

# **A Program of Occupational Injury Protection Offered Exclusively to Members of**



## **MARKETED BY:**

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**THE PROGRAM DESCRIBED IS NOT A POLICY OF WORKERS' COMPENSATION INSURANCE. THE EMPLOYER DOES NOT BECOME A SUBSCRIBER TO THE WORKERS' COMPENSATION SYSTEM BY PURCHASING THE PROGRAM, AND IF THE EMPLOYER IS A NONSUBSCRIBER, THE EMPLOYER LOSES THOSE CERTAIN COMMON-LAW DEFENSES TO SUIT AS WELL AS CERTAIN LIMITATIONS ON LIABILITY THAT WOULD OTHERWISE BE AVAILABLE UNDER THE WORKERS' COMPENSATION LAWS. THE EMPLOYER MUST COMPLY WITH THE WORKERS' COMPENSATION LAW AS IT PERTAINS TO NONSUBSCRIBERS AND THE REQUIRED NOTIFICATIONS THAT MUST BE FILED AND POSTED.**

## ELIGIBILITY AND COVERAGE

**Eligibility:** All members of the Southwest Tow Operators Association who have two (2) or more employees are eligible to purchase coverage.

All active employees of the participating members are eligible for coverage, regardless of the number of hours worked per week. All eligible employees of a participating towing and storage company are insured, and the towing or storage company must pay 100% of the premium for those employees.

**Coverage:** The proposed plan offers 24 hour protection against accidents anywhere in the world, while on the job only.

### THREE PLAN DESIGN OPTIONS TO CHOOSE FROM

|                             | Plan<br><u>500</u> | Plan<br><u>1000</u> | Plan<br><u>1500</u> |
|-----------------------------|--------------------|---------------------|---------------------|
| Combined Single Limit**     |                    |                     |                     |
| Maximum Benefit Amount      | \$500,000          | \$500,000           | \$500,000           |
| Deductible                  | \$500              | \$1,000             | \$1,500             |
| Coinsurance                 | 100%               | 100%                | 100%                |
| Benefit Period (in weeks)   | 104                | 104                 | 104                 |
| Low Monthly Premiums*       |                    |                     |                     |
| All active employees:       |                    |                     |                     |
| Executive/Clerical/Dispatch | \$41.00            | \$36.00             | \$35.00             |
| Mechanics/Repair/Shop       | \$60.00            | \$51.00             | \$49.00             |
| Tow Truck Operators         | \$81.00            | \$68.00             | \$66.00             |

\* All employees are covered regardless of number of hours worked. All benefit maximums are "per person per accident" maximums. Rates are "per person per month", and premiums are subject to a \$50 monthly minimum.

\*\* The Accidental Death & Dismemberment Principal Sum shall be limited to the lesser of: (1) ten times annual base salary, or (2) the Combined Single Limit Amount. The AD&D benefit payable shall be determined according to the dismemberment schedule shown herein. The amount payable for Accidental Loss of Life is guaranteed to be no less than fifteen (15) percent of the CSL amount, or \$100,000, whichever is greater. The total amount payable for a Primary Accident Medical Expense shall be the total amount payable to any one insured as a result of one accident for all injuries and does not exceed the Maximum Amount shown, or \$300,000, whichever is greater.

*Disability benefits commence retroactively to the 1<sup>st</sup> day of disability after the 7 day elimination period has been met.*

**Exclusions:** The only losses excluded under the policy are losses resulting from suicide or any attempt at suicide or intentionally self-inflicted injury; committing or attempting to commit an assault or felony; war or act of war, whether declared or undeclared; disease, bodily or mental infirmity, or medical or surgical treatment for any of these; ptomaine or bacterial infection other than bacterial infection occurring in consequence of a covered accidental cut or wound; participation in the military, naval, or air forces of any country; participation in a riot, rebellion, or insurrection or any act incidental to any of these; or any accidental bodily injury that occurs while an Insured has been determined to be legally intoxicated, under the influence of any alcohol, narcotic, barbiturate, or hallucinatory drug, unless administered on the advice of a Physician and taken in accordance with the prescribed dosage, when the use of such substance was the proximate cause of the Accidental Bodily Injury.

With regard to aircraft, the policy excludes losses caused by or resulting from: boarding, alighting from, being struck by, or being on any aircraft owned, operated, or leased by the Policyholder, the Insured, or a member of the Insured's household; flying in any aircraft which is rocket propelled, being used for aerobatics, racing or an endurance test, crop dusting, seeding, fertilizing or spraying, fighting a fire, any exploration or pipe or power line patrol, the pursuit of animals or birds, aerial photography, banner towing or skywriting, or any test or experimental purpose; flying when a special permit or waiver from the proper authority has to be issued; and riding as a pilot, operator, or crew member in any aircraft.

## OCCUPATIONAL ACCIDENT BENEFITS

*The total of all benefits paid shall not exceed the Combined Single Limit. Any combination of the following benefits can be paid:*

### Accident Medical Expense Benefit

If an insured suffers a covered loss requiring hospital, surgical, or medical treatment, the Company will pay up to 100% of those expenses, in excess of the deductible amount, that are ordered by a physician, are medically necessary, and do not exceed the usual and customary limits, not to exceed the policy maximum of the plan selected. Expenses shall be covered if the first charge occurs within 30 days of the date of the accident and before the end of the 104 week benefit period. Medical treatment includes treatment by a dentist for injuries resulting from a covered accident.

### Weekly Accident Indemnity Benefit

If an insured becomes totally disabled, as a result of a covered injury, within 30 days of a covered accident, the Company will pay a maximum weekly benefit as shown below. This benefit is payable after the insured has been totally disabled for 7 consecutive days for as long as the insured is totally disabled, but not to exceed the 104 week benefit period. The insured must provide written proof that he or she is totally disabled.

"Base weekly salary" is the insured's annual base pay divided by 52 weeks, exclusive of bonuses, overtime, or commissions. For commissioned employees, base weekly salary shall be the average weekly earnings over the three year period immediately preceding the date of loss; for commissioned employees with less than three years history, the average weekly earnings will be calculated using the employee's actual length of employment history with the Policyholder.

"Overtime" as used herein shall mean any hours worked in excess of 40 hours per week, or any wage paid in excess of the insured's regular hourly rate of pay.

"Total disability" means a continuous and uninterrupted disability during which the insured is unable to perform all the material duties of his occupation and is not earning more than 80% of the insured's "Base Weekly Salary."

The maximum weekly benefit is the lesser of: (a) 75% of the insured's "Base Weekly Salary"; (b) \$500.00; (c) 80% of the insured's "Base Weekly Salary" minus his post disability earnings; or (d) 125% of the lesser of (a) or (b), minus the insured's post disability earnings.

### Accidental Death & Dismemberment Benefit

If an insured suffers a covered accidental death, dismemberment, loss of speech or hearing, or loss of use within two years of the date of the accident, the plan will pay the following percentage of the Principal Sum (reduces at age 70; see age reduction rider in the policy):

| For loss of:                              |      | For loss of:                            |     |
|---|------|---|-----|
| Life                                      | 100% | Use of both arms or both legs           | 75% |
| Both hands or both feet                   | 100% | Use of one arm and one leg              | 75% |
| Sight of both eyes                        | 100% | Use of one arm or one leg               | 50% |
| One hand and one foot                     | 100% | Speech or hearing in both ears          | 50% |
| One hand or one foot and sight of one eye | 100% | One hand or one foot                    | 50% |
| Speech and hearing in both ears           | 100% | Sight of eye                            | 50% |
| Use of both arms and legs                 | 100% | Thumb and index finger of the same hand | 25% |

If more than one loss occurs due to the same accident, benefits will be payable for only one benefit amount not to exceed the amount payable for the greatest of the losses.

"Loss" means 1) for death, which is the direct result of an Accidental Bodily Injury; 2) for a hand, total, complete, and severance of all four fingers or total, complete, and permanent severance of the entire hand at or the wrist joint; 3) for a foot, total, complete, and permanent severance of the entire foot at or above the ankle joint; 4) for an eye, total and irrecoverable loss of sight; 5) for speech and/or hearing, total irrecoverable loss of the entire faculty of hearing and/or speech; 6) for thumb and index finger, total, complete, and permanent severance through or above the metacarpophalangeal joints; 7) for loss of use, total loss of movement or total feeling in the arm including the hand, or in the leg including the foot, and the loss is determined by a Physician to be total and irrecoverable.

### Aggregate Limit of Liability

The maximum amount payable for all losses of all covered employees resulting from a single accident is no more than \$2,000,000.00. If the amount is not sufficient to pay for all losses, each benefit will be reduced proportionately.

## **COST AND ADMINISTRATION**

The premiums for these plans are calculated by using the number of employees actually employed as of the premium due date each month. In addition to the monthly premium, a monthly administrative fee of \$35.00 per member will be charged.

**Insurance Carrier:** This program is underwritten by Fidelity Security Life Insurance Company (FSL), Kansas City, Missouri. FSL has been rated "A-" (Excellent), based on an analysis of financial position and operating performance, by A.M. Best Company, an independent analyst of the insurance industry.

**Administration:** This program is administered for Fidelity Security Life Insurance Company by Special Insurance Services, Inc. (SIS) in Plano, Texas. SIS provides insurance administrative services to over 3,500 employers who have opted out of the Texas Workers' Compensation System.

***This brochure is intended only to provide an overview of the program. In the event of a discrepancy between this brochure and the actual policy, the policy will govern.***