



# **WRITE-YOUR-OWN EMPLOYMENT PRACTICES LIABILITY PROGRAM SAMPLE PARTICIPATION AGREEMENT**

The Write-Your-Own Employment Practices Liability Program Participation Agreement (“Agreement”), initiated as of the effective date shown below, is entered into by and between Rockwood Programs, Inc. (“Rockwood”) and ABC Insurance Company (“Participant”).

**WHEREAS**, Rockwood has (a) established a methodology for providing an Employment Practices Liability Insurance (EPLI) program specifically tailored to the demographic characteristics of a participating carrier’s book of business, and (b) entered into a strategic partnership with a Lloyds of London syndicate for the purpose of providing EPLI reinsurance alternatives to a participating carrier; and

**WHEREAS**, Participant wishes to provide EPLI to its policyholder base without fully assuming the attendant underwriting risk.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, both parties agree as follows:

## **1. ROCKWOOD DUTIES**

Rockwood agrees to perform the following:

- A. Perform detailed analysis the EPLI product and make policy form recommendations based upon the Participant’s book of business and risk appetites;
- B. Develop EPLI rating algorithms specifically designed to the demographic characteristics of the Participant’s book of business;
- C. Assist in the installation of the EPLI facility within the Participant’s offices;
- D. Provide on-going underwriting support for the EPLI program;
- E. Generate quarterly analyses of the Participant’s portfolio of EPLI business placed through the facility. Reports to include:
  - Premium and policy distribution by risk state,
  - Premium and policy distribution by liability limit chosen, and

- Number of policies selecting prior acts coverage; and
- A. Provide access to all policy forms and rates relating to this program, including any and all subsequent revisions, enhancements, and endorsements.

If Rockwood fails to perform the activities listed above, the Participant may unilaterally terminate this Participation Agreement.

## **2. PARTICIPANT DUTIES**

The Participant agrees to perform the following:

- A. Achieve an 85% or better acceptance rate on the EPLI endorsement by embedding the sublimit on their GL form;
- B. File the EPLI form and rates on the Participant’s paper for each state within which the Participant conducts business;
- C. Write a minimum of \$XXX,XXX in EPLI gross premiums by December 31, 200X;
- D. Submit a monthly bordereau on all EPLI business written via endorsement. Information to be included:
  - Participant policy number,
  - Policyholder name and address,
  - Coverage effective and expiration dates,
  - Standard Industrial Classification (SIC) code,
  - Total employees,
  - Gross and net premiums,
  - Limit of Liability chosen, and
  - Prior acts endorsement indicator

Information can be passed either electronically or as a hard-copy report. The transmittal must be received by Rockwood within 10 business days after month-end; and

- A. Remit net premiums due to Rockwood within 30 days of month-end.

If the Participant fails to perform the activities listed above, Rockwood may unilaterally terminate this Participation Agreement.

**3. NON-DISCLOSURE AND  
LIMITATIONS ON USE OF  
PROPRIETARY INFORMATION**

The Participant agrees not to use, copy or disclose, directly or indirectly, to any third party, the rating algorithms, policy forms, or marketing materials without the prior written consent of Rockwood. Rockwood agrees not to use, copy or disclose, directly or indirectly, to any third party, any insights gained into the Participant's policy portfolio, including product line distribution, demographic characteristics, and producer network without the prior written consent of the Participant.

The obligations of both Rockwood and the Participant under this Agreement with respect to confidentiality, non-disclosure and limitations on the use of proprietary information shall survive the termination of this Agreement.

**4. TERMINATION**

Either party shall have the right at any and all times to terminate this Agreement by providing 30 days advance written notice. Any such termination shall not affect the rights and obligations of either party prior to the effective date of the termination.

**IN WITNESS WHEREOF:** The parties hereto have signed this **PARTICIPATION AGREEMENT** commencing \_\_\_\_\_ by their duly authorized representatives on \_\_\_\_\_.

WITNESS:

ABC Insurance Company:

By: \_\_\_\_\_

By: \_\_\_\_\_  
President

WITNESS:

Rockwood Programs, Inc.:

By: \_\_\_\_\_

By: \_\_\_\_\_  
Glenn W. Clark, President