



MEMORANDUM OF COVERAGE

I. GENERAL SECTION

In return for the payment of premium and subject to all the terms and conditions of this Memorandum of Coverage, By-Laws, Operating Procedures and Indemnity Agreement, the Construction Association of Michigan Workers' Compensation Plan agrees to provide coverage under the State of Michigan Workers' Disability Compensation Act.

A. PREAMBLE This document is a contract between you and the Construction Association of Michigan Workers' Compensation Plan ("Plan" or "CAM-COMP") and is meant to detail the coverage to be provided as a result of your participation in CAM-COMP. Your application for participation CAM-COMP is herein incorporated by reference along with all endorsements attached thereto and Plan documents noted above. All agreements relating to coverage are stated in this document. The terms and conditions of this agreement may not be changed or waived except by endorsement issued by and to be made a part of this document.

B. WHO IS COVERED You are covered if you are the employer named in the application for participation in CAM-COMP. If that employer is a partnership, and if you are one of its partners, you are covered only in your capacity as an employer of the partnership's employees.

C. WORKERS' COMPENSATION ACT Workers' Compensation Act refers to the State of Michigan Workers' Disability Compensation Act of 1969 as amended and the administrative rules contained therein which are in effect during your membership in CAM-COMP. It does not include the provisions of any law that provides non-occupational disability benefits.

D. LOCATIONS This coverage applies to all of your work places within the State of Michigan. If you employ Michigan residents that perform "incidental business" outside the State of Michigan, for isolated jobs outside the State of Michigan, those employees will be covered for those locations for those jobs under the Michigan Workers' Compensation Act, as amended.

II. WORKERS' COMPENSATION COVERAGE
(COVERAGE A)

A. COVERAGE This Workers' Compensation coverage applies to all liability you incur as a result of an injury to an employee as provided for and covered in the Workers' Compensation Act.

1. Bodily injury by accident must occur during the period of participation in CAM-COMP.

2. The employee's last day worked of exposure to the conditions causing or aggravating bodily injury by disease must occur during the period of participation in CAM-COMP.

B. WE WILL PAY We will pay promptly when due all benefits required of you by the Workers' Compensation Act.

C. WE WILL DEFEND

1. We have the right and duty to defend, at our expense, any claim, proceeding or suit against you for the benefits payable under Coverage A. 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 or is specifically excluded by this coverage document.

2. We have no duty to defend a claim, proceeding or suit that is not covered or is specifically excluded by this coverage document.

3. We have no duty to defend any claim, proceeding or suit that is brought or filed against you outside of the State of Michigan Bureau of Workers' Disability Compensation.

4. At your option and expense we will hire legal counsel and oversee litigation against you for benefits payable under Coverage A but filed outside of the Michigan Bureau of Workers' Disability Compensation.

D. DUAL COVERAGE We will not pay more than our share of benefits and costs covered by this document and/or an insurance policy or other 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.

E. PAYMENTS YOU MUST MAKE You are responsible for any payments including court costs and attorney's fees in excess of the benefits regularly provided by the Workers' Compensation Act including, but not limited to, those required because of:

1. Your willful misconduct;

2. Your knowingly employing an employee in violation of law;

3. Your discharge, coercion or discrimination against any employee in violation of the Workers' Compensation Act, or any federal, state or local law, regulation or ordinance;

4. Your actions requiring penalty payments under MCLA 418.801(4);

5. Your exercise of your option under C(4) above.
6. Your failure to comply with a health or safety law or regulation.

If we make any payments on your behalf that you must make under paragraph E, you will reimburse us promptly.

F. RECOVERY FROM OTHERS We have your rights, and the rights of persons entitled to benefits of this coverage, to recover our payments from any person, company or corporation liable for the injury. You will do everything necessary to protect those rights for us and help us enforce them.

G. CONFLICT WITH WORKERS' COMPENSATION ACT Any terms of this document contrary to the Workers' Compensation Act are herein changed by this statement to conform to that Act.

III. EMPLOYER'S LIABILITY COVERAGE (COVERAGE B)

A. HOW THIS COVERAGE APPLIES This employer's liability coverage applies to bodily injury by accident or bodily injury by disease, including death, which is not the subject of any other coverage under this document.

1. The bodily injury must arise out of and during the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to your work in Michigan.
3. Bodily injury by accident must occur during the participation period.
4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of exposure to the conditions causing or aggravating such bodily injury by disease must occur during the participation period.

B. WE WILL PAY We will pay all sums you legally must pay as damages because of bodily injury by accident to your employees, provided the bodily injury is covered by Coverage B. The damages we will pay where recovery is permitted by law will be limited to those damages specified in the Workers' Compensation Act. We will pay those damages (as limited above):

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 you by such third party as a result of injury to your employee.
2. Because of bodily injury to your employee that arises out of and in the course of employment by you, claimed against you in a capacity other than that as an employer. (The damages we will pay under Coverage B will be subject to a dollar for dollar offset against any damages paid under Coverage A of this agreement.)

C. EXCLUSIONS Coverage B does not cover:

1. Liability assumed under a contract;
2. Punitive or exemplary damages because of bodily injury to an employee;
3. Bodily injury to an employee while employed in violation of the law with your knowledge or the actual knowledge of any of your executive officers;
4. Any obligation imposed by the workers' compensation, occupational disease, unemployment compensation, or other disability benefits law, or similar law;
5. Bodily injury which is either reasonably expected or intended by you;
6. Bodily injury intentionally caused or aggravated by you;
7. Bodily injury which is reasonably expected or intended, caused by an intentional act by you arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practice, policies, acts or omissions; or
8. Damages of any nature arising out of the discharge, coercion of, discrimination against any employee in violation of any federal, state, local law, regulation criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or termination of any employee, or any personnel practices, policies, acts or omissions.

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 coverage. We maintain the right to investigate and settle these claims, proceedings and suits. We have the right to select counsel to represent you in any claim, proceeding or suit. We have no duty to defend a claim, proceeding or suit that is not covered by this coverage document. We have no duty to defend or continue defending after we have paid our applicable limit or liability defending after we have paid our applicable limit or liability under this coverage document. We have no duty to defend a claim, proceeding or suit that is brought outside the State of Michigan.

E. WE WILL ALSO PAY

1. Reasonable expenses incurred at our request, but not loss of earnings;
2. Interest on a judgment as required by law; and
3. Expenses we incur.

F. INSURANCE OR COVERAGE We will not pay more than our share of damages and costs covered by this coverage document and/or an insurance policy or other 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 or self-insurance will be equal until the loss is paid.

G. LIMITS OF LIABILITY Our liability to pay for damages is limited to \$1,000,000.00. They apply as explained below:

1. Bodily Injury By Accident. The limits shown for "Coverage B, Bodily Injury By Accident - Each Accident" is the most we will pay for all damages covered by this coverage document 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 limits shown for "Coverage B, Bodily Injury By Disease" is the most we will pay for all damages covered by this coverage document arising out of bodily injury by disease, regardless of the number of employees who sustain bodily injury by disease.

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 coverage document for either bodily injury by accident or bodily injury by disease.

H. RECOVERY FROM OTHERS We have your rights to recover our payment from anyone liable for any injury covered by this Coverage B document. You will do everything necessary to protect those rights for us and help us to enforce them.

IV. GENERAL CONDITIONS

A. ACTIONS AGAINST US There will be no right of actions against us under this coverage document unless:

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

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

B. YOUR DUTIES IF INJURY OCCURS Tell us at once if injury occurs that may be covered by this coverage document. Your duties are as follows:

1. Provide for immediate medical and other services required by the workers' compensation law.
2. Give us the names and addresses of the injured persons and of witnesses, and other information we may need, and in all other ways cooperate with us and assist us in the investigation, settlement or defense of any claim, proceeding or suit.
3. Promptly give us all notices, demands, and legal papers relating to the injury, claim, proceeding or suit.
4. Do nothing after an injury occurs that would interfere with our right to recover from others.
5. Do not voluntarily make payments, assume obligations or incur expenses, except at your own cost.
6. If proper notice of claim is not timely and reasonably forwarded to us and prejudice results to us as a result of untimely notification, coverage may be denied. If untimely notification does result in prejudice and if coverage is not denied then in that event additional costs may be assessed against you.

C. CONDITIONS

1. Transfer of your rights and duties: Your rights or duties under this coverage document may not be transferred without our written consent.

2. Termination of membership:

a. You may terminate your participation. You must mail or deliver advance written notice to us stating when the termination is to take effect. Failure to provide advanced written notice will obligate you to pay premium through such date as CAM-COMP formally terminates coverage and said termination of coverage is accepted by the State. Due to the termination notice requirements under the Michigan Workers' Compensation Act, advance written notice must be made at least twenty (20) days in advance of termination date.

b. We may terminate your participation. We must mail or deliver to you not less than twenty (20) days advance notice stating when the termination is to take effect. Mailing that notice to you at your mailing address shown on your Application for Participation will be sufficient approved notice. The participation will end on the day and hour stated in the termination notice or cancellation notice.

c. Any provisions that conflict with the law that controls the cancellation or termination of coverage in this coverage document is changed by this statement to comply with the law.

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