This endorsement applies only to the insurance provided by the policy because North Carolina is show in Item 3.A. of the Information Page.

This endorsement applies because the policy is providing workers compensation coverage as part a Controlled Insurance Program. The Project Sponsor of this Controlled Insurance Program is: ________________________________________________ ("Project Sponsor").

This policy is amended to reflect the following changes and/or additions to clarify the policy provisions as they apply to the operations of Controlled Insurance Programs

**General Section, Item E. Location** is replaced with the following:

**E. Locations**
This policy covers operations conducted at the workplace defined in the Designated Workplace Exclusion endorsement.

The following new sections F, G and H are added to the “GENERAL SECTION” of the Policy:

**F. Project Sponsor**
The Project Sponsor is the entity that has purchased this insurance on your behalf.

**G. Controlled Insurance Program**
The term “Controlled Insurance Program” signifies the insurance policies that the Project Sponsor has purchased from us and/or our affiliated insurance companies to cover operations conducted at the workplace defined in the Designated Workplace Exclusion endorsement.

**H. Deductible Endorsement**
The deductible endorsement attached to and made part of this policy applies solely with respect to the Project Sponsor. The duties to reimburse the insurance company and to provide collateral to secure the obligation to reimburse are solely the duties of the Project Sponsor.

**Part Five—Premium, Item D.** is replaced with the following:

**D. Premium Payments**
The Project Sponsor will pay all premium when due. The Project Sponsor will pay the premium even if part or all of a workers compensation law is not valid.
Part Five—Premium, Item E. is replaced with the following:

E. Final Premium

The premium shown on the Information Page, schedules, and endorsements is an estimate. The final premium will be determined after this policy ends by using the actual, not estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy. If the final premium is more than the Project Sponsor paid to us, the Project Sponsor must pay us the balance. If it is less, we will refund the balance to the Project Sponsor. The final premium will not be less than the highest minimum premium for the classifications covered by this policy.

If this policy is canceled, final premium will be determined in the following way unless our manuals provide otherwise:

1. If we cancel, final premium will be calculated pro rata based on the time this policy was in force. Final premium will not be less than the pro rata share of the minimum premium.

2. If you or the Project Sponsor cancel, final premium will be more than pro rata; it will be based on the time this policy was in force, and increased by our short-rate cancelation table and procedure. Final premium will not be less than the minimum premium.

Part Six—Conditions, Item E. Sole Representative is replaced with the following:

E. Sole Representative

The Project Sponsor will act on behalf of the insured named in Item I of the Information Page with respect to changes in this policy, premium payments, receiving return premiums, giving or receiving notice of cancelation, claim payments, claim information and claim settlement agreements. If we cancel this policy, we will give notice of cancelation to you and the Project Sponsor.

All other terms, conditions and exclusions of this Policy remain unchanged.

Authorized Agent

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