157 - 160	54%	297 - 301	86%

ENDORSEMENT (CONTINUED)

CALIFORNIA SHORT RATE CANCELLATION TABLE (CONTINUED)


Days Policy In Force	Percent of One Year Premium	Days Policy In Force	Percent of One Year Premium	Days Policy In Force	Percent of One Year Premium
44 - 47	23%	161 - 164	55%	302 - 305	(10 mos.) 87%
48 - 51	24%	165 - 167	56%	306 - 310	88%
52 - 54	25%	168 - 171	57%	311 - 314	89%
55 - 58	26%	172 - 175	58%	315 - 319	90%
59 - 62	(2 mos.) 27%	176 - 178	59%	320 - 323	91%
63 - 65	28%	179 - 182	(6 mos.) 60%	324 - 328	92%
66 - 69	29%	183 - 187	61%	329 - 332	93%
70 - 73	30%	188 - 191	62%	333 - 337	(11 mos.) 94%
74 - 76	31%	192 - 196	63%	338 - 342	95%
77 - 80	32%	197 - 200	64%	343 - 346	96%
81 - 83	33%	201 - 205	65%	347 - 351	97%
84 - 87	34%	206 - 209	66%	352 - 355	98%
88 - 91	(3 mos.) 35%	210 - 214	(7 mos.) 67%	356 - 360	99%
92 - 94	36%	215 - 218	68%	361 - 365	(12 mos.) 100%

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4049189, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE, ET AL, dated July 01, 2013.

SAFETY NATIONAL CASUALTY CORPORATION

  
President

  
Secretary