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Association of Washington Cities
WORKERS' COMPENSATION GROUP RETRO PROGRAM
PARTICIPATION AGREEMENT AND GROUP ENROLLMENT APPLICATION
Government, Utilities & Related Services

As a member in good standing with the Association of Washington Cities

CITY OF OTHELLO

Member Name

005, 572-00

L&I Account Number

Enrolls by this agreement as a participating member in the Group Retrospective Rating Agreement between the Association of Washington Cities (AWC) and the Washington State Department of Labor and Industries (L & I). This membership is subject to approval by L & I after submittal of the required "Application For Group Membership And Authorization For Release Of Insurance Data" (L&I retro application form).

1. Goals of the Program:

- A. Reduce the frequency and severity of industrial injuries;
- B. Reduce members' experience factors;
- C. Offer members an opportunity to qualify for refunds on Standard Premium paid to the Department of Labor & Industries.

2. Administration & Management of the Program:

AWC is responsible for the day-to-day operation of the Program and may contract with a third party administrator to fulfill some of its responsibilities, which include:

- A. Assisting program participants in reducing the frequency and severity of industrial injuries;
- B. Educating program participants in the most appropriate ways to control costs;
- C. Providing claims management services;
- D. Providing program information and training materials;
- E. Administering State Fund claims for members enrolled in the Program.
- F. Providing loss control and risk management services.

3. Governance of AWC Retro Program

The AWC Board Executive Committee is the governing authority for the AWC Workers' Compensation Retrospective Rating Program. A committee composed of representatives of seven member cities/towns advises the Board Executive Committee and AWC Retro staff on operational issues including contract terms, distribution of refunds, program enhancements, conditions for continued participation and other issues. This committee meets at least once per year.

4. Member Agrees To:

- A. Remain a member of the AWC Retro Program through the initial plan year and all subsequent related adjustments.
- B. During the contract term, maintain an individual account for workers' compensation insurance in good standing with the Department of Labor & Industries;
- C. Comply with all applicable laws, rules and regulations set forth by L&I;
- D. Participate in safety and loss control programs available as an AWC Retro Program member, including striving to have at least one field employee complete training to become a Certified Safety Coordinator;
- E. Demonstrate a commitment to maintaining a safe workplace and utilizing return-to-work strategies to reduce claims costs;
- F. Maintain membership in the Association of Washington Cities through the final retro year adjustment;
- G. Pay a Service Fee of six and one half percent (6.5%) of total Industrial Insurance Premium, billed annually in January, for each plan year of participation;
- H. Non-payment of service fees as agreed will result in forfeiture of any refund that may otherwise be due.

5. Refunds/Adjustments:

- A. A refund distribution and retention policy guides the determination of the amount of refunds returned to members and the amount held in reserves, for each plan year in which L & I refunds are received. Members whose total incurred losses do not exceed their standard premiums will be eligible for a refund up to the amount of service fees paid for the plan year, as well as additional performance-based refunds. Members whose total incurred losses exceed their standard premiums will be eligible for a refund of up to half the amount of their service fee. Program participants also acknowledge that refunds are based on a number of factors, such as premium size, claim costs, and related factors and are not guaranteed.
- B. If a group assessment develops for any plan year, those members that caused the assessment will be assessed first, up to a maximum liability of fifteen percent (15%) of the participating member's Standard Premium. If necessary to cover the assessment, the remaining members shall pay the balance on the basis of their individual percentage of the total group premium. Penalties become due and payable within 30 days of notification of the amount. If a member does NOT re-enroll in the program, any refund will be held until the final adjustment of that Retro year.

6. Annual Plan Choice/Re-enrollment:

- A. For the 2011 Plan Year, the program has chosen a premium-based plan type, with a maximum loss ratio of 88.90%, a minimum loss ratio of 0%, and a \$500,000 single loss limit. Prior to the beginning of each subsequent plan year, members will be notified of the plan type, minimum and maximum loss ratios, and single loss limit chosen for the following year. State law requires program members to notify L & I and AWC in writing if they do not intend to participate in the Retro program for the next plan year. That notification must be received 30 days prior to the beginning of the next plan year. If a member decides not to continue participation for the upcoming year, they are still required to maintain membership in AWC until the final adjustment for their last year of participation.
- B. Because the potential for refunds and assessments extends over several years as claims mature, members agree to cooperate with the AWC Retro Program, its third party administrators and other agents until such time as the third and final adjustment order of any Retro Year is final and binding as provided for by WAC 296-17-90453. Cooperation will include, at a minimum, access to claims

data and assistance in managing claims. All claim-related communication between the member and L & I, the Board of Industrial Insurance Appeals, and/or the Washington State Department of Retirement Systems must include AWC and/or its third party administrator. At no time may a member represent itself in an appeal, protest, or hearing without the notification to the AWC Retro Program and its third party administrator.

7. Indemnification/Liability:

Each party shall indemnify and hold harmless the other and its directors, officers, employees, agents, parents, subsidiaries, successors and assigns from and against any and all liabilities, claims, suits, actions, demands, settlements, losses, judgments, costs, damages, and expenses (including reasonable attorney's fees) arising out of or resulting from, in whole or part, the acts or omissions of the indemnifying party, its employees, agents or contractors and the indemnifying party's affiliated companies and their employees, agents or contractors.

Authorized By:

_____	_____
TIM WILSON	MAYOR
(Printed Name)	(Title)
_____	_____
<i>Tim Wilson</i>	500 E. MAIN STREET
(Signature)	(Address/Street)
_____	_____
OTHELLO, WA	7-18-2011
(City/Town Applicant)	(Date)

(Form revised 4-22-11)