



**Workers' Compensation
& Employers Liability
Agreement**

NEW JERSEY SCHOOLS INSURANCE GROUP WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE AGREEMENT

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

GENERAL SECTION

A. The Agreement

This agreement includes at the effective date the Declarations Page and all endorsements and schedules listed there. It is a contract of insurance between you (the Member named on the Information Page) and us (the Group named on the Information Page). The terms of this agreement may not be changed or waived except by endorsement issued by us to be part of this agreement.

B. Who is Insured

You are insured if you are a Member named on the Declaration Page.

C. Workers Compensation Law

Workers Compensation Law means the workers or workmens' compensation law and occupational disease law of the State of New Jersey. It includes any amendments to that law, which are in effect during the agreement period. It does not include 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 agreement covers all your workplaces unless you have other insurance or are self-insured for such workplaces.

PART ONE – WORKERS COMPENSATION AGREEMENT

A. How This Agreement Applies

This workers compensation agreement 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 agreement 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 agreement period.

B. How This Agreement Applies

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

C. We have the right and duty to defend at our expense any claim, proceeding or suit against you for benefits payable by this agreement. 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 agreement.

D. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under the agreement 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 agreement;
3. litigation costs taxed against you;
4. interest on a judgment as required by law until we offer the amount due under this agreement, and
5. expenses we incur.

E. Other Insurance

We will not pay more than our share of benefits and costs covered by this agreement and any other insurance of 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 agreement, 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 when 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 and your estate will not relieve us of our duties under this agreement after an injury occurs.

3. We are directly and primarily liable to any person entitled to the benefits payable by this agreement. Those persons may enforce our duties; so may any agency authorized by law. Enforcement may be against us or against you and us.
4. Jurisdiction over you is jurisdiction over us for purposes the workers compensation law. We are bound by decisions against you under that law, subject to the provisions of this agreement that are not in conflict with that law.
5. This agreement conforms to the parts of the workers compensation law that apply to:
 - a. Benefits payable by this agreement;
 - b. Special taxes, payments into security or other special funds, and assessments payable by us under that law.
6. Terms of this agreement 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 his agreement.

PART TWO – EMPLOYERS LIABILITY AGREEMENT

A. How This Agreement Applies

This employer’s liability agreement 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.
3. Bodily injury by accident must occur during the agreement 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 agreement 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 you legally must pay as damages because of bodily injury to your employees, provided the bodily injury is covered by this Employers Liability Agreement.

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 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 agreement 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 administrators or trustees.
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 the discharge of, coercion of, or discrimination against any employee in violation of law;
8. damages arising from injury sustained by any employee in, upon, entering, or alighting from any Employer owned, leased, or chartered aircraft.
9. Terrorism except as provided under PART TWO, G. Limits of Liability, 4.

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 agreement. 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 agreement. We have no duty to defend or continue defending after we

have paid our applicable limit of liability under this agreement.

E. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this agreement as part of any claim, 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 limits of our liability under this agreement;
3. litigation costs taxed against you;
4. interest on a judgment as required by law until we offer the amount due under this agreement; and
5. expenses we incur.

F. Other Insurance

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

G. Limits of Liability

Our liability to pay for damages is limited. Our limits of liability are shown on the Declarations 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 agreement 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 – agreement limit” is the most we will pay for all damages covered by this agreement 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 agreement.
4. Under the terms of the Federal Terrorism Risk Insurance Act of 2002 (“TRIA”), be advised that any losses caused by certified acts of terrorism, would be partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States pays 90% of covered terrorism losses exceeding a separate statutorily established deductible applicable to, and paid by, the Insured. For purposes of payments made by the United States under TRIA, an act of terrorism is one so certified by the Secretary of Treasury, in concurrence with the Secretary of State and the Attorney General of the United States as meeting established requirements set forth under TRIA.

H. Recovery From Others

We have your rights to recover our payment from anyone liable for any injury covered by this agreement. 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 agreement unless:

1. You have complied with all the terms of this agreement; and
2. The amount you owe has been determined with our consent or by actual trial and final judgment.

This agreement does not give anyone the right to add us as a defendant in an action against you to determine your liability.

PART THREE – OTHER STATES

A. How This Agreement applies

This agreement also applies when your employees whose contract of employment is made in the State of New Jersey, may be called upon in the performance of their duties to go outside of the State of New Jersey.

We will reimburse you for loss arising out of your liability for Workers Compensation benefits under the laws of any state of the United States (except as

stated below) because of accidental bodily injuries sustained by such employees in the course of their employment.

Such extension of this agreement shall not apply with respect to states with laws providing for the compulsory insurance of the employers’ workers’ compensation obligation in monopolistic state insurance funds.

PART FOUR – YOUR DUTIES IF INJURY OCCURS

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

1. Provide for immediate medical and other services required by the workers compensation law.
2. Give our agent or us 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 any 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 – CONTRIBUTIONS

A. Our Manuals

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

B. Classifications

The Declarations Page shows the rate and contribution basis for certain business or work classifications. These classifications were assigned on an estimate of the exposures you would have during the agreement period. If your actual exposures are not properly described by those classifications we will assign proper classifications, rates and contribution basis by endorsement of this agreement.

C. Remuneration

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

1. all your officers and employees engaged in work covered by this agreement; and
2. all other persons engaged in work that could make us liable under part One (Workers Compensation Agreement) of this agreement. If you do not have payroll records for these persons, the contract price for their services and materials may be used as the contribution 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. Contribution Payments

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

E. Final Contributions

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

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

F. Records

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

G. Audits

You will let us examine and audit all your records that relate to this agreement. 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 agreement period and within three years after agreement period ends. Information developed by audit will be used to determine final contributions. 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 contributions 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 Agreement

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

C. Transfer of Your Rights and Duties

Your rights or duties under this agreement 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

TERMINATION AND/OR WITHDRAWAL OF GROUP MEMBERS

1. A member school district must remain in the GROUP for the full term of membership unless earlier termination for nonpayment of assessments or continued non-compliance after written notice to comply with the GROUP’s Bylaws, Risk Management standards, or other reason(s) acceptable to the Commissioner of Banking and Insurance. However, such member school district shall not be deemed terminated until:

- a. The GROUP gives by registered or certified mail, return receipt requested to the member a written notice of its intention to terminate the member and the reasons for said termination in thirty (30) days; and
- b. Like notice shall be filed with the Department of Banking and Insurance, together with a certified statement that the notice provided for above has been given; and
- c. Thirty (30) days have elapsed after the filing required by “a” above.

2. A member of the GROUP that does not desire to continue as a member after the expiration of its membership term shall give written notice of its intent ninety days before the expiration of term period. The GROUP shall immediately notify the Department of Insurance that the member has given notice to leave the GROUP.

3. A member of the GROUP that did not approve any amendment of the GROUP Bylaws approved pursuant to N.J.S.A. 18A:18B-4, and

desiring to withdraw from the GROUP pursuant to N.J.S.A. 18A:18B-4b(8)(d), shall provide written notice of its intent to withdraw ninety days prior to its withdrawal. The GROUP shall immediately notify the Department of Insurance of all members that have given notice of withdrawal from the GROUP.

4. A member that has been terminated or does not continue as a member of the GROUP shall remain jointly and severally liable for claims incurred by the GROUP and its member during the period of its membership, including, but not limited to being subject to and liable for supplemental assessments. A terminated or withdrawn member shall remain eligible for all dividends and refunds earned during the period of its membership.

5. The GROUP shall immediately notify the Department of Insurance if the termination or withdrawal of a member causes the GROUP to fail to meet any of the requirements of P.L. 1983, c. 108 or any other law or regulation of the State of New Jersey. Within fifteen (15) days of such notice, the GROUP shall advise the Department of Insurance of its plan to bring the GROUP into compliance.

6. A GROUP member is not relieved of the claims incurred during its period of member except through payment by the GROUP or member of those claims.

7. A terminated or withdrawing member shall provide security in a form and amount acceptable to the Commissioner or Trustees, as applicable.

E. Sole Representative

The member first named on the Information Page will act on behalf of all insureds to change this agreement, receive return contributions, and give or receive notice of cancellation.

F. Bylaws

The member acknowledges that it has received a copy of the Bylaws of the Group and agrees to abide by the Bylaws and any amendments thereto.

G. Amendatory Clause – Part Two – New Jersey

With respect to such insurance as is afforded by the agreement under part II by reason of the designation of New Jersey as a covered state, it is agreed that no limit of liability stated in the declarations or elsewhere in the agreement shall be applicable to the Group’s liability for damages because of bodily injury by accident or disease, including death at any time resulting therefrom, sustained by an employee of the Member and arising out of and in the course

of an employment with respect to which the employee and the Member are subject to the New Jersey Workers Compensation Law.

**NEW JERSEY SCHOOLS INSURANCE GROUP
WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE AGREEMENT**

MARITIME COVERAGE ENDORSEMENT

This agreement clarifies how insurance is provided by part Two (Employers Liability Agreement) applies to bodily injury to a master or member of the crew of any vessel.

A. How This Agreement Applies is replaced by the following:

A. How This Agreement Applies

This employer's liability agreement 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 or the work described in Item 1 of the Schedule of the Maritime Coverage Endorsement.
3. The bodily injury must occur in the territorial limits of, or in the operation of a vessel sailing directly between the ports of, the continental United States of America, Alaska, Hawaii or Canada.
4. Bodily injury by accident must occur during the agreement period.
5. 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.
6. 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 American, its territories or possessions, or Canada.

C. Exclusions is changed by adding exclusion 10.

This agreement does not cover:

10. Bodily injury covered by a Protection and Indemnity Policy or similar policy issued to you or for your benefit. This exclusion applies even if the other policy does not apply because of another insurance clause, deductible or limitation of liability clause, or any similar clause.

D. We Will Defend is changed by adding the following statement: We will treat a suit or other action in rem against a vessel owned or chartered by you as a suit against you.

G. Limits of Liability

Our liability to pay for damages is limited. Our limits of liability are shown in the Schedule. 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 agreement because of bodily injury to one or more employees in any one accident.
2. Bodily injury by Disease. The limit shown for “bodily injury by disease – aggregate” is the most we will pay for all damages covered by this agreement because of bodily injury by disease to one or more employees. The limit applies to bodily injury by disease arising out of work in New Jersey. Bodily injury by disease will be deemed to occur in the state of the vessel’s homeport.

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 agreement.

Schedule

1. Description of work:
New Jersey public school education

2. Limits of Liability

Bodily injury by Accident \$3,000,000 each accident

Bodily injury by Disease \$3,000,000 aggregate