

# MULTINATIONAL EMPLOYER'S RESPONSIBILITY COVERAGE FORM

Various provisions in this Coverage Form restrict coverage. Read the entire Coverage Form carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Form, the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured. The words "we", "us" and "our" refer to the company providing this insurance. Other words and phrases that appear in quotation marks have special meaning. Refer to Part Five – Definitions.

## PART ONE – VOLUNTARY COMPENSATION COVERAGE

### A. How This Insurance Applies

Voluntary Compensation Coverage applies to bodily injury by accident, bodily injury by disease, or bodily injury by "endemic 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. Bodily injury by accident must occur during the policy period and within the "coverage territory".
3. 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 and within the "coverage territory".
4. Bodily injury by "endemic disease" must be caused by disease which your "employee" is reasonably believed to have contracted by being in a place as a result of employment by you. The "employee" must have been in a place where the disease contracted is known to occur during the policy period, and 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 and within the "coverage territory". For purposes of Voluntary Compensation Coverage, this insurance will apply as if "endemic disease" were included in the applicable "workers compensation law".
5. This insurance:
  - a. Begins when an "employee":
    - (1) Is hired or assigned to a workplace outside that "employee's" country of citizenship or permanent residence; or
    - (2) Is on "temporary travel"; and
  - b. Ends on the earlier of when that "employee":
    - (1) Returns to the country of their citizenship or permanent residence; or
    - (2) Is no longer on "temporary travel".

### B. We Will Pay

We will pay to your "employees" as "voluntary compensation" an amount equal to the benefits that would be required of you if you were subject to the "workers compensation law" of:

1. The "jurisdiction" named in the Declarations; or
2. If a specific "jurisdiction" is not named in the Declarations, the "state of hire" for the "employee";

### C. Exclusions

This insurance does not cover:

1. Any obligation imposed by any "workers compensation law", disability benefits law, unemployment compensation law or any similar law;
2. Any payments in excess of the benefits regularly provided by the applicable "workers compensation law", including those required because:
  - a. Of your serious and willful misconduct;
  - b. You knowingly employ an "employee" in violation of law;
  - c. You fail to comply with a health or safety law or regulation; or
  - d. You discharge, coerce or otherwise discriminate against any "employee" in violation of the "workers compensation law"; or
3. Bodily injury intentionally caused or aggravated by you.

## **PART TWO – CONTINGENT EMPLOYERS LIABILITY COVERAGE**

### **A. How This Insurance Applies**

Contingent Employers Liability Coverage applies to bodily injury by accident, bodily injury by disease or bodily injury by “endemic 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. Bodily injury by accident must occur during the policy period and within the “coverage territory”.
3. 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 and within the “coverage territory”.
4. Bodily injury by “endemic disease” must be caused by disease which your “employee” is reasonably believed to have contracted by being in a place as a result of employment by you. The “employee” must have been in a place where the disease contracted is known to occur during the policy period, and 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 and within the “coverage territory”.

### **B. We Will Pay**

We will pay all sums that you legally must pay as damages because of bodily injury to your “employees” if the bodily injury is covered by Contingent Employers Liability Coverage. 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;
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. Any obligation imposed by a “workers compensation law”, unemployment compensation law, disability benefits law or any similar law;
2. Bodily injury arising from any direct or indirect consequence of war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military or usurped power;
3. Bodily injury intentionally caused or aggravated by you;
4. Bodily injury to a master or member of the crew of any vessel;
5. 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;
6. Bodily injury to any person in work subject to the U.S. Federal Employers’ Liability Act, Longshore and Harbor Workers’ Compensation Act, Migrant and Seasonal Agricultural Worker Protection Act, Nonappropriated Fund Instrumentalities Act, Outer Continental Shelf Lands Act, Defense Base Act, Federal Coal Mine Health and Safety Act of 1969, any amendments to those laws or any similar laws in any “jurisdiction”;
7. Damages arising out of the 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. Fines or penalties imposed for violation of any law, regulation or ordinance;
9. Liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner; or
10. Punitive or exemplary damages because of bodily injury to an “employee” employed in violation of law.

#### **D. We Will Defend**

1. 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 or suits.
2. 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.
3. If a claim, proceeding or suit is brought in a part of the “coverage territory” that is outside the United States of America (including its territories and possessions), Puerto Rico or Canada, and we are prevented by law or otherwise from defending you, you will initiate a defense of the that claim, proceeding or suit. At our request and subject to our supervision and control, you must:
  - a. Investigate and defend the claim, proceeding or suit as is reasonable and necessary; and
  - b. Agree to settle the claim, proceeding or suit against upon our written request to do so.

#### **E. We Will Also Pay**

We will also pay “defense costs”, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend.

### **PART THREE – EVACUATION AND REPATRIATION EXPENSE COVERAGE**

#### **A. How This Insurance Applies**

Evacuation and Repatriation Expense Coverage applies to the medical evacuation or repatriation of any of your injured, diseased, sick or deceased “employees”.

1. The injury, disease, sickness or death must have occurred during the policy period, within the “coverage territory” and while the “employee” was working outside that “employee’s” country of citizenship or permanent residence, or on “temporary travel” for business purposes.
2. The evacuation or repatriation must be necessary in the opinion of competent medical authorities, or we must agree in writing that the evacuation or repatriation is necessary.

#### **B. What We Will Pay**

1. We will pay the reasonable and necessary amounts incurred for:
  - a. Evacuation, under medical supervision, of an “employee” when adequate medical facilities are not available locally.
  - b. Repatriation, under medical supervision, of an “employee” to a facility in the “employee’s” country of citizenship or permanent residence.
  - c. Repatriation, in case of death, of an “employee’s” body to a location consistent with the known reasonable wishes of the “employee” or the “employee’s” family. This includes the costs to comply with applicable standards for transportation of a body.
2. If it is possible, we will pay the reasonable cost of one family member or other traveling companion to continue to accompany the “employee”, or the “employee’s” body in case of death, for evacuation or repatriation. The “employee” or accompanying family member or other traveling companion may be required to release us or the service provider from liability for the evacuation or repatriation.
3. We will only pay for one evacuation, one repatriation or both attributable to any single medical condition of an “employee”.

#### **C. Exclusions**

This insurance does not cover:

1. Any obligation imposed by a “workers compensation law”, unemployment compensation law, disability benefits law or any similar law;
2. Services for mild lesions, simple fractures or mild sickness, or routine or minor medical problems, tests or exams related to pregnancy, that can be treated by local doctors and do not prevent the “employee” from continuing their trip or returning home. This exclusion does not apply to a major, vital complication for the mother or baby;
3. Services rendered without our authorization or approval. But this exclusion does not apply to the amount of transportation expenses otherwise qualifying as such under Paragraph **B. What We Will Pay** above, if any, that we determine we would have incurred for an evacuation or repatriation of an “employee” who received services without our authorization or approval; or

4. Travel made against the advice of a physician.

## **PART FOUR – CONDITIONS**

### **A. Action Against Us**

There is no right of action against us under this Coverage Form unless you have complied with all the terms of this Coverage Form and the amount you owe has been determined with our consent or by actual trial and final judgment.

### **B. Bankruptcy or Insolvency**

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 Coverage Form.

### **C. Compulsory Insurance**

This Coverage Form is not a substitute for any “compulsory insurance”, and this insurance does not apply to any liability for which you are required to have “compulsory insurance”. You must maintain all “compulsory insurance”. Your failure to comply with this condition will not invalidate this insurance, but we will only be liable to the extent that we would have been liable if you had “compulsory insurance”.

### **D. Currency**

We will pay amounts under this insurance in U.S. currency at the prevailing exchange rate at the time you become legally obligated to pay those amounts. However, we may, at our discretion, choose to pay any amounts in other currency.

### **E. Excess Payments**

If we pay any amounts under Part One – Voluntary Compensation Coverage in excess of the benefits regularly required of the applicable “workers compensation law”, you must promptly reimburse us for those amounts after we notify you of the excess payment.

### **F. Limits of Insurance**

The limits of insurance shown in the Declarations are the most that we will pay under this insurance. We will not pay any damages or other amounts, and we will have no duty to defend, after we have paid the applicable limit of our insurance. Those limits of insurance apply as follows.

#### **1. Part One – Voluntary Compensation Coverage**

We will pay up to the amount required by the “workers compensation law” of the “jurisdiction” named in the Declarations or the “state of hire”, whichever applies.

#### **2. Part Two – Contingent Employers Liability Coverage**

##### **a. 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.

##### **b. Bodily Injury by Disease**

(1) The limit shown for Bodily Injury by Disease – Policy is the most we will pay for all damages covered by this insurance and arising out of bodily injury by disease, including “endemic disease”, regardless of the number of “employees” who sustain bodily injury by disease.

(2) 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, including “endemic disease”, to any one “employee”.

### **G. Long Term Policy**

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

### **H. Other Insurance**

1. Under Part One – Voluntary Compensation Coverage, this insurance applies on a primary basis.
2. Under Part Two – Contingent Employers Liability Coverage and Part Three – Evacuation and Repatriation Expense Coverage, this insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis. When this insurance is excess, we will have no duty to defend under Part Two – Contingent Employers Liability Coverage. If no other insurer defends, we may choose to defend, but we will be entitled to your rights against all those other insurers.

3. If there is other insurance that applies on the same primary or excess basis as this insurance, we will not pay more than our share of the amounts covered by this insurance. Subject to any limits of insurance that may apply, we will share equally with all other insurance until the loss is paid.

#### **I. Premium Audit**

1. We will compute all premiums for this Coverage Form in accordance with our rules and rates.
2. The premium shown in the Declarations may be an advance premium. If it is an advance premium, the final premium for the policy period will be determined using the actual, not the estimated, premium basis and the classifications and rates that 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.
3. If this policy is canceled, final premium will be determined in the following way:
  - a. If we cancel, final premium will be calculated pro rata.
  - b. If you cancel, final premium will be short rate.

#### **J. Release and Recovery From Others**

##### **1. Part One – Voluntary Compensation Coverage**

- a. Before we pay any amounts to a person entitled to the benefits of this insurance, that person must:
  - (1) Release you and us, in writing, of all responsibility for the injury or disease, if we so request; and
  - (2) Cooperate with us and do everything necessary to enable us to enforce the right to recover from others.

If a person entitled to the benefits of this insurance fails to do those things, or makes a claim for benefits or damages from you or from us, our duty to pay ends at once.

- b. 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 and any persons entitled to the benefits of this insurance will do everything necessary to protect those rights for us and to help us enforce them.
- c. If we make a recovery from others, we will keep an amount equal to our expenses of recovery and the benefits we paid. We will pay the balance to the persons entitled to it. If the persons who receive the benefits of this insurance make a recovery from others, they must reimburse us for the benefits we paid them.

##### **2. Part Two – Contingent Employers Liability Coverage and Part Three – Evacuation and Repatriation Expense Coverage**

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.

#### **K. When We Cannot Pay on Your Behalf**

If we are prevented by law or otherwise from paying on your behalf any amounts in a part of the “coverage territory” that is outside the United States of America (including its territories and possession), Puerto Rico or Canada, we will reimburse you:

1. Under Part Two – Contingent Employers Liability Coverage, for reasonable and necessary “defense costs” incurred for the defense of a claim, proceeding or suit that we would have paid if we had we been able to exercise our right and duty to defend.
2. For those amounts, other than described in Paragraph 1 above, to which this insurance applies, made at our direction or with our prior written approval.

#### **L. When We Do Not Renew**

If we decide not to renew this Coverage Form, we will mail or deliver to the first Named Insured shown in the Declarations written notice of nonrenewal at least 30 days before the expiration date. If notice is mailed, proof of mailing will be sufficient proof of notice.

#### **M. Who is an Insured**

You are insured if you are an employer shown as a Named Insured in the Declarations. 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.

#### **N. Your Duties If Injury Occurs**

Tell us at once if injury occurs that may be covered by this policy. You must also:

1. Provide for immediate medical and other services required by 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; and
7. File a claim with all applicable insurance carriers and appropriate "workers compensation law" administrator.

## **PART FIVE – DEFINITIONS**

- A.** "Compulsory insurance" means insurance that:
1. Is issued by a governmental entity or an insurer licensed or permitted to do business in a "jurisdiction" where the insurance is intended to apply; and
  2. You must have to satisfy legal requirements in that "jurisdiction".
- B.** "Coverage territory" means anywhere other than a country or jurisdiction that is subject to trade or other economic sanction or embargo by the United States of America. However, coverage does not apply to any "United States employee" while such "United States employee" is within the United States of America (including its territories and possessions) or Puerto Rico.
- C.** "Defense costs" means the following reasonable and necessary costs for defense of a claim, proceeding or suit:
1. Attorney's fees, expert fees, and costs for court, arbitration or mediation;
  2. Expenses incurred at our request, but not loss of earnings;
  3. Premiums for bonds to release attachments and for appeal bonds in bond amounts up to the amount payable under this insurance;
  4. Litigation costs taxed against you; and
  5. Interest on a judgment as required by law until we offer the amount due under this insurance.
- D.** "Employee":
1. Means a "local national employee", "third country national employee" or "United States employee".
  2. Includes individuals who are independent contractors with whom you have a written contract or agreement in which you agree to provide them "voluntary compensation".
- E.** "Endemic disease" means any disease that is:
1. Infectious and generally recognized as a public health hazard;
  2. Restricted or peculiar to a locality or region; and
  3. Not caused or aggravated by the conditions of employment.
- F.** "Jurisdiction" means any nation or political subdivision that has a "workers compensation law", including the states of the United States of America (including its territories and possessions), the District of Columbia, Puerto Rico, and the provinces of Canada.
- G.** "Local national employee" means an employee or volunteer worker, other than a "United States employee", working or traveling within their country of citizenship or permanent residence.
- H.** "State of hire" means:
1. The "jurisdiction" in which you hire an "employee" or from which you assign an "employee" to work elsewhere; or
  2. The "jurisdiction" designated in a written contract or agreement with an "employee" for purposes of providing "voluntary compensation" benefits to that "employee".
- I.** "Temporary travel":
1. Means travel for less than 180 consecutive days on one trip:

- a. Outside the United States of America (including its territories and possessions) and Puerto Rico for “United States employees”.
  - b. Inside the United States of America (including its territories and possessions) and Puerto Rico, or inside countries other than the “employee’s” country of citizenship or permanent residence, for “local national employees” or “third country national employees”.
2. Includes personal travel for Part Three – Evacuation and Repatriation Expense Coverage, but only if such personal travel is incidental to travel for purposes of conducting your business and outside of the country of the “employee’s” citizenship or permanent residence.
- J.** “Third country national employee” means an employee or volunteer worker, other than a “United States employee”, working or traveling outside their country of citizenship or permanent residence.
- K.** “United States employee” means an employee or volunteer worker who is a citizen or permanent resident of the United States (including its territories or possessions) or Puerto Rico working or traveling outside of the United States (including its territories or possessions) or Puerto Rico.
- L.** “Voluntary compensation”:
- 1. Means the benefits you are required to provide under the “workers compensation law” of the “jurisdiction” named in the Declarations or the “state of hire”, whichever applies.
  - 2. Does not include any benefits that are denied an “employee” by reason of:
    - a. Insolvency of another insurer, a “jurisdiction’s” workers compensation fund or a self-insurance plan; or
    - b. Your failure to comply with the requirements of any “jurisdiction’s” “workers compensation law” or employers liability insurance requirements.
- M.** “Workers compensation law”:
- 1. Means any workers or workmen’s compensation law and occupational disease law, including any amendments to those laws, that are in effect during the policy period.
  - 2. Does not include any:
    - a. United States federal workers or workmen’s compensation law or occupational disease law, or any similar law of any other “jurisdiction”; or
    - b. The provision of any non-occupational disability benefits law or any similar plan or law.