

**WORKERS' COMPENSATION
UNDERLYING MEMORANDUM OF COVERAGE
FORM No. MBA2627WC**

1. COVERAGE AGREEMENT

In consideration of the payment of the required deposit and subject to all the terms of this Memorandum of Coverage, MBASIA agrees to pay on behalf of the Member City loss resulting from any accident or disease covered by the terms of the PRISM Joint Powers Authority Memorandum of Coverage effective for the Coverage Period shown under Item 3. of the Declarations to this Memorandum, except as amended by the following provisions:

2. LIMITS OF LIABILITY

The Limits of Liability applicable to this Memorandum of Coverage are as stated under Items 4a and 4b of the Declarations. This Memorandum of Coverage does not include a self-insured retention.

Under no circumstances shall MBASIA be liable for consequential damages, "bad faith" damages, or any sums beyond the Limit of Liability shown in the Declarations.

3. EXCLUSIONS

This Memorandum of Coverage shall not apply to temporary disability benefits due to any Member City employee or volunteer while the employee or volunteer receives any benefit beyond statutory temporary disability, including under Labor Code Section 4850 and to the extent the Member would be responsible for temporary disability benefits if Labor code Section 4850 did not apply.

4. PROCEDURES

It is with the agreement of the MBASIA Board of Directors that during the time period in which the employee or volunteer receives any benefit beyond statutory temporary benefits, the City will receive an accounting voucher/record in the Statutory Benefit amount, as opposed to a live check. Once the employee is no longer receiving benefits from the employer, statutory temporary disability benefits will be paid directly to the injured employee by MBASIA.

5. GLOSSARY

The conditions of this Memorandum of Coverage shall be applied as if the glossary of words listed below had been included with the word or words each time they appear in this Memorandum of Coverage.

LOSS - means the ultimate net loss as defined in the Memorandum of Coverage issued by PRISM for this period concurrent with the period stated in the declarations and amended by the Memorandum.

MEMBER CITY OR MEMBER ENTITY - a signatory to the Joint Powers Agreement forming the Monterey Bay Area Self Insurance Authority. This meaning shall apply to the term Member City or Member Entity notwithstanding any other definition to the contrary in, or any document incorporated into, this Memorandum.

6. OTHER COVERAGE OR INSURANCE

The coverage afforded by this Memorandum of Coverage shall be excess over any other valid and collectible insurance or coverage available to the Member City and applicable to any part of the ultimate net loss, whether such other insurance or coverage is stated to be primary, excess, contingent or otherwise, unless such other insurance or coverage specifically applies as excess insurance or coverage over the limits provided in this Memorandum of Coverage.

7. NOTICE OF LOSS

Upon the happening of any occurrence likely to involve MBASIA under this Memorandum of Coverage, the Member City shall give notice as soon as practicable to the Claims Administrator of MBASIA. Such notice shall contain particulars sufficient to identify the Member City and provide fullest information obtainable at the time. The Member City shall forward to MBASIA Claims Administrator all written notices, demands or legal papers received by the Member City or the Member City's representative, together with copies of reports or investigations, with respect to such loss.

8. DEFENSE

MBASIA shall assume charge of the investigation, settlement or defense of any claims made, or suits brought, or proceedings instituted against the Member City, which in the opinion of MBASIA may create liability on the part of MBASIA under the terms of this Memorandum of Coverage.

9. PAYMENT OF LOSS

Upon final determination of loss, MBASIA will promptly pay on behalf of the Member City the amount of loss falling within the terms of this Memorandum of Coverage.

10. CANCELLATION

This Memorandum of Coverage may be canceled in accordance with the terms of MBASIA's JPA Agreement and Bylaws.



Monterey Bay Area Self Insurance Authority

c/o Alliant Insurance Services

560 Mission Street, 6th Floor

San Francisco, CA 94105

(415) 403-1400

The Agreement is issued by the Monterey Bay Area Self Insurance Authority Board of Directors.

A blue ink signature, likely of a Program Administrator, is written over a horizontal line.

Program Administrators

July 1, 2026

Date



**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
EXCESS WORKERS' COMPENSATION PROGRAM
MEMORANDUM OF COVERAGE
DECLARATIONS**

- ITEM 1: COVERED PARTY:** Monterey Bay Area Self Insurance Authority (MBASIA)
- ITEM 2: MEMORANDUM PERIOD:** From July 1, 2026 to July 1, 2027, 12:01 a.m. local time of the **Covered Party** as stated herein
- ITEM 3: STATE:** California
- ITEM 4: TOWER PARTICIPATION:** Core Tower I
- ITEM 5: RETENTION AND INDEMNITY:**

A. COVERED PARTY'S RETENTION:

\$ 250,000 each **occurrence**

B. LIMIT OF INDEMNITY:

Statutory (See attached Schedule of Limits and Coverage Providers)

PRISM's limit of indemnity, as set forth in ITEM 5.B includes pooled limits that apply to all Members and all **Covered Parties** combined in the Tower shown in ITEM 4 for all **losses** as a result of any one **occurrence**.

- ITEM 6: MEMORANDUM NUMBER:** PRISM-PE 26 EWC-131
- ITEM 7: ESTIMATED PAYROLL:** \$ 87,967,399
- ITEM 8: DEPOSIT PREMIUM:** \$ 1,692,000 (inclusive of all layers & fees)

This premium is adjustable based on final audited payroll

- ITEM 9: FORMS AND ENDORSEMENTS ATTACHED AT INCEPTION:** EWC MOC 7/1/2022, Endorsement No. U-1, U-2, U-3, U-4, U-5, 1

Countersigned by:



Authorized Representative
Public Risk Innovation, Solutions, and Management

Issue Date: June 26, 2026

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
EXCESS WORKERS' COMPENSATION PROGRAM
SCHEDULE OF LIMITS AND COVERAGE PROVIDERS
July 1, 2026 to July 1, 2027**

Notice: The limits of indemnity shown below include various reinsurance and excess placements with specific limits which are inclusive and not excess of the limits stated herein. The limits of indemnity shown below apply to all Members and all **Covered Parties** combined in the Tower shown in ITEM 4 of the Declarations for all **losses** as a result of any one **occurrence**. Each Coverage Provider listed below provides coverage on its own form so there may be some coverage variances as a result of different policy language. Please carefully review all coverage forms.

No.	Limit of Indemnity	Coverage	Coverage Provider	Policy Number
A)	\$4,750,000 excess of \$250,000 This layer is reinsured by Great American Insurance Company & Mitsui Sumitomo Insurance Company of America (MSIA)	Workers' Compensation and Employers' Liability	Public Risk Innovation, Solutions, and Management	PRISM-PE 26 EWC-131
B)	\$45,000,000 excess of \$5,000,000 This layer is reinsured by ACE American Insurance Company	Workers' Compensation	Public Risk Innovation, Solutions, and Management	PRISM-PE 26 EWC-131
C)	\$25,000,000 excess of \$50,000,000 This layer is reinsured by ACE American Insurance Company	Workers' Compensation	Public Risk Innovation, Solutions, and Management	PRISM-PE 26 EWC-131
D)	Statutory excess of \$75,000,000	Workers' Compensation	Liberty Insurance Corporation	EW2-64N-444785-016

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)

EXCESS WORKERS' COMPENSATION PROGRAM MEMORANDUM OF COVERAGE

Public Risk Innovation, Solutions, and Management (hereinafter PRISM) agrees with the **Covered Party** named in the Declarations made a part hereof, in consideration of the payment of the premium and subject to all of the terms of this Memorandum, as follows:

COVERAGE AGREEMENTS

I. APPLICATION OF MEMORANDUM: This Memorandum applies to **loss** sustained by the **Covered Party** because of liability imposed upon the **Covered Party** by:

A. The **Workers' Compensation Act** of California or the **Workers' Compensation Act** of any state other than California, provided that California is the injured **employee's** normal state of employment or residence, or

B. "Employers' Liability"

on account of **bodily injury or occupational disease** sustained by **employees** of the **Covered Party**, while engaged in operations of the **Covered Party**, as a result of **occurrences** taking place during the coverage period and while this Memorandum is in force.

The indemnity afforded by this Memorandum under Coverage Agreement I.B. for **loss** because of liability imposed by "Employers' Liability" applies only as respects such operations in California including **employees** who are regularly engaged in such operations in California but who may be temporarily outside California in connection with such operations. As respects liability imposed by "Employers' Liability", PRISM shall have no obligation to indemnify the **Covered Party** for damages imposed in any lawsuit brought in, or any judgment rendered by, any court outside of the United States of America, its territories or possession, or Canada, or to any action on such judgment wherever brought.

PRISM's liability under Coverage Agreement I.B. includes **bodily injury or occupational disease** to the master and members of the crew of a vessel, subject to the following:

A. The **bodily injury or occupational disease** must occur in the territorial limits of, or the operation of a vessel sailing directly between the ports of the Continental United States of America, Alaska, Hawaii, or Canada.

B. This coverage does not apply to:

1. **bodily injury or occupational disease** covered by a

protection and indemnity coverage or similar policy issued to or on behalf of the **Covered Party**

2. The duty to provide transportation, wages, and maintenance.

- II. **RETENTION AND INDEMNITY:** As respects **loss**, which the **Covered Party** sustains as a result of each **occurrence**, the **Covered Party** shall retain **loss** in the amount of the **Covered Party's** Retention specified in the Declarations, and PRISM agrees to indemnify the **Covered Party** against **loss** in excess of such Retention. Notwithstanding the application of this Memorandum to **loss** sustained by the **Covered Party** under Coverage Agreements I.A. or I.B., and regardless of the number of entities named in the Declarations, or otherwise qualifying as **Covered Parties**, the maximum amount of the **Covered Party's** Retention and the maximum limit of PRISM's indemnity hereunder shall not exceed the amounts specified in the Declarations.

DEFINITIONS

Wherever used in this Memorandum, the following definition of terms shall apply:

- I. **BODILY INJURY:** The term **bodily injury** shall include death resulting therefrom but shall not include **occupational disease**.
- II. **COMMUNICABLE DISEASE** shall mean a disease caused by an infectious organism, which is transmissible from one source to another, directly or indirectly.
- III. **COVERED PARTY** shall include all entities named in the Declarations and any related "employer" as defined by any applicable **Workers' Compensation Act**.
- IV. **EMPLOYEE:** The term **employee** shall mean any person performing work which renders the **Covered Party** liable under any **Workers' Compensation Act** for **bodily injury** or **occupational disease** sustained by such person.
- V. **JOINT POWERS AGREEMENT** or **AGREEMENT** shall mean the Joint Powers Agreement, as amended, creating PRISM.
- VI. **LOSS:** The term **loss** shall mean only such amounts as are actually paid by the **Covered Party** as benefits under the applicable **Workers' Compensation Act**, or in payment of amounts imposed upon the **Covered Party** by "Employers' Liability", in settlement of claims for such benefits or damages, or satisfaction of awards or judgments for such benefits and damages, including court costs, interest upon awards or judgments, and allocated investigation, adjustment and legal expenses, but the term **loss** shall not include as expenses, salaries paid to **employees** of the **Covered Party**, nor fees and retainers paid to any service organization.

Notwithstanding the foregoing, **loss** does not include any amounts paid by the **Covered Party** as benefits, or in payment of amounts imposed upon the **Covered Party** by Employers' Liability, deriving solely from any **Covered Party's** enactment, resolution or other act establishing either a presumption of work-related illness or

injury or any other expansion of benefits beyond those prescribed by the applicable **Workers' Compensation Act**. Despite any such enactment resolution or act, the **Covered Party** shall retain the burden of establishing **loss** within the Memorandum of Coverage.

- VII. **OCCUPATIONAL DISEASE:** The term **occupational disease** shall include death resulting therefrom and cumulative injuries.
- VIII. **OCCURRENCE:** (A) All **bodily injury** sustained by one or more **employees**, as a result of a single accident or event, shall be deemed to arise from a single **occurrence**. (B) **Occupational disease** sustained by each **employee** shall be deemed to arise from a separate **occurrence**, and the **occurrence** shall be deemed to take place on the last day of the last exposure, in the employment of the **Covered Party**, to conditions causing or aggravating the disease or the date upon which the employee first suffered disability and either knew, or in the exercise of reasonable diligence should have known, that such disability was caused by his or her employment with the **Covered Party**, whichever comes first. (C) All **occupational disease** sustained by one or more **employees** as a result of an outbreak of the same **communicable disease** shall be deemed to arise from a single **occurrence**. An outbreak of the same **communicable disease** that spans more than one coverage period shall be deemed to take place during the first such coverage period.
- IX. **WORKERS' COMPENSATION ACT:** The term **Workers' Compensation Act** shall include any separate occupational disease act, but shall not include the non-occupational disability benefit provisions of any such act. The term **Workers' Compensation Act** includes the United States Longshore and Harbor Workers Compensation Act (33 USC Sections 901-950). Coverage for **loss** shall be limited, by amount and time of payment, to the benefits, which would be available under the **Workers' Compensation Act** of the state where the injured employee is normally employed, if that law applied.

EXCLUSIONS

Liability under Coverage Agreement I.A. does not apply to:

- I. The **Covered Party's** obligation to pay salary in lieu of temporary disability benefits as required by Labor Code Section 4850 or the **Covered Party's** obligation to pay wages or salary as required by Education Code Sections 44984 and 45192, except to the extent that the **Covered Party** would be obligated to pay temporary disability benefits if Labor Code Section 4850 or Education Code Sections 44984 and 45192 did not apply;
- II. The **Covered Party's** obligations pursuant to Labor Code Section 4856;
- III. Punitive or Exemplary Damages, fines or penalties assessed against or imposed upon the **Covered Party**:
 - A. On account of **bodily injury** or **occupational disease** sustained by any

employee; or

- B. On account of the conduct of the **Covered Party** or any of its agents (i) in the investigation, trial or settlement of any claim for benefits under the applicable **Workers' Compensation Act** or for damages at law, or (ii) in failing to pay or delaying the payment of any such benefits or damages; or
- C. On account of violation of any statute or regulation; or
- D. On account of **bodily injury** or **occupational disease** intentionally caused or aggravated by the **Covered Party**; or
- E. On account of **bodily injury** arising out of termination of employment; or
- F. On account of **bodily injury** arising out of the coercion, demotion, reassignment, discipline, defamation, harassment or humiliation of, or discrimination against any **employee**.

Liability under Coverage Agreement I.B. does not apply to:

- I. Liability assumed by the **Covered Party** under any contractual agreement;
- II. **Bodily injury** or **occupational disease** to an employee while employed in violation of law with the actual knowledge of the **Covered Party**;
- III. Any obligation imposed by a workers' compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
- IV. **Bodily injury** or **occupational disease** intentionally caused or aggravated by the **Covered Party**;
- V. Loss arising out of the coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any **employee** or any personnel practices, policies, acts or omissions;
- VI. Fines or penalties assessed against or imposed upon the **Covered Party** on account of violation of any statute or regulation;
- VII. Loss arising out of operations for which the **Covered Party** has violated or failed to comply with any Workers' Compensation Law;
- VIII. Loss arising out of operations for which the **Covered Party** has rejected any Workers' Compensation Law;
- IX. Punitive or Exemplary Damages, fines or penalties assessed against or imposed upon the **Covered Party**.

CONDITIONS

- I. **PREMIUMS:** The Board of Directors of PRISM shall assess the premium for the Excess Workers' Compensation Program to participating **Covered Parties**. Such premiums shall be calculated in accordance with Article 14 of the **Joint Powers Agreement**.
- II. **VOLUNTEERS:** This Memorandum shall apply to **loss** on account of **bodily injury** or **occupational disease** sustained by volunteer workers while acting within the scope of their duties for or on behalf of the **Covered Party**, provided that, prior to the **occurrence**, the Governing Board of the **Covered Party** has adopted a resolution as provided in Division 4, Part 1, Chapter 2, Article 2, of the California Labor Code, declaring such volunteer workers to be **employees** of the **Covered Party** for purposes of the **Workers' Compensation Act**; or provided that such volunteer workers are statutorily deemed by the **Workers' Compensation Act** to be **employees** for the purposes of workers' compensation.
- III. **ADMINISTRATION AND REPORTING OF CLAIMS:** The **Covered Party** shall be responsible for the investigation, settlement, defense or appeal of any claim made or suit brought, or proceeding instituted against the **Covered Party**, and the **Covered Party** shall have the duty to give immediate notice to PRISM upon learning of any of the following:
 - A. Any **occurrence** for which total incurred (paid to date plus remaining reserves) exceeds 50% of the **Covered Party's** Retention;
 - B. Any **occurrence** which causes serious injury to two or more employees;
 - C. Any **occurrence** which results in:
 1. A fatality;
 2. An amputation of a major extremity;
 3. Any serious head injury (including skull fracture or loss of sight of either or both eyes);
 4. Any injury to the spinal cord;
 5. Any second or third degree burn of 25% or more of the body;
 6. A permanent total disability as defined in the **Workers' Compensation Act** of the State of California;
 - D. The reopening of any case in which a further award might exceed 50% of the **Covered Party's** retention.

The **Covered Party** shall not make any voluntary settlement or voluntarily make a lump sum payment or commutation or one-time payment in lieu of periodic indemnity payments to **employees** or their dependents involving **loss** to PRISM except with the prior written consent of PRISM.

The **Covered Party** shall promptly forward to PRISM any requested information on

individual **occurrences** claims, or cases, and shall provide such information to PRISM within thirty (30) days in a form satisfactory to PRISM, including the amounts paid and the estimated future payments or outstanding reserves.

PRISM, at its own election and expense, shall have the right to participate with the **Covered Party** in, or to assume in the name of the **Covered Party**, control over the investigation, settlement, defense, or appeal of any claim, suit, or proceeding, which might involve liability of PRISM.

- IV. SERVICE ORGANIZATION: As a condition precedent to recovery hereunder, it is agreed that the **Covered Party** will engage one or more service organizations and/or in-house staff acceptable to PRISM to perform on behalf of the **Covered Party**, and without charge to PRISM, such services as may be acceptable to PRISM during the currency of this Memorandum and until the final settlement of all claims arising out of **occurrences** which take place while this Memorandum is in force. The performance of such services shall not constitute any undertaking on behalf of PRISM, nor relieve the **Covered Party** of any of its obligations under the terms of this Memorandum.
- V. ASSISTANCE AND COOPERATION: In the event PRISM elects to participate with the **Covered Party** in, or to assume in the name of the **Covered Party**, control over the investigation, defense, or appeal of any claim, suit, or proceeding, the **Covered Party** shall cooperate to the fullest extent with PRISM and its representatives.

Upon PRISM's request, the **Covered Party** shall direct its service organization and/or other representatives to cooperate with and assist PRISM in all matters relative to such investigation, settlement, defense, or appeal.

If PRISM elects to assume control as described above, PRISM shall give written notice of such election to the **Covered Party**. Upon receipt of such written notice, the **Covered Party** shall not, except at its own cost, voluntarily make any payment, assume any obligation, or incur any expense other than such immediate medical or other services at the time of injury as are required by the **Workers' Compensation Act** or such immediate medical and surgical relief as may become imperative at the time of an **occurrence**.

- VI. LOSS PAYABLE: PRISM shall pay any **loss** for which it may be liable under this Memorandum in the following manner:
- A. As respects Coverage Agreements I.A., payment shall first be made by the **Covered Party** in accordance with the provisions of the **Workers' Compensation Act**, and PRISM shall reimburse the **Covered Party** for such **loss** periodically, at intervals of not less than one (1) month, upon receipt from the **Covered Party** of proofs of payment which is acceptable to PRISM in content and form.
 - B. As respects Coverage Agreement I.B., liability under this Memorandum with respect to any **occurrence** shall not attach unless and until PRISM's

liability shall have been fixed and rendered certain either by final judgment against the **Covered Party** after actual trial or by written agreement of the **Covered Party**, the claimant, and PRISM. Such **losses** shall be due and payable within thirty (30) days after they are respectively claimed and proven in conformity with this Memorandum.

VII. PAYMENTS THE **COVERED PARTY** MUST MAKE: The **Covered Party** shall be responsible for any payments in excess of the benefits regularly provided by the **Workers' Compensation Act**, including but not limited to those required because:

- A. of serious and willful misconduct on the part of the **Covered Party**;
- B. the **Covered Party** knowingly employs an employee in violation of the law;
- C. the **Covered Party** fails to comply with a health or safety law or regulation; however, this does not apply to recommendations promulgated by the Joint Commission for Accreditation of Health;
- D. of discharge, coercion, or discrimination against any employee in violation of the **Workers' Compensation Act**;
- E. of claims relating to or in any way arising out of California Labor Code Section 132(a);
- F. of the unreasonable delay or failure to make payments of compensation by or on behalf of the **Covered Party**, including the legal fees associated with defending resulting claims or suits;
- G. the **Covered Party** violates or fails to comply with the **Workers' Compensation Act**.

If PRISM makes any payments on behalf of the Covered Party in excess of the benefits regularly provided by the Workers' Compensation Act, the Covered Party will reimburse PRISM promptly.

VIII. SUBROGATION: In the event of any payment under this Memorandum, PRISM shall be subrogated, to the extent of such payment, to all the **Covered Party's** rights of recovery therefore, and the **Covered Party** shall execute all papers required and shall do everything that may be necessary to secure such rights. Any amount recovered as a result of such proceedings, together with all expenses necessary to the recovery of any such amount shall be apportioned as follows: PRISM shall first be reimbursed to the extent of its actual payment hereunder. If any balance then remains, said balance shall be applied to reimburse the **Covered Party**. The expenses of all proceedings necessary to the recovery of such amount shall be apportioned between the **Covered Party** and PRISM in the ratio of their respective recoveries as finally settled. If there should be no recovery in proceedings instituted solely on the initiative of PRISM, the expenses thereof shall be borne by PRISM.

- IX. INSPECTION AND AUDIT: PRISM shall be permitted but not obligated to inspect the **Covered Party's** operations at any time. Neither PRISM's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the **Covered Party** or others to determine or warrant that such operations are safe or harmful, or are in compliance with any law, rule or regulation. PRISM may examine and audit the **Covered Party's** books and records at any time during the currency hereof and until three (3) years after the final settlement of all claims or payments made on account of accident or disease occurring during the term of this Memorandum as far as such books and records relate to the subject matter of this Memorandum.
- X. OTHER COVERAGE: If the **Covered Party** has other coverage against a **loss** covered by this Memorandum, PRISM's coverage shall apply in excess of any other coverage.
- XI. BANKRUPTCY AND INSOLVENCY: In the event of the bankruptcy or insolvency of the **Covered Party** or any entity comprising the **Covered Party**, PRISM shall not be relieved thereby of the payment of any claims under this Memorandum because of such bankruptcy or insolvency.
- XII. ASSIGNMENT: No assignment of the **Covered Party's** interest hereunder shall be binding upon PRISM unless its consent is endorsed hereon.
- XIII. NOTICE OR PAYMENT: If more than one entity qualifies as a **Covered Party** under the definition of **Covered Party** or by endorsement to this Memorandum, all notices, stipulations and payments to or by the entity first named in the Declarations shall be binding upon all other **Covered Parties**.
- XIV. CHANGE OR WAIVER: The terms of this Memorandum shall not be waived or changed except by endorsement issued to form a part hereof, signed by a duly authorized representative of PRISM.
- XV. CANCELLATION: This Memorandum may be canceled by the **Covered Party** only at the end of the Memorandum Period and pursuant to the provisions of Article 20(b) of the **Joint Powers Agreement**. PRISM may cancel this agreement pursuant to the provisions of Article 21 (a)(1) and (a)(2) of the **Joint Powers Agreement** or PRISM's invoice and premium payment policy as established by the Board of Directors. This Memorandum does not apply to any **loss** as a result of any **occurrences** taking place at or after the effective date of any such cancellation.

Any return of unearned premium in the event of cancellation by PRISM shall be determined pursuant to Article 22 of the **Joint Powers Agreement**.

- XVI. ACCEPTANCE: By acceptance of this Memorandum, the **Covered Party** agrees that each of the persons, firms or organizations named in the Declarations as the **Covered Party** is, or upon learning of the necessity therefore will become, qualified to operate with the permission of the proper authorities as a self-insurer under the **Workers' Compensation Act** of California; that the statements in the application for this Memorandum are the **Covered Party's** agreements and representations; that this Memorandum embodies all agreements existing between the **Covered Party** and PRISM or any of its agents relating to this coverage; and that full compliance by the **Covered Party** with all the terms of this Memorandum is a condition precedent to PRISM's liability hereunder.
- XVII. CONFORMANCE WITH **WORKERS' COMPENSATION ACT**: Any term of this Memorandum which conflicts with any provision of the California **Workers' Compensation Act** is changed by this provision to conform to said law.
- XVIII. CARVE OUTS: In the event a **Covered Party** is considering entering into a labor management agreement that establishes an alternative dispute resolution process pursuant to Labor Code Section 3201.7, with one or more bargaining unit(s), to amend any portion of the Workers' Compensation claims process, that proposed carve out agreement must be submitted to PRISM for review prior to implementation. Failure to provide such documentation prior to implementation may result in the benefits provided under such carve out agreement, and any expenses related thereto, not being covered under this Memorandum of Coverage.

IN WITNESS WHEREOF, PRISM has caused this Memorandum to be executed and attested, but this Memorandum shall not be valid unless countersigned by an authorized representative of PRISM.

ENDORSEMENT NO. U-1

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
EXCESS WORKERS' COMPENSATION**

WAR AMENDATORY ENDORSEMENT

It is understood and agreed that this Memorandum shall not apply to **loss** directly or indirectly caused by, resulting from or in connection with war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, regardless of any other cause or event contributing concurrently or in any sequence to the **loss**.

This Memorandum shall also not apply to **loss** directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to the above.

It is further agreed that nothing herein shall act to increase PRISM's limit of indemnity.

This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

Effective Date:

Memorandum No.: PRISM 26 EWC-00

Issued to: ALL MEMBERS

Issue Date: June 26, 2026



Authorized Representative
Public Risk Innovation, Solutions and Management

ENDORSEMENT NO. U-2

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM) EXCESS WORKERS' COMPENSATION

WAIVER OF SUBROGATION ENDORSEMENT

It is understood and agreed that Section VIII. **SUBROGATION** of the **CONDITIONS** section of the Memorandum of Coverage is deleted in its entirety and replaced by the following:

VIII. SUBROGATION: In the event of any payment under this Memorandum, PRISM shall be subrogated, to the extent of such payment, to all the **Covered Party's** rights of recovery therefore, and the **Covered Party** shall execute all papers required and shall do everything that may be necessary to secure such rights. Any amount recovered as a result of such proceedings, together with all expenses necessary to the recovery of any such amount shall be apportioned as follows: PRISM shall first be reimbursed to the extent of its actual payment hereunder. If any balance then remains, said balance shall be applied to reimburse the **Covered Party**. The expenses of all proceedings necessary to the recovery of such amount shall be apportioned between the **Covered Party** and PRISM in the ratio of their respective recoveries as finally settled. If there should be no recovery in proceedings instituted solely on the initiative of PRISM, the expenses thereof shall be borne by PRISM.

However, in the event of any loss payment under this Memorandum for which you have waived the right of recovery in a written contract entered into prior to the loss, we hereby agree to also waive our right of recovery but only with respect to such loss.

It is further agreed that nothing herein shall act to increase PRISM's limit of indemnity.

This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

Effective Date:

Memorandum No.: PRISM 26 EWC-00

Issued to: ALL MEMBERS

Issue Date: June 26, 2026



Authorized Representative
Public Risk Innovation, Solutions and Management

ENDORSEMENT NO. U-3

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM) EXCESS WORKERS' COMPENSATION

OCCURRENCES INVOLVING MULTIPLE COVERED PARTIES

It is understood and agreed that this Memorandum shall apply, as follows, to **occurrences** involving multiple Excess Workers' Compensation Program **Covered Parties**:

For an **occurrence** in which multiple **Covered Parties** exceed their retention specified in the Declarations of this Memorandum, the combined **Losses** will be considered one **occurrence** for each Tower under the Excess Workers' Compensation Program.

Each **Covered Party's Losses** will collectively determine the **occurrence** period as outlined in the definition of **occurrence**. This may result in delayed reimbursement to each **Covered Party** until the **occurrence** periods can be confirmed at a later date, and contrary to the terms listed in **CONDITIONS, Part VI: Loss Payable**.

Should the maximum Program limits apply, the **Loss** to each **Covered Party** within a particular Tower involved in the **occurrence** will be evaluated five years from the end of the coverage period in which the **Loss** occurs, and will be used as the "final **Loss** evaluation" for determination of each **Covered Party's** pro rata percentage share of the "final **Loss** evaluation". The retention specified for each **Covered Party** in the Declarations of this Memorandum issued will be used as part of this determination. This may result in each **Covered Party** not receiving full reimbursement for their **Loss**.

It is further agreed that nothing herein shall act to increase PRISM's limit of indemnity.

This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

Effective Date:

Memorandum No.: PRISM 26 EWC-00

Issued to: ALL MEMBERS

Issue Date: June 26, 2026



Authorized Representative
Public Risk Innovation, Solutions and Management

ENDORSEMENT NO. U-4

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
EXCESS WORKERS' COMPENSATION**

**OFF-DUTY, OUT-OF-STATE PEACE OFFICER INJURY (AB 1749)
ENDORSEMENT**

It is understood and agreed that this Memorandum shall not apply to **bodily injury** or **occupational disease** sustained by a peace officer who was at the time of the **occurrence**:

- a. off-duty,
- b. not acting under the immediate direction of his or her employer, and
- c. outside the state of California.

However, this exclusion shall not apply to **bodily injury** or **occupation disease** sustained by a peace officer under such circumstances if:

- a. the peace officer was engaging in the apprehension or attempted apprehension of law violators or suspected law violators, or protection or preservation of life or property, or the preservation of the peace; and
- b. prior to the **occurrence**, the Governing Board of the **Covered Party** has adopted a resolution, as provided for in California Labor Code Section 3600.2, subdivision (b)(4), accepting liability for such injury under the **Workers' Compensation Act**.

"Peace officer" for purposes of this Endorsement has the definition stated in Section 50920 of the California Government Code.

It is further agreed that nothing herein shall act to increase PRISM's limit of indemnity.

This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

Effective Date:

Memorandum No.: PRISM 26 EWC-00

Issued to: ALL MEMBERS

Issue Date: June 26, 2026



Authorized Representative

Public Risk Innovation, Solutions and Management

ENDORSEMENT NO. U-5

PUBLIC RISK INNOVATION, SOLUTIONS AND MANAGEMENT (PRISM) EXCESS WORKERS' COMPENSATION

OCCURRENCE DEFINITION AMENDATORY ENDORSEMENT

It is understood and agreed that the DEFINITIONS section of the Memorandum of Coverage is amended as follows:

Section VIII. **OCCURRENCE** is hereby deleted and replaced by the following:

VIII. **OCCURRENCE:**

(A) All **bodily injury** sustained or alleged to have been sustained by one or more **employees** involving one or more **Covered Parties**, from any one disaster, accident or event, or any series of disasters, accident, or events, and is traceable to the same single disaster, accident or event, or series of disasters, accidents or events, shall be deemed to arise from a single **occurrence**; however, any one **occurrence** shall be limited to no more than seven calendar days such that each individual employee claimant's date of injury must fall within the seven calendar day period. PRISM may choose the date when any such seven calendar day period begins, provided that it is not earlier than the date and time of the first recorded employee claimant's date of injury, and provided that no two periods overlap. Should this Memorandum expire or terminate while an **occurrence** covered hereunder is in progress, PRISM will be responsible for its portion of **loss** arising from such **occurrence** under this Memorandum through the conclusion of the seven calendar day period, even if such period extends beyond the term of this Memorandum, subject to the terms and conditions hereof, provided that no amount of **loss** for the same **occurrence** shall be claimed against any renewal or replacement of this Memorandum period.

(B) **Occupational disease** and **communicable disease** sustained or alleged to have been sustained by each **employee** shall be deemed to arise from a separate **occurrence**, and the **occurrence** shall be deemed to take place on the last day of the last exposure, in the employment of the **Covered Party**, to conditions causing or aggravating the disease OR the date upon which the **employee** first suffered disability and either knew, or in the exercise of reasonable diligence should have known, that such disability was caused by his or her employment with the **Covered Party**, whichever comes first.

It is further agreed that nothing herein shall act to increase PRISM's limit of indemnity.

This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

Effective Date:

Memorandum No.: PRISM 26 EWC-00

Issued to: ALL MEMBERS (**Covered Parties**)

Issue Date: June 26, 2026

A handwritten signature in cursive script, appearing to read "Gina Dean", is written over a horizontal line.

Authorized Representative
Public Risk Innovation, Solutions and Management

ENDORSEMENT NO. 1

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT EXCESS WORKERS' COMPENSATION

COVERED PARTY AMENDATORY ENDORSEMENT

It is understood and agreed that the **Covered Party** is amended to include the following:

City of Capitola
City of Del Rey Oaks
City of Gonzales
City of Greenfield
City of Hollister
City of King City
City of Marina
City of Sand City
City of Scotts Valley
City of Soledad
Monterey Bay Area Self Insurance Authority (MBASIA)

It is further agreed that nothing herein shall act to increase the PRISM's limit of indemnity.

This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

Effective Date:

Memorandum No.: PRISM-PE 26 EWC-131

Issued to: Monterey Bay Area Self Insurance Authority (MBASIA)

Issue Date: June 26, 2026



Authorized Representative
Public Risk Innovation, Solutions, and Management