



RE: WC5-33S-B1X92T-010

COVENANT SOLAR TECH LLC

4904 ELAINE AVE  
RALEIGH, NC 27616

Dear Producer:

We are pleased to provide you a copy of the above policyholder's Workers Compensation policy. Included in this package is contact information for Liberty Mutual servicing departments. We mailed the policyholder their copy of the policy separately and provided a supply of claim reporting forms with instructions on how to file a claim.

Producers of assigned risk business are now able to expedite the processing of Certificates of Workers' Compensation Insurance for Massachusetts employees by requesting the certificates of insurance through the Certificate Tool on the MA Bureau's website [www.wcribma.com](http://www.wcribma.com). For all other states, you may issue Certificates of Workers Compensation Insurance using the authorized ACORD form on their website [www.acord.com](http://www.acord.com). Please provide a copy of the Certificates of Insurance you issue for policyholders of Liberty Mutual to us via email to [IMS@LibertyMutual.com](mailto:IMS@LibertyMutual.com), or send to Liberty Mutual, PO Box 66400, London, KY 40742-6400.

Please contact us with any questions or if we can be of any assistance to help you service your policyholder.

Sincerely,

Commercial Service Operations

**LIBERTY MUTUAL WORKERS COMPENSATION, GROUP BENEFITS, AND HELMSMAN  
MANAGEMENT SERVICES, LLC  
PRIVACY PRACTICES DISCLOSURE NOTICE**

This Privacy Practices Disclosure Notice outlines the privacy practices for Liberty Mutual Insurance and its subsidiaries and affiliates listed below (collectively referred to as "Liberty Mutual"):

- Liberty Mutual Fire Insurance Company
- LM Insurance Corporation
- Liberty Insurance Company of America
- Liberty Life Assurance Company of Boston
- Employers Insurance Company of Wausau
- Wausau Business Insurance Company
- Liberty Insurance Corporation
- The First Liberty Insurance Corporation
- Liberty Northwest Insurance Corporation
- Helmsman Management Services, LLC
- Wausau General Insurance Company
- Wausau Underwriters Insurance Company

This Notice tells you:

- The categories of nonpublic personal information (NPPI) we collect from you or from a third party about you or about participants, beneficiaries or claimants under your workers compensation and/or group benefit coverage, or your employee benefit programs or plans;
- How we use NPPI;
- The categories of affiliates and non-affiliate third parties with whom we share NPPI;
- The security policies and procedures in place to protect the confidentiality and security of NPPI provided to us.

If you have questions regarding this Privacy Practices Disclosure Notice, contact us by sending an email to [pstprivacy@libertymutual.com](mailto:pstprivacy@libertymutual.com) or write to us at:

**Presidential Service Team  
Liberty Mutual Insurance  
175 Berkeley Street  
Boston, MA 02116**

If applicable, please include your policy number or contract number with any correspondence.

**1. INFORMATION WE MAY COLLECT**

We want you to conduct business with us knowing that we protect NPPI. We collect NPPI from you or from third parties about you or about participants, beneficiaries or claimants under your insurance coverage. We collect NPPI from:

- Applications or other forms which may include policyholder, participant, beneficiary or claimant name, address, phone number, social security number, household information, vehicle and driver information, date of birth, medical information related to underwriting and claims, insurance coverage, and employee benefit programs or plan information;
- Your business dealings with us, our affiliates, or others, such as prior claims or accidents, medical information related to claims, information about your accident or injury (if applicable), and the names of witnesses and other contact information; and
- Consumer reporting agencies, motor vehicle departments, and inspection services.

## **2. HOW THE INFORMATION IS USED**

We use NPPI:

- To provide policy and premium quotes;
- To underwrite applications, administer claims, and answer questions about our insurance products and services;
- For account administration and processing premium billings payments;
- To process and defend insurance claims, and administer insurance benefits (including utilization review activities);
- To report, investigate, or prevent fraud or material misrepresentation; and
- As otherwise required or permitted by federal or state law.

## **3. TO WHOM INFORMATION IS DISCLOSED**

We do not disclose NPPI about you or about participants, beneficiaries or claimants under your insurance policy, employee benefit programs or plans to anyone, unless allowed by law. We are allowed by law to provide NPPI to:

- A third party that performs services for us, such as claims investigations or medical examinations;
- Our affiliated companies and reinsurers;
- Insurance regulators, reporting agencies or, if applicable, involuntary market administrators;
- State Motor Vehicle Departments to obtain a report of any accidents or convictions;
- Law enforcement agencies or other governmental authorities to report suspected illegal activities;
- Persons or organizations conducting insurance actuarial or research studies, subject to appropriate confidentiality agreements;
- Companies that provide marketing services on our behalf, or as part of a joint marketing agreement; and,
- As otherwise permitted or required by law.

## **4. HOW WE PROTECT INFORMATION**

We maintain physical, electronic, and procedural safeguards to guard NPPI. These safeguards comply with applicable laws. We retain NPPI for as long as required by law or regulation. The only employees or agents who have access to your NPPI are those who must have it to provide products or services to you. We do not sell your NPPI to mass marketing or telemarketing companies.

## LIBERTY MUTUAL PRIVACY NOTICE – CALIFORNIA

(Workers' Compensation)

Effective January 1, 2020

Liberty Mutual Group, its affiliates and subsidiaries (collectively "Liberty Mutual" or "we", "us" and "our") provide workers' compensation insurance to companies. In this notice, we explain how we gather, use, share, and protect your data. This notice applies to you if you are a **California resident and** (i) are buying insurance for your company, (ii) your company has workers' compensation insurance with us, or (iii) you have a workers' compensation claim. If this notice does not apply to you, please go to [libertymutual.com/privacy](http://libertymutual.com/privacy) to review our privacy notices for other states.

### What Personal Data Do We Collect?

The types of personal data we gather and share depends on your relationship to us. For example, we may gather different data if you are a claimant reporting an injury than if you are seeking a quote for insurance. The data we gather can include your social security number, income, and medical information related to your injury. It may also include data gathered as we provide insurance services, when you apply for such services, or from other contacts with you. It may also include:

- **Identifiers**, including a real name, alias, postal address, unique personal identifier, online identifier, Internet Protocol address, email address, account name, Social Security Number, driver's license number, or other similar identifiers;
- **Personal data**, such as your name, signature, Social Security Number, physical characteristics or description, address, telephone number, driver's license or state identification card number, insurance policy number, education, employment, employment history, bank account number, financial data, medical data, or health insurance data;
- **Protected classification characteristics described in California Civil Code § 1798.80(e)**, including age, race, color, national origin, citizenship, religion or creed, marital status, medical condition, physical or mental disability, sex (including gender, gender identity, gender expression, pregnancy or childbirth and related medical conditions), sexual orientation, veteran or military status;
- **Commercial data**, including records of personal property, products or services purchased, obtained, or considered, or other purchasing or consuming histories and tendencies;
- **Internet or other similar network activity**, including browsing history, search history, data on a consumer's interaction with a website, application, or advertisement;
- **Professional or employment related data**, including current or past job history or performance evaluations;
- **Inferences drawn from other personal data**, such as a profile reflecting a person's preferences, characteristics, psychological trends, predispositions, behavior, attitudes, intelligence, abilities, and aptitudes;
- **Risk data**, including data about your driving and/or accident history; this may include data from consumer reporting agencies, such as your motor vehicle records and loss history data, health data, or criminal convictions; and
- **Claims data**, including data about your previous and current claims, which may include data regarding your health, criminal convictions, third party reports, or other personal data.

For data about the types of personal data we have gathered in the past twelve months, please go to [libertymutual.com/privacy](http://libertymutual.com/privacy) and click on the link for the California Supplemental Privacy Policy.

### How do you gather my data?

We gather your personal data <b>directly from you</b> . For example, you provide us with data when you:	We also gather your personal data <b>from other people</b> . For example:
▪ ask about, buy insurance or file a claim	▪ your insurance agent or broker
▪ pay your policy	▪ your employer, association or business (if you are insured through them)

<ul style="list-style-type: none"> <li>visit our websites, call us, or visit our office</li> </ul>	<ul style="list-style-type: none"> <li>our affiliates or other insurance companies about your transactions with them</li> </ul>
	<ul style="list-style-type: none"> <li>consumer reporting agencies, Motor Vehicle Departments, and inspection services, to gather your credit history, driving record, claims history, or value and condition of your property</li> </ul>
	<ul style="list-style-type: none"> <li>other public directories and sources</li> </ul>
	<ul style="list-style-type: none"> <li>third parties, including other insurers, brokers and insurance support organizations who you have communicated with about your policy or claim, anti-fraud databases, sanctions lists, court judgments and other databases, government agencies, open electoral register or in the event of a claim, third parties including other parties to the claim witnesses, expert loss adjustors and claim handlers</li> </ul>
	<ul style="list-style-type: none"> <li>other third parties who take out a policy with us and are required to provide your data such as when you are named as a beneficiary or where a family member has taken out a policy that requires your personal data</li> </ul>

Entities that share data with us may keep it and share it to others as permitted by law. For data about how we have gathered personal data in the past twelve months, please go to [libertymutual.com/privacy](http://libertymutual.com/privacy) and click on the link for the California Supplemental Privacy Policy.

### How Do We Use Your Personal Data?

Liberty Mutual uses your data to provide you with our products and services and as otherwise provided in this Notice. We may use your data and the data of our former customers for our business purposes. Our business purposes include:

<b>Business Purpose</b>	<b>Data Categories</b>
<p><b>Market, sell and provide insurance.</b> This includes for example:</p> <ul style="list-style-type: none"> <li>calculating your premium;</li> <li>determining your eligibility for a quote;</li> <li>confirming your identity and service your policy;</li> </ul>	<ul style="list-style-type: none"> <li>Identifiers</li> <li>Personal Information</li> <li>Protected Classification Characteristics</li> <li>Commercial Information</li> <li>Internet or other similar network activity</li> <li>Professional or employment related information</li> <li>Inferences drawn from other personal information</li> <li>Risk data</li> <li>Claims data</li> </ul>
<p><b>Manage your claim.</b> This includes, for example:</p> <ul style="list-style-type: none"> <li>managing your claim, if any;</li> <li>conducting claims investigations;</li> <li>conducting medical examinations;</li> <li>conducting inspections, appraisals;</li> <li>providing roadside assistance;</li> <li>providing rental car replacement, or repairs;</li> </ul>	<ul style="list-style-type: none"> <li>Identifiers</li> <li>Personal Information</li> <li>Protected Classification Characteristics</li> <li>Commercial Information</li> <li>Internet or other similar network activity</li> <li>Professional or employment related information</li> <li>Inferences drawn from other personal information</li> <li>Risk data</li> <li>Claims data</li> </ul>
<p><b>Day to Day Business and Insurance Operations.</b> This includes, for example:</p> <ul style="list-style-type: none"> <li>creating, maintaining, customizing and securing accounts;</li> <li>supporting day-to-day business and insurance related functions;</li> <li>doing internal research for technology development;</li> </ul>	<ul style="list-style-type: none"> <li>Identifiers</li> <li>Personal Information</li> <li>Protected Classification Characteristics</li> <li>Commercial Information</li> <li>Internet or other similar network activity</li> <li>Professional or employment related information</li> <li>Inferences drawn from other personal information</li> <li>Risk data</li> </ul>

<ul style="list-style-type: none"> <li>▪ marketing and creating products and services;</li> <li>▪ conducting audits related to a current contact with a consumer and other transactions;</li> <li>▪ as described at or before the point of gathering personal data or with your authorization;</li> </ul>	<ul style="list-style-type: none"> <li>▪ Claims data</li> </ul>
<p><b>Security and Fraud Detection.</b> This includes for example:</p> <ul style="list-style-type: none"> <li>▪ detecting security issues;</li> <li>▪ protecting against fraud or illegal activity, and to comply with regulatory and law enforcement authorities;</li> <li>▪ managing risk and securing our systems, assets, infrastructure and premises; roadside assistance, rental car replacement, or repairs</li> <li>▪ help to ensure the safety and security of Liberty staff, assets and resources, which may include physical and virtual access controls and access rights management;</li> <li>▪ supervisory controls and other monitoring and reviews, as permitted by law; and emergency and business continuity management;</li> </ul>	<ul style="list-style-type: none"> <li>▪ Identifiers</li> <li>▪ Personal Information</li> <li>▪ Protected Classification Characteristics</li> <li>▪ Commercial Information</li> <li>▪ Internet or other similar network activity</li> <li>▪ Professional or employment related information</li> <li>▪ Inferences drawn from other personal information</li> <li>▪ Risk data</li> <li>▪ Claims data</li> </ul>
<p><b>Regulatory and Legal Requirements.</b> This includes for example:</p> <ul style="list-style-type: none"> <li>▪ controls and access rights management;</li> <li>▪ to evaluate or conduct a merger, divestiture, restructuring, reorganization, dissolution, or other sale or transfer of some or all of Liberty's assets, whether as a going concern or as part of bankruptcy, liquidation, or similar proceeding, in which personal data held by Liberty is among the assets transferred;</li> <li>▪ exercising and defending our legal rights and positions;</li> <li>▪ to meet Liberty contract obligations;</li> <li>▪ to respond to law enforcement requests and as required by applicable law, court order, or governmental regulations;</li> <li>▪ as otherwise permitted by law</li> </ul>	<ul style="list-style-type: none"> <li>▪ Identifiers</li> <li>▪ Personal Information</li> <li>▪ Protected Classification Characteristics</li> <li>▪ Commercial Information</li> <li>▪ Internet or other similar network activity</li> <li>▪ Professional or employment related information</li> <li>▪ Inferences drawn from other personal information</li> <li>▪ Risk data</li> <li>▪ Claims data</li> </ul>
<p><b>Improve Your Customer Experience and Our Products.</b> This includes for example:</p> <ul style="list-style-type: none"> <li>▪ improve your customer experience, our products and service;</li> <li>▪ to provide, support, personalize and develop our website, products and services;</li> <li>▪ create and offer new products and services;</li> </ul>	<ul style="list-style-type: none"> <li>▪ Identifiers</li> <li>▪ Personal Information</li> <li>▪ Commercial Information</li> <li>▪ Internet or other similar network activity</li> <li>▪ Professional or employment related information</li> <li>▪ Inferences drawn from other personal information</li> <li>▪ Risk data</li> <li>▪ Claims data</li> </ul>
<p><b>Analytics to identify, understand and manage our risks and products.</b> This includes for example:</p> <ul style="list-style-type: none"> <li>▪ conducting analytics to better identify, understand and manage risk and our products;</li> </ul>	<ul style="list-style-type: none"> <li>▪ Identifiers</li> <li>▪ Personal Information</li> <li>▪ Protected Classification Characteristics</li> <li>▪ Commercial Information</li> <li>▪ Internet or other similar network activity</li> <li>▪ Professional or employment related Information</li> <li>▪ Inferences drawn from other personal information</li> <li>▪ Risk data</li> <li>▪ Claims data</li> </ul>

<p><b>Customer service and technical support.</b> This includes for example:</p> <ul style="list-style-type: none"> <li>▪ answer questions and provide notifications;</li> <li>▪ provide customer and technical support;</li> </ul>	<ul style="list-style-type: none"> <li>▪ Identifiers</li> <li>▪ Personal Information</li> <li>▪ Commercial Information</li> <li>▪ Internet or other similar network activity</li> <li>▪ Professional or employment related information</li> <li>▪ Inferences drawn from other personal information</li> <li>▪ Risk data</li> <li>▪ Claims data</li> </ul>
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**Do We Share Your Personal Data?**

Liberty Mutual does not sell your personal data as defined by California law.

Liberty Mutual may share personal data with affiliated and non-affiliated third parties, including:

- Liberty Mutual affiliates;
- Service Providers (such as auto repair facilities, towing companies, property inspectors and independent adjusters);
- Insurance support organizations;
- Brokers and agents;
- Public entities (e.g. regulatory, quasi-regulatory, tax or other authorities, law enforcement agencies, courts, arbitral bodies, and fraud prevention agencies);
- Consumer reporting agencies;
- Advisors including law firms, accountants, auditors and tax advisors;
- Insurers, re-insurers, policy holders, and claimants;
- Group policyholders (for reporting claims data or an audit);
- Service providers and affiliates for actuarial or research studies; and
- As permitted by law.

We may also share data with other companies that provide marketing services on our behalf or as part of a joint marketing agreement for products offered by Liberty Mutual. We will not share your personal data with others for their own marketing purposes.

We may also share data about our transactions (such as payment history) and experiences (such as claims made) with you to our affiliates.

Liberty Mutual may share the following categories of personal data as needed for business purposes:

Identifiers	Personal Data
Protected Classification Characteristics	Commercial Data
Internet or other similar network activity	Professional, employment and education data
Inferences drawn from personal data	Risk Data
Claims Data	

For data about how we have shared personal data in the past twelve months, please go to [libertymutual.com/privacy](http://libertymutual.com/privacy) and click on the link for the California Supplemental Privacy Policy.

**How Do We Keep your Personal Data Safe?**

We maintain physical, electronic, and administrative safeguards created to protect your data from unauthorized access. Our employees and agents are authorized to access your data only for legitimate business purposes.

**What Rights Do I Have to Learn More About My Personal Data?**

You may have rights under California laws to learn more about our privacy practices. For example, you may have the right to request a copy of certain information about you to review its completeness and accuracy. You must make this request in writing by contacting us as indicated below.

You may have additional rights under other California laws. For more information about these rights, please go to [libertymutual.com/privacy](http://libertymutual.com/privacy) and click on the link California Supplemental Privacy Notice. If you cannot access the link, please contact us.

#### How to Contact Us:

You can submit requests, seek additional information, or obtain a copy of our privacy notice in an alternative format by either:

- Calling: 800-344-0197
- Email: [Privacy@libertymutual.com](mailto:Privacy@libertymutual.com)
- Online: [Libertymutualgroup.com/privacy-policy/data-request](http://Libertymutualgroup.com/privacy-policy/data-request)
- Mail: Attn: Privacy Office  
Liberty Mutual Insurance Company  
175 Berkeley St., 6th Floor  
Boston, MA 02116

#### Who is Providing this Notice?

This privacy notice is provided on behalf of the following Liberty Mutual companies and affiliates:

America First Insurance Company, America First Lloyd's Insurance Company, American Economy Insurance Company, American Fire and Casualty Company, American States Insurance Company, American States Insurance Company of Texas, Colorado Casualty Insurance Company, Consolidated Insurance Company, Employers Insurance Company of Wausau, Excelsior Insurance Company, First National Insurance Company of America, General Insurance Company of America, Golden Eagle Insurance Corporation, Hawkeye-Security Insurance Company, Indiana Insurance Company, Liberty Insurance Corporation, Liberty Mutual Fire Insurance Company, Liberty Mutual Insurance Company, Liberty Mutual Mid-Atlantic Insurance Company, Liberty Northwest Insurance Corporation, LM Insurance Corporation, Montgomery Mutual Insurance Company, North Pacific Insurance Company, Ohio Security Insurance Company, Oregon Automobile Insurance Company, Peerless Indemnity Insurance Company, Peerless Insurance Company, The First Liberty Insurance Corporation, The Midwestern Indemnity Company, The Netherlands Insurance Company, The Ohio Casualty Insurance Company, Wausau Business Insurance Company, Wausau General Insurance Company, Wausau Underwriters Insurance Company, and West American Insurance Company.



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# Residual Market Small Employer Survey

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Liberty Mutual Insurance is committed to providing you and your employees with high-quality, efficient service. That is why we offer valuable tools to our residual market policyholders to help you improve your safety record and become more attractive to voluntary insurance carriers. You'll find a brief survey on the next page to help you assess areas in which we can work with you.

There are many reasons companies may not qualify for the voluntary market, including an unfavorable loss history (employees frequently injured on the job). But change is possible with the tools we make available. Completing the survey will help you assess your current company practices and offer critical, basic steps to help prevent workplace injuries.

## Access Your Account Online

Liberty Mutual **SafetyNet™** is a Web-based tool designed to help risk and safety managers improve workplace safety, reduce the cost of risk, and stay compliant with federal safety standards.

Resources are accessible at any time and include:

- More than 200 loss control reference notes
- Customizable model programs
- OSHA customizable programs
- Monthly e-newsletters
- Industry specific pages, toolkits, and more

## Safety Training

**SafetyNet™** also offers several levels of training to suit the novice or the seasoned person responsible for safety in any organization. Seminars range from a general overview of safety issues to webinars aimed specifically at your potential and actual risk exposures. Choose the type and level of training that matches your company's specific needs — all at no additional cost to you!

## Accidents Happen

No matter how well you prepare, accidents can happen. Liberty Mutual Insurance is ready to assist immediately when they do. With **Internet ExPRS™**, you can report all of your claims online — no special software required. Notification is sent directly to our claims management system, and you have immediate online confirmation the claim was received in our office.

## Track Your Claims

Stay on top of claims from beginning to end with **RISKTRAC® CSP**. Monitor claims activity, view case manager notes and action plans, set alerts, and create and view custom reports.

Please complete the survey below. If you answer "No" to any of these questions, contact Liberty Mutual Insurance at the numbers below to improve your safety practices and better manage your insurance program.

<b>Are You Doing Everything You Can to Prevent Accidents?</b>		
Our company has written workplace safety policies/procedures.	Yes	No
Management aggressively supports and encourages workplace safety.	Yes	No
Management regularly reviews safety issues with all employees.	Yes	No
Management corrects unsafe acts and conditions immediately.	Yes	No
Our company provides safety training for all employees.	Yes	No
Our company rewards employees for working safely.	Yes	No

<b>Are You Doing Everything You Can to Help Injured Employees?</b>		
Our employees have been instructed to report workplace accidents to management immediately.	Yes	No
Management is knowledgeable about accident reporting procedures.	Yes	No
Management understands regular communication with disabled employees fosters good relations and aids in returning the employee to work sooner.	Yes	No

#### **Risk Control Consulting Center**

Our consultants are available Monday through Friday, 9:00 a.m. to 7:00 p.m. ET. Call us toll-free at 866-757-7324 or contact us by email anytime at [rcconsultingcenter@libertymutual.com](mailto:rcconsultingcenter@libertymutual.com).

# **POLICYHOLDER INFORMATION PACKET**

**FOR:**

**COVENANT SOLAR TECH LLC**

**4904 ELAINE AVE**

**RALEIGH, NC 27616**

**Policy Number: WC5-33S-B1X92T-010**



Dear Policyholder,

Enclosed along with your policy is a contact information list. Please keep this material with your insurance papers. We look forward to servicing your account again this year.

Sincerely,

Liberty Mutual Servicing Carrier Operations

cc: Broker or Agent



Dear Policyholder,

This package contains your Liberty Mutual Insurance Workers Compensation policy and instructions for its use. It answers many questions you may have regarding Workers Compensation and outlines some steps you can take to control your Workers Compensation costs. Its contents include:

### **1. SERVICE DEPARTMENT CONTACTS**

Keep the contact information with your insurance records as a reference guide.

### **2. DESCRIPTION OF SERVICES**

Please take a moment to review the introductory information for each of our service departments. Claims material will be sent to you under separate cover.

### **3. YOUR WORKERS COMPENSATION POLICY**

Use this opportunity to confirm all policy details, including specific coverage and exposure estimates. Promptly contact your producer or our Underwriting department with any questions.

We hope you find this material informative and helpful. We look forward to putting our experience to work for you.

Sincerely,

Commercial Service Operations

cc: Broker or Agent

**Please review the coverages provided by this policy:**

**Workers Compensation:**

Item 3A of the Information Page lists the state(s) where this policy provides statutory workers compensation coverage. These laws require no-fault benefits payable by an employer to employees who are injured during their employment. When Workers Compensation insurance is provided, we agree to pay, on your behalf, the benefits mandated by the workers compensation law of the state(s) listed in Item 3A.

If you have operations in states not listed in Item 3A, please contact your producer to confirm your coverage in those states.

**Employer's Liability Coverage (Item 3B of the Information Page):**

There may be occasions where a claim related to an injury suffered by an employee will not be covered by the workers compensation statute. In these cases a lawsuit is brought against the employer. This type of suit is not covered under workers compensation insurance as workers compensation insurance applies only to benefits mandated by the law. Coverage for this type of lawsuit is also excluded under a general liability policy. Employer's Liability insurance is provided in this policy to provide coverage in these situations, subject to the limits shown in Item 3B of the Information Page.

Both of these coverages (Workers Compensation and Employer's Liability) are available on the standard policy to the states listed in Item 3A - Workers Compensation Insurance of the policy Information Page. Our policies are issued to insure the employees of an insured who are employed in one of these states.

**Other States Coverage:**

There may be times when an employee who works in a state listed in Item 3A travels to another state in performing their job. This type of activity is considered incidental to your operations. If such employee is injured in that other state they may choose to receive the workers compensation benefits of that state. Through Other States Coverage, we agree to pay, on your behalf, the benefits of that state. Item 3C of the Information Page lists the States for which Other States Coverage is provided.

Other States Coverage is intended to cover only incidental exposures. If you begin operations in any state, including those listed in Item 3C, please contact your producer immediately.



## Underwriting & Policy Issuance....

The Involuntary Market Operations department is responsible for underwriting and issuing your policy and subsequent changes. Underwriters review each application or request for policy change to accurately determine your premium according to applicable manuals, rates, and standards. The policy or policy change is subsequently issued to you.

### WHAT TO EXPECT FROM US

- We will make policy changes as needed throughout the life of the policy, within 20 days of receiving the appropriate data.
- We will endorse experience modifications to your policy within 30 days of receiving the information from the Plan Administrator.
- We will provide loss history information at renewal and upon request. Please refer to "Contact Information At A Glance".
- We will make every effort to reply to your questions or concerns as quickly as possible.

### WHAT WE EXPECT FROM YOU

- Make your agent aware of any significant changes in your operations, including payroll estimates, legal status and classification of duties, so that your policy can be updated accordingly.
- Provide prompt cooperation with request for information, including appropriate supporting documentation.

### CONTACT INFORMATION

- Please refer to "Contact Information At A Glance".

The primary function of the Field Auditing Department is to determine the appropriate amount of payroll and other compensation used in calculating the final premium on your policy.

**WHAT TO EXPECT FROM US**

- We may perform an on-site audit at the beginning of your policy year to review payroll estimates and classifications.
- We will contact you by phone or mail to make an appointment to conduct a final audit within 75 days of your policy expiration.
- If requested information is not made available in a timely fashion, your premium will be estimated and your policy may be canceled.

**WHAT WE EXPECT FROM YOU**

- Maintain appropriated records as required by the policy terms to facilitate a thorough audit.
- Cooperate with our Auditors, including timely response to phone and mail inquiries.
- If you are a contractor, be sure to obtain Workers Compensation certificates for any subcontractor exposure to avoid potential additional premium obligations. Keep in mind that a certificate of insurance for liability alone is not sufficient to establish the independence of a subcontractor.
- Instead of a personal final audit you may be requested to complete a payroll report. If this method of audit is used, you will also be asked to submit copies of tax reports such as 940 forms.

**CONTACT INFORMATION**

- Please refer to "Contact Information At A Glance".





## Billing...

All customer billing is the responsibility of our Servicing Carrier Accounting Services operation, located in Dover, NH. Invoices and statements are mailed directly to you, with a copy to your producer of records.

### WHAT TO EXPECT FROM US

- We will mail installment invoices for eligible payment plans 20 days prior to the due date, and payment in full is expected by the due date.
- Overdue balances will result in policy cancellation. Reinstatement is contingent upon payment in full, or a pre-arranged resolution of any dispute.

### WHAT WE EXPECT FROM YOU

- Make payments promptly to the address shown on "Contact Information At A Glance" and on each invoice. Be sure to include your payment coupon for accurate posting to your account. (Please note the separate correspondence address listed on "Contact Information At A Glance".)
- Promptly direct questions or billing concerns to your producer or Liberty Mutual Insurance. Disputes must be detailed in writing, and the undisputed portion of the invoice must be paid within normal terms to avoid cancellation of the policy.

### CONTACT INFORMATION

- Please refer to "Contact Information At A Glance".

## Workplace Safety....

Our Loss Prevention department advises insureds on workplace hazards and safety needs. Controlling accidents through good safety practices can have a positive impact on your productivity, workers compensation premium and ultimately your profitability.

### WHAT TO EXPECT FROM US

- You can contact us at any time for information, to ask questions, or to request a consultant to visit your operations to assist you in identifying potential hazards and to improve safety programs.
- We are required to perform annual on-site consultations for certain businesses, based on size, type of business, or loss history. If your company meets specified criteria, we will contact you to schedule a visit.
- We will evaluate your accident and loss statistics to determine trends or causes, and review your operations for potential hazards.
- After evaluating your existing safety activities, we will submit recommendations aimed at controlling hazards or strengthening programs. We will follow-up with you on these recommendations to assure compliance.

### WHAT WE EXPECT FROM YOU

- If a mandatory on-site visit is required in your State you are expected to cooperate with the loss prevention representative allowing access to your operations. By taking this action you can obtain the maximum benefit from this service.
- Once you receive recommendations from the on-site visit, you are required to inform us of your plan to complete the recommendations. We have a contractual obligation to obtain this information and will provide you with a paid, self-addressed return card with which to notify us.
- You can contact us at any time for information, to ask questions, or to request a visit.

### CONTACT INFORMATION

- Please refer to "Contact Information At A Glance".



## Commercial Claims....

A dedicated team of Claims Professionals will work with you to ensure that the appropriate medical care and wage benefits are timely and fairly administered to your injured worker in a cost effective manner. Our team will partner with you to develop early, effective return to work programs whenever possible.

### WHAT TO EXPECT FROM US

- The management of your claims is the responsibility of the Claims Service Team (CST).
- The CST has multiple resources at their disposal to enhance the claims handling process and result. Staff Field Investigators assist the CST with in-person investigations. Our Special Investigative Units aggressively fight fraud.
- Managed Care programs are used, when allowed, to ensure that prompt and appropriate medical care is afforded to your injured workers.

### WHAT WE EXPECT FROM YOU

- **Prompt reporting is critical so our claims investigation and managed care programs can be initiated immediately!**
- We encourage you to use our fax number or toll free telephone number to report your claims 24 hours a day. We also need your assistance in the identification and investigation of potentially fraudulent claims. By working together, we can manage and reduce your overall workers compensation costs.
- We ask that you read and understand the steps you should follow when a workplace accident happens. Under separate cover, you will be receiving detailed instructions and any necessary forms. If you need assistance, please feel free to contact us.
- Post the required notices in a location that is conspicuous to all of your employees.

### CONTACT INFORMATION

- Please refer to "Contact Information At A Glance".



## Common Questions....

Here are some commonly asked questions that may help you with your workers compensation program:

- **One of my employees has been injured on the job... what do I need to do?**

Your obligation is to report all work related injuries immediately. We strongly urge you to use our toll-free telephone number and fax numbers set up specifically to receive accident reports as soon as they occur. Prompt reporting of an injury is critical - it allows us to put all of our resources to work immediately to control your costs. Note that many jurisdictions impose penalties to employers who do not promptly report an employee's injury. Please contact your local Claims Service Team with any questions.

- **My policy premium is not what I expected... what happened?**

Premium is determined by the amount of payroll and the applicable classification codes and rates which have been established for your operations. Your premium may also be subject to an experience modification factor or All Risk Adjustment Program (ARAP) surcharge. You should carefully review each of these components with your producer to confirm your understanding of them. If you have any questions or concerns, contact our Underwriting department for further clarification or possible revision.

- **Why would a preliminary audit be required?**

A preliminary premium audit allows us to verify the payroll estimates and classifications on the policy. If there is a material difference in the projected premium due, appropriate changes can be made early in the policy period.

- **Why would I want to use Liberty Mutual's Safety Services?**

Apart from the fact that some state regulations require the use of safety services; their use is also good business! Workers compensation accidents adversely affect the premium you pay, productivity, overtime costs, and employee morale. All these factors can add to your cost of doing business. It makes economic sense to reduce accidents through a strong safety program and safe work practices.



## Contact Information At A Glance.....

This quick reference guide is offered to help you better manage your workers compensation coverage. Please contact your agent for assistance with your questions, or refer to the following summary information to contact us:

Service	Contact Information	Areas of Responsibility
Underwriting, Policy Issuance & Customer Service	<b>Commercial Service Operations</b> PO Box 66400 London, KY 40742-6400 Phone: (800) 653-7893 Fax: (603) 334-8162 E-mail: IMS@LibertyMutual.com	<ul style="list-style-type: none"> <li>- Policy production</li> <li>- Classifications and Rates</li> <li>- Experience Modification</li> <li>- ARAP surcharges</li> <li>- Loss summaries</li> <li>- Self Audit Payroll Reports</li> <li>- Disputes</li> </ul>
Premium Auditing	<b>Premium Audit Services</b> PO Box 9020, Mailstop 03F Dover, NH 03821-9020 Phone: (800) 231-3484 Fax: (603) 334-0291 Email: IMOAuditDispute@LibertyMutual.com	<ul style="list-style-type: none"> <li>- All preliminary and final audit adjustments performed by an auditor</li> <li>- Review of classifications</li> <li>- Disputes</li> </ul>
Premium Billing	<b>Premium Payments:</b> Liberty Mutual Insurance PO Box 1449 New York, NY 10116-1449  <b>Correspondence:</b> Commercial Service Operations PO Box 9502 Dover, NH 03821-9502 Phone: (800) 653-7893 Fax: (603) 334-8161 E-mail: IMS@LibertyMutual.com	<ul style="list-style-type: none"> <li>- Premium billing</li> <li>- Premium payment processing</li> <li>- Statement preparation</li> <li>- Collection activity</li> <li>- Disputes</li> </ul>
Workplace Safety	<b>Risk Control - Consulting Center</b> 2000 Westwood Drive Wausau, WI 54401 Phone: (866) 757-7324 Fax: (715) 261-5119 E-mail: RCConsultingCenter@LibertyMutual.com	<ul style="list-style-type: none"> <li>- Consultation Services</li> <li>- Safety Training Support</li> <li>- Risk Control Resource Support</li> <li>- Safety Program Review</li> <li>- SafetyNet Web Services</li> </ul>

<p>Claims Management &amp; Medical Care</p>	<p><b><u>To Report a Claim:</u></b>  Phone: (800) 362-0000  Fax: (800) 969-3062  Fraud Hotline: (800) 932-3969  Email: <a href="mailto:clclaimreports@libertymutual.com">clclaimreports@libertymutual.com</a></p> <p><b><u>Claim Inquiry and Correspondence:</u></b>  Business Insurance - WC  PO Box 9525  Manchester, NH 03108  Phone: (800) 562-3936  Fax: (603) 334-0256</p> <p><b><u>Medical Bills and Reports:</u></b>  Liberty Mutual Insurance  1084 South Laurel Road  London, KY 40742</p>	<ul style="list-style-type: none"> <li>- Claims investigation</li> <li>- Overall claims management</li> <li>- Return-to-work programs</li> <li>- Medical provider referrals</li> </ul>
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## **WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY**

**Policy Number: WC5-33S-B1X92T-010**

**COVENANT SOLAR TECH LLC  
4904 ELAINE AVE  
RALEIGH NC 27616**

Liberty Mutual Insurance is the marketing name for the property and casualty insurance operations. Products may be written in the following stock insurance company subsidiaries of Liberty Mutual Insurance.

Liberty Mutual Insurance Company  
Liberty Mutual Fire Insurance Company  
Liberty Insurance Corporation  
LM Insurance Corporation  
The First Liberty Insurance Corporation  
Employers Insurance Company of Wausau  
Wausau Underwriters Insurance Company  
Wausau Business Insurance Company  
Wausau General Insurance Company

Not all products and coverages are available in all companies and jurisdictions.

Miscellaneous Forms Schedule

WC5-33S-B1X92T-010

FORM NUMBER

FORM NAME

WORKERS COMPENSATION FORMS AND ENDORSEMENTS

CNW 90 06	03-19	PRODUCER PACKAGE
GPO4756 R5	01-13	PRIVACY PRACTICE DISCLOSURE NOTICE
SNW0414	01-20	LIBERTY MUTUAL PRIVACY NOTICE - CA
CNW 90 12	08-19	RESIDUAL MARKET SMALL EMPLOYER SURVEY
GPO4621	01-96	POLICYHOLDER INFO PACKET COVER PAGE
GPO4692	03-97	POLICY ENCLOSED LETTER
CNW 90 05	06-13	WORKERS COMP GUIDE LETTER
SNW 32 01	01-19	NC CONTACT AT A GLANCE
WLOGO	01-13	LIBERTY LOGO COVER PAGE
WC 00 00 01 A	07-11	INFORMATION PAGE - WC 00 00 01 A
GPO2923	01-96	EXTENSION OF INFO PAGE
WC 99 50 04	01-15	POLICY JACKET WC 00 00 00 C



WORKERS COMPENSATION AND EMPLOYERS LIABILITY  
INSURANCE POLICY



AR INFORMATION PAGE

175 Berkeley Street Boston, MA 02116

Issued by **LM INSURANCE CORPORATION**

**27243**

Policy Number **WC5-33S-B1X92T-010**  
**NEW BUSINESS NEW**  
Account Number **3-B1X92T**

Issuing Office **0354**  
Issue Date **12-10-20**  
Sub Account **0000**

1. Insured and Mailing Address  
**COVENANT SOLAR TECH LLC**

**RISK ID 6769856**

**4904 ELAINE AVE**

**RALEIGH, NC 27616**

Status **46 - LIMITED LIABILITY CO**

Other workplaces not shown above: **SEE ITEM 4. PREMIUM - EXTENSION OF INFORMATION PAGE**

2. Policy Period: The policy period is from **12-05-2020** to **12-05-2021** 12:01 A.M. standard time at the Insured's mailing address.

3. Coverage

A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation Law of the states listed here: **NC**

B. Employers Liability Insurance: Part Two of the policy applies to work in each state listed in Item 3.A. The limits of our liability under Part Two are:

Bodily Injury by Accident	\$	<b>1,000,000</b>	each accident
Bodily Injury by Disease	\$	<b>1,000,000</b>	policy limit
Bodily Injury by Disease	\$	<b>1,000,000</b>	each employee

C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here:

**REFER TO RESIDUAL MARKET LIMITED OTHER STATES INSURANCE ENDORSEMENT WC 00 03 26A**

D. This policy includes these endorsements and schedules: **SEE EXTENSION OF INFORMATION PAGE**

4. Premium: 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.

Classifications	Code Number	Premium Basis Total Estimated Annual Remuneration	Rate per \$100 of Remuneration	Estimated Annual Premium
See Extension of Information Page				
Minimum Premium	\$	<b>1,500 (NC)</b>	Total Estimated Annual Premium	\$ <b>25,420</b>
Premium will be billed	<b>ANNUAL</b>			

Producer **0004-031684**

**TOWNE INSURANCE AGENCY LLC**  
**4515 FALLS OF NEUSE STE 300**  
**RALEIGH NC 27609**

Classification of Operations			Premium Basis	Rate	Estimated Annual Premium
Entries in this item, except as specifically provided elsewhere in this policy; do not modify any of the other provisions of this policy		Code No.	Estimated Total Annual Remuneration	Per \$100 Of Remuneration	
0001-01	COVENANT SOLAR TECH LLC FEIN # 85-3333935 SIC CODE 1761 NAICS CODE 238160  4904 ELAINE AVE RALEIGH NC 27616				
	MACHINERY OR EQUIPMENT ERECTION OR REPAIR NOC & DRIVERS	3724	\$ 240,332	5.05	\$ 12,137.00
	ROOFING - ALL KINDS & DRIVERS	5551	\$ 42,588	26.25	\$ 11,179.00
	SALESPERSONS OR COLLECTORS - OUTSIDE	8742	\$ 191,200	.46	\$ 880.00
	CLERICAL OFFICE EMPLOYEES NOC	8810	\$ 331,200	.19	\$ 629.00
<b>TOTAL CLASS PREMIUM</b>					\$ 24,825.00
	INCREASE LIMITS 1.011	9812			\$ 273.00
<b>STANDARD TOTAL</b>					\$ 25,098.00
	EXPENSE CONSTANT	0900			\$ 160.00
	TERRORISM .01	9740			\$ 81.00
	CATASTROPHE (OTHER THAN CERTIFIED ACTS OF TERRORISM) .01	9741			\$ 81.00
<b>FINAL TOTAL</b>					\$ 25,420.00
<b>POLICY TOTAL ESTIMATED COST</b>					\$ 25,420.00

Experience Modification:

RISK ID: 6769856

Endorsement Schedule

WC5-33S-B1X92T-010

FORM NUMBER                      FORM NAME

WORKERS COMPENSATION FORMS AND ENDORSEMENTS

WC 00 01 15	NOTIF ENDT OF PEND LAW CHG TRIPRA 2015
WC 00 03 26 A	RESIDUAL MKT LTD OTHER STATES INS ENDT
WC 00 04 14 A	90DAY REPORT-NOTIF CHANGE IN OWNERSHIP
WC 00 04 19	PREMIUM DUE DATE ENDORSEMENT
WC 00 04 21 D	CATASTROPHE (OTHER THAN CERT ACTS) ENDT
WC 00 04 22 B	TERRORISM RISK PGM REAUTH ACT DISCL ENDT
WC 00 04 24	AUDIT NONCOMPLIANCE CHARGE ENDT
WC 32 03 01 D	NC AMENDED COVERAGE ENDT
WC 32 04 15	ASSIGNED RISK ADJUSTMENT PRG ENDT
WC 32 04 17	ARAP NOTIFICATION ENDT

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY  
QUICK REFERENCE**

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Important: This Quick Reference is not part of the Workers Compensation and Employers Liability Policy and does not provide coverage. Refer to the Workers Compensation and Employers Liability Policy itself for actual contractual provisions.

PLEASE READ THE WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY CAREFULLY.

## 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.

In witness whereof, LM INSURANCE CORPORATION has caused this policy to be signed by its President and its Secretary.



**SECRETARY**



**PRESIDENT**

POLICY NUMBER: WC5-33S-B1X92T-010      COMPANY NAME: LM INSURANCE CORPORATION

**NOTIFICATION ENDORSEMENT OF PENDING LAW CHANGE TO TERRORISM RISK INSURANCE PROGRAM  
REAUTHORIZATION ACT OF 2015**

This endorsement is being attached to your workers compensation and employers liability insurance policy. This endorsement does not replace the separate Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement (WC 00 04 22 B) that is attached to your current policy and which remains in effect as applicable.

The Terrorism Risk Insurance Act of 2002 (TRIA), as previously amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2015 (TRIPRA 2015), provides for a program under which the federal government will share in the payment of insured losses caused by certain acts of terrorism. In the absence of affirmative US Congressional action to extend, update, or otherwise reauthorize TRIPRA 2015, in whole or in part, TRIPRA 2015 is scheduled to expire on December 31, 2020.

Since the timetable for any further Congressional action regarding TRIPRA 2015 is presently unknown, and exposure to acts of terrorism remains, we are providing policyholders with relevant information concerning their workers compensation policies in the event of the TRIPRA 2015's expiration.

Your policy provides coverage for workers compensation losses caused by acts of terrorism, including workers compensation benefit obligations dictated by state law, except in Pennsylvania, where injuries or deaths resulting from certain war-related activities are excluded from workers compensation coverage. Coverage for such losses is still subject to all terms, definitions, exclusions, and conditions in your policy.

**The premium charge for the coverage that your policy provides for terrorism losses is shown in Item 4 of the policy Information Page or the Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement (WC 00 04 22 B) Schedule that is attached to your policy. This amount may continue or change for new, renewal, and in-force policies in effect on or after December 31, 2020, in the event of TRIPRA 2015's expiration, subject to regulatory review in accordance with applicable state law.**

You need not do anything further at this time.

DATE OF ISSUE: 12/10/2020

**RESIDUAL MARKET LIMITED OTHER STATES INSURANCE ENDORSEMENT**

"Part Three—Other States Insurance" of the policy is replaced by the following:

**PART THREE OTHER STATES INSURANCE****A. How This Insurance Applies**

1. We will pay promptly when due the benefits required of you by the workers compensation law of any state not listed in Item 3.A. of the Information Page if all of the following conditions are met:
  - a. The employee claiming benefits was either hired under a contract of employment made in a state listed in Item 3.A. of the Information Page or was, at the time of injury, principally employed in a state listed in Item 3.A. of the Information Page; and
  - b. The employee claiming benefits is not claiming benefits in a state where, at the time of injury, (i) you have other workers compensation insurance coverage, or (ii) you were, by virtue of the nature of your operations in that state, required by that state's law to have obtained separate workers compensation insurance coverage, or (iii) you are an authorized self-insurer or participant in a self-insured group plan; and
  - c. The duration of the work being performed by the employee claiming benefits in the state for which that employee is claiming benefits is temporary.
2. If we are not permitted to pay the benefits directly to persons entitled to them and all of the above conditions are met, we will reimburse you for the benefits required to be paid.
3. This insurance does not apply to fines or penalties arising out of your failure to comply with the requirements of the workers compensation law.

**IMPORTANT NOTICE !**

**If you hire any employees outside those states listed in Item 3.A. on the Information Page or begin operations in any such state, you should do whatever may be required under that state's law, as this endorsement does not satisfy the requirements of that state's workers compensation law.**

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**WC 00 03 26 A**

(Ed. 2-97)

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POLICY NUMBER: WC5-33S-B1X92T-010      COMPANY NAME: LM INSURANCE CORPORATION

**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.

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**WC 00 04 14 A**  
(Ed. 1-19)

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POLICY NUMBER: WC5-33S-B1X92T-010

COMPANY NAME: LM INSURANCE CORPORATION

## 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.**

DATE OF ISSUE: 12-10-20

POLICY NUMBER: WC5-33S-B1X92T-010

COMPANY NAME: LM INSURANCE CORPORATION

**CATASTROPHE (OTHER THAN CERTIFIED ACTS OF TERRORISM) PREMIUM ENDORSEMENT**

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

For purposes of this endorsement, the following definitions apply:

- Catastrophe (other than Certified Acts of Terrorism): Any single event, resulting from an Earthquake, Noncertified Act of Terrorism, or Catastrophic Industrial Accident, which results in aggregate workers compensation losses in excess of \$50 million.
- Earthquake: The shaking and vibration at the surface of the earth resulting from underground movement along a fault plane or from volcanic activity.
- Noncertified Act of Terrorism: An event that is not certified as an Act of Terrorism by the Secretary of Treasury pursuant to the Terrorism Risk Insurance Act of 2002 (as amended) but that meets all of the following criteria:
  - a. It is an act that is violent or dangerous to human life, property, or infrastructure;
  - b. The act results in damage within the United States, or outside of the United States in the case of the premises of United States missions or air carriers or vessels as those terms are defined in the Terrorism Risk Insurance Act of 2002 (as amended); and
  - c. It is an act that has been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- Catastrophic Industrial Accident: A chemical release, large explosion, or small blast that is localized in nature and affects workers in a small perimeter the size of a building.

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

State	Schedule Rate	Premium
NC	.01	\$ 81

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WC 00 04 21 D  
(Ed. 1-15)



POLICY NUMBER: WC5-33S-B1X92T-010

COMPANY NAME: LM INSURANCE CORPORATION

**TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT DISCLOSURE ENDORSEMENT**

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

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

**Definitions**

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

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

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

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

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

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

**Limitation of Liability**

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

**Policyholder Disclosure Notice**

1. Insured Losses would be partially reimbursed by the United States Government. If the aggregate industry Insured Losses exceed:
  - a. \$100,000,000, with respect to such Insured Losses occurring in calendar year 2015, the United States Government would pay 85% of our Insured Losses that exceed our Insurer Deductible.
  - b. \$120,000,000, with respect to such Insured Losses occurring in calendar year 2016, the United States Government would pay 84% of our Insured Losses that exceed our Insurer Deductible.
  - c. \$140,000,000, with respect to such Insured Losses occurring in calendar year 2017, the United States Government would pay 83% of our Insured Losses that exceed our Insurer Deductible.
  - d. \$160,000,000, with respect to such Insured Losses occurring in calendar year 2018, the United States Government would pay 82% of our Insured Losses that exceed our Insurer Deductible.

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

State	Schedule Rate	Premium
NC	.01	\$ 81

DATE OF ISSUE: 12-10-20

POLICY NUMBER: WC5-33S-B1X92T-010 COMPANY NAME: LM INSURANCE CORPORATION

**AUDIT NONCOMPLIANCE CHARGE ENDORSEMENT**

Part Five—Premium, Section G. (Audit) of the Workers Compensation and Employers Liability Insurance Policy is revised by adding the following:

If you do not allow us to examine and audit all of your records that relate to this policy, and/or do not provide audit information as requested, we may apply an Audit Noncompliance Charge. The method for determining the Audit Noncompliance Charge by state, where applicable, 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 result in the cancellation of your insurance coverage, as specified under the policy.

**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**

State(s)	Basis of Audit Noncompliance Charge	Maximum Audit Noncompliance Charge Multiplier
NC	Estimated Annual Premium	Up to three times

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POLICY NUMBER: WC5-33S-B1X92T-010 COMPANY NAME: LM INSURANCE CORPORATION

### NORTH CAROLINA AMENDED COVERAGE ENDORSEMENT

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

The **Cancellation** Condition of the policy is replaced by this Condition:

#### D. Cancellation and Nonrenewal

1. You may cancel this policy.  
If you 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.
  - (a) If this policy has been in effect for fewer than 60 days and is not a renewal policy, we may cancel this policy for any reason by giving you at least 30 days prior written notice of cancellation and the reasons for cancellation by registered or certified mail, return receipt requested.
  - (b) If this policy has been in effect for at least 60 days or is a renewal policy, we may not cancel this policy without your prior written consent, except for any one of the following reasons:
    - (1) Nonpayment of premium in accordance with the policy terms.
    - (2) An act or omission by you or your representative that constitutes material misrepresentation or nondisclosure of a material fact in obtaining the policy, continuing the policy, or presenting a claim under the policy.
    - (3) Increased hazard or material change in the risk assumed that could not have been reasonably contemplated by you and us at the time of assumption of the risk.
    - (4) Substantial breach of contractual duties, conditions, or warranties that materially affects the insurability of the risk.
    - (5) A fraudulent act against us by you or your representative that materially affects the insurability of the risk.
    - (6) Willful failure by you or your representative to institute reasonable loss control measures that materially affect the insurability of the risk after written notice by us.
    - (7) Loss of facultative reinsurance or loss of or substantial changes in applicable reinsurance as provided in G.S. 58-41-30.
    - (8) Your conviction of a crime arising out of acts that materially affect the insurability of the risk.
    - (9) A determination by the Commissioner that the continuation of this policy would place us in violation of the laws of North Carolina.
    - (10) You fail to meet the requirements contained in our corporate charter, articles of incorporation, or bylaws, when we are a company organized for the sole purpose of providing members of an organization with insurance coverage in North Carolina.
  - (c) If we cancel for any of the reasons listed in paragraph (b), we must provide you with at least 15 days prior written notice of cancellation stating the precise reason for cancellation. We may provide this notice by registered or certified mail, return receipt requested, to you and any other person designated in the policy to receive notice of cancellation at the addresses shown in the policy or, if not indicated in the policy, at the last known addresses. Whenever notice of cancellation is given by registered or certified mail, cancellation will not be effective unless and until that method is employed and completed. Notice of intent to cancel given by registered or certified mail shall be conclusively presumed completed three days after the notice is sent if, on the same day that notice is sent by registered or certified mail, the insurer also provides notice by first-class mail and by electronic means if available as defined in G.S. 58-2-255(a) to the insured and any other person designated in the policy to receive notice. Any such supplemental notice given by electronic means shall be effective for the limited purpose of establishing this conclusive presumption.

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Notice of cancellation may also be given by any method permitted for service of process pursuant to Rule 4 of the North Carolina Rules of Civil Procedure. Failure to send notice as provided in this paragraph to any other person designated in the policy to receive notice of cancellation invalidates the cancellation only as to that other person's interest.

- (d) Cancellation for nonpayment of premium is not effective if the amount due is paid before the effective date stated in the notice of cancellation.
3. We may refuse to renew this policy:
- (a) If this policy is for a term of one year or less, we must provide you with notice of nonrenewal at least 45 days prior to the expiration date of the policy.
  - (b) If this policy is for a term of more than one year or for an indefinite term, then to nonrenew the policy at the policy anniversary date we must provide you with notice of nonrenewal at least 45 days prior to the anniversary date of the policy.
  - (c) The notice of nonrenewal must state the precise reason for nonrenewal. Failure to send this notice, as provided in paragraphs 3 and 5, to any other person designated in the policy to receive this notice invalidates the nonrenewal only as to that other person's interest.
  - (d) Any nonrenewal attempted or made that is not in compliance with paragraphs (a), (b) and (c) is not effective. Paragraphs (a), (b) and (c) do not apply if you have obtained insurance elsewhere, have accepted replacement coverage, or have requested or agreed to nonrenewal.
4. Whenever we lower coverage limits, raise deductibles, or raise premium rates for reasons within our exclusive control and other than at your request, we will mail you written notice of the change at least 30 days in advance of the effective date of the change. As used in this paragraph, the phrase, "reasons within our exclusive control" does not mean experience modification changes, exposure changes, or loss cost rate changes.
5. We must provide the notice required by paragraphs 3 and 4 by mail to you and any other person designated in the policy to receive this notice at the addresses shown in the policy or, if not indicated in the policy, at the last known addresses. Mailing copies of the notice by regular first-class mail satisfies the notice requirements of paragraphs 3, 4 and 5.
6. We will also send copies of the notice required by this endorsement to the agent or broker of record, though failure to send copies of the notice to the agent or broker of record will not invalidate a cancellation or nonrenewal. Mailing copies of the notice by regular first-class mail to the agent or broker of record satisfies the requirements of this paragraph. Notice of nonrenewal may also be given by any method permitted for service of process pursuant to Rule 4 of the North Carolina Rules of Civil Procedure.

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POLICY NUMBER: WC5-33S-B1X92T-010 COMPANY NAME: LM INSURANCE CORPORATION

### ASSIGNED RISK ADJUSTMENT PROGRAM ENDORSEMENT

This endorsement is attached to your policy and incorporates the following additional provisions into Part Five (Premium) of your policy because one or more of the states shown in Item 3.A. of the Information Page have approved the Assigned Risk Adjustment Program (ARAP). ARAP adds a surcharge to the premium of assigned risk employers who meet the criteria of ARAP.

The application of ARAP is mandatory and shall apply to all assigned risk policies written in approved jurisdictions who meet the criteria of ARAP.

If your experience rating modification changes, the ARAP surcharge factor may also change.

#### A. Criteria

1. You will receive an ARAP surcharge factor calculated by the designated rating/advisory organization for your intrastate and/or interstate risk if you:
  - a. Are experience rated, and
  - b. Have an experience rating modification that includes data from at least one ARAP-approved jurisdiction, and
  - c. Have a calculated experience rating modification factor greater than or equal to 1.01, and
  - d. Meet or exceed the weighted test ratio in accordance with the applicable rules in the **North Carolina Basic Manual** or other applicable state rules.
2. You will not receive an ARAP surcharge factor calculated by the designated rating/advisory organization in an ARAP-approved jurisdiction if you:
  - a. Are not experience rated, or  
Are an intrastate and/or interstate experience rated risk that does not have any ARAP-approved
  - b. jurisdictions' data included in your experience rating modification calculation, or
  - c. Have a calculated experience rating modification equal to or less than 1.00.

#### B. Surcharge Application

You must pay a surcharge based on a comparison of your actual and expected losses, as determined using values from your experience rating modification calculation. The ARAP surcharge factor is applied by multiplying your assigned risk total modified premium by the ARAP surcharge factor. The total modified premium of an assigned risk policy in ARAP-approved jurisdictions is determined in accordance with the applicable state assigned risk premium algorithm, or any other applicable programs or statutory requirements. The ARAP surcharge factor is included in total standard premium.

#### C. Multistate Operations

If you are an experience rated employer with multistate operations, you shall be subject to the Assigned Risk Adjustment Program in states that have approved ARAP, and as applied by your insurance carrier in those states as shown in the Schedule below.

#### D. Cancellation

If your policy is cancelled, the ARAP surcharge factor is applied in accordance with Part Five (Premium), E. of your workers compensation and employers liability insurance policy.

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(Ed. 7-16)

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Schedule

State

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POLICY NUMBER: WC5-33S-B1X92T-010 COMPANY NAME: LM INSURANCE CORPORATION

**ASSIGNED RISK LOSS SENSITIVE RATING PLAN NOTIFICATION ENDORSEMENT****A. LSRP Mandatory Assigned Risk Retrospective Rating Plan**

This endorsement is to advise you that, during the term of this policy or upon renewal, you may become subject to the mandatory assigned risk Loss Sensitive Rating Plan (LSRP), which is a retrospective rating plan that may adjust the cost of your workers compensation and employers liability insurance policy. This endorsement must be attached to all assigned risk policies, including policies for professional employer organization (PEO) and temporary arrangements, regardless of LSRP standard premium size in states that have approved the LSRP. In the event that you meet or exceed the eligibility requirements of LSRP, an LSRP contingent deposit equal to 20% of LSRP standard premium is required.

**B. Eligibility**

1. Your insurance is written under a Workers Compensation Insurance Plan (WCIP) in a state that has approved LSRP.
2.
  - a. LSRP will apply to an individual assigned risk policy if the standard premium meets or exceeds the amount noted in the Schedule, in accordance with the **North Carolina Basic Manual**.
  - b. It may not always be possible for a single carrier to provide coverage for all requested states; additional policies issued by more than one carrier may be necessary.
  - c. WCIP policies issued in non-LSRP-approved jurisdictions are not subject to LSRP and are not combinable with WCIP policies in LSRP-approved jurisdictions for eligibility purposes.
  - d. LSRP eligibility may be impacted by ownership or combinability status in accordance with NCCI's **Experience Rating Plan Manual**.
3. LSRP standard premium is defined in accordance with the **North Carolina Basic Manual**.

**C. Deposit/Initial Premium and LSRP Contingency Deposit**

1. Deposit or initial premium is paid on all new and renewal WCIP policies, including LSRP policies, in accordance with the **North Carolina Basic Manual**. It is paid to us in addition to the LSRP contingency deposit, which secures all new and renewal LSRP policies as detailed in the LSRP rules.
2. The LSRP contingency deposit paid to us serves as collateral for premium that may be due to us as a result of losses incurred during the policy term.
3. At policy inception, the LSRP contingency deposit is calculated by multiplying the LSRP standard premium by 20%. If WCIP policies are combined for LSRP purposes, the LSRP contingency deposit is calculated by multiplying the combined LSRP standard premium for all policies by 20%.

**D. Impact of Changes in LSRP Standard Premium**

1. For all policies except for professional employer organizations (PEOs) and temporary arrangements, LSRP may be applied to a policy, or an LSRP policy may be converted to a guaranteed cost policy:
  - a. If the LSRP standard premium decreases during the first 120 days, and falls below the LSRP eligibility threshold, your policy will be converted to a guaranteed cost policy, retroactive to policy inception, and your LSRP contingency deposit will be returned.
  - b. If the LSRP standard premium increases during the first 120 days, and meets the LSRP eligibility threshold, LSRP will be applied retroactively to policy inception and the 20% LSRP contingency deposit must be paid to us within 30 days of us issuing notice to you of the application of LSRP.
  - c. If the LSRP standard premium decreases after the first 120 days and falls below the LSRP eligibility threshold, the LSRP continues to be applied to your policy(ies).
  - d. If the LSRP standard premium increases after the first 120 days, and meets the LSRP eligibility threshold, your policy(ies) will remain a guaranteed cost policy(ies) and the LSRP is applied at renewal, subject to meeting the eligibility requirements on the renewal policy(ies).

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2. For all PEO and temporary arrangement WCIP policies, if the LSRP standard premium meets or exceeds the eligibility threshold **at any time**, LSRP is applied retroactively to policy inception. The 20% LSRP contingency deposit must be paid to us within 30 days of us issuing notice to you of the application of LSRP.

**E. Evasion of LSRP**

1. If you take actions for the purpose of avoiding the application of LSRP, or for otherwise legitimate business reasons that nonetheless result in the improper calculation and/or application of LSRP, regardless of intent, any action that results in the miscalculation and/or misapplication of LSRP determined in accordance with the LSRP rules is prohibited. These actions include, but are not limited to:
  - Misrepresentation and/or miscalculation of payroll at application, audit, or renewal
  - Failure to report changes in ownership or ownership information according to the WCIP and NCCI's *Experience Rating Plan Manual*
  - Violation of any of the terms and conditions under the policy for which this insurance was issued
  - Failure to allow us and/or the Plan Administrator and/or rating organization reasonable access to your facilities or files and records for audit or inspection
  - Failure to disclose to us and/or the Plan Administrator and/or rating organization the full nature and scope of your exposure or business operations
2. In such circumstances, we and/or the Plan Administrator and/or rating organization may obtain any information that indicates evasion or improper calculation or application of LSRP due to actions including, but not limited to, those listed above. We and/or the Plan Administrator and/or rating organization will act to ensure the proper calculation and application of LSRP to inception of all current and preceding WCIP policies impacted by these actions.  
 This endorsement applies in the states listed in the Schedule below.

Schedule

**State  
NC**

**Premium Eligibility  
\$250,000**

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