



**DEEP EAST TEXAS
SELF INSURANCE FUND**

**INTERLOCAL
AGREEMENT**

BETWEEN

**Deep East Texas
Self Insurance Fund**

AND

(hereinafter referred to as the POLITICAL SUBDIVISION)

The DEEP EAST TEXAS SELF INSURANCE FUND, hereinafter referred to as the "FUND", does hereby agree with the above-named POLITICAL SUBDIVISION, in consideration of the premiums set forth in the Bylaws of the FUND, and the reliance upon the statements of the POLITICAL SUBDIVISION in its application and subject to the limits, exclusions, conditions and other terms, enter into this Insuring Agreement in accordance with Chapter 504 Texas Labor Code.

COVERAGE A- WORKERS' COMPENSATION

1. The FUND agrees to pay promptly, when due, all compensation and other benefits required of the POLITICAL SUBDIVISION by the Workers Compensation Law of the State of Texas, Chapter 504 Texas Labor Code.

COVERAGE B - EMPLOYERS' LIABILITY

2. Subject to the terms, conditions, exclusions provided by the policy of Excess Workers Compensation and Employers' Liability Insurance issued to the Fund, the FUND agrees to pay on behalf of the POLITICAL SUBDIVISION all sums (subject to the Limits of Liability shown below) which the POLITICAL SUBDIVISION shall become legally obligated to pay as damages because of bodily injury to one or more employees, by accident or disease, including death at any time resulting therefrom. The POLITICAL SUBDIVISION shall not incur additional premium for COVERAGE B.

Limits of Liability (Employer's Liability)

Our liability to pay for damages is limited and is 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 anyone 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 anyone 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.

\$1,000,000 Bodily Injury by accident - each accident

\$1,000,000 Bodily Injury by disease - each employee

\$1,000,000 Bodily Injury by disease - policy limit

3. **Workers' Compensation Law.** The unqualified term, "Workers' Compensation Law", means that Workers' Compensation Law and Occupational Disease Law adopted and set forth in Chapter 504 Texas Labor Code.
4. **The contraction of disease is not an accident within the meaning of the word "Accident" and the term "Bodily Injury by Accident"; and only such diseases that result directly from a bodily injury by accident is included within the term "Bodily Injury by Accident". The term "Bodily Injury by Disease" include only such diseases as is not included within the term "Bodily Injury by Accident".**
5. **This Agreement applies only to injuries by accident occurring during the Agreement period; or by disease caused or aggravated by exposure, of which the last day of the last exposure under the employment of the POLITICAL SUBDIVISION, to conditions causing the disease, occurs during the Agreement period.**
6. **This Agreement does not apply to punitive or exemplary damages on account of bodily injury to, or death of, any employee employed in violation of law; or with respect to any employee employed in violation of law with a knowledge or acquiescence of the POLITICAL SUBDIVISION.**
7. **The premium charged under the Agreement will be determined as set forth by the Board of Directors by the power given them as set forth in the Bylaws of the FUND.**
8. **Workers' compensation rates and rating plans of the Texas Department of Insurance are hereby adopted as guides, but by such adoption it is recognized that the rating structure promulgated by the Texas Department of Insurance is not applicable to self-insurance, and there is no intention to bestow authority of this plan of self-insurance upon the Texas Department of Insurance. Any reference at any time in this agreement to an insurance term not ordinarily a part of self-insurance shall be deemed for convenience only and is not to be construed as being contrary to the self-insurance concept except where the context clearly indicates no other interpretation such as, but not limited to, the reference to "reinsurance".**
9. **Terms of Agreement:** The terms of this Agreement will run from 12:01 a.m. _____, and renew annually thereafter until cancelled by the FUND or POLITICAL SUBDIVISION.
10. **The FUND and any rating authority having jurisdiction by law shall each be permitted, but not obligated, to inspect at any reasonable time the work places, operations, machinery and equipment of the POLITICAL SUBDIVISION. Neither the right to make inspections, nor the making thereof, nor any report thereof, shall constitute an undertaking on behalf of, or for the benefit of, the POLITICAL SUBDIVISION or others; to determine or warrant that such working places, operations, machinery or equipment are safe.**

The FUND and any rating authority having jurisdiction by law shall each be permitted to examine the POLITICAL SUBDIVISION payroll records, general ledger, disbursements, vouchers, contracts, tax reports and all other books, documents and records of any and every kind, at any reasonable time during the Agreement period, and any extension thereof, and within three years after termination of this Agreement, as far as they show, or tend to verify, the amount of remuneration or other premium basis, or related to the subject matter of this Agreement.

11. **When an injury occurs, written notice shall be given by, and on behalf of, the POLITICAL SUBDIVISION to the FUND, or any of it's authorized agents, as soon as practical. Such notice shall contain particulars sufficient to identify the POLITICAL SUBDIVISION and the injured person or persons, also reasonably obtainable information respecting the time, place and circumstances of the injury, the names and addresses of available witnesses, etc., to complete the required injury reports.**
12. **If claim is made, or suit or other proceedings are brought against the POLITICAL SUBDIVISION concerning Workers' Compensation Insurance, the POLITICAL SUBDIVISION shall immediately forward to the FUND every**

demand notice, summons or other process received by them.

13. The POLITICAL SUBDIVISION shall cooperate with the FUND and, upon the FUND'S request, shall attend hearings and trials and shall assist in affecting the settlements, securing evidence, obtain the attendance of witnesses and the conduct of suits or proceedings. The POLITICAL SUBDIVISION shall not, except at its own expense, voluntarily make any payment, assume any obligation, incur any expense, other than for such immediate medical and other services at the time of injury as required by the Workers' Compensation law.
14. The FUND shall be directly and primarily liable to any person entitled to the benefits of the Workers' Compensation law under this Agreement. The obligations of the Fund shall be enforced by such person, or for his benefit by any agency authorized by law, whether against the FUND alone, or jointly with the POLITICAL SUBDIVISION. Any default of the POLITICAL SUBDIVISION shall not relieve the FUND of any of its obligations under the Workers' Compensation law.
15. As between the employee and the FUND, notice or knowledge of the injury on the part of the POLITICAL SUBDIVISION shall be noticed or acknowledged as the case maybe, on the part of the FUND; the jurisdiction of the POLITICAL SUBDIVISION, for the purpose of the Workers' Compensation law, shall be the jurisdiction of the FUND and the FUND shall, in all things, be bound by, and subject to, the findings, judgments, awards, decrees, orders or decisions rendered against the POLITICAL SUBDIVISION in the form and manner provided by such law and with the terms, limitations or provisions of this Agreement, not inconsistent with such law.
16. All provisions of the Workers' Compensation law shall be and remain a part of this Agreement as fully and completely as if written herein, as far as they apply to compensation of the benefits provided by this Agreement and to special taxes, payments to security or other special funds and the assessments required of, or levied against, compensation fund under such law or amendments thereto; and nothing herein shall relieve the POLITICAL SUBDIVISION by the other terms of this policy.
17. The POLITICAL SUBDIVISION shall reimburse the FUND for any payments required of the FUND under the Workers' Compensation law, in excess of the benefits regularly provided by this law, because of injury to any employee by reason of a serious and willful conduct of the POLITICAL SUBDIVISION, or any employee of the POLITICAL SUBDIVISION in violation of law with the knowledge or acquiescence of the POLITICAL SUBDIVISION or any officer thereof. This provision shall also apply to the misclassification of an employee to the detriment of the FUND.
18. In the event of any payment under this Agreement the FUND shall be subrogated to all the rights of recovery thereof of the POLITICAL SUBDIVISION and any person entitled to the benefits against any person or organization, and the POLITICAL SUBDIVISION shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The POLITICAL SUBDIVISION shall do nothing after a loss to prejudice such rights.
19. This agreement can be cancelled by either POLITICAL SUBDIVISION or FUND with 180 days written notice.
20. By the acceptance of this Agreement, the POLITICAL SUBDIVISION agrees that the statements in the application are their agreements in representation, that this Agreement is issued in reliance upon the truth of such representations, and that this Agreement embodies all agreements existing between the POLITICAL SUBDIVISION and the FUND.
21. In witness whereof, the FUND has caused this Agreement to be signed by its Director or Assistant Director.

FUND REPRESENTATIVE

Printed Name

Signature

Date

POLITICAL SUBDIVISION REPRESENTATIVE

Printed Name

Signature

Date