

Louisiana Horsemen's Benevolent and Protective Association (LAHBPA)

Worker's Compensation Program

Policy Period 2009 - 2010

Participation Agreement

Worker's Compensation Insurance Program

This agreement (Participation Agreement) is effective upon execution by all the parties hereto, the Louisiana Horsemen's Benevolent and Protective Association 1993, Inc. (HBPA) and the undersigned employer (Employer) (sometimes collectively the Parties).

The HBPA has established and is currently operating and administering a workers' compensation insurance program (Program) which provides workers' compensation insurance coverage for the benefit of trainers and others licensed by the Louisiana State Racing Commission (Coverage) in Louisiana from an insurance company authorized to do business in Louisiana. The HBPA has also established criteria for eligibility for persons participating and for participation in the insurance program.

The Parties agree that the following terms and conditions constitute a part of the aforesaid criteria for participation in the insurance program:

Term and Continuing Obligations

The term of this Participation Agreement will run concurrently with the term of the Coverage offered to Employer by the Program, it being understood and agreed that those obligations of Employer continue after the term of this Participating Agreement to the extent necessary for the HBPA to conduct the affairs of the Program as those affairs relate to the Coverage afforded to Employer.

Premium and Payment

Premiums for Racing are calculated at a rate of 10% per \$100.00 of payroll. The premium due from Employer/Trainers for the Coverage shall be collected by a \$1,000.00 non-refundable deposit by Employer to Employer's account with the Horsemen's Bookkeeper constituting a minimum premium. The remainder of the premium will be collected by a charge of \$40.00 Per Horse Per Start in state and \$60.00 per Horse per Start out of state, with the first \$1,000.00 being paid from the aforesaid \$1,000.00 deposit . Each policy holder will be responsible for funding their accounts as needed per start.

Premiums for Non-racing Quarter Horse and Thoroughbred Farms are calculated at a rate of 10% per \$100.00 of payroll. This premium shall be collected TWENTY-FIVE percent (25%) of the premium or \$1000 (whichever is greater) at the time of issuance and the balance due to be billed and paid quarterly.

Obligations, Representations and Warranties

HBPA obligates, represents and warrants that:

1. The Coverage is provided by an insurer authorized to do business in Louisiana.
2. The Coverage is the legally required coverage;
3. The Premium to be paid by Employer shall be as stated herein.

Employer obligates, represents and warrants that:

1. Employer will provide upon request all records or things requested by the HBPA which pertain to the Program including, but not limited to, payroll records, records or things pertaining to claims, safety, work lists, audits, and the number of employees employed by Employer.
2. Employer has accepted, posted and provided by hand a copy of the Drug Policy, attached hereto and made part hereof, to each employee, will deliver a copy of same by hand to each new employee and will obtain a written receipt from each employee for same.
3. Employer has not made and will not make material omissions or misstatements to HBPA in the application process, claims process or otherwise.
4. Employer will immediately upon learning of any occurrence which could constitute a workers' compensation claim inform the HBPA. Employer will place a phone call to Workers Comp. State Field Supervisor Rachelle Mischler at 504-224-1214 or, at the Main Office, State Farm and Field Director Cricket Romero at 504-939-1407.
5. Employer shall participate in any safety program provided by or required by HBPA and will require Employer's employees to do likewise.
6. Employer hereby authorizes HBPA and its representatives to enter, during normal hours and under reasonable circumstances, any place where Employer or Employer's employees carries out the work that is related to the Program or Coverage or where records other things relating in any way to the Program or Coverage are or were present. The entry authorized hereby shall be for the purpose of or related to the operation of the Program.
7. Should a trainer enter the Worker's Compensation program mid-term or at any time thereafter, under no circumstances will policies be prorated. There will be a minimum policy charge of \$1000 per policy period whether it be at the beginning of the policy or in the last quarter of the policy.

8. Employer acknowledges that numerous claims, negative audit reviews, failure to follow safety protocol, consistently delinquent on payments to account, and other negative activity may result in higher per start fees and/or increased premiums.
9. Employer acknowledges that an indexing inquiry may be obtained by the H.B.P.A. from previous carrier(s) regarding past claims.
10. Employer has read and hereby, as a Program Participant, agrees to all of these terms, conditions, procedures, descriptions, disclosures, and explanations in the "Worker's Compensation Program Explanations and Disclosures" attached hereto and made part hereof.

Other Provisions

LAHBPA shall have the right to deduct premium payments for Coverage from Employer's Horsemen's Bookkeeper Account should the premium be delinquent or in the event the member is not in good standing with the H.B.P.A.

Louisiana law shall apply to any and all disputes between HBPA and Employer which in any way arise out of the Participation Agreement, the Program or Coverage.

This Participation Agreement may be executed in counterparts, each shall be deemed an original and together the counterparts shall constitute the whole. Employer acknowledges that Employer has no inherent right to participate in the Program and that the HBPA is the sole arbiter as to who participates in the Program. Employer further acknowledges and agrees that the HBPA may terminate this Participation Agreement and may terminate Coverage, upon reasonable written notice to Employer, for any breach thereof by Employer, by Employer's failure to remain licensed by the Louisiana State Racing Commission, by Employer's violation of any terms of the policy of insurance which provides the Coverage, by Employer's failure to remain a member of the HBPA of Louisiana by Employer's failure to pay the Premium or for any other good cause.

READ, UNDERSTOOD AND AGREED:



Farm/Stable: _____ Date: _____
Please Print

By: _____ Signature: _____
Please Print

_____ Date: _____
Louisiana Horsemen's Benevolent and Protective Association 1993, Inc.

Louisiana Horsemen's Benevolent and Protective Association (LAHBPA)

Worker's Compensation Program

Policy Period 2009 - 2010

WORKER'S COMPENSATION PROGRAM EXPLANATION & DISCLOSURES

INTRODUCTION

The Louisiana Horsemen's Benevolent and Protective Association (LAHBPA), as Program Sponsor, has established a Worker's Compensation Program to provide accessible and affordable Worker's Compensation Coverage for the benefit of its members as authorized by Louisiana Revised Statutes 4: 251 & 252. These statutes mandate that all trainers must have worker's compensation coverage provided by the LAHBPA in order to participate in any thoroughbred or quarter horse race.

LAHBPA'S Workers Compensation Program has been designed to provide a valuable benefit to its members; its success is dependent on the support and involvement of all participants.

Key components of the program include:

- A team of service providers selected for its experience and capabilities
- Strict oversight and controls of Payroll Reporting
- Mandatory Safety Training and Compliance Program
- Efficient Claim Reporting, Handling and Resolution

QUALIFICATION FOR PARTICIPATION

Thoroughbred & Quarter Horse Owners and Trainers that have acquired a Louisiana State Racing Commission License are eligible to apply to the LAHBPA for coverage.

COVERAGE PROVIDED

Coverage will be provided by American International Group Company (AIG). AIG is one of the world's leading insurance companies and has been rated A+ XV (Excellent) by AM Best Rating Co.

Generally, covered persons and places are as follows:

Worker's Compensation coverage will be provided to approved and licensed LAHBPA members:

- Approved participant's employees that fall under NCCI Workers Compensation Classification "Stables & Drivers", Code Number 8279
- Louisiana Race Tracks, Louisiana State Racing Commission Recognized Training Centers and Non Racing Farms & facilities approved by a LAHBPA Safety Inspector.
- The following states are EXCLUDED from coverage: New York, California, Wyoming, West Virginia, Washington, North Dakota, and Ohio
- The following U.S. territories are EXCLUDED from coverage: Puerto Rico and U.S. Virgin Islands.

DOMICILE RULE

All States Coverage may be provided for applicants domiciled in Louisiana who show acceptable proof of Louisiana residence (copy of homestead exemption, tax bill, or home owner's insurance) or at least 100 Louisiana starts in the previous annual policy period. If a trainer does not have 100 starts in Louisiana, then 66 percent of the trainer's total starts have to have been in Louisiana with a minimum of 20 starts overall during the preceding policy year.

For Louisiana-domiciled participants, coverage is extended to other states while temporarily participating in horse racing and/or training operations.

All Farms outside of Louisiana are excluded from policy coverage.

Worker's Compensation Coverages:	Statutory Limits
Employer's Liability Coverage:	
Bodily Injury by Accident – Each Accident	\$ 1,000,000
Each Employee Bodily Injury by Disease	\$ 1,000,000
Policy Limit Bodily Injury by Disease	\$ 1,000,000

NOTE: *Employer's Liability* is insurance that covers an employer's liability for bodily injury to employees occurring within the scope of their employment when that liability is not covered by workers' compensation.

Jockeys are not and will not be covered under this program with the exception of performing the duties of an exercise rider, provided that they are on the employee work list of a policy holder and are performing duties for that policy holder, as an exercise rider, at the time of an accident. Under no circumstances will they be covered when riding in races, as well as participating in official work outs. Proof of payroll will be required at time of accident report and only that payroll will be accepted to determine loss of wages.

Owners, Trainers, and Executive Officers of the insured entity are automatically excluded from coverage. Coverage may be requested via completion of a request form which is available at the LAHBPA offices and website.

APPLICATION PROCESS

The program is to sign up Quarter Horse & Thoroughbred Trainers stabled at Race Tracks & Recognized Training Centers in Louisiana and Non-Racing Quarter Horse & Thoroughbred Farms and Training Centers. Applications are available at:

- Field Offices, Main Office, & Worker's Comp. Representatives
- Mail or email upon request of applicant
- LAHBPA Web site: www.lahbpa.org

If you are stabled at a recognized Racing Facility in Louisiana, bring the following documents to any Racetrack Field Office. If you are not stabled at any recognized Racing Facilities in Louisiana, mail the following documents along with your check to:

**H.B.P.A.
1535 GENTILLY BLVD.
NEW ORLEANS, LA. 70119
ATTN: Workers' Comp. Division
(504) 945-1555**

**CHECKS ARE TO BE MADE PAYABLE TO:
LAHBPA**

Applications will not be processed until all paperwork has been completed, your current account is paid in full, and you have your 2009-2010 \$1000 minimum premium deposit ready with your application!

Key Points in completing application:

- Fully complete all information to avoid delays in processing
- Double-check to ensure information provided is complete and accurate
- Include your LA Racing License Number and Social Security or Federal Identification Number
- Provide proof that you are domiciled in La. if seeking All States coverage (see domicile rule)
- Ensure that all signatures are in place
- Ensure that all employees have completed and signed Secondary Injury Fund and drug policy
- Ensure that your account is fully funded at all times to cover premium charges.
- Ensure previous policy account is paid in full

EVIDENCE OF YOUR WORKER'S COMPENSATION COVERAGE

Upon approval of the application and receipt of deposit premium, each participant will receive a certificate of insurance that clearly indicates:

- the type of insurance coverage afforded (workers' compensation),
- name of the insured member and the name of the admitted insurance company,
- the unique coverage's provided to each member,
- a clear description of how the member may access the master policy,
- in detail the appropriate mechanism the insured must follow in the event of a claim,
- the exact premium that would be charged to the member insured for the insurance coverage provided

PREMIUM COLLECTION

Upon approval of the application, you are a Program Participant and will be responsible for premium payments under the program based on a premium rate per \$100 of payroll as established by the program's insurer during the Policy Period.

Premium for the Policy Period, from 7/1/09 to 6/30/10 (12:00AM), will be based on a rate of 10% of audited payroll.

Program Participants who are stabled at Louisiana Race Tracks, and LSRC Recognized Facilities with a Training Track will pay a \$1,000 non-refundable minimum premium deposit due on July 1, 2009. Each Program Participant will have a per start fee of \$40 per horse for each “in state” start and \$60 per horse for each “out of state” start for Program Participants holding an “All States Policy”. If Program Participant qualifies for an “all states policy” and travels to another state where Program Participant wishes not to have coverage, Program Participant must, at the time of signing the application, show the field director an authentic policy covering the Program Participant and the Program Participant’s stable while Program Participant is racing in that state. For Clarification, IF PROGRAM PARTICIPANT HOLDS AN “ALL STATES POLICY”, PROGRAM PARTICIPANT MUST DECIDE TO WITHHOLD COVERAGE FROM THAT STATE AT THE TIME OF SIGNING THE APPLICATION ON JULY 1, 2009. THE ONLY STATES **NOT** ELIGIBLE FOR COVERAGE ARE: NEW YORK, CALIFORNIA, WYOMING, OHIO, NORTH DAKOTA, WASHINGTON AND WEST VIRGINIA. TERRITORIES **NOT** ELIGIBLE ARE PUERTO RICO AND U.S. VIRGIN ISLANDS.

Non-racing Quarter Horse and Thoroughbred Farms will be charged at a rate of 10% of their estimated annual payroll. **Program Participants will be required to provide LAHBPA with quarterly payroll records.** Program Participants are required to pay 25% of their estimated policy premium for the year or \$1000 (whichever is greater) at the time of application and then pay the remainder of the policy premium by making quarterly payments to the LAHBPA Main office. Upon expiration of the policy, the insurance company will conduct an audit of payroll records submitted to determine premium charges for the annual policy period.

We would like all members that have Non- Racing Thoroughbred & Quarter Horse Farms to forward their **Applications and Payments** to the LAHBPA main office:

**LAHBPA
1535 GENTILLY BLVD.
NEW ORLEANS, LOUISIANA 70119
ATTN: WORKERS COMP. DIVISION**

Please keep your worker’s comp account fully funded at all times to avoid your Worker’s Compensation Certificate of Insurance being pulled from the LSRC files which will result in loss of coverage, the ability to race, and the possibility of fines. This Program is designed to collect premiums exactly like Jockey Fees. You must have worker’s compensation insurance to enter the backside of any race track in Louisiana. Remember that it is the responsibility of the trainer to keep their account funded.

CLAIMS ADMINISTRATION

An independently-owned Third Party Claim Administrator, has been selected to provide Claims administration services for this program.

Worker's compensation claim services include:

Claims Management is intended to provide:

- Prompt, accurate claim processing, investigation and reserving
- Aggressive claims management action plans
- Quarterly reviews of all active and open claims

- Assistance with the preparation and submission of state reports
- Assistance with recovery from appropriate third parties, such as excess insurance carriers
- Reasonable settlements and/or other methods for closure of claims

Medical Cost Control

Medical cost control provides a structured framework for controlling medical expenses while providing access to appropriate care. Services include:

- Sophisticated medical fee bill payment software that adjusts bills to state fee schedules and PPO guidelines, and includes easy-to-follow explanation of payment and services
- Copies of approved medical treatment plan issued to injured worker and physician, which helps control costs
- Prompt response to requests for prior authorization for medical treatments with expert review to ensure appropriate treatment
- Reviews to make certain that all hospital stays and outpatient medical treatments are necessary
- Fee bill audits designed to ensure that medical provider bills are paid according to mandated fee schedules and reasonable, customary charges

A detailed claim handling protocol has been developed to ensure that claims are handled in an efficient and equitable manner and brought to a speedy resolution.

CLAIMS

REPORTING CLAIMS

In the event of an incident during the course and scope of your employment involving a potential worker's compensation claim, notify your LAHBPA Representative immediately.

Upon notification of an incident, the LAHBPA Representative will:

1. Have the injured Employee complete the **Employee's Report of Injury (Form LAHBPA 2)**.
2. If Employee declines medical treatment on the Employee's Report of Injury, notify the Director of Workers' Compensation and maintain completed paperwork in the internal file.
3. If medical treatment is necessary, refer injured employee to on-site physician or off-site Recommended Medical Provider.
4. Complete **Accident Investigation Report (Form LAHBPA-3)**
5. Complete and submit the following forms to the TPA/Carrier immediately:
 - **Employer Report of Injury/Illness (Form LDOL-WC-1007)**
 - **Employer Certificate of Compliance (Form LDOL-WC1025.ER)** – Copy to Employee
 - **Employee's Documented Wage Information** obtained from Program Participant and submit to Third Party Administrator within five (5) days.
6. Injured employee must report to the field office within 24 hours of accident to submit medical forms/work release and to complete accident report unless hospitalized.

First Aid and On-Site Medical Staff

A physician is currently on site at all racetracks at least two or three times a week. On-site medical staff will ensure that in the case of minor injuries, employees receive proper medical attention in a timely manner. In the event a physician is not available, the Field Representative will have a list of recommended medical clinics available and accepting of our worker's compensation program.

How will Claims be Administered

A detailed claim handling protocol has been developed to ensure that claims are handled in an efficient and equitable manner and brought to a speedy resolution. A copy of a Protocol Handbook will be available and you will be contacted by your Local Field Director to pick your Protocol Book up at the Field Office Immediately.

By Initialing here, I understand that it is my responsibility to pick up the protocol book from the Field Office and review thoroughly in order to report claims in the correct manner.

By Initialing here, I understand that by failing to follow the correct protocol could cause my current start fee of \$40 to rise in price per start as a result of poor claims handling practices.

****The only way the start fees will be maintained at \$40 per start is for the accidents to be kept to a bare minimum and for everyone to follow the correct protocol, by reporting claims immediately! Our phones lines are open 24 hours per day every day should you need to report an accident; we are here for you! Keep your Field Director's contact numbers with you at all times. ****

Immediately following any work related injury, Drug and Alcohol testing of injured employee is MANDATORY.

Louisiana allows employers to perform drug and alcohol testing after a workplace injury; yet it has never been implemented in the racing industry. LAHBPA plans to make this a mandatory procedure after every workplace injury. Again, this will insure a safer environment, which means fewer accidents which equals *lower rates!*

SAFETY AND LOSS CONTROL

LAHBPA's commitment to safety and proper training is reflected in its current efforts.

LAHBPA operates a nine class Racehorse Education Program, which will be augmented and made a requirement for all Worker's Compensation Program Participants.

In conjunction with the insurer, LAHBPA will produce additional training videos and other safety materials to ensure that best practices are followed at each step of the operation.

Probability of serious injury is inherent to horse racing, particularly to exercise riders that will be covered under the program. All exercise riders must properly wear all safety devices required by LSRC Rules of Racing or otherwise.

Safety inspections will be performed at each barn at each race track to assure that the member is doing all that he or she can to assure the safest work environment for our employees. Repeated warnings or write-ups by the Field Inspector will result in higher fees per start for that Program Participant. Repeated and careless accidents can also result in a spike in premium rates per start as an individual.

Safety inspections will also be performed at each Non Racing Farm to assure they are Safety Compliant as well. Repeated warnings can result in higher premiums for your farm. Repeated and careless accidents can also result in higher premiums.

LAHBPA will provide Participants with a variety of safety resources and employee communication materials, in both English and Spanish, to ensure that safety practices are implemented throughout all operations and areas covered by the LAHBPA'S Worker's Compensation Insurance Company.

READ, UNDERSTOOD AND AGREED:

Farm/Stable: _____ Date: _____
Please Print

By: _____ Signature: _____
Please Print

_____ Date: _____
Louisiana Horsemen's Benevolent and Protective Association 1993, Inc.