



# Participating Discount Program

Many of our Co-Employer Clients have asked to participate in a program that allows them to reduce the cost of their workers' compensation premium by taking responsibility for paying a portion of each claim up to a fixed amount. Others must participate in the program as a condition to Employers Resource providing its administrative employer services to such clients. The Participating Discount Program (PDP) allows the client to receive a discount on its workers' compensation premium in exchange for agreeing to participate in the cost of each claim at a specified level. Reports of injury are still due within 24 hours of occurrence and claims are handled in the same manner except that clients are billed monthly up to the participation amount.

## Agreement

\_\_\_\_\_ (hereinafter "Client") hereby agrees by signing below to participate in the PDP and provide a minimum balance deposit to Employers Resource Management Company ("ERM") in the amount of \$\_\_\_\_\_, as adjusted from time to time ("Deposit"). Client will initially deliver the Deposit funds with its next payroll invoice payment. Client agrees to make payment of each worker's claim expenses up to the Participating Amount as set forth below as modified from time to time ("Participating Amount"). The Deposit, Participating Amount and Premium Discount may be changed at any time by ERM.

Premium Discount	Deposit	Participating Amount
(Initial Percent)	(Initial Amount)	(Initial Amount)
_____ %	\$ _____	\$ _____

- 1. General Terms and Conditions.** Subject to the terms of this Agreement, Client agrees to deliver and maintain immediately available funds in the PDP Deposit held by ERM in an amount required by ERM. Client unconditionally agrees to be obligated to make payment of all medical, disability, claim expenses and other costs (collectively, "Claim Expenses") associated with each occupational injury/disease occurrence up to the amount of the current Participating Amount required by ERM ("Client's Share") before ERM is obligated to pay. Client irrevocably authorizes ERM to use the Deposit funds to pay Client's Share of each of Client's workers' compensation claim occurrences and to bill Client on a monthly basis for the amounts necessary to maintain the Deposit at the required amount. Upon the earlier of its receipt of ERM's invoice or upon demand, Client agrees to pay immediately available funds to ERM to maintain the Deposit in the required amount. The Deposit shall be held by ERM in an unsegregated, non-interest bearing account. Client hereby authorizes ERM to set off any of Client's unpaid debt(s) or other obligation(s) to ERM from and against the Deposit funds, without notice to Client. Client releases, indemnifies and holds ERM harmless from and against any and all claims and liabilities in any way related to ERM's exercise of its set-off rights provided for herein. The Dispute Resolution and Miscellaneous terms and conditions of the Client Service Agreement between Client and ERM (as amended from time to time) are hereby expressly incorporated by this reference into this Agreement as if set forth in full herein.
- 2. Termination.** This Agreement may be terminated at any time by either party upon 30 days written notice to the other party provided that such termination shall not affect the rights and obligations of the parties arising prior to termination, ERM's setoff rights and the terms and conditions of this section on Termination which shall survive termination in all respects. After termination, Client shall remain responsible for Client's Share of all claims reported (or incurred but not yet reported). Client will be billed by ERM for Client's Share up to the full Participating Amount for each claim and related Claim Expenses covered by this Agreement and Client agrees to immediately pay ERM any and all amounts due and owing under this Agreement, together with all reasonable attorney's fees and costs associated in the enforcement of the Agreement. The Deposit will be refunded only to the extent Client has fully paid its obligations to ERM. The Deposit shall not be subject to any refund to Client for a minimum of 90 days from the closure date of all claims as determined by ERM. This Agreement shall be binding upon all parties, their successors, heirs, and assigns.

This Agreement is executed as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

### Co-Employer Client

By \_\_\_\_\_  
(Signature of Owner or Officer)

Name \_\_\_\_\_  
(Printed)

Title \_\_\_\_\_

### Employers Resource Management Company

By \_\_\_\_\_

Name \_\_\_\_\_  
(Printed)

Title \_\_\_\_\_