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FLORIDA WEST COAST OPERATING ENGINEERS APPRENTICESHIP TRUST FUND ATTORNEY'S REPORT

May 13, 2020

I. COMMENTS ON NEW ENDORSEMENTS TO UNION LIABILITY POLICY RENEWAL (Discrimination coverage)

A. Duty to Defend Endorsement No. UL-026: Changes Form to Duty to Defend. - **This provision is definitely in favor of the Fund. Under prior policy, the Trustees had the obligation to defend with reimbursement from the insurance company. Here the insurance company pays the tab from the outset.**

B. Renewal Guarantee Endorsement, UL-036; As long as there are no mergers or claims during the policy term, Base Premium will be the same at renewal next year (Renewal Guarantee Endorsement will be removed at renewal in 2021, as Carrier will rate the following year)**. This provision is definitely in favor of the Fund**

C. Wage and Hour Sublimit Endorsement; Sublimit for all Wage and Hour Claims is $100,000.00. **This is a reduction in coverage. This limits the insurance company liability to $100,000 vs. the $500,000 in the prior policy. We have not seen claims against any of our funds for wage and Hour violations. It may be a good idea to review the procedures of the fund. Are there time records being maintained. If employees are working in excess of 40 hours per week, a determination should be made as to whether there are overtime concerns**

D. Named Insured Endorsement, UL-059: Broadens Coverage to include PAC's and Real Estate Holding Companies, per the limitations outlined on the endorsement. – **This is an improvement.**

E. Amend Defense and Settlement Endorsement – Hammer Clause, No. UL-060**;** Amends Insured's obligations under Section III, Defense and Settlement, part C of the policy. – **OK**

RECOMMEND RATIFICATION OF RENEWAL - DISCUSSION

II. GSE BOND CLASS ACTION

A. Recommend no filing of claim as recommended by investment consultant