

# Occupational Accident Policy Summary and Analysis

**Insurance Carrier:** Great American E&S Insurance Company (Non-admitted insurance carrier)

**A.M. Best Rating:** A+ (Superior), Financial Size Category: XIII (\$1.25 billion to \$1.5 billion) effective as of 2/21/14. **Standard & Poors Rating:** A+ (Strong) pulled 12/1/14

This is an Occupational Accident insurance policy whose intent is to mirror Workers' Compensation. The insurance policy provides reimbursement for covered losses for bodily injury to employees acting in the scope of their employment.

## KEY DIFFERENCE

**Sunset Clause:** No claim will be considered valid and collectible unless full details of such claim are presented to the insurance carrier within TEN (10) years of the date of the accident. No Claims closed prior to the 10 year mark and then re-opened after 10 years from DoA will be considered valid.

**Commutation Clause:** Any time later than TEN (10) years from the date of any accident, the insurance carrier has the option to be released from any further liability or obligation to pay claims. In that event, the insurance carrier will appoint an actuary or appraiser to investigate and capitalize such claim and the payment by the insurance carrier of the capitalized value of such claim will constitute a complete and final release of the insurance carrier with respect to such claim.

## COVERAGE

❖ Accidental Death	❖ Accident Medical Expense
❖ Accidental Dismemberment including functional loss of use and paralysis	❖ Loss Adjustment Expense
❖ Permanent Partial Disability	❖ Occupational Disease
❖ Permanent Total Disability	❖ Occupational Cumulative Trauma
❖ Temporary Partial Disability	❖ Employers Liability
❖ Temporary Total Disability	❖ Out of State (or country) WC losses
	❖ Reimburse for legal costs

## IMPORTANT ISSUES FOR DISCUSSION

- **Occupational Disease and Occupational Cumulative Trauma Exclusions:** These exclusions will be deleted by endorsement to the policy.
- **Volunteers:** Volunteers can be covered by adding a Volunteer Coverage Endorsement to the policy.
- **Indemnity:** Indemnity is covered; however there is no specific language in the policy other than each injury type being outlined in the declarations and defined in the policy form.  
If this is an issue, we can request that Great American endorse the policy form to specifically list indemnity as a covered benefit in the Declarations Page. This question has come up in the past, but no insureds have requested the endorsement be done. Great American Legal department would have to review any policy changes and that takes time, sometimes a long time.
- **Other Insurance Clause:** The intent is to avoid double payment of a loss so that the employer does not benefit from having an injured employee. For example, if employer has a guaranteed cost Workers' Compensation policy in other states to cover employees domiciled outside California, the Other Insurance clause prevents a double payment.  
It would not apply to health insurance since health insurance excludes occupational losses. If for some reason health insurance did cover an occupational loss, there would be a coordination of benefits clause in the health insurance.