

SPECIFIC EXCESS AND AGGREGATE EXCESS
WORKERS' COMPENSATION AND
EMPLOYERS' LIABILITY INSURANCE AGREEMENT

SAFETY NATIONAL CASUALTY CORPORATION
ST. LOUIS, MISSOURI

(Hereinafter called the CORPORATION)

In consideration of the payment of premium and subject to all the terms of this Agreement, hereby agrees with the EMPLOYER named in the Declarations (hereinafter called the EMPLOYER), as follows:

A. Coverage of Agreement

This Agreement applies only to Loss sustained by the EMPLOYER because of liability imposed upon the EMPLOYER by the Workers' Compensation or Employers' Liability Laws of:

- (1) the State(s) designated in the Declarations, or
- (2) other State(s), provided that the Loss shall not be greater than it would have been had liability been imposed by the State(s) specified in the Declarations,

on account of bodily injury by accident or bodily injury by occupational disease due to Occurrences taking place within the Liability Period to Employees of the EMPLOYER engaged in the business operations specified in the Declarations and all other operations necessary, incidental, or appurtenant thereto. Bodily injury includes resulting death.

The inclusion of more than one EMPLOYER in the Declarations shall not increase the EMPLOYER's Self-Insured Retention nor the CORPORATION's Maximum Limit of Indemnity.

The insurance afforded by this Agreement applies to operations in the State(s) specified in the Declarations, including, however, incidental operations conducted by Employees who are regularly engaged in operations in the specified State(s), but who may be temporarily outside the specified State(s).

B. Insurance Under This Agreement

(1) Specific Excess Insurance

With respect to each Occurrence taking place within a Liability Period, the EMPLOYER shall retain as its own Loss, as defined below, the amount specified in Item 7 of the Declarations, and the CORPORATION agrees to reimburse the EMPLOYER only for such Loss in excess of such Self-Insured Retention, subject to the Maximum Limit of Indemnity Per Occurrence, or the Employers' Liability Maximum Limit of Indemnity Per Occurrence, whichever is applicable, as specified in Item 8 of the Declarations. The separate Employers' Liability Maximum Limit of Indemnity Per Occurrence shall not operate, in any case, to increase the total amount the CORPORATION agrees to reimburse the EMPLOYER for Loss per any one Occurrence as per Item 8(a) of the Declarations.

(2) Aggregate Excess Insurance

The CORPORATION further agrees to indemnify the EMPLOYER for Loss on account of all Occurrences taking place within such Liability Period (but excluding Loss per Occurrence in excess of the amount specified in Item 7 of the Declarations as the EMPLOYER's Self-Insured Retention under Section B(1)) which is in excess of an aggregate amount, hereinafter called the Loss Fund, determined for each Liability Period as provided below, subject to the Maximum Limit of Indemnity as specified in Item 11 of the Declarations.

C. Definitions

- (1) "Loss" – shall mean actual payments, less recoveries, legally made by the EMPLOYER to Employees and their dependents in satisfaction of: (a) statutory benefits, (b) settlements of suits and claims, and (c) awards and judgments. Loss shall also include Claim Expenses, paid by the EMPLOYER, as defined in Paragraph (2) of this Section. The term Loss shall not include the items specifically excluded by Paragraph (3) of this Section.
- (2) "Claim Expenses" – shall mean court costs, interest upon awards and judgments and the reasonable allocated costs of investigation, adjustment, defense, and appeal, including pension or appeal bond costs (provided that the prosecution of such appeal and/or the posting of such pension or appeal bond is approved by the CORPORATION) of claims, suits or other proceedings brought against the EMPLOYER under the Workers' Compensation or Employers' Liability Laws of the State(s) designated in the Declarations, or other State(s), as provided in Section A, even though such claims, suits, proceedings or demands are wholly groundless, false or fraudulent. Claim Expenses shall not include fees to the EMPLOYER's Service Company.
- (3) "Exclusions from Loss" – shall refer to the following amounts paid by the EMPLOYER, and specifically excluded from the term Loss:
 - (a) Salaries, wages, and remuneration provided to Employees;
 - (b) Fees to the EMPLOYER's Service Company and/or costs of self-administration of claims;

- (c) Punitive or exemplary damages as they relate to claims made under the Employers' Liability coverage provided by this Agreement;
 - (d) Fines or penalties assessed against the EMPLOYER for any violation by the EMPLOYER, or its representative(s), of any statute or regulation, unless the fines or penalties result from a reasonable dispute as to Workers' Compensation benefits owed by the EMPLOYER;
 - (e) Assessments and taxes made upon the EMPLOYER as self-insurer whether imposed by statute, regulation, or otherwise;
 - (f) Any amounts required to be paid by the EMPLOYER because of:
 - 1) Serious and willful misconduct of the EMPLOYER, including intentional torts and intentional acts or omissions resulting in injury, acts or omissions taken with reckless disregard of the possible occurrence of an injury or acts or omissions taken that are substantially certain to result in injury, regardless of whether or not said actions may be classified in the State(s) as intentional torts,
 - 2) Coercion, criticism, demotion, evaluation, re-assignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any Employee and/or related personnel practices, policies, acts or omissions by the EMPLOYER,
 - 3) Knowingly employing an Employee in violation of law,
 - 4) Rejection by the EMPLOYER of any Workers' Compensation Law,
 - 5) Failure to comply with any health, safety, or notification law or regulation,
 - (g) Loss voluntarily assumed by the EMPLOYER under any contract or agreement, whether express or implied;
 - (h) Loss for which the EMPLOYER carries a full coverage Workers' Compensation and Employers' Liability policy; and
 - (i) Any amount owed by the EMPLOYER pursuant to any provision of any law that provides non-occupational disability benefits.
- (4) "Loss Fund" – shall be the greater of: (a) the product of the Loss Fund Percentage, as stated in Item 9 of the Declarations and the Manual or Standard Premium, whichever is applicable, as stated in Item 6 of the Declarations, or (b) the Minimum Loss Fund specified in Item 10 of the Declarations. (See Section F for the determination of the Manual or Standard Premium.)
- (5) "Occurrence" – shall mean accident. In addition, bodily injury by occupational disease must be caused or aggravated by the conditions of employment and shall be deemed to have occurred on the last day of the last exposure to those conditions of employment causing or aggravating such injury by occupational disease, or such dates as is otherwise established by the Workers' Compensation and Employers' Liability Laws of the appropriate State(s). Bodily injury by occupational disease sustained by each Employee shall be deemed to be

a separate Occurrence unless such disease results directly from an accident.

- (6) "Employee" – as respects liability imposed upon the EMPLOYER by the Workers' Compensation Law of any State, the word Employee shall mean any person performing work which renders the EMPLOYER liable under the Workers' Compensation Law of a State named in Item 2 of the Declarations, which is the State of the injured Employee's normal employment, for bodily injuries or occupational disease sustained by such person.
- (7) "State" – shall mean any state, territory, or possession of the United States of America and the District of Columbia.

D. Reimbursement

If the EMPLOYER pays any Loss incurred in any Liability Period in excess of the Self-Insured Retention Per Occurrence or the Loss Fund created for the respective Liability Period, the CORPORATION shall reimburse the EMPLOYER upon receipt of a formal proof of loss and other evidence acceptable to the CORPORATION of such payment. Within a reasonable period of time, reimbursement payments shall be made by the CORPORATION.

The CORPORATION shall have, and may exercise at any time, and from time to time, the right to offset any balance or balances, whether on account of premiums, Losses or otherwise, due from the EMPLOYER to the CORPORATION against any balance or balances due from the CORPORATION to the EMPLOYER under this Agreement.

E. Liability Period

The liability of the CORPORATION for Loss hereunder shall be determined separately for each Liability Period. The initial Liability Period shall commence at 12:01 A.M. on the Effective Date and end at 12:01 A.M. on the Anniversary Date, designated in Items 3 and 4 respectively, of the Declarations. Each succeeding Liability Period shall begin concurrently with the end of the previous Liability Period and continue for the same number of consecutive months as the initial Liability Period. All time is stated in local time for the State(s) designated in the Declarations.

In the event the EMPLOYER fails to give express written intent to continue coverage at the end of a given Liability Period, the Agreement shall be deemed terminated, and the Anniversary Date shall serve as the termination date of the Agreement.

F. Premium

Upon acceptance of the Agreement and at the beginning of each Payroll Reporting Period, as specified in Item 15 of the Declarations, the EMPLOYER shall pay to the CORPORATION the amount of the Deposit Premium specified in Item 14 of the Declarations. The EMPLOYER shall pay premiums when due. The Deposit Premium shall be held by the CORPORATION until the expiration of the Payroll Reporting Period. Within thirty (30) days after the close of each Payroll Reporting Period, the EMPLOYER shall render to the CORPORATION a report, upon a form satisfactory to

the CORPORATION, exhibiting, by classification, the amount of such remuneration earned by Employees during such reporting period, and the EMPLOYER shall therewith pay to the CORPORATION the excess of the Earned Premium over the Deposit Premium previously paid. In case the Deposit Premium paid exceeds the Earned Premium, the CORPORATION shall return to the EMPLOYER the amount of such excess or give appropriate credit, subject to the proportion of Minimum Premium for the Liability Period in the case of multi-year Liability Periods.

Upon expiration of a Liability Period, a summary of voluntary payroll reports for such Liability Period shall be made to determine the Earned Premium under this Agreement. In no event, however, shall the Earned Premium in respect of any Liability Period be less than the Minimum Premium specified in the Declarations.

For each Payroll Reporting Period, the CORPORATION shall compute the Earned Premium as follows:

- (1) Remuneration – The remuneration earned, or worker hours accumulated, during such period by all Employees, including volunteers, engaged in each classification covered by this Agreement shall be computed in accordance with the rules set forth in the appropriate Manual of Workers' Compensation and Employers' Liability Insurance.
- (2) Manual and Standard Premium – The remuneration, or worker hours, so computed for Employees engaged in each such classification shall be multiplied by the Manual Rate per \$100 of remuneration/worker hours, in effect at the inception of each Payroll Reporting Period, and the products so obtained shall be added together to determine the Manual Premium. An Experience Modification Factor may be applied to the Manual Premium to determine a Standard Premium. Such Experience Modification Factor shall be determined at the inception of this Agreement and is subject to annual review and possible revision. A Standard Premium takes precedence over any Manual Premium.
- (3) Earned Premium – Against the Manual or Standard Premium shall be applied the Premium Rate, as specified in Item 12 of the Declarations, to determine the appropriate Earned Premium.

This Agreement is issued by the CORPORATION and accepted by the EMPLOYER subject to the agreement that, in the event of any change in the Rates per \$100 remuneration/worker hours, as stated in Item 6 of the Declarations, because of any general rate increase or any legislative amendment affecting the benefits under the Workers' Compensation Law of any State(s) named in Item 2 of the Declarations, such change, upon the effective date thereof, shall be, without endorsement, made a part of this Agreement.

G. Self-Insurer

The EMPLOYER, by acceptance of this Agreement, warrants that it is a duly qualified Self-Insurer in the State(s) designated in the Declarations, and will continue to maintain such qualifications during the currency of this Agreement. In the

event the EMPLOYER should at any time while this Agreement is in force terminate such qualifications or if they should be cancelled or revoked, such loss of qualifications shall operate as notice of cancellation of this Agreement by the EMPLOYER, subject to the additional terms of the Cancellation Section of this Agreement.

H. Service and Administration

This Agreement contemplates the concurrent and continued existence of a separate service agreement between the EMPLOYER and the Service Company, its designated representative, named in Item 5 of the Declarations, providing services approved by the CORPORATION. The EMPLOYER agrees that its Service Company shall furnish the CORPORATION with quarterly loss runs concurrent with each Liability Period of this Agreement. The provision of loss runs alone does not relieve the EMPLOYER of its reporting obligations as set forth in Section I of this Agreement. In addition, the electronic transfer of loss information by a Service Company of the EMPLOYER shall not constitute notice of a claim.

Cancellation of the service agreement between the Service Company and the EMPLOYER shall operate as a notice of cancellation of this Agreement by the EMPLOYER, subject to the additional terms of the Cancellation Section of this Agreement. Any change in service companies must be immediately communicated to and approved by the CORPORATION, and this obligation shall survive the termination or non-renewal of this Agreement.

I. Prompt Reporting of Claims

As soon as the EMPLOYER becomes aware, the EMPLOYER must provide prompt notice to the CORPORATION of: (a) any claim or action commenced against the EMPLOYER which exceeds, or is likely to exceed, fifty percent (50%) of the Self-Insured Retention Per Occurrence specified in Item 7 of the Declarations and (b) the reopening of any claim in which a further award might involve liability of the CORPORATION under this Agreement.

In addition, the following categories of claims shall be reported to the CORPORATION immediately, regardless of any question of potential involvement of the CORPORATION:

1. Fatalities;
2. Paraplegics and quadriplegics;
3. Serious burns, defined as 2nd or 3rd degree burns involving 25% or more of the body;
4. Brain injury;
5. Spinal cord injury;
6. Amputation of a major extremity; and
7. Any Occurrence which results in a serious injury to two or more Employees.

If the CORPORATION is prejudiced by the EMPLOYER's failure to provide prompt notice of a claim in accordance with the requirements set forth above and/or as otherwise provided by the Law of any State(s), the CORPORATION may elect to deny coverage for Loss arising from such claim. To constitute prompt, sufficient notice, the EMPLOYER must provide complete information as to the details of the injury, disease, or death.

J. Defense of Claims

The EMPLOYER shall investigate and settle or defend all claims and shall conduct the defense and appeal of all actions, suits, and proceedings commenced against it. The EMPLOYER shall forward promptly to the CORPORATION copies of any pleadings or reports as may be requested. The CORPORATION shall not be obliged to assume charge of the investigation, defense, appeal or settlement of any claim, suit, or proceeding brought against the EMPLOYER, but the CORPORATION shall be given the opportunity to investigate, defend, or participate with the EMPLOYER in the investigation and defense of any claim, if, in the opinion of the CORPORATION, its liability under this Agreement might be involved.

K. Good Faith Claims Administration

The EMPLOYER shall use diligence, prudence, and good faith in the investigation, defense, pursuit of recovery from others and settlement of all claims. The EMPLOYER shall not unreasonably refuse to settle any claim which, in the exercise of sound judgment with respect to the entire claim, should be settled, provided, however, that the EMPLOYER shall not make any payment or agree to any settlement for any sum which would involve the limits of the CORPORATION's liability hereunder without the approval of the CORPORATION.

If the CORPORATION is prejudiced by the EMPLOYER's failure to exercise diligence, prudence, and good faith, the CORPORATION may elect to disclaim coverage for Loss from such claim.

L. Inspection and Audit

The CORPORATION shall have the right, but not the obligation, to inspect the premises and equipment and/or to audit the books and records of the EMPLOYER and of its agents and representatives, including all records relating to payroll and claims matters, at any reasonable time during the period of this Agreement and within three (3) years after final settlement of all claims due to Occurrences happening during the term of this Agreement. An audit to determine Manual or Standard Premium shall supersede any and all prior voluntary payroll reports by the EMPLOYER, and will be used to determine the final adjustment of premiums due to the CORPORATION and the Loss Fund amounts. Should a determination be made that additional audit premium is due to the CORPORATION, the due date for payment of such audit premium shall be thirty (30) days after the date of billing.

M. Other Insurance

If the EMPLOYER carries other valid and collectible insurance, reinsurance, or indemnity with any other insurer or reinsurer covering a Loss also covered by this Agreement (other than insurance or reinsurance that is purchased to apply in excess of the sum of the Self-Insured Retention and the Maximum Limits of Indemnity hereunder), the insurance afforded by this Agreement shall apply in excess of and shall not contribute with such other insurance or reinsurance.

N. Recovery From Others

The EMPLOYER agrees to prosecute any and all valid claims the EMPLOYER may have against any other party or source that may mitigate any Loss under this Agreement and return to the CORPORATION any amount so recovered, less the reasonable expense of collecting such amounts.

The CORPORATION shall have the EMPLOYER's rights to prosecute any and all valid claims against any other party or source that may mitigate any Loss under this Agreement. The EMPLOYER agrees that it will assist the CORPORATION in any prosecution of any and all valid claims against any other party or source that may mitigate any Loss under this Agreement. Any amounts recovered by the CORPORATION from any other party or source that may mitigate Loss under this Agreement shall first be used to pay the expenses of collection and to reimburse the CORPORATION for any amount it may have paid the EMPLOYER for the Liability Period concerned, and all remaining amounts collected shall be paid to the EMPLOYER.

O. Change in Agreement

No condition, provision, or declaration of this Agreement shall be waived or altered at any time, except as specified in Section F, except by endorsement signed by the President or a Senior Vice President and the Secretary or an Assistant Secretary of the CORPORATION.

This Agreement hereby terminates, supersedes, and replaces all previously issued Workers' Compensation Insurance or Reinsurance Agreements, as amended, between the EMPLOYER and the CORPORATION.

If terms of this Agreement are in conflict with any law applicable to this Agreement, this statement amends this Agreement to conform to such law. In addition, in the event any terms are in conflict with applicable laws, the remaining terms of the Agreement shall be enforceable.

P. Cancellation

This Agreement may be cancelled by either party giving the other party written notice not less than sixty (60) days prior to the date of cancellation, except, that if the CORPORATION cancels for non-payment of any premium, the cancellation shall become effective ten (10) days after dispatch of notice by the CORPORATION. The date of cancellation then becomes the termination date of the final Liability Period. This Agreement does not apply to Loss as a result of Occurrences taking place after the effective date of such cancellation.

If cancellation is effected by the EMPLOYER, the Manual or Standard Premium shall be determined by the short rate tables used for casualty insurance, and the Loss Fund and Earned Premium shall be the product of the Loss Fund Percentage (Item 9) and the Premium Rate (Item 12) respectively, times the Manual or Standard Premium so arrived at, but not less than the Minimum Loss Fund and the Minimum Premium specified in the Declarations.

If cancellation is effected by the CORPORATION for non-payment of premium, the EMPLOYER shall pay the CORPORATION Earned Premium for the period up to the date of cancellation, but the Loss Fund shall be computed upon the same basis as provided in the event the EMPLOYER cancels.

If the CORPORATION cancels for any other reason, the Manual or Standard Premium shall be determined upon a pro rata basis and the Loss Fund and Earned Premium adjusted in accordance therewith.

Q. Assignment

An assignment of interest under this Agreement will not bind the CORPORATION unless an endorsement signed by the President or a Senior Vice President and the Secretary or an Assistant Secretary of the CORPORATION assigning interest under this Agreement is issued by the CORPORATION.

R. Bankruptcy or Insolvency of Employer

The bankruptcy or insolvency of the EMPLOYER will not relieve the CORPORATION or the EMPLOYER of its duties and liabilities under this Agreement. After payments have been made by or on behalf of the EMPLOYER, reimbursements due under this Agreement will be made by the CORPORATION as if the EMPLOYER had not become bankrupt or insolvent, but not in excess of the CORPORATION's limit of indemnity.



Secretary

S. Sole Representative

If more than one EMPLOYER is named in Item 1 of the Declarations, or an endorsement related thereto, the EMPLOYER first named in Item 1, or a related endorsement, will act on behalf of all EMPLOYERS to give or receive notice of cancellation, to receive return premium or reimbursement, or to request changes in this Agreement.

T. Acceptance

By acceptance of this Agreement, the EMPLOYER agrees that the statements in this Agreement, in the Declarations, and in the application are the EMPLOYER's representations; that this Agreement is issued in reliance upon such representations; that this Agreement embodies all agreements existing between the EMPLOYER and the CORPORATION, or any of its agents, relating to this excess insurance, and that full compliance by the EMPLOYER with all terms of this Agreement is a condition precedent to the CORPORATION's liability hereunder.

IN WITNESS WHEREOF, SAFETY NATIONAL CASUALTY CORPORATION has caused this Agreement to be executed by printing below the facsimile signatures of its President and Secretary and by the actual signature of its Secretary on the Declarations.



President

IMPORTANT NOTICE

To obtain information or make a complaint:

You may call Safety National Casualty Corporation's toll-free telephone number for information or to make a complaint at:

1-888-995-5300

You may also write to Safety National Casualty Corporation at:

Safety National Casualty Corporation
1832 Schuetz Road
St. Louis, MO 63146-3540

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

1-800-252-3439

You may write the Texas Department of Insurance at:

P. O. Box 12030
Austin, TX 78711-2030
Fax: (512) 490-1029
Web: <http://www.tdi.texas.gov>
E-mail: ConsumerProtection@tdi.texas.gov

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim you should contact the agent or the company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part or condition of the attached document.

DECLARATIONS – SPECIFIC AND AGGREGATE EXCESS

AGC4067770

Item 1. Employer: HIDALGO COUNTY

Address: 2818 S BUSINESS HWY 281, EDINBURG, TX 78539

Item 2. This Agreement covers all business operations of the EMPLOYER as a Self-Insurer in the following State(s):
TEXAS

Item 3. Effective Date: 12:01 A.M. January 01, 2024

Item 4. Anniversary Date: 12:01 A.M. January 01, 2025

Item 5. The Service Company shall be TRISTAR CLAIMS MANAGEMENT SERVICES, INC.

Item 6. CLASSIFICATIONS OF OPERATIONS	Code Number	Estimated Total Annual Remuneration/Worker Hours	Rate Per \$ 100 Remuneration/Worker Hours
See Attached			
	Total Estimated Manual Premium		N/A
	SNCC Experience Modification Factor		N/A
	Total Estimated Standard Premium		N/A

Specific Excess Insurance

Item 7. Self-Insured Retention Per Occurrence See Endt 0556 & 0557

Item 8. (a) Maximum Limit of Indemnity Per Occurrence Statutory
(b) Employers' Liability Maximum Limit of Indemnity Per Occurrence \$ 1,000,000

Aggregate Excess Insurance

Item 9. Loss Fund Percentage See Endt 0256

Item 10. Minimum Loss Fund for the Liability Period \$ 3,635,673

Item 11. Maximum Limit of Indemnity of the CORPORATION for the Liability Period \$ 2,000,000

Other Terms

Item 12. Premium Rate \$ 0.1786 per \$100 of Payroll

Item 13. Minimum Premium for the Liability Period \$ 338,193


Item 14. Deposit Premium for the Payroll Reporting Period \$ 338,193

Item 15. Payroll Reporting Period January 01, 2024 through January 01, 2025

Item 16. Endorsements See Endorsement Schedule

Signed at St. Louis, Missouri on December 19, 2023

Countersigned this _____ **day of** _____
By: _____ N/A



Secretary

1004 00 1101 (XWC)

Endorsement Schedule

RE: HIDALGO COUNTY

Policy No: AGC4067770

Effective Date: 12:01 A.M. January 01, 2024

Number	Title
0065 00 1092 (XWC)	TEXAS CANCELLATION/NONRENEWAL ENDORSEMENT
0075 00 1092 (XWC)	TEXAS REVISED SERVICE AND ADMINISTRATION SECTION
0076 00 1092 (XWC)	TEXAS REVISED REPORTING REQUIREMENTS
0256 00 0313 (XWC)	DEFINITION OF LOSS FUND
0275 00 0908 (XWC)	WAIVER OF SUBROGATION - NEGLIGENCE EXCLUDED
0291 00 0708 (XWC)	VOLUNTARY COMPENSATION ENDORSEMENT-PREMIUM DELINEATION
0293 00 0906 (XWC)	FOREIGN VOLUNTARY WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY
0556 00 0495 (XWC)	SELF-INSURED RETENTION PER OCCURRENCE
0557 00 1092 (XWC)	SELF-INSURED RETENTION PER OCCURRENCE - POLICE OFFICERS & DRIVERS
6000 00 0121 (XWC)	TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT ENDORSEMENT

ENDORSEMENT

TEXAS CANCELLATION/NONRENEWAL ENDORSEMENT

Effective 12:01 A.M., Local Time, January 01, 2024

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that the Cancellation Section of this Agreement is amended to include the following language:

(1) Grounds for Cancellation by the CORPORATION

This Agreement shall not be cancelled or not renewed by the CORPORATION, during the term of the Agreement, except for one of the following reasons:

- (a) Fraud in obtaining coverage;
- (b) Failure to pay premiums when due;
- (c) An increase in hazard within the control of the EMPLOYER which would produce an increase in rate;
- (d) Loss of the CORPORATION'S reinsurance covering all or part of the risk covered by the Agreement; or
- (e) On the CORPORATION being placed in supervision, conservatorship, or receivership, if the cancellation or nonrenewal is approved or directed by the supervisor, conservator, or receiver.

The CORPORATION shall state the specific reason for cancellation in a Notice of Cancellation provided to the EMPLOYER.

Except as stated above, the CORPORATION may not cancel this Agreement after the 60th day following the date on which the policy is issued.

(2) Notice of Cancellation/Nonrenewal

In the event it desires to cancel this Agreement, the CORPORATION must provide written notice of cancellation to the first-named EMPLOYER, at least ten (10) days before the date on which cancellation is to take effect. The EMPLOYER must provide written notice of cancellation prior to the effective date of cancellation.

In the event the CORPORATION does not wish to renew this Agreement, the CORPORATION shall provide at least sixty (60) days written notice prior to the expiration of the Liability Period. If the notice is mailed or delivered after the 60th day before the date on which the Agreement expires, the coverage shall remain in effect until the 61st day after the date on which the notice is delivered or mailed.

The CORPORATION shall state the specific reason(s) for the non-renewal in the notice of non-renewal.

0065 00 1092 (XWC)

ENDORSEMENT (CONTINUED)

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. AGC4067770, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to HIDALGO COUNTY, dated January 01, 2024.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

0075 00 1092 (XWC)

ENDORSEMENT

TEXAS REVISED SERVICE AND ADMINISTRATION SECTION

Effective 12:01 A.M., Local Time, January 01, 2024

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that the Service and Administration Section of this Agreement is hereby revised to read as follows:

The EMPLOYER agrees to retain the services of a Service Company approved by the CORPORATION. The EMPLOYER further agrees that its Service Company, named in Item 5 of the Declarations, shall furnish the CORPORATION with quarterly loss runs concurrent with each Liability Period of this Agreement. The provision of loss runs alone does not relieve the EMPLOYER of its reporting obligations as set forth in the Prompt Reporting of Claims Section of this Agreement. In addition, the electronic transfer of loss information by a Service Company of the EMPLOYER shall not constitute notice of a claim.

Any change in service companies must be immediately communicated to and approved by the CORPORATION.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. AGC4067770, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to HIDALGO COUNTY, dated January 01, 2024.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

0076 00 1092 (XWC)

ENDORSEMENT

TEXAS REVISED REPORTING REQUIREMENTS

Effective 12:01 A.M., Local Time, January 01, 2024

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that the last paragraph of the Prompt Reporting of Claims Section of this Agreement is revised as follows:

Failure to render notice of any claim within one (1) year from the Occurrence in a manner sufficient to the CORPORATION by the EMPLOYER, or its designated representative(s), may result in the disclaimer of coverage for the particular claim. To constitute prompt, sufficient notice, the EMPLOYER must provide complete information as to details of the injury, disease or death.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. AGC4067770, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to HIDALGO COUNTY, dated January 01, 2024.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

0256 00 0313 (XWC)

ENDORSEMENT

DEFINITION OF LOSS FUND

Effective 12:01 A.M., Local Time, January 01, 2024

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that the Definitions section of this Agreement is amended by changing the definition of "Loss Fund" to read as follows:

(4) "Loss Fund" - shall be the greater of: (a) \$ 1.92 per \$ 100 of annual remuneration as stated in Item 6 of the Declarations, or (b) the Minimum Loss Fund as stated in Item 10 of the Declarations.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. AGC4067770, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to HIDALGO COUNTY, dated January 01, 2024.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

0275 00 0908 (XWC)

ENDORSEMENT

WAIVER OF SUBROGATION - NEGLIGENCE EXCLUDED

Effective 12:01 A.M., Local Time, January 01, 2024

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

The RECOVERY FROM OTHERS section of this Agreement shall recognize any "waiver of subrogation" executed by the EMPLOYER in favor of the below listed third parties, and such RECOVERY FROM OTHERS section shall be waived only to the extent of the actual terms, conditions and legality of the executed "waiver", unless the damage or injury is based upon the sole or concurrent, active, negligent participation of the below listed third party(ies).

Waiver in favor of: RUSH ENTERPRISES, INC.
555 IH 35 SOUTH #234
NEW BRAUNFELS, TX 78130

Job Description: LEASING VEHICLES TO HIDALGO COUNTY

Length of Contract: ONGOING

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. AGC4067770, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to HIDALGO COUNTY, dated January 01, 2024. Endorsement No. 0275 00 0908 (XWC)

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

ENDORSEMENT

VOLUNTARY COMPENSATION ENDORSEMENT-PREMIUM DELINEATION

Effective 12:01 A.M., Local Time, January 01, 2024

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that this Endorsement adds voluntary compensation insurance to this Agreement as follows:

A. Coverage

It is the intent of this endorsement to extend the coverage provided by this Agreement to non-compensated volunteer Employees, operating at the direction of the EMPLOYER, as if the volunteer Employees were subject to the Workers' Compensation and Employers' Liability Laws stipulated in the Schedule below, even though these laws may not require payment of benefits to such volunteer Employees.

This insurance applies to Loss sustained by the EMPLOYER because of bodily injury and occupational disease, including death resulting therefrom, due to Occurrences taking place within the Liability Period of this Agreement.

1. The bodily injury or occupational disease must be sustained by an Employee included in the group of Employees described in the Schedule.
2. The bodily injury or occupational disease must occur in the course of employment necessary or incidental to work in a State listed in the Schedule.
3. The bodily injury or occupational disease must occur in the United States of America, its territories or possessions or Canada and may occur elsewhere if the Employee is an American or Canadian citizen temporarily away from their home country.

B. Indemnification

The CORPORATION will indemnify the EMPLOYER for Loss in satisfaction of statutory benefits that would be imposed if the EMPLOYER and Employees described in the Schedule were subject to the Workers' Compensation Law shown in the Schedule. Naturally, indemnification for any such Loss is subject to the Self-Insured Retention Per Occurrence, Loss Fund(s) and Maximum Limit(s) of Liability as specified in the Declarations.

C. Exclusions

This insurance does not cover:

1. Any obligation imposed by a workers' compensation or occupational disease law, or any similar law.
2. Bodily injury intentionally caused or aggravated by the EMPLOYER.

ENDORSEMENT (CONTINUED)

D. Before Indemnification

Before the CORPORATION indemnifies the EMPLOYER, the injured Employee, or his legal representative in the case of his incapacity or death, must:

1. Release the EMPLOYER and the CORPORATION, in writing, of all responsibility for the injury or death.
2. Transfer to the EMPLOYER and the CORPORATION their right to recover from others who may be responsible for the injury or disease.
3. Cooperate and do everything necessary to enable the EMPLOYER and the CORPORATION to enforce the right to recover from others.

If the injured Employee, or his legal representative(s), fails to perform as required above, or if they claim damages from the EMPLOYER or the CORPORATION for the injury or disease, the CORPORATION'S duty to indemnify the EMPLOYER is immediately terminated.

E. Recovery From Others

If the CORPORATION makes a recovery from others, the CORPORATION will keep an amount equal to its expenses of recovery and the Loss paid by the CORPORATION. The CORPORATION will pay the balance to the parties entitled to payment. If the parties entitled to the benefits of this insurance make a recovery from others, they must reimburse the CORPORATION for the Loss previously paid by the CORPORATION to such parties.

F. Employers' Liability Insurance

Employers' Liability Insurance applies to Loss covered by this endorsement as though the State of employment shown in the Schedule were shown in Item 2 of the Declarations.

G. Premium

It is agreed that all persons who donate their services to the EMPLOYER will be reported for purposes of premium computation at an hourly wage of \$7.25 per hour minimum, unless the work they do is similar to the work being done by a paid Employee who is receiving more than a \$7.25 per hour wage, in which event the wage reported for the unpaid voluntary Employee will be the same as the wage reported for the paid Employee.

SCHEDULE

Employees	State of Employment	Designated Workers Compensation Law
Authorized volunteers, student workers, etc, while not subject to any Workers' Compensation Law	TEXAS	State(s) of TEXAS

ENDORSEMENT (CONTINUED)

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. AGC4067770, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to HIDALGO COUNTY, dated January 01, 2024.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

ENDORSEMENT

FOREIGN VOLUNTARY WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY

Effective 12:01 A.M., Local Time, January 01, 2024

SECTION 1. SCOPE OF INSURANCE

- A. The insurance afforded by this Agreement also applies to Employees, as defined in Section 2 of this Endorsement, who are employed to work at locations within the following country or countries:

anywhere in the world outside the United States or United States possessions and territories, except countries or areas of countries that are assigned, at any time during the Liability Period, a Travel Advisory Ranking of "Level 4: Do Not Travel" as shown on the US Department of State – Bureau of Consular Affairs website at <https://travel.state.gov/content/travel/en/traveladvisories/traveladvisories.html>.

- B. Benefits payable under this Endorsement are the same as those that would be payable if the Employees in question were subject to the Worker's Compensation Law of the following State or States: TEXAS
- C. Benefits payable under this Endorsement shall include repatriation expense in an amount up to \$ 25,000 with respect to any one Employee and as otherwise subject to the CORPORATION'S Foreign Voluntary Endorsement Limit of Liability for Coverage B – Employer's Liability.
- D. The CORPORATION'S Foreign Voluntary Endorsement Limit of Liability for Coverage B – Employer's Liability is limited to \$ 100,000 and applies in excess of the Self-Insured Retention Per Occurrence.

SECTION 2. EMPLOYEES COVERED

- A. It is agreed that the insurance provided by this Agreement also applies to those Employees of the EMPLOYER who are hired or assigned by the EMPLOYER to work at locations within the country or countries not excluded in this Endorsement.
- B. This insurance, with respect to any such Employee, shall attach from the moment such Employee is hired or assigned for such work and shall cease from the moment the employment or assignment for such work is terminated. If the Employee has been hired in the United States of America, coverage continues after termination of employment until the Employee returns to the United States of America or for a reasonable period of time for the opportunity to return to the United States of America, unless termination of employment is due to the Employee's resignation.
- C. This insurance shall not apply to persons other than citizens or residents of the United States of America within the country or countries stated in this Endorsement except as stated herein: NONE.

0293 00 0906 (XWC)

ENDORSEMENT (CONTINUED)

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. AGC4067770, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to HIDALGO COUNTY, dated January 01, 2024.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

0556 00 0495 (XWC)

ENDORSEMENT

SELF-INSURED RETENTION PER OCCURRENCE

Effective 12:01 A.M., Local Time, January 01, 2024

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

DECLARATIONS:

Item 7. Self-Insured Retention Per Occurrence for:

- (a) Occurrences resulting in an injury to any Employee classified under code 7704 described as Firefighters and Drivers: \$ 750,000
- (b) All other Occurrences: \$ 500,000

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. AGC4067770, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to HIDALGO COUNTY, dated January 01, 2024.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

0557 00 1092 (XWC)

ENDORSEMENT

SELF-INSURED RETENTION PER OCCURRENCE - POLICE OFFICERS & DRIVERS

Effective 12:01 A.M., Local Time, January 01, 2024

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

DECLARATIONS:

Item 7. Self-Insured Retention Per Occurrence for:

- (a) Occurrences resulting in an injury to any Employee classified under code 7720 described as Police Officers and Drivers: \$ 750,000
- (b) All other Occurrences: \$ 500,000

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. AGC4067770, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to HIDALGO COUNTY, dated January 01, 2024.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT ENDORSEMENT

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

Your policy provides coverage for excess workers compensation losses caused by Acts of Terrorism, including excess 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.

1. "Act" means the Terrorism Risk Insurance Act of 2002, which took effect on November 26, 2002, and any amendments thereto, including any amendments resulting from the Terrorism Risk Insurance Program Reauthorization Act of 2019.
2. "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.
3. "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.
4. "Insurer Deductible" means, for the period beginning on January 1, 2021, and ending on December 31, 2027, an amount equal to 20% of our direct earned premiums, during the immediately preceding calendar year.

Limitation of Liability

The Act may limit 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 may not be 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 may only have to pay 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 occurring in any calendar year exceed \$200,000,000, 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 may not have to make any payment under the Act for any portion of Insured Losses that exceed \$100,000,000,000.
3. The premium charged for the coverage for Insured Losses under this policy is included in the "Deposit Premium for the Payroll Reporting Period" shown on the Declarations Page or the Schedule below.

SCHEDULE

Rate per \$100 of Remuneration: \$ 0.1786

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

Endorsement Effective January 01, 2024

Policy No.
AGC4067770

Endorsement No.

Insured HIDALGO COUNTY

Premium \$ *Included*

Insurance Company SAFETY NATIONAL CASUALTY CORPORATION

Countersigned By N/A

SAFETY NATIONAL CASUALTY CORPORATION

PRIVACY STATEMENT

Our Commitment To Our Customers

Safety National Casualty Corporation ("Safety National") is proud to have provided quality products and services to its customers for over 50 years. We greatly appreciate the trust that you and all of our customers place in us. We protect that trust by respecting the privacy of all of our customers, both present and past. The following will explain our privacy practices so that you will understand our commitment to your privacy.

We Respect Your Privacy

When you apply to Safety National for any type of insurance, you disclose information about you to us. The collection, use and disclosure of such information is regulated by law. Safety National and its affiliates maintain physical, electronic and procedural safeguards that comply with state and federal regulations to guard your personal information. Our employees are also advised of the importance of maintaining the confidentiality of your information.

Types Of Information We Collect

Safety National obtains most of our information directly from you, your agent or broker. The application you complete, as well as any additional information you provide, generally gives us most of the details we need to know. Depending on the nature of your insurance transaction, we may need further details about you.

We may obtain information from third parties, such as other insurance or reinsurance companies, medical providers, government agencies, information clearinghouses and other public records. We may also obtain information about you from your other transactions with us, our affiliates or others.

What We Do With Your Information

Information that has been collected about you will be retained in our files. We will review your information in evaluating your request for insurance coverage, determining your rates or underwriting risk, servicing your policy or adjusting claims. We may retain information about our former customers and would disclose that information only to affiliates and to non-affiliates as described in this notice or as otherwise permitted by law.

To Whom Do We Disclose Your Information

We will not disclose any non-public, personal information about our customers or former customers, except as permitted by law. That means we may disclose information we have collected about you to the following types of third parties:

- Our affiliated companies (Members and subsidiaries of the Tokio Marine Holdings, Inc. group of companies).
- Your agent or broker.
- Parties who perform a business or insurance function for Safety National, including reinsurance, underwriting, claims administration or adjusting, investigation, loss control and computer systems companies.
- Other insurance companies or agents as reasonably necessary concerning your application, policy or claim.
- Insurance regulatory or statistical reporting agencies.
- Law enforcement or governmental authorities in connection with suspected fraud or illegal activities.
- Authorized persons as ordered by subpoena, warrant or court order, or as required by law.

We do not disclose any non-public, personal information about you to non-affiliated companies for marketing purposes or for any other purpose except those specifically allowed by law and described above.

Independent Sales Agents or Brokers

Your policy may have been placed with us through an independent agent or broker ("Sales Agent"). Your Sales Agent may have gathered information about you. The use and protection of information obtained by your Sales Agent is their responsibility, not Safety National's. If you have questions about how your Sales Agent uses or discloses your information, please contact them directly.

APPROVED

AI-93294

Purchasing Department 26. AA. 1.

CC CONSENT AGENDA SPECIAL
MTG

Human Resources

Meeting Date: 12/12/2023

Submitted For: Ignacio Amezcua,
PURCHASING DEPT.

Submitted By: Yolanda Velasquez

Department: PURCHASING DEPT.

Information

CAPTION

Requesting approval of an extension to purchase insurance coverage and/or services for Excess Workers Compensation Insurance in the amount of \$338,193.00 as described in the renewal offer by Montalvo Insurance Agency (C-22-0359-12-20).

BACKGROUND

Fiscal Impact

CALENDAR YEAR: 2024

ACCT. #: 4-2200-415-50-190-004-0-520

FUNDS AVAILABLE Y/N?: Y

MATCHING FUNDS Y/N?:

BUDGETARY IMPACT:

2024 Adopted Budget

Attachments

1295 Form-Renewal-C-22-0359

C-22-0359-12-20-Montalvo

2024-2025-Quote

Montalvo Renewal Letter

Form Review

Inbox	Reviewed By	Date
Purchasing / Internal		
Yolanda Velasquez	Yolanda Velasquez	12/06/2023 08:48 AM
Purchasing / Internal	Dina Trevino	12/06/2023 04:14 PM
Budget & Management	Veronica Ortiz	12/06/2023 04:37 PM
Final Approval		
Form Started By: Yolanda Velasquez		Started On: 11/15/2023 03:22 PM