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Policy Number: EIG 5501611 02

EMPLOYERS
P.O. Box 539003
Henderson, NV 89053-9003

THE WATER HEATER & PLUMBING CO
808 CALLE PLANO
CAMARILLO CA 93012



Welcome to EMPLOYERS®!

Thank you for the trust you have placed in EMPLOYERS. As a leading provider of workers' compensation insurance for America's small businesses, EMPLOYERS is focused on making premiums affordable, as well as helping our policyholders reduce the long-term costs associated with workplace injuries and illnesses.

Verify Important Policy Information

Enclosed you will find your EMPLOYERS Workers' Compensation and Employers Liability Policy. Please take a moment to review it to make sure that all of the information is correct. If any information is inaccurate or needs to be updated, please contact your insurance agent immediately.

1. Mailing Address

Please verify that the mailing address on the Policy is correct. Important notices will be mailed to this address.

2. Named Insureds

Please review each Named Insured and corresponding Federal Employer Identification Number (FEIN) shown on the Policy to make sure the proper employer(s) are listed. This Policy does not provide coverage for any business or legal entity not listed on the Policy declarations page or as an additional named insured on the Named Insured Schedule endorsement. Only legally combinable Named Insureds (legal entities with common majority ownership) may be provided coverage on the same policy.

3. Worksites

Make sure that your Policy correctly identifies each state and location where you currently have work. This information is shown in item 3.A of the Policy declarations page and on the Site Location Schedule endorsement.

4. Officers, Sole Proprietors, Members and/or Partners (or others) Coverage

If the Policy contains any endorsement documenting an individual's rejection of statutory coverage, please confirm it is accurate. Eligibility to reject workers' compensation coverage varies by state. Any changes will require written documentation.

If the Policy contains any endorsement documenting the election of statutory coverage by an individual not otherwise subject to the Workers Compensation Act, please confirm it is accurate. Eligibility to elect varies by state. Any changes will require written documentation.

America's small business insurance specialist®



Report a Claim

Immediately reporting workplace injuries or illnesses is important for everyone involved. Waiting to report a claim can result in delayed access to medical care for your employee, which may lead to further injury, additional treatment needs, higher overall medical costs, and extended business disruptions for you and your team.

EMPLOYERS® offers four convenient claim reporting options that are available 24/7. Our Claim Services team is fluent in both English and Spanish, and can make accommodations for other languages.

To report a new work-related injury or illness when the injured/ill employee has not yet received medical treatment:

Injured Employee Hotline – 855-365-6010

Access to registered nurses who are specially trained to provide medical guidance.

*For injuries or illnesses that require Emergency Services please call **911**.*

To report a new work-related injury or illness when the injured/ill employee has already received medical treatment:

Report a Claim Online – employers.com/start-claim

The easiest way to file a claim is online through your EACCESS® account.

Fax – 877-329-2954

Customer Support – 888-682-6671

Download a Claim Kit

As an employer, you are required to print and post certain workers' compensation notices. We have compiled these documents and made them available to print at www.employers.com/claimskit. Please select your state and follow the instructions to ensure your business is compliant with applicable state laws.

Medical Information

To obtain a medical provider list, visit employers.com/provider-locator.

For billing inquiries, go to employers.com/billing.

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EMPLOYERS®, America's small business insurance specialist® and EACCESS® are registered trademarks of Employers Insurance Company of Nevada. Insurance is offered through Employers Compensation Insurance Company, Employers Insurance Company of Nevada, Employers Preferred Insurance Company, and Employers Assurance Company. EIG Services, Inc. (in California, dba EIG Insurance Services) is an affiliated agency and adjuster. Not all insurers do business in all jurisdictions.



FACTS	WHAT DOES EMPLOYERS® DO WITH YOUR PERSONAL INFORMATION?
Why?	This privacy notice is for individuals who are policyholders or applicants for our products and services. In this notice, “you” refers to these individuals. Insurance companies choose how they collect and share your personal information. Applicable laws give consumers the right to limit some but not all sharing. We want you to know how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> - Social Security number and insurance claim history - transaction history or loss history - employment information and income - medical information (only in connection with claims) <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>
How?	All insurance companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons EMPLOYERS chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does EMPLOYERS share?	Can you limit this sharing?
For our everyday business purposes— such as to administer policies and claims, comply with laws or regulations, respond to court orders, legal investigations, and government agencies, or otherwise as required or permitted by law	YES	NO
For our affiliates’ everyday business purposes— information about your transactions and experiences	YES	NO
For our marketing purposes— with nonaffiliated service providers we use to market our products and services to existing and prospective policyholders	YES	NO
For our affiliates (excluding Cerity Services, Inc.) to market to you— to offer our products and services to existing and prospective policyholders	YES	NO
For nonaffiliates to market to you	NO	We do not share
For joint marketing with other financial companies	NO	We do not share
For our affiliates’ everyday business purposes— information about your personal creditworthiness	We do not collect or share	We do not collect or share

Questions?	Please contact EMPLOYERS, Attn: Compliance, P.O. Box 539003, Henderson, Nevada 89053-9003, or go to www.employers.com . We believe that the information we have about our customers is accurate. If you would like access or request correction of your information, please forward a written request to the above address.
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Who we are	
Who is providing this notice?	Employers Holdings, Inc. and its affiliates.
What we do	
How does EMPLOYERS protect my personal information?	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with applicable law. These measures include physical, electronic and procedural safeguards.</p> <p>Nonaffiliates that perform services for us are contractually bound to keep this information confidential. Our employees are informed of the requirements to maintain the confidentiality of this information.</p>
How does EMPLOYERS collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> ● file an insurance application or claim ● provide your income, employment, or contact information ● provide account information <p>We also collect your personal information from others, such as your employer and its insurance producer, insurance support organizations, our affiliates, medical providers or other companies as permitted by law. Insurance support organizations may retain information and disclose it to others.</p>
Why can't I limit all sharing?	<p>Insurance companies need to share personal information to run their everyday business. Generally, applicable laws give you the right to limit only certain types of sharing, such as</p> <ul style="list-style-type: none"> ● sharing information about your personal creditworthiness for affiliates' everyday business purposes ● sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ● <i>Employers Holdings, Inc. affiliates are financial companies.</i>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ● <i>Examples include reinsurance companies, computer service providers, independent auditors, independent claims personnel, independent insurance agents, and insurance support organizations.</i>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> ● <i>EMPLOYERS does not share for joint marketing purposes.</i>
Other important information	
<p>Employers Holdings, Inc.'s affiliates include: Employers Group, Inc., Employers Insurance Company of Nevada, Employers Compensation Insurance Company, Employers Preferred Insurance Company, Employers Assurance Company, Elite Insurance Services, Inc., dba Employers Elite Insurance Services and EIG Services, Inc. dba California EIG Insurance Services. CERITY is a trade name for the following companies. Cerity Group, Inc., Cerity Services, Inc., and Cerity Insurance Company, which are also subsidiaries of Employers Holdings, Inc.</p>	

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CALIFORNIA EMPLOYERS BILL OF RIGHTS

As a workers' compensation policyholder in California, you have the right to information about claims filed against your company. In addition, there are specific actions you are required to take if you wish to dispute a claim. The following is a summary of your rights and responsibilities under California Labor Code Sections 3761 and 3762:

Notification of Claims Filed – EMPLOYERS® shall notify you within 15 days of any claim filed directly with EMPLOYERS for which you have not timely submitted a report of occupational injury or occupational illness.

Reserves – At your request, EMPLOYERS shall provide a written report of the reserve amount established for any claim.

Premium – EMPLOYERS shall discuss with you all non-privileged elements of the claim file that affect your premium and shall supply copies of the non-privileged documents pertaining thereto.

Note: *EMPLOYERS is prohibited from sharing medical information about an employee who has filed a workers' compensation claim, except as follows:*

1. *Diagnosis of the mental or physical condition for which workers' compensation is claimed and the treatment provided for this condition.*
2. *Medical information regarding the injury for which workers' compensation is claimed that is necessary for the policyholder to have in order to modify the employee's work duties.*

Disputed Claims

EMPLOYERS reserves the right to investigate all claims and to decide whether or not to contest or settle claims. However, the California Labor Code affords policyholders a right to voice their position on proposed settlements.

What to do if you dispute the validity of a claim: You must notify EMPLOYERS, in writing, of your knowledge of any facts that would tend to disprove any aspect of the employee's workers' compensation claim. You may also write the Workers' Compensation Appeals Board (WCAB) to request notification of any proposed settlement of the disputed claim.

Upon receipt of your written dispute, EMPLOYERS will notify you within 15 days of any scheduled WCAB hearing during which a settlement of the disputed claim is to be approved.

Settlements – If EMPLOYERS complies with the notification requirements outlined above, the Workers' Compensation Appeals Board may approve a claim settlement without a hearing or further proceedings.

America's small business insurance specialist®

**POLICYHOLDER NOTICE
YOUR RIGHT TO RATING AND DIVIDEND INFORMATION**

I. Information Available to You

A. Information Available from Us

- (1) General questions regarding your policy should be directed to:

**Employers Preferred Insurance Company,
P.O. Box 539003
Henderson, NV 89053-9003
1-888-682-6671
www.employers.com**

- (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 to compute your experience modification if you are eligible for experience rating.

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) and the *California Workers' Compensation Experience Rating Plan—1995* (ERP). WCIRB contact information is: WCIRB, One Montgomery Street, Suite 400, San Francisco, CA 94104, Attn: Customer Service; 888.229.2472 (phone); 415.778.7272 (fax); and customerservice@wcirb.com (email). The regulations contained in the USRP and ERP are available for public viewing through the WCIRB's website at wcirb.com.
- (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, One Montgomery Street, Suite 400, San Francisco, CA 94104, Attn: Custodian of Records. The Custodian of Records can be reached at 415.777.0777 (phone) and 415.778.7272 (fax).
- (3) **Experience Rating Form.** Each experience rated risk may receive a single copy of its current Experience Rating Form/Worksheet free of charge by completing a Policyholder Experience Rating Worksheet Request Form on the WCIRB's website at wcirb.com/ratesheet. The Experience Rating Form/Worksheet will include a Loss-Free Rating, which is the experience modification that would have been calculated if \$0 (zero) actual losses were incurred during the experience period. This hypothetical rating calculation is provided for informational purposes only.

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 .

If you are aggrieved by our decision adopting a change in a classification assignment that results in increased premium, or by the application of our rating system to your workers' compensation insurance, you may dispute these matters with us. If you are dissatisfied with the outcome of the initial dispute with us, you may send us a written Complaint and Request for Action as outlined below.

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: **Employers Preferred Insurance Company, CSC-Lawyers Incorporating Service, 2710 Gateway Oaks Drive, Suite 150N, Sacramento, CA 95833, phone: 1-888-682-6671, fax: 775-886-1818 or visit our website at www.employers.com.**

After you send your Complaint and Request for Action, we have 30 days to send you a written notice indicating whether 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, except if the request involves the application of the Revision of Losses rule. For requests related to your experience modification, your initial request for review must be received by the WCIRB within 6 months after the issuance, or 12 months after the expiration date, of the experience modification to which the request for review pertains, whichever is later, except if the request for review involves the application of the Revision of Losses rule. If the request involves the Revision of Losses rule, the time to state your appeal may be longer. (See Section VI, Rule 7 of the ERP).

You may commence the review process by sending the WCIRB a written Inquiry. Written Inquiries should be sent to: **WCIRB, One Montgomery Street, Suite 400, San Francisco, CA 94104, Attn: Customer Service. Customer Service can be reached at 888.229.2472 (phone), 415.778.7272 (fax) and customerservice@wcirb.com (email).**

If you are dissatisfied with the WCIRB's decision upon 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 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, One Montgomery Street, Suite 400, San Francisco, CA 94104, Attn: Complaints and Reconsideration. The WCIRB's contact information is 888.229.2472 (phone), 415.371.5204 (fax) and customerservice@wcirb.com (email).**

- C. California Department of Insurance – Appeals to the Insurance Commissioner.** After you follow the appropriate dispute resolution process described above, if (1) we or the WCIRB decline to review your request, (2) you are dissatisfied with the decision upon review, or (3) 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
1901 Harrison Street, 3rd Floor Mailroom
Oakland, CA 94612
415.538.4243

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, One Montgomery Street, Suite 400, San Francisco, CA 94104, Attn: Policyholder Ombudsman. The policyholder ombudsman can be reached at 415.778.7159 (phone), 415.371.5288 (fax) and ombudsman@wcirb.com (email).
- B. California Department of Insurance – Information and Assistance.** Information and assistance on policy questions can be obtained from the Department of Insurance Consumer HOTLINE, 800.927.HELP (4357) or 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.



**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 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. Rating organizations may develop pure premium rates that are subject to the insurance commissioner's approval. A pure premium rate reflects the anticipated cost and expenses of claims per \$100 of payroll for a given classification. Pure premium rates are advisory only, as we are not required to use the pure premium rates developed by any rating organization in establishing our own rates.
4. We must adhere to a single, uniform experience rating plan. If you are eligible for experience rating under the plan, we will be required to adjust your premium to reflect your claim history. A better claim history generally results in a lower experience rating modification; more claims, or more expensive claims, generally result in a higher experience rating modification. The uniform experience rating plan, which is developed by the insurance rating organization designated by the insurance commissioner, is subject to approval by the insurance commissioner.
5. 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.
6. Our rates and classifications may not violate the Unruh Civil Rights Act or be unfairly discriminatory.
7. 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.



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.

POLICYHOLDER NOTICE
PAYROLL RECORD AND AUDIT REQUIREMENTS FOR
DUAL WAGE CONSTRUCTION OR ERECTION CLASSIFICATIONS

Your policy includes one or more construction or erection classifications. Dual wage classifications are pairs of classifications that describe the same construction or erection operation yet are assigned based upon whether the employee's hourly wage is above or below a specified threshold. Each pair of dual wage classifications contains one "high wage" classification that is assignable to payrolls earned by employees whose regular hourly wage equals or exceeds a specified wage threshold and one "low wage" classification that is assignable to payrolls earned by employees whose regular hourly wage is less than the specified threshold.

Payroll Record Requirements

The assignment of a high wage classification is contingent on verifying that the employee's hourly wage equals or exceeds the specified wage threshold. The determination of the regular hourly wage for any non-salaried employee must be supported by one of the following sources:

- Original time cards or time book entries for each employee. Original records must include the operations performed, the total hours worked each day and the times the employee started and ended each work period throughout the workday. At job locations where all of the employer's operations cease for a uniform unpaid meal period, recording the start and stop times of the uniform break period is not required.
- A valid collective bargaining agreement that shows the regular hourly wage rate by job classification of a worker. If using a collective bargaining agreement, the records must include an employee roster by job classification that permits the reconciliation of individual employees to the job classifications set forth in the collective bargaining agreement.

The non-salaried employee's regular hourly wage shall be determined by dividing that employee's total remuneration by the hours worked during the pay period, irrespective of whether the employee is paid on an hourly, piecework, production or commission basis.

The payroll earned by any non-salaried employees for whom the records specified above are not maintained and/or made available will be assigned to the low wage classification that describes the operations performed.

The regular hourly wage of salaried employees is determined by dividing the total annual remuneration by 2000 hours. If an employee is salaried for less than 12 months, the regular hourly wage for the salaried period is calculated on a prorated basis.

Audit Requirements

If your policy has an effective date on or after January 1, 2020 and produces a final premium of \$10,500 or more, a physical audit is required at least once a year; if it produces a final premium of less than \$10,500 and develops payroll in a high wage classification, a physical audit of the policy is required unless the policy is a renewal and a physical audit was completed for one of the two immediately preceding policy periods. A "physical audit" is defined as an audit of payroll, whether conducted at the policyholder's location or at a remote site, that is based upon an auditor's examination of the policyholder's books of accounts and original payroll records (in either electronic or hard copy form) as necessary to determine and verify the exposure amounts by classification.

If you hold a C-39 Roofing Contractor license from the California Contractors State License Board, a physical audit is required on the complete policy period of each policy regardless of the amount of final premium. See California Insurance Code Section 11665(a) for additional requirements regarding the audit of C-39 license holders.

Important Notice

Regarding Your Workers' Compensation Insurance

TO OUR CALIFORNIA WORKERS' COMPENSATION POLICYHOLDERS:

Re: Occupational Safety and Health Loss Control Consultation Services

Section 6354.5 of the California Labor Code requires all Workers' Compensation Insurers to provide Occupational Safety and Health Consultation Services to all insured employers who require such services for operations in the State of California.

As an EMPLOYERS® policyholder you have an extensive array of professional safety and health resources available to you at no additional charge, including:

- A. Evaluation of existing Injury and Illness Prevention Programs (IIPP)
- B. Identification and evaluation of work site hazards, materials, personal protective equipment, work methods, processes and facilities
- C. Safety Training programs addressing identified exposures and needed control measures
- D. Access to claims history reports (loss runs) and accident trend analyses, consisting of a review of reported workers' compensation injuries and identification of causal factors
- E. Written safety program Employer Guides
- F. Consultation and recommendations with respect to possible workplace safety improvement measures
- G. Follow-up services to items listed above

For assistance in any of these areas, or for any other occupational safety or health-related questions, please contact EMPLOYERS at:

Loss Control Department
EMPLOYERS
PO Box 539003
Henderson, NV 89053-9003

Loss Control Telephone: (800) 588-5200
E-Mail: losscontrol@employers.com

Note: Workers' Compensation Insurance Policyholders may register comments about an insurer's Loss Control consultation services by writing to State of California, Department of Industrial Relations, Division of Occupational Safety & Health, 455 Golden Gate Avenue, San Francisco, California, p4102, or you can call the Loss Control Coordinator, with the Commission on Health, Safety and Workers' Compensation at (510) 622-3959.

America's small business insurance specialist®

Tel 888 682-6671 | PO Box 32036 | Lakeland, FL 32036 | www.employers.com

EIG Services, Inc., an affiliated agency and adjuster

Employers Preferred Insurance Company | Employers Assurance Company
Employers Compensation Insurance Company | Employers Insurance Company of Nevada

Important Notice

Regarding Your Workers' Compensation Insurance

TO OUR MISSOURI WORKERS' COMPENSATION POLICYHOLDERS:

Re: Occupational Safety and Health Loss Control Consultation Services

EMPLOYERS[®] is required by Missouri Labor Code, Chapter 287, Workers' Compensation Law §287.123 to provide comprehensive safety engineering and management services to policyholders upon request.

As an EMPLOYERS policyholder you have an extensive array of professional safety and health consultation resources available to you at no additional charge, including:

- A. Evaluation of existing Injury and Illness Prevention Programs (IIPP)
- B. Identification and evaluation of work site hazards, materials, personal protective equipment, work methods, processes and facilities
- C. Safety Training programs addressing identified exposures and needed control measures
- D. Access to claims history reports (loss runs) and accident trend analyses, consisting of a review of reported workers' compensation injuries and identification of causal factors
- E. Written safety program Employer Guides
- F. Consultation and recommendations with respect to possible workplace safety improvement measures
- G. Follow-up services to items listed above

For assistance in any of these areas, or for any other occupational safety or health-related questions, please contact EMPLOYERS at:

Loss Control Department
EMPLOYERS
PO Box 539003
Henderson, NV 89053-9003

Loss Control Telephone: (800) 588-5200
E-Mail: losscontrol@employers.com

If you have any questions about this requirement you can contact the Missouri Department of Labor and Industrial Relations – Division of Workers' Compensation at 1-573-526-5757. The Division of Workers' Compensation's website is located at www.dolir.mo.gov/wc.

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EIG Services, Inc., an affiliated agency and adjuster

Employers Preferred Insurance Company | Employers Assurance Company
Employers Compensation Insurance Company | Employers Insurance Company of Nevada



EMPLOYERS PREFERRED INS. CO.
A Stock Company

Workers' Compensation and Employers Liability
Insurance Policy

Policy Number	Policy Period	
	From	To
EIG 5501611 02	03/23/2026	03/23/2027

12:01 A.M. Standard Time at the address of the Insured as stated herein

Transaction				
RENEWAL DECLARATIONS				
NCCI Carrier #	31283	WCIRB CARRIER#	00920	PRIOR POLICY NUMBER
			EIG550161101	
1. Named Insured and Address			Agent	
THE WATER HEATER & PLUMBING CO 808 CALLE PLANO CAMARILLO CA 93012			FOUNDATION RISK PARTNERS CORP 0004196 LBW INSURANCE 28055 SMYTH DR VALENCIA, CA 91355 Telephone: 8885227805	
Customer #	Carrier #	FEIN #	Risk ID #	Entity of Insured
	31283	830853731	8561621	CORPORATION

Additional Locations:

- The Policy Period is from 03/23/2026 to 03/23/2027 12:01 a.m. Standard Time at the Insured's mailing address.
 - A. Workers Compensation Insurance: Part ONE of the policy applies to the Workers Compensation Law of the states listed here: CA, MO
 - B. Employers Liability Insurance: Part TWO of the policy applies to work in each state listed in Item 3A. The limits of our liability under Part TWO are:

Bodily Injury by Accident	\$	1,000,000	each accident
Bodily Injury by Disease	\$	1,000,000	policy limit
Bodily Injury by Disease	\$	1,000,000	each employee
 - C. Other States Insurance: Part THREE of the policy applies to the states, if any, listed here: All states except ND, OH, WA, WY and states listed in item 3.A.
 - D. This policy includes these endorsements and schedules: See attached schedule.
4. The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates, and Rating Plans. All information required below is subject to verification and change by audit.

SEE EXTENSION OF INFORMATION PAGE

Minimum Premium	\$	750	Expense Constant	\$	160
			Premium Discount	\$	-4,133
Assessments and Taxes	\$		Total Estimated Annual Premium	\$	42,269

This is a Three Year Fixed Rate Policy

Premium Adjustment Period: Annual; Semiannual; Quarterly; Monthly

Countersigned this _____ Day of _____,

Issued Date: 03/16/2026

Issuing Office **EMPLOYERS PREFERRED INS. CO.**
P.O. BOX 539003
HENDERSON, NV 89053-9003

Authorized Representative



EMPLOYERS PREFERRED INS. CO.

A Stock Company

P.O. BOX 539003

HENDERSON, NV 89053-9003

WORKERS' COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

Policy Number: EIG 5501611 02

Named Insured: THE WATER HEATER & PLUMBING CO

Agent: FOUNDATION RISK PARTNERS CORP 0004196

EXTENSION OF INFORMATION PAGE

CLASSIFICATION OF OPERATIONS

Code No.	Classification Description	Premium Basis Total Est. Annual Remuneration	Rate Per \$100 of Remuneration	Estimated Annual Premium
California				
Rating Period: 03/23/2026 through 03/23/2027				
Site 00001				
5183	HEATING OR AIR CONDITIONING EQUIPMENT - INSTALLATION, SERVICE AND REPAIR - SHOP, YARD OR STORAGE OPERATIONS - EMPLOYEES WHOSE REGULAR HOURLY WAGE DOES NOT EQUAL OR EXCEED \$32.00 PER HOUR - N.O.C.	900,000	8.330000	74,970.00
5187	HEATING OR AIR CONDITIONING EQUIPMENT - INSTALLATION, SERVICE AND REPAIR - SHOP, YARD OR STORAGE OPERATIONS - EMPLOYEES WHOSE REGULAR HOURLY WAGE EQUALS OR EXCEEDS \$32.00 PER HOUR - N.O.C. ASSIGNMENT OF THIS CLASSIFICATION IS SUBJECT TO VERIFICATION AT THE TIME OF FINAL AUDIT THAT THE EMPLOYEE'S REGULAR HOURLY WAGE EQUALS OR EXCEEDS \$32.00 PER HOUR. THE PAYROLL OF AN EMPLOYEE WHOSE REGULAR HOURLY WAGE IS NOT SHOWN TO EQUAL OR EXCEED \$32.00 PER HOUR SHALL BE CLASSIFIED AS 5183(24), HEATING OR AIR CONDITIONING EQUIPMENT.	500,000	4.320000	21,600.00
8810	CLERICAL OFFICE EMPLOYEES-N.O.C.	800,000	0.300000	2,400.00
Site 00001 Total				\$ 98,970.00
Total of Sites for Rating Period				\$ 98,970.00
Rating Period Total				\$ 98,970.00
Rating Period: 03/23/2026 through 03/23/2027				
0930	WAIVER OF SUBROGATION	98,970	0.020000	1,979.00
9898	EXPERIENCE MODIFICATION	100,949	0.850000	-15,142.00
9887	SCHEDULE CREDIT	85,807	0.500000	-42,904.00
0063	PREMIUM DISCOUNT	42,903	0.096000	-4,119.00
0900	EXPENSE CONSTANT			160.00
0936	STATE W.C. FRAUD ASSESSMENT	40,044	0.004590	184.00
0935	STATE W.C. ADMINISTRATIVE ASSESSMENT	40,044	0.014958	599.00
0937	CA INSURANCE GUARANTY	40,044		
0938	CA UNINSURED EMPLOYERS FUND	40,044	0.000956	38.00
0939	CA SUBSEQUENT INJURY FUND	40,044	0.020428	818.00
0940	OSHF ASSESSMENT	40,044	0.005678	227.00
0943	LABOR ENFORCEMENT & COMPLIANCE	40,044	0.005301	212.00
9741	CATASTROPHE PREMIUM	2,200,000	0.020000	440.00
9740	TERRORISM PREMIUM	2,200,000	0.030000	660.00
Rating Period Total				\$ 56,848.00-
State Total				\$ 42,122.00



EMPLOYERS PREFERRED INS. CO.

A Stock Company

P.O. BOX 539003

HENDERSON, NV 89053-9003

WORKERS' COMPENSATION AND EMPLOYERS
LIABILITY INSURANCE POLICY

Policy Number: EIG 5501611 02

Named Insured: THE WATER HEATER & PLUMBING CO

Agent: FOUNDATION RISK PARTNERS CORP 0004196

EXTENSION OF INFORMATION PAGE

CLASSIFICATION OF OPERATIONS

Code No.	Classification Description	Premium Basis Total Est. Annual Remuneration	Rate Per \$100 of Remuneration	Estimated Annual Premium
Missouri				
Rating Period: 03/23/2026 through 03/23/2027				
Site 00002				
8871	CLERICAL TELECOMMUTER EMPLOYEES.	75,000	0.031000	23.00
	Site 00002 Total			\$ 23.00
Total of Sites for Rating Period				\$ 23.00
Rating Period Total				\$ 23.00
Rating Period: 03/23/2026 through 03/23/2027				
9812	INCREASED COVERAGE II	23	0.011000	
9848	BALANCE TO MIN PREM-COVERAGE II			120.00
0063	PREMIUM DISCOUNT	143	0.096000	-14.00
9700	MO-SECOND INJ FUND SURCHARGE	143	0.030000	4.00
9706	MO-SCND INJ FUND SUPPLEMENTAL	143		
9740	TERRORISM PREMIUM	75,000	0.006000	5.00
9741	CATASTROPHE PREMIUM	75,000	0.012000	9.00
Rating Period Total				\$ 124.00
State Total				\$ 147.00
Policy Total				\$ 42,269.00



EMPLOYERS PREFERRED INS. CO.
A Stock Company
 P.O. BOX 539003
 HENDERSON, NV 89053-9003

**WORKERS' COMPENSATION AND EMPLOYERS
 LIABILITY INSURANCE POLICY**

Policy Number: EIG 5501611 02	
Named Insured: THE WATER HEATER & PLUMBING CO	
Agent: FOUNDATION RISK PARTNERS CORP	0004196

SITE LOCATION SCHEDULE

State CA 1
 THE WATER HEATER & PLUMBING CO
 808 CALLE PLANO
 CAMARILLO CA 93012

State MO 2
 THE WATER HEATER & PLUMBING CO
 28413 POLK DRIVE
 ROCKY MOUNT MO 65072



EMPLOYERS PREFERRED INS. CO.

A Stock Company

P.O. BOX 539003

HENDERSON, NV 89053-9003

WORKERS' COMPENSATION AND EMPLOYERS
LIABILITY INSURANCE POLICY

Policy Number: EIG 5501611 02
Named Insured: THE WATER HEATER & PLUMBING CO
Agent: FOUNDATION RISK PARTNERS CORP 0004196

ENDORSEMENT SCHEDULE

State	Form Nbr.	Ed. Date	Description
CA	WC000000C	(1/15)	WC/EL INS. POLICY FORM BOOKLET
CA	WC000406A	(7/95)	PREMIUM DISCOUNT ENDORSEMENT
CA	WC000419	(1/01)	PREMIUM DUE DATE ENDORSEMENT
CA	WC000421F	(8/22)	CATASTROPHE PREMIUM ENDORSE
CA	WC000422C	(1/21)	TERRORISM RISK INSURANCE PROG
CA	WC040301D	(2/18)	CA POLICY AMENDATORY END
CA	WC040303C	(7/18)	OFFICERS, DIRECTORS COV/EXCL
CA	WC040306	(4/84)	CA WAIVER OUR RIGHT TO RECOVER
CA	WC040310	(1/95)	DUTY TO DEFEND
CA	WC040360B	(1/15)	CA ELL AMENDATORY ENDORSEMENT
CA	WC040421	(1/08)	OPTIONAL PREM INCREASE ENDT
CA	WC040422	(1/12)	SHORT RATE PENALTY
CA	WC040601B	(1/22)	CANCELLATION ENDORSEMENT
CA	WC990411	(3/07)	PAYROLL ENDORSEMENT
MO	WC000000C	(1/15)	WC/EL INS. POLICY FORM BOOKLET
MO	WC000403	(4/84)	EXPERIENCE RATING MOD FCTR
MO	WC000406	(8/84)	PREMIUM DISCOUNT ENDORSEMENT
MO	WC000414A	(1/19)	NOTIFICATION OF CHG OWNERSHIP
MO	WC000419A	(8/22)	PREMIUM DUE DATE ENDORSEMENT
MO	WC000421F	(8/22)	CATASTROPHE PREMIUM ENDORSE
MO	WC000422C	(1/21)	TERRORISM RISK INSURANCE PROG
MO	WC240302	(1/14)	MO - MESOTHELIOMA BENEFITS END
MO	WC240406D	(8/16)	MO EMPLOYER PAID MEDICAL ENDST
MO	WC240601B	(1/96)	MO CANCELATION & NONRENEWAL
MO	WC240602B	(7/06)	MO PROPERTY & CASUALTY GUARANT
MO	WC240604C	(9/19)	MO AMENDATORY ENDORSEMENT
MO	WC990411	(3/07)	PAYROLL ENDORSEMENT

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

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

GENERAL SECTION**A. The Policy**

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

B. Who is Insured

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

C. Workers Compensation Law

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

D. State

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

E. Locations

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

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

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

1. Bodily injury by accident must occur during the policy period.
2. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

B. We Will Pay

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

C. We Will Defend

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

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance.

D. We Will Also Pay

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

1. reasonable expenses incurred at our request, but not loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the amount payable under this insurance;
3. litigation costs taxed against you;
4. interest on a judgment as required by law until we offer the amount due under this insurance; and
5. expenses we incur.

E. Other Insurance

We will not pay more than our share of benefits and costs covered by this insurance and other

insurance or self-insurance. Subject to any limits of liability that may apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance will be equal until the loss is paid.

F. Payments You Must Make

You are responsible for any payments in excess of the benefits regularly provided by the workers compensation law including those required because:

1. of your serious and willful misconduct;
2. you knowingly employ an employee in violation of law;
3. you fail to comply with a health or safety law or regulation; or
4. you discharge, coerce or otherwise discriminate against any employee in violation of the workers compensation law.

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

G. Recovery From Others

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

H. Statutory Provisions

These statements apply where they are required by law.

1. As between an injured worker and us, we have notice of the injury when you have notice.
2. Your default or the bankruptcy or insolvency of you or your estate will not relieve us of our duties under this insurance after an injury occurs.
3. We are directly and primarily liable to any person entitled to the benefits payable by this insurance. Those persons may enforce our duties; so may an agency authorized by law. Enforcement may be against us or against you and us.
4. Jurisdiction over you is jurisdiction over us for purposes of the workers compensation law. We are bound by decisions against you under that law, subject to the provisions of this policy that are not in conflict with that law.
5. This insurance conforms to the parts of the

workers compensation law that apply to:

- a. benefits payable by this insurance;
 - b. special taxes, payments into security or other special funds, and assessments payable by us under that law.
6. Terms of this insurance that conflict with the workers compensation law are changed by this statement to conform to that law.

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

PART TWO EMPLOYERS LIABILITY INSURANCE

A. How This Insurance Applies

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

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to your work in a state or territory listed in Item 3.A. of the Information Page.
3. Bodily injury by accident must occur during the policy period.
4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
5. If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

B. We Will Pay

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

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

1. For which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against

such third party as a result of injury to your employee;

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

C. Exclusions

This insurance does not cover:

1. Liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner;
2. Punitive or exemplary damages because of bodily injury to an employee employed in violation of law;
3. Bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers;
4. Any obligation imposed by a workers compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
5. Bodily injury intentionally caused or aggravated by you;
6. Bodily injury occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily outside these countries;
7. Damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions;
8. Bodily injury to any person in work subject to the Longshore and Harbor Workers' Compensation Act (33 U.S.C. Sections 901 et seq.), the Nonappropriated Fund Instrumentalities Act (5 U.S.C. Sections 8171 et seq.), the Outer Continental Shelf Lands Act (43 U.S.C. Sections 1331 et seq.), the Defense Base Act (42 U.S.C. Sections 1651-1654), the Federal Mine Safety and Health Act (30 U.S.C. Sections 801 et seq. and 901-944), any other federal workers or workmen's compensation law or other federal occupational disease law, or any amendments to these laws;

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

D. We Will Defend

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

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

E. We Will Also Pay

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

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

F. Other Insurance

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

G. Limits of Liability

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

1. **Bodily Injury by Accident.** The limit shown for "bodily injury by accident—each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.
A disease is not bodily injury by accident unless it results directly from bodily injury by accident.
2. **Bodily Injury by Disease.** The limit shown for "bodily injury by disease—policy limit" is the most we will pay for all damages covered by this insurance and arising out of bodily injury by disease, regardless of the number of employees who sustain bodily injury by disease. The limit shown for "bodily injury by disease—each employee" is the most we will pay for all damages because of bodily injury by disease to any one employee.
Bodily injury by disease does not include disease that results directly from a bodily injury by accident.
3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

H. Recovery From Others

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

I. Actions Against Us

There will be no right of action against us under this insurance unless:

1. You have complied with all the terms of this policy; and

2. The amount you owe has been determined with our consent or by actual trial and final judgment.

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

**PART THREE
OTHER STATES INSURANCE**

A. How This Insurance Applies

1. This other states insurance applies only if one or more states are shown in Item 3.C. of the Information Page.
2. If you begin work in any one of those states after the effective date of this policy and are not insured or are not self-insured for such work, all provisions of the policy will apply as though that state were listed in Item 3.A. of the Information Page.
3. We will reimburse you for the benefits required by the workers compensation law of that state if we are not permitted to pay the benefits directly to persons entitled to them.
4. If you have work on the effective date of this policy in any state not listed in Item 3.A. of the Information Page, coverage will not be afforded for that state unless we are notified within thirty days.

B. Notice

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

**PART FOUR
YOUR DUTIES IF INJURY OCCURS**

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

1. Provide for immediate medical and other services required by the workers compensation law.
2. Give us or our agent the names and addresses of the injured persons and of witnesses, and other information we may need.
3. Promptly give us all notices, demands and legal

papers related to the injury, claim, proceeding or suit.

4. Cooperate with us and assist us, as we may request, in the investigation, settlement or defense of any claim, proceeding or suit.
5. Do nothing after an injury occurs that would interfere with our right to recover from others.
6. Do not voluntarily make payments, assume obligations or incur expenses, except at your own cost.

PART FIVE—PREMIUM

A. Our Manuals

All premium for this policy will be determined by our manuals of rules, rates, rating plans and classifications. We may change our manuals and apply the changes to this policy if authorized by law or a governmental agency regulating this insurance.

B. Classifications

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

C. Remuneration

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

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

D. Premium Payments

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

E. Final Premium

The premium shown on the Information Page, schedules, and endorsements is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy. If the final premium is more than the premium you paid to us, you must pay us the balance. If it is less, we will refund the balance to you. The final premium will not be less than the highest minimum premium for the classifications covered by this policy.

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

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

F. Records

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

G. Audit

You will let us examine and audit all your records that relate to this policy. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records, and programs for storing and retrieving data. We may conduct the audits during regular business hours during the policy period and within three years after the policy period ends. Information developed by audit will be used to determine final premium. Insurance rate service organizations have the same rights we have under this provision.

PART SIX—CONDITIONS**A. Inspection**

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

B. Long Term Policy

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

C. Transfer of Your Rights and Duties

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

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

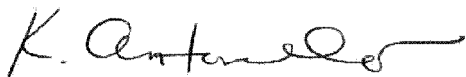
D. Cancellation

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

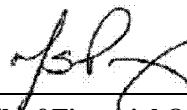
E. Sole Representative

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

Your Workers' Compensation and Employers Liability Insurance Coverage afforded by this policy is provided by the Company named on the policy Information Page. In witness thereof, the Company has caused this policy to be executed, attested and countersigned by a duly authorized representative of the Company



President and Chief Operating Officer



EVP, Chief Financial Officer

EXPERIENCE RATING MODIFICATION FACTOR ENDORSEMENT

The premium for the policy will be adjusted by an experience rating modification factor. The factor was not available when the policy was issued. The factor, if any, shown on the Information Page is an estimate. We will issue an endorsement to show the proper factor, if different from the factor shown, when it is calculated.

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.)

This endorsement, effective _____ at 12:01 AM standard time, forms a part of

Policy No. _____ Of the

Carrier Code

Issued to _____ Endorsement No. _____

Premium

Countersigned at _____ on _____ By: _____

Authorized Representative

PREMIUM DISCOUNT ENDORSEMENT

The premium for this policy and the policies, if any, listed in Item 3 of the Schedule may be eligible for a discount. This endorsement shows your estimated discount in Item 1 or 2 of the Schedule. The final calculation of premium discount will be determined by our manuals and your premium basis as determined by audit. Premium subject to retrospective rating is not subject to premium discount.

Schedule

1. <u>State</u>	First	Next	<u>Estimated Eligible Premium</u>	
			Next	Balance
	\$5,000	\$90,000	\$305,000	
MISSOURI	0.0%	10.9%	12.6%	14.4%

2. Average percentage discount: Refer to the Extension of Information Page %

3. Other policies:

4. If there are no entries in Items 1, 2 and 3 of the Schedule see the Premium Discount Endorsement attached to your policy number:

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.)

This endorsement, effective _____ at 12:01 AM standard time, forms a part of

Policy No. _____ Of the

Carrier Code

Issued to _____ Endorsement No. _____

Premium

Countersigned at _____ on _____ By: _____

Authorized Representative

PREMIUM DISCOUNT ENDORSEMENT

The premium for this policy and the policies, if any, listed in Item 3 of the Schedule may be eligible for a discount. This endorsement shows your estimated discount in Items 1 or 2 of the Schedule. The final calculation of premium discount will be determined by our manuals and your premium basis as determined by audit. Premium subject to retrospective rating is not subject to premium discount.

Schedule

1. <u>State</u>	<u>First</u>	<u>Next</u>	<u>Next</u>	<u>Balance</u>
	\$5,000	\$90,000	\$305,000	Over \$400,000
CALIFORNIA	0.0%	10.9%	12.6%	14.4%

2. Average percentage discount: Refer to the Extension of Information Page

3. Other policies:

4. If there are no entries in Items 1, 2 and 3 of the Schedule, see the Premium Discount Endorsement attached to your policy number:

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.)

This endorsement, effective _____ at 12:01 AM standard time, forms a part of

Policy No. _____ Of the

Carrier Code

Issued to _____ Endorsement No. _____

Premium

Countersigned at _____ on _____ By: _____
Authorized Representative

90-DAY REPORTING REQUIREMENT—NOTIFICATION OF CHANGE IN OWNERSHIP ENDORSEMENT

You must report any change in ownership to us in writing within 90 days of the date of the change. Change in ownership includes sales, purchases, other transfers, mergers, consolidations, dissolutions, formations of a new entity, and other changes provided for in the applicable experience rating plan. Experience rating is mandatory for all eligible insureds. The experience rating modification factor, if any, applicable to this policy, may change if there is a change in your ownership or in that of one or more of the entities eligible to be combined with you for experience rating purposes.

Failure to report any change in ownership, regardless of whether the change is reported within 90 days of such change, may result in revision of the experience rating modification factor used to determine your premium.

This reporting requirement applies regardless of whether an experience rating modification is currently applicable to this policy.

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.)

This endorsement, effective _____ at 12:01 AM standard time, forms a part of

Policy No. _____ Of the _____
Carrier Code

Issued to _____ Endorsement No. _____

Premium _____

Countersigned at _____ on _____ By: _____
Authorized Representative

PREMIUM DUE DATE ENDORSEMENT

This endorsement is used to amend:

Section D. of Part Five of the policy is replaced by this provision.

**PART FIVE
PREMIUM**

D. **Premium** is amended to read:

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. **The due date for audit and retrospective premiums is the date of the billing.**

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.)

This endorsement, effective _____ at 12:01 AM standard time, forms a part of

Policy No. _____ Of the _____
Carrier Code

Issued to _____ Endorsement No. _____

Premium

Countersigned at _____ on _____ By: _____
Authorized Representative

Part Five—Premium Amendatory Endorsement

This endorsement amends Part Five—Premium of the policy as follows:

Part Five—Premium, Section A. (Our Manuals) is replaced by the following provision:

A. Our Manuals

All premium for this policy will be determined by our manuals of rules, rates and loss costs (as applicable), rating plans, forms, endorsements, and classifications, and such manuals are expressly incorporated by reference into, and apply to, this policy and any renewals (our manuals). As used in this policy and any renewals, our manuals means manuals that have been:

1. Developed in any format and filed by the state-designated workers compensation rating or advisory organization on our behalf with the appropriate state insurance regulatory authority; or
2. Developed in any format and filed by the respective state rating bureau on our behalf with the appropriate state insurance regulatory authority; or
3. Developed in any format and filed by us with the appropriate state insurance regulatory authority; and
4. For each or any of the three scenarios above, the manuals also must be approved for use by the appropriate state insurance regulatory authority, or as otherwise authorized by law as applicable.

We may change our manuals and apply the changes to this policy and any renewals if such manual changes are approved for use by the appropriate state insurance regulatory authority, or as otherwise authorized by law as applicable.

Part Five—Premium, Section D. (Premium Payments) is replaced by the following provision:

D. Premium Payments

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid. The due date for audit and retrospective premiums is the due date specified in the billing for the policy.

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.)

This endorsement, effective _____ at 12:01 AM standard time, forms a part of

Policy No. _____ Of the _____
Carrier Code

Issued to _____ Endorsement No. _____

Premium

Countersigned at _____ on _____ By: _____

WC 00 04 19 A
(Ed. 08-2022)

Authorized Representative

Catastrophe (Other Than Certified Acts of Terrorism) Premium Endorsement

This endorsement is notification that we are charging premium to cover the losses that may occur in the event of a Catastrophe (Other Than Certified Acts of Terrorism) as that term is defined below. Your policy provides coverage for workers compensation losses caused by a Catastrophe (Other Than Certified Acts of Terrorism). Coverage for such losses is subject to all terms, definitions, exclusions, and conditions in your policy, and any applicable federal and/or state laws, rules, or regulations. This premium charge does not provide funding for Certified Acts of Terrorism contemplated under the Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement attached to this policy.

For purposes of this endorsement, Catastrophe (Other Than Certified Acts of Terrorism) is defined as: A single event or peril resulting in a group of claims with aggregate workers compensation losses in excess of \$50 million. This \$50 million threshold applies per occurrence, across all states for which claims arise from a single event or peril.

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

	Schedule	
State	Rate	Premium
CALIFORNIA	0.020000	\$440.00
MISSOURI	0.012000	\$9.00

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 Policy No. Endorsement No.
Insured Premium

Insurance Company Countersigned by _____

TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT DISCLOSURE ENDORSEMENT

This endorsement addresses the requirements of the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2019. It serves to notify you of certain limitations under the Act, and that your insurance carrier is charging premium for losses that may occur in the event of an Act of Terrorism.

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

Definitions

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

“Act” means the Terrorism Risk Insurance Act of 2002, which took effect on November 26, 2002, and any amendments thereto, including any amendments resulting from the Terrorism Risk Insurance Program Reauthorization Act of 2019.

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

- a. The act is an act of terrorism.
- b. The act is violent or dangerous to human life, property or infrastructure.
- c. The act resulted in damage within the United States, or outside of the United States in the case of the premises of United States missions or certain air carriers or vessels.
- d. The act has been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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

“Insurer Deductible” means, for the period beginning on January 1, 2021, and ending on December 31, 2027, an amount equal to 20% of our direct earned premiums, during the immediately preceding calendar year.

POLICY AMENDATORY ENDORSEMENT - CALIFORNIA

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 therefor is prohibited by law or contrary to public policy.
3. **Increase in Indemnity Payment – Reimbursement.** You are obligated to reimburse us for the amount of increase in indemnity payments made pursuant to Subdivision (d) of Section 4650 of the California Labor Code, if the late indemnity payment which gives rise to the increase in the amount of payment is due less than seven (7) days after we receive the completed claim form from you. You are obligated to reimburse us for any increase in indemnity payments not covered under this policy and will reimburse us for any increase in indemnity payment not covered under the policy when the aggregate total amount of the reimbursement payments paid in a policy year exceeds one hundred dollars (\$100).

If we notify you in writing, within 30 days of the payment, that you are obligated to reimburse us, we will bill you for the amount of increase in indemnity payment and collect it no later than the final audit. You will have 60 days, following notice of the obligation to reimburse, to appeal the decision of the insurer to the Department of Insurance.

4. **Application of Policy.** Part One, "Workers Compensation Insurance", A, "How This Insurance Applies", is amended to read as follows:

This workers compensation insurance applies to bodily injury by accident or disease, including death resulting therefrom. Bodily injury by accident must occur during the policy period. Bodily injury by disease must be caused or aggravated by the conditions of your employment. Your employee's exposure to those conditions causing or aggravating such bodily injury by disease must occur during the policy period.

5. **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.
6. **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.
7. **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.
8. Part Five, "Premium", E, "Final Premium", is amended to read as follows:

The premium shown on the Information Page, schedules, and endorsements is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy. If the final premium is more than the premium you paid to us, you must pay us the balance. If it is less, we will refund the balance to you. The final premium will not be less than the highest minimum premium for the classifications covered by this policy.

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

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

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.)

This endorsement, effective _____ at 12:01 AM standard time, forms a part of

Policy No. _____ Of the _____
Carrier Code

Issued to _____ Endorsement No. _____

Premium _____

Countersigned at _____ on _____ By: _____
Authorized Representative

**ENDORSEMENT AGREEMENT LIMITING AND RESTRICTING THIS INSURANCE
OFFICERS AND DIRECTORS COVERAGE / EXCLUSION-CALIFORNIA**

If the employer named in Item 1 of the Information Page is a quasi-public or private corporation, this policy applies to all officers and members of boards of directors while rendering actual service for the corporation for pay, as employees, except those excluded below who

1. individually own at least 10 percent of the corporation's issued and outstanding stock, or
2. individually own at least 1 percent of the corporation's issued and outstanding stock if that officer's or member's parent, grandparent, sibling, spouse, or child owns at least 10 percent of the corporation's issued and outstanding stock and that officer or member is covered by a health insurance policy or a health care service plan, or
3. are officers or members of the board of directors of a cooperative corporation organized pursuant to the Cooperative Corporation Law (Corporations Code, Sections 12200 - 12704) who state that he or she is covered by both a health care service plan or health insurance policy, and a disability insurance policy that is comparable in scope and coverage, as determined by the Insurance Commissioner, to a workers' compensation policy.

If the employer named in Item 1 of the Information Page is a private corporation, or a private cooperative corporation organized pursuant to the Cooperative Corporation Law, this policy applies to an officer or director who is the sole shareholder of the corporation, as an employee, except if excluded below.

The insurance under this policy is limited as follows: It is AGREED that, anything in this policy to the contrary notwithstanding, this policy DOES NOT INSURE:

Officers, Directors and Trustees Excluded

ANTHONY HAMILTON
GONZALO ALBARELLOS

Title

Pres Prvt or Quasi-Public Corp
VP Prvte or Quasi-Public Corp

Nothing in this endorsement shall be held to vary, alter, waive or extend any of the terms, conditions, agreements, or limitations of this policy other than as above stated. Nothing elsewhere in this policy shall be held to vary, alter, waive or limit the terms, conditions, agreements or limitations in this endorsement.

It is further agreed that "remuneration" when used as a premium basis for such insurance as is afforded by this policy shall not include the remuneration of any person excluded from coverage in accordance with the foregoing.

FAILURE TO SECURE THE PAYMENT OF FULL COMPENSATION BENEFITS FOR ALL EMPLOYEES AS REQUIRED BY LABOR CODE SECTION 3700 IS A VIOLATION OF LAW AND MAY SUBJECT THE EMPLOYER TO THE IMPOSITION OF A WORK STOP ORDER, LARGE FINES, AND OTHER SUBSTANTIAL PENALTIES (Labor Code Section 3710.1, et seq.).

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.)

This endorsement, effective _____ at 12:01 AM standard time, forms a part of
 Policy No. _____ Of the _____
 _____ Carrier Code
 Issued to _____ Endorsement No. _____
 Premium _____
 Countersigned at _____ on _____ By: _____
 _____ Authorized Representative

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT-CALIFORNIA

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 2 % of the California workers' compensation premium otherwise due on such remuneration.

Schedule

Person or Organization

Job Description

With respect to all employees subject to the workers' compensation laws of the state of California, any person or organization for whom the Named Insured has agreed by written contract to furnish this waiver.

This policy is subject to a minimum charge of \$250 for the issuance of waivers of subrogation

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.)

This endorsement, effective 03/23/2026 at 12:01 AM standard time, forms a part of
Policy No. EIG 5501611 02 Of the EMPLOYERS PREFERRED INS. CO.
Carrier Code 00920

Issued to THE WATER HEATER & PLUMBING CO

Endorsement No.

Premium \$42,269

Countersigned at _____ on _____

By: 
Authorized Representative

DUTY TO DEFEND-CALIFORNIA

The insurance afforded by Part One, Section C, “**We Will Defend**”, is hereby deleted and replaced with the following:

WE WILL DEFEND

We have the right and duty to defend at our expense any claim or proceeding against you before the California Workers’ Compensation Appeals Board or its equivalent in any other state (and any appeal of a decision therefrom) for the benefits payable by this workers’ compensation insurance. We have the right to investigate and settle these claims or proceedings.

We have no duty to defend a claim, proceeding, or suit that is not covered by this insurance.

Nothing contained in this Section shall amend, modify, restrict, or otherwise alter any obligations or conditions under Part Two – Employer’s Liability Insurance of the policy.

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.)

This endorsement, effective _____ at 12:01 AM standard time, forms a part of

Policy No. _____ Of the

Carrier Code

Issued to _____ Endorsement No. _____

Premium

Countersigned at _____ on _____ By: _____

Authorized Representative

OPTIONAL PREMIUM INCREASE ENDORSEMENT – CALIFORNIA

You must provide us, or our authorized representative, access to records necessary to perform a payroll verification audit. If you fail to provide access within 90 days after expiration of the policy, you are liable to pay a total premium equal to 3 times our current estimate of the annual premium for your policy. In addition, if you fail to provide access after our third request within a 90 day or longer period, you are also liable for our costs in attempting to perform the audit unless you provide a compelling business reason for your failure.

We will contact you to schedule appointments during normal business hours.

We will notify you of your failure to provide access by mailing a certified, return-receipt document stating the increased premium and the total amount of our costs incurred in our attempt(s) to perform an audit. In addition to any other obligations under this contract, 30 days after you receive the notification, you will be obligated to pay the total premium and costs referenced above. If, thereafter, you provide access to your records within three years after the policy expires, or within another mutually agreed upon time, and we succeed in performing the audit to our satisfaction, we will revise your total premium and the costs due to reflect the results of the audit.

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.)

This endorsement, effective _____ at 12:01 AM standard time, forms a part of
Policy No. _____ Of the _____
Carrier Code _____
Issued to _____ Endorsement No. _____
Premium _____
Countersigned at _____ on _____ By: _____
Authorized Representative

CALIFORNIA SHORT-RATE CANCELATION ENDORSEMENT

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:

If you cancel the policy and a disclosure was provided in accordance with Section 481(c) of the California Insurance Code, final premium will be based on the time this policy was in force and increased by the short-rate cancellation table below:

Short Rate Cancellation Table

Extended Number of days	Per Cent of Full Policy Premium	Extended Number of days	Per Cent of Full Policy Premium	Extended Number of days	Per Cent of Full Policy Premium
1	5%	95-98	37%	219-223	69%
2	6%	99-102	38%	224-228	70%
3-4	7%	103-105	39%	229-232	71%
5-6	8%	106-109	40%	233-237	72%
7-8	9%	110-113	41%	238-241	73%
9-10	10%	114-116	42%	242-246 (8 mos.)	74%
11-12	11%	117-120	43%	247-250	75%
13-14	12%	121-124 (4 mos.)	44%	251-255	76%
15-16	13%	125-127	45%	256-260	77%
17-18	14%	128-131	46%	261-264	78%
19-20	15%	132-135	47%	265-269	79%
21-22	16%	136-138	48%	270-273 (9 mos.)	80%
23-25	17%	139-142	49%	274-278	81%
26-29	18%	143-146	50%	279-282	82%
30-32 (1 mo.)	19%	147-149	51%	283-287	83%
33-36	20%	150-153 (5 mos.)	52%	288-291	84%
37-40	21%	154-156	53%	292-296	85%
41-43	22%	157-160	54%	297-301	86%
44-47	23%	161-164	55%	302-305 (10 mos.)	87%
48-51	24%	165-167	56%	306-310	88%
52-54	25%	168-171	57%	311-314	89%
55-58	26%	172-175	58%	315-319	90%
59-62 (2 mos.)	27%	176-178	59%	320-323	91%
63-65	28%	179-182 (6 mos.)	60%	324-328	92%
66-69	29%	183-187	61%	329-332	93%
70-73	30%	188-191	62%	333-337 (11 mos.)	94%
74-76	31%	192-196	63%	338-342	95%
77-80	32%	197-200	64%	343-346	96%
81-83	33%	201-205	65%	347-351	97%
84-87	34%	206-209	66%	352-355	98%
88-91 (3 mos.)	35%	210-214 (7 mos.)	67%	356-360	99%
92-94	36%	215-218	68%	361-365 (12 mos.)	100%

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.)

This endorsement, effective at 12:01 AM standard time, forms a part of

Policy No. Of the

Carrier Code

Issued to Endorsement No.

Premium

Countersigned at _____ on _____ By: _____
Authorized Representative

CALIFORNIA CANCELATION 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 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. Failure to report payroll;
 - c. Failure to permit us to audit payroll as required by the terms of this policy or of a previous policy issued by us;
 - d. Failure to pay any additional premium resulting from an audit of payroll required by the terms of this policy or any previous policy issued by us;
 - e. Material misrepresentation made by you or your agent;
 - f. Failure to cooperate with us in the investigation of a claim;
 - g. Material failure to comply with federal or state safety orders or written recommendations of our designated loss control representatives;
 - h. The occurrence of a material change in the ownership of your business;
 - i. The occurrence of any change in your business or operations that materially increases the hazard for frequency or severity of loss;
 - j. The occurrence of any change in your business or operation that requires additional or different classification for premium calculation;
 - k. The occurrence of any change in your business or operation which contemplates an activity excluded by our reinsurance treaties.
3. If we cancel your policy for any of the reasons listed in (a) through (f), 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 any of the reasons listed in Items (g) through (k), we will give you 30 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. If we mail the notice to you, the stated periods of notice and your right to remedy the condition will be extended by 5 days if the place of mailing and your mailing address is within California, 10 days if the place of mailing or your mailing address is outside of California and 20 days if the place of mailing or your mailing address is outside of the United States.
5. The policy period will end on the day and hour stated in the cancellation notice.

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.)

This endorsement, effective _____ at 12:01 AM standard time, forms a part of
 Policy No. _____ Of the _____
 _____ Carrier Code
 Issued to _____ Endorsement No. _____
 Premium _____
 Countersigned at _____ on _____ By: _____
 _____ Authorized Representative

MISSOURI NOTIFICATION OF ADDITIONAL MESOTHELIOMA BENEFITS ENDORSEMENT

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

Section 287.200.4, subdivision (3), of the Missouri Revised Statutes provides additional benefits in the case of occupational diseases due to toxic exposure that are diagnosed to be mesothelioma and result in permanent total disability or death. Your policy provides insurance for these additional benefits.

If you reject liability for mesothelioma additional benefits provided under Section 287.200.4, subdivision (3), of the Missouri Revised Statutes, you must notify us of this election. Once you notify us, we will endorse this policy to exclude insurance for these additional benefits. If you reject liability for mesothelioma additional benefits, the exclusive remedy provisions under Missouri Revised Statutes Section 287.120 shall not apply to your liability for mesothelioma additional benefits.

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.)

This endorsement, effective _____ at 12:01 AM standard time, forms a part of

Policy No. _____ Of the

Carrier Code

Issued to

Endorsement No.

Premium

Countersigned at _____ on _____ By: _____

Authorized Representative

MISSOURI EMPLOYER-PAID MEDICAL ENDORSEMENT

This endorsement applies because Missouri is shown in Item 3.A. of the Information Page.

As a Missouri employer, you have the right, as provided by Section 287.957 of the Revised Statutes of Missouri, to have medical-only claims that do not exceed 20% of the current primary and excess loss split point amount, as shown in the Schedule below, excluded from your experience rating modification calculation. This will only be allowed when you pay all of the employee's medical costs; there is no lost time from the employment, other than the first three days or less of disability; and no claim is filed. The current primary and excess loss split point amount is provided in the rating values of NCCI's *Experience Rating Plan Manual*. **You still must report all injuries, regardless of the dollar amount, to the Division of Workers' Compensation and to us.**

However, it should be noted that if, at any time, the medical expenses that are paid out of pocket due to a particular injury ever exceed 20% of the current primary and excess loss split point amount and/or the employee misses more than three days from work due to the injury, then this injury must be reported to us as a claim. We will pay the full amount of the claim, which includes any reimbursements due to you for past medical expenses incurred by you for this particular claim. As a result, the total amount of losses incurred by us due to this claim will be included in your experience rating modification calculation.

Schedule

20% of the Current Primary and Excess Loss Split Point Amount \$16,500

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.)

This endorsement, effective _____ at 12:01 AM standard time, forms a part of

Policy No. _____ Of the

Carrier Code

Issued to _____ Endorsement No. _____

Premium

Countersigned at _____ on _____ By: _____

Authorized Representative

MISSOURI CANCELATION AND NONRENEWAL ENDORSEMENT

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

The Cancellation Condition of the policy is replaced by the following:

Cancellation

1. You may cancel this policy. You will mail or deliver advance written notice to us, stating when the cancellation is to take effect.
2. We may cancel this policy. We will mail or deliver to you not less than 60 days advance written notice stating when the cancellation is to take effect and our reason for cancellation. Proof of mailing of this notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.
3. The 60-day notice requirement does not apply where cancellation is based on one or more of the following reasons:
 - a. nonpayment of premium;
 - b. fraud or material misrepresentation affecting the policy or in the presentation of a claim under the policy;
 - c. a violation of policy terms;
 - d. changes in conditions after the effective date of the policy materially increasing the hazards originally insured;
 - e. our insolvency;
 - f. our involuntary loss of reinsurance for the policy.
4. The policy period will end on the day and hour stated in the cancellation notice.

Nonrenewal

1. We may elect not to renew the policy. We will mail to you not less than 60 days advance written notice stating when the nonrenewal will take effect and our reason for nonrenewal. Proof of mailing of this notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.
2. If we fail to provide the notice of nonrenewal as required, the policy will still terminate on its expiration date if:
 - a. we show you our willingness to renew the policy but you notify us or the agent or broker who procured this policy that you do not want the policy renewed; or
 - b. you fail to pay all premiums when due; or
 - c. you obtain other insurance as a replacement of the policy.

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.)

This endorsement, effective _____ at 12:01 AM standard time, forms a part of

Policy No. _____ Of the _____
Carrier Code

Issued to _____ Endorsement No. _____

Premium _____

Countersigned at _____ on _____ By: _____
Authorized Representative

MISSOURI PROPERTY AND CASUALTY GUARANTY ASSOCIATION NOTIFICATION ENDORSEMENT

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

Missouri Property and Casualty Insurance Guaranty Association Coverage Limits:

1. Subject to the provisions of the Missouri Property and Casualty Insurance Guaranty Association Act (Act), if we are a member of the Missouri Property and Casualty Insurance Guaranty Association (Association), the Association will pay claims covered under the Act if we become insolvent.
2. The Act contains various exclusions, conditions and limitations that govern a claimant's eligibility to collect payment from the Association and affect the amount of any payment. The following limitation applies subject to all other provisions of the Act:
 - a. Claims covered by the Association do not include a claim by or against an insured of an insolvent insurer if the insured has a net worth of more than \$25 million on the later of the end of the insured's most recent fiscal year or the December thirty-first of the year next preceding the date the insurer becomes an insolvent insurer; provided that an insured's net worth on such date shall be deemed to include the aggregate net worth of the insured and all of its affiliates as calculated on a consolidated basis.

If the insured prepares an annual report to shareholders, or an annual report to management reflecting net worth, then such report for the fiscal year immediately preceding the date of insolvency of the insurer will be used to determine net worth.

However, the association will not:

- (1) Pay an amount in excess of the applicable limit of insurance of the policy from which a claim arises; or
- (2) Return to an insured any unearned premium in excess of \$25,000.

These limitations have no effect on the coverage we will provide under this policy.

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.)

This endorsement, effective _____ at 12:01 AM standard time, forms a part of

Policy No. _____ Of the _____
Carrier Code

Issued to _____ Endorsement No. _____

Premium

Countersigned at _____ on _____ By: _____
Authorized Representative

MISSOURI AMENDATORY ENDORSEMENT

This endorsement applies because Missouri is shown in Item 3.A. of the Information Page.

Part Five—Premium, Section G. (Audit) of the policy is replaced by the following:

G. Audit

You will let us examine and audit all of your records relating to this policy during regular business hours throughout and after the policy period. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records, and programs for storing and retrieving data. Information developed by audit will be used to determine final premium. Insurance rate service organizations have the same rights that we have under this provision.

Audits must be completed and billed, and any premiums will be returned, within 120 days of policy expiration or cancellation unless:

1. Delay is caused by your failure to respond to reasonable audit requests, provided that the requests are timely and adequately documented; or
2. A written agreement between you and us provides a longer time frame.

If you or we have any objection to the results of any audit, you or we may send a written notice demanding a reconsideration of the audit within three years from the date of expiration or cancellation of this policy. The written notice must be based upon sufficiently clear and specific facts as to why the audit should be reconsidered.

If you do not allow us to examine and audit all of your records relating to this policy, and/or do not provide audit information as timely and reasonably requested, we may apply an Audit Noncompliance Charge equal to a maximum of up to two times the estimated annual premium. The method for determining the Audit Noncompliance Charge is shown in the Schedule below.

If you allow us to examine and audit all of your records after we have applied an Audit Noncompliance Charge, we will revise your premium in accordance with our manuals and Part 5—Premium, E. (Final Premium) of this policy.

Failure to cooperate with this policy provision may also result in the cancellation of your insurance coverage, as specified under the policy and allowed under Missouri law.

Note:

For coverage under state-approved workers compensation assigned risk plans, failure to cooperate with this policy provision may affect your eligibility for coverage.

Schedule

Basis of Audit
Noncompliance Charge

Maximum Audit
Noncompliance Charge Multiplier

Estimated Annual Premium

Two Times

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

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Policy No. _____ Of the

Carrier Code

Issued to _____ Endorsement No. _____

Premium

Countersigned at _____ on _____ By: _____
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PAYROLL ENDORSEMENT

You will be sent a payroll reporting request for you to report payroll information during this policy term to us on a monthly, quarterly or semi-annual basis. Information developed from this information will be used to estimate the annual premium and compare it to the estimated annual premium calculated at policy issuance. In the event of a change in estimated premium, your installment billings may be adjusted. If your policy is on a payroll reporting plan with no scheduled installments, information provided on your payroll reports will be used to generate interim audit billings. You are required under the terms of your policy to complete the report as requested. If the report is not returned by the due date stated on the payroll report request, your policy may be subject to cancellation for non compliance.

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

This endorsement, effective _____ at 12:01 AM standard time, forms a part of

Policy No. _____ Of the _____
Carrier Code

Issued to _____ Endorsement No. _____

Premium _____

Countersigned at _____ on _____ By: _____
Authorized Representative