

THE NORRIS INSURANCE AGENCY, INC.

P.O. BOX 16118 PHONE: 850-769-8889
PANAMA CITY, FL 32406 FAX: 850-747-4750

COMMERCIAL INSURANCE

SPECIALIZING IN WORKERS COMP & BONDING

May 29, 2019

**Ms. Heather Walker
Grand Panama Beach Resort Condo Assoc., Inc.
495 Richard Jackson Blvd.
Panama City Beach, FL 32407**

Insurance Company: Business First Insurance Company
Policy Description: Workers' Compensation
Policy Number: 521-11372
Policy Term: Effective Date: April 9, 2019 - Expiration Date: April 9, 2020

Dear Heather,

First, let us say "thank you" for allowing us to assist you with this policy. We are very grateful for the opportunity to assist you in this area of your business operations.

We are pleased to enclose your Workers' Compensation policy. Please review it carefully and advise us of any necessary changes. The establishment of adequate insurance protection is the responsibility of any insured, so please pay particular attention to your coverages, limits, and exclusions from coverage.


We have also enclosed a **Workers' Comp Problem Areas** brochure dated August 2015 which we strongly encourage you to read very carefully and by this reference our intention is to consider that all of the information contained therein is included here and thus available to you. This brochure will reference many areas of concern which you need to be aware of as you go forward with your policy. Again, we urge you to read this carefully. The topics noted and the information provided do not cover all of the potential areas of concern so please let us know of any questions or uncertainties that you may have.

Please note that the terms of the insurance policy allow for an adjustable premium. Note: This is an auditable policy and at the conclusion of the policy the premium may be adjusted such as to result in either a refund of premium paid or a bill for additional premium.

Please advise us of any significant changes to the nature of your operations or ownership.

We appreciate the opportunity to be of service to you. Please call if we can provide further assistance with this or any other insurance matters.

Sincerely,


George Norris

Grand Panama Beach Resort Condo Assoc., Inc.

Injury Reporting 1-800-762-7811

EMPLOYER NAME

11800 Front Beach Rd Panama City Beach, FL 32407-0600

ADDRESS

BusinessFirst Insurance Company

CARRIER NAME

P.O. Box 988 Lakeland, FL 33802-0988

ADDRESS

0521-11372-0000

04/09/19

04/09/20

POLICY NUMBER

EFFECTIVE DATE

EXPIRATION DATE

Injury Reporting 1-800-762-7811

EMPLOYER NAME

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BusinessFirst Insurance Company

CARRIER NAME

P.O. Box 988 Lakeland, FL 33802-0988

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POLICY NUMBER

EFFECTIVE DATE

EXPIRATION DATE

BusinessFirst

Insurance Company®

A Stock Insurer • P.O. Box 988 • Lakeland, FL 33802-0988

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY INFORMATION PAGE

Carrier code 64783

Policy number 521-11372

Item 1. Insured

Name Grand Panama Beach Resort Condo Assoc., Inc.
and
Mailing Address 11800 Front Beach Rd
Panama City Beach, FL 32407-0600

RISK I.D. 093085477

☐ Individual ☒ Corporation
☐ Partnership ☐ Subchapter "S"
☐ Other

Other workplaces not shown above:

FEIN 26-0219847

SEE EXTENSION OF INFORMATION PAGE ITEM 1

Item 2. Policy period

From 04/09/19 to 04/09/20 12:01 a.m. standard time at the address of the insured as stated herein.

Item 3. Coverage

- A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation Law of the states listed here:
Florida
- B. Employers Liability Insurance: Part Two of the policy applies to work in each state listed in Item 3.A. The limits of our liability under Part Two are:
- | | | | |
|---------------------------|----|---------|---------------|
| Bodily Injury by Accident | \$ | 100,000 | each accident |
| Bodily Injury by Disease | \$ | 100,000 | each employee |
| Bodily Injury by Disease | \$ | 500,000 | policy limit |
- C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here:
Georgia Indiana Kentucky North Carolina South Carolina Tennessee
- D. This policy includes these endorsements and schedules:
SEE EXTENSION OF INFORMATION PAGE ITEM 3.D

Item 4. Premium

The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

| Classifications | Code No. | Premium Basis: Total Estimated Annual Remuneration | Rate Per \$100 of Remuneration | Estimated Annual Premium |
|--|----------|--|-----------------------------------|-----------------------------|
| SEE EXTENSION OF INFORMATION PAGE ITEM 4 | | | | |

Total Estimated Annual Premium \$ 6,405.22

Minimum Premium \$ 569.00

Expense Constant \$ 160.00

Countersigned by 

Date 02/13/19

5742 The Norris Insurance Agency, Inc.
cmb Date Prepared: 02/13/19

EXTENSION OF INFORMATION PAGE WC 00 00 01 A - ITEM 1

CARRIER: BusinessFirst Insurance Company
P.O. Box 988
Lakeland, FL 33802-0988
(863)665-6060

AGENCY: The Norris Insurance Agency, Inc. - 5742
PO BOX 16118
PANAMA CITY, FL 32406
(850)769-8889

INSURED: Grand Panama Beach Resort Condo Assoc., Inc.
DBA: 11800 Front Beach Rd
Panama City Beach, FL 32407-0600

POLICY NUMBER: 521 - 11372

POLICY PERIOD: 04/09/19 - 04/09/20

Other workplaces

Grand Panama Beach Resort Condo Assoc., Inc.
11800 Front Beach Rd
Panama City Beach, FL 32407-0600
FEDERAL ID# 26-0219847
NONPROFIT CORPORATION

EXTENSION OF INFORMATION PAGE WC 00 00 01 A - ITEM 3.D

CARRIER: BusinessFirst Insurance Company
P.O. Box 988
Lakeland, FL 33802-0988
(863)665-6060

AGENCY: The Norris Insurance Agency, Inc. - 5742
PO BOX 16118
PANAMA CITY, FL 32406
(850)769-8889

INSURED: Grand Panama Beach Resort Condo Assoc., Inc.
DBA: 11800 Front Beach Rd
Panama City Beach, FL 32407-0600

POLICY NUMBER: 521 - 11372

POLICY PERIOD: 04/09/19 - 04/09/20

Schedule of Endorsements

| Form Number: | Edition: | Description: |
|---------------|----------|--|
| WC 00 04 04 | 04-84 | Pending Rate Change Endt |
| WC 00 04 06 A | 08-95 | Premium Discount Endt |
| WC 00 04 14 A | 01-19 | 90-Day Notification of Change in Ownership Endt |
| WC 00 04 19 | 01-01 | Premium Due Date Endt |
| WC 09 04 03 B | 01-15 | FL Terrorism Risk Ins. Program Reauthorization Act |
| WC 09 04 07 | 07-13 | FL Non-Cooperation with Premium Audit Endt |
| WC 09 06 06 | 10-98 | FL Employment and Wage Information Release Endt |
| WC 99 03 03 | 11-11 | Employers Liability Coverage Endt |
| WC 99 06 01 | 05-06 | FL Legal Action/Collection Endt |

EXTENSION OF INFORMATION PAGE WC 00 00 01 A - ITEM 4

CARRIER: BusinessFirst Insurance Company
P.O. Box 988
Lakeland, FL 33802-0988
(863)665-6060

AGENCY: The Norris Insurance Agency, Inc. - 5742
PO BOX 16118
PANAMA CITY, FL 32406
(850)769-8889

INSURED: Grand Panama Beach Resort Condo Assoc., Inc.

POLICY NUMBER: 521 - 11372 0000

DBA:

POLICY PERIOD: 04/09/19-04/09/20 12:01AM

11800 Front Beach Rd
Panama City Beach, FL 32407

PLAN: 010 -GUARANTEED COST

ESTIMATED PREMIUM

RATING PERIOD 04/09/19 to 04/09/20

| WORK CODE | CLASSIFICATION | PAYROLL | RATE | PREMIUM |
|----------------------|--|----------------|-------------|-----------------|
| 9015 | FL-Florida BUILDING OPS BY OWNER-MGMT FIRM ALL OTHER EMPL | 177,049.00 | 4.09 | 7,241.30 |
| | Total Manual Premium | | | 7,241.30 |
| | Experience Mod | | | .86 |
| | Standard Premium | | | 6,227.52 |
| | Expense Constant | | | 160.00 |
| | Terrorism | | | 17.70 |
| | Policy Grand Total | | | 6,405.22 |

Minimum Premium: \$569.00

cmb

Date Prepared: 02/13/19
WC 00 00 01 A - ITEM 4

**POLICY GRAND TOTAL IS SHOWN ON THE LAST
PAGE OF THIS EXTENSION**

Time Prepared: 11:50 AM ET, MON

**WORKERS COMPENSATION
AND EMPLOYERS LIABILITY
INSURANCE POLICY**

PLEASE READ THE POLICY CAREFULLY

BusinessFirst
Insurance Company®

PO Box 988 • Lakeland, FL 33802-0988

FOR INQUIRIES CALL: SUMMIT CUSTOMER SERVICE
1-800-282-7648 or (863) 665-6060
SUMMIT CLAIMS CENTER
To report Notice of Injury, call 1-800-762-7811

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY
QUICK REFERENCE

Beginning on page

Beginning on page

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PLEASE READ THE WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY CAREFULLY.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

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

GENERAL SECTION**A. The Policy**

This policy includes at its effective date the Information Page and all endorsements and schedules listed there. It is a contract of insurance between you (the employer named in Item 1 of the Information Page) and us (the insurer named on the Information Page). The only agreements relating to this insurance are stated in this policy. The terms of this policy may not be changed or waived except by endorsement issued by us to be part of this policy.

B. Who is Insured

You are insured if you are an employer named in Item 1 of the Information Page. If that employer is a partnership, and if you are one of its partners, you are insured, but only in your capacity as an employer of the partnership's employees.

C. Workers Compensation Law

Workers Compensation Law means the workers or workmen's compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page. It includes any amendments to that law which are in effect during the policy period. It does not include any federal workers or workmen's compensation law, any federal occupational disease law or 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 policy covers all of your workplaces listed in Items 1 or 4 of the Information Page; and it covers all other workplaces in Item 3.A. states unless you have other insurance or are self-insured for such workplaces.

**PART ONE
WORKERS COMPENSATION INSURANCE****A. How This Insurance Applies**

This workers compensation insurance 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 policy 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 policy period.

B. We Will Pay

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

C. We Will Defend

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

D. We Will Also Pay

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

E. Other Insurance

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

(Ed. 1-15)

insurance or 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 insurance, 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 where 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 or your estate will not relieve us of our duties under this insurance after an injury occurs.
3. We are directly and primarily liable to any person entitled to the benefits payable by this insurance. Those persons may enforce our duties; so may an agency authorized by law. Enforcement may be against us or against you and us.
4. Jurisdiction over you is jurisdiction over us for purposes of the workers compensation law. We are bound by decisions against you under that law, subject to the provisions of this policy that are not in conflict with that law.
5. This insurance conforms to the parts of the

workers compensation law that apply to:

- a. benefits payable by this insurance;
- b. special taxes, payments into security or other special funds, and assessments payable by us under that law.

6. Terms of this insurance 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 this policy.

PART TWO EMPLOYERS LIABILITY INSURANCE

A. How This Insurance Applies

This employers liability insurance 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 in a state or territory listed in Item 3.A. of the Information Page.
3. Bodily injury by accident must occur during the policy 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 policy 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 that you legally must pay as damages because of bodily injury to your employees, provided the bodily injury is covered by this Employers Liability Insurance.

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 third 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 insurance 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 executive officers;
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 coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions;
8. Bodily injury to any person in work subject to the Longshore and Harbor Workers' Compensation Act (33 U.S.C. Sections 901 et seq.), the Nonappropriated Fund Instrumentalities Act (5 U.S.C. Sections 8171 et seq.), the Outer Continental Shelf Lands Act (43 U.S.C. Sections 1331 et seq.), the Defense Base Act (42 U.S.C. Sections 1651-1654), the Federal Mine Safety and Health Act (30 U.S.C. Sections 801 et seq. and 901-944), any other federal workers or workmen's compensation law or other federal occupational disease law, or any amendments to these laws;
9. Bodily injury to any person in work subject to the Federal Employers' Liability Act (45 U.S.C. Sections 51 et seq.), any other federal laws obligating an employer to pay damages to an employee due to bodily injury arising out of or in the course of employment, or any amendments to those laws;
10. Bodily injury to a master or member of the crew of any vessel, and does not cover punitive damages related to your duty or obligation to provide transportation, wages, maintenance, and cure under any applicable maritime law;
11. Fines or penalties imposed for violation of federal or state law; and
12. Damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. Sections 1801 et seq.) and under any other federal law awarding damages for violation of those laws or regulations issued thereunder, and any amendments to those laws.

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 insurance. 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 insurance. We have no duty to defend or continue defending after we have paid our applicable limit of liability under this insurance.

E. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, 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 limit of our liability under this insurance;
3. Litigation costs taxed against you;
4. Interest on a judgment as required by law until we offer the amount due under this insurance; and
5. Expenses we incur.

(Ed. 1-15)

F. Other Insurance

We will not pay more than our share of damages and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that 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 and self-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 in Item 3.B. of the Information 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 insurance 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—policy limit" is the most we will pay for all damages covered by this insurance 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 insurance.

H. Recovery From Others

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

1. You have complied with all the terms of this policy; and

2. The amount you owe has been determined with our consent or by actual trial and final judgment. This insurance does not give anyone the right to add us as a defendant in an action against you to determine your liability. The bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this Part.

PART THREE OTHER STATES INSURANCE

A. How This Insurance Applies

1. This other states insurance applies only if one or more states are shown in Item 3.C. of the Information Page.
2. If you begin work in any one of those states after the effective date of this policy and are not insured or are not self-insured for such work, all provisions of the policy will apply as though that state were listed in Item 3.A. of the Information Page.
3. We will reimburse you for the benefits required by the workers compensation law of that state if we are not permitted to pay the benefits directly to persons entitled to them.
4. If you have work on the effective date of this policy in any state not listed in Item 3.A. of the Information Page, coverage will not be afforded for that state unless we are notified within thirty days.

B. Notice

Tell us at once if you begin work in any state listed in Item 3.C. of the Information Page.

PART FOUR YOUR DUTIES IF INJURY OCCURS

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

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

A. Our Manuals

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

B. Classifications

Item 4 of the Information Page shows the rate and premium basis for certain business or work classifications. These classifications were assigned based on an estimate of the exposures you would have during the policy period. If your actual exposures are not properly described by those classifications, we will assign proper classifications, rates and premium basis by endorsement to this policy.

C. Remuneration

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

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

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

E. Final Premium

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

If this policy is canceled, final premium will be determined in the following way unless our manuals provide otherwise:

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

F. Records

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

G. Audit

You will let us examine and audit all your records that relate to this policy. 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 policy period and within three years after the policy period ends. Information developed by audit will be used to determine final premium. 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 premiums 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 Policy

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

C. Transfer of Your Rights and Duties

Your rights or duties under this policy 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

1. You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancellation is to take effect.
2. We may cancel this policy. We must mail or deliver to you not less than ten days advance written notice stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.
3. The policy period will end on the day and hour stated in the cancellation notice.
4. Any of these provisions that conflict with a law that controls the cancellation of the insurance in this policy is changed by this statement to comply with the law.

E. Sole Representative

The insured first named in Item 1 of the Information Page will act on behalf of all insureds to change this policy, receive return premium, and give or receive notice of cancellation.

Executed by the President of Summit Consulting LLC,
Managing General Agent and Representative,
duty authorized by BusinessFirst Insurance Company.



Carol Sipe

PENDING RATE CHANGE ENDORSEMENT

A rate change filing is being considered by the proper regulatory authority. The filing may result in rates different from the rates shown on the policy. If it does, we will issue an endorsement to show the new rates and their effective date.

If only one state is shown in Item 3.A. of the Information Page, this endorsement applies to that state. If more than one state is shown there, this endorsement applies only in the state shown in the Schedule.

Schedule

State: Florida

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

Date Prepared: February 13, 2019

Carrier: BusinessFirst Insurance Company

Effective Date of Endorsement: April 9, 2019

Policy Number: 521-11372

Countersigned by:

A handwritten signature in black ink, appearing to be "J. G. Smith", written over a horizontal line.

Insured: Grand Panama Beach Resort Condo Assoc., Inc.

WC 00 04 04 (Ed. 4-84)

PREMIUM DISCOUNT ENDORSEMENT

The premium for this policy and the policies, if any, listed in Item 3 of the Schedule may be eligible for a discount. This endorsement shows your estimated discount in Items 1 or 2 of the Schedule. The final calculation of premium discount will be determined by our manuals and your premium basis as determined by audit. Premium subject to retrospective rating is not subject to premium discount.

Schedule

| 1. State Florida | Estimated Eligible Premium | | | |
|---------------------|----------------------------|----------------------|------------------------|---------|
| | First \$10,000.00 | Next \$190,000.00 | Next \$1,550,000.00 | Balance |
| | 0.00% | 9.1% | 11.3% | 12.3% |

2. Average percentage discount: _____ %

3. Other policies:

4. If there are no entries in Items 1, 2 and 3 of the Schedule, see the Premium Discount Endorsement attached to your policy number:

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

Date Prepared: February 13, 2019

Carrier: BusinessFirst Insurance Company

Effective Date of Endorsement: April 9, 2019

Policy Number: 521-11372

Countersigned by:



Insured: Grand Panama Beach Resort Condo Assoc., Inc.

90-DAY REPORTING REQUIREMENT – NOTIFICATION OF CHANGE IN OWNERSHIP ENDORSEMENT

You must report any change in ownership to us in writing within 90 days of the date of the change. Change in ownership includes sales, purchases, other transfers, mergers, consolidations, dissolutions, formations of a new entity, and other changes provided for in the applicable experience rating plan. Experience rating is mandatory for all eligible insureds. The experience rating modification factor, if any, applicable to this policy, may change if there is a change in your ownership or in that of one or more of the entities eligible to be combined with you for experience rating purposes.

Failure to report any change in ownership, regardless of whether the change is reported within 90 days of such change, may result in revision of the experience rating modification factor used to determine your premium.

This reporting requirement applies regardless of whether an experience rating modification is currently applicable to this policy.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

Date Prepared: February 13, 2019

Carrier: BusinessFirst Insurance Company

Effective Date of Endorsement: April 9, 2019

Policy Number: 521-11372

Countersigned by:

A handwritten signature in black ink, appearing to be "J. J. Smith", written over a horizontal line.

Insured: Grand Panama Beach Resort Condo Assoc., Inc.

PREMIUM DUE DATE ENDORSEMENT

This endorsement is used to amend:

Section D. of Part Five of the policy is replaced by this provision.

**PART FIVE
PREMIUM**

D. **Premium** is amended to read:

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid. **The due date for audit and retrospective premiums is the date of the billing.**

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

Date Prepared: February 13, 2019

Carrier: BusinessFirst Insurance Company

Effective Date of Endorsement: April 9, 2019

Policy Number: 521-11372

Countersigned by:

A handwritten signature in black ink, appearing to be "J. J. J.", written over a horizontal line.

Insured: Grand Panama Beach Resort Condo Assoc., Inc.

FLORIDA TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT ENDORSEMENT

This endorsement addresses the requirements of the Terrorism Risk Insurance Act of 2002 as amended by the Terrorism Risk Insurance Program Reauthorization Act of 2015.

Definitions

The definitions provided in this endorsement are based on and have the same meaning as the definitions in the Act. If words or phrases not defined in this endorsement are defined in the Act, the definitions in the Act will apply.

1. "Act" means the Terrorism Risk Insurance Act of 2002, which took effect on November 26, 2002, and any amendments, including any amendments resulting from the Terrorism Risk Insurance Program Reauthorization Act of 2015.
2. "Act of Terrorism" means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States as meeting all of the following requirements
 - a. The act is an act of terrorism.
 - b. The act is violent or dangerous to human life, property or infrastructure.
 - c. The act resulted in damage within the United States, or outside of the United States in the case of the premises of United States missions or certain air carriers or vessels.
 - d. The act has been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
3. "Insured Loss" means any loss resulting from an act of terrorism (including an act of war, in the case of workers compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if the loss occurs in the United States or at the premises of United States missions or to certain air carriers or vessels.
4. "Insurer Deductible" means, for the period beginning on January 1, 2015, and ending on December 31, 2020, an amount equal to 20% of our direct earned premiums, during the immediately preceding calendar year.

Limitation of Liability

The Act limits our liability to you under this policy. If aggregate Insured Losses exceed \$100,000,000,000 in a calendar year and if we have met our Insurer Deductible, we are not liable for the payment of any portion of the amount of Insured Losses that exceeds \$100,000,000,000; and for aggregate Insured Losses up to \$100,000,000,000, we will pay only a pro rata share of such Insured Losses as determined by the Secretary of the Treasury.

Policyholder Disclosure Notice

1. Insured Losses would be partially reimbursed by the United States Government. If the aggregate industry Insured Losses exceed:
 - a. \$100,000,000, with respect to such Insured Losses occurring in calendar year 2015, the United States Government would pay 85% of our Insured Losses that exceed our Insurer Deductible.
 - b. \$120,000,000, with respect to such Insured Losses occurring in calendar year 2016, the United States Government would pay 84% of our Insured Losses that exceed our Insurer Deductible.
 - c. \$140,000,000, with respect to such Insured Losses occurring in calendar year 2017, the United States Government would pay 83% of our Insured Losses that exceed our Insurer Deductible.
 - d. \$160,000,000, with respect to such Insured Losses occurring in calendar year 2018, the United States Government would pay 82% of our Insured Losses that exceed our Insurer Deductible.

- e. \$180,000,000 with respect to such Insured Losses occurring in calendar year 2019, the United States Government would pay 81% of our Insured Losses that exceed our Insurer Deductible.
- f. \$2000,000,000 with respect to such Insured Losses occurring in calendar year 2020, the United States Government would pay 80% of our Insured Losses that exceed our Insurer Deductible.
- 2. Notwithstanding item 1 above, the United States Government will not make any payment under the Act for any portion of Insured Losses that exceed \$100,000,000,000.
- 3. The premium charge for the coverage your policy provides for Insured Losses is included in the amount shown in Item 4 of the Information Page or in the Schedule below.

Schedule

Rate per \$100 of Remuneration

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

Date Prepared: February 13, 2019

Carrier: BusinessFirst Insurance Company

Effective Date of Endorsement: April 9, 2019

Policy Number: 521-11372

Countersigned by:

A handwritten signature in black ink, appearing to be 'S. J. ...', written over a horizontal line.

Insured: Grand Panama Beach Resort Condo Assoc., Inc.

FLORIDA NON-COOPERATION WITH PREMIUM AUDIT ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because Florida is shown in Item 3.A. of the Information Page.

This endorsement adds the following provisions to Part Five—Premium, G. Audit, of the policy:

We are required to complete the premium audit process no later than 90 days after policy termination. If you fail to return voluntary audit requests or refuse to cooperate in completing a final physical audit, you must pay a premium to us not to exceed three times the most recent estimated annual premium on this policy subject to the following conditions:

1. We make two good faith efforts to obtain the voluntary audit report or complete the physical audit.
2. We document the audit file regarding the above attempts to obtain the required audit information.
3. After the two good faith attempts to obtain records, we send a letter by certified mail to you advising you of the specific records that are required and the premium that will be charged if you continue to refuse access to the records.

If you do not provide all of the specific records required and if we satisfy the conditions above on or before 90 days from the date of policy termination, we may continue to try and conduct the audit and/or re-open the audit for up to three years from the date of policy termination. Alternatively, we may immediately bill you a premium not to exceed three times the most recent estimated annual premium on this policy. If you provide all of the specific records required to complete the premium audit process within the three year period, we will determine your final premium in accordance with Part Five—Premium, E. Final Premium of the policy.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

Date Prepared: February 13, 2019

Carrier: BusinessFirst Insurance Company

Effective Date of Endorsement: April 9, 2019

Policy Number: 521-11372

Countersigned by:



Insured: Grand Panama Beach Resort Condo Assoc., Inc.

FLORIDA EMPLOYMENT AND WAGE INFORMATION RELEASE ENDORSEMENT

This policy requires you to release certain employment and wage information maintained by the State of Florida pursuant to federal and state unemployment compensation laws except to the extent prohibited or limited under federal law. By entering into this policy, you consent to the release of the information.

We will safeguard the information and maintain its confidentiality. We will limit use of the information to verifying compliance with the terms of the policy.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

Date Prepared: February 13, 2019

Carrier: BusinessFirst Insurance Company

Effective Date of Endorsement: April 9, 2019

Policy Number: 521-11372

Countersigned by:

A handwritten signature in black ink, appearing to be "S. J. [unclear]", written over a horizontal line.

Insured: Grand Panama Beach Resort Condo Assoc., Inc.

WC 09 06 06 (Ed. 10-98)

EMPLOYERS LIABILITY COVERAGE ENDORSEMENT

C. Exclusion 5, Section C. of Part Two of the policy, is replaced by following:

This insurance does not cover

5. bodily injury intentionally caused or aggravated by you or which is the result of your engaging in conduct equivalent to an intentional tort, however defined, or other tortious conduct, such that you lose your immunity from civil liability under the workers compensation laws.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

Date Prepared: February 13, 2019

Carrier: BusinessFirst Insurance Company

Effective Date of Endorsement: April 9, 2019

Policy Number: 521-11372

Countersigned by:

A handwritten signature in black ink, appearing to be "J. J. J.", written over a horizontal line.

Insured: Grand Panama Beach Resort Condo Assoc., Inc.

FLORIDA LEGAL ACTION/COLLECTION ENDORSEMENT

The following section is added to PART SIX: CONDITIONS.

F. Legal Action/Collection

That, in the event any premium or other sum of money is not paid within five days after it is due, for each amount in default, the insured agrees to pay the insurer a delinquency and collection fee of \$25 or five percent of the amount in default, whichever is greater. If an amount in default is referred for collection to an attorney, the insured agrees to pay the insurer's attorneys' fees not exceeding 25 percent of the sum of the delinquent amount and any delinquency and collection fee charged by the insurer.

In the event litigation becomes necessary in regard to collection or any other dispute that may arise as a result of this contract of insurance, the insured agrees that Polk County, Florida, will be the proper venue for the legal action. The insured agrees also that if supplemental proceedings are required subsequent to judgment, the president and secretary of a corporation or limited liability company insured or all partners of a partnership insured or the individual in the event of an individual insured shall submit to the supplemental proceedings in Polk County, Florida.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

Date Prepared: February 13, 2019

Carrier: BusinessFirst Insurance Company

Effective Date of Endorsement: April 9, 2019

Policy Number: 521-11372

Countersigned by:

A handwritten signature in black ink, appearing to be "G. J. ...", written over a horizontal line.

Insured: Grand Panama Beach Resort Condo Assoc., Inc.

Important Workers' Compensation Information for Florida's Employers

Revised March 2010

Department of Financial Services—Division of Workers' Compensation

Your workers' compensation insurance policy covers medical and partial wage-replacement benefits for any employee who sustains a work related injury or illness. This brochure will give you a better understanding of your role and responsibilities under the workers' compensation system.

Workers' Compensation Notice

The law requires that every employer who has secured workers' compensation coverage post in conspicuous place(s) a notice that contains the employer's insurance carrier information, the expiration date of the policy and an anti-fraud statement. The Division of Workers' Compensation has developed this notice, in poster form, for carriers to provide to their policyholders. Your carrier is required by law to provide you with the poster(s). Even if employers have purchased workers' compensation policies, they shall be deemed to have failed to secure workers' compensation coverage if they have committed any of the following actions:

- materially understated or concealed payroll,
- materially misrepresented or concealed employee duties to avoid proper classification for premium calculations, or
- materially misrepresented or concealed information pertinent to the computation and application of an experience modification factor

Employers who fail to secure workers' compensation coverage or fail to update information on their workers' compensation insurance application are subject to stop work orders and civil and criminal penalties.

First Report of Injury

As soon as you become aware of a work-related injury or illness, immediately contact your workers' compensation insurance carrier. If you do not report the injury or illness to your insurance carrier within seven days of the date you were informed, you may be subject to an administrative fine not to exceed \$2,000 per occurrence. Most insurance companies have a toll-free number to report work-related injuries. If you report the injury or illness to the insurance carrier by telephone, the carrier will complete the form and send a copy to you and the employee within three business days. You can also fill out the First Report of Injury or Illness form (DWC-1) and send it to the insurance carrier. The form contains employer, employee and accident information and can be obtained on the Division of Workers' Compensation Web site at www.MyFloridaCFO.com/WC/pdf/DFS-F2-DWC-1.pdf. You must also provide a copy of the First Report of Injury or Illness form to the employee. The employee's signature on the form is preferred, but if the employee is not able or available to sign it, then write "not available" in the employee signature box.

Workplace Fatalities

Employers must also report deaths resulting from work-related injuries or illnesses to the Division of Workers' Compensation within 24 hours. To report a workplace fatality, call 1-800-219-8953 (in Florida) or 850-413-1611, or fax the First Report of Injury or Illness form containing the fatality information to 850-413-1980. To access the form, go to <http://www.MyFloridaCFO.com/WC/forms.html> and click on DWC-1.

Medical Benefits

As soon as you notify your carrier about your employee's work-related injury, the carrier will:

- Determine the compensability of the injury
- Provide an authorized doctor
- Pay for all authorized medically necessary care and treatment related to the injury or illness
- Provide a one-time change of physician within five business days of receipt of your written request

Authorized treatment and care may include:

- Doctor's visits
- Hospitalization
- Physical therapy
- Medical tests
- Prescription drugs
- Prostheses
- Travel expenses to and from authorized providers or pharmacies.

Upon reaching maximum medical improvement (MMI), the employee is required to pay a \$10 copayment per visit for medical treatment. MMI occurs when the treating physician determines that the employee's injury has healed to the extent that further improvement is not likely.

Wage Replacement Benefits

Workers' compensation benefits for lost wages will start on the eighth day that the injured employee is unable to work. The injured employee will not receive wage replacement benefits for the first 7 days of work missed, unless he or she is out of work for more than 21 days due to the work-related injury. In most cases, the wage-replacement benefits will equal two-thirds of the employee's pre-injury regular weekly wage, but the benefit will not be higher than Florida's average weekly wage. If the employee qualifies for wage replacement benefits, he or she can expect to receive the first benefit check within 21 days after the carrier becomes aware of the injury or illness, and bi-weekly

(Continued on page 2)

Important Workers' Compensation Information for Florida's Employers

(Continued from page 1)

thereafter. The injured employee will be eligible for different types of wage replacement benefits, depending on the progress of the claim and the severity of the injury.

- **Temporary Total Benefits:** These benefits are provided as a result of an injury that temporarily prevents the employee returning to work and the employee has not reached MMI.
- **Temporary Partial Benefits:** These benefits are provided when the doctor releases the employee to return to work, and the employee has not reached MMI and earns less than 80 percent of the pre-injury wage. The benefit is equal to 80 percent of the difference between 80 percent of the pre-injury wage and the post-injury wage. The maximum length of time the injured employee can receive temporary benefits is 104 weeks or until the date of MMI is determined, whichever is earlier.
- **Permanent Impairment Benefits:** These benefits are provided when the injury causes any physical, psychological or functional loss and the impairment exists after the date of MMI. A doctor will assign a permanent impairment rating, expressed as a percentage of disability to the body as a whole. If you return to work at or above your pre-injury wage, the permanent impairment benefit is reduced by 50%.
- **Permanent Total Benefits:** These benefits are provided when the injury causes the employee to be permanently and totally disabled according to the conditions stated in law.
- **Death Benefits:** Compensation for deaths resulting from work-related injuries or illnesses include payment of funeral expenses and dependency benefits (each are subject to limits defined by law). A dependent spouse may also be eligible for job training benefits.

Wage Statement Form

You must complete and provide a wage statement form (DFS-F2-DWC-1a) to your carrier for any employee who is entitled to wage replacement benefits, within 14 days after knowledge of the accident. You must also complete this form upon the termination of the employee or upon termination of fringe benefits for any employee who is collecting wage replacement benefits within seven days of such termination. To access the form go to, <http://www.MyFloridaCFO.com/WC/forms.html> and click on DWC-1a.

Employee Assistance Office

If you have any questions or concerns about your employees' workers' compensation benefits, call your workers' compensation insurance carrier. If the insurance carrier does not provide the information that you have requested, you can call the Division of Workers' Compensation, Employee Assistance Office (EAO) at 1-800-342-1741. This office helps prevent and resolve disputes between injured workers and employers/carriers. EAO specialists are knowledgeable about the workers'

compensation system and may be able to answer your questions. EAO has offices throughout the state that you can call or visit. You can find EAO statewide locations at www.MyFloridaCFO.com/WC/organization/eao_offices.html.

In addition, the Division of Workers' Compensation has a Web site section on "Frequently Asked Questions for Employers," which can be accessed at <http://www.MyFloridaCFO.com/WC/faq/faqemployers.html>.

Petition for Benefits

To begin the judicial procedure for obtaining benefits that you believe are due and owing under the law and have not been provided by the employer or insurance carrier, a Petition for Benefits form must be filed with the Office of Judges of Compensation Claims. The form can be accessed at www.jcc.state.fl.us/jcc/forms/.asp.

Anti-Fraud Reward Program

Workers' compensation fraud occurs when any person knowingly and with intent to injure, defraud or deceive any employer or employee, insurance carrier or self-insured program, files false or misleading information. Workers' compensation fraud is a third degree felony that can result in fines, civil liability, and jail time. Rewards of up to \$25,000 may be paid to individuals who provide information that lead to the arrest and conviction of persons committing insurance fraud. To report suspected workers' compensation fraud, call 1-800-378-0445.

Workers' Compensation Exemptions

Construction Industry

An employer in the construction industry who employs one or more part-time or full-time employees, including the owner, must obtain workers' compensation coverage.

Corporate officers or members of a limited liability company (LLC) in the construction industry may elect to be exempt if:

- The officer owns at least 10 percent of the stock of the corporation, or in the case of an LLC, a statement attesting to the minimum 10-percent ownership.
- The officer is listed as an officer of the corporation in the records of the Florida Department of State, Division of Corporations.
- The corporation is registered and listed as active with the Florida Department of State, Division of Corporations.

No more than three corporate officers per corporation or limited liability member are allowed to be exempt. A \$50 fee is required for each application submitted to obtain an exemption. Construction exemptions are valid for a period of two years or until a voluntary revocation is filed or the exemption is revoked by the Division.

(Continued on page 3)

Important Workers' Compensation Information for Florida's Employers

(Continued from page 2)

Non-Construction Industry

An employer in the non-construction industry, who employs four or more part-time or full-time employees, must obtain workers' compensation coverage.

Sole proprietors and partners in the non-construction industry are automatically exempt from the law, but can elect to be covered.

Non-construction industry corporate officers may elect to be exempt if:

- The officer is listed as an officer of the corporation in the records of the Florida Department of State, Division of Corporations.
- The corporation is registered and listed as active with the Florida Department of State, Division of Corporations.

There is no limit to the number of corporate officers who can be exempt and there is no application fee. Non-construction exemptions are valid until a voluntary revocation is filed or the exemption is revoked by the Division.

For copies of the exemption form, contact the Division's Bureau of Compliance at (850) 413-1609 or go to <http://www.MyFloridaCFO.com/WC/forms.html> and click on Rule 69L-6 and Form number DWC-250, Notice of Election to Be Exempt.

What Your Employee Can Expect From The Insurance Carrier

- Timely provision of medical treatment
- Timely payment of wage replacement benefits
- Timely payment of medical bills
- Timely reporting of the employee's claim information to the Division of Workers' Compensation
- Timely notification of any changes in the status of the employee's claim. This information should be provided to the injured worker by mail on either a Notice of Action/Change form (DWC-4) or a Notice of Denial form (DWC-12)

Frequently Asked Questions

Q) How many days do employees have to report work-related injuries or illnesses?

A) Employers should encourage employees to report accidents as soon as the work related injuries or illnesses occur. By law, however, employees are required to report work related injuries or illnesses within 30 days.

Q) To whom should I report the work-related injury?

A) You should report the accident to your insurance company as soon as you have knowledge of the injury. By law, you have seven days from your first knowledge of the work related injury.

Q) Do I have to report a claim if I do not believe it is a work-related injury or illness?

A) Yes. You should report all claims of work-related injuries or illnesses to your workers' compensation insurance carrier. This includes claims in which there are no witnesses of the injury or illness. It is your workers' compensation insurance carrier's responsibility to investigate all claims and determine if employees are entitled to benefits under Florida's Workers' Compensation Law.

Q) Does the employee pay any part of my workers' compensation insurance premium?

A) No. The law is very specific on this point. It is the employer's responsibility to pay the entire premium for workers' compensation.

Employers who secure workers' compensation coverage can also apply to become a drug-free workplace and may receive a premium discount. To learn more about the Drug-free Workplace Program, please call the Division of Workers' Compensation Customer Service Office at 850-413-1609.

Q) Who should I call if my employees have questions or concerns regarding their workers compensation claims?

A) You should first contact your insurance carrier. If your carrier is unable to answer the question or resolve the problem, you or your employees should call the Employee Assistance and Ombudsman Office at 1-800-342-1741.

Questions about workers' compensation?

Please visit our Web site at www.MyFloridaCFO.com/wc where you will find extensive information such as publications, databases, rules and forms that will give you a better understanding of workers' compensation.

Employee Assistance and Ombudsman Office Hotline

1-800-342-1741

Injured worker e-mail inquiries

wceao@MyFloridaCFO.com

Customer Service

(850) 413-1601

Employer e-mail inquiries

WorkCompCustServ@MyFloridaCFO.com

Workers' Compensation Fraud Hotline

1-800-378-0445

ATTENTION!

Please notify our office if you have any changes affecting your workers' compensation insurance policy

Below are the following types of changes that must be completed and reported to your Customer Service department within 30 days of the change:

Company name

- Changes to the name of the corporation, limited liability company (LLC), partnership or sole proprietorship.
- Any changes to dba names.

Federal Employee Identification Number (FEIN)

Changes in business type (e.g. from an LLC to an Inc.) require a new FEIN.

Ownership

- Any change in ownership must be submitted and endorsed onto the workers' compensation policy.
- Any majority ownership change (50 percent or more) must be endorsed or rewritten.

Corporate officers, partners, owners and/or titles

Additions, deletions or changes (including titles) to the officers, LLC members or managing members, partners or sole proprietors.

Address

Changes in the mailing or physical address of any entity or location.

Please report any of these changes IMMEDIATELY FOLLOWING the change taking effect.

Failure to do so can negatively impact your experience rating, and could raise your premium. Changes may be submitted on a completed and signed ERM-14, or in a letter on your company letterhead and signed by an executive officer or owner. The ERM-14 form is available on Summit's Online Business Center at summitholdings.com. If you have any questions, please give us a call at one of the numbers listed below and ask for Customer Service.



Member of Great American Insurance Group

www.summitholdings.com

SUMMIT UNDERWRITING DEPARTMENT

CORPORATE OFFICE *Florida*

PO Box 3643 • Lakeland, FL 33802-3643 • 863-665-6060 • 1-800-282-7648 • Fax 1-800-611-2667

SOUTHEAST REGION *Georgia, Indiana, Kentucky, North Carolina, South Carolina, Tennessee*

PO Box 600 • Gainesville, GA 30503-0600 • 678-450-5825 • 1-800-971-2667 • Fax 1-877-288-9774

SOUTHWEST REGION *Alabama, Arkansas, Louisiana, Mississippi, Texas*

PO Box 80439 • Baton Rouge, LA 70898-0439 • 225-926-3264 • 1-800-421-2944 • Fax 1-866-256-8389

Q&A FOR YOUR WORKERS' COMPENSATION PREMIUM AUDIT

For more information, contact Summit's Premium Audit department at 1-800-282-7648 or (863) 665-6060.

What is a premium audit?

A premium audit is a verification of your company's payroll for the period during which your insurance carrier provided workers' compensation coverage. The amount of the payroll must be verified because your final workers' compensation insurance premium is based on the entire remuneration paid to your employees. This includes money and certain benefits they receive because of their employment.

You can rest assured that the payroll information you provide will be used only to determine your premium. All audit reports will be kept confidential.

Why are audits performed?

Your policy contract and some state workers' compensation laws require audits. The audit allows both you and your insurer to be certain that your workers' compensation coverage has been properly and fairly billed.

When are audits performed?

Cancellation audits are performed as soon as possible after workers' compensation coverage is terminated. Yearly audits for employers currently insured are performed at the end of each policy period.

Who will perform the audit?

There are two types of audits: mail and physical. If your account qualifies for a mail audit, we will request your records via U.S. Mail. Otherwise, an auditor will schedule a physical audit with you.

How are appointments for physical audits made?

The auditor will either telephone you or mail you a written notice.

Where will the physical audits take place?

If we have audited your records before, the audit will be completed at the same location as prior audits, unless we are notified otherwise. If we haven't yet completed an audit or if you would like us to contact your accountant's office, please be sure to let the auditor know well in advance so the audit can be scheduled for a time and place that is convenient to you. Also, please let the auditor know right away if your payroll records are kept out of state. If you receive a mail audit notice, please comply by promptly sending the requested records to us.

What if I have more than one location?

Please note that records for all additional locations should be kept at the main location for audit. Our auditor will not go to each location for an audit.

What records are required for my audit?

These are some of the records that will be needed for the policy period being covered for the audit:

- ☐ State unemployment quarterly payroll tax reports, including 941s.
- ☐ Cash disbursements journal
- ☐ General ledger (posted to date)
- ☐ Certificates of insurance (if subcontractors were used)

Additional records may be needed as well in order to accurately ascertain payroll.

You should take special care to provide the following information for the audit period:

- **Overtime**— If you paid overtime to your employees, your records must show the overtime pay separately by employee and also summarize the overtime pay by classification code.
- **Split of Classification**— If an employee's classification code can be split, you must have the time separated by the hour. It cannot be separated by percentage of time worked.
- **Subcontractors and contract labor**— If you use subcontractors or contract labor, please have all certificates of insurance and payroll records available for the audit. If you are unable to provide evidence of insurance, you must pay workers' compensation premium for that uninsured labor. Also remember that paying someone by 1099 does not necessarily make them an independent contractor, and you may be subject to paying premiums on them. Please research your state's specific statutes to be certain of your obligation to provide coverage.

Who should represent my company at the physical audit?

Our auditor must have the assistance of a person familiar with the records and duties of each employee.

Are there penalties for not cooperating with the audit?

Yes. The insurer may cancel your policy for failure to provide audit records or for failure to cooperate with the auditor, in addition to imposing penalties and fines that may include:

- A fine of \$500 may be assessed if you fail to maintain essential records.
- A fine of \$500 may be assessed if you fail to allow access to the essential records.
- If the auditor is unable to complete an audit, your insurer may arbitrarily determine payroll and charge up to a maximum of three times* the most recent estimated amount of premium.

** Specific to individual states*



Member of Great American Insurance Group

www.summitholdings.com

SUMMIT PREMIUM AUDIT DEPARTMENT

CORPORATE OFFICE *Florida*

PO Box 988 • Lakeland, FL 33802-0988 • 863-665-6060 • 1-800-282-7648 • Fax 863-667-7232

PAY YOUR WORKERS' COMP PREMIUMS WITH ELECTRONIC FUNDS TRANSFER (EFT)

Summit's electronic funds transfer (EFT) payment option will simplify your payment practices significantly. Summit will automatically withdraw the correct workers' compensation premium payment from your bank account each month, so you never have to worry about remembering to pay your invoice on time!

How EFT helps you

- Saves time.
- You make no down payment except the expense constant.*

You're in control

- You always know when your premium withdrawal will be made. It will be withdrawn on the effective day of your policy each month. (For example, if your policy was effective March 8, the withdrawal would occur on the 8th of each month.)
- You'll be reminded of your EFT in your monthly invoice.
- Any fluctuation in the amount of withdrawal will be reported to you in advance of the transfer on your invoice.
- You can end your participation in the EFT program at any time with a minimum 10-day notice.

Note: You can also have claims charges and audit payments transferred electronically. Simply check the appropriate box below.

Signing up is easy!

- ✓ Simply fill out and sign the Authorization Agreement below.
- ✓ Attach bank account documentation (e.g., a voided check).
- ✓ Mail the agreement and required bank documentation to Summit Underwriting at the address below.

** Note that the initial expense constant charge is required at inception of the policy in the form of a check that must be mailed to the address provided below. EFT drafts will begin with the first policy installment and will continue through future renewals during participation in the program.*



CUT HERE & MAIL

Authorization Agreement for Preauthorized Payments

We hereby authorize our workers' compensation carrier to initiate the electronic transfer of funds from the bank account referenced on the attached documentation (e.g., voided check). We also authorize the financial institution to process such transactions to our account.

We understand that the withdrawal will be made on the effective day of our policy each month in an amount equal to our regular premium billing for workers' compensation coverage. We understand that we will be notified when our request has been processed and when the transfers begin.

We acknowledge that this agreement will remain in effect until we terminate this contract, and we agree to notify Summit and the financial institution no fewer than 10 days prior to the date we wish to discontinue participation in the program.

We also authorize transfer of funds for claims payments. ☐
We also authorize transfer of funds for audit balances. ☐

Company name _____

Policy or submission number _____

Signature of owner/officer _____

Print name _____

Title _____

Date _____

Send this form along with bank account documentation to:
Summit Underwriting
PO Box 32034
Lakeland, FL 33802-2034

**PRIVACY PRACTICES DISCLOSURE NOTICE FOR
SUMMIT CONSULTING LLC AND
YOUR SUMMIT-MANAGED INSURER**

This Privacy Practices Disclosure Notice outlines the privacy practices for Summit Consulting LLC ("Summit") and the Summit managed-insurer listed in the Information Page of your workers' compensation and employer's liability insurance policy.

This notice tells you:

- The categories of nonpublic personal information (NPPI) we collect from you or a third party about you or about participants, beneficiaries or claimants under your workers compensation and employers liability insurance policy;
- How we use NPPI;
- The categories of affiliates and nonaffiliate third parties with whom we share NPPI;
- The security policies and procedures in place to protect the confidentiality and security of NPPI provided to us;
- That we may monitor and record telephone calls for quality assurance.

If you have questions regarding this Privacy Practices Disclosure Notice, contact us by writing to:

**Customer Service Department
Summit
PO Box 988
Lakeland, FL 33802**

If applicable, please include your policy number or contract number with any correspondence.

1. INFORMATION WE MAY COLLECT

We want you to conduct business with us knowing that we protect NPPI. We collect NPPI about you or about claimants under your insurance coverage from you or from third parties via:

- Applications or other forms which may include policyholder or claimant name, address, phone number, Social Security number, household information, vehicle and driver information, date of birth, medical information related to underwriting and claims, and insurance coverage;
- Your business dealings with us, our affiliates, or others, such as prior claims or accidents, medical information related to claims, information about your employee's accident or injury (if applicable), and the names of witnesses and other contact information; and
- Consumer reporting agencies, motor vehicle departments, and inspection services.

**PRIVACY PRACTICES DISCLOSURE NOTICE FOR
SUMMIT CONSULTING LLC AND
YOUR SUMMIT-MANAGED INSURER**

2. HOW THE INFORMATION IS USED

We use NPPI:

- To provide Policy and premium quotes;
- To underwrite applications, administer claims, and answer questions about our insurance products and services;
- For account administration and processing premium billings payments;
- To process and defend insurance claims, and administer insurance benefits (including utilization review activities);
- To report, investigate, or prevent fraud or material misrepresentation; and
- As otherwise required or permitted by federal or state law.

3. TO WHOM INFORMATION IS DISCLOSED

We do not disclose NPPI about you or about claimants under your insurance policy to anyone, unless allowed by law. We are allowed by law to provide NPPI to:

- A third party that performs services for us, such as claims investigations or medical examinations;
- Our affiliated companies and reinsurers;
- Insurance regulators, reporting agencies or, if applicable, involuntary market administrators;
- State motor vehicle departments to obtain a report of any accidents or convictions;
- Law enforcement agencies or other governmental authorities to report suspected illegal activities;
- Persons or organizations conducting insurance, actuarial or research studies, subject to appropriate confidentiality agreements;
- Companies that provide marketing services on our behalf, or as part of a joint marketing agreement; and,
- As otherwise permitted or required by law.

4. HOW WE PROTECT INFORMATION

We maintain physical, electronic and procedural safeguards to guard NPPI. These safeguards comply with applicable laws. We retain NPPI for as long as required by law or regulation. The only employees or agents who have access to your NPPI are those who must have it to provide products or services to you. We do not sell your NPPI to mass marketing or telemarketing companies.

5. TELEPHONE MONITORING

As part of our continuing desire to provide high quality service to our customers, telephone communications with you may be monitored and recorded. Telephone call monitoring and/or recording may be performed with no additional notice to you and with no additional approval from you. Please inform all persons that contact us concerning your insurance policy, including those acting on your behalf or anyone making payment on this policy, of this provision.