

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WORKERS COMPENSATION RESIDENCE EMPLOYEES - CALIFORNIA

We agree, with respect to "residence employees":

Under Coverage I

To pay when due all benefits required of an "insured" by the California Workers' Compensation Law; and

Under Coverage II

To pay on behalf of an "insured" all damages for which the "insured" is legally liable because of "bodily injury" sustained by a "residence employee". The "bodily injury" must be caused by accident or disease and arise out of and in the course of employment by the "insured" while:

- a . In the United States of America, its territories or possessions, or Canada, or
- b . Temporarily elsewhere if the "residence employee" is a citizen or resident of the United States or Canada.

Coverage II does not apply to any suit brought in or judgement rendered by any court outside the United States of America, its territories and possessions, or Canada, or to any action on such judgment.

Who is Covered

A "residence employee" is covered if during the 90 calendar days immediately before the date of injury the employee has:

- a . Actually been engaged in such employment by the "insured" for no less than 52 hours, and
- b . Earned no less than one hundred dollars (\$100) in wages.

Application of Coverage

This insurance applies only to "bodily injury" which occurs during the policy period. If the "bodily injury" is a disease, it must be caused or aggravated by the conditions of the "residence employee's" employment by the "insured".

Policy Provisions

This insurance is subject to all the provisions of this endorsement and the following provisions of this policy:

a . Under Sections I and II - Conditions:

- 4 . Waiver or Change of Policy Provisions.
- 5 . Cancellation.
- 7 . Assignment.
- 8 . Subrogation.

b . Under Section II - Conditions:

- 3 . Duties After Loss.
- 6 . Suit Against Us.

c . Our agreement to defend the "insured" as provided under Coverage E - Personal Liability.

d . Under Section II - Additional Coverages:

- 1 . Claim Expenses.
- 2 . First Aid Expenses.

e . The definition of "bodily injury", "business", "insured" and "residence employee".

Additional Provisions Applicable to Coverage I

The following provisions are applicable to Coverage I:

- a . We shall be directly and primarily liable to any "residence employee" of an "insured" entitled to the benefits of the California Workers' Compensation Law.
- b . As between the "residence employee" and us, notice to or knowledge of the "occurrence" of the injury on the part of an "insured" will be deemed notice or knowledge on our part.
- c . The jurisdiction of an "insured" will, for the purpose of the law imposing liability for compensation, be our jurisdiction.
- d . We will be subject to the orders, findings, decisions or awards rendered against an "insured", under the provisions of the law imposing liability for compensation, subject to the provisions, conditions and limitations of this policy. This policy shall govern as between an "insured" and us as to payments by either in discharge or an "insured's" liability for compensation.

- e . The "residence employee" has a first lien upon any amount which we owe you on account of this insurance. In case of your legal incapacity or inability to receive the money and pay it to the "residence employee", we will pay it directly to the "residence employee". Your obligation to the "residence employee" will be discharged to the extent of such payment.

Limits of Liability Coverage II

Our total limit of liability will not exceed \$100,000 for all damages because of "bodily injury":

- a . Sustained by one or more "residence employees" in any one accident; or
- b . Caused by disease and sustained by a "residence employee".

Our total limit of liability will not exceed \$500,000 for all damages arising out of "bodily injury" by disease regardless of the number of "residence employees" who sustain "bodily injury" by disease.

Other Insurance

This insurance does not apply to any loss to which other valid and collectible Workers' Compensation or Employers' Liability Insurance applies.

Conformity to Statute

Terms of this insurance which are in conflict with the California Workers' Compensation Law are amended to conform to that law.

Exclusions

This policy does not apply:

- a . To liability for additional compensation imposed on an "insured" under Sections 4553 and 4557, Division IV, Labor Code of the State of California, because of the serious and willful misconduct of an "insured", or because of "bodily injury" to an employee under 16 years of age and illegally employed at the time of injury;
- b . To liability for "bodily injury" arising out of "business" pursuits of an "insured".
- c . Under Coverage II:
 - 1 . To liability assumed by the "insured" under any contract or agreement.
 - 2 . To "bodily injury" by disease unless a written claim is made or suit brought against the "insured" within 36 months after the end of the policy period.
 - 3 . To any obligation under a workers' compensation, unemployment or disability benefits law or any similar law.