

WORKERS COMPENSATION & EMPLOYERS LIABILITY INSURANCE POLICY
19H WU 09042
Item 1 Insured:

 Joe Smith Might be Longshore, LLC
 123 Ballard St.
 Seattle, WA 98123

Producer:

 Bob's Marine Insurance
 1234 Main Street
 Marineville, WA 91234

Federal Employer Tax Identification No.: 99-99999

Risk Identification No.: N/A

Other workplaces not shown above: None

Form of business organization:
Item 2 Policy period: From 01/01/92 to 01/01/93 at 12:01 A.M. standard time at your mailing address shown above

Item 3 A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation law of the state(s) listed here: None

B. Employers Liability Insurance: Part Two of the policy applies to work in each state listed in Item A. The limits of our liability under Part Two are:

Bodily injury by accident	\$1,000,000 each accident
Bodily injury by disease	\$1,000,000 policy limit
Bodily injury by disease	\$1,000,000 each employee

C. Other states insurance: Part Three of the policy applies to the states, if any, listed here: None

SAMPLE

D. Endorsements and schedules: See WC 99 06 22, Table of Contents

Item 4 Premium: The premium for this policy shall be determined by our rules, classifications, rates and rating plans. All information required below is subject to verification and change by audit.

Classifications	Code	Estimated Annual Remuneration	Rate Per \$100	Estimated Annual Premium
Washington - USL&H				
Outside Sales or Software Installation	8742F	If Any	2.110	0
Balance to Risk Minimum (Terrorism)	0990			900
Minimum Premium \$900	Deposit Premium \$900	Estimated Annual Premium \$900		\$900

Premium audit frequency: Annual

Countersigned by _____ (Authorized Representative)

TABLE OF CONTENTS

Form Title	Form Number	Endorsement Number
<u>Insurance Policy</u>		
Workers Compensation Information Page	WC 00 00 01A (07 11)	
Table of Contents	WC 99 06 22 (10 99)	
Workers Compensation and Employers Liability Insurance Policy	WC 00 00 00C (01 15)	
Longshore and Harbor Workers Compensation Act Coverage		
Endorsement	WC 00 01 06A (04 92)	1
Catastrophe (Other Than Certified Acts of Terrorism) Premium		
Endorsement	WC 00 04 21D (01 15)	2
Terrorism Risk Insurance Program Reauthorization Act Disclosure		
Endorsement	WC 00 04 22B (01 15)	3
Washington Amendatory Endorsement - Washington USL&H		
Assigned Risk Plan	WC 99 06 44 (01 13)	4
Washington USL&H Assigned Risk Program (WARP) Premium		
Payment Options	PN WC 225 (07 14)	
<u>Additional Information and Notices</u>		
Consumer Privacy Statement	PN 184 (07 01)	

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

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

GENERAL SECTION**A. The Policy**

This policy includes at its effective date the Information Page and all endorsements and schedules listed there. It is a contract of insurance between you (the employer named in Item 1 of the Information Page) and us (the insurer named on the Information Page). The only agreements relating to this insurance are stated in this policy. The terms of this policy may not be changed or waived except by endorsement issued by us to be part of this policy.

B. Who Is Insured

You are insured if you are an employer named in Item 1 of the Information Page. If that employer is a partnership, and if you are one of its partners, you are insured, but only in your capacity as an employer of the partnership's employees.

C. Workers Compensation Law

Workers Compensation Law means the workers or workmen's compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page. It includes any amendments to that law which are in effect during the policy period. It does not include any federal workers or workmen's compensation law, any federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

D. State

State means any state of the United States of America, and the District of Columbia.

E. Locations

This policy covers all of your workplaces listed in Items 1 or 4 of the Information Page; and it covers all other workplaces in Item 3.A. states unless you have other insurance or are self-insured for such workplaces.

**PART ONE
WORKERS COMPENSATION INSURANCE****A. How This Insurance Applies**

This workers compensation insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. Bodily injury by accident must occur during the policy period
2. 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 policy period.

B. We Will Pay

We will pay promptly when due the benefits required of you by the workers compensation law.

C. We Will Defend

We have the right and duty to defend at our expense any claim, proceeding or suit against you for benefits payable by this insurance. 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 insurance.

D. We Will Also Pay

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

1. reasonable expenses incurred at our request, but not loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the amount payable under this insurance;
3. litigation costs taxed against you;

4. interest on a judgment as required by law until we offer the amount due under this insurance; and
5. expenses we incur.

E. Other Insurance

We will not pay more than our share of benefits and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that may 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 will be equal until the loss is paid.

F. Payments You Must Make

You are responsible 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; or
4. you discharge, coerce or otherwise discriminate against any employee in violation of the workers compensation law.

If we make any payments in excess of the benefits regularly provided by the workers compensation law on your behalf, you will reimburse us promptly.

G. Recovery From Others

We have your rights, and the rights of persons entitled to the benefits of this insurance, 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 the injury when you have notice.
2. Your default or the bankruptcy or insolvency of you or your estate will not relieve us of our duties under this insurance after an injury occurs.
3. We are directly and primarily liable to any person entitled to the benefits payable by this insurance. Those persons may enforce our duties; so may an agency authorized by law. Enforcement may be against us or against you and us.
4. 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 policy that are not in conflict with that law.
5. This insurance conforms to the parts of the workers compensation law that apply to:
 - a. benefits payable by this insurance;
 - b. special taxes, payments into security or other special funds, and assessments payable by us under that law.
6. Terms of this insurance that conflict with the workers compensation law are changed by this statement to conform to that law.

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

PART TWO EMPLOYERS LIABILITY INSURANCE

A. How This Insurance Applies

This employers liability insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

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 a state or territory listed in Item 3.A. of the Information Page.
3. Bodily injury by accident must occur during the policy period.
4. 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 policy period.
5. If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

B. We Will Pay

We will pay all sums that you legally must pay as damages because of bodily injury to your employees, provided the bodily injury is covered by this Employers Liability Insurance.

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 of 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 insurance 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 because of bodily injury to an employee employed in violation of law
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
6. Bodily injury occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily outside these countries
7. Damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions;
8. Bodily injury to any person in work subject to the Longshore and Harbor Workers Compensation Act (33 USC Sections 901-et seq.), the Nonappropriated Fund Instrumentalities Act (5 U.S.C. Sections 8171

et seq.), the Outer Continental Shelf Lands Act (43 U.S.C. Sections 1331 et seq.), the Defense Base Act (42 U.S.C. Sections 1651–1654), the Federal Mine Safety and Health Act (30 U.S.C. Sections 801 et seq. and 901–944), any other federal workers or workmen’s compensation law or other federal occupational disease law, or any amendments to these laws

9. Bodily injury to any person in work subject to the Federal Employers’ Liability Act (45 U.S.C. Sections 51 et seq.), any other federal laws obligating an employer to pay damages to an employee due to bodily injury arising out of or in the course of employment, or any amendments to those laws
10. Bodily injury to a master or member of the crew of any vessel, and does not cover punitive damages related to your duty or obligation to provide transportation, wages, maintenance, and cure under any applicable maritime law;
11. Fines or penalties imposed for violation of federal or state law and
12. Damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. Sections 1801 et seq.) and under any other federal law awarding damages for violation of those laws or regulations issued thereunder, and any amendments to those laws.

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 insurance. 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 insurance. We have no duty to defend or continue defending after we have paid our applicable limit of liability under this insurance.

E. We Will Also Pay

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

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

F. Other Insurance

We will not pay more than our share of damages and costs covered by this insurance and 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. Limits of Liability

Our liability to pay for damages is limited. Our limits of liability are shown in Item 3.B. of the Information Page. They apply as explained below.

1. Bodily Injury by Accident. The limit shown for “bodily injury by accident—each accident” is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.

A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

2. Bodily Injury by Disease. The limit shown for “bodily injury by disease—policy limit” is the most we will pay for all damages covered by this insurance and arising out of bodily injury by disease, regardless of the number of employees who sustain bodily injury by disease. The limit shown for “bodily injury by disease—each employee” is the most we will pay for all damages because of bodily injury by disease to any one employee.

Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

H. Recovery From Others

We have your rights to recover our payment from anyone liable for an injury covered by this insurance. 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 insurance unless:

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

This insurance does not give anyone the right to add us as a defendant in an action against you to determine your liability. The bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this Part.

PART THREE OTHER STATES INSURANCE

A. How This Insurance Applies

1. This other states insurance applies only if one or more states are shown in Item 3.C. of the Information Page.
2. If you begin work in any one of those states after the effective date of this policy and are not insured or are not self-insured for such work, all provisions of the policy will apply as though that state were listed in Item 3.A. of the Information Page.
3. We will reimburse you for the benefits required by the workers compensation law of that

state if we are not permitted to pay the benefits directly to persons entitled to them.

4. If you have work on the effective date of this policy in any state not listed in Item 3.A. of the Information Page, coverage will not be afforded for that state unless we are notified within thirty days.

B. Notice

Tell us at once if you begin work in any state listed in Item 3.C. of the Information Page.

PART FOUR YOUR DUTIES IF INJURY OCCURS

Tell us at once if injury occurs that may be covered by this policy. Your other duties are listed here.

1. Provide for immediate medical and other services required by the workers compensation law.
2. Give us or our agent the names and addresses of the injured persons and of witnesses, and other information we may need.
3. Promptly give us all notices, demands and legal papers related to the injury, claim, proceeding or suit.
4. Cooperate with us and assist us, as we may request, 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.
6. Do not voluntarily make payments, assume obligations or incur expenses, except at your own cost.

PART FIVE - PREMIUM

A. Our Manuals

All premium for this policy will be determined by our manuals of rules, rates, rating plans and classifications. We may change our manuals and

apply the changes to this policy if authorized by law or a governmental agency regulating this insurance.

B. Classifications

Item 4 of the Information Page shows the rate and premium basis for certain business or work classifications. These classifications were assigned based on an estimate of the exposures you would have during the policy period. If your actual exposures are not properly described by those classifications, we will assign proper classifications, rates and premium basis by endorsement to this policy.

C. Remuneration

Premium for each work classification is determined by multiplying a rate times a premium basis. Remuneration is the most common premium basis. This premium basis includes payroll and all other remuneration paid or payable during the policy period for the services of:

1. all your officers and employees engaged in work covered by this policy; and
2. all other persons engaged in work that could make us liable under Part One (Workers Compensation Insurance) of this policy. If you do not have payroll records for these persons, the contract price for their services and materials may be used as the premium basis. This paragraph 2 will not apply if you give us proof that the employers of these persons lawfully secured their workers compensation obligations.

D. Premium Payments

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid.

E. Final Premium

The premium shown on the Information Page, schedules, and endorsements is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis and the proper classifications

and rates that lawfully apply to the business and work covered by this policy. If the final premium is more than the premium you paid to us, you must pay us the balance. If it is less, we will refund the balance to you. The final premium will not be less than the highest minimum premium for the classifications covered by this policy.

If this policy is canceled, final premium will be determined in the following way unless our manuals provide otherwise:

1. If we cancel, final premium will be calculated pro rata based on the time this policy was in force. Final premium will not be less than the pro rata share of the minimum premium.
2. If you cancel, final premium will be more than pro rata; it will be based on the time this policy was in force, and increased by our short-rate cancellation table and procedure. Final premium will not be less than the minimum premium.

F. 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.

G. Audit

You will let us examine and audit all your records that relate to this policy. 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 policy period and within three years after the policy period ends. Information developed by audit will be used to determine final premium. Insurance rate service organizations have the same rights we have under this provision.

PART SIX - CONDITIONS

A. Inspection

We have the right, but are not obliged to inspect your workplaces at any time. Our inspections are not safety inspections. They relate only to the

insurability of the workplaces and the premiums to be charged. We may give you reports on the conditions we find. We may also recommend changes. While they may help reduce losses, we do not undertake to perform the duty of any person to provide for the health or 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. Insurance rate service organizations have the same rights we have under this provision.

B. Long Term Policy

If the policy period is longer than one year and sixteen days, all provisions of this policy will apply as though a new policy were issued on each annual anniversary that this policy is in force.

C. Transfer of Your Rights and Duties

Your rights or duties under this policy may not be transferred without our written consent.

If you die and we receive notice within thirty days after your death, we will cover your legal representative as insured.

D. Cancellation

1. You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancellation is to take effect.
2. We may cancel this policy. We must mail or deliver to you not less than ten days advance written notice stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.
3. The policy period will end on the day and hour stated in the cancellation notice.
4. Any of these provisions that conflict with a law that controls the cancellation of the insurance in this policy is changed by this statement to comply with the law.

E. Sole Representative

The insured first named in Item 1 of the Information Page will act on behalf of all insureds to change this policy, receive return premium, and give or receive notice of cancellation.

Your policy has been signed by our President, but is not valid until countersigned on the Information Page by our authorized representative.

Alaska National Insurance Company (a stock company)
7001 Jewel Lake Road
Anchorage, AK 99502
Phone: (907) 248-2642

Craig L. Nodtvedt
President

Includes copyright material of the National Council on Compensation Insurance, Inc. used with its permission.

LONGSHORE AND HARBOR WORKERS COMPENSATION ACT COVERAGE ENDORSEMENT

This endorsement applies only to work subject to the Longshore and Harbor Workers Compensation Act in a state shown in the Schedule. The policy applies to that work as though that state were listed in Item 3A. of the Information Page.

General Section C. **Workers Compensation Law** is replaced by the following:

C. Workers Compensation Law

Workers Compensation Law means the workers or workmen's compensation law and occupational disease law of each state or territory named in Item 3A. of the Information Page and the Longshore and Harbor Workers Compensation Act (33 USC Sections 901-950). It includes any amendments to those laws that are in effect during the policy period. It does not include any other federal workers or workmen's compensation law, other federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

Part Two (Employers Liability Insurance), C. Exclusions., exclusion 8, does not apply to work subject to the Longshore and Harbor Workers Compensation Act.

This endorsement does not apply to work subject to the Defense Base Act, the Outer Continental Shelf Lands Act, or the Nonappropriated Fund Instrumentalities Act.

The rates for classifications with code numbers not followed by the letter "F" are rates for work not ordinarily subject to the Longshore and Harbor Workers Compensation Act. If this policy covers work under such classifications, and if the work is subject to the Longshore and Harbor Workers Compensation Act, those non-F classification rates will be increased by the Longshore and Harbor Workers Compensation Act Coverage Percentage shown in the Schedule.

SCHEDULE

<u>State</u>	<u>Longshore and Harbor Workers Compensation Act Coverage Percentage</u>
Washington	Included in rates

This endorsement changes the policy to which it is attached and, unless otherwise stated, is effective on the date issued at 12:01 A.M. standard time at your mailing address shown in the policy. **The information below is required only when this endorsement is issued subsequent to commencement of the policy.**

Endorsement Effective _____ Policy No. _____

Insured _____ Endorsement No. 1

Countersigned By _____

CATASTROPHE (OTHER THAN CERTIFIED ACTS OF TERRORISM) PREMIUM ENDORSEMENT

This endorsement is notification that your insurance carrier is charging premium to cover the losses that may occur in the event of a Catastrophe (other than Certified Acts of Terrorism) as that term is defined below. Your policy provides coverage for workers compensation losses caused by a Catastrophe (other than Certified Acts of Terrorism). This premium charge does not provide funding for Certified Acts of Terrorism contemplated under the Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement (WC 00 04 22 B), attached to this policy.

For purposes of this endorsement, the following definitions apply:

- Catastrophe (other than Certified Acts of Terrorism): Any single event, resulting from an Earthquake, Noncertified Act of Terrorism, or Catastrophic Industrial Accident, which results in aggregate workers compensation losses in excess of \$50 million.
- Earthquake: The shaking and vibration at the surface of the earth resulting from underground movement along a fault plane or from volcanic activity.
- Noncertified Act of Terrorism: An event that is not certified as an Act of Terrorism by the Secretary of Treasury pursuant to the Terrorism Risk Insurance Act of 2002 (as amended) but that meets all of the following criteria:

- a. It is an act that is violent or dangerous to human life, property, or infrastructure;
- b. The act results in damage within the United States, or outside of the United States in the case of the premises of United States missions or air carriers or vessels as those terms are defined in the Terrorism Risk Insurance Act of 2002 (as amended); and
- c. It is an act 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.

- Catastrophic Industrial Accident: A chemical release, large explosion, or small blast that is localized in nature and affects workers in a small perimeter the size of a building.

The premium charge for the coverage your policy provides for workers compensation losses caused by a Catastrophe (other than Certified Acts of Terrorism) is shown in Item 4 of the Information Page or in the Schedule below.

SCHEDULE

As per Item 4 of the Workers Compensation Information Page

This endorsement changes the policy to which it is attached and, unless otherwise stated, is effective on the date issued at 12:01 A.M. standard time at your mailing address shown in the policy. **The information below is required only when this endorsement is issued subsequent to commencement of the policy.**

Endorsement Effective

Policy No.

Insured

Endorsement No. 2

Countersigned By _____

TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT DISCLOSURE ENDORSEMENT

This endorsement addresses the requirements of the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2015. It serves to notify you of certain limitations under the Act, and that your insurance carrier is charging premium for losses that may occur in the event of an Act of Terrorism.

Your policy provides coverage for workers compensation losses caused by Acts of Terrorism, including workers compensation benefit obligations dictated by state law. Coverage for such losses is still subject to all terms, definitions, exclusions, and conditions in your policy, and any applicable federal and/or state laws, rules, or regulations.

Definitions

The definitions provided in this endorsement are based on and have the same meaning as the definitions in the Act. If words or phrases not defined in this endorsement are defined in the Act, the definitions in the Act will apply.

“Act” means the Terrorism Risk Insurance Act of 2002, which took effect on November 26, 2002, and any amendments thereto, including any amendments resulting from the Terrorism Risk Insurance Program Reauthorization Act of 2015.

“Act of Terrorism” means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States as meeting all of the following requirements:

- a. The act is an act of terrorism.
- b. The act is violent or dangerous to human life, property or infrastructure.
- c. The act resulted in damage within the United States, or outside of the United States in the case of the premises of United States missions or certain air carriers or vessels.
- d. The act 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.

“Insured Loss” means any loss resulting from an act of terrorism (and, except for Pennsylvania, including an act of war, in the case of workers compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if the loss occurs in the United States or at the premises of United States missions or to certain air carriers or vessels.

“Insurer Deductible” means, for the period beginning on January 1, 2015, and ending on December 31, 2020, an amount equal to 20% of our direct earned premiums, during the immediately preceding calendar year.

Limitation of Liability

The Act limits our liability to you under this policy. If aggregate Insured Losses exceed \$100,000,000,000 in a calendar year and if we have met our Insurer Deductible, we are not liable for the payment of any portion of the amount of Insured Losses that exceeds \$100,000,000,000; and for aggregate Insured Losses up to \$100,000,000,000, we will pay only a pro rata share of such Insured Losses as determined by the Secretary of the Treasury.

Policyholder Disclosure Notice

1. Insured Losses would be partially reimbursed by the United States Government. If the aggregate industry Insured Losses exceed:
 - a. \$100,000,000, with respect to such Insured Losses occurring in calendar year 2015, the United States Government would pay 85% of our Insured Losses that exceed our Insurer Deductible.
 - b. \$120,000,000, with respect to such Insured Losses occurring in calendar year 2016, the United States Government would pay 84% of our Insured Losses that exceed our Insurer Deductible.
 - c. \$140,000,000, with respect to such Insured Losses occurring in calendar year 2017, the United States Government would pay 83% of our Insured Losses that exceed our Insurer Deductible.

- d. \$160,000,000, with respect to such Insured Losses occurring in calendar year 2018, the United States Government would pay 82% of our Insured Losses that exceed our Insurer Deductible.
 - e. \$180,000,000, with respect to such Insured Losses occurring in calendar year 2019, the United States Government would pay 81% of our Insured Losses that exceed our Insurer Deductible.
 - f. \$200,000,000, with respect to such Insured Losses occurring in calendar year 2020, the United States Government would pay 80% of our Insured Losses that exceed our Insurer Deductible.
- 2. Notwithstanding item 1 above, the United States Government will not make any payment under the Act for any portion of Insured Losses that exceed \$100,000,000,000.
 - 3. The premium charge for the coverage your policy provides for Insured Losses is included in the amount shown in Item 4 of the Information Page or in the Schedule below.

SCHEDULE

As per Item 4 of the Workers Compensation Information Page

This endorsement changes the policy to which it is attached and, unless otherwise stated, is effective on the date issued at 12:01 A.M. standard time at your mailing address shown in the policy. **The information below is required only when this endorsement is issued subsequent to commencement of the policy.**

Endorsement Effective

Policy No.

Insured

Endorsement No. 3

Countersigned By _____

WASHINGTON AMENDATORY ENDORSEMENT - WASHINGTON USL&H ASSIGNED RISK PLAN

This endorsement modifies the insurance provided under the Workers Compensation and Employers Liability policy.

This endorsement applies only to work in Washington.

Part Two (Employers Liability Insurance), Section D. We Will Defend is amended by replacing the second paragraph with the following:

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance. Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under this coverage.

Part Five (Premium), Section E. Final Premium is amended by replacing the second paragraph with the following:

If this policy is canceled, final premium will be determined in the following way:

1. If we cancel, final premium will be calculated pro rata based on the time this policy was in force. Final premium will not be less than the pro rata share of the minimum premium.
2. If you cancel, final premium will not be less than 50% of the minimum premium.

Part Six (Conditions), Condition D. Cancellation and Condition E. Sole Representative of the policy are replaced by these three conditions.

Cancellation

1. You may cancel this policy by giving advance notice of cancellation to us or the broker using one of these methods:
 - a. Written notice by mail, fax or e-mail;
 - b. Surrender of the policy; or
 - c. Verbal notice.
2. Upon receipt of such advance notice, we will cancel this policy effective on the later of the following:
 - a. The date notice is received or the policy is surrendered; or

- b. The date of cancellation requested by you.
3. We may cancel this policy by mailing or delivering to each named insured and to the broker written notice of cancellation, including the actual reason for the cancellation, to the last mailing address known to us, at least:
 - a. 30 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 45 days before the effective date of cancellation if we cancel for any other reason.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If notice is mailed, proof of mailing will be sufficient proof of notice.

Nonrenewal

1. We may elect not to renew this policy by mailing or delivering written notice of nonrenewal, stating the reasons for nonrenewal, to each named insured and to the broker, at their last mailing address known to us. We will mail or deliver these notices at least 45 days before the:
 - a. Expiration of the policy; or
 - b. Anniversary date of this policy if this policy has been written for a term of more than one year.
2. Otherwise, we will renew this policy unless:
 - a. The insured first named fails to pay the renewal deposit premium and submit the renewal application as required by Washington USL&H Assigned Risk Plan rules after we have expressed our willingness to renew to the insured first named and to the insurance broker at least 20 days before the expiration date; or
 - b. Other coverage acceptable to you has been procured prior to the expiration date of the policy.

Sole Representative

The insured first named in Item 1 of the Information Page will act on behalf of all insureds to change this policy, receive return premium or to give us notice of cancelation.

This endorsement changes the policy to which it is attached and, unless otherwise stated, is effective on the date issued at 12:01 A.M. standard time at your mailing address shown in the policy. The information below is required only when this endorsement is issued subsequent to commencement of the policy.

Endorsement Effective

Policy No.

Insured

Endorsement No. 4

Countersigned By _____

WASHINGTON USL&H ASSIGNED RISK PROGRAM (WARP) PREMIUM PAYMENT OPTIONS

Please choose one of the following options:

Mail payment to: Alaska National Insurance Company
Attn: April Chanes
1111 Third Ave, Suite 2600
Seattle, WA 98101

Make Direct Deposit* to: Account Name: Alaska National Insurance Company
Bank: Wells Fargo Bank
Account Number: 1101725249
Bank Routing Number: 125200057

Arrange Wire Transfer* to: Account Name: Alaska National Insurance Company
Bank: Wells Fargo Bank
Account Number: 1101725249
Bank Routing Number: 121000248

***Important Note**

If you choose to make a direct deposit or arrange a wire transfer, it is critical that you send the transaction receipt along with the name of the business for which you are paying. Without this information, we cannot identify the payer and cannot credit the amount received to your policy. This means we cannot confirm binding of your coverage on the desired effective date. The receipt and name of the business should be sent by fax or email the day of the deposit.

PLEASE USE ATTACHED FORM FOR DIRECT DEPOSITS & WIRES

INSTRUCTIONS FOR DIRECT DEPOSIT & WIRES

Your direct deposit/wire should be deposited to the following bank and account number:

Wells Fargo Bank
Account Number: 1101725249
Routing Number: 125200057

Please provide the following information on this document and on your deposit slip: **“VERY IMPORTANT”**

Business Name: _____

Policy Number: _____

Amount: _____

Please email, fax, or mail this document to:

Alaska National Insurance Company
Attn: Accounting Department
7001 Jewel Lake Road
Anchorage, AK 99502
Fax Number: 907-266-9492
Phone Number: 907-248-2642 / 877-248-2642
Email Address: phobbs@alaskanational.com, achanes@alaskanational.com

Your direct deposit will be effective 24 hours after your deposit date.

Thank you.

CONSUMER PRIVACY STATEMENT

Alaska National Insurance Company appreciates the trust that is placed in us when our company is chosen to provide insurance protection. We strive to provide quality insurance products and superior service. In engaging in the insurance buying process with us, you trust us with personal and private information. We will limit the collection and use of such information to the minimum extent necessary to manage our business effectively and deliver superior service.

We are committed to protecting your private information, and we do not sell your information to others.

Please read the following notice about how we collect and use your personal information.

Sources of Information About You

We collect information about you from:

- The insurance application, other forms and information you or your insurance broker or agent submits to us (such as your name, address, locations of your business, social security or FEIN number, assets and past claims history).
- Your business transactions with us (such as your payrolls, revenues, premiums, policy coverage, payment history, and claims information).
- Insurance service organizations, state departments of motor vehicles, consumer reporting agencies, premium auditors or inspection services (such as your credit history, driver records, payroll, and gross income).

Use of Information About You

We treat your information with respect and concern for your privacy. We do not disclose any non-public

personal information about our customers or former customers to anyone except as permitted by law. This may include providing information to the insurance agent who represents you, or other companies that perform support services on our behalf or to other firms that assist us in providing service for your account.

Insurance Brokers/Agents

The insurance broker or agent representing you is not an employee of ours and is not subject to our privacy policy.

Your agent or broker may have information about you that we do not have, and may have a different policy regarding the use and protection of that information. Contact your broker or agent to learn about their privacy practices.

Protecting Your Private Information From Unauthorized Access

We limit employee access to customer information to those employees with a legitimate business reason for such access. We will safeguard, according to strict standards of security and confidentiality, any personal information we receive about you or from you. We will permit only authorized employees, who are trained in the proper handling of our customers' personal information, to have access to that information. Whenever we hire other organizations to provide support services, we will require them to conform to our privacy standards.

Medical Information

We obtain medical information only in connection with claims. We will not use or share personally identifiable medical information for any purpose other than for the administration of claims.