



Safety National Casualty Corporation

11/14/2014

EXCESS WORKERS' COMPENSATION INSURANCE QUOTATION

Name of Risk: HIDALGO COUNTY, ETAL	
Account: 6004800 Previous Policy Number AGC4050336	
Specific & Aggregate Excess	

Contract Terms: Option#1011423135	
Liability Period: 01/01/2015 – 01/01/2016	
Payroll Reporting Period: 01/01/2015 – 01/01/2016	
Payroll:	\$134,387,782
Manual Premium:	\$1,632,020
Experience Modification Factor:	1.000
Standard Premium:	\$1,632,020
Self-Insured Retention:	\$500,000
Specific Limit:	Statutory
Employers Liability Limit: Per Occurrence	\$1,000,000
Loss Fund Rate: Rate % Standard Premium 160.0%	
Estimated Loss Fund:	\$2,611,232
Minimum Loss Fund: Estimated X 100.00% \$2,611,232	
Aggregate Excess Limit:	\$2,000,000
Loss Limitation:	\$500,000
Premium Rate: Rate \$100 Payroll \$0.14	
Minimum/Deposit Premium:	\$188,143.00
Pay Plan: ANNUAL PAYMENT	



ALL FORMS OF INSURANCE



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Endorsements:

General Endorsements applicable to all quote options:

0291 00 0708 (XWC) VOLUNTARY COMPENSATION ENDORSEMENT-PREMIUM DELINEATION
0293 00 0906 (XWC) FOREIGN VOLUNTARY WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY
0341 02 0196 (XWC) SPECIFIC EXCESS COVERAGE (CASH FLOW PROTECTION)
TEXAS MANDATORY ENDORSEMENT(S), IF APPLICABLE
1061 10 1207 (XWC) POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

Contingencies:

The quote is subject to the following:

1. This Agreement will include coverage for Workers' Compensation loss caused by acts of terrorism as defined in the Agreement. Coverage for such losses will still be subject to all terms, definitions, exclusions, and conditions in the Agreement, & any applicable federal and/or state laws, rules, or regulations. Be advised that, under the Terrorism Risk Insurance Act of 2002 as amended, terrorism losses would be partially reimbursed by the U.S. Government under a formula established by the Act. Under this formula, the U.S. Government would generally reimburse 85% of covered terrorism losses exceeding a deductible paid by us. The Act contains \$100 billion cap that limits the reimbursement from the U.S. Government as well as from all insurers. If aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced. The portion of the EMPLOYER's annual premium attributable to coverage for losses caused by a certified act of terrorism is: 0.5%
2. Subject to receipt, review and acceptance of information contained in SNCC's Employee Concentration Supplemental Information (08/04) form prior to binding.

Comments:

1. Endorsements mandated by the coverage state(s) will automatically be added to your policy regardless of whether they are shown in the above schedule. In addition, a change in an endorsement form number may occur as a result of state filing requirements/updates arising subsequent to this quote.
2. Included in our quote are the MAP Client Services. These resources consist of both risk control and claim services including: Safety Essentials On-line; Workers' Comp Kit; Safety Training Source; and Best Doctors Catcare and Ask Best Doctors programs - which provide in-depth case review by world renowned doctors.
3. This Agreement will include coverage for Workers' Compensation loss caused by acts of terrorism as defined in the Agreement. Coverage for such losses will still be subject to all terms, definitions, exclusions, and conditions in the Agreement, & any applicable federal and/or state laws, rules, or regulations. Be advised that, under the Terrorism Risk Insurance Act of 2002 as amended, terrorism losses would be partially reimbursed by the U.S. Government under a formula established by the Act. Under this formula, the U.S. Government would generally reimburse 85% of covered terrorism losses exceeding a deductible paid by us. The Act contains \$100 billion cap that limits the reimbursement from the U.S. Government as well as from all insurers. If aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced. The portion of the EMPLOYER's annual premium attributable to coverage for losses caused by a certified act of terrorism is: 0.5%
4. Cash Flow Endorsement Retention: \$350,000.



Domestic Crisis Management and International Extraction

Safety National Crisis Protection is a crisis management and extraction benefit provided exclusively for Safety National's Excess and Large Deductible Workers' Compensation customers. If your business undergoes a qualifying "Domestic Crisis Event" that directly involves your business and involves the death of two or more of your employees, Safety National will either pay one of our approved vendors to assist with crisis management or reimburse you directly for the approved costs incurred with a vendor of your choice. If you experience a qualifying "International Extraction Crisis Event" that requires international employee extraction, we will reimburse you directly for the approved costs.

How Does It Work?

If a qualifying "Domestic Crisis Event" or "International Extraction Crisis Event" occurs, Safety National Crisis Protection will help you minimize post-crisis risk to the organization, its stakeholders and employees directly involved in the event (including immediate family of the involved employee). The annual, aggregate limit for these complimentary benefits, or any combination of the two, is \$50,000. These benefits are accessible when you need them and are provided by Safety National free of charge.

"Domestic Crisis Events" Include:

<p>Multiple employee deaths (two or more) resulting from the following man-made events:</p> <ul style="list-style-type: none"> ▶ Explosion ▶ Arson ▶ Bombing ▶ Workplace Violence ▶ Structural Fire ▶ Vehicular Accident 	<p>Multiple employee deaths (two or more) resulting from the following natural disasters:</p> <ul style="list-style-type: none"> ▶ Tornado ▶ Explosion ▶ Wildfire ▶ Structural Fire ▶ Earthquake and any Resulting Tsunami ▶ Hurricane ▶ Flood
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"International Extraction Crisis Events" Include:

Employee extraction necessitated by the following:

<p>Man-Made Events:</p> <ul style="list-style-type: none"> ▶ Explosion ▶ Arson ▶ Bombing ▶ Riot ▶ Government Collapse & Political Unrest 	<p>Natural Disasters:</p> <ul style="list-style-type: none"> ▶ Tornado ▶ Explosion ▶ Wildfire ▶ Earthquake and any Resulting Tsunami ▶ Cyclone/Typhoon/Hurricane ▶ Flood
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Benefits:

<ul style="list-style-type: none"> ▶ Provided at no cost to policyholders, with a \$50,000 annual, aggregate benefit limit for a qualifying "Domestic Crisis Event," a qualifying "International Extraction Crisis Event" or any combination of the two. ▶ A 24-hour crisis hotline to preferred and approved "Domestic Crisis Event" vendors. ▶ Benefit extends to immediate family of an employee that is directly involved in the "Domestic Crisis Event." 	<ul style="list-style-type: none"> ▶ The benefit can be used for qualified "Domestic Crisis Events" to help you with: <ul style="list-style-type: none"> • Crisis Management • Crisis Response • Public Relations • Emergency Psychological Treatment ▶ Includes crisis communication and media management. ▶ Short-term counseling and referral for directly involved employees and their immediate family.
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For more information about Safety National Crisis Protection, please visit www.safetynational.com/crisis_protection. If you have additional questions about this free benefit, please contact us at crisisprotection@safetynational.com.



Safety National at a Glance



Proceed with Safety

Company History and Background

- Specialists in Workers' Compensation since 1942
- Licensed and admitted in all 50 states, the District of Columbia, Guam, Puerto Rico, Canada, and the U.S. Virgin Islands
- Exclusive distribution through brokers and agents
- Leading and longest continual provider of Excess Workers' Compensation in the United States
- High level of dedication, knowledge, experience and quality service distinguish us in the marketplace
- Named one of the "Best Places to Work" by Business Insurance magazine

Financial Strength and Stability*

- Policyholders' surplus - \$1.2 billion (22.9% increase over 6/13) and \$4.6 billion in assets
- A.M. Best Rating "A+" (Superior) Financial Size Category XII
- Standard & Poor's "A+" (Strong)
- A member of the Tokio Marine Group, with approximately \$180 billion in total assets. The Group's main operating subsidiary, Tokio Marine & Nichido Fire (TMNF), enjoys an A.M. Best Rating of A++ (Superior), Financial Size Category XV.

Products and Services

- Excess Workers' Compensation
 - Specific and Aggregate Excess Coverage for individual or group self-insureds
 - Monoline Aggregate Coverage
- Self-Insurance Bonds
- Loss Portfolio Transfers (LPT)
- TEXcess®- Texas Non Subscriber Program
- Oklahoma Elect
- Treaty Reinsurance
- Public Entity Multi-Line Coverage
- Large Casualty Program
 - Large Deductible Workers' Compensation
 - Auto and General Liability
- Alternative Risk Programs
- MAP Client Services
 - Risk Control Services
 - Safety National Crisis Protection
- Best Doctors Partnership

** as of June 30, 2014*