

SERFF Tracking Number: ZURC-125485526 State: Arkansas  
First Filing Company: American Zurich Insurance Company, ... State Tracking Number: EFT \$50  
Company Tracking Number: AR-WC-26943  
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
Product Name: AR-WC-26943 Large Deductible Revised Endorsement  
Project Name/Number: AR-WC-26943 Large Deductible Revised Endorsement/AR-WC-26943

## Filing at a Glance

Companies: American Zurich Insurance Company, American Guarantee and Liability Insurance Company, Zurich American Insurance Company of Illinois, Zurich American Insurance Company

Product Name: AR-WC-26943 Large SERFF Tr Num: ZURC-125485526 State: Arkansas

Deductible Revised Endorsement

TOI: 16.0 Workers Compensation

Sub-TOI: 16.0004 Standard WC

SERFF Status: Closed

Co Tr Num: AR-WC-26943

State Tr Num: EFT \$50

State Status: Fees verified and received

Filing Type: Form

Co Status: Not Applicable

Reviewer(s): Betty Montesi, Carol Stiffler, Brittany Yielding

Author: Jennifer Mastalerz

Date Submitted: 02/13/2008

Disposition Date: 02/13/2008

Disposition Status: Approved

Effective Date Requested (New): 04/01/2008

Effective Date (New): 04/01/2008

Effective Date Requested (Renewal): 04/01/2008

Effective Date (Renewal):

State Filing Description:

5 forms

## General Information

Project Name: AR-WC-26943 Large Deductible Revised Endorsement Status of Filing in Domicile:

Project Number: AR-WC-26943 Domicile Status Comments:

Reference Organization: Reference Number:

Reference Title: Advisory Org. Circular:

Filing Status Changed: 02/13/2008

State Status Changed: 02/13/2008 Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Zurich American Insurance Group

Explanatory Memorandum

Workers Compensation & Employers Liability Coverage

Large Deductible Endorsements & Combined Aggregate Deductible Schedule

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WC 99 06 16, WC 99 06 17, WC 99 06 18, WC 99 06 19, WC 99 06 20

## Purpose

The endorsements and schedule in the table below will replace Arkansas - Large Deductible Endorsement U-WC-266-B which is currently filed and approved for Zurich's Large Deductible Program.

## Replacement Endorsements

This replacement forms filing includes four large deductible endorsements plus a Combined Aggregate Deductible schedule.

WC 99 06 16 Large Deductible

Workers Compensation and Employers Liability subject to separate deductibles per accident

WC only Aggregate Deductible

WC 99 06 17 Large Deductible with Combined Aggregate Deductible

Workers Compensation and Employers Liability subject to separate deductibles per accident

Combined Lines Aggregate Deductible (WC, GL, Auto)

Requires the use of WC 99 06 20 Combined Aggregate Deductible Schedule

WC 99 06 18 Large Deductible

Combined Workers Compensation and Employers Liability Deductible

Workers Compensation and Employers Liability subject to a single deductible per accident

WC only Aggregate Deductible

WC 99 06 19 Large Deductible

Combined Workers Compensation and Employers Liability Deductible

Workers Compensation and Employers Liability subject to a single deductible per accident

Combined Lines Aggregate Deductible (WC, GL, Auto)

Requires the use of WC 99 06 20 Combined Aggregate Deductible Schedule

WC 99 06 20 Combined Aggregate Deductible Schedule

The purpose of this Interline form is to identify in the schedule the large deductible policies to be combined for the purpose of a Combined Aggregate Deductible Amount (as referenced in the large deductible endorsements).

Many large accounts who qualify for deductible insurance programs often want to limit their deductible obligations to a single aggregate deductible amount. Deductible amounts across multiple policies and multiple lines of business for a given policy term are combined and their sum is limited by this Combined Aggregate Deductible Amount. This concept

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is similar to multiple lines retrospective rating programs that share a common retrospective maximum premium. This Combined Aggregate Deductible Schedule form references the policy numbers (with their respective large deductible endorsements that may be included in the Combined Aggregate Deductible Amount. In addition, this Interline form includes the rating elements and minimum amounts for adjusting the Combined Aggregate Deductible Amount based on audited exposure amounts. This form is used with WC 99 06 17 and WC 99 06 19 above.

Due to the nature of interstate exposures for most large insureds requesting large deductible programs, we wish to retain the use of Arkansas - Large Deductible Endorsement U-WC-266-B for a temporary period until countrywide filings are approved for these new endorsements.

## Company and Contact

### Filing Contact Information

Jennifer Hanczar, Filing Analyst jennifer.hanczar@zurichna.com  
 1400 American Lane (847) 330-4817 [Phone]  
 Schaumburg, IL 60102 (847) 605-7768[FAX]

### Filing Company Information

American Zurich Insurance Company	CoCode: 40142	State of Domicile: Illinois
1400 American Lane	Group Code: 212	Company Type:
Schaumburg, IL 60196	Group Name:	State ID Number:
(847) 605-6000 ext. [Phone]	FEIN Number: 36-3141762	

American Guarantee and Liability Insurance Company	CoCode: 26247	State of Domicile: New York
1400 American Lane	Group Code: 212	Company Type:
Schaumburg, IL 60196	Group Name:	State ID Number:
(847) 605-6000 ext. [Phone]	FEIN Number: 36-6071400	

Zurich American Insurance Company of Illinois	CoCode: 27855	State of Domicile: Illinois
1400 American Lane	Group Code: 212	Company Type:
Schaumburg, IL 60196	Group Name:	State ID Number:
(847) 605-6000 ext. [Phone]	FEIN Number: 36-2781080	

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Zurich American Insurance Company  
1400 American Lane  
Schaumburg, IL 60102  
(847) 605-6000 ext. [Phone]

CoCode: 16535  
Group Code: 212  
Group Name:  
FEIN Number: 36-4233459

State of Domicile: New York  
Company Type:  
State ID Number:

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## Filing Fees

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Zurich Insurance Company	\$0.00	02/13/2008	
American Guarantee and Liability Insurance Company	\$0.00	02/13/2008	
Zurich American Insurance Company of Illinois	\$0.00	02/13/2008	
Zurich American Insurance Company	\$50.00	02/13/2008	17957627

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Carol Stiffler	02/13/2008	02/13/2008

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## Disposition

Disposition Date: 02/13/2008  
Effective Date (New): 04/01/2008  
Effective Date (Renewal):  
Status: Approved  
Comment:

Rate data does NOT apply to filing.

### Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0
Effect of Rate Filing - Number of Policyholders Affected	0

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Explanatory Memo	Approved	Yes
Form	Large Deductible	Approved	Yes
Form	Large Deductible with Combined Aggregate Deductible	Approved	Yes
Form	Large Deductible Combined Workers Compensation and Employers Liability Deductible	Approved	Yes
Form	Large Deductible with Combined Aggregate Deductible	Approved	Yes
Form	Combined Aggregate Deductible Schedule	Approved	Yes

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## Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Large Deductible	WC 99 06 16	12 07	Endorsement/Amendment/Conditions New		0.00	WC 99 06 16.pdf
Approved	Large Deductible with Combined Aggregate Deductible	WC 99 06 17	12 07	Endorsement/Amendment/Conditions New		0.00	WC 99 06 17.pdf
Approved	Large Deductible Combined Workers Compensation and Employers Liability Deductible	WC 99 06 18	12 07	Endorsement/Amendment/Conditions New		0.00	WC 99 06 18.pdf
Approved	Large Deductible with Combined Aggregate Deductible	WC 99 06 19	12 07	Endorsement/Amendment/Conditions New		0.00	WC 99 06 19.pdf
Approved	Combined Aggregate Deductible Schedule	WC 99 06 20	07 07	Endorsement/Amendment/Conditions New		0.00	Interline form WC 99 06 20 CW 07.27.pdf



**ZURICH**

# Large Deductible

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the:  
**Workers Compensation and Employers Liability Policy**

## DEDUCTIBLE SCHEDULE

**The Deductible Amounts shown in the Deductible Schedule below apply separately to Workers Compensation and to Employers Liability as follows:**

Coverage	Deductible Amount	Basis
Workers Compensation Bodily Injury By Accident	\$	Each Accident
Workers Compensation Bodily Injury By Disease	\$	Each Employee
Employers Liability Bodily Injury By Accident	\$	Each Accident
Employers Liability Bodily Injury By Disease	\$	Each Employee

Aggregate Deductible Amount	\$	<input type="checkbox"/> Adjustable at a rate of _____ per _____ of _____. <input type="checkbox"/> Flat
Estimated Exposure		\$
Minimum Aggregate Deductible Amount	\$	

## ALLOCATED LOSS ADJUSTMENT EXPENSE SELECTION SCHEDULE

<b>Select One</b>	
Option 1 <input type="checkbox"/>	As respects each Deductible Amount, you will reimburse us for all "allocated loss adjustment expense", even if there is no payment for other than "allocated loss adjustment expense". "Allocated loss adjustment expense" reimbursements will contribute toward your Deductible Amount and your Aggregate Deductible Amount as shown in the <b>Deductible Schedule</b> .
Option 2 <input type="checkbox"/>	As respects each Deductible Amount, you will reimburse us for "allocated loss adjustment expense" as follows:  (a) If the total amount payable for other than "allocated loss adjustment expense" as respects the basis for each Deductible Amount is equal to or less than the Deductible Amounts or if there is no amount payable other than "allocated loss adjustment expense", then you will reimburse us for all "allocated loss adjustment expense". "Allocated loss adjustment expense" reimbursements will not contribute toward either your Deductible Amount or your Aggregate Deductible Amount as shown in the <b>Deductible Schedule</b> ; or  (b) If the total amount payable for other than "allocated loss adjustment expense" exceeds the Deductible Amount, you will reimburse us a pro-rata share of total "allocated loss adjustment expense" based on the ratio of the Deductible Amount divided by the total amount payable for other than "allocated loss adjustment expense" as respects the basis for each Deductible Amount. "Allocated loss adjustment expense" reimbursements will not contribute toward either your Deductible Amount or your Aggregate Deductible Amount as shown in the <b>Deductible Schedule</b> .
Option 3 <input type="checkbox"/>	As respects each Deductible Amount, you will reimburse us for all "allocated loss adjustment expense", even if there is no payment for other than "allocated loss adjustment expense". "Allocated loss adjustment expense" reimbursements will not contribute toward either your Deductible Amount or your Aggregate Deductible Amount as shown in the <b>Deductible Schedule</b> .

**If no option is selected, Option 3 will apply.**

### A. How the Deductible Amount Applies

In consideration of the deductible credit applied to your policy premium, you agree to reimburse us for the Deductible Amounts shown in the **Deductible Schedule** and for "allocated loss adjustment expense" incurred based on the **Allocated Loss Adjustment Expense Selection Schedule**. The Deductible Amounts apply separately, as follows:

1. The Deductible Amount for Workers Compensation Bodily Injury By Accident is the most you must reimburse us for benefits required of you by the Workers Compensation law(s) because of bodily injury to one or more employees as the result of any one accident. Benefits required of you by the Workers Compensation law(s) include benefits payable under Part Three – Other States Insurance or under any endorsement to this policy.
2. The Deductible Amount for Workers Compensation Bodily Injury By Disease is the most you must reimburse us for benefits required of you by the Workers Compensation law(s) because of bodily injury by one or more diseases to any one employee. Benefits required of you by the Workers Compensation law(s) include benefits payable under Part Three – Other States Insurance or under any endorsement to this policy. Bodily injury by disease does not include disease that results directly from a bodily injury by accident.
3. The Deductible Amount for Employers Liability Bodily Injury By Accident is the most you must reimburse us for damages covered under Employers Liability Insurance because of bodily injury to one or more employees as the result of any one accident. Damages covered under Employers Liability Insurance include all sums covered under Part Two – Employers Liability Insurance or under any endorsement to this policy.

4. The Deductible Amount for Employers Liability Bodily Injury By Disease is the most you must reimburse us for damages covered under Employers Liability Insurance because of bodily injury by one or more diseases to any one employee. Damages covered under Employers Liability Insurance include all sums covered under Part Two – Employers Liability Insurance or under any endorsement to this policy. Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

## **B. Large Deductible Provisions**

1. The Deductible Amounts shown in the **Deductible Schedule** apply separately to Workers Compensation and to Employers Liability. If more than one Deductible Amount applies, you will be responsible for both applicable Deductible Amounts.
2. Your obligation to pay the Deductible Amounts shown on this policy is not fulfilled by:
  - a. The payment of a Deductible Amount under any other policy; or
  - b. Any payment made by us or another insurance company;even if 2.a. or 2.b. above applies to the same accident or employee as the Deductible Amount due under this policy.
3. If more than one policy issued by us applies to sums payable for the same accident or employee, the Deductible Amounts apply separately to each policy that we issue to which this endorsement or a similar Large Deductible Endorsement applies. Deductible Amounts also apply separately to each annual policy period and any remaining period of less than 12 months.

## **C. Aggregate Deductible Amount**

1. The Aggregate Deductible Amount shown in the **Deductible Schedule** is the most you must reimburse us for the sum of:
  - a. all applicable Deductible Amounts as shown in the **Deductible Schedule**; and
  - b. all applicable "allocated loss adjustment expense" in accordance with the **Allocated Loss Adjustment Expense Selection Schedule**, above.

This single Aggregate Deductible Amount applies to the entire policy period and to any remaining extension period.

2. If an Aggregate Deductible Amount is shown in the **Deductible Schedule** and is designated as adjustable, the final Aggregate Deductible Amount will be determined at the end of the policy period by an audit of your records, and will be based upon the Rate shown in the **Deductible Schedule** multiplied by the final audited Exposure. The amount shown in the **Deductible Schedule** as the Aggregate Deductible Amount is an estimated amount, and is based on an estimate of what the audit of your records will develop.

In no event will the final audited Aggregate Deductible Amount be less than the Aggregate Deductible Amount shown in the **Deductible Schedule**, unless a Minimum Aggregate Deductible Amount is shown in the **Deductible Schedule**. If a Minimum Aggregate Deductible Amount is shown, the final audited Aggregate Deductible Amount will not be less than the Minimum Aggregate Deductible Amount.

3. If an Aggregate Deductible Amount is shown in the **Deductible Schedule** and is designated as Flat, the Aggregate Deductible Amount will not be adjusted. In no event will the Flat Aggregate Deductible Amount be less than or more than the Aggregate Deductible Amount shown in the **Deductible Schedule**.
4. If no Aggregate Deductible Amount is stated in the **Deductible Schedule**, then your obligation to reimburse us for the sum of all applicable Deductible Amounts as shown in the **Deductible Schedule** and all applicable "allocated loss adjustment expense" in accordance with the **Allocated Loss Adjustment Expense Selection Schedule** above, is unlimited.

## **D. Allocated Loss Adjustment Expense Reimbursement**

In accordance with the **Allocated Loss Adjustment Expense Selection Schedule**:

1. If Option 1 is selected, "allocated loss adjustment expense" reimbursements made by you contribute to your Deductible Amount and Aggregate Deductible Amount.

2. If Option 2 or Option 3 is selected, then you will reimburse us for all or pro-rata "allocated loss adjustment expense", as may apply in accordance with the **Allocated Loss Adjustment Expense Selection Schedule** above, even if the Deductible Amount, or the Aggregate Deductible Amount if applicable, is exceeded.

#### **E. Application of Amounts Reimbursable by You**

1. You will reimburse us for "allocated loss adjustment expense" according to the option selected in the **Allocated Loss Adjustment Expense Selection Schedule**.
2. Upon settlement or final adjudication of a claim, we will apply the amounts reimbursable by you to the Deductible Amount as follows:
  - a. Sums other than those attributable to "allocated loss adjustment expense"; then
  - b. "Allocated loss adjustment expense" already reimbursed by you; then
  - c. "Allocated loss adjustment expense" yet to be reimbursed by you, if applicable.

#### **F. Effect of Deductible Amount on Limits of Insurance**

The applicable limits of liability for the coverage part to which a Deductible Amount applies will be reduced only by that portion of the Deductible Amount that is not attributable to "allocated loss adjustment expense".

With respect to limits of liability, this section does not apply to any claim under Part Two - Employers' Liability Insurance for bodily injury to your employees if the bodily injury arises out of and in the course of employment that is subject to and is compensable under the Workers' Compensation Law of New York.

#### **G. Conditions**

##### **1. Voluntary Payments**

If you voluntarily make any payment, assume any obligation or incur any expense, without our consent, then you do so at your own cost. Any such voluntary payment, assumed obligation or incurred expense does not contribute towards any applicable Deductible Amounts or Aggregate Deductible Amount under this policy.

##### **2. Application of Recovered Amounts**

In addition to our rights of Recovery From Others as provided for in Part One and Part Two of this policy, we have your rights and the rights of persons entitled to the benefits of this insurance to recover sums that are reimbursable under this endorsement. You will do everything necessary to protect those rights for us and to help us enforce them.

If we recover any payment made under this policy from anyone liable for injury or from any workers compensation funds, the recovered amount will first be applied to any payments made by us for this injury in excess of the Deductible Amount. The remainder of the recovery, if any, will then be applied to reduce the Deductible Amount reimbursed or reimbursable by you as respects that injury.

##### **3. Payment of Amounts Owed Under This Endorsement**

- a. We will pay any part or all of any Deductible Amounts or "allocated loss adjustment expense" to effect settlement of any claim and, upon notification of the action taken, you will reimburse us for such part of any Deductible Amounts or "allocated loss adjustment expense" as shown on the billing from us. You must pay us for all amounts for which you are responsible under this endorsement and reimburse us for any such amounts that we pay by the due date shown on the billing from us.
- b. We will remain responsible for the payment of claims covered under this policy without regard to your ability or intention to reimburse us for the Deductible Amounts.
- c. If you fail to reimburse us for any amounts as required by this endorsement, we may cancel this policy as provided in Part Six (Conditions), Section D. Cancellation or as amended, or in accordance with the provisions of statute. We will remain responsible for the amount of all claims covered under this policy incurred prior to the effective date of cancellation. Cancellation of this policy does not relieve you from any deductible obligations reimbursable by you. We may keep the amount of unearned premium that will reimburse us for the payments we made. These rights are in addition to other rights we have to be reimbursed.

- d. The insured first named in Item 1 of the Information Page is authorized to and will reimburse us for all amounts due to us under this endorsement with respect to all reimbursable amounts paid by us on behalf of all Insureds.
- e. Each Named Insured is jointly and severally liable for all reimbursements due to us under this endorsement, whether or not that Named Insured is involved in the claim, proceeding or suit causing any such amount to be due to us.

#### **H. Definitions**

1. "Allocated loss adjustment expense" is an expense directly allocable to a specific claim including but not limited to: all supplementary payments; all court costs, fees and expenses; all costs, fees and expenses for or incurred in connection with all attorneys, witnesses, experts, depositions, reported or recorded statements, summonses, service of process, legal transcripts or testimony, copies of any public records; alternative dispute resolution proceedings; interest; investigative services, non-employee adjusters, medical examinations, autopsies, medical cost containment; declaratory judgment, subrogation claims and proceedings, and any other fees, costs or expenses reasonably chargeable to the investigation, negotiation, settlement or defense of a claim or a loss under this policy.

#### **I. Other Terms**

1. The terms of this insurance apply irrespective of the application of any Deductible Amounts, including those with respect to:
  - a. Our right and duty to defend any claim, proceeding or suit against you; and
  - b. Your duties if injury occurs.
2. You understand that all claims covered by this policy shall be included in experience data used to determine the experience rating for your policy, regardless of the eligibility of such claims for full or partial reimbursement under the deductible provisions of this policy.
3. You understand that your duties under this endorsement may continue after this policy expires or is cancelled.



**ZURICH**

## **Large Deductible with Combined Aggregate Deductible**

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the:  
**Workers Compensation and Employers Liability Policy**

### **DEDUCTIBLE SCHEDULE**

**The Deductible Amounts shown in the Deductible Schedule below apply separately to Workers Compensation and to Employers Liability as follows:**

Coverage	Deductible Amount	Basis
Workers Compensation Bodily Injury By Accident	\$	Each Accident
Workers Compensation Bodily Injury By Disease	\$	Each Employee
Employers Liability Bodily Injury By Accident	\$	Each Accident
Employers Liability Bodily Injury By Disease	\$	Each Employee

**ALLOCATED LOSS ADJUSTMENT EXPENSE SELECTION SCHEDULE**

<b>Select One</b>	
Option 1 <input type="checkbox"/>	As respects each Deductible Amount, you will reimburse us for all "allocated loss adjustment expense", even if there is no payment for other than "allocated loss adjustment expense". "Allocated loss adjustment expense" reimbursements will contribute toward your Deductible Amount as shown in the <b>Deductible Schedule</b> and your Combined Aggregate Deductible Amount as shown in the <b>Combined Aggregate Deductible Schedule</b> .
Option 2 <input type="checkbox"/>	As respects each Deductible Amount, you will reimburse us for "allocated loss adjustment expense" as follows: (a) If the total amount payable for other than "allocated loss adjustment expense" as respects the basis for each Deductible Amount is equal to or less than the Deductible Amounts or if there is no amount payable other than "allocated loss adjustment expense", then you will reimburse us for all "allocated loss adjustment expense". "Allocated loss adjustment expense" reimbursements will not contribute toward either your Deductible Amount as shown in the <b>Deductible Schedule</b> or your Combined Aggregate Deductible Amount as shown in the <b>Combined Aggregate Deductible Schedule</b> ; or (b) If the total amount payable for other than "allocated loss adjustment expense" exceeds the Deductible Amount, you will reimburse us a pro-rata share of total "allocated loss adjustment expense" based on the ratio of the Deductible Amount divided by the total amount payable for other than "allocated loss adjustment expense" as respects the basis for each Deductible Amount. "Allocated loss adjustment expense" reimbursements will not contribute toward either your Deductible Amount as shown in the <b>Deductible Schedule</b> or your Combined Aggregate Deductible Amount as shown in the <b>Combined Aggregate Deductible Schedule</b> .
Option 3 <input type="checkbox"/>	As respects each Deductible Amount, you will reimburse us for all "allocated loss adjustment expense", even if there is no payment for other than "allocated loss adjustment expense". "Allocated loss adjustment expense" reimbursements will not contribute toward either your Deductible Amount as shown in the <b>Deductible Schedule</b> or your Combined Aggregate Deductible Amount as shown in the <b>Combined Aggregate Deductible Schedule</b> .

**If no option is selected, Option 3 will apply.**

**A. How the Deductible Amount Applies**

In consideration of the deductible credit applied to your policy premium, you agree to reimburse us for the Deductible Amounts shown in the **Deductible Schedule** and for "allocated loss adjustment expense" incurred based on the **Allocated Loss Adjustment Expense Selection Schedule**. The Deductible Amounts apply separately, as follows:

1. The Deductible Amount for Workers Compensation Bodily Injury By Accident is the most you must reimburse us for benefits required of you by the Workers Compensation law(s) because of bodily injury to one or more employees as the result of any one accident. Benefits required of you by the Workers Compensation law(s) include benefits payable under Part Three – Other States Insurance or under any endorsement to this policy.
2. The Deductible Amount for Workers Compensation Bodily Injury By Disease is the most you must reimburse us for benefits required of you by the Workers Compensation law(s) because of bodily injury by one or more diseases to any one employee. Benefits required of you by the Workers Compensation law(s) include benefits payable under Part Three – Other States Insurance or under any endorsement to this policy. Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

3. The Deductible Amount for Employers Liability Bodily Injury By Accident is the most you must reimburse us for damages covered under Employers Liability Insurance because of bodily injury to one or more employees as the result of any one accident. Damages covered under Employers Liability Insurance include all sums covered under Part Two – Employers Liability Insurance or under any endorsement to this policy.
4. The Deductible Amount for Employers Liability Bodily Injury By Disease is the most you must reimburse us for damages covered under Employers Liability Insurance because of bodily injury by one or more diseases to any one employee. Damages covered under Employers Liability Insurance include all sums covered under Part Two – Employers Liability Insurance or under any endorsement to this policy. Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

## B. Large Deductible Provisions

1. The Deductible Amounts shown in the **Deductible Schedule** apply separately to Workers Compensation and to Employers Liability. If more than one Deductible Amount applies, you will be responsible for both applicable Deductible Amounts.
2. Your obligation to pay the Deductible Amounts shown on this policy is not fulfilled by:
  - a. The payment of a Deductible Amount under any other policy; or
  - b. Any payment made by us or another insurance company;even if 2.a. or 2.b. above applies to the same accident or employee as the Deductible Amount due under this policy.
3. If more than one policy issued by us applies to sums payable for the same accident or employee, the Deductible Amounts apply separately to each policy that we issue to which this endorsement or a similar Large Deductible Endorsement applies. Deductible Amounts also apply separately to each annual period and any remaining period of less than 12 months.

## C. Combined Aggregate Deductible Amount

1. The Combined Aggregate Deductible Amount shown in the **Combined Aggregate Deductible Schedule** for all policies listed in the **Combined Aggregate Deductible Schedule** is the most you must reimburse us for the sum of:
  - a. all applicable Deductible Amounts as shown in each policy's **Deductible Schedule** that are included in each policy's Large Deductible with Combined Aggregate Deductible Endorsement(s); and
  - b. all applicable "allocated loss adjustment expense" in accordance with each policy's **Allocated Loss Adjustment Expense Selection Schedule(s)** that are included in each policy's Large Deductible with Combined Aggregate Deductible Endorsement(s).

This single Combined Aggregate Deductible Amount applies to the entire policy period and to any remaining extension period of any policies.

2. The Combined Aggregate Deductible Amount is adjustable. The final Combined Aggregate Deductible Amount will be determined at the end of the policy period by an audit of your records, and will be based upon the combined total of the Rate(s) multiplied by the final audited exposure(s) for each policy included in the **Combined Aggregate Deductible Schedule**. The amount shown in the **Combined Aggregate Deductible Schedule** as the Combined Aggregate Deductible Amount is an estimated amount, and is based on an estimate of what the audit of your records will develop.

In no event will the final audited Combined Aggregate Deductible Amount be less than the Combined Aggregate Deductible Amount shown in the **Combined Aggregate Deductible Schedule**, unless a Minimum Combined Aggregate Deductible Amount is shown in the **Combined Aggregate Deductible Schedule**. If a Minimum Combined Aggregate Deductible Amount is shown, the final audited Combined Aggregate Deductible Amount will not be less than the Minimum Combined Aggregate Deductible Amount.

#### **D. Allocated Loss Adjustment Expense Reimbursement**

In accordance with the **Allocated Loss Adjustment Expense Selection Schedule**:

1. If Option 1 is selected, "allocated loss adjustment expense" reimbursements made by you contribute to your Deductible Amount and Combined Aggregate Deductible Amount.
2. If Option 2 or Option 3 is selected, then you will reimburse us for all or pro-rata "allocated loss adjustment expense", as may apply in accordance with the **Allocated Loss Adjustment Expense Selection Schedule** above, even if the Deductible Amount, or the Combined Aggregate Deductible Amount is exceeded.

#### **E. Application of Amounts Reimbursable by You**

1. You will reimburse us for "allocated loss adjustment expense" according to the option selected in the **Allocated Loss Adjustment Expense Selection Schedule**.
2. Upon settlement or final adjudication of a claim, we will apply the amounts reimbursable by you to the Deductible Amount as follows:
  - a. Sums other than those attributable to "allocated loss adjustment expense"; then
  - b. "Allocated loss adjustment expense" already reimbursed by you; then
  - c. "Allocated loss adjustment expense" yet to be reimbursed by you, if applicable.

#### **F. Effect of Deductible Amount on Limits of Insurance**

The applicable limits of liability for the coverage part to which a Deductible Amount applies will be reduced only by that portion of the Deductible Amount that is not attributable to "allocated loss adjustment expense".

With respect to limits of liability, this section does not apply to any claim under Part Two - Employers' Liability Insurance for bodily injury to your employees if the bodily injury arises out of and in the course of employment that is subject to and is compensable under the Workers' Compensation Law of New York.

#### **G. Conditions**

##### **1. Voluntary Payments**

If you voluntarily make any payment, assume any obligation or incur any expense, without our consent, then you do so at your own cost. Any such voluntary payment, assumed obligation or incurred expense does not contribute towards any applicable Deductible Amounts or Combined Aggregate Deductible Amount under this policy.

##### **2. Application of Recovered Amounts**

In addition to our rights of Recovery From Others as provided for in Part One and Part Two of this policy, we have your rights and the rights of persons entitled to the benefits of this insurance to recover sums that are reimbursable under this endorsement. You will do everything necessary to protect those rights for us and to help us enforce them.

If we recover any payment made under this policy from anyone liable for injury or from any workers compensation funds, the recovered amount will first be applied to any payments made by us for this injury in excess of the Deductible Amount. The remainder of the recovery, if any, will then be applied to reduce the Deductible Amount reimbursed or reimbursable by you as respects that injury.

##### **3. Payment of Amounts Owed Under This Endorsement**

- a. We will pay any part or all of any Deductible Amounts or "allocated loss adjustment expense" to effect settlement of any claim and, upon notification of the action taken, you will reimburse us for such part of any Deductible Amounts or "allocated loss adjustment expense" as shown on the billing from us. You must pay us for all amounts for which you are responsible under this endorsement and reimburse us for any such amounts that we pay by the due date shown on the billing from us.

- b. We will remain responsible for the payment of claims covered under this policy without regard to your ability or intention to reimburse us for the Deductible Amounts.
- c. If you fail to reimburse us for any amounts as required by this endorsement, we may cancel this policy as provided in Part Six (Conditions), Section D. Cancellation or as amended, or in accordance with the provisions of statute. We will remain responsible for the amount of all claims covered under this policy incurred prior to the effective date of cancellation. Cancellation of this policy does not relieve you from any deductible obligations reimbursable by you. We may keep the amount of unearned premium that will reimburse us for the payments we made. These rights are in addition to other rights we have to be reimbursed.
- d. The insured first named in Item 1 of the Information Page is authorized to and will reimburse us for all amounts due to us under this endorsement with respect to all reimbursable amounts paid by us on behalf of all Insureds.
- e. Each Named Insured is jointly and severally liable for all reimbursements due to us under this endorsement, whether or not that Named Insured is involved in the claim, proceeding or suit causing any such amount to be due to us.

#### **H. Definitions**

1. "Allocated loss adjustment expense" is an expense directly allocable to a specific claim including but not limited to: all supplementary payments; all court costs, fees and expenses; all costs, fees and expenses for or incurred in connection with all attorneys, witnesses, experts, depositions, reported or recorded statements, summonses, service of process, legal transcripts or testimony, copies of any public records; alternative dispute resolution proceedings; interest; investigative services, non-employee adjusters, medical examinations, autopsies, medical cost containment; declaratory judgment, subrogation claims and proceedings, and any other fees, costs or expenses reasonably chargeable to the investigation, negotiation, settlement or defense of a claim or a loss under this policy.

#### **I. Other Terms**

1. The terms of this insurance apply irrespective of the application of any Deductible Amounts, including those with respect to:
  - a. Our right and duty to defend any claim, proceeding or suit against you; and
  - b. Your duties if injury occurs.
2. You understand that all claims covered by this policy shall be included in experience data used to determine the experience rating for your policy, regardless of the eligibility of such claims for full or partial reimbursement under the deductible provisions of this policy.
3. You understand that your duties under this endorsement may continue after this policy expires or is cancelled.



**ZURICH**

# Large Deductible

## Combined Workers Compensation and Employers Liability Deductible

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the:

**Workers Compensation and Employers Liability Policy**

### DEDUCTIBLE SCHEDULE

Coverage	Deductible Amount	Basis
Workers Compensation and Employers Liability		
Bodily Injury By Accident	\$	Each Accident
Bodily Injury By Disease	\$	Each Employee

Aggregate Deductible Amount	\$	<input type="checkbox"/> Adjustable at a rate of _____ per _____ of _____. <input type="checkbox"/> Flat
Estimated Exposure		\$
Minimum Aggregate Deductible Amount	\$	

## ALLOCATED LOSS ADJUSTMENT EXPENSE SELECTION SCHEDULE

<b>Select One</b>					
Option 1 <input type="checkbox"/>	As respects each Deductible Amount, you will reimburse us for all "allocated loss adjustment expense", even if there is no payment for other than "allocated loss adjustment expense". "Allocated loss adjustment expense" reimbursements will contribute toward your Deductible Amount and your Aggregate Deductible Amount as shown in the <b>Deductible Schedule</b> .				
Option 2 <input type="checkbox"/>	As respects each Deductible Amount, you will reimburse us for "allocated loss adjustment expense" as follows: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tbody> <tr> <td style="width: 5%; padding: 5px;">(a)</td> <td style="padding: 5px;">If the total amount payable for other than "allocated loss adjustment expense" as respects the basis for each Deductible Amount is equal to or less than the Deductible Amounts or if there is no amount payable other than "allocated loss adjustment expense", then you will reimburse us for all "allocated loss adjustment expense". "Allocated loss adjustment expense" reimbursements will not contribute toward either your Deductible Amount or your Aggregate Deductible Amount as shown in the <b>Deductible Schedule</b>; or</td> </tr> <tr> <td style="padding: 5px;">(b)</td> <td style="padding: 5px;">If the total amount payable for other than "allocated loss adjustment expense" exceeds the Deductible Amount, you will reimburse us a pro-rata share of total "allocated loss adjustment expense" based on the ratio of the Deductible Amount divided by the total amount payable for other than "allocated loss adjustment expense" as respects the basis for each Deductible Amount. "Allocated loss adjustment expense" reimbursements will not contribute toward either your Deductible Amount or your Aggregate Deductible Amount as shown in the <b>Deductible Schedule</b>.</td> </tr> </tbody> </table>	(a)	If the total amount payable for other than "allocated loss adjustment expense" as respects the basis for each Deductible Amount is equal to or less than the Deductible Amounts or if there is no amount payable other than "allocated loss adjustment expense", then you will reimburse us for all "allocated loss adjustment expense". "Allocated loss adjustment expense" reimbursements will not contribute toward either your Deductible Amount or your Aggregate Deductible Amount as shown in the <b>Deductible Schedule</b> ; or	(b)	If the total amount payable for other than "allocated loss adjustment expense" exceeds the Deductible Amount, you will reimburse us a pro-rata share of total "allocated loss adjustment expense" based on the ratio of the Deductible Amount divided by the total amount payable for other than "allocated loss adjustment expense" as respects the basis for each Deductible Amount. "Allocated loss adjustment expense" reimbursements will not contribute toward either your Deductible Amount or your Aggregate Deductible Amount as shown in the <b>Deductible Schedule</b> .
(a)	If the total amount payable for other than "allocated loss adjustment expense" as respects the basis for each Deductible Amount is equal to or less than the Deductible Amounts or if there is no amount payable other than "allocated loss adjustment expense", then you will reimburse us for all "allocated loss adjustment expense". "Allocated loss adjustment expense" reimbursements will not contribute toward either your Deductible Amount or your Aggregate Deductible Amount as shown in the <b>Deductible Schedule</b> ; or				
(b)	If the total amount payable for other than "allocated loss adjustment expense" exceeds the Deductible Amount, you will reimburse us a pro-rata share of total "allocated loss adjustment expense" based on the ratio of the Deductible Amount divided by the total amount payable for other than "allocated loss adjustment expense" as respects the basis for each Deductible Amount. "Allocated loss adjustment expense" reimbursements will not contribute toward either your Deductible Amount or your Aggregate Deductible Amount as shown in the <b>Deductible Schedule</b> .				
Option 3 <input type="checkbox"/>	As respects each Deductible Amount, you will reimburse us for all "allocated loss adjustment expense", even if there is no payment for other than "allocated loss adjustment expense". "Allocated loss adjustment expense" reimbursements will not contribute toward either your Deductible Amount or your Aggregate Deductible Amount as shown in the <b>Deductible Schedule</b> .				

**If no option is selected, Option 3 will apply.**

### A. How the Deductible Amount Applies

In consideration of the deductible credit applied to your policy premium, you agree to reimburse us for the Deductible Amounts shown in the **Deductible Schedule** and for "allocated loss adjustment expense" incurred based on the **Allocated Loss Adjustment Expense Selection Schedule**. The Deductible Amounts apply as follows:

1. The Deductible Amount for Bodily Injury By Accident is the most you must reimburse us for the combined total of benefits required of you by the Workers Compensation law(s) and damages covered under Employers Liability Insurance because of bodily injury to one or more employees as the result of any one accident. Benefits required of you by the Workers Compensation law(s) include benefits payable under Part Three – Other States Insurance or under any endorsement to this policy. Damages covered under Employers Liability Insurance include all sums covered under Part Two – Employers Liability Insurance or under any endorsement to this policy.
2. The Deductible Amount for Bodily Injury By Disease is the most you must reimburse us for the combined total of benefits required of you by the Workers Compensation law(s) and damages covered under Employers Liability Insurance because of bodily injury by one or more diseases to any one employee. Benefits required of you by the Workers Compensation law(s) include benefits payable under Part Three – Other States Insurance or under any endorsement to this policy. Damages covered under Employers Liability Insurance include all sums covered under Part Two – Employers Liability Insurance or under any endorsement to this policy. Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

## B. Large Deductible Provisions

1. The Deductible Amounts shown in the **Deductible Schedule** apply to Workers Compensation and to Employers Liability on a combined basis. Separate Deductible Amounts apply to Bodily Injury By Accident and to Bodily Injury By Disease; you will be responsible for the applicable Deductible Amount.
2. Your obligation to pay the Deductible Amounts shown on this policy is not fulfilled by:
  - a. The payment of a Deductible Amount under any other policy; or
  - b. Any payment made by us or another insurance company;even if 2.a. or 2.b. above applies to the same accident or employee as the Deductible Amount due under this policy.
3. If more than one policy issued by us applies to sums payable for the same accident or employee, the Deductible Amounts apply separately to each policy that we issue to which this endorsement or a similar Large Deductible Endorsement applies. Deductible Amounts also apply separately to each annual policy period and any remaining period of less than 12 months.

## C. Aggregate Deductible Amount

1. The Aggregate Deductible Amount shown in the **Deductible Schedule** is the most you must reimburse us for the sum of:
  - a. all applicable Deductible Amounts as shown in the **Deductible Schedule**; and
  - b. all applicable "allocated loss adjustment expense" in accordance with the **Allocated Loss Adjustment Expense Selection Schedule** above.

This single Aggregate Deductible Amount applies to the entire policy period and to any remaining extension period.

2. If an Aggregate Deductible Amount is shown in the **Deductible Schedule** and is designated as adjustable, the final Aggregate Deductible Amount will be determined at the end of the policy period by an audit of your records, and will be based upon the Rate shown in the **Deductible Schedule** multiplied by the final audited Exposure. The amount shown in the **Deductible Schedule** as the Aggregate Deductible Amount is an estimated amount, and is based on an estimate of what the audit of your records will develop.

In no event will the final audited Aggregate Deductible Amount be less than the Aggregate Deductible Amount shown in the **Deductible Schedule**, unless a Minimum Aggregate Deductible Amount is shown in the **Deductible Schedule**. If a Minimum Aggregate Deductible Amount is shown, the final audited Aggregate Deductible Amount will not be less than the Minimum Aggregate Deductible Amount.

3. If an Aggregate Deductible Amount is shown in the **Deductible Schedule** and is designated as Flat, the Aggregate Deductible Amount will not be adjusted. In no event will the Flat Aggregate Deductible Amount be less than or more than the Aggregate Deductible Amount shown in the **Deductible Schedule**.
4. If no Aggregate Deductible Amount is stated in the **Deductible Schedule**, then your obligation to reimburse us for the sum of all applicable Deductible Amounts as shown in the **Deductible Schedule** and all applicable "allocated loss adjustment expense" in accordance with the **Allocated Loss Adjustment Expense Selection Schedule** above, is unlimited.

## D. Allocated Loss Adjustment Expense Reimbursement

In accordance with the **Allocated Loss Adjustment Expense Selection Schedule**:

1. If Option 1 is selected, "allocated loss adjustment expense" reimbursements made by you contribute to your Deductible Amount and Aggregate Deductible Amount.
2. If Option 2 or Option 3 is selected, then you will reimburse us for all or pro-rata "allocated loss adjustment expense", as may apply in accordance with the **Allocated Loss Adjustment Expense Selection Schedule** above, even if the Deductible Amount, or the Aggregate Deductible Amount if applicable, is exceeded.

## **E. Application of Amounts Reimbursable by You**

1. You will reimburse us for "allocated loss adjustment expense" according to the option selected in the **Allocated Loss Adjustment Expense Selection Schedule**.
2. Upon settlement or final adjudication of a claim, we will apply the amounts reimbursable by you to the Deductible Amount as follows:
  - a. Sums other than those attributable to "allocated loss adjustment expense"; then
  - b. "Allocated loss adjustment expense" already reimbursed by you; then
  - c. "Allocated loss adjustment expense" yet to be reimbursed by you, if applicable.

## **F. Effect of Deductible Amount on Limits of Insurance**

The applicable limits of liability for the coverage part to which a Deductible Amount applies will be reduced only by that portion of the Deductible Amount that is not attributable to "allocated loss adjustment expense".

With respect to limits of liability, this section does not apply to any claim under Part Two - Employers' Liability Insurance for bodily injury to your employees if the bodily injury arises out of and in the course of employment that is subject to and is compensable under the Workers' Compensation Law of New York.

## **G. Conditions**

### **1. Voluntary Payments**

If you voluntarily make any payment, assume any obligation or incur any expense, without our consent, then you do so at your own cost. Any such voluntary payment, assumed obligation or incurred expense does not contribute towards any applicable Deductible Amounts or Aggregate Deductible Amount under this policy.

### **2. Application of Recovered Amounts**

In addition to our rights of Recovery From Others as provided for in Part One and Part Two of this policy, we have your rights and the rights of persons entitled to the benefits of this insurance to recover sums that are reimbursable under this endorsement. You will do everything necessary to protect those rights for us and to help us enforce them.

If we recover any payment made under this policy from anyone liable for injury or from any workers compensation funds, the recovered amount will first be applied to any payments made by us for this injury in excess of the Deductible Amount. The remainder of the recovery, if any, will then be applied to reduce the Deductible Amount reimbursed or reimbursable by you as respects that injury.

### **3. Payment of Amounts Owed Under This Endorsement**

- a. We will pay any part or all of any Deductible Amounts or "allocated loss adjustment expense" to effect settlement of any claim and, upon notification of the action taken, you will reimburse us for such part of any Deductible Amounts or "allocated loss adjustment expense" as shown on the billing from us. You must pay us for all amounts for which you are responsible under this endorsement and reimburse us for any such amounts that we pay by the due date shown on the billing from us.
- b. We will remain responsible for the payment of claims covered under this policy without regard to your ability or intention to reimburse us for the Deductible Amounts.
- c. If you fail to reimburse us for any amounts as required by this endorsement, we may cancel this policy as provided in Part Six (Conditions), Section D. Cancellation or as amended, or in accordance with the provisions of statute. We will remain responsible for the amount of all claims covered under this policy incurred prior to the effective date of cancellation. Cancellation of this policy does not relieve you from any deductible obligations reimbursable by you. We may keep the amount of unearned premium that will reimburse us for the payments we made. These rights are in addition to other rights we have to be reimbursed.
- d. The insured first named in Item 1 of the Information Page is authorized to and will reimburse us for all amounts due to us under this endorsement with respect to all reimbursable amounts paid by us on behalf of all Insureds.

- e. Each Named Insured is jointly and severally liable for all reimbursements due to us under this endorsement, whether or not that Named Insured is involved in the claim, proceeding or suit causing any such amount to be due to us.

#### **H. Definitions**

1. "Allocated loss adjustment expense" is an expense directly allocable to a specific claim including but not limited to: all supplementary payments; all court costs, fees and expenses; all costs, fees and expenses for or incurred in connection with all attorneys, witnesses, experts, depositions, reported or recorded statements, summonses, service of process, legal transcripts or testimony, copies of any public records; alternative dispute resolution proceedings; interest; investigative services, non-employee adjusters, medical examinations, autopsies, medical cost containment; declaratory judgment, subrogation claims and proceedings, and any other fees, costs or expenses reasonably chargeable to the investigation, negotiation, settlement or defense of a claim or a loss under this policy.

#### **I. Other Terms**

1. The terms of this insurance apply irrespective of the application of any Deductible Amounts, including those with respect to:
  - a. Our right and duty to defend any claim, proceeding or suit against you; and
  - b. Your duties if injury occurs.
2. You understand that all claims covered by this policy shall be included in experience data used to determine the experience rating for your policy, regardless of the eligibility of such claims for full or partial reimbursement under the deductible provisions of this policy.
3. You understand that your duties under this endorsement may continue after this policy expires or is cancelled.



**ZURICH**

# Large Deductible with Combined Aggregate Deductible

**Combined Workers Compensation and Employers Liability Deductible**

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the:

**Workers Compensation and Employers Liability Policy**

## DEDUCTIBLE SCHEDULE

Coverage	Deductible Amount	Basis
Workers Compensation and Employers Liability		
Bodily Injury By Accident	\$	Each Accident
Bodily Injury By Disease	\$	Each Employee

**ALLOCATED LOSS ADJUSTMENT EXPENSE SELECTION SCHEDULE**

<b>Select One</b>	
Option 1 <input type="checkbox"/>	As respects each Deductible Amount, you will reimburse us for all "allocated loss adjustment expense", even if there is no payment for other than "allocated loss adjustment expense". "Allocated loss adjustment expense" reimbursements will contribute toward your Deductible Amount as shown in the <b>Deductible Schedule</b> and your Combined Aggregate Deductible Amount as shown in the <b>Combined Aggregate Deductible Schedule</b> .
Option 2 <input type="checkbox"/>	As respects each Deductible Amount, you will reimburse us for "allocated loss adjustment expense" as follows: (a) If the total amount payable for other than "allocated loss adjustment expense" as respects the basis for each Deductible Amount is equal to or less than the Deductible Amounts or if there is no amount payable other than "allocated loss adjustment expense", then you will reimburse us for all "allocated loss adjustment expense". "Allocated loss adjustment expense" reimbursements will not contribute toward either your Deductible Amount as shown in the <b>Deductible Schedule</b> or your Combined Aggregate Deductible Amount as shown in the <b>Combined Aggregate Deductible Schedule</b> ; or (b) If the total amount payable for other than "allocated loss adjustment expense" exceeds the Deductible Amount, you will reimburse us a pro-rata share of total "allocated loss adjustment expense" based on the ratio of the Deductible Amount divided by the total amount payable for other than "allocated loss adjustment expense" as respects the basis for each Deductible Amount. "Allocated loss adjustment expense" reimbursements will not contribute toward either your Deductible Amount as shown in the <b>Deductible Schedule</b> or your Combined Aggregate Deductible Amount as shown in the <b>Combined Aggregate Deductible Schedule</b> .
Option 3 <input type="checkbox"/>	As respects each Deductible Amount, you will reimburse us for all "allocated loss adjustment expense", even if there is no payment for other than "allocated loss adjustment expense". "Allocated loss adjustment expense" reimbursements will not contribute toward either your Deductible Amount as shown in the <b>Deductible Schedule</b> or your Combined Aggregate Deductible Amount as shown in the <b>Combined Aggregate Deductible Schedule</b> .

**If no option is selected, Option 3 will apply.**

**A. How the Deductible Amount Applies**

In consideration of the deductible credit applied to your policy premium, you agree to reimburse us for the Deductible Amounts shown in the **Deductible Schedule** and for "allocated loss adjustment expense" incurred based on the **Allocated Loss Adjustment Expense Selection Schedule**. The Deductible Amounts apply as follows:

1. The Deductible Amount for Bodily Injury By Accident is the most you must reimburse us for the combined total of benefits required of you by the Workers Compensation law(s) and damages covered under Employers Liability Insurance because of bodily injury to one or more employees as the result of any one accident. Benefits required of you by the Workers Compensation law(s) include benefits payable under Part Three – Other States Insurance or under any endorsement to this policy. Damages covered under Employers Liability Insurance include all sums covered under Part Two – Employers Liability Insurance or under any endorsement to this policy.
2. The Deductible Amount for Bodily Injury By Disease is the most you must reimburse us for the combined total of benefits required of you by the Workers Compensation law(s) and damages covered under Employers Liability Insurance because of bodily injury by one or more diseases to any one employee. Benefits required of you by the Workers Compensation law(s) include benefits payable under Part Three – Other States Insurance or under any endorsement to this policy. Damages covered under Employers Liability Insurance include all sums covered under Part Two – Employers Liability Insurance or under any endorsement to this policy. Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

## B. Large Deductible Provisions

1. The Deductible Amounts shown in the **Deductible Schedule** apply to Workers Compensation and to Employers Liability on a combined basis. Separate Deductible Amounts apply to Bodily Injury By Accident and to Bodily Injury By Disease; you will be responsible for the applicable Deductible Amount.
2. Your obligation to pay the Deductible Amounts shown on this policy is not fulfilled by:
  - a. The payment of a Deductible Amount under any other policy; or
  - b. Any payment made by us or another insurance company;even if 2.a. or 2.b. above applies to the same accident or employee as the Deductible Amount due under this policy.
3. If more than one policy issued by us applies to sums payable for the same accident or employee, the Deductible Amounts apply separately to each policy that we issue to which this endorsement or a similar Large Deductible Endorsement applies. Deductible Amounts also apply separately to each annual policy period and any remaining period of less than 12 months.

## C. Combined Aggregate Deductible Amount

1. The Combined Aggregate Deductible Amount shown in the **Combined Aggregate Deductible Schedule** for all policies listed in the **Combined Aggregate Deductible Schedule** is the most you must reimburse us for the sum of:
  - a. all applicable Deductible Amounts as shown in each policy's **Deductible Schedule** that are included in each policy's Large Deductible with Combined Aggregate Deductible Endorsement(s); and
  - b. all applicable "allocated loss adjustment expense" in accordance with each policy's **Allocated Loss Adjustment Expense Selection Schedule(s)** that are included in each policy's Large Deductible with Combined Aggregate Deductible Endorsement(s).

This single Combined Aggregate Deductible Amount applies to the entire policy period and to any remaining extension period of any policies.

2. The Combined Aggregate Deductible Amount is adjustable. The final Combined Aggregate Deductible Amount will be determined at the end of the policy period by an audit of your records, and will be based upon the combined total of the Rate(s) multiplied by the final audited exposure(s) for each policy included in the **Combined Aggregate Deductible Schedule**. The amount shown in the **Combined Aggregate Deductible Schedule** as the Combined Aggregate Deductible Amount is an estimated amount, and is based on an estimate of what the audit of your records will develop.

In no event will the final audited Combined Aggregate Deductible Amount be less than the Combined Aggregate Deductible Amount shown in the **Combined Aggregate Deductible Schedule**, unless a Minimum Combined Aggregate Deductible Amount is shown in the **Combined Aggregate Deductible Schedule**. If a Minimum Combined Aggregate Deductible Amount is shown, the final audited Combined Aggregate Deductible Amount will not be less than the Minimum Combined Aggregate Deductible Amount.

## D. Allocated Loss Adjustment Expense Reimbursement

In accordance with the **Allocated Loss Adjustment Expense Selection Schedule**:

1. If Option 1 is selected, "allocated loss adjustment expense" reimbursements made by you contribute to your Deductible Amount and Combined Aggregate Deductible Amount.
2. If Option 2 or Option 3 is selected, then you will reimburse us for all or pro-rata "allocated loss adjustment expense", as may apply in accordance with the **Allocated Loss Adjustment Expense Selection Schedule** above, even if the Deductible Amount, or the Combined Aggregate Deductible Amount is exceeded.

## **E. Application of Amounts Reimbursable by You**

1. You will reimburse us for "allocated loss adjustment expense" according to the option selected in the **Allocated Loss Adjustment Expense Selection Schedule**.
2. Upon settlement or final adjudication of a claim, we will apply the amounts reimbursable by you to the Deductible Amount as follows:
  - a. Sums other than those attributable to "allocated loss adjustment expense"; then
  - b. "Allocated loss adjustment expense" already reimbursed by you; then
  - c. "Allocated loss adjustment expense" yet to be reimbursed by you, if applicable.

## **F. Effect of Deductible Amount on Limits of Insurance**

The applicable limits of liability for the coverage part to which a Deductible Amount applies will be reduced only by that portion of the Deductible Amount that is not attributable to "allocated loss adjustment expense".

With respect to limits of liability, this section does not apply to any claim under Part Two - Employers' Liability Insurance for bodily injury to your employees if the bodily injury arises out of and in the course of employment that is subject to and is compensable under the Workers' Compensation Law of New York.

## **G. Conditions**

### **1. Voluntary Payments**

If you voluntarily make any payment, assume any obligation or incur any expense, without our consent, then you do so at your own cost. Any such voluntary payment, assumed obligation or incurred expense does not contribute towards any applicable Deductible Amounts or Combined Aggregate Deductible Amount under this policy.

### **2. Application of Recovered Amounts**

In addition to our rights of Recovery From Others as provided for in Part One and Part Two of this policy, we have your rights and the rights of persons entitled to the benefits of this insurance to recover sums that are reimbursable under this endorsement. You will do everything necessary to protect those rights for us and to help us enforce them.

If we recover any payment made under this policy from anyone liable for injury or from any workers compensation funds, the recovered amount will first be applied to any payments made by us for this injury in excess of the Deductible Amount. The remainder of the recovery, if any, will then be applied to reduce the Deductible Amount reimbursed or reimbursable by you as respects that injury.

### **3. Payment of Amounts Owed Under This Endorsement**

- a. We will pay any part or all of any Deductible Amounts or "allocated loss adjustment expense" to effect settlement of any claim and, upon notification of the action taken, you will reimburse us for such part of any Deductible Amounts or "allocated loss adjustment expense" as shown on the billing from us. You must pay us for all amounts for which you are responsible under this endorsement and reimburse us for any such amounts that we pay by the due date shown on the billing from us.
- b. We will remain responsible for the payment of claims covered under this policy without regard to your ability or intention to reimburse us for the Deductible Amounts.
- c. If you fail to reimburse us for any amounts as required by this endorsement, we may cancel this policy as provided in Part Six (Conditions), Section D. Cancellation or as amended, or in accordance with the provisions of statute. We will remain responsible for the amount of all claims covered under this policy incurred prior to the effective date of cancellation. Cancellation of this policy does not relieve you from any deductible obligations reimbursable by you. We may keep the amount of unearned premium that will reimburse us for the payments we made. These rights are in addition to other rights we have to be reimbursed.
- d. The insured first named in Item 1 of the Information Page is authorized to and will reimburse us for all amounts due to us under this endorsement with respect to all reimbursable amounts paid by us on behalf of all Insureds.

- e. Each Named Insured is jointly and severally liable for all reimbursements due to us under this endorsement, whether or not that Named Insured is involved in the claim, proceeding or suit causing any such amount to be due to us.

#### **H. Definitions**

1. "Allocated loss adjustment expense" is an expense directly allocable to a specific claim including but not limited to: all supplementary payments; all court costs, fees and expenses; all costs, fees and expenses for or incurred in connection with all attorneys, witnesses, experts, depositions, reported or recorded statements, summonses, service of process, legal transcripts or testimony, copies of any public records; alternative dispute resolution proceedings; interest; investigative services, non-employee adjusters, medical examinations, autopsies, medical cost containment; declaratory judgment, subrogation claims and proceedings, and any other fees, costs or expenses reasonably chargeable to the investigation, negotiation, settlement or defense of a claim or a loss under this policy.

#### **I. Other Terms**

1. The terms of this insurance apply irrespective of the application of any Deductible Amounts, including those with respect to:
  - a. Our right and duty to defend any claim, proceeding or suit against you; and
  - b. Your duties if injury occurs.
2. You understand that all claims covered by this policy shall be included in experience data used to determine the experience rating for your policy, regardless of the eligibility of such claims for full or partial reimbursement under the deductible provisions of this policy.
3. You understand that your duties under this endorsement may continue after this policy expires or is cancelled.

# Combined Aggregate Deductible Schedule



Policy No.	Eff. Date of Pol.	Exp. Date of Pol.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement provides supplementary information to be used with the following:

- Business Auto Coverage Form**
- Commercial General Liability Coverage Part**
- Employee Benefits Liability Coverage Part**
- Garage Coverage Form**
- Liquor Liability Coverage Part**
- Motor Carrier Coverage Form**
- Stop Gap – Employers Liability Coverage Part**
- Truckers Coverage Form**
- Workers Compensation and Employers Liability Policy**

The Combined Aggregate Deductible is adjustable and determined as the sum of the rate(s) multiplied by the final audited Exposure(s).	Estimated Exposure	Rate	Per	Of (Exposure Basis)

The Deductible Amounts for the policies listed here will be combined with this policy for the application of the Combined Aggregate Deductible Amount.

Policy Number(s):


Combined Aggregate Deductible Amount	\$
Minimum Combined Aggregate Deductible Amount	\$

*SERFF Tracking Number:*      *ZURC-125485526*                      *State:*                      *Arkansas*  
*First Filing Company:*      *American Zurich Insurance Company, ...*      *State Tracking Number:*      *EFT \$50*  
*Company Tracking Number:*      *AR-WC-26943*  
*TOI:*                      *16.0 Workers Compensation*                      *Sub-TOI:*                      *16.0004 Standard WC*  
*Product Name:*                      *AR-WC-26943 Large Deductible Revised Endorsement*  
*Project Name/Number:*                      *AR-WC-26943 Large Deductible Revised Endorsement/AR-WC-26943*

## **Rate Information**

Rate data does NOT apply to filing.

SERFF Tracking Number: ZURC-125485526 State: Arkansas  
First Filing Company: American Zurich Insurance Company, ... State Tracking Number: EFT \$50  
Company Tracking Number: AR-WC-26943  
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
Product Name: AR-WC-26943 Large Deductible Revised Endorsement  
Project Name/Number: AR-WC-26943 Large Deductible Revised Endorsement/AR-WC-26943

## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-  
Property & Casualty **Review Status:** Approved 02/13/2008

**Comments:**

**Attachment:**  
Transmittal.pdf

**Satisfied -Name:** Explanatory Memo **Review Status:** Approved 02/13/2008

**Comments:**

**Attachment:**  
Explanatory Memo for U-WC-266-B.pdf

## Property & Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b>
	a. Date the filing is received:
	b. Analyst:
	c. Disposition:
	d. Date of disposition of the filing:
	e. Effective date of filing:
	New Business
	Renewal Business
	f. State Filing #:
	g. SERFF Filing #:
	h. Subject Codes

<b>3. Group Name</b>	<b>Group NAIC #</b>
Zurich American Insurance Company	212 16535

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
American Guarantee and Liability Insurance Company	NY	212 26247	36-6071400	
American Zurich Insurance Company	IL	212 40142	36-3141762	
Zurich American Insurance Company	NY	212 16535	36-4233459	
Zurich American Insurance Company of Illinois	IL	212 27855	36-2781080	

<b>5. Company Tracking Number</b>	<b>WC-26943</b>
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**Contact Info of Filer(s) or Corporate Officer(s)** [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Jennifer Mastalerz	Filing Analyst	847-330-4817		Jennifer.mastalerz@zurichna.com
7.	Signature of authorized filer				
8.	Please print name of authorized filer		Jennifer Mastalerz		

**Filing information** (see General Instructions for descriptions of these fields)

<b>9. Type of Insurance (TOI)</b>	16.0
<b>10. Sub-Type of Insurance (Sub-TOI)</b>	16.0004
<b>11. State Specific Product code(s)</b> (if applicable)[See State Specific Requirements]	NA
<b>12. Company Program Title</b> (Marketing title)	
<b>13. Filing Type</b>	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
<b>14. Effective Date(s) Requested</b>	New: 04/01/2008                      Renewal: 04/01/2008
<b>15. Reference Filing?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>16. Reference Organization</b> (if applicable)	
<b>17. Reference Organization # &amp; Title</b>	
<b>18. Company's Date of Filing</b>	02/13/2008
<b>19. Status of filing in domicile</b>	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

**Property & Casualty Transmittal Document—**

<b>20. This filing transmittal is part of Company Tracking #</b>	WC-26943
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<b>21. Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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The Purpose:

The endorsements and schedule in the table below will replace Arizona - Large Deductible Endorsement [U-WC-348-B](#) which is currently filed and approved for Zurich's Large Deductible Program.

This replacement forms filing includes four large deductible endorsements plus a Combined Aggregate Deductible schedule.

<b>22. Filing Fees</b> (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
---

**Check #:**  
**Amount:**

**Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.**

**\*\*\*Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

**Zurich American Insurance Group**  
**Explanatory Memorandum**  
**Workers Compensation & Employers Liability Coverage**  
**Large Deductible Endorsements & Combined Aggregate Deductible Schedule**  
**WC 99 06 16, WC 99 06 17, WC 99 06 18, WC 99 06 19, WC 99 06 20**

**Purpose**

The endorsements and schedule in the table below will replace Arkansas - Large Deductible Endorsement [U-WC-266-B](#) which is currently filed and approved for Zurich's Large Deductible Program.

**Replacement Endorsements**

This replacement forms filing includes four large deductible endorsements plus a Combined Aggregate Deductible schedule.

WC 99 06 16	Large Deductible
Workers Compensation and Employers Liability subject to separate deductibles per accident	
WC only Aggregate Deductible	
WC 99 06 17	Large Deductible with Combined Aggregate Deductible
Workers Compensation and Employers Liability subject to separate deductibles per accident	
Combined Lines Aggregate Deductible (WC, GL, Auto)	
Requires the use of WC 99 06 20 Combined Aggregate Deductible Schedule	
WC 99 06 18	Large Deductible
	Combined Workers Compensation and Employers Liability Deductible
Workers Compensation and Employers Liability subject to a single deductible per accident	
WC only Aggregate Deductible	
WC 99 06 19	Large Deductible
	Combined Workers Compensation and Employers Liability Deductible
Workers Compensation and Employers Liability subject to a single deductible per accident	
Combined Lines Aggregate Deductible (WC, GL, Auto)	
Requires the use of WC 99 06 20 Combined Aggregate Deductible Schedule	
WC 99 06 20	Combined Aggregate Deductible Schedule
The purpose of this Interline form is to identify in the schedule the large deductible	

policies to be combined for the purpose of a Combined Aggregate Deductible Amount (as referenced in the large deductible endorsements).

Many large accounts who qualify for deductible insurance programs often want to limit their deductible obligations to a single aggregate deductible amount. Deductible amounts across multiple policies and multiple lines of business for a given policy term are combined and their sum is limited by this Combined Aggregate Deductible Amount. This concept is similar to multiple lines retrospective rating programs that share a common retrospective maximum premium.

This Combined Aggregate Deductible Schedule form references the policy numbers (with their respective large deductible endorsements that may be included in the Combined Aggregate Deductible Amount.

In addition, this Interline form includes the rating elements and minimum amounts for adjusting the Combined Aggregate Deductible Amount based on audited exposure amounts.

This form is used with WC 99 06 17 and WC 99 06 19 above.

Due to the nature of interstate exposures for most large insureds requesting large deductible programs, we wish to retain the use of Arkansas - Large Deductible Endorsement [U-WC-266-B](#) for a temporary period until countrywide filings are approved for these new endorsements.