
**WORKERS COMPENSATION AND EMPLOYERS
LIABILITY INSURANCE PROPOSAL**

Douglas County
4197877

POLICY PERIOD 01/01/2025 to 01/01/2026

PART ONE - WORKERS COMPENSATION INSURANCE

Colorado Statutory Requirements.

PART TWO - EMPLOYERS LIABILITY

Bodily Injury by Accident - Each Accident Limit	\$1,000,000
Bodily Injury by Disease - Each Employee Limit	\$1,000,000
Bodily Injury by Disease - Policy Limit	\$1,000,000

PREMIUM BASIS

Total Estimated Annual Payrolls	\$149,967,078	
NCCI -Experience Modification	.70	
Standard Premium	\$1,643,053	
Adjusted Standard Premium	\$1,433,071	
Expense Constant		\$160
TER		\$7,498
CAT		\$14,997
Total Expense Constant/TER/CAT (due in addition to deductible premium)		\$22,655

COMMENTS

States where known exposures exist: Colorado

The estimated annual payrolls and Employers Liability limits were obtained from quote specifications.

Coverage is excluded for all states except Colorado.

LARGE DEDUCTIBLE PLAN

DEDUCTIBLE \$500,000 Per Occurrence

Definition of loss includes medical, indemnity, and allocated expense.

LOSS HANDLING CHARGE 1.12 (12%) of paid losses.

The loss handling charge is in addition to the deductible amount, but is not charged on the portion of any loss exceeding the deductible.

AGGREGATE (LOSSES ONLY) **No Aggregate Limit**

DEDUCTIBLE FACTOR .294

DEDUCTIBLE PREMIUM \$421,323

LOSS FUND None

COLLATERAL Cash. See Attached.

LARGE DEDUCTIBLE PLAN

TERMS AND CONDITIONS

1. Commission: N/A
2. Paid claims will be direct billed monthly, with payment due in twenty (20) days.
3. Pinnacol Assurance has agreed to a posting of Cash Collateral with a Security Agreement held against the Cash Collateral. The Cash Collateral will be retained until all claims are closed. Failure to provide the Cash Collateral and Signed Security Agreement by 1/1/2025 will result in the issuance of a 30 day notice of cancellation of the policy for failure to meet the financial requirements of the large deductible pricing program.
4. The Cash Collateral and Signed Security Agreement must be acceptable to Pinnacol and contain an "evergreen" clause. The Cash Collateral amount is subject to review at twelve months, and at least annually thereafter, and according to statutory requirements may be adjusted if indicated.
5. Large deductible policies are subject to audit.
6. We reserve the right to request immediate reimbursement of any single claim payment exceeding half the loss fund amount.

PREMIUM PAYMENT PLAN

9 stipulated billings each equal to 1/9th of the total estimated annual deductible premium paid directly to Pinnacol Assurance. A physical audit will be completed shortly after the policy expires. The loss fund and monthly paid claims are in addition to the 9 deductible premium payments.

Policy number: 4197877

Name of Insured: Douglas County

endorsement effective 01/01/2025 12:01 A.M. standard time

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

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

This endorsement modifies insurance provided under the following:

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY
DEDUCTIBLE ENDORSEMENT
(ALLOCATED EXPENSE INCLUDED WITHIN THE DEDUCTIBLE LIMIT)**

This deductible endorsement applies between you and us. It does not affect or alter the rights of others under the policy.

A. How this deductible Applies

1. Each Occurrence; Each Claim; Loss Conversion Factor

In consideration of a reduced premium, "You agree to reimburse us, up to the deductible amount shown below, for the total of all sums we pay for:

- a. all benefits required of you by the workers compensation or occupational disease law of the states listed in the schedule of premium factors; plus
- b. all sums you legally must pay as damages; plus
- c. all "allocated loss adjustment expense" which arises out of any claim or suit we defend; because of (1) bodily injury by accident to your employees arising out of any one "occurrence"; (2) bodily injury by disease to your employee arising out of any one "claim".

In addition to the deductible amount, you agree to pay us for the cost of claim handling produced by the application of the "loss conversion factor," if one is shown in the schedule of deductibles below.

2. Policy Period Aggregate

If an amount is shown in the schedule of deductibles below as aggregate, the most you must reimburse us for is the sum of all benefits, damages and "allocated loss adjustment expense" because of bodily injury by accident and bodily injury by disease for each policy period, limited to the amount of the aggregate, plus the cost of claim handling produced by the application of the "loss conversion factor", if one is shown in the schedule of deductibles.

You are obligated to reimburse us for losses and expenses equal to the full amount of the aggregate even if:

- (a) this endorsement is issued for a term of less than one (1) year or
- (b) the policy, or this endorsement, is canceled for any reason by you or by us before the end of the policy period.

SCHEDULE OF DEDUCTIBLES

<u>Coverage</u>	<u>Deductible Amount</u>	<u>Basis</u>
Bodily Injury By Accident:	\$500,000	each Occurrence
Bodily Injury By Disease:	\$500,000	each Occurrence
All Covered Bodily Injury Aggregate:	* Unlimited	No aggregate Limitation

Loss Conversion Factor: 1.12

*Unlimited unless a percentage is entered in the blank space

The premium you must pay for this endorsement will be determined by multiplying the premium factor for each state in which this deductible applies by the "adjusted standard premium" you would be required to pay in each such state if this endorsement did not apply. The premium factors and states to which the deductible applies appear in the schedule of premium factors below.

SCHEDULE OF PREMIUM FACTORS

<u>State</u>	<u>Premium Factor</u>
Colorado	.294

B. Effect of the Deductible on Limits of Liability

With respect to the Employers Liability Insurance provided by this policy, the applicable "each employee", "each accident", "policy" or other similar limits of liability are reduced by the sum of all damages (other than "allocated loss adjustment expense") within the applicable deductible amount shown in the schedule of deductibles. The limits of liability shown in item 3.B. of the Information Page of this policy include and are not in addition to the deductible amount. This provision applies whether the Employers Liability Insurance is provided by PART TWO or by an endorsement to this policy.

C. Definitions

1. Allocated loss adjustment expense for losses means:
 - a. fees of attorneys or other authorized representatives where permitted for legal services, whether outside or staff representative,
 - b. Court, alternative dispute resolution and other specific items of expense such as: medical examinations of 3 claimant to determine the extent of the carriers liability, degree of permanency or length of disability, expert medical or other testimony, autopsy, witnesses and summonses, copies of documents such as birth and death certificates, Medical or other treatment records; arbitration fees; surveillance; appeal bond costs and appeal filing fees.
 - c. Medical cost containment expenses incurred with respect to a particular claim, whether by an outside vendor or done internally by an employee for the purposes of controlling losses, to ensure that only reasonable and necessary costs or services are paid. The expenses include: bill auditing expenses for any medical or vocational services rendered, including hospital bills inpatient or outpatient), nursing home bills, physician bills, chiropractic bills, medical equipment charges, pharmacy charges, physical therapy bills, medical or vocational rehabilitation vendor bills, hospital and other treatment utilization reviews, including pre-certification / pre-admission, concurrent or retrospective reviews. Preferred provider network / organization expenses, medical fee review panel expenses.
 - d. Expenses which are not defined as losses and are directly related to and directly allocated to the handling of a particular claim for services which are required to be performed by statute or regulation.
2. "Claim" means a demand you receive for:
 - a) Benefits required of you by the workers compensation law; or
 - b) damages covered by this policy; including a filing by your employee for such benefits with an agency authorized by law, or a suit or other proceeding brought by your employee for such benefits or damages, "By your employee" includes such action taken by others legally entitled to do so on his or her behalf.

All claims for benefits or damages because of bodily injury by the same or related diseases to any one person will be considered as one claim when determining how the deductible amounts apply.

3. "Occurrence" means a single accident, which results in bodily injury to one or more of your employees.
4. "Loss conversion factor" means a factor applied to all amounts included within the deductible, to compensate us for those costs of handling claims which are not included in "allocated loss adjustment expense." The loss conversion factor shall not be applied to any amounts of benefits, damages or "loss adjustment expense" that are not included within the deductible.
5. "Standard premium" means the premium calculated in accordance with Part Five -Premium of this policy, but it does not include the premium discount credit and the self-rating adjustment. "Adjusted standard

premium" means the premium calculated in accordance with Part Five -Premium of this policy, including the premium discount credit and the self-rating adjustment. However, if you or we cancel the policy or this endorsement before the end of the policy period, the calculation of the aggregate which is based on "standard premium" shall be calculated in accordance with Part Five -Premium, extended to the amount that would have been charged for the original policy period.

D. Conditions

1. Recovery from Others

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

If we recover any advance or payment made under this policy from anyone liable for the injury, the amount we recover, less expenses to recover against third parties, will first be applied to any payments made by us in excess of the deductible amount; then the remainder of that recovery, if any will be applied to reduce the deductible amount paid by you.

2. Cancellation

If you fail to comply with the terms of this endorsement, we will apply the same cancellation terms of this policy as apply to non-payment of the policy premium.

If we cancel in accordance with the prior paragraph, your obligation to reimburse us as required by other terms of this endorsement is not waived, and we will retain our right to enforce such deductible if necessary.

3. Your Duties

- a. The first Named Insured shown in the Declarations agrees and is obligated on behalf of all Named Insured(s) to reimburse us for any deductible amounts that we expend.
- b. Each named Insured is jointly and severally liable for all deductible amounts under this policy.

4. Other Rights and Duties (Ours and Yours)

- a. All other terms of this policy, not in conflict with this endorsement, apply irrespective of the application of this endorsement.
- b. Failure by you to reimburse us for deductible amounts due us will not affect coverage for an eligible employee under this policy.

5. Payment of Benefits

Pinnacle Assurance is liable to pay workers' compensation benefits directly to the employee or the employee's dependents, in the event of death.

THIS WORKERS COMPENSATION POLICY CONTAINS A DEDUCTIBLE OPTION, UNDER WHICH YOU, THE EMPLOYER, ARE REQUIRED TO REIMBURSE CERTAIN LOSSES. PLEASE READ THIS POLICY CAREFULLY AND UNDERSTAND ITS CONDITIONS THOROUGHLY PRIOR TO PURCHASING COVERAGE.

Nothing herein contained shall be held to vary, waive or extend any of the terms, conditions, agreements or limitations of this policy other than as stated above.

I hereby declare that I have read, understand, and agree with all the terms, conditions and obligations of this, Large Deductible Endorsement, attached to and made a part of this policy, and the multiple billings of the deductible claim payments made until all claims are closed.

Name of the Insured: _____

By: _____

Title: _____

Date: _____

Nothing herein contained shall be held to vary, waive or extend any of the terms, conditions, agreements or limitations of this policy other than as stated above.