

CAP PAYMENT PLAN AGREEMENT

I would like to participate in the CAP (Controlled Audit Program) payment plan for my workers' compensation insurance coverage.

RESPONSIBILITIES

As a participant in the CAP payment plan, I understand that I have the following responsibilities:

- To complete my CAP form at the end of each month. The form must include all payroll, uninsured subcontractors and casual labor.
- To send in my completed CAP form and premium payment prior to the 15th of the month following the month being reported.
- To retain copies of my State Unemployment Quarterly Tax Report for each quarter to be supplied at time of audit.
- To keep all insured subcontractors' certificates of insurance on file for audit.
- To pay the expense constant, which is a state-required charge, with the application and at each renewal.
- To submit a written explanation if I report zero payroll on any monthly CAP form.

NOTE: All class code variances from original submissions must be approved by the underwriting department prior to CAP reporting.

CONSEQUENCES FOR FAILURE TO COMPLY WITH RESPONSIBILITIES

I understand that failure to remit the CAP form and premium payment check on time will result in cancellation of my policy. Furthermore, if such cancellation does occur, all holders of certificates on file will be notified of the cancellation.

_____ I will be using a personal computer (IBM-compatible) to calculate my monthly CAP forms. Please send me the appropriate diskette.

_____ I will be submitting a hard copy of my form.

I understand and agree to all the above stated requirements for participation in the CAP plan.

Signature of owner, partner or corporate officer

Company

Print or type name and title

Date