



CSAC EXCESS INSURANCE AUTHORITY

**EXCESS WORKERS' COMPENSATION PROGRAM
MEMORANDUM OF COVERAGE
DECLARATIONS**

- ITEM 1: COVERED PARTY:** El Dorado County
- ITEM 2: MEMORANDUM PERIOD:** From 07/01/2011 to 07/01/2012, 12:01 a.m. local time of the **Covered Party** as stated herein
- ITEM 3: STATE:** California
- ITEM 4: RETENTION AND INDEMNITY:**

A. COVERED PARTY'S RETENTION:

\$ 300,000 each **occurrence**

B. LIMIT OF INDEMNITY:

Statutory (See attached Schedule of Limits and Coverage Providers)


The Authority's limit of indemnity, as set forth in ITEM 4. B includes pooled limits that apply to all Members and all **Covered Parties** combined for all **losses** as a result of any one **occurrence**.

- ITEM 5: MEMORANDUM NUMBER:** EIA 11 EWC-44
- ITEM 6: ESTIMATED PAYROLL:** \$107,462,336
- ITEM 7: DEPOSIT PREMIUM:** \$ 423,071 (includes administrative costs and fees)

This premium is auditable based on final audited payroll

- ITEM 8: FORM AND ENDORSEMENTS ATTACHED AT INCEPTION:** Memorandum of Coverage Form 7/1/2009, Endorsement No. U-1, U-2, U-3, 1, 2

Notice: The limits of indemnity shown below include various reinsurance and excess placements with specific limits which are inclusive and not excess of the limits stated above in Item 4.B.. The limits of indemnity shown in Item 4.B. apply to all Members and all **Covered Parties** combined for all **losses** as a result of any one **occurrence**. Each Coverage Provider listed on the Schedule of Limits and Coverage Providers provides coverage on its own form so there may be some coverage variances as a result of different policy language. Please carefully review all coverage forms.

Countersigned by:  **Date:** September 19, 2011
 Authorized Representative
 CSAC Excess Insurance Authority (CSAC EIA)

**CSAC EXCESS INSURANCE AUTHORITY
EXCESS WORKERS' COMPENSATION PROGRAM
SCHEDULE OF LIMITS AND COVERAGE PROVIDERS
July 1, 2011 to July 1, 2012**

Notice: The limits of indemnity shown below include various reinsurance and excess placements with specific limits which are inclusive and not excess of the limits stated herein. The limits of indemnity shown below apply to all Members and all **Covered Parties** combined for all **losses** as a result of any one **occurrence**. Each Coverage Provider listed below provides coverage on its own form so there may be some coverage variances as a result of different policy language. Please carefully review all coverage forms.

No.	Limit of Indemnity	Coverage	Coverage Provider	Policy Number
A)	\$700,000 excess of \$300,000	Workers' Compensation and Employers' Liability	CSAC Excess Insurance Authority (20% quota share) CastlePoint National Insurance Company (80% quota share)	EIA 11 EWC-44 WSRSWC 100001 04
B)	\$4,000,000 excess of \$1,000,000*	Workers' Compensation and Employers' Liability	CSAC Excess Insurance Authority	EIA 11 EWC-44
C)	\$45,000,000 excess of \$5,000,000	Workers' Compensation	ACE American Insurance Company	WCL C4624431A
D)	Statutory excess of \$50,000,000	Workers' Compensation	National Union Fire Insurance Company of Pittsburg, PA	91-0602

*Reinsured by Wesco Insurance Company and subject to a \$3,500,000 Corridor Retention

**CSAC EXCESS INSURANCE AUTHORITY
EXCESS WORKERS' COMPENSATION PROGRAM
MEMORANDUM OF COVERAGE**

CSAC Excess Insurance Authority (hereinafter Authority) agrees with the **Covered Party** named in the Declarations made a part hereof, in consideration of the payment of the premium and subject to all of the terms of this Memorandum, as follows:

COVERAGE AGREEMENTS

I. APPLICATION OF MEMORANDUM: This Memorandum applies to **loss** sustained by the **Covered Party** because of liability imposed upon the **Covered Party** by:

A. The **Workers' Compensation Act** of California or the **Workers' Compensation Act** of any state other than California, provided that California is the injured **employee's** normal state of employment or residence, or

B. "Employers' Liability"

on account of **bodily injury or occupational disease** sustained by **employees** of the **Covered Party**, while engaged in operations of the **Covered Party**, as a result of **occurrences** taking place during the coverage period and while this Memorandum is in force.

The indemnity afforded by this Memorandum under Coverage Agreement I.B. for **loss** because of liability imposed by "Employers' Liability" applies only as respects such operations in California including **employees** who are regularly engaged in such operations in California but who may be temporarily outside California in connection with such operations. As respects liability imposed by "Employers' Liability", the Authority shall have no obligation to indemnify the **Covered Party** for damages imposed in any lawsuit brought in, or any judgment rendered by, any court outside of the United States of America, its territories or possession, or Canada, or to any action on such judgment wherever brought.

The Authority's liability under Coverage Agreement I.B. includes **bodily injury or occupational disease** to the master and members of the crew of a vessel, subject to the following:

A. The **bodily injury or occupational disease** must occur in the territorial limits of, or the operation of a vessel sailing directly between the ports of the Continental United States of America, Alaska, Hawaii, or Canada.

B. This coverage does not apply to:

1. **bodily injury** or **occupational disease** covered by a protection and indemnity coverage or similar policy issued to or on behalf of the **Covered Party**
 2. The duty to provide transportation, wages, and maintenance.
- II. **RETENTION AND INDEMNITY:** As respects **loss** which the **Covered Party** sustains as a result of each **occurrence**, the **Covered Party** shall retain **loss** in the amount of the **Covered Party's** Retention specified in the Declarations, and the Authority agrees to indemnify the **Covered Party** against **loss** in excess of such Retention. Notwithstanding the application of this Memorandum to **loss** sustained by the **Covered Party** under Coverage Agreements I.A. or I.B., and regardless of the number of entities named in the Declarations, or otherwise qualifying as **Covered Parties**, the maximum amount of the **Covered Party's** Retention and the maximum limit of the Authority's indemnity hereunder shall not exceed the amounts specified in the Declarations.

DEFINITIONS

Wherever used in this Memorandum, the following definition of terms shall apply:

- I. **BODILY INJURY:** The term **bodily injury** shall include death resulting therefrom but shall not include **occupational disease**.
- II. **COMMUNICABLE DISEASE** shall mean a disease caused by an infectious organism, which is transmissible from one source to another, directly or indirectly.
- III. **COVERED PARTY** shall include all entities named in the Declarations and any related "employer" as defined by any applicable **Workers' Compensation Act**.
- IV. **EMPLOYEE:** The term **employee** shall mean, as respects liability imposed upon the **Covered Party** by the **Workers' Compensation Act** of any applicable state, any person performing work which renders the **Covered Party** liable under any **Workers' Compensation Act**, provided such person's normal employment or residence is located in California, for **bodily injury** or **occupational disease** sustained by such person.
- V. **JOINT POWERS AGREEMENT** or **AGREEMENT** shall mean the Joint Powers Agreement, as amended, creating the CSAC Excess Insurance Authority.
- VI. **LOSS:** The term **loss** shall mean only such amounts as are actually paid by the **Covered Party** as benefits under the applicable **Workers' Compensation Act**, or in payment of amounts imposed upon the **Covered Party** by "Employers' Liability", in settlement of claims for such benefits or damages, or satisfaction of

awards or judgments for such benefits and damages, including court costs, interest upon awards or judgments, and allocated investigation, and legal expenses, but the term **loss** shall not include as expenses, salaries paid to **employees** of the **Covered Party**, nor fees and retainers paid to any service organization.

- VII. **OCCUPATIONAL DISEASE:** The term **occupational disease** shall include death resulting therefrom and cumulative injuries.
- VIII. **OCCURRENCE:** (A) All **bodily injury** sustained by one or more **employees**, as a result of a single accident or event, shall be deemed to arise from a single **occurrence**. (B) **Occupational disease** sustained by each **employee** shall be deemed to arise from a separate **occurrence**, and the **occurrence** shall be deemed to take place on the last day of the last exposure, in the employment of the **Covered Party**, to conditions causing or aggravating the disease. C) All **occupational disease** sustained by one or more **employees** as a result of an outbreak of the same **communicable disease** shall be deemed to arise from a single **occurrence**. An outbreak of the same **communicable disease** that spans more than one coverage period shall be deemed to take place during the first such coverage period.
- IX. **WORKERS' COMPENSATION ACT:** The term **Workers' Compensation Act** shall include any separate occupational disease act, but shall not include the non-occupational disability benefit provisions of any such act. The term **Workers' Compensation Act** includes the United States Longshore and Harbor Workers Compensation Act (33 USC Sections 901-950). Coverage for **loss** shall be limited, by amount and time of payment, to the benefits which would be available under the **Workers' Compensation Act** of the state where the injured employee is normally employed, if that law applied.

EXCLUSIONS

Liability under Coverage Agreement I.A. does not apply to:

- I. The **Covered Party's** obligation to pay salary in lieu of temporary disability benefits as required by Labor Code Section 4850 or the **Covered Party's** obligation to pay wages or salary as required by Education Code Sections 44984 and 45192, except to the extent that the **Covered Party** would be obligated to pay temporary disability benefits if Labor Code Section 4850 or Education Code Sections 44984 and 45192 did not apply;
- II. The **Covered Party's** obligations pursuant to Labor Code Section 4856;
- III. Punitive or Exemplary Damages, fines or penalties assessed against or imposed upon the **Covered Party**:

- A. On account of **bodily injury** or **occupational disease** sustained by any **employee**; or
- B. On account of the conduct of the **Covered Party** or any of its agents (i) in the investigation, trial or settlement of any claim for benefits under the applicable **Workers' Compensation Act** or for damages at law, or (ii) in failing to pay or delaying the payment of any such benefits or damages; or
- C. On account of violation of any statute or regulation; or
- D. On account of **bodily injury** or **occupational disease** intentionally caused or aggravated by the **Covered Party**; or
- E. On account of **bodily injury** arising out of termination of employment; or
- F. On account of **bodily injury** arising out of the coercion, demotion, reassignment, discipline, defamation, harassment or humiliation of, or discrimination against any **employee**.

Liability under Coverage Agreement I.B. does not apply to:

- I. Liability assumed by the **Covered Party** under any contractual agreement;
- II. **Bodily injury** or **occupational disease** to an employee while employed in violation of law with the actual knowledge of the **Covered Party**;
- III. Any obligation imposed by a workers' compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
- IV. **Bodily injury** or **occupational disease** intentionally caused or aggravated by the **Covered Party**;
- V. Loss arising out of the coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any **employee** or any personnel practices, policies, acts or omissions;
- VI. Fines or penalties assessed against or imposed upon the **Covered Party** on account of violation of any statute or regulation;
- VII. Loss arising out of operations for which the **Covered Party** has violated or failed to comply with any Workers' Compensation Law;

- VIII. Loss arising out of operations for which the **Covered Party** has rejected any Workers' Compensation Law;
- IX. Punitive or Exemplary Damages, fines or penalties assessed against or imposed upon the **Covered Party**:
- A. On account of **bodily injury** or **occupational disease** sustained by any **employee**; or
 - B. On account of the conduct of the **Covered Party** or any of its agents (i) in the investigation, trial or settlement of any claim for benefits under the applicable **Workers' Compensation Act** or for damages at law, or (ii) in failing to pay or delaying the payment of any such benefits or damages; or
 - C. On account of violation of any statute or regulation; or
 - D. On account of **bodily injury** or **occupational disease** intentionally caused or aggravated by the **Covered Party**; or
 - E. On account of **bodily injury** arising out of termination of employment; or
 - F. On account of **bodily injury** arising out of the coercion, demotion, reassignment, discipline, defamation, harassment or humiliation of, or discrimination against any **employee**.

CONDITIONS

- I. **PREMIUMS:** The Board of Directors of the Authority shall assess the premium for the Excess Workers' Compensation Program to participating **Covered Parties**. Such premiums shall be calculated in accordance with Article 14 of the **Joint Powers Agreement**.
- II. **VOLUNTEERS:** This Memorandum shall apply to **loss** on account of **bodily injury** or **occupational disease** sustained by volunteer workers while acting within the scope of their duties for or on behalf of the **Covered Party**, provided that, prior to the **occurrence**, the Governing Board of the **Covered Party** has adopted a resolution as provided in Division 4, Part 1, Chapter 2, Article 2, of the California Labor Code, declaring such volunteer workers to be **employees** of the **Covered Party** for purposes of the **Workers' Compensation Act**; or provided that such volunteer workers are statutorily deemed by the **Workers' Compensation Act** to be **employees** for the purposes of workers' compensation.

- III. ADMINISTRATION AND REPORTING OF CLAIMS: The **Covered Party** shall be responsible for the investigation, settlement, defense or appeal of any claim made or suit brought, or proceeding instituted against the **Covered Party**, and the **Covered Party** shall have the duty to give immediate notice to the Authority upon learning of any of the following:
- A. Any **occurrence** for which total incurred (paid to date plus remaining reserves) exceeds 50% of the **Covered Party's** Retention;
 - B. Any **occurrence** which causes serious injury to two or more **employees**;
 - C. Any **occurrence** which results in:
 - 1. A fatality;
 - 2. An amputation of a major extremity;
 - 3. Any serious head injury (including skull fracture or loss of sight of either or both eyes);
 - 4. Any injury to the spinal cord;
 - 5. Any second or third degree burn of 25% or more of the body;
 - 6. A permanent total disability as defined in the **Workers' Compensation Act** of the State of California;
 - D. The reopening of any case in which a further award might exceed 50% of the **Covered Party's** retention.

The **Covered Party** shall not make any voluntary settlement or voluntarily make a lump sum payment or commutation or one-time payment in lieu of periodic indemnity payments to **employees** or their dependents involving **loss** to the Authority except with the prior written consent of the Authority.

The **Covered Party** shall promptly forward to the Authority any requested information on individual **occurrences** claims, or cases, and shall provide such information to the Authority within thirty (30) days in a form satisfactory to the Authority, including the amounts paid and the estimated future payments or outstanding reserves.

The Authority, at its own election and expense, shall have the right to participate with the **Covered Party** in, or to assume in the name of the **Covered Party**, control over the investigation, settlement, defense, or appeal of any claim, suit, or proceeding which might involve liability of the Authority.

- IV. SERVICE ORGANIZATION: As a condition precedent to recovery hereunder, it is agreed that the **Covered Party** will engage one or more service organizations and/or in-house staff acceptable to the Authority to perform on behalf of the **Covered Party**, and without charge to the Authority, such services as may be

acceptable to the Authority during the currency of this Memorandum and until the final settlement of all claims arising out of **occurrences** which take place while this Memorandum is in force. The performance of such services shall not constitute any undertaking on behalf of the Authority, nor relieve the **Covered Party** of any of its obligations under the terms of this Memorandum.

- V. **ASSISTANCE AND COOPERATION:** In the event the Authority elects to participate with the **Covered Party** in, or to assume in the name of the **Covered Party**, control over the investigation, defense, or appeal of any claim, suit, or proceeding, the **Covered Party** shall cooperate to the fullest extent with the Authority and its representatives.

Upon the Authority's request, the **Covered Party** shall direct its service organization and/or other representatives to cooperate with and assist the Authority in all matters relative to such investigation, settlement, defense, or appeal.

If the Authority elects to assume control as described above, the Authority shall give written notice of such election to the **Covered Party**. Upon receipt of such written notice, the **Covered Party** shall not, except at its own cost, voluntarily make any payment, assume any obligation, or incur any expense other than such immediate medical or other services at the time of injury as are required by the **Workers' Compensation Act** or such immediate medical and surgical relief as may become imperative at the time of an **occurrence**.

- VI. **LOSS PAYABLE:** The Authority shall pay any **loss** for which it may be liable under this Memorandum in the following manner:
- A. As respects Coverage Agreements I.A., payment shall first be made by the **Covered Party** in accordance with the provisions of the **Workers' Compensation Act**, and the Authority shall reimburse the **Covered Party** for such **loss** periodically, at intervals of not less than one (1) month, upon receipt from the **Covered Party** of proofs of payment which is acceptable to the Authority in content and form.
 - B. As respects Coverage Agreement I.B., liability under this Memorandum with respect to any **occurrence** shall not attach unless and until the Authority's liability shall have been fixed and rendered certain either by final judgment against the **Covered Party** after actual trial or by written agreement of the **Covered Party**, the claimant, and the Authority. Such **losses** shall be due and payable within thirty (30) days after they are respectively claimed and proven in conformity with this Memorandum.
- VII. **PAYMENTS THE COVERED PARTY MUST MAKE:** The **Covered Party** shall be responsible for any payments in excess of the benefits regularly provided by

the **Workers' Compensation Act**, including but not limited to those required because:

- A. of serious and willful misconduct on the part of the **Covered Party**;
- B. the **Covered Party** knowingly employs an employee in violation of the law;
- C. the **Covered Party** fails to comply with a health or safety law or regulation; however, this does not apply to recommendations promulgated by the Joint Commission for Accreditation of Health;
- D. of discharge, coercion, or discrimination against any employee in violation of the **Workers' Compensation Act**;
- E. of claims relating to or in any way arising out of California Labor Code Section 132(a);
- F. of the unreasonable delay or failure to make payments of compensation by or on behalf of the **Covered Party**, including the legal fees associated with defending resulting claims or suits;
- G. the **Covered Party** violates or fails to comply with the **Workers' Compensation Act**.

If the Authority makes any payments on behalf of the Covered Party in excess of the benefits regularly provided by the Workers' Compensation Act, the Covered Party will reimburse the Authority promptly.

- VIII. SUBROGATION: In the event of any payment under this Memorandum, the Authority shall be subrogated, to the extent of such payment, to all the **Covered Party's** rights of recovery therefore, and the **Covered Party** shall execute all papers required and shall do everything that may be necessary to secure such rights. Any amount recovered as a result of such proceedings, together with all expenses necessary to the recovery of any such amount shall be apportioned as follows: The Authority shall first be reimbursed to the extent of its actual payment hereunder. If any balance then remains, said balance shall be applied to reimburse the **Covered Party**. The expenses of all proceedings necessary to the recovery of such amount shall be apportioned between the **Covered Party** and the Authority in the ratio of their respective recoveries as finally settled. If there should be no recovery in proceedings instituted solely on the initiative of the Authority, the expenses thereof shall be borne by the Authority.
- IX. INSPECTION AND AUDIT: The Authority shall be permitted but not obligated to inspect the **Covered Party's** operations at any time. Neither the Authority's right to make inspections nor the making thereof nor any report thereon shall

constitute an undertaking on behalf of or for the benefit of the **Covered Party** or others to determine or warrant that such operations are safe or harmful, or are in compliance with any law, rule or regulation. The Authority may examine and audit the **Covered Party's** books and records at any time during the currency hereof and until three (3) years after the final settlement of all claims or payments made on account of accident or disease occurring during the term of this Memorandum as far as such books and records relate to the subject matter of this Memorandum.

- X. **OTHER COVERAGE:** If the **Covered Party** has other coverage against a **loss** covered by this Memorandum, the Authority's coverage shall apply in excess of any other coverage.
- XI. **BANKRUPTCY AND INSOLVENCY:** In the event of the bankruptcy or insolvency of the **Covered Party** or any entity comprising the **Covered Party**, the Authority shall not be relieved thereby of the payment of any claims under this Memorandum because of such bankruptcy or insolvency.
- XII. **ASSIGNMENT:** No assignment of the **Covered Party's** interest hereunder shall be binding upon the Authority unless its consent is endorsed hereon.
- XIII. **NOTICE OR PAYMENT:** If more than one entity qualifies as a **Covered Party** under the definition of **Covered Party** or by endorsement to this Memorandum, all notices, stipulations and payments to or by the entity first named in the Declarations shall be binding upon all other **Covered Parties**.
- XIV. **CHANGE OR WAIVER:** The terms of this Memorandum shall not be waived or changed except by endorsement issued to form a part hereof, signed by a duly authorized representative of the Authority.
- XV. **CANCELLATION:** This Memorandum may be canceled by the **Covered Party** only at the end of the Memorandum Period and pursuant to the provisions of Article 20(b) of the **Joint Powers Agreement**. The Authority may cancel this agreement pursuant to the provisions of Article 21 (a)(1) and (a)(2) of the **Joint Powers Agreement** or the Authority's invoice and premium payment policy as established by the Board of Directors. This Memorandum does not apply to any **loss** as a result of any **occurrences** taking place at or after the effective date of any such cancellation.

Any return of unearned premium in the event of cancellation by the Authority shall be determined pursuant to Article 22 of the **Joint Powers Agreement**.

- XVI. **ACCEPTANCE:** By acceptance of this Memorandum, the **Covered Party** agrees that each of the persons, firms or organizations named in the Declarations as the **Covered Party** is, or upon learning of the necessity therefore will become, qualified to operate with the permission of the proper authorities as a self-insurer

under the **Workers' Compensation Act** of California; that the statements in the application for this Memorandum are the **Covered Party's** agreements and representations; that this Memorandum embodies all agreements existing between the **Covered Party** and the Authority or any of its agents relating to this coverage; and that full compliance by the **Covered Party** with all the terms of this Memorandum is a condition precedent to the Authority's liability hereunder.

XVII. CONFORMANCE WITH **WORKERS' COMPENSATION ACT**: Any term of this Memorandum which conflicts with any provision of the California **Workers' Compensation Act** is changed by this provision to conform to said law.

IN WITNESS WHEREOF, the Authority has caused this Memorandum to be executed and attested, but this Memorandum shall not be valid unless countersigned by an authorized representative of the Authority.

ENDORSEMENT NO. U-1

**CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)
EXCESS WORKERS' COMPENSATION**

WAR AMENDATORY ENDORSEMENT

It is understood and agreed that this Memorandum shall not apply to **loss** directly or indirectly caused by, resulting from or in connection with war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, regardless of any other cause or event contributing concurrently or in any sequence to the **loss**.

This Memorandum shall also not apply to **loss** directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to the above.

It is further agreed that nothing herein shall act to increase the Authority's limit of indemnity.

This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

Effective Date:

Memorandum No.: EIA 11 EWC-00

Issued to: ALL MEMBERS

Issue Date: September 19, 2011



Authorized Representative
CSAC Excess Insurance Authority (CSAC EIA)

ENDORSEMENT NO. U-2

CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA) EXCESS WORKERS' COMPENSATION

CLARIFICATION OF COVERAGE AMENDATORY ENDORSEMENT

A. It is understood and agreed that Definition VI. **LOSS** is deleted in its entirety and replaced by the following:

VI. **LOSS**: The term **loss** shall mean only such amounts as are actually paid by the **Covered Party** as benefits under the applicable **Workers' Compensation Act**, or in payment of amounts imposed upon the **Covered Party** by Employers' Liability, in settlement of claims for such benefits or damages, or satisfaction of awards or judgments for such benefits and damages, including court costs, interest upon awards or judgments, and allocated investigation, adjustment and legal expenses, but the term **loss** shall not include as expenses, salaries paid to **employees** of the **Covered Party**, nor fees and retainers paid to any service organization.

Notwithstanding the foregoing, **loss** does not include any amounts paid by the **Covered Party** as benefits, or in payment of amounts imposed upon the **Covered Party** by Employers' Liability, deriving solely from any **Covered Party's** enactment, resolution or other act establishing either a presumption of work-related illness or injury or any other expansion of benefits beyond those prescribed by the applicable **Workers' Compensation Act**. Despite any such enactment resolution or act, the **Covered Party** shall retain the burden of establishing **loss** within the Memorandum of Coverage.

B. It is understood and agreed that Definition IX. **WORKERS' COMPENSATION ACT** is deleted in its entirety and replaced by the following:

WORKERS' COMPENSATION ACT: The term **Workers' Compensation Act** shall include any separate state occupational disease act, but shall not include the non-occupational disability benefit provisions of any such act. The term **Workers' Compensation Act** includes the Merchant Marine Act of 1920 known as the Jones Act (46 USC Section 688) and any amendments thereof.

It is further agreed that nothing herein shall act to increase the Authority's limit of indemnity.

This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

Effective Date:

Memorandum No.: EIA 11 EWC-00

Issued to: ALL MEMBERS

Issue Date: September 19, 2011

A handwritten signature in black ink, appearing to read "Michael Allen", is written over a horizontal line.

Authorized Representative
CSAC Excess Insurance Authority (CSAC EIA)

ENDORSEMENT NO. U-3

**CSAC EXCESS INSURANCE AUTHORITY (CSAC-EIA)
EXCESS WORKERS' COMPENSATION**

CARVE OUT REPORTING REQUIREMENT ENDORSEMENT

It is understood and agreed that the following is added to the **CONDITIONS** section of the Memorandum of Coverage:

XVIII. CARVE OUTS: In the event a **Covered Party** is considering entering into a labor management agreement that establishes an alternative dispute resolution process pursuant to Labor Code Section 3201.7, with one or more bargaining unit(s), to amend any portion of the Workers' Compensation claims process, that proposed carve out agreement must be submitted to the Authority for review prior to implementation. Failure to provide such documentation prior to implementation may result in the benefits provided under such carve out agreement, and any expenses related thereto, not being covered under the Memorandum of Coverage.

It is further agreed that nothing herein shall act to increase the Authority's limit of indemnity.

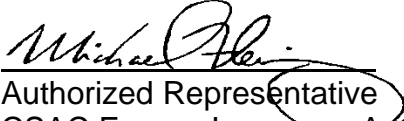
This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

Effective Date:

Memorandum No.: EIA 11 WC 00

Issued to: ALL MEMBERS

Issue Date: September 19, 2011


Authorized Representative
CSAC Excess Insurance Authority (CSAC EIA)

ENDORSEMENT NO. 1

**CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)
EXCESS WORKERS' COMPENSATION**

COVERED PARTY AMENDATORY ENDORSEMENT

It is understood and agreed that the **Covered Party** is amended to read:

El Dorado Air Quality Management District
El Dorado County
El Dorado County Fair Association
El Dorado County Water Agency
El Dorado In Home Supportive Services Public Authority
Sacramento Placerville Transportation Corridor JPA as respects El Dorado County's 28.15 miles
of right of way

It is further agreed that nothing herein shall act to increase the Authority's limit of indemnity.


This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

Effective Date: _____

Memorandum No.: EIA 11 EWC-44

Issued to: El Dorado County

Issue Date: September 19, 2011



Authorized Representative
CSAC Excess Insurance Authority (CSAC EIA)

ENDORSEMENT NO. 2

**CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)
EXCESS WORKERS' COMPENSATION**

WAIVER OF SUBROGATION ENDORSEMENT

The Authority waives its rights of subrogation against the party named below. Coverage provided under this endorsement is limited to the minimum limits required by contract.

County of Placer

As Respects:

Ref. #113-1718-CN912142 between El Dorado County and Placer County

It is further agreed that nothing herein shall act to increase the Authority's limit of indemnity.

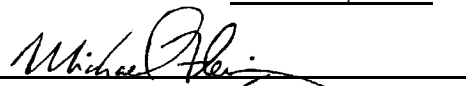
This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

Effective Date: July 1, 2011

Memorandum No: EIA 11 EWC-44

Issued to: El Dorado County

Issue Date: June 28, 2011



Authorized Representative
CSAC Excess Insurance Authority (CSAC EIA)

WSRSWC 100001 04
CSAC EXCESS INSURANCE AUTHORITY

7/1/2011 – 7/1/2012



Standard Workers' Compensation And Employers' Liability Policy

Tower Insurance Company of New York, *A Stock Company*■

Tower National Insurance Company, *A Stock Company*■

Preserver Insurance Company, *A Stock Company*■

Mountain Valley Indemnity Company, *A Stock Company*■

North East Insurance Company, *A Stock Company*■

Hermitage Insurance Company, *A Stock Company*■

Kodiak Insurance Company, *A Stock Company*■

CastlePoint Insurance Company, *A Stock Company*■

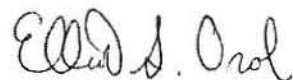
CastlePoint Florida Insurance Company, *A Stock Company*■

CastlePoint National Insurance Company, *A Stock Company*■

In Witness whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative



President



Secretary

EXCESS INSURANCE POLICY FOR SELF-INSURER OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

INFORMATION PAGE

CastlePoint National Insurance Company
222 S. Riverside Plaza Suite 1600
Chicago, IL 60606

ITEM 1.

INSURED: CSAC Excess Insurance Authority (CSAC EIA)
MAILING ADDRESS: 75 Iron Point Circle, Suite 200, Folsom, CA 95630

ITEM 2.

POLICY PERIOD: FROM: 7/1/2011 TO: 7/1/2012 at 12:01 A.M. Standard Time at your
mailing address shown above.

ITEM 3.

STATES (IN WHICH COVERAGE IS TO APPLY): CA

ITEM 4. OUR LIMIT OF INDEMNITY

PART ONE	WORKERS' COMPENSATION INSURANCE	\$ * \$875,000 *maximum being the difference between \$1,000,000 and the individual member's SIR greater than \$125,000	Each Accident
		\$ * \$875,000 *maximum being the difference between \$1,000,000 and the individual member's SIR greater than \$125,000	Each Employee For Disease
PART TWO	EMPLOYERS LIABILITY INSURANCE	\$ * \$875,000 *maximum being the difference between \$1,000,000 and the individual member's SIR greater than \$125,000	Each Accident
		\$ * \$875,000 *maximum being the difference between \$1,000,000 and the individual member's SIR greater than \$125,000	Each Employee For Disease

Quota Share Arrangement: CastlePoint National Insurance Company is taking a 80% Quota Share position of the limits stated above.

ITEM 5. YOUR RETENTIONS (combined for Parts One, Two)

EACH ACCIDENT \$ 125,000 or individual member's SIR, whichever is higher

EACH EMPLOYEE FOR DISEASE \$ 125,000 or individual member's SIR, whichever is higher

Your Retention (Item 5) reduces Our Limit of Indemnity (Item 4)

ITEM 6. PREMIUM AND PREMIUM COMPUTATION

Classification of Operations	Estimated Total Annual Remuneration	Rates per \$100 of Remuneration	Estimated Annual Premium
	\$12,038,489,055	\$ 0.1428 (Estimated rate for 80% Quota Share)	\$17,185,057 (Estimated Total Deposit Premium for 80% Quota Share)
		Total Estimated Annual Premium:	\$17,185,057 (Estimated Total Deposit Premium for 80% Quota Share)
		Minimum Premium	\$12,888,793 (75% of Total Deposit Premium for 80% Quota Share)
		Deposit Premium	\$17,185,057 (Estimated Total Deposit Premium for 80% Quota Share)

ITEM 7.

SERVICE ADMINISTRATOR: On File with CSAC EIA and Provided to CastlePoint National at inception

MAILING ADDRESS: On File with CSAC EIA

ITEM 8. FORM NUMBERS OF ENDORSEMENTS FORMING PART OF THIS POLICY AT THE TIME OF ISSUE

WC AS 0069	WC AS 0092
WC AS 0087	WC AS 0094
WC AS 0088	WC AS 0095
WC AS 0090	WC AS 0096
WC AS 0093	WC AS 0097
WC AS 0098	WC AS 0074
WC AS 0070	WC AS 0076
WC AS 0083	WC AS 0091
WC AS 0075	WC AS 0099
WC AS 0100	WC AS 0101
WC 04 06	WC AS 0078

Countersigned:

By:

(Date)

(Authorized Representative)

EXCESS INSURANCE POLICY FOR SELF-INSURER OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the employer named in Item 1 of the Information Page. The words "we", "us" and "our" refer to the company providing this insurance as indicated on the Information-Page.

In consideration of the payment of the premium as herein provided, and of their respective agreements as herein set forth, the insurance and the party or parties named in the Information Page make a part hereof do hereby agree as follows:

GENERAL SECTION

A. Self-Insurance

Your acceptance of this policy indicates that you are now and will remain until the end of the policy period a duly qualified self-insurer in each state named in Item 3 of the Information Page. If you are not a duly qualified self-insurer with respects to any loss covered by this policy, this policy will apply as if you were qualified.

If you begin work after the effective date of this policy in any state not named in Item 3 of the Information Page, or are not a qualified self-insured for such work, this insurance will apply as though that state were named in Item 3 of the Information Page, or as though you were qualified in that state, but only if you notify us in writing within ninety (90) days from the date you begin such work.

B. The Policy

This policy includes at its effective date the Information Page and all the endorsements or schedules listed in Item 7 of 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.

C. Who Is Insured

You are insured if:

1. you are an employer named in Item 1 of the Information Page;
2. the employer named in Item 1 of the Information Page is a partnership or joint venture, and you are a partner in that partnership or a member of that joint venture, but you are an insured only in your capacity as an employer of employees in the partnership or joint venture.

D. Workers' Compensation Law

Workers' compensation law means the:

1. Workers' or workmen's compensation law and occupational disease law of each state or territory named in Item 3 of the Information Page;
2. Workers' or workmen's compensation law of a state not listed in Item 3 of the Information Page provided:
 - a. the injured employee was working within the scope of his employment, at your direction; and
 - b. the injured employee was regularly employed in a state listed in Item 3 of the Information Page; and
 - c. the work in the other state was incidental to work in a state listed in Item 3 of the Information Page; and
 - d. the work in the other state was temporary and transitory.

Any amendments to the above laws or acts that are in effect during the policy period shall apply.

Workers' compensation law does not include the provisions of any law that provide non-occupational disability benefits.

E. State

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

F. Covered Employees

Covered employees means those employees:

1. who are hired by you, act as a volunteer or board member, and are subject to the Workers' compensation law of a state listed in Item 3 of the Information Page;
2. who are hired by you to work in a state listed in Item 3 of the Information Page but are traveling or temporarily working outside the United States of America;
3. who are hired by you but are not subject to the Workers' compensation law of a state listed in Item 3 of the Information Page; or
4. who are U.S. citizens hired by you and assigned by you to work at locations outside of the United States of America and the District of Columbia.

PART ONE – WORKERS' COMPENSATION INSURANCE

A. How This Insurance Applies

This Workers' compensation insurance applies to loss paid by you as required by the Workers' compensation law for bodily injury (including cumulative trauma) by accident or bodily injury (including cumulative trauma) by disease, and including resulting death, provided:

1. the bodily injury (including cumulative trauma) by accident must occur during the policy period; and
2. the bodily injury (including cumulative trauma) 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 (including cumulative trauma) by disease must occur during the policy period.

B. Loss

Loss means the amount actually paid by you for regular benefits under the Workers' compensation law in effect at the date the accident or disease exposure occurs. Loss includes:

1. the amount paid by you in settlement of claims for regular benefits under the Workers' compensation law;
2. the amount paid by you in satisfaction of awards or judgments for regular benefits under the Workers' compensation law; and
3. court costs, interest upon awards and judgments, and allocated loss expense. Allocated loss expense means investigation, adjustment or legal expenses directly and definitely chargeable to a specific Workers' compensation claim. This subsection 3 does not include:
 - a. Salaries of employees and office expenses, or penalties or assessments against you, incurred in investigation, adjustment and litigation.
 - b. Fees paid to the organization handling your claims and performing other insurance services for you.
 - c. Taxes paid by you or other expenses incurred in qualifying for and maintaining your self-insurer's status.

4. Reasonable and customary managed care and/or medical management costs except those costs billed as a percent of savings fees charged to reduce medical bills to prevailing usual and customary rates or state mandated fee schedules.

C. Voluntary Compensation Coverage

Part One - Workers' Compensation Insurance, paragraph B. Loss shall also mean the amount of benefits paid by you in accordance with your self-insurance plan because of bodily injury by accident or bodily injury by disease sustained by any employee described in General Section F. Covered Employees, Items 2 and 3 for benefits as described under the Workers' Compensation Law of the state where the employee is normally employed or resides, or with respect to General Section F. Covered Employees, Item 4, for benefits as described under the Workers' Compensation Law of a state you designate, provided that state is named in Item 3 of the Information Page.

This voluntary compensation coverage also applies to:

1. bodily injury by disease endemic to a region outside the United States of America; and
2. such additional expenses as reasonably may be incurred over and above normal transportation costs for repatriation of employees who sustain a bodily injury while working or traveling outside the United States of America to a destination in the United States of America.

This voluntary compensation coverage will be reduced, in the event the employee is eligible for benefits under a foreign Workers' compensation law for which you are paying premiums, by any benefits payable under that foreign law.

This voluntary compensation coverage does not apply:

1. if the employee is entitled to benefits under any Workers' compensation law; or
2. in the event an employee who receives benefit payments from you for bodily injury brings a common law action against you based on that bodily injury, in which event, Part Two - Employers Liability Insurance of this policy will apply.

D. Exclusions

Part One - Workers' Compensation Insurance does not cover:

1. loss arising out of operations for which you have rejected any Workers' compensation law;
2. loss insured by a standard Workers' Compensation & Employers Liability Insurance Policy;
3. loss payable under the Workers' compensation law of any state which is not shown in Item 3 of the Information Page, if you are protected from the loss by any other insurance; or
4. any assessment made upon self-insurers, whether imposed by statute, regulation or otherwise.

E. Defense

We have no duty to investigate, handle, settle or defend any claim, suit or proceeding against you. However, we have the right and shall be given the opportunity by you to associate with you in the defense, investigation, handling, settlement or defense of any claim, suit or proceeding which might involve a loss to us. In such an association, you shall promptly cooperate with us in all aspects of investigation, handling, settlement or defense.

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; however, this does not apply to recommendations promulgated by the Joint Commission for Accreditation of Health;
4. you discharge, coerce or otherwise discriminate against any employee in violation of the Workers' compensation law; or
5. you violate or fail to comply with any Workers' compensation law.

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

G. Statutory Provision

Terms of this insurance that conflict with the Workers' compensation law are changed by this statement to conform to that law.

PART TWO - EMPLOYERS LIABILITY INSURANCE

A. How This Insurance Applies

This Employers Liability Insurance applies to loss paid by you for bodily injury (including cumulative trauma) by accident or bodily injury (including cumulative trauma) by disease, and including resulting death, provided that:

1. the bodily injury must arise out of and in the course of the injured employee's employment by you;
2. the injured employee must be normally employed in a state listed in Item 3 of the Information Page, and the employment, must be necessary or incidental to your work in a state or territory listed in Item 3 of the Information Page, or as otherwise defined in this policy;
3. the bodily injury (including cumulative trauma) by accident must occur during the policy period;
4. the bodily injury (including cumulative trauma) by disease must be caused or aggravated by the conditions of your employment. The employee's last day of exposure to the conditions causing or aggravating such bodily injury (including cumulative trauma) by disease must occur during the policy period;
5. bodily injury does not arise out of a claim for discrimination.

If you are sued, the original suit and any related legal actions for damages for bodily injury (including cumulative trauma) by accident or bodily injury (including cumulative trauma) by disease must be brought in the United States of America.

B. Loss

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

1. the amount paid by you in settlement of claims for legal damages;
2. the amount paid by you in satisfaction of awards or judgments for damages; and
3. court costs, interest upon awards and judgments, and allocated loss expense. Allocated loss expense means investigation, adjustment or legal expenses directly and definitely chargeable to a specific Workers' compensation claim. This subsection 3 does not include:
 - a. Salaries of employees and office expenses, or penalties or assessments against you, incurred in investigation, adjustment and litigation.
 - b. Fees paid to the organization handling your claims and performing other insurance services for you.
 - c. Taxes paid by you or other expenses incurred in qualifying for and maintaining your self-insurer's status.

However, loss does not include post judgment interest resulting from unnecessary delays caused by the administrator.

4. Reasonable managed care and/or medical management costs except those costs billed as a percent of savings fees charged to reduce medical bills to prevailing usual and customary rates or state mandated fee schedules.

C. Damages

Damages include:

1. damages for which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against such third party as a result of injury to your employee;
2. damage for care and loss of services;
3. damages 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. damages 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.

D. Stop Gap Insurance

If, it is determined by the State Workers' Compensation board or any other regulatory authority that any employee of yours, who is reported and declared under the Workers' compensation law(s) of the state of North Dakota, Ohio, Washington and Wyoming, sustains bodily injury by accident or bodily injury by disease in the course of his/her employment by you, but is not entitled to receive (or elects not to accept) the benefits provided by the aforementioned law, then this policy shall cover you for loss arising from such bodily injury by accident or bodily injury by disease in excess of Your Retention as stated in Item 5 of the Information Page.

This Stop Gap Insurance shall not apply to:

1. any premium assessment, penalty, fine or other obligation imposed by any Workers' compensation law;
2. bodily injury, disease or death suffered or caused by any person knowingly employed by you in violation of any law as to age, or under the age of 14 years, regardless of such law;
3. bodily injury, disease or death suffered or caused by any employee whose remuneration has not been

included in the total remuneration upon which the premium for this policy is based; or

4. any claim for bodily injury, disease or death with respect to which you are deprived of any defense or defenses or are otherwise subject to penalty because of default in premium payment under, or any other failure to comply with, the provisions of the Workers' compensation law or laws of the states named above.

Our Limit of Indemnity for Stop Gap Insurance is stated in Item 4 of the Information Page.

E. Exclusions

This insurance does not cover:

1. liability assumed under a contract;
2. 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;
3. any obligation imposed by a Workers' compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
4. bodily injury caused intentionally or aggravated by you;
5. 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;
6. fines or penalties imposed for violation of federal or state law;
7. damages arising out of operations for which you have violated or failed to comply with any Workers' compensation law; or
8. damages arising out of operations for which you have rejected any Workers' compensation law;
9. damage arising out of operations for which you are covered under a standard Workers' Compensation & Employers Liability Insurance Policy other than what is provided herein.

F. Defense

We have no duty to investigate, handle, settle or defend any claim, suit or proceeding against you. However, we have the right and shall be given the opportunity by you to associate with you in the defense, investigation or settlement of any claim, suit or proceeding which might involve a loss to us. In such an association, you shall promptly cooperate with us in all aspects of defense, investigation or settlement.

PART THREE – INSURED'S RETENTION AND INSURER'S LIMITS OF INDEMNIFICATION

A. Your Retention

For each bodily injury by accident, you will retain the amount of loss shown as Your Retention in Item 5 of the Information Page for Part One -Workers' Compensation Insurance and Part Two - Employers Liability Insurance.

For bodily injury by disease, you will retain the amount of loss shown as Your Retention in Item 5 of the Information Page. Your Retention applies separately to each employee for Part One -Workers' Compensation Insurance and Part Two - Employers Liability Insurance.

For purposes of determining Our Limit of Indemnity, Your Retention does not include any amount paid as benefits or damages which would be excluded under this policy.

B. Our Limit of Indemnity

We will indemnify you for loss covered under Part One – Workers’ Compensation Insurance or Part Two – Employers Liability Insurance, but not for more than Our Limit of Indemnity as stated in Item 4 of the Information Page in excess of Your Retention as stated in Item 5 of the Information Page. Our total indemnity for Workers’ Compensation and Employers Liability insurance for any one accident will not exceed the amount equal to the limit stated in Item 4 of the Information Page in excess of Your Retention as stated in Item 5 of the Information Page. Naming more than one insured in schedule Item 1 does not increase our limit.

C. Communicable Disease Exception

Solely as respects bodily injury by disease caused by the same “communicable disease”, Your Retention applies to one or more employees for bodily injury or death by disease caused by the same “communicable disease”. Our Limit of Indemnity applies to all employees for bodily injury or death caused by the same “communicable disease”.

Bodily injury by disease does not include disease that results directly from a bodily injury by accident. The term “communicable disease” shall be defined as an infectious disease transmissible from person to person by direct or indirect contact with an infected person or that person’s bodily fluids.

D. Accident

Accident means an event, including continuous or repeated exposure to substantially the same conditions, which results in injury or disease.

PART FOUR – CLAIMS

A. Your Claims Handling Duties

It is your responsibility to investigate, settle, defend and appeal any claim, suit or other proceeding made against you. However, you must not make any voluntary settlement involving loss to us without our written consent. If you do not appeal an award or judgment, which exceeds Your Retention, we have the right to take an appeal at our own cost and expense and shall be liable for costs, disbursements and interest related to the appeal. If we elect to appeal, our liability on such an award or judgment shall not exceed Our Limit of Indemnity as stated in Item 4 of the Information Page plus the cost and expense of such appeal. If we recommend settlement to you and the amount exceeds the self-insured retention, you in good faith shall attempt to settle the claim at or below the recommended settlement amount.

B. Your Claims Reporting Duties

In the event of an accident or disease that appears reasonably likely to involve coverage under this policy, written notice shall be given by you or on your behalf, as soon as practicable, after such notice has been received by the Risk Management Department, or other equivalent department, of your organization.

You must immediately notify us in writing of any claim, either paid or reserved, for 50% or more of Your Retention stated in Item 5 of the Information Page.

Immediate written notice shall be given to us when any accident to one or more employees results in any of the following:

1. a fatality;

2. amputation of a major extremity;
3. any serious head injury (including skull fracture or loss of sight of either or both eyes);
4. any injury to the spinal cord;
5. any severe burn case;
6. any disability of more than one year, or where it appears reasonably likely that there will be disability of more than one year;
7. any Employers Liability claim; or
8. any accident with total incurred expenditures in excess of \$100,000.

All notices to us must contain particulars sufficient to identify you and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured party or parties and of available witnesses.

You shall give like notice, with full particulars, of any claim made because of such injury. If thereafter suit or other proceeding is instituted against you to enforce such claim, you shall, when requested by us, forward to us every demand, notice, summons, or other process or true copies thereof, received by you or your representatives, together with copies of reports of investigations made by you with respect to such claim, suit or proceeding. It is important for you to understand that written notice shall contain complete details of the injury, disease or death. Providing loss runs does not constitute notice.

C. Claim Audits

We have the right to examine and audit your claims handling and reserving procedures, practices and records while this policy is in force and for three years after the final settlement of all claims. Also you will provide us any claim information, which we may request. If we identify significant problems with the quality of claim handling, we shall have the right to change claim adjusters handling the file.

D. Claim Service and Administration

This agreement contemplates a concurrent and continuous claim service agreement between you and the Claim Administrator listed in Item # 7 of the information page. You must notify us immediately of any change in Claim Administrator and we reserve the right to approve any new Claim Administrator.

E. You (or your TPA) must provide us with loss runs on a quarterly basis.

PART FIVE - PREMIUM

A. 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.

B. Deposit Premium

At the beginning of the policy period you must pay us the deposit premium shown in Item 6 of the Information Page. At the end of the policy period:

1. you will owe us the amount by which the final premium is greater than the deposit premium; or
2. we will owe you the amount by which the deposit premium is greater than the final premium.

but in any event, we shall retain the policy Minimum Premium as stated in Item 6 of the Information Page.

C. Final Premium

The deposit premium shown in Item 6 of the Information Page is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis which 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 are unable to furnish us with payroll records for these persons, we may use the contract price for their services and materials 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.

If this policy is cancelled, 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 shown in Item 6 of the Information Page.
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 short rate share of the Minimum Premium shown in Item 6 of the Information Page.

D. 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.

E. 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.

PART SIX - CONDITIONS

A. Acceptance

By acceptance of this policy, you agree that the statements on the Information Page are your agreements and representations, that this policy is issued in reliance upon the truth of such representations, and that this policy embodies all agreements existing between you and us or any of our agents relating to this insurance.

B. Action Against Us

There will be no right of action against us under this insurance unless you have complied with all the terms of this policy.

C. Bankruptcy or Insolvency

Your bankruptcy or insolvency will not relieve us from the payment of any claim covered by this policy; however, in no event shall our obligation to pay be increased or expanded as a result of your bankruptcy or insolvency so as to apply to Your Retention, or otherwise.

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. If we cancel because of non-payment of premium, we must mail or deliver to you not less than ten (10) days advance written notice stating when the cancellation is to take effect. If we cancel for any other reason, we must mail or deliver to you not less than sixty days (60) 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 that law.

E. 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 law, regulations, codes or standards.

F. Other Insurance

If any other insurance exists protecting you against loss covered by this insurance, this insurance shall apply in excess of the other insurance. However, this provision shall not apply to other insurance, which you have procured to apply in excess of the sum of Your Retention and Our Limit of Indemnity under this policy.

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. Any recovered loss will be allocated as follows:

1. If there is insurance coverage in excess of Our Limit of Indemnity, that insurer's loss will be reimbursed first;

2. the remaining recovered loss, after deducting our recovery expenses, will first be used to reduce our loss; and
3. then we will pay the balance, if any, to you.

The expenses of all proceedings necessary to the recovery of any such amount shall be apportioned between you and us in the ratio of their respective recoveries as finally settled. If there should be no recovery in proceedings instituted, solely on our initiative, the expenses there of shall be borne by us.

In the event of any payment under this policy for a loss for which you have waived the right of recovery in a written contract entered into prior to the loss, we hereby agree to also waive our right of recovery but only with respect to such loss.

H. Sole Representative

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

I. Transfer of Your Rights and Duties

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

J. Unintentional Errors and Omissions

Your failure to disclose all hazards existing at the effective date of this policy shall not prejudice you with respect to the insurance afforded by this policy, provided such failure is not intentional.

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its President and Secretary, and, where required by law, its Information Page to be countersigned by one of its duly authorized representatives.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WHO IS INSURED ENDORSEMENT

This endorsement modifies insurance provided under the following:

EXCESS INSURANCE POLICY FOR SELF-INSURER OF WORKERS' COMPENSATION AND EMPLOYERS LIABILITY POLICY

It is hereby agreed that the second sentence of the policy is deleted and replaced with the following:

Throughout this policy, the words "you" and "your" refer to the employer who is an insured under C. Who Is Insured in the GENERAL SECTION of the policy.

It is further agreed that C. Who Is Insured in the GENERAL SECTION is deleted and replaced with the following:

You are an insured if you are a Member County or Member Public Entity as defined in the Joint Powers Agreement Creating the CSAC Excess Insurance Authority Excess Workers' Compensation Program in effect during the policy period.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MEMBERSHIP ENDORSEMENT

This endorsement modifies insurance provided under the following:

The following entities are members of the association:

Org Key	Member	11/12 Estimated Payroll	SIR
AMADO	Amador County	23,248,000	125,000
BUTTE	Butte County	113,154,555	125,000
CALAV	Calaveras County	25,618,925	125,000
CONTR	Contra Costa County	566,342,459	750,000
ELDOR	El Dorado County	107,462,336	300,000
FRESN	Fresno Couty	374,113,194	500,000
HUMBO	Hubmoldt County	115,503,269	125,000
IMPER	Imperial County	96,876,168	300,000
INYO	Inyo County	22,113,434	125,000
KINGS	Kings County	62,591,802	300,000
LAKE	Lake County	43,400,000	125,000
MADER	Madera County	59,000,000	125,000
MARIP	Mariposa County	19,290,481	300,000
MENDO	Mendocino County	66,814,915	125,000
MERCE	Merced County	127,514,000	300,000
MONTE	Monterey County	328,304,932	400,000
NAPA	Napa County	97,039,485	350,000
NEVAD	Nevada County	53,857,265	125,000
PLACE	Placer County	174,806,336	300,000
SJOAQ	San Joaquin County	362,316,863	500,000
SLUIS	San Luis Obispo County	157,524,827	250,000

SBARB	Santa Barbara County	300,757,295	125,000
SCLAR01	Santa Clara County - Fire buy down	43,700,393	750,000
SCRUZ	Santa Cruz County	161,642,788	500,000
SHAST	Shasta County	90,571,549	250,000
SISKI	Siskiyou County	31,883,796	125,000
SOLAN	Solano County	206,052,720	125,000
SONOM	Sonoma County	294,264,681	300,000
STNAI	Stanislaus County	208,319,064	500,000
SUTTE	Sutter County	55,264,395	125,000
TEHAM	Tehama County	38,781,108	125,000
TULAR	Tulare County	205,247,736	125,000
TUOLU	Tuolumne County	36,000,000	300,000
YUBA	Yuba County	45,789,518	125,000
ALPIN	Alpine County	4,472,523	125,000
COLUS	Colusa County	19,541,700	125,000
DELNO	Del Norte County	19,007,444	125,000
LASSE	Lassen County	20,841,483	125,000
MODOC	Modoc County	15,805,428	125,000
MONO	Mono County	22,551,890	125,000
PLUMA	Plumas County	20,511,278	125,000
SBENI	San Benito County	27,104,574	125,000
SIERR	Sierra County	6,514,760	125,000
TRINI	Trinity County	11,857,406	125,000
ACCEL02	ACCEL: City of Anaheim	183,978,882	750,000
ACCEL08	ACCEL: City of Bakersfield	99,028,902	500,000
ACCEL05	ACCEL: City of Modesto	72,821,064	500,000
ACCEL03	ACCEL: City of Monterey	41,812,696	400,000

ACCEL01	ACCEL: City of Mountain View	65,259,853	750,000
ACCEL04	ACCEL: City of Ontario	74,730,459	500,000
ACCEL09	ACCEL: City of Palo Alto	96,143,798	750,000
ACCEL10	ACCEL: City of Santa Barbara	74,661,378	750,000
ACCEL06	ACCEL: City of Santa Cruz	39,689,505	500,000
ACCEL07	ACCEL: City of Santa Monica	174,478,139	750,000
ARTS	Amador Regional Transit Authority	690,000	125,000
AVTA	Antelope Valley Transit Authority	3,077,911	125,000
BAHAR	BAHARMA	48,438,536	350,000
CAFS	California Fair Services Authority	65,163,687	500,000
PARDE	CAPRI	94,736,496	250,000
CAMWD	Casitas Municipal Water District	4,729,217	125,000
CCFD	Central County Fire Department	7,923,915	250,000
CSCSA	Central Sierra Child Support Agency	4,270,596	125,000
BELLC	City of Bell	7,134,900	250,000
BELMC	City of Belmont	12,327,343	125,000
BURLC	City of Burlingame	19,787,476	500,000
CBTSC	City of Carmel By the Sea	5,661,539	125,000
CONCC	City of Concord	34,816,907	500,000
COVIC	City of Covina	15,082,419	500,000
CUPER	City of Cupertino	14,913,318	500,000
DALYC	City of Daly City	50,113,321	350,000
DELMC	City of Del Mar	4,685,220	125,000
DOWNC	City of Downey	41,041,562	750,000
ELCAC	City of El Cajon	31,411,164	125,000
ELMOC	City of El Monte	27,769,448	400,000
ESCOC	City of Escondido	59,399,804	500,000

FAIRC	City of Fairfield	43,043,200	750,000
FREMC	City of Fremont	83,906,523	500,000
HAWTC	City of Hawthorne	26,635,874	500,000
HEMEC	City of Hemet	24,241,048	125,000
IMPEC	City of Imperial Beach	5,290,251	250,000
LAGUC	City of Laguna Hills	3,061,395	125,000
LANCC	City of Lancaster	17,745,973	125,000
LEMOC	City of Lemon Grove	4,845,008	125,000
LOMPC	City of Lompoc	22,188,238	300,000
LALTC	City of Los Altos	12,008,324	250,000
MILLC	City of Millbrae	11,773,408	300,000
MOREC	City of Moreno Valley	21,789,620	300,000
NAPAC	City of Napa	40,961,693	300,000
NATIC	City of National City	25,409,667	500,000
NEWPC	City of Newport Beach	78,698,632	500,000
OAKLC	City of Oakland	234,639,378	750,000
OCEAC	City of Oceanside	81,331,281	500,000
RANCC	City of Rancho Cordova	5,259,980	125,000
REDDC	City of Redding	64,687,168	750,000
REDWC	City of Redwood City	49,844,982	350,000
RIALC	City of Rialto	30,124,698	400,000
RICHC	City of Richmond	82,597,031	750,000
RIDGC	City of Ridgecrest	6,397,081	150,000
SANCC	City of San Clemente	15,133,979	300,000
SANTC	City of Santa Clara	106,590,475	500,000
SROSC	City of Santa Rosa	102,530,462	500,000
SIMIC	City of Simi Valley	41,013,273	500,000

SOLAC	City of Solana Beach	5,000,717	125,000
SSFRC	City of South San Francisco	46,442,271	500,000
STOCC	City of Stockton	122,575,362	500,000
SUNNC	City of Sunnyvale	89,282,641	500,000
WHITC	City of Whittier	31,366,260	500,000
CDCLA	Community Development Commission of L.A. County	40,131,799	500,000
CSEIA	CSAC EIA	4,125,000	125,000
EASTB	EBRPD	48,940,633	350,000
FFCCC	First Five Contra Costa Children and Families Commission	1,600,000	125,000
FFSAC	First Five Sacramento Commission	1,829,219	125,000
SCAT	Gold Coast Transit	7,683,500	125,000
GETD	Golden Empire Transit District	13,283,500	500,000
GSRMA	GSRMA	36,989,897	300,000
IRRWD	Irvine Ranch Water District	24,711,900	125,000
KCAPT	Kings County Area Public Transit Agency	1,408,017	125,000
KIRWA	Kings Waste & Recycling Authority	1,627,961	125,000
MAIHS	Marin IHSS	345,000	125,000
MBASI	Monterey Bay Area Self Insurance Authority (MBASIA)	47,757,058	250,000
MONST	Monterey Salinas Transit	11,107,684	350,000
MBTA	Morongo Basin Transit Authority	1,234,768	125,000
CCCMR	Municipal Pooling Authority	279,058,779	500,000
NCSDI	NCSDIA	42,552,993	200,000
NCSIF	NCCSIF	151,767,725	500,000
OCSD	Orange County Sanitation District	62,307,800	750,000
PASSB	PASIS - San Bernadino	33,823,879	300,000
PASSD01	PASIS SD: Alpine FPD	1,571,279	300,000
PASSD02	PASIS SD: Bonita/Sunnyside FPD	1,279,965	125,000

PASSD04	PASIS SD: City of San Marcos	23,110,913	300,000
PASSD05	PASIS SD: Lakeside FPD	4,883,944	125,000
PASSD06	PASIS SD: North County FPD	6,079,782	300,000
PASSD07	PASIS SD: Rancho Santa Fe FPD	5,298,426	300,000
PASSD09	PASIS SD: San Miguel Consolidated FPD	8,554,249	300,000
RIVTA	Riverside Transit Agency	14,346,112	750,000
SACCC03	Sac County Contracts: CH Animal Control	50,729	125,000
SACCC06	Sac County Contracts: RC - Const. Maint.	50,000	125,000
SACCC07	Rancho Cordova Transportation	100,000	125,000
SACCC08	Sac County Contracts: RC Police	6,822,823	125,000
SCIHS	Sacramento County IHSS Public Authority	937,976	125,000
SAMCB	Sacramento Metropolitan Cable	343,153	125,000
SLORT	San Luis Obispo RTA	2,794,715	125,000
SBMTD	Santa Barbara Metropolitan Transit District	11,329,235	500,000
SCFAI	Santa Cruz County Fire Agencies Insurance Group	15,500,000	125,000
SCMTD	Santa Cruz Metro Transit District	16,221,213	350,000
SCTAT	South County Area Transit	380,000	125,000
SDRMA	SDRMA	431,537,539	350,000
COLMT	Town of Colma	4,263,700	125,000
TURID	Turlock Irrigation District	40,983,113	750,000
PARMI	Yolo PARMIA	194,024,889	500,000
BEUSD	Berkeley USD	73,867,909	250,000
CUSC	Campbell Union School District	42,900,000	125,000
CUHSD	Campbell Union High School District	41,604,411	250,000
EGUSD	Elk Grove Unified School District	288,585,760	500,000
EGESD	Evergreen Elementary School District	63,351,747	125,000
GSRMAS	GSRMA - Schools	43,942,081	300,000

HBUSD	Huntington Beach Union High School District	97,000,000	125,000
LEUSD	Lake Elsinore Unified School District	93,195,315	250,000
MDUSD	Mt. Diablo USD	176,475,711	125,000
SIRMA	SIRMA	408,415,641	125,000
SCSRM	SCSRM	848,360,766	125,000
SCSRM37	Ontario-Montclair School District	121,762,206	250,000
UOCHC	University of CA, Hastings College of Law	27,987,777	125,000
WSWCJ	West San Gabriel WC JPA	212,716,741	125,000
	GRAND TOTAL	12,038,489,055	

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 7-1-2011	Policy No. WSRSWC 100001-04	Endorsement No. 1
Insured		
Insurance Company CastlePoint National Insurance Co.	Countersigned by	

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

EXCESS INSURANCE POLICY FOR SELF-INSURER OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

It is agreed that, anything in the policy to the contrary notwithstanding, such insurance as is afforded by this policy by reason of the designation of California in Item 3 of the Information Page is subject to the following provisions:

1. **Minors Illegally Employed - Not Insured.** This policy does not cover liability for additional compensation imposed on you under Section 4557, Division IV, Labor Code of the State of California, by reason of injury to an employee under sixteen years of age and illegally employed at the time of injury.
2. **Punitive or Exemplary Damages - Uninsurable.** This policy does not cover punitive or exemplary damages where insurance of liability therefore is prohibited by law or contrary to public policy.
3. **Rate Changes.** The premium and rates with respect to the insurance provided by this policy by reason of the designation of California in Item 3 of the Information Page are subject to change if ordered by the Insurance Commissioner of the State of California pursuant to Section 11737 of the California Insurance Code.
4. **Long Term Policy.** If this policy is written for a period longer than one year, all the provisions of this policy shall apply separately to each consecutive twelve-month period or, if the first or last consecutive period is less than twelve months, to such period of less than twelve months, in the same manner as if a separate policy had been written for each consecutive period.
5. **Statutory Provision.** Your employee has a first lien upon any amount which becomes owing to you by us on account of this policy, 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.

It is further agreed that this policy, including all endorsements forming a part thereof, constitutes the entire contract of insurance. No condition, provision, agreement, or understanding not set forth in this policy or such endorsements shall affect such contract or any rights, duties, or privileges arising therefrom.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 7-1-2011	Policy No. WSRSWC 100001-04	Endorsement No. 2
Insured		
Insurance Company CastlePoint National Insurance Co.	Countersigned by	

CastlePoint National Insurance Company agrees to provide, subject to all other terms of the policy, Excess Coverage for salary paid in lieu of temporary disability benefits as required by Labor Code 4850 for the following Members only:

City of Bell

City of Carmel by the Sea

City of Del Mar

City of Downey

City of Escondido

City of Imperial Beach

City of Millbrae

City of Simi Valley

City of Solana Beach

City of Sunnyvale

City of Whittier

Public Agency Self Insurance System (PASIS) member agencies (as endorsed)-San Bernardino

San Benito County

Sierra County

Tuolumne County

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

EXCESS INSURANCE POLICY FOR SELF-INSURER OF WORKERS' COMPENSATION AND EMPLOYERS LIABILITY POLICY

It is hereby agreed that coverage provided by this policy is no broader than the Coverage Agreements contained in the CSAC Excess Insurance Authority Excess Workers' Compensation Program Memorandum of Coverage. If pursuant to the Coverage Agreements and Exclusions of the Memorandum of Coverage, the Memorandum of Understanding does not apply to a "loss" sustained by a "Covered Party" as those terms are defined in the Memorandum of Understanding, this policy will not provide coverage for such "loss" or claim of the "Covered Party" or employer.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

QUOTA SHARE ENDORSEMENT

This endorsement modifies insurance provided under the following:

EXCESS INSURANCE POLICY FOR WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

Policy Number: WSRSWC 100001 04

QUOTA SHARE ENDORSEMENT

Of

CastlePoint National Insurance Company

as respects the

**EXCESS INSURANCE POLICY FOR SELF-INSURER OF WORKERS' COMPENSATION AND
EMPLOYERS LIABILITY POLICY**

Effective: July 1, 2011

issued to

CSAC Excess Insurance Authority

("CSAC")

CastlePoint National Insurance Company's share in the Limits Of Indemnity, as set forth in Item 4 of the Information Page of policy number WSRWC 100001 04 shall be 80 %.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated

Endorsement Effective	Policy No.	Endorsement No.
Insured:		Premium \$
Insurance Company	Countersigned by	

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VOLUNTEERS AND BOARD MEMBERS ENDORSEMENT

This endorsement modifies insurance provided under the following:

**EXCESS INSURANCE POLICY FOR SELF-INSURER OF WORKERS' COMPENSATION AND
EMPLOYERS LIABILITY POLICY**

VOLUNTEERS AND BOARD MEMBERS COVERAGE:

It is hereby agreed that coverage is extended to include Volunteers and Board Members.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CLAIMS REPORTING ENDORSEMENT

This endorsement modifies insurance provided under the following:

EXCESS INSURANCE POLICY FOR SELF-INSURER OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

It is hereby understood that the **PART FOUR – CLAIMS, Section B, C, D, and E. – Your Claims Reporting Duties**, is deleted and replaced with the following:

B. Your Claims Reporting Duties

In the event of an accident or disease that appears reasonably likely to involve coverage under this policy, written notice shall be given by **CSAC Excess Insurance Authority (“CSAC EIA”)** or on its behalf, as soon as practicable, after such notice has been received by **CSAC EIA**.

CSAC EIA must notify us in writing of any claim, either paid or reserved, for 50% or more of the individual **CSAC EIA** Member Retention (“Retention”), as scheduled in this policy, with a minimum retention stated in Item 5 of the Information Page. (A Monthly Claims Bordereau of reportable claims described below will be considered notice of a claim)

Written notice shall be given to us when any accident to one or more employees results in any of the following:

1. a fatality;
2. amputation of a major extremity;
3. any serious head injury (including skull fracture or loss of sight of either or both eyes);
4. any injury to the spinal cord;
5. any second or third degree burn of 25% or more of the body;
6. any disability of more than one year, or where it appears reasonably likely that there will be disability of more than one year;
7. A permanent total disability as defined in the “Workers’ Compensation Act” of the State of California;

Subsequent to above notice on claims piercing the Retention, **CSAC EIA** shall provide us upon request additional information in the form of a narrative report and/or other claim documentation.

If a suit or other proceeding is instituted against you to enforce such claim, you shall, when requested by us, forward to us every demand, notice, summons, or other process or true copies thereof, received by you or your representatives, together with copies of reports of investigations made by you with respect to such claim, suit or proceeding. It is important for you to understand that written notice shall contain complete details of the injury, disease or death. Providing loss runs does not constitute notice.

A Monthly Bordereau of claims to be reported, per the requirements listed herein, is to be provided by **CSAC EIA** within 5 business days from the end of each month. The inclusion of claims that meet the reporting criteria, provided herein, in the Monthly Claims Bordereau will suffice as adequate notice and report of such claims.

C. Claim Audits

We have the right to examine and audit your claims handling and reserving procedures, practices and records while this policy is in force and for three years after the final settlement of all claims. Also you will provide us any claim information, which we may request. If we identify significant problems with the quality of claim handling, we will have the right to associate with the CSAC Excess Insurance Authority to accomplish a mutually agreeable resolution.

D. Claim Service and Administration

This agreement contemplates a concurrent and continuous claim service agreement between you and the Claim Administrator listed in Item # 7 of the information page. You must notify us of any change in Claim Administrator. If we identify significant problems with the quality of the claim administrator, we will have the right to associate with the CSAC Excess Insurance Authority to accomplish a mutually agreeable resolution.

E. You (or your TPA) must provide us with Loss Runs on a Quarterly Basis.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARTHQUAKE ENDORSEMENT

This endorsement modifies insurance provided under the following:

EXCESS INSURANCE POLICY FOR SELF-INSURER OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

It is hereby understood with respect to Earthquakes (and its aftershocks), Mudslides, and other such natural disasters occurring over a period of more than 72 hours, Your Retention applies separately to each consecutive 72-hour period and to any remaining period of less than 72 hours, and Our Limit of Indemnity applies separately to each consecutive 72-hour period and to any remaining period of less than 72 hours.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CLAIMS HANDLING ENDORSEMENT

This endorsement modifies insurance provided under the following:

EXCESS INSURANCE POLICY FOR SELF-INSURER OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

It is hereby understood that the **PART FOUR – CLAIMS, Section A. – Your Claims Handling Duties**, are deleted and replaced with the following:

A. Your Claims Handling Duties

We shall have the right at our own expense to be associated with the CSAC Excess Insurance Authority in the defense or control of any claim, suit, or proceeding involving or which may involve the coverage provided under this policy, and we and the CSAC Excess Insurance Authority agree to cooperate in every respect in the defense and control of each such claim, suit or proceeding.

It is your responsibility to investigate, settle, defend and appeal any claim, suit or other proceeding made against you. However, you (any CSAC Excess Insurance Authority Excess Workers Compensation Members, as scheduled in this policy) must not make any voluntary settlement involving loss to us without the written consent of the CSAC Excess Insurance Authority and our knowledge. If you do not appeal an award or judgment, which exceeds the individual CSAC Excess Insurance Authority Member Retention, as scheduled in this policy, with a minimum retention stated in Item 5 of the Information Page, and does not exceed Our Limit of Indemnity, we have the right to take an appeal, with the consent of CSAC Excess Insurance Authority, at our own cost and expense and shall be liable for costs, disbursements and interest related to the appeal. If we elect to appeal, our liability on such an award or judgment shall not exceed Our Limit of Indemnity, as stated in Item 4 of the Information Page plus the cost and expense of such appeal.

In the case that the claim exceeds Our Limit of Indemnity, CSAC Excess Insurance Authority will have discretion with respect to any appeal.

If CSAC Excess Insurance Authority recommends settlement to you (any CSAC Excess Insurance Authority Excess Workers Compensation Members, as scheduled in this policy) and the amount exceeds the self-insured retention and does not exceed Our Limit of Indemnity, you (any CSAC Excess Insurance Authority Excess Workers Compensation Members, as scheduled in this policy) in good faith shall attempt to settle the claim at or below the recommended settlement amount. For claims that exceed Our Limit of Indemnity, CSAC Excess Insurance Authority will have discretion with respect to settlement of the claim.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SUBROGATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

EXCESS INSURANCE POLICY FOR SELF-INSURER OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

It is hereby understood that the **PART SIX – CONDITIONS, Section G. – Recovery From Others**, is deleted and replaced with the following:

G. Recovery From Others

We shall have the right at our own expense to be associated with the CSAC Excess Insurance Authority in the subrogation or recovery involving or which may involve the coverage provided under this policy, and we and the CSAC Excess Insurance Authority agree to cooperate in every respect in the subrogation or recovery of such claim, suit or proceeding.

CSAC Excess Insurance Authority has your (any CSAC Excess Insurance Authority Excess Workers Compensation Members, as scheduled in this policy) rights, and the rights of persons entitled to the benefits of this insurance, to recover our payments from anyone liable for the injury. You (any CSAC Excess Insurance Authority Excess Workers Compensation Members, as scheduled in this policy) will do everything necessary to protect those rights for CSAC Excess Insurance Authority and to help CSAC Excess Insurance Authority enforce them. Any recovered loss will be allocated as follows:

1. If there is insurance coverage in excess of Our Limit of Indemnity, that insurer's loss will be reimbursed first;
2. the remaining recovered loss, after deducting our recovery expenses, will first be used to reduce our loss; and
3. then we will pay the balance, if any, to you.

The expenses of all proceedings necessary to the recovery of any such amount shall be apportioned between you (any CSAC Excess Insurance Authority Excess Workers Compensation Members, as scheduled in this policy) and us in the ratio of their respective recoveries as finally settled. If there should be no recovery in proceedings instituted solely by CSAC Excess Insurance Authority and our initiative, the expenses there of shall be borne by us.

In the event of any payment under this policy for a loss for which you (any CSAC Excess Insurance Authority Excess Workers Compensation Members, as scheduled in this policy) have waived the right of recovery in a written contract entered into prior to the loss, with the prior written consent of the CSAC Excess Insurance Authority, then we hereby agree to also waive our right of recovery, but only with respect to such loss.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARBITRATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

EXCESS INSURANCE POLICY FOR SELF-INSURER OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

It is hereby understood that the following amends the policy:

In the event that CSAC Excess Insurance Authority and we do not have an agreement with respect to any issues covered under this contract herein, both parties will submit to a mutually agreeable third-party arbitrator for non-binding arbitration. We and the CSAC Excess Insurance Authority agree to fully cooperate in every respect in the non-binding arbitration process.

**EXCESS INSURANCE POLICY FOR SELF-INSURER OF WORKERS
COMPENSATION AND EMPLOYERS LIABILITY POLICY
POLICYHOLDER NOTICE
OUR RIGHT TO RATING AND DIVIDEND INFORMATION**

I. INFORMATION AVAILABLE TO YOU

A. Information Available from Us –CASTLEPOINT NATIONAL INSURANCE COMPANY

- (1) General questions regarding your policy should be directed to **CastlePoint National Insurance Company**.
- (2) **DIVIDEND CALCULATION.** If this is a participating policy (a policy on which a dividend may be paid), upon payment or non-payment of a dividend, we shall provide a written explanation to you that sets forth the basis of the dividend calculation. The explanation will be in clear, understandable language and will express the dividend as a dollar amount and as a percentage of the earned premium for the policy year on which the dividend is calculated.
- (3) **CLAIMS INFORMATION.** Pursuant to Sections 3761 and 3762 of the California Labor Code, you are entitled to receive information in our claim files that affects your premium. Copies of documents will be supplied at your expense during reasonable business hours.

For claims covered under this policy, we will estimate the ultimate cost of unsettled claims for statistical purposes eighteen months after the policy becomes effective and will report those estimates to the Workers' Compensation Insurance Rating Bureau of California (WCIRB) no later than twenty months after the policy becomes effective. The cost of any settled claims will also be reported at that time. At twelve-month intervals thereafter, we will update and report to the WCIRB the estimated cost of any unsettled claims and the actual final cost of any claims settled in the interim. The amounts we report will be used by the WCIRB and may affect your experience modification if you are eligible for experience rating on your primary policy.

B. Information Available from the Workers' Compensation Insurance Rating Bureau of California

- (1) The WCIRB is a licensed rating organization and the California Insurance Commissioner's designated statistical agent. As such, the WCIRB is responsible for administering the *California Workers' Compensation Uniform Statistical Reporting Plan-1995* (USRP). Contact information for the WCIRB is: WCIRB, 525 Market Street, Suite 800, San Francisco, California 94105-2767, Attention: Customer Service. You may also contact WCIRB Customer Service at 1-888-229-2472, by fax at 415-778-7272, or via the Internet at the WCIRB's website: <http://www.wcirbonline.org>. The regulations contained in the USRP and the ERP are available for public viewing through the WCIRB's website.
- (2) **POLICYHOLDER INFORMATION.** Pursuant to California Insurance Code (CIC) Section 11752.6, upon written request, you are entitled to information relating to loss experience, claims, classification assignments, and policy contracts as well as rating plans, rating systems, manual rules, or other information impacting your premium that is maintained in the records of the WCIRB. Complaints and Requests for Action requesting policyholder information should be forwarded to: WCIRB, 525 Market Street, Suite 800, San Francisco, California 94105-2767, Attention: Custodian of Records. The Custodian of Records can be reached by telephone at 415-777-0777 and by fax at 415-778-7272.

II. DISPUTE PROCESS

You may dispute our actions or the actions of the WCIRB pursuant to CIC Sections 11737 and 11753.1.

A. Our Dispute Resolution Process.

You may send us a written Complaint and Request for Action requesting that we reconsider a change in a classification assignment that results in an increased premium and/or requesting that we review the manner in which our rating system has been applied in connection with the insurance afforded or offered you. Written Complaints and Requests for Action should be forwarded to:

CastlePoint National Insurance Company
222 S. Riverside Plaza, Suite 1600
Chicago, IL 60606
(312) 277-1600 Direct Phone Line

After you send our Complaint and Request for Action, we have 30 days to send you a written notice indicating whether or not your written request will be reviewed. If we agree to review your request, we must conduct the review and issue a decision granting or rejecting your request within 60 days after sending you the written notice granting review. If we decline to review your request, if you are dissatisfied with the decision upon review, or if we fail to grant or reject your request or issue a decision upon review, you may appeal to the insurance commissioner as described in paragraph II.C., below.

- B. Disputing the Actions of the WCIRB.** If you have been aggrieved by any decision, action, or omission to act of the WCIRB, you may request, in writing, that the WCIRB reconsider its decision, action, or omission to act. You may also request, in writing, that the WCIRB review the manner in which its rating system has been applied in connection with the insurance afforded or offered you. For requests related to classification disputes, the reporting of experience, or coverage issues, your initial request for review must be received by the WCIRB within 12 months after the expiration date of the policy to which the request for review pertains.

You may commence the review process by sending the WCIRB a written Inquiry. Written Inquiries should be sent to: WCIRB, 525 Market Street, Suite 800, San Francisco, California 94105- 2767, Attention: Customer Service. Customer Service can be reached by telephone at 1-888-229-2472, and by fax at 415-778-7272.

If you are dissatisfied with the WCIRB's decision up on an Inquiry, or if the WCIRB fails to respond within 90 days after receipt of the Inquiry, you may pursue the subject of the Inquiry by sending the WCIRB a written Complaint and Request for Action. After you send your Complaint and Request for Action, the WCIRB has 30 days to send you written notice indicating whether or not your written request will be reviewed. If the WCIRB agrees to review your request, it must conduct the review and issue a decision granting or rejecting your request within 60 days after sending you the written notice granting review. If the WCIRB declines to review your request, if you are dissatisfied with the decision upon review, or if the WCIRB fails to grant or reject your request or issue a decision upon review, you may appeal to the insurance commissioner as described in paragraph II.C., below. Written Complaints and Requests for Action should be forwarded to: WCIRB, 525 Market Street, Suite 800, San Francisco, California 94105-2767, Attention: Complaints and Reconsiderations. The WCIRB's telephone number is 1-888-229-2472, and the fax number is 415-371-5204.

- C. **California Department of Insurance - Appeals to the Insurance Commissioner.** If, after you follow the appropriate dispute resolution process described above, we or the WCIRB decline to review your request, if you are dissatisfied with the decision upon review, or if we or the WCIRB fail to grant or reject your request or issue a decision upon review, you may appeal to the insurance commissioner pursuant to CIC Sections 11737, 11752.6, 11753.1 and Title 10, California Code of Regulations, Section 2509.40 et seq. You must file your appeal within 30 days after we or the WCIRB send you the notice rejecting review of your Complaint and Request for Action or the decision upon your Complaint and Request for Action. If no written decision regarding your Complaint and Request for Action is sent, your appeal must be filed within 120 days after you sent your Complaint and Request for Action to us or to the WCIRB. The filing address for all appeals to the insurance commissioner is:

Administrative Hearing Bureau
California Department of Insurance
45 Fremont Street, 22nd Floor
San Francisco, California 94105

You have the right to a hearing before the insurance commissioner, and our action, or the action of the WCIRB, may be affirmed, modified, or reversed.

III. RESOURCES AVAILABLE TO YOU IN OBTAINING INFORMATION AND PURSUING DISPUTES

- A. **Policyholder Ombudsman.** Pursuant to California Insurance Code Section 11752.6, a policyholder ombudsman is available at the WCIRB to assist you in obtaining and evaluating the rating, policy, and claims information referenced in I.A. and I.B., above. The ombudsman may advise you on any dispute with us, the WCIRB, or on an appeal to the insurance commissioner pursuant to Section 11737 of the Insurance Code. The address of the policyholder ombudsman is WCIRB, 525 Market Street, Suite 800, San Francisco, California 94105-2767, Attention: Policyholder Ombudsman. The policyholder ombudsman can be reached by telephone at 415-777-0777 and by fax at 415-778-7007.
- B. **California Department of Insurance - Information and Assistance.** Information and assistance on policy questions can be obtained from the Department of Insurance Consumer HOTLINE, 1-800-927-HELP (4357) or <http://www.insurance.ca.gov>. For questions and correspondence regarding appeals to the Administrative Hearing Bureau, see the contact information in paragraph II.C.

This notice does not change the policy to which it is attached.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT ENDORSEMENT – CALIFORNIA

This endorsement modifies insurance provided under the following:

EXCESS INSURANCE POLICY FOR SELF-INSURER OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

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 2007.

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 resulting from the Terrorism Risk Insurance Program Reauthorization Act of 2007.

"Act of Terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, 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 (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, 2008, and ending on December 31, 2014, an amount equal to 20% of our direct earned premiums, over the calendar year immediately preceding the applicable Program Year.

"Program Year" refers to each calendar year between January 1, 2008 and December 31, 2014, as applicable.

Limitation of Liability

The Act limits our liability to you under this policy. If aggregate Insured Losses exceed \$100,000,000,000 in a Program 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 exceeds \$100,000,000 in a Program Year, the United States Government would pay 85% 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 charged for the coverage for Insured Losses under this policy is included in the amounts shown in Item 4 of the Information Page or in the Schedule in the Terrorism Premium Endorsement – California (WC AS 0074), attached to this policy.

TERRORISM PREMIUM ENDORSEMENT — CALIFORNIA

This endorsement is notification 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.

For purposes of this endorsement, an "act of terrorism" is defined as:

- a. Any act that is violent or dangerous to human life, property or infrastructure; and
- b. 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.

The premium charge for the coverage your policy provides for workers compensation losses caused by an act of terrorism is shown in Item 4 of the Information Page or in the Schedule below.

	Schedule	
State		Rate per \$100 of payroll
CA	All Members	Incl.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.
(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective
Insured

Policy No.
Insurance Company

Endorsement No.

Countersigned By _____

**EXCESS INSURANCE POLICY FOR SELF-INSURER OF WORKERS
COMPENSATION AND EMPLOYERS LIABILITY POLICY
POLICYHOLDER NOTICE
CALIFORNIA WORKERS COMPENSATION INSURANCE RATING LAWS**

Pursuant to Section 11752.8 of the California Insurance Code, we are providing you with an explanation of the California workers' compensation rating laws.

1. We establish our own rates for excess workers' compensation. Our rates, rating plans, and related information are filed with the insurance commissioner and are open for public inspection.
2. The insurance commissioner can disapprove our rates, rating plans, or classifications only if he or she has determined after public hearing that our rates might jeopardize our ability to pay claims or might create a monopoly in the market. A monopoly is defined by law as a market where one insurer writes 20% or more of that part of the California workers' compensation insurance that is not written by the State Compensation Insurance Fund. If the insurance commissioner disapproves our rates, rating plans, or classifications, he or she may order an increase in the rates applicable to outstanding policies.
3. A standard classification system, developed by the insurance rating organization designated by the insurance commissioner, is subject to approval by the insurance commissioner. The standard classification system is a method of recognizing and separating policyholders into industry or occupational groups according to their similarities and/or differences. We can adopt and apply the standard classification system or develop and apply our own classification system, provided we can report the payroll, expenses, and other costs of claims in a way that is consistent with the uniform statistical plan or the standard classification system.
4. Our rates and classifications may not violate the Unruh Civil Rights Act or be unfairly discriminatory.
5. We will provide an appeal process for you to appeal the way we rate your insurance policy. The process requires us to respond to your written appeal within 30 days. If you are not satisfied with the result of your appeal, you may appeal our decision to the insurance commissioner.

**CALIFORNIA WORKERS' COMPENSATION INSURANCE
NOTICE OF NONRENEWAL**

Section 11664 of the California Insurance Code requires us, in most instances, to provide you with a notice of nonrenewal. Except as specified in paragraphs 1 through 6 below, if we elect to nonrenew your policy, we are required to deliver or mail to you a written notice stating the reason or reasons for the nonrenewal of the policy. The notice is required to be sent to you no earlier than 120 days before the end of the policy period and no later than 30 days before the end of the policy period. If we fail to provide you the required notice, we are required to continue the coverage under the policy with no change in the premium rate until 60 days after we provide you with the required notice.

We are not required to provide you with a notice of nonrenewal in any of the following situations:

1. Your policy was transferred or renewed without a change in its terms or conditions or the rate on which the premium is based to another insurer or other insurers who are members of the same insurance group as us.
2. The policy was extended for 90 days or less and the required notice was given prior to the extension.
3. You obtained replacement coverage or agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
4. The policy is for a period of no more than 60 days and you were notified at the time of issuance that it may not be renewed.
5. You requested a change in the terms or conditions or risks covered by the policy within 60 days prior to the end of the policy period.

6. We made a written offer to you to renew the policy at a premium rate increase of less than 25 percent.
- (A) If the premium rate in your governing classification is to be increased 25 percent or greater and we intend to renew the policy, we shall provide a written notice of a renewal offer not less than 30 days prior to the policy renewal date. The governing classification shall be determined by the rules and regulations established in accordance with California Insurance Code Section 11750.3(c).
 - (B) For purposes of this Notice, "premium rate" means the cost of insurance per unit of exposure prior to the application of individual risk variations based on loss or expense considerations such as scheduled rating and experience rating.

This notice does not change the policy to which it is attached.

POLICYHOLDER NOTICE

CALIFORNIA INSURANCE GUARANTEE ASSOCIATION (CIGA) SURCHARGE

Companies writing property and casualty insurance business in California are required to participate in the California Insurance Guarantee Association. If a company becomes insolvent, the California Insurance Guarantee Association settles unpaid claims and assesses each insurance company for its fair share.

California law requires all companies to surcharge policies to recover these assessments. If your policy is surcharged, "CA Surcharge" or "CA Surcharge (CIGA Surcharge)" with an amount will be displayed on your premium notice.

This notice does not change the policy to which it is attached.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FEDERAL EMPLOYERS LIABILITY ACTS ENDORSEMENT

This endorsement modifies insurance provided under the following:

EXCESS INSURANCE POLICY FOR SELF-INSURER OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

The following is added to **GENERAL SECTION D. Workers Compensation Law:**

3. Federal Acts Coverage

- Defense Base Act (42 USS Sections 1651-1654);
- Federal Coal Mine Health and Safety Act of 1969 (30 USC Sections 901-942);
- Non-Appropriated Funds Instrumentalities Act (5 USC Sections 8171-8173), and the provisions of the Longshore and Harbor Workers Compensation Act that apply to that law;
- Outer Continental Shelf Lands Act (43 USC Section 1333.c); and
- United States Longshore and Harbor Workers Compensation Act (33 USC Sections 901-950).

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FEDERAL EMPLOYERS LIABILITY ACTS ENDORSEMENT

This endorsement modifies insurance provided under the following:

EXCESS INSURANCE POLICY FOR SELF-INSURER OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

The following is added to **PART TWO—EMPLOYERS LIABILITY INSURANCE**:

G. Federal Acts Coverage

This employers liability insurance also applies to loss paid by you because of damages imposed upon you by the following Federal Acts designated by (X) only.

- The Jones Acts (46 USC Section 688);
- The Federal Employers Liability Act (45 USC Sections 51-60); and
- The Migrant and Seasonal Agricultural Worker Protection Act (29 USC Section 1801-1872).

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FINAL PREMIUM ENDORSEMENT

This endorsement modifies insurance provided under the following:

EXCESS INSURANCE POLICY FOR SELF INSURER OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

It is hereby understood that the **PART FIVE – PREMIUM, Section C – Final Premium**, is deleted and replaced with the following:

C. Final Premium

The deposit premium shown in Item 6 of the Information Page is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis which includes payroll and all other remuneration paid or payable during the policy period, using the agreed upon rates promulgated by the insurer based on the CSAC Excess Insurance Authority's Rating Methodology provided to the Insured at inception, 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 we identify significant problems with the payroll records of these persons, we will have the right to associate with the CSAC Excess Insurance Authority to accomplish a mutually agreeable resolution. This paragraph 2 will not apply if you give us proof that the employers of these persons lawfully secured their Workers' compensation obligations.

If this policy is cancelled, 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 shown in Item 6 of the Information Page;
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 short rate share of the Minimum Premium shown in Item 6 of the Information Page;
3. The final premium will be calculated pro rata based on the time this policy was in force if you cancel due to adverse financial conditions of CastlePoint National, including any of the following:
 - a. Insolvency or bankruptcy of CastlePoint National Insurance Company;
 - b. A reduction of more than 20% in the amount of surplus being held by CastlePoint National's parent company as demonstrated in its most recent audited financial statements compared with its surplus at inception of this policy;
 - c. Voluntary or involuntary "run-off" of underwriting operations of CastlePoint National;
 - d. CastlePoint National's A.M. Best rating drops below "A-" or a rating is not assigned by A.M. Best.

CALIFORNIA CANCELTATION ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because California is shown in Item 3.A. of the Information Page.

The cancellation condition, D in Part Six (Conditions) of the policy is replaced by these conditions:

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 for one or more of the following reasons:
 - a. Non-payment of premium;
 - b. Material misrepresentation made by you or your agent;
3. If we cancel your policy for the reasons listed in (a), we will give you 10 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. If we cancel your policy for reasons listed in Item (b), we will give you 60 days advance written notice; however, we agree that in the event of cancellation and reissuance of a policy effective upon a material change in ownership or operations, notice will not be provided.
4. The policy period will end on the day and hour stated in the cancellation notice.
5. 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 that law.

Notes:

1. This endorsement, or any other endorsement having the same substantive provisions, must be attached to a policy showing California in Item 3.A. of the Information Page.
2. Cancellation of the policy is governed by California Insurance Code Section 676.8.
3. This endorsement amends the NCCI standard contract by replacing the cancellation condition in Part Six, "Conditions."

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 7/1/2011
Insured CSAC Excess Insurance Authority

Policy No. WSRSWC-100001-04
Insurance Company: CastlePoint National Insurance

Endorsement No. 1

Countersigned By _____

**EXCESS WORKERS COMPENSATION AND EMPLOYERS LIABILITY
POLICYHOLDER DISCLOSURE**

**NOTICE OF TERRORISM INSURANCE COVERAGE
NEW AND RENEWAL POLICIES**

Coverage for acts of terrorism is already included in this policy. Under this coverage, any losses caused by certified acts of terrorism would be partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States pays 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The portion of your annual premium that is attributable to coverage for acts of terrorism is: INCLUDED



120 Broadway, 31st Floor
New York, NY 102713199
Ph: 2126552000 • Fax: 2126552199
www.twgrp.com



ACE INA Privacy Statement

The ACE INA group of companies strongly believes in maintaining the privacy of information we collect about individuals. We want you to understand how and why we use and disclose the collected information. The following provides details of our practices and procedures for protecting the security of nonpublic personal information that we have collected about individuals. This privacy statement applies to policies underwritten by the ACE INA group member companies listed below.

INFORMATION WE COLLECT

The information we collect will vary depending on the type of product or service individuals seek or purchase, and may include:

- Information we receive from individuals, such as their name, address, age, phone number, social security number, assets, income, or beneficiaries;
- Information about individuals' transactions with us, with our affiliates, or with others, such as policy coverage, premium, payment history, motor vehicle records; and
- Information we receive from a consumer reporting agency, such as a credit history.

INFORMATION WE DISCLOSE

We do not disclose any personal information to anyone except as is necessary in order to provide our products or services to a person, or otherwise as we are required or permitted by law.

We may disclose any of the information that we collect to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements.

THE RIGHT TO VERIFY THE ACCURACY OF INFORMATION WE COLLECT

Keeping information accurate and up to date is important to us. Individuals may see and correct their personal information that we collect except for information relating to a claim or a criminal or civil proceeding.

CONFIDENTIALITY AND SECURITY

We restrict access to personal information to our employees, our affiliates' employees, or others who need to know that information to service the account or in the course of conducting our normal business operations. We maintain physical, electronic, and procedural safeguards to protect personal information.

CONTACTING US

If you have any questions about this privacy statement or would like to learn more about how we protect privacy, please write to us at ACE INA Customer Services, P.O. Box 1000, 436 Walnut Street, WA04F, Philadelphia, PA 19106. Please include the policy number on any correspondence with us.

ACE American Insurance Company
ACE American Lloyds Insurance Company
ACE Fire Underwriters Insurance Company
ACE Indemnity Insurance Company
ACE Insurance Company of Illinois
ACE Insurance Company of Ohio
ACE Insurance Company of the Midwest
ACE Property and Casualty Insurance Company
Atlantic Employers Insurance Company
Bankers Standard Fire and Marine Company
Bankers Standard Insurance Company
Century Indemnity Company
Illinois Union Insurance Company
Indemnity Insurance Company of North America
Insurance Company of North America
Pacific Employers Insurance Company
Westchester Fire Insurance Company
Westchester Surplus Lines Insurance Company
ESIS, Inc.



ace group

Specific Excess Workers' Compensation and Employers' Liability Insurance Policy Information Page

Company: ACE American Insurance Company

Policy Number: WCL C4624431A

Item 1. Insured: CSAC Excess Insurance Authority

Item 2. Address: 75 Iron Point Circle, Suite 200 Folsom, CA 95630

Item 3. States (in which coverage is to apply): CA

Item 4. Policy Period: From: 07/01/2011 To: 07/01/2012 12:01 A.M. Standard Time at the Mailing Address shown herein

Item 5. Our Limit of Indemnity

Table with 3 columns: Part, Description, Amount. Includes Part One (Workers Compensation Insurance), Part Two (Employers Liability Insurance), and Part Three (Voluntary Compensation Insurance).

Item 6. Your Retention

Table with 3 columns: Part, Description, Amount. Includes Part One - Workers Compensation, Part Two-Employers Liability and Part Three-Voluntary Compensation Combined.

Item 7. Premium and Premium Computation

Table with 5 columns: Premium Component, Basis of Adjustment, Rate, Minimum (%), Estimated Premium. Rows include Total Policy Premium, Non Premium Surcharge, and Total Estimated Cost.

Producer Name and Mailing Address: AmWins Brokerage of Illinois 10 South LaSalle Street, Suite 3200 Chicago, IL 60603 Producer Code: 273679 Marketing Office: PHU/5DV

Named Insured: CSAC Excess Insurance Authority

Policy Number: WCL C4624431A

Effective 12:01 AM: 07/01/2011 to 07/01/2012

End't. No.	Form Name	Form Number/ Edition Date
SCHEDULE OF COVERAGE		
	Specific Excess Workers' Compensation and Employers' Liability Policy	CKE1167k
	ACE Producer Compensation Practices & Policies	WC990342
	U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders	IILP0010104
SCHEDULE OF FORMS AND ENDORSEMENTS		
1.	Loss and Expense Endorsement - ALAE Included	CK12887B
2.	Employers Liability Coverage Exclusion Endorsement	CK12886
3.	Voluntary Compensation Schedule	CKE18768a
4.	Alternate Employers Endorsement	WC990440
5.	Notification of Premium Adjustment	WC990444
6.	Cap on Losses From Certified Acts of Terrorism Endorsement	WC990459A
7.	Claim Reporting Amendatory Endorsement	WC990490
8.	Earlier Notice of Cancellation and Non-Renewal Endorsement	WC990751
9.	Communicable Disease Coverage	WC990348
10.	Who Is Insured Amendatory Endorsement - Organizations	WC999905
11.	Disclosure Pursuant to Terrorism Risk Insurance Act	TRIA11b
12.	Trade or Economic Sanctions Endorsement	WC990773

POLICY NUMBER: WCL C4624431A

SPECIFIC EXCESS WORKERS' COMPENSATION AND EMPLOYERS LIABILITY POLICY

Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the employer named in Item 1 of the Information Page. The words "we", "us" "our" and the "Company" refer to the company providing this insurance as indicated on the Information Page.

In consideration of the payment of the premium as herein provided, and of their respective agreements as herein set forth, the insurance company named on the Information Page made a part hereof and the party or parties named on the Information Page made a part hereof do hereby agree as follows:

GENERAL SECTION

A. Self-Insurance

Your acceptance of this policy indicates that you are now and will remain until the end of the policy period a duly qualified self-insurer in each state named in Item 3 of the Information Page. You will do whatever is required, including provision of sufficient funds and compliance with any legally required self-insured registration or similar requirements, to maintain your status as a qualified self-insurer with respect to any Loss covered by this policy. If Your Retention or your self-insurer status at any time becomes invalid, suspended, unenforceable or uncollectible for any reason, we will be liable only to the extent we would have been had Your Retention remained in full effect and only to the extent we would be liable if you were a qualified self-insured. The Insured named in Item 1 of the Information Page shall give us written notice as soon as practicable of any change in the operating status of any of your self-insurer registrations in any state.

If you begin work after the effective date of this policy in any state not named in Item 3 of the Information Page, or are not a qualified self-insured for such work, this insurance will apply as though that state were named in Item 3 of the Information Page, or as though you were qualified in that state, but only if you notify us in writing within ninety (90) days from the date you begin such work.

B. The Policy

This policy includes at its effective date the Information Page and all the endorsements or schedules listed in Item 8 of 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.

C. Who is Insured

You are insured if:

1. you are an employer named in Item 1 of the Information Page;
2. the employer named in Item 1 of the Information Page is a partnership or joint venture, and you are a partner in that partnership or a member of that joint venture, but you are an insured only in your capacity as an employer of employees in the partnership or joint venture;
3. you are a subsidiary, a division or an affiliated company now existing or as may hereafter be constituted, of an employer named in Item 1 of the Information Page, provided at least a 51% majority interest is owned or controlled by an employer named in Item 1 of the Information Page; or
4. you are a business entity over which an employer named in Item 1 of the Information Page has day-to-day management control.

D. Workers Compensation Law

Workers compensation law means the:

1. Workers compensation law and occupational disease law of each state or territory named in Item 3 of the Information Page;
2. Workers compensation law of a state not listed in Item 3 of the Information Page provided:
 - a. the injured employee was working within the scope of his employment, at your direction; and

- b. the injured employee was regularly employed in a state listed in Item 3 of the Information Page; and
 - c. the work in the other state was incidental to work in a state listed in Item 3 of the Information Page; and
 - d. the work in the other state was temporary and transitory.
3. Federal Coal Mine Health and Safety Act of 1969 (30 USC Sections 901 - 942);
 4. Non-Appropriated Funds Instrumentalities Act (5 USC Sections 8171 - 8173), and the provisions of the Longshore and Harbor Workers Compensation Act that apply to that law;
 5. Outer Continental Shelf Lands Act (43 USC Section 1333.c);
 6. United States Longshore and Harbor Workers Compensation Act (33 USC Sections 901 - 950); and
 7. Any amendments to the above laws or acts that are in effect during the policy period.

Workers compensation law does not include the provisions of any law that provide nonoccupational disability benefits.

E. State

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

F. Covered Employees

Unless expressly stated in Part Three, Voluntary Compensation, this policy only indemnifies you for Loss relating to Covered Employees. Covered Employees means those employees who are hired by you and are subject to the workers compensation law of a state listed in Item 3 of the Information Page.

<p>EXCESS INSURANCE PROVISIONS OUR LIMIT OF INDEMNITY AND YOUR RETENTION</p>

A. Our Limit of Indemnity

Our Limit of Indemnity under this policy shall be only for the Ultimate Net Loss in excess of Your Retention, as stated in Item 6 of the Information Page, and then only for an amount not exceeding Our Limit of Indemnity stated in Item 5 of the Information Page; provided that Your Retention and Our Limit of Indemnity shall apply to:

1. bodily injury by accident, including death resulting therefrom sustained by one or more employees in each accident; or
2. bodily injury by disease, including death resulting therefrom, sustained by each employee.

Ultimate Net Loss means the amount of Loss, including Loss incurred as part of the Voluntary Compensation Coverage provided hereunder, minus Your Retention.

B. Your Retention

Your Retention means the amount shown in Item 6 of the Information Page, which is the amount that you must pay before this insurance applies.

<p>PART ONE – WORKERS COMPENSATION INSURANCE</p>

A. How This Insurance Applies

Subject to Our Limit of Indemnity set out in Item 5 and Your Retention set out in Item 6 of the Information Page, this Workers Compensation Insurance applies to Loss paid by you as required by the workers compensation law for bodily injury by accident or bodily injury by disease, and including resulting death, provided:

1. the bodily injury by accident must occur during the policy period; and
2. the 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. Loss

1. Loss means the amount actually paid by you for benefits under the workers compensation law in effect at the date the accident or disease exposure occurs. Loss includes:
 - a. the amount paid by you in settlement of claims for benefits under the workers compensation law;
 - b. the amount paid by you in satisfaction of awards or judgments for benefits under the workers compensation law.
2. Loss does not include:
 - a. court costs, interest, fines or penalties assessed against you or your claims administrator;
 - b. salaries of employees and office expenses, or penalties or assessments against you, incurred in investigation, adjustment and litigation;
 - c. fees paid to the organization handling your claims and performing other insurance services for you;
 - d. taxes paid by you or other expenses incurred in qualifying for and maintaining your self-insurer's status; or
 - e. allocated loss adjustment expenses which means costs associated with investigation, adjustment or legal expenses directly and definitely chargeable to a specific workers compensation claim.

C. Exclusions

Part One – Workers Compensation Insurance does not cover:

1. Loss arising out of operations or Loss related to employees for which you have rejected any workers compensation law;
2. Loss insured by a standard Workers Compensation & Employers Liability Insurance Policy;
3. Loss payable under the workers compensation law of any state which is not shown in Item 3 of the Information Page, if you are protected from the loss by any other insurance; or
4. any assessment made upon self-insurers, whether imposed by statute, regulation or otherwise.

D. Defense

We have no duty to investigate, handle, settle or defend any claim, suit or proceeding against you. However we have the right and shall be given the opportunity by you to associate with you in the defense, investigation, handling, settlement or defense of any claim, suit or proceeding which appears reasonably likely to involve us. In such an association, you shall promptly cooperate with us in all aspects of investigation, handling, settlement or defense.

E. 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;
4. you discharge, coerce or otherwise discriminate against any employee in violation of the workers compensation law;
5. you violate or fail to comply with any workers compensation law; or
6. of the unreasonable delay or refusal to make payments of compensation by you or on your behalf, including the legal fees associated with defending resulting claims or suits.

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

F. Statutory Provision

Terms of this insurance that conflict with the workers compensation law regarding excess workers compensation insurance are changed by this statement to conform to that law.

PART TWO – EMPLOYERS LIABILITY INSURANCE

A. How This Insurance Applies

Subject to Our Limit of Indemnity set out in Item 5 and Your Retention set out in Item 6 of the Information Page, this Employers Liability Insurance applies to loss paid by you for bodily injury by accident or bodily injury by disease, and including resulting death, provided that:

1. the bodily injury must arise out of and in the course of the injured employee's employment by you;
2. the injured employee must be normally employed in a state listed in Item 3 of the Information Page, and the employment, must be necessary or incidental to your work in a state or territory listed in Item 3 of the Information Page, or as otherwise defined in this policy;
3. the bodily injury by accident must occur during the policy period; and
4. the 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.

If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or bodily injury by disease must be brought in the United States of America.

B. Loss

1. Loss means the amount actually paid by you for damages imposed upon you by law. Loss includes:
 - a. the amount paid by you in settlement of claims for legal damages;
 - b. the amount paid by you in satisfaction of awards or judgments for damages;
2. Loss does not include:
 - a. court costs, interest upon awards and judgments, punitive damages or fines;
 - b. salaries of employees and office expenses, or penalties or assessments against you, incurred in investigation, adjustment and litigation;
 - c. fees paid to the organization handling your claims and performing other insurance services for you;
 - d. taxes paid by you or other expenses incurred in qualifying for and maintaining your self-insured status; or
 - e. allocated loss adjustment expenses which include costs associated with investigation, adjustment or legal expenses directly and definitely chargeable to a specific workers compensation claim.

C. Federal Acts Coverage

This Employers Liability Insurance also applies to Loss paid by you because of damages imposed upon you by the following Federal Acts:

1. The Jones Act (46 USC Section 688);
2. The Federal Employers Liability Act (45 USC Sections 51 – 60); and
3. The Migrant and Seasonal Agricultural Worker Protection Act (29 USC Sections 1801 – 1872).

D. Stop Gap Insurance

If, it is determined by the State Workers Compensation board or any other regulatory authority that any employee of yours, who is reported and declared under the workers compensation law(s) of the state of North Dakota, Ohio, Washington, West Virginia and Wyoming, sustains bodily injury by accident or bodily injury by disease in the course of his/her employment by you, but is not entitled to receive (or elects not to accept) the benefits provided by the aforementioned law, then this policy shall cover you for Loss arising from such bodily injury by accident or bodily injury by disease in excess of Your Retention as stated in Item 6 of the Information Page.

This Stop Gap Insurance shall not apply to:

1. any premium assessment, penalty, fine or other obligation imposed by any workers compensation law;
2. bodily injury, disease or death suffered or caused by any person knowingly employed by you in violation of any law as to age, or under the age of 14 years, regardless of such law;
3. any claim for bodily injury, disease or death with respect to which you are deprived of any defense or defenses or are otherwise subject to penalty because of default in premium payment under, or any other failure to comply with, the provisions of the workers compensation law or laws of the states named above.

Our Limit of Indemnity for Stop Gap Insurance is stated in Item 5 of the Information Page.

E. Exclusions

Part Two – Employers Liability Insurance does not cover:

1. liability assumed under a contract;
2. 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;
3. any obligation imposed by a workers compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
4. bodily injury caused intentionally or aggravated by you;
5. 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;
6. fines or penalties;
7. damages arising out of operations for which you have violated or failed to comply with any workers compensation law;
8. damages arising out of operations for which you have rejected any workers compensation law; or
9. damages arising out of operations for which you are covered under a standard Workers Compensation & Employers Liability Insurance Policy.

F. Defense

We have no duty to investigate, handle, settle or defend any claim, suit or proceeding against you. However, we have the right and shall be given the opportunity by you to associate with you in the defense, investigation or settlement of any claim, suit or proceeding which appears reasonably likely to involve us. In such an association, you shall promptly cooperate with us in all aspects of defense, investigation or settlement.

PART THREE – VOLUNTARY COMPENSATION INSURANCE

A. How This Insurance Applies

In addition to the other coverages provided herein, subject to Our Limit of Indemnity set out in Item 5, and Your Retention set out in Item 6 of the Information Page, this policy also provides coverage for your employees who are not subject to the workers compensation laws or occupational disease law, or any similar law of any state, but who were hired in and are normally employed in the United States, its territories or possessions. This Voluntary Compensation coverage applies to bodily injury subject to the following terms and conditions:

1. the bodily injury must be sustained by an employee included in the group of employees described in the Voluntary Compensation Schedule Endorsement (the "Schedule");
2. the bodily injury must arise out of and in the course of employment necessary or incidental to work in a state listed in the Schedule;
3. the bodily injury must occur in the United States of America, its territories or possessions or Canada, or the country or countries designated in the Schedule ("Designated Countries") or while being transported to or from the United States of America, its territories or possessions, or Canada if the employee is a United States or Canadian citizen away from those places and the employment must be necessary or incidental to work in a Designated Country, subject to the extraterritorial coverage provisions of the applicable state law;
4. bodily injury by accident must occur during the policy period; and
5. 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

Under this Voluntary Compensation coverage, we will pay, subject to Our Limit of Indemnity set out in Item 5 and Your Retention as set out in Item 6 of the Information Page:

1. an amount equal to the benefits that would be required of you if you and your employees described in the Schedule were subject to the workers compensation laws of the states of employment listed in Item 3 of the Information Page; and
2. an amount equal to the benefits for bodily injury or death arising out of a disease endemic to a Designated Country or a location therein, which benefits would be payable if such endemic disease were a covered occupational disease in the state of employment of the diseased employee.

We will pay those amounts to the persons who would be entitled to them under the law of the employee's state of employment, as such state is indicated in your records.

We will also pay, subject to Our Limit of Indemnity set out in Item 5 and Your Retention as set out in Item 6 of the Information Page expenses as reasonably may be incurred over and above normal transportation costs for repatriation of employees suffering from covered bodily injury or diseases (including the bodies of fatally injured employees) from a Designated Country to a destination in the United States of America or Canada provided that such injuries make repatriation necessary in the opinion of competent medical authorities.

C. Exclusions

Part Three - Voluntary Compensation Insurance does not cover:

1. any obligation imposed by a workers compensation or occupational disease law, or any similar law or
2. bodily injury intentionally caused or aggravated by you.

D. Before We Pay

Before we pay benefits to the persons entitled to them as Voluntary Compensation coverage, they must:

1. release you and us, in writing, of all responsibility for the injury or death;
2. transfer to us their right to recover from others who may be responsible for the injury or death; and
3. cooperate with us and do everything necessary to enable us to enforce the right to recover from others.

If the persons entitled to the benefits of this insurance fail to do those things, our duty to pay ends at once. If they claim damages from you or from us for the injury or death, our duty to pay ends at once.

E. Employers Liability Insurance

Part Two - Employers Liability Insurance applies, subject to Our Limit of Indemnity set out in Item 5, Part Two, and Your Retention set out in Item 6 of the Information Page, to bodily injury covered by this Voluntary Compensation Section as though the State of employment listed in the Schedule were shown in Item 3 of the Information Page.

PART FOUR - CLAIMS

A. Your Claims Reporting Duties

1. In the event of an accident or disease that appears reasonably likely to involve coverage under this policy, and/or in the event of any claim reserved for 50% or more of Your Retention stated in Item 6 of the Information Page, you or someone on your behalf shall give written notice as soon as practicable, but not more than ninety (90) days, after such notice has been received by the Risk Management Department, or other equivalent department, of your organization.
2. Immediate written notice shall be given to us when any accident to one or more employees results in any of the following:
 - a. a fatality;
 - b. amputation of a major extremity;
 - c. any serious head injury (including skull fracture or loss of sight of either or both eyes);
 - d. any injury to the spinal cord;
 - e. any severe burn case; or
 - f. any claim arising under Part Two, Employer's Liability.

You shall give notice, with full particulars, of any claim made because of any injury listed in a) through f) above.

3. Failure to provide notice of a reportable claim as defined herein, within the parameters set out above, may result in the denial of coverage.

All notices to us must contain particulars sufficient to identify you and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured party or parties and of available witnesses.

If, after you give us notice as described herein, suit or other proceeding is instituted against you to enforce a claim, you shall, when requested by us, forward to us every demand, notice, summons, or other process or true copies thereof, received by you or your representatives, together with copies of reports of investigations made by you with respect to such claim, suit or proceeding.

B. Your Claims Handling Duties

It is your responsibility to investigate, settle, defend and appeal any claim, suit or other proceeding made against you. However, you must not make any voluntary settlement involving loss to us without our written consent.

If you do not appeal an award or judgment which exceeds Your Retention, we have the right to take an appeal at our own cost and expense and shall be liable for costs, disbursements and interest related to the appeal. If we elect to appeal, our liability on such an award or judgment shall not exceed Our Limit of Indemnity as stated in Item 5 of the Information Page plus the cost and expense of such appeal.

C. Claim Audits

We have the right to examine and audit your claims handling and reserving procedures, practices and records while this policy is in force and for three years after the final settlement of all claims. Also you will provide us any claim information which we may request.

PART FIVE – PREMIUM

A. 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.

B. Deposit Premium

At the beginning of the policy period you must pay us the Deposit Premium shown in Item 7 of the Information Page. At the end of the policy period:

1. you will owe us the amount by which the final premium is greater than the Deposit Premium; or
2. we will owe you the amount by which the Deposit Premium is greater than the final premium.

However, we shall retain not less than the policy Minimum Premium as stated in Item 7 of the Information Page.

C. Final Premium

1. The Deposit Premium shown in Item 7 of the Information Page is an estimate. We will determine the final premium, subject to the Minimum Premium, after this policy ends by using the actual, not the estimated, premium basis which includes payroll and, if applicable, all other remuneration paid or payable during the policy period for the services of:

- a. all your officers and employees engaged in work covered by this policy; and
- b. all other persons engaged in work that could make us liable under Part One – Workers Compensation Insurance of this policy.

We will determine the final payroll and remuneration based upon (i) the manuals and rules of the National Council on Compensation Insurance, Inc. in the states where such manuals and rules apply to workers compensation and in the states where private workers compensation insurance may not be sold, and (ii) the manuals and rules of other licensed rating organizations for workers compensation insurance in the states where such manuals and rules apply to workers compensation.

If you are unable to furnish us with payroll records for these persons, we may use the contract price for their services and materials as the premium basis. Paragraph 1.b.) will not apply if you give us proof that the employers of these persons lawfully secured their workers compensation obligations.

2. If this policy is cancelled, final premium will be determined in the following way:
 - a. 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 shown in Item 7 of the Information Page;
 - b. 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 short rate share of the Minimum Premium shown in Item 7 of the Information Page.

D. 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.

E. 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. If you fail to cooperate with us in an audit, we may estimate your exposure and utilize that estimate in calculating your final premium.

PART SIX – CONDITIONS

A. Acceptance

By acceptance of this policy, you agree that the statements on the Information Page are your agreements and representations, that this policy is issued in reliance upon the truth of such representations, and that this policy embodies all agreements existing between you and us or any of our agents relating to this insurance.

B. Action Against Us

There will be no right of action against us under this insurance unless you have complied with all the terms of this policy.

C. Bankruptcy or Insolvency

Your bankruptcy or insolvency will not relieve us from the payment of any claim covered by this policy; however, in no event shall our obligation to pay be increased or expanded as a result of your bankruptcy or insolvency so as to apply to Your Retention, or otherwise.

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. If we cancel because of non-payment of premium, we must mail or deliver to you not less than ten (10) days advance written notice stating when the cancellation is to take effect. If we cancel for any other reason, we must mail or deliver to you not less than sixty days (60) advance written notice stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown in Item 2 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 change by this statement to comply with that law.

E. In Rem

Any accident otherwise covered by this policy in an action "In Rem" shall, in all respects, be treated in the same manner as though the action resulting therefrom were "In Persona" against you.

F. Inspection

We have the right, but are not obligated 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 law, regulations, codes or standards.

G. Omnibus Reconciliation Act – Government Access Clause

We will make available this policy and all documents needed to confirm the premium paid by you if the Secretary of Health and Human Services or the Comptroller General of the United States find that the policy is a contractor described in Section 1861 of the Social Security Act, 42 USC Section 1395, or any amendment to it, and they or you ask for our documents.

If the Secretary of Health and Human Services or the Comptroller General asks for access to our documents, we will immediately notify you and make these documents available to you, unless prohibited by law.

The right to access will be determined by the above statute, or any amendment to it, or any rules or regulations established under it.

H. Other Insurance

If the Insured carries other valid insurance, reinsurance or indemnity with any other insurer covering a loss covered by this policy (other than insurance that is purchased to apply in excess of the sum of Your Retention and the Limit of Indemnity hereunder), we shall not be liable for a greater proportion of such loss than the applicable Limit of Indemnity of all valid and collectible insurance, reinsurance or indemnity against such loss.

If the Insured carries other insurance with us covering a loss within the limit covered by this policy, the insured must elect which policy shall apply and we shall be liable under the policy so elected and shall not be liable under any other policy.

I. 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. Any amount recovered as a result of such proceedings, together with all expenses necessary to the recovery of any such amount shall be apportioned as follows:

1. if there is insurance coverage in excess of Our Limit of Indemnity, that insurer shall first be reimbursed to the extent of its actual payment;
2. we shall then be reimbursed to the extent of our actual payment and then we will pay the balance, if any, to you.

The expenses of all proceedings necessary to the recovery of any such amount shall be apportioned between you and us in the ratio of their respective recoveries as finally settled. If there should be no recovery in proceedings instituted solely on our initiative, the expenses thereof shall be borne by us.

In the event of any payment under this policy for a Loss for which you have waived the right of recovery in a written contract entered into prior to the Loss, we hereby agree to also waive our right of recovery but only with respect to such Loss.

J. Sole Representative

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

K. Transfer of Your Rights and Duties

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

L. Unintentional Errors and Omissions

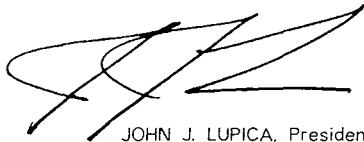
Your failure or omission to disclose all hazards existing as of the inception date of the policy shall not prejudice you with respect to the coverage afforded by this policy provided such failure or omission is not intentional and you did not know about such hazards prior to the commencement of the policy period.

M. Loss Payments

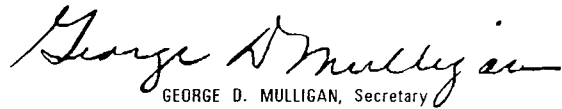
We shall pay any Loss for which we may be liable under this policy in the following manner:

1. As respects Part One – Workers Compensation Insurance, payment shall first be made by you in accordance with the provisions of the workers compensation law, and we shall reimburse you for such Loss periodically, at intervals of not less than three months, upon receipt from you of proper proofs of payment
2. As respects Part Two - Employers' Liability Insurance, if damages are paid by you, we shall make payment to you within thirty (30) days after we receive proper proofs of your payment of Loss covered under Part Two –Employers' Liability.

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its President and Secretary, and, where required by law, its Information Page to be countersigned by one of its duly authorized representatives.



JOHN J. LUPICA, President



GEORGE D. MULLIGAN, Secretary

LOSS AND EXPENSE ENDORSEMENT – ALAE INCLUDED

Named Insured CSAC Excess Insurance Authority			Endorsement Number 1
Policy Symbol WCL	Policy Number C4624431A	Policy Period 07/01/2011 to 07/01/2012	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

SPECIFIC EXCESS WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

Section B in PART ONE- WORKERS COMPENSATION INSURANCE is deleted and replaced with the following:

B. Loss

1. Loss means the amount actually paid by you for benefits under the workers compensation law in effect at the date the accident or disease exposure occurs. Loss includes:
 - a. the amount paid by you in settlement of claims for benefits under the workers compensation law;
 - b. the amount paid by you in satisfaction of awards or judgments for benefits under the workers compensation law;
 - c. allocated loss adjustment expense which means costs associated with investigation, adjustment or legal expenses directly and definitely chargeable to a specific claim.
2. Loss does not include:
 - a. salaries of employees and office expenses, or penalties or assessments against you, incurred in investigation, adjustment and litigation;
 - b. fees paid to the organization handling your claims and performing other insurance services for you; or
 - c. taxes paid by you or other expenses incurred in qualifying for and maintaining your self-insurer's status.

Section B in PART TWO – EMPLOYERS LIABILITY INSURANCE is deleted and replaced with the following:

B. Loss

1. Loss means the amount actually paid by you for damages imposed upon you by law. Loss includes:
 - a. the amount paid by you in settlement of claims for legal damages;
 - b. the amount paid by you in satisfaction of awards or judgments for damages;
 - c. allocated loss adjustment expenses which include costs associated with investigation, adjustment or legal expenses directly and definitely chargeable to a specific claim.
2. Loss does not include:
 - a. salaries of employees and office expenses, or penalties or assessments against you, incurred in investigation, adjustment and litigation;
 - b. fees paid to the organization handling your claims and performing other insurance services for you; or
 - c. taxes paid by you or other expenses incurred in qualifying for and maintaining your self-insured status.

This endorsement is not applicable in FL and NY.

Authorized Agent

EMPLOYERS LIABILITY COVERAGE EXCLUSION ENDORSEMENT

Named Insured CSAC Excess Insurance Authority			Endorsement Number 2
Policy Symbol WCL	Policy Number C4624431A	Policy Period 07/01/2011 to 07/01/2012	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

Workers' Compensation and Employers' Liability Policy

It is hereby understood and agreed that coverage under "PART TWO – EMPLOYERS LIABILITY INSURANCE" is excluded under this policy in its entirety.

Authorized Agent

VOLUNTARY COMPENSATION SCHEDULE

Named Insured CSAC Excess Insurance Authority			Endorsement Number 3
Policy Symbol WCL	Policy Number C4624431A	Policy Period 07/01/2011 to 07/01/2012	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

Specific Excess Workers Compensation and Employer's Liability

The following Schedule applies to PART THREE – VOLUNTARY COMPENSATION INSURANCE

<u>Employees</u>	<u>State of Employment/ Designated Countries</u>	<u>Designated Workers' Compensation Law</u>
Any employee exempt from the Workers' Compensation Law except for (i) employees that have waived their rights to workers' compensation benefits and (ii) employees of employers that have elected not to obtain workers' compensation insurance in Texas	All jurisdictions where legally permissible; not applicable in any country listed under the US Treasury's Office of Foreign Asset Control	State of Hire

Authorized Agent

ALTERNATE EMPLOYERS ENDORSEMENT

Named Insured CSAC Excess Insurance Authority			Endorsement Number 4
Policy Symbol WCL	Policy Number C4624431A	Policy Period 07/01/2011 to 07/01/2012	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

SPECIFIC EXCESS WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY POLICY

This endorsement applies only with respect to bodily injury to your employees while in the course of special or temporary employment by the alternate employer in the state named in Item 2 of the Schedule. Part One (Workers Compensation Insurance) and Part Two (Employer Liability Insurance) will apply as though the alternate employer is insured. If an entry is shown in Item 3 of the Schedule the insurance afforded by this endorsement applies only to work you perform under the contract or at the project named in the Schedule.

Under Part One (Workers Compensation Insurance) we will reimburse the alternate employer for the benefits required by the workers compensation law.

The insurance afforded by this endorsement is not intended to satisfy the alternate employer's duty to secure its obligations under the workers compensation law. We will not file evidence of this insurance on behalf of the alternate employer with any government agency.

We will not ask any other insurer of the alternate employer to share with us a loss covered by this endorsement.

Premium will be charged for your employees while in the course of special or temporary employment by the alternate employer.

The policy may be canceled according to its terms without sending notice to the alternate employer.

Part Four (Claims) applies to you and the alternate employer. The alternate employer will recognize our right to defend under Parts One and Two and our right to inspect under Part Six.

Schedule

- | | | | |
|---|-----------------------------|---------|--|
| 1. Alternate Employer | City of Redwood
City, CA | Address | Union Pacific Railroad
1400 Douglas Street
Stop 1690 |
| 2. State Of Special or Temporary Employment | | | Railroad Folder #2545-56
Omaha, NE 68179-1690 |
| 3. Contract or Project | | | |

This endorsement is not applicable in FL and ME.

Authorized Agent

Notification of Premium Adjustment

Named Insured CSAC Excess Insurance Authority			Endorsement Number 5
Policy Symbol WCL	Policy Number C4624431A	Policy Period 07/01/2011 to 07/01/2012	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY OF INSURANCE.

PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Specific Excess Workers Compensation and Employers Liability Policy

The premium for this policy will be adjusted in accordance with the Notice of Election.

This endorsement is not applicable in FL.

Authorized Agent

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM ENDORSEMENT

Named Insured CSAC Excess Insurance Authority			Endorsement Number 6
Policy Symbol WCL	Policy Number C4624431A	Policy Period 07/01/2011 to 07/01/2012	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY OF INSURANCE.**PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

SPECIFIC EXCESS WORKERS COMPENSATION AND EMPLOYERS LIABILITY

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

"Certified act of terrorism" means an act 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 pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is 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.

Authorized Agent

Claim Reporting Amendatory Endorsement

Named Insured CSAC Excess Insurance Authority			Endorsement Number 7
Policy Symbol WCL	Policy Number C4624431A	Policy Period 07/01/2011 to 07/01/2012	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

Specific Excess Workers Compensation and Employer's Liability Insurance Policy

PART FOUR – CLAIMS, Section A. is deleted and replaced with the following:

A. Your Claims Reporting Duties

1. In the event of an accident or disease that appears reasonably likely to involve coverage under this policy, and/or in the event of any claim reserved for 50% or more of Your Retention stated in Item 6 of the Information Page, you or someone on your behalf shall give written notice as soon as practicable, but not more than one hundred twenty (120) days, after such notice has been received by the Claims/Risk Management Department of the Insured named in Item 1 of the Information Page.
2. Immediate written notice shall be given to us when any accident to one or more employees results in any of the following:
 - a. a fatality;
 - b. amputation of a major extremity;
 - c. any serious head injury (including skull fracture or loss of sight of either or both eyes);
 - d. any injury to the spinal cord;
 - e. any severe burn case; or
 - f. any claim arising under Part Two, Employer's Liability.

You shall give notice, with full particulars, of any claim made because of any injury listed in a) through f) above.

3. Failure to provide notice of a reportable claim as defined under A.1. above may result in the denial of coverage.

All notices to us must contain particulars sufficient to identify you and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured party or parties and of available witnesses.

If, after you give us notice as described herein, suit or other proceeding is instituted against you to enforce a claim, you shall, when requested by us, forward to us every demand, notice, summons, or other process or true copies thereof, received by you or your representatives, together with copies of reports of investigations made by you with respect to such claim, suit or proceeding.

Authorized Representative

EARLIER NOTICE OF CANCELLATION AND NON-RENEWAL ENDORSEMENT

Named Insured CSAC Excess Insurance Authority			Endorsement Number 8
Policy Symbol WCL	Policy Number C4624431A	Policy Period 07/01/2011 to 07/01/2012	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

SPECIFIC EXCESS WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE POLICY

Paragraphs A. and B. below apply to all States shown in item 3. of the Information Page except as indicated below.

A. EARLIER NOTICE OF CANCELLATION

For any statutorily permitted reason, other than nonpayment of premium, the minimum number of days required for notice of cancellation as provided in either the Cancellation Condition of the policy or as amended by any applicable state cancellation endorsement is increased to 120 days.

If the state cancellation endorsement provides for more than the number of days notice of cancellation shown above, this provision does not apply.

B. EARLIER NOTICE OF NON-RENEWAL

If we decide not to renew this policy for any reason other than non payment of premium, the minimum number of days for notice of non-renewal as provided by any applicable state non-renewal endorsement is increased to 120 days.

If the state non-renewal endorsement provides for more than the number of days notice of non-renewal shown above, this provision does not apply.

STATE EXCEPTIONS

Arizona – not applicable - Paragraph A

Florida – In the event of cancellation or non-renewal for nonpayment of premium, 60 days notice of cancellation or non-renewal will be provided.

Oklahoma – Requires at least 10 days notice for cancellation and at least 45 days notice for non-renewal.

Virginia – Requires a minimum of 45 days notice of cancellation or non-renewal.

Authorized Agent

COMMUNICABLE DISEASE COVERAGE

Named Insured CSAC Excess Insurance Authority			Endorsement Number 9
Policy Symbol WCL	Policy Number C4624431A	Policy Period 07/01/2011 to 07/01/2012	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

SPECIFIC EXCESS WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

- B. Your Retention under EXCESS INSURANCE PROVISIONS, OUR LIMIT OF INDEMNITY AND YOUR RETENTION is deleted and replaced by the following:

B. Your Retention

Your Retention means the amount shown in Item 6 of the Information Page, which is the amount that you must pay before this insurance applies.

Solely as respects bodily injury by disease caused by the same "Communicable Disease", Your Retention applies to one or more employees for bodily injury or death by disease caused by the same "Communicable Disease".

The term Communicable Disease means an infectious disease transmissible from person to person by direct or indirect contact with an infected person or that person's bodily fluids.

All other Term and Conditions are unchanged.

Authorized Agent

WHO IS INSURED AMENDATORY ENDORSEMENT - ORGANIZATIONS

Named Insured CSAC Excess Insurance Authority			Endorsement Number 10
Policy Symbol WCL	Policy Number C4624431A	Policy Period 07/01/2011 to 07/01/2012	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY OF INSURANCE.**PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

SPECIFIC EXCESS WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

GENERAL SECTION, C. Who is Insured, the following has been added:

5. you are an organization(s) named in Item 1. of the Information Page;
6. you are a participating member, on file with us, of the organization(s) named in Item 1. of the Information Page.

All other terms and conditions remain unchanged.

Authorized Agent

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

Named Insured CSAC Excess Insurance Authority			Endorsement Number 11
Policy Symbol WCL	Policy Number C4624431A	Policy Period 07/01/2011 to 07/01/2012	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in this endorsement or in the policy Declarations.

Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Terrorism Risk Insurance Act premium: \$ 267,473 .

Authorized Agent

Specific Excess Workers' Compensation and Employers' Liability Policy

Named Insured CSAC Excess Insurance Authority			Endorsement Number 12
Policy Symbol WCL	Policy Number C4624431A	Policy Period 07/01/2011 to 07/01/2012	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims. All other terms and conditions of policy remain unchanged.

This endorsement is not applicable in the states of FL and WI.

Authorized Agent



**ACE Producer Compensation
Practices & Policies**

ACE believes that policyholders should have access to information about ACE's practices and policies related to the payment of compensation to brokers and independent agents. You can obtain that information by accessing our website at <http://www.aceproducercompensation.com> or by calling the following toll-free telephone number: 1-866-512-2862.

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

INFORMATION PAGE CHANGE ENDORSEMENT

Named Insured CSAC Excess Insurance Authority			Endorsement Number 13
Policy Symbol WCL	Policy Number C4624431A	Policy Period 07/01/2011 to 07/01/2012	Effective Date of Endorsement 07/01/2011
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Specific Excess Workers Compensation and Employer's Liability Insurance Policy

The following items on the Information Page are amended where indicated:

item 1. insured _____

Item 2. Address _____

Item 3. States

Add the following states: _____ Additional Premium _____

Delete the following states: _____ Return Premium _____

Item 4. Policy Period is extended as follows:

FROM: _____ TO: _____ Additional Premium _____

This additional term does not reinstate any aggregate limits that apply. The additional period will be deemed part of the last preceding period.

Item 7. Premium and Premium Computation

Premium Component	Basis of Adjustment	Rate	Minimum %	Estimated Premium
Total Policy Premium	Per \$100 of Remuneration	0.04626	80	\$ 9,556,348
	Estimated at			\$ _____
	\$20,659,246,898			\$ _____
Total Estimated Cost				\$ 9,556,348
				\$ _____

Producer Name and Mailing address is changed to read:

Returned Premium \$620

Authorized Agent

GENERAL CHANGE ENDORSEMENT

Named Insured CSAC Excess Insurance Authority			Endorsement Number 14
Policy Symbol WCL	Policy Number C4624431A	Policy Period 07/01/2011 to 07/01/2012	Effective Date of Endorsement 07/01/2011
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Specific Excess Workers' Compensation and Employer's Liability Insurance Policy

Endorsement number 13 is deleted and replaced with endorsement number 15.

All other forms and conditions of the policy remain unchanged.

Authorized Agent

INFORMATION PAGE CHANGE ENDORSEMENT

Named Insured CSAC Excess Insurance Authority			Endorsement Number 15
Policy Symbol WCL	Policy Number C4624431A	Policy Period 07/01/2011 to 07/01/2012	Effective Date of Endorsement 07/01/2011
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Specific Excess Workers Compensation and Employer's Liability Insurance Policy

The following items on the Information Page are amended where indicated:

Item 1. Insured _____

Item 2. Address _____

Item 3. States

Add the following states: _____ Additional Premium _____
 Delete the following states: _____ Return Premium _____

Item 4. Policy Period is extended as follows:

FROM: _____ TO: _____ Additional Premium _____

This additional term does not reinstate any aggregate limits that apply. The additional period will be deemed part of the last preceding period.

Item 7. Premium and Premium Computation

Premium Component	Basis of Adjustment	Rate	Minimum %	Estimated Premium
Total Policy Premium	Per \$100 of Remuneration	0.04626	80	\$ 9,556,348
	Estimated at			\$ _____
	\$20,659,898			\$ _____
Total Estimated Cost				\$ 9,556,348
				\$ _____

Producer Name and Mailing address is changed to read:

 Authorized Agent

INFORMATION PAGE CHANGE ENDORSEMENT

Named Insured CSAC Excess Insurance Authority			Endorsement Number 16
Policy Symbol WCL	Policy Number C4624431A	Policy Period 07/01/2011 to 07/01/2012	Effective Date of Endorsement 07/01/2011
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Specific Excess Workers Compensation and Employer's Liability Insurance Policy

The following items on the Information Page are amended where indicated:

Item 1. Insured _____

Item 2. Address _____

Item 3. States

Add the following states: _____ Additional Premium _____
 Delete the following states: _____ Return Premium _____

Item 4. Policy Period is extended as follows:

FROM: _____ TO: _____ Additional Premium _____

This additional term does not reinstate any aggregate limits that apply. The additional period will be deemed part of the last preceding period.

Item 7. Premium and Premium Computation

Premium Component	Basis of Adjustment	Rate	Minimum %	Estimated Premium
<u>Total Policy</u>	<u>Per \$100 of</u>	<u>0.04626</u>	<u>80</u>	<u>\$ 9,556,968</u>
<u>Premium</u>	<u>Remuneration</u>	_____	_____	\$ _____
_____	<u>Estimated at</u>	_____	_____	\$ _____
_____	<u>\$20,659,246,898</u>	_____	_____	\$ _____
<u>Total Estimated</u>	_____	_____	_____	<u>\$ 9,556,968</u>
<u>Cost</u>	_____	_____	_____	\$ _____

Producer Name and Mailing address is changed to read:

 Authorized Agent

GENERAL CHANGE ENDORSEMENT CHANGE

Named Insured CSAC Excess Insurance Authority			Endorsement Number 17
Policy Symbol WCL	Policy Number C4624431A	Policy Period 07/01/2011 to 07/01/2012	Effective Date of Endorsement 07/01/2011
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

SPECIFIC EXCESS WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY POLICY

Endorsement number 15 is deleted and replaced with endorsement 16.

All other forms and conditions of the policy remain unchanged.

Authorized Agent

POLICYHOLDER NOTICE

Thank you for purchasing insurance from the Chartis companies. Chartis insurance companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by Chartis insurance companies to brokers and independent agents in the United States by visiting our website at www.chartisinsurance.com/producercompensation or by calling 1-800-706-3102.



**NATIONAL UNION
FIRE INSURANCE COMPANY
OF PITTSBURGH, PA**

**POLICY NUMBER:
XWC 091-06-02**

**RENEWAL OF:
4880465**

**A CAPITAL STOCK COMPANY
ADMINISTRATIVE OFFICES**

175 WATER STREET, NEW YORK, NY 10038

**EXCESS WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY
INFORMATION PAGE**

ITEM 1: Named Insured and Mailing Address

CSAC EXCESS INSURANCE AUTHORITY (CSAC-EIA) AND MEMBERS
OF THE EXCESS WORKERS COMPENSATION (EWC) PROGRAM
75 IRON POINT CIRCLE, #200
FOLSOM, CA 95630

ITEM 2: States (in which coverage is to apply) CA

ITEM 3: Policy Period FROM: 07/01/2011 TO 07/01/2012 12:01 A.M. Standard Time at the Mailing Address shown herein

ITEM 4: Our Limit of Indemnity

PART ONE: WORKERS COMPENSATION

STATUTORY - Each Accident
STATUTORY - Each Employee For Disease

PART TWO: EMPLOYERS LIABILITY

EXCLUDED - Each Accident
EXCLUDED - Each Employee For Disease

ITEM 5: Your Retention

PART ONE: WORKERS COMPENSATION

See Form 58336 - Each Accident
See Form 58336 - Each Employee For Disease

PART TWO: EMPLOYERS LIABILITY

EXCLUDED - Each Accident
EXCLUDED - Each Employee For Disease

ITEM 6: Premium and Premium Computation

Estimated Total Annual Remuneration	\$20,659,246,898
Rates Per \$100 of Remuneration	0.0276
Deposit Premium	\$5,701,952
Minimum Premium	\$3,998,487

Premium for Certified Acts of Terrorism Coverage Under Terrorism Risk Insurance Act 2002 as amended by the Terrorism Risk Insurance Program Reauthorization Act 2007:
\$997,842 Included In Policy Premium

THIS POLICY INCLUDES THESE ENDORSEMENTS: SEE ATTACHED SCHEDULE

**PRODUCER NAME AND ADDRESS:
AMWINS INS BROKERAGE OF CA, LLC
19867 PRAIRIE ST
STE 250
CHATSWORTH, CA 91311-6533**

COUNTERSIGNED BY:


(AUTHORIZED REPRESENTATIVE)

Date Issued 08/11/2011

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its President, Secretary and Authorized Representative.



President

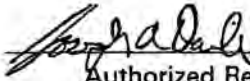
NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA



Secretary

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

This Policy shall not be valid unless signed below at the time of issuance by an authorized representative of the insurer.



Authorized Representative

EXCESS 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 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 or joint venture and if you are a partner in the partnership or a member of the joint venture, you are insured, but only in your capacity as an employer of employees of the partnership or joint venture.

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 2 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. Location

This policy covers all of your workplaces in the states listed in Item 2 of the Information Page.

F. Qualified Self-Insurer

You represent that you are a duly qualified self-insurer under the Workers Compensation Law of each state named in Item 2 of the Information Page and will continue to maintain such qualifications during the term this policy is in effect. If you should terminate such qualifications or if your qualification as a self-insurer is cancelled or revoked while this policy is in force, the amounts payable under this policy will not be increased and you will be responsible for payments within Your Retention.

PART ONE

WORKERS COMPENSATION INSURANCE

A. How This Insurance Applies

This insurance applies to losses paid by you as a qualified self-insurer under the Workers Compensation Law for 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.

If you begin work after the effective date of this policy in any state for which you are not insured or are not self-insured for such work, this insurance will apply as though that state were listed in Item 2 of the Information Page but only if you notify us in writing within ninety (90) days from the date you begin such work.

B. We Will Indemnify

We will indemnify you for your loss as a qualified self-insurer under the Workers Compensation Law in excess of Your Retention as stated in Item 5 of the Information Page but not for more than Our Limit of Indemnity as stated in Item 4 of the Information Page.

Loss means amounts actually paid by you as a qualified self-insurer under the Workers Compensation Law and also includes your claim expenses.

Your claim expenses are included within Your Retention. Our payments to indemnify you for your claim expenses are included within Our Limit of Indemnity.

Your claim expenses mean your litigation costs, interest as required by law on awards or judgments and your claim investigation or legal expenses which can be directly allocated to a specific claim. Claim expenses do not include salaries and travel expenses of your employees, annual retainers, overhead and any fees you paid for claim administration.

Your bankruptcy, insolvency or inability to pay will not relieve us from the indemnification of any claim covered by this policy. But under no circumstances will we be required to drop down and replace Your Retention or assume any of your obligations within the retention area. After Your Retention has been reached, indemnification due under this policy will be made by us as if you had not become bankrupt or insolvent but not in excess of Our Limit of Indemnity as stated in Item 4 of the Information Page. Such indemnification will be made to the Trustee in Bankruptcy or as a Court of competent jurisdiction may ultimately direct.

C. Defense

We have no duty to investigate, handle, settle, or defend any claim, suit or proceeding against you. However, we have the right and shall be given the opportunity by you to associate with you in the defense, investigation or settlement of any claim, suit or proceeding which might involve a loss to us. In such an association, you shall promptly cooperate with us in all aspects of defense, investigation or settlement.

D. Other Insurance

If any other insurance exists protecting you against loss covered by this insurance, this insurance shall apply in excess of the other insurance. However, this provision shall not apply to other insurance which you have procured to apply in excess of the sum of Your Retention and Our Limit of Indemnity under this policy.

E. 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;
4. you discharge, coerce or otherwise discriminate against any employee in violation of the Workers Compensation Law; or
5. you violate or fail to comply with any Workers Compensation Law.

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.

F. Exclusion

We will not indemnify you for any loss arising out of operations for which you have rejected any Workers Compensation Law.

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. Any recovered loss will be allocated as follows:

If there is insurance coverage in excess of Our Limit of Indemnity, that insurer's loss will be reimbursed first. The remaining recovered loss, after deducting our recovery expenses, will first be used to reduce our loss. Then we will pay the balance, if any, to you.

H. Action Against Us

There will be no right of action against us under this insurance unless you have complied with all the terms of this policy.

I. Statutory Provision

Terms of this insurance that conflict with the Workers Compensation Law are changed by this statement to conform to that law.

PART TWO

EMPLOYERS LIABILITY INSURANCE

A. How This Insurance Applies

This insurance applies to losses paid by you as a qualified self-insurer of Employers Liability for 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 2 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.

If you begin work after the effective date of this policy in any state for which you are not insured or are not self-insured for such work this insurance will apply as though that state were listed in Item 2 of the Information Page but only if you notify us in writing within ninety (90) days from the date you begin such work.

B. We Will Indemnify

We will indemnify you for loss as a qualified self-insurer of Employers Liability in excess of Your Retention as stated in Item 5 of the Information Page but not for more than Our Limit of Indemnity as stated in Item 4 of the Information Page.

Loss means amounts which you legally paid as damages as a qualified self-insurer because of Bodily Injury by Accident or Bodily Injury by Disease and also includes your claim expenses. Bodily Injury includes resulting death.

Your claim expenses are included within Your Retention. Our payments to indemnify you for your claim expenses are included within Our Limit of Indemnity.

Your claim expenses mean your litigation costs, interest as required by law on awards or judgments and your claim investigation or legal expenses which can be directly allocated to a specific claim. Claim expenses do not include salaries and travel expenses of your employees, annual retainers, overhead and any fees you paid for claim administration.

Damages include:

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

Your bankruptcy, insolvency, or inability to pay will not relieve us from the indemnification of any claim covered by this policy. But under no circumstances will we be required to drop down and replace Your Retention or assume any of your obligations within the retention area. After Your Retention has been reached, indemnification due under this policy will be made by us as if you had not become bankrupt or insolvent but not in excess of Our Limit of Indemnity as stated in Item 4 of the Information Page. Such indemnification will be made to the Trustee in Bankruptcy or as a Court of competent jurisdiction may ultimately direct.

C. Exclusions

This insurance does not cover:

1. liability assumed under a contract;
2. punitive or exemplary damages;
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 similiar law;
5. bodily injury intentionally caused or aggravated by you;
6. bodily injury occurring outside the United States of America. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America who is temporarily outside the United States of America;
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 901-950), the Nonappropriated Fund Instrumentalities Act (5 USC Sections 8171-8173),

the Outer Continental Shelf Lands Act (43 USC Sections 1331-1356), the Defense Base Act (42 USC Sections 1651-1654), the Federal Coal Mine Health and Safety Act of 1969 (30 USC Sections 901-942), 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 USC Sections 51-60), 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;
11. fines or penalties imposed for violation of federal or state law;
12. damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 USC Sections 1801-1872) and under any other federal law awarding damages for violation of those laws or regulations issued thereunder, and any amendments to those laws;
13. damages arising out of operations for which you have violated or failed to comply with any Workers Compensation Law;
14. damages arising out of operations for which you have rejected any Workers Compensation Law.

D. Defense

We have no duty to investigate, handle, settle or defend any claim, suit or proceeding against you. However, we have the right and shall be given the opportunity by you to associate with you in the defense, investigation or settlement of any claim, suit, or proceeding which might involve a loss to us. In such an association, you shall promptly cooperate with us in all aspects of defense, investigation or settlement.

E. Other Insurance

If any other insurance exists protecting you against loss covered by this insurance, this insurance shall apply in excess of the other insurance. However, this provision shall not apply to other insurance which you have procured to apply in excess of the sum of Your Retention and Our Limit of Indemnity under this policy.

F. 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. Any recovered loss will be allocated as follows:

If there is insurance coverage in excess of Our Limit of Indemnity, that insurer's loss will be reimbursed first. The remaining recovered loss, after deducting our recovery expenses, will first be used to reduce our loss. Then we will pay the balance, if any, to you.

G. 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.

PART THREE

YOUR RETENTION AND OUR LIMIT OF INDEMNITY

A. Your Retention

You shall pay for your own account any loss up to the amount stated in Item 5 of the Information Page as Your Retention.

B. Our Limit of Indemnity

We will indemnify you for loss over the amount stated as Your Retention in Item 5 of the Information Page. Our Limit of Indemnity for Workers Compensation Insurance will not exceed the limits stated in Item 4 of the Information Page. Our Limit of Indemnity for Employers Liability Insurance will not exceed the limits stated in Item 4 of the Information Page.

C. How Your Retention and Our Limit of Indemnity Apply

Your Retention and Our Limit of Indemnity stated on the Information Page apply to each loss paid by you as a qualified self-insurer of Workers Compensation and Employers Liability as follows:

1. To one or more employees because of bodily injury or death in any one accident.
A disease is not bodily injury by accident unless it results directly from bodily injury by accident.
2. To any one employee for bodily injury or death by disease.
Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

The inclusion of more than one legal entity as insured in Item 1 of the Information Page will not increase Your Retention or Our Limit of Indemnity.

PART FOUR

CLAIMS

A. Your Claims Reporting Duties

You must immediately notify us in writing of any claim, either paid or reserved, for 50% or more of Your Retention stated in Item 5 of the Information Page.

You must also give us immediate written notice of any injury involving the following types of accident:

1. a fatality;
2. an amputation of a major extremity;
3. any serious head injury (including skull fracture or loss of sight of either or both eyes);
4. any injury to the spinal cord;
5. any second or third degree burn of 25% or more of the body;
6. any accident which causes serious injury to two or more employees; or
7. any disability of more than one year or where it appears reasonably likely that there will be a disability of more than one year.

B. Your Claims Handling Duties

It is your responsibility to investigate, settle, defend and appeal any claim, suit or other proceeding made against you. However, you must not make any voluntary settlement involving loss to us without our written consent.

If you do not appeal an award or judgment which exceeds Your Retention, we have the right to take an appeal at our own cost and expense and shall be liable for costs, disbursements and interest related to the appeal. If we elect to appeal, our liability on such an award or judgment shall not exceed Our Limit of Indemnity as stated in Item 4 of the Information Page plus the cost and expense of such appeal.

C. Claim Audits

We have the right to examine and audit your claims handling and reserving procedures, practices and records while this policy is in force and for three years after the final settlement of all claims. Also you will provide us any claim information which we may request.

PART FIVE

PREMIUM

A. 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.

B. Deposit Premium

At the beginning of the policy period you must pay us the deposit premium shown on the Information Page. At the end of the policy period:

1. you will owe us the amount by which the final premium is greater than the deposit premium; or
2. we will owe you the amount by which the deposit premium is greater than the final premium;

but in any event, we shall retain the policy Minimum Premium shown on the Information Page.

C. Final Premium

The deposit premium shown on the Information Page is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis which 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.

If this policy is cancelled, 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 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 short rate share of the Minimum Premium.

D. 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.

E. 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.

PART SIX

CONDITIONS

A. Acceptance

By acceptance of this policy, you agree that the statements on the Information Page are your agreements and representations, that this policy is issued in reliance upon the truth of such representations, and that this policy embodies all agreements existing between you and us or any of our agents relating to this insurance.

B. 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. If we cancel because of non-payment of premium, we must mail or deliver to you not less than ten days advance written notice stating when the cancellation is to take effect. If we cancel for any other reason, we must mail or deliver to you not less than sixty 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 that law.

C. 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 law, regulations, codes or standards.

D. Sole Representative

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

E. Transfer of Your Rights and Duties

Your rights and 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.

FORMS SCHEDULE

EFFECTIVE DATE: 07/01/2011

NAMED INSURED: CSAC EXCESS INSURANCE AUTHORITY (CSAC-EIA) AND
MEMBERS OF THE EXCESS WORKERS' COMPENSATION (EWC) PROGRAM

POLICY NO. XWC 091-06-02

56292 (0393) BROAD FORM OTHER STATES ENDT
56316 (0393) USL&HW COMP ACT ENDORSEMENT
58336 (0793) YOUR RETENTION SCHEDULE
61073 (0994) COMM DISEASE (REV APPL OF RTNTN/OUR LMT)
61305 (1194) VOLUNTEER & BOARD MEMBERS ENDT
62042 (0295) ALTERNATE EMPLOYER ENDT
63315 (0895) EXCLUSION OF PART 2, EMPLOYERS LIAB
66900 (0197) WAIVER OF SUBROGATION (VERSION 3)
78052 (0111) PRIVACY POLICY
81066 (1002) AMENDATORY ENDORSEMENT
89644 (0705) AMENDATORY ENDT - COVERAGE TERR
ENDT #1 REVISED CA AMENDATORY ENDORSEMENT
ENDT #2 AMENDATORY ENDT CANCELATION CLAUSE
ENDT #3 CREDIT RATING TRIGGER
ENDT #4 AMENDMENT OF YOUR CLAIMS REPORTING DUTIES

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01 A.M. 07/01/2011 forms a part of
Policy No. XWC 091-06-02 issued to: CSAC EXCESS INSURANCE AUTHORITY (CSAC - EIA) AND MEMBERS
OF THE EXCESS WORKERS' COMPENSATION (EWC) PROGRAM
By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

BROAD FORM OTHER STATES ENDORSEMENT

It is hereby agreed that this policy is amended to include loss under the Workers Compensation Law of a state not listed in Item 2 of the Information Page provided:

- A) The injured employee was working within the scope of his employment, at your direction;
- B) The injured employee was regularly employed in a state listed in Item 2 of the Information Page;
- C) The work in the other state was incidental to work in a state listed in Item 2 of the Information Page; and
- D) The work in the other state was temporary and transitory.

All other terms, conditions and exclusions shall remain the same.


AUTHORIZED REPRESENTATIVE

EXCESS WORKERS COMPENSATION
ENDORSEMENT

This endorsement, effective 12:01 A.M. 07/01/2011 forms a part of

Policy No. XWC 091-06-02 issued to: CSAC EXCESS INSURANCE AUTHORITY (CSAC - EIA) AND MEMBERS
OF THE EXCESS WORKERS' COMPENSATION (EWC) PROGRAM

By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

UNITED STATES LONGSHORE AND HARBOR WORKERS' COMPENSATION ACT
ENDORSEMENT

It is agreed that with respect to operations in the State(s) designated in Item 2 of the Information Page, the term "Workers Compensation Law" includes the United States Longshore and Harbor Workers Act (33 USC Sections 901-950) and Paragraph C of the General Section is amended accordingly.

All other terms, conditions and exclusions shall remain the same.


AUTHORIZED REPRESENTATIVE

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01 A.M. 07/01/2011 forms a part of

Policy No. XWC 091-06-02 issued to: CSAC EXCESS INSURANCE AUTHORITY (CSAC – EIA) AND MEMBERS
OF THE EXCESS WORKERS' COMPENSATION (EWC) PROGRAM

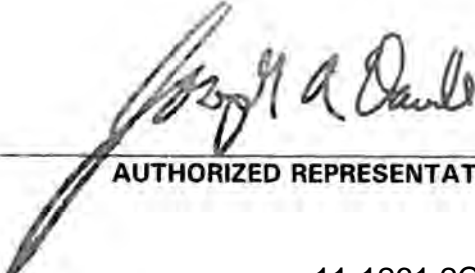
By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

YOUR RETENTION SCHEDULE

It is agreed that Item 5 of the Information Page, Your Retention, shall read as follows:

<u>STATES</u>	<u>CLASSIFICATION</u>	<u>YOUR RETENTION</u>
CALIFORNIA	ALL CLASSES	\$45,000,000 X 5,000,000

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01 A.M. 07/01/2011 forms a part of
Policy No. XWC 091-06-02 issued to: CSAC EXCESS INSURANCE AUTHORITY (CSAC – EIA) AND MEMBERS
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By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

COMMUNICABLE DISEASE ENDORSEMENT
(Revised Application of Your Retention And Our Limit Of Indemnity)

Solely as respects Bodily Injury by Disease caused by the same "communicable disease", it is agreed that in Part Three, Your Retention and Our Limit of Indemnity, paragraph C. is hereby deleted in its entirety and replaced by the following:

C. How Your Retention and Our Limit for Indemnity Apply.

Your Retention and Our Limit of Indemnity stated on the Information Page apply to each loss paid by you as a qualified self-insurer of Workers Compensation and Employers Liability as follows:

1. To one or more employees because of bodily injury or death in any one accident.

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

2. To one or more employees for bodily injury or death by disease caused by the same "communicable disease.

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

The inclusion of more than one legal entity as Insured in Item 1 of the Information Page will not increase Your Retention or Our Limit of Indemnity.

For the purposes of this endorsement, the term "communicable disease" shall be defined as an infectious disease transmissible from person to person by direct contact with an infected person or that person's bodily fluids.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01 A.M. 07/01/2011 forms a part of

Policy No. XWC 091-06-02 issued to: CSAC EXCESS INSURANCE AUTHORITY (CSAC - EIA) AND MEMBERS
OF THE EXCESS WORKERS' COMPENSATION (EWC) PROGRAM

By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

VOLUNTEER AND BOARD MEMBERS ENDORSEMENT

It is hereby agreed that coverage is extended to include Volunteers and Board Members.

All other terms, conditions and exclusions shall remain the same.


AUTHORIZED REPRESENTATIVE

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01 A.M. 07/01/2011 forms a part of

Policy No. XWC 091-06-02 issued to: CSAC EXCESS INSURANCE AUTHORITY (CSAC - EIA) AND MEMBERS
OF THE EXCESS WORKERS' COMPENSATION (EWC) PROGRAM

By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

ALTERNATE EMPLOYER ENDORSEMENT

This endorsement applies only as respects Bodily Injury by Accident or Bodily Injury by Disease to your employees while in the course of special or temporary employment by the alternate employer in the state(s) listed in the Schedule below.

Part One, Workers Compensation Insurance, and Part Two, Employers Liability Insurance, will apply as though the alternate employer is insured.

Under part One, Workers Compensation Insurance, we will reimburse the alternate employer for the benefits required by the Workers Compensation Law if we are not permitted to pay the benefits directly to the persons entitled to them.

The insurance afforded by this endorsement is not intended to satisfy the alternate employer's duty to secure its obligations under the Workers Compensation Law. We will not file evidence of this insurance on behalf of the alternate employer with any government agency.

We will not ask any other insurer of the alternate employer to share with us a loss covered by this endorsement.

Premium will be charged for your employees while in the course of special or temporary employment by the alternate employer.


This policy may be canceled according to its terms without sending notice to the alternate employer.

The provisions of Part Four, Claims, apply to you and to the alternate employer. The alternate employer will recognize our right to inspect under Part Six, Provision C.

**AS RESPECTS "CITY OF REDWOOD CITY, CA"
SCHEDULE**

<u>Alternate Employer</u>	<u>Address</u>	<u>State(s) of Special Or Temporary Employment</u>
UNION PACIFIC RAILROAD COMPANY	1400 DOUGLAS STREET STOP 1690	CA
RAILROAD FOLDER #2545-56	OMAHA, NE 68179-1690	

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01 A.M. 07/01/2011 forms a part of

Policy No. XWC 091-06-02 issued to: CSAC EXCESS INSURANCE AUTHORITY (CSAC – EIA) AND MEMBERS
OF THE EXCESS WORKERS' COMPENSATION (EWC) PROGRAM

By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

EXCLUSION OF PART TWO, EMPLOYERS LIABILITY INSURANCE

Part Two, Employers Liability Insurance, of this policy is hereby deleted in its entirety.

This insurance does not apply to loss arising out of Employers Liability.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01 A.M. 07/01/2011 forms a part of

Policy No. XWC 091-06-02 issued to: CSAC EXCESS INSURANCE AUTHORITY (CSAC – EIA) AND MEMBERS
OF THE EXCESS WORKERS' COMPENSATION (EWC) PROGRAM

By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

WAIVER OF SUBROGATION
(Version 3)

It is agreed that Section G. Recovery From Others, of Part One, Workers Compensation Insurance and Section F,
Recovery From Others, of Part Two, Employers Liability Insurance are amended to include the following:

In the event of any payment under this policy for a loss for which you have waived the right of recovery in a written contract
entered into prior to the loss, we hereby agree to also waive our right of recovery but only with respect to such loss.

All other terms, conditions and exclusions shall remain the same.


AUTHORIZED REPRESENTATIVE

Chartis U.S. Privacy and Data Security Notice

About This Notice

This Privacy and Data Security Notice applies only to your Personal Information (see definition below) obtained by one of the Chartis U.S. Companies or their affiliates listed at the end of this notice, in connection with the products or services one of those companies provided primarily for your personal, family, or household purposes in connection with which you are receiving this notice.

Chartis U.S. has established practices, procedures and system protections that are designed to help protect the privacy and security of Personal Information that we collect in the course of conducting our business. This notice outlines how we collect, handle, and disclose Personal Information about you.

The term "Personal Information," as used in this Privacy and Data Security Notice, means information that identifies you personally. Examples of Personal Information include a first and last name, a home or other physical address, an email address, a financial account or credit card number, a driver's license number, or information on your physical condition or health status.

I. Information Privacy

We may collect Personal Information from applications, enrollment forms, in claims processing, or in your other interactions with us and with our Affiliates. We may also collect Personal Information from credit reporting agencies and other third parties in connection with the sale of our products to you.

We will collect Personal Information only in accordance with applicable laws or regulations, whether we collect it in response to your request for a product or service from us or otherwise.

Information Sharing

We may share your Personal Information with Affiliates and Non-Affiliates as described below.

With our Affiliates: Our Affiliates may include other insurance companies, insurance holding companies, insurance agents and agencies, claims administrators, marketing companies, e-commerce service providers, and companies providing administrative services.

We may share your Personal Information, including Personal Information of a health nature, with our Affiliates that assist us in servicing your insurance policies. Examples are administration (billing and collections), risk management, underwriting, and claims handling. We may also share your Personal Information with our Affiliates for the purpose of detecting and preventing fraud, as directed or authorized by you, or as otherwise permitted or required by law.

With Non-Affiliates:

We may share your Personal Information, including Personal Information of a health nature, with Non-Affiliates that assist us in servicing your insurance policies. Examples are administration (billing and collections), risk management, underwriting, and claims handling. We may also share your Personal Information with Non-Affiliates for the purpose of detecting and preventing fraud, as directed or authorized by you, or as otherwise permitted or required by law.

We may also enter into joint marketing agreements with Non-Affiliates to share your non-health Personal Information as permitted by law. These Non-Affiliates may include providers of financial products or services such as insurance companies, financial institutions, and securities firms.

Because we do not share Personal Information with either Affiliates or Non-Affiliates in any other way, there is no need for an opt-out process in our privacy procedures.

For California and Vermont Residents: If it becomes necessary to share your Personal Information with Non-Affiliates other than as specifically allowed by law, we will not do so without first obtaining your permission.

II. Data Security

To help prevent unwarranted disclosure of your Personal Information and secure it from theft, we utilize secure computer networks. Access is restricted to those persons who have a business need to use your Personal Information to provide products or services to you. We also maintain physical, electronic, and procedural safeguards designed to protect your Personal Information in compliance with federal and state privacy and information security laws. Non-Affiliates that assist us in servicing insurance policies or who enter into joint marketing agreements with us are required to take measures to maintain the security of your Personal Information in compliance with federal and state privacy and information security laws.

III. Maintaining Personal Information

We also maintain procedures to ensure that the Personal Information we collect is accurate, up-to-date, and as complete as possible. If you believe the information we have about you in our records or files is incomplete or inaccurate, you may request that we make additions or corrections, or if it is feasible, that we delete this information from our files. You may make this request in writing to (include your name, address and policy number):

**Chief Privacy Officer
Chartis U.S.
175 Water Street, 17th Floor
New York, NY 10038
Fax: 212 458-7081
E-Mail: CIPrivacy@chartisinsurance.com**

Special Notice: You can obtain access to any non-public Personal Information we have about you if you properly identify yourself and submit a written request to the address above describing the information you want to review. We will also tell you the identity, if recorded, of persons to whom we have disclosed your non-public Personal Information within the preceding two years.

You may request that we correct, amend or delete information about you. If we do so, we will notify organizations that provided us with that information and, at your request, persons who received that information from us within the preceding two years. If we cannot grant your request to correct, amend or delete the information, you may give us a written statement of the reasons you disagree, which we will place in your file and give to the same parties who would have been notified of the requested change.

Our Customers Can Depend on Us

We are committed to maintaining our trusted relationship with our Customers. We consider it our privilege to serve our Customers' insurance and financial needs and we value the trust they have placed in us. Our Customers' privacy is a top priority. We will continue to monitor our practices in order to protect that privacy and will comply with state privacy laws that require more restrictive practices than those set out in this notice.

Important Information Concerning the Applicability and Future Changes to this Privacy and Data Security Notice

We may change this Privacy and Data Security Notice from time to time, and if particular changes are required by law to be communicated to you, we will do so.

You may have received this notice in connection with products or services provided to you by one of the following Companies: American Home Assurance Company; Chartis Casualty Company; Chartis Property Casualty Company; Chartis Select Insurance Company; Chartis Specialty Insurance Company; Commerce and Industry Insurance Company; Granite State Insurance Company; Illinois National Insurance Co.; Landmark Insurance Company; Lexington Insurance Company; National Union Fire Insurance Company of Pittsburgh, Pa.; National Union Fire Insurance Company of Vermont; New Hampshire Insurance Company; The Insurance Company of the State of Pennsylvania; other Chartis U.S. companies, and American International Life Assurance Company of New York and American General Life Insurance Company of Delaware.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT

This endorsement, effective 12:01 A.M. 07/01/2011 forms a part of
Policy No. XWC 091-06-02 issued to: CSAC EXCESS INSURANCE AUTHORITY (CSAC – EIA) AND MEMBERS
OF THE EXCESS WORKERS' COMPENSATION (EWC) PROGRAM
By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following form:

EXCESS WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

It is hereby understood and agreed that **PART ONE, WORKERS COMPENSATION INSURANCE**, paragraph **E. Payments You Must Make**, is deleted and replaced with the following:

E. Payments You Must Make

You are responsible for any payments in excess of the benefits regularly provided by the Workers Compensation Law including but not limited to those required because:

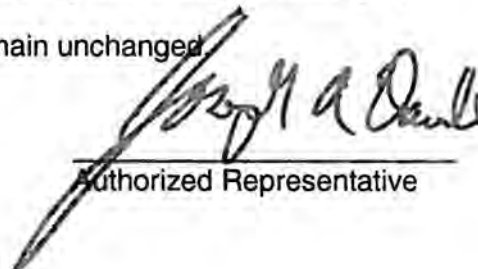
1. of your serious and willful misconduct;
2. you knowingly employ an employee in violation of law;
3. you fail to comply with a health or safety law or regulation;
4. you discharge, coerce or otherwise discriminate against any employee in violation of the Workers Compensation Law;
5. you violate or fail to comply with any Workers Compensation law; or
6. of the unreasonable delay or refusal to make payments of compensation by you or on your behalf.

We will not make any payments on your behalf in excess of the benefits regularly provided by the workers compensation law including, but not limited to, fines, penalties, assessments and punitive damages.

It is further understood and agreed that **PART TWO, EMPLOYERS LIABILITY INSURANCE**, paragraph **C. Exclusions**, number **2.** is deleted and replaced with the following:

2. fines, penalties or punitive, exemplary and multiplied damages;

All other terms and conditions of the policy remain unchanged.


Authorized Representative

ENDORSEMENT

This endorsement, effective 12:01 A.M. 07/01/2011 forms a part of

Policy No. XWC 091-06-02 issued to: CSAC EXCESS INSURANCE AUTHORITY (CSAC - EIA) AND MEMBERS
OF THE EXCESS WORKERS' COMPENSATION (EWC) PROGRAM

By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COVERAGE TERRITORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

Payment of loss under this policy shall only be made in full compliance with all United States of America economic or trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").



A handwritten signature in black ink, appearing to read 'Scott A. Davis', is written over a horizontal line. Below the line, the words 'AUTHORIZED REPRESENTATIVE' are printed in a sans-serif font.

**EXCESS WORKERS COMPENSATION
ENDORSEMENT #1**

This endorsement, effective 12:01 A.M. 07/01/2011 forms a part of

Policy No. XWC 091-06-02 issued to: CSAC EXCESS INSURANCE AUTHORITY (CSAC - EIA) AND MEMBERS
OF THE EXCESS WORKERS' COMPENSATION (EWC) PROGRAM

By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

REVISED CALIFORNIA AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

EXCESS WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

PART SIX - CONDITIONS, Section B. - Cancellation, is hereby deleted in its entirety and replaced by the following:

B. Cancellation/Nonrenewal

This policy may be cancelled or nonrenewed by you or by us by mailing or delivering not less than thirty days advance written notice to the other party and to:

Office of Self Insurance Plans
2265 Watt Avenue, Suite 1
Sacramento, CA 95825

However, if we cancel because of nonpayment or premium, we will provide you ten (10) days advance written notice stating when the cancellation is to take effect.

The policy period will end on the day and hour stated in the notice.

To the extent that any of the provisions of this endorsement conflicts with the laws or Insurance Department regulations in effect in the jurisdiction governing policy cancellation, then the provisions set forth herein shall be deemed changed in order to ensure compliance with the applicable law or Insurance Department regulation.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

**EXCESS WORKERS COMPENSATION
ENDORSEMENT #2**

This endorsement, effective 12:01 A.M. 07/01/2011 forms a part of

Policy No. XWC 091-06-02 issued to: CSAC EXCESS INSURANCE AUTHORITY (CSAC – EIA) AND MEMBERS
OF THE EXCESS WORKERS' COMPENSATION (EWC) PROGRAM

By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

AMENDATORY ENDORSEMENT

It is agreed the following wording shall be including as part of the policy language with respects to
Cancellation for Non-Payment of Premium.

"If we cancel because of nonpayment of premium, we will provide you ten (10) days advance written notice stating when the cancellation is to take effect.

To the extent that any of the provisions of this endorsement conflict with the laws or Insurance Department regulations now or hereafter in effect in the jurisdiction governing policy cancellation, than the provisions set forth herein shall be deemed changed in order to ensure compliance with the applicable law or Insurance Department regulations".

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT #3

This endorsement, effective 12:01 A.M. 07/01/2011 forms a part of

Policy No. XWC 091-06-02 issued to: CSAC EXCESS INSURANCE AUTHORITY (CSAC - EIA) AND MEMBERS
OF THE EXCESS WORKERS' COMPENSATION (EWC) PROGRAM

By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

**CANCELLATION CLAUSE AMENDED ENDORSEMENT
(CREDIT RATING TRIGGER)**

All Coverage Parts included in this policy are subject to the following conditions:

The paragraph entitled **Cancellation** within the **CONDITIONS** Part of the Policy, is amended to include the following additional provision:

In the event (i) A.M. Best Co. issues a reduction in Our financial strength rating to below A- or (ii) Standard & Poor's Ratings Services issues a reduction in Our financial strength rating to below A- (hereinafter "Credit Rating Downgrade") or (iii) We have filed for protection under any US Code or Chapter regarding insolvency or reorganization (hereinafter "Insolvency or Reorganization"), then this policy may be canceled by the first Named Insured by mailing written prior notice to us. If this policy is canceled by the first Named Insured within 60 days after such Credit Rating Downgrade, Insolvency or Reorganization, We shall return the unearned pro rata proportion of the premium as of the effective date of cancellation and shall waive any minimum earned premium requirement specified herein.


AUTHORIZED REPRESENTATIVE

**EXCESS WORKERS COMPENSATION
ENDORSEMENT #4**

This endorsement, effective 12:01 A.M. 07/01/2011 forms a part of

Policy No. XWC 091-06-02 issued to: CSAC EXCESS INSURANCE AUTHORITY (CSAC - EIA) AND MEMBERS
OF THE EXCESS WORKERS' COMPENSATION (EWC) PROGRAM

By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA


AMENDEMENT OF YOUR CLAIMS REPORTING DUTIES

In Part Four, Claims, Item A., Your Claims Reporting Duties, is hereby deleted in its entirety and replaced by the following:

A. Your Claims Reporting Duties

You must notify us in writing as soon as practicable of any claim, either paid or reserved, for 50% or more of Your Retention stated in Item 5 of the Information Page, once such claim becomes known to CSAC- Excess Insurance Authority.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE