



Member #: \_\_\_\_\_

Broker/Territory: \_\_\_\_\_

## PARTICIPATION AGREEMENT ALABAMA HOME BUILDERS SELF INSURERS FUND

This participation agreement is entered into by and between the ALABAMA HOME BUILDERS SELF INSURERS FUND and

\_\_\_\_\_ on the terms and  
(employer)

conditions hereinafter set forth:

1. Definitions

- A. Board - the Board of Trustees of the AHBSIF Fund
- B. Service Organization - A service organization approved by the Department of Industrial Relations, currently CONSTRUCTION CLAIMS MANAGEMENT, INC.
- C. Trust Document, Policies, Rules - Documents which govern the operation of the Fund.
- D. Claim - a report of injury or illness which may give rise to payment of workers compensation benefits
- E. Director - Director of the Alabama Department of Industrial Relations

2. Term of Agreement

This agreement will commence at 12:01 a.m. on first day of coverage and terminate at 12:00 midnight, December 31, and will be automatically renewed on subsequent anniversary dates unless 30 days written notice of cancellation is given by the employer or the Fund.

3. Appointment of Agency

Employer appoints the trustees of the Fund and their authorized designees to act as employer's agent(s)-in-fact in all matters relating to the Alabama Workers Compensation Act.

4. Contributions

Employer agrees to pay to the Fund an annual contribution as established by the trustees and approved by the Department of Industrial Relations of the State of Alabama.

5. Contribution Payment

Except for initial contribution payments as provided for in section 6 hereof, employer agrees that the annual contribution is to be paid per the payment plan selected. Employer agrees that failure to make contribution payments at the time or times and in the manner described will result in cancellation of coverage.

6. Initial Contribution Deposit

For the year in which employer first participates in the Fund, employer agrees to make an initial contribution deposit equal to twenty-five percent (25%) of the annual contribution due. Employer agrees to maintain a deposit equal to twenty-five (25%) of its annual contribution.

7. Additional Contribution or Assessments

Employer agrees that in addition to the payment of the annual contribution, it will pay any additional contributions or assessments which may from time to time be required by the Fund trustees in order to ensure that the Fund has sufficient money to satisfy the liabilities of the Fund.

8. Joint and Several Liability

Employer agrees that it and other participating employers and the Fund are jointly and severally liable to assume and discharge, by payment, any claim due to be paid, any settlement approved by the Fund and any judgment under the Alabama Workers Compensation Act against the Fund or any Fund member.

9. Law Rules and Regulations

Employer agrees to comply with the law and rules of the Fund and all rules and regulations of the director governing self-Insured funds.

10. Reporting of Claims

Employer agrees to report to the service organization all accidents or illnesses which may give rise to a workers compensation claim within the time prescribed by Law and in such manner and on such forms as may be prescribed by the Fund or the service organization.

11. Settlement of Claims By Employer

Employer agrees that it will not settle, commute, pay or in any way dispose of a workers compensation claim incurred while it participates in the Fund and that any such settlement, commutation or payment may relieve the Fund of any liability with regard to such claim.

12. Withdrawal of Employer From Fund

Employer agrees that it may withdraw its participation in the Fund at the end of any contract year or period provided it has given at least 30 days written notice to the Fund of intent to withdraw. Employer hereby recognizes its continuing joint and several liabilities for Fund obligations which have accrued or may accrue for the period during which employer has participated in the Fund.

13. Change in Member's Legal Status

Employer agrees that coverage is provided by the Fund to the legal entity described as the employer herein and will upon any change in legal status notify the Fund or employer's agent and complete a new participant application under the employer's new legal name.

14. Non-Payment of Contribution

Employer agrees that in the event it fails or refuses to make the payment of contributions, such non-payment is a breach of this agreement and the Fund may terminate the participation of the employer by giving ten (10) days written notice to employer. Employer agrees that the Fund has the right to collect any and all contributions that are earned preceding such termination. Employer agrees that it will pay all costs of collection thereof, including a reasonable attorney fee and the maximum rate of interest allowed by law on any past due contribution.

15. Annual Audits/Payroll Information

Employer agrees to submit to an annual audit of its payroll and related financial records. Employer will cooperate with Fund auditors and make available to the Fund all the information necessary to conduct such audits. Employer also agrees to make available to the Fund all payroll information needed to establish contribution rates. Failure to cooperate with the auditors is a material breach of this agreement.

16. Claims Payment

The Fund will process, investigate and pay valid and appropriate workers compensation claims made by employer's covered employees during the term of this agreement subject to the terms of the Alabama Workers Compensation Law and applicable rules, and regulations of the Department of Industrial Relations.

17. Service Organization

The Fund has entered into a contract with an approved Service Organization to handle claims adjusting and other services

18. Reports

The Fund agrees to maintain reports relating to coverage, accident experience, compensation and medical payments and other reports that may be required by the director.

19. Excess Coverage

The Fund agrees to obtain excess coverage with such coverage's and limits as may be approved by the director.

20. Security

The Fund will deposit with the director such surety as he may require and that such surety shall be transferred to or made payable to the director for use in the event the Fund cannot meet its liability to pay a claim or claims.

21. Uninsured Subcontractors

Employer agrees, as a condition of participation, it shall be liable for workers' compensation coverage of an uninsured subcontractor, irrespective of whether such subcontractor has regularly in his service less than five (5) employees or would otherwise be exempt from coverage requirements of the Workers' Compensation Law.

22. Venue

Employer agrees that the venue for any court proceedings will be Montgomery County.

23. Agreement

Employer agrees that by executing this agreement it understands and agrees that the Fund is simply a legal vehicle by which members have joined together in providing a self-funded workers compensation program to provide workers compensation benefits to their employees under the laws of the State of Alabama. **Any controversy or dispute arising from or relating to this Agreement, or the breach thereof, or any and all disputes arising between the Employer and the Fund, the Service Company, their Successors, or assigns shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association.**

24. Jurisdiction

This coverage is provided under and limited to the laws of the State of Alabama. Employer and Fund agree that no coverage is provided hereunder for benefits in any jurisdiction other than the State of Alabama. Employer agrees and understands for any work performed outside of the State of Alabama employer must obtain coverage that meets the requirements of the jurisdiction where the work is being performed.

25. Effective Date

Coverage is effective on the date of participation entered by the Fund hereon.

Employer - Must be signed by owner, if sole proprietor; all Partners, if partnership; or authorized officers of corporation.

<b>To be completed by AHBSIF</b>
Payment Plan is _____
Coverage begins _____
By: _____
(Fund Representative)

BY: \_\_\_\_\_

BY: \_\_\_\_\_

BY: \_\_\_\_\_

BY: \_\_\_\_\_

BY: \_\_\_\_\_

NAME OF EMPLOYER _____
ADDRESS _____
_____
TELEPHONE NUMBER _____