

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

COMMISSIONERS OF THE STATE)
INSURANCE FUND,)

Plaintiff,)

against)

HARRY'S NURSES REGISTRY, INC.,)

Defendant.)

Index No. 406555/2007

**AFFIDAVIT IN
OPPOSITION**

STATE OF NEW YORK)

) ss.:

COUNTY OF KINGS)

HARRY DORVILIER, being duly sworn, deposes and says:

1. That I am an officer of HARRY'S NURSES REGISTRY, INC. (hereinafter "Harry's Nurses"), and am fully familiar with the facts herein, and make this affidavit in opposition to Plaintiff's motion for summary judgment.

2. In February of 2006, I employed the New York State Insurance Fund (hereinafter "State Insurance Fund") to provide worker's compensation insurance for Harry's Nurses.

3. However, during that time the premiums charged by the State Insurance Fund were exorbitant.

4. During the first year, the State Insurance Fund attempted to charge a differential rate of 50% in addition to the assessment charge of 17.5% and various "terrorism" premiums.

5. Accordingly, the State Insurance Fund tried to charge nearly 70% in premium. Please see the Revised Information Page dated 8/11/2006 annexed hereto as Exhibit A.

6. After discussing this with my broker, he was able to convince the State Insurance fund to decrease the differential rate to 25%. Please see the Revised Information Page dated 2/05/2007 annexed hereto as Exhibit B.

7. Still, the State Insurance Fund was charging a 45% premium that lead to a total charge of \$383,599.59. Please see the relevant page of the Audit attached as Exhibit C.

8. In the following year, the State Insurance Fund again tried to charge the exorbitant differential rate of 45%.

9. After my broker's complaints, this differential rate was reduced to 20%.

10. However, when this rate was added to an assessment charge of 18.6% and various terrorism premiums, the total premium assessed was still nearly 40%. Please see the Information Page Audit dated 8/16/2007 annexed hereto as Exhibit D.

11. Because of the continual charge of these exorbitant rates, I told my broker to change insurance carriers.

12. On May 25th, he cancelled my coverage with the State Insurance fund and I entered into a coverage agreement with AIG attached hereto as Exhibit E.

13. The premium rates charged by AIG were nearly half of that of the State Insurance Fund.

14. However, the State Insurance Fund did not cancel my coverage immediately as requested.

15. This resulted in double billing for a period of 25 days.

16. The State Insurance Fund's total charge of \$168,363.02 for the 133 days from February 7 to June 19 should be reduced by 25 days to 108 days.

17. Thus, the payroll in line 1 of Exhibit C should be reduced to reflect the total payroll from a period of February 7 to May 25, 2007 (not June 19, 2007).

18. Similarly, the payroll in line 2 of Exhibit C should be reduced to reflect the total payroll from a period of February 7 to May 25, 2007.

19. Finally, the "short rate premium" charge of \$27,091.20 is an unlawful penalty for policy cancellation that should not be taken into account.

20. Thus, the manual rate premium, listed as \$117,395.21 in Exhibit C is much higher that should be reflected.

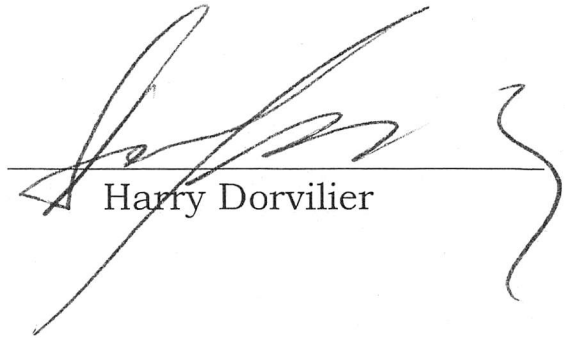
21. The payroll of "CLERICAL OFFICE EMPLOYEES NOC-U" should be reduced by 25 days for an estimated amount of \$105,740.93 and an estimated premium of \$380.67.

22. The payroll of "HOME HEALTH CARE PROF EMPLOYEES" should be reduced by 25 days for an estimated amount of \$1,749,374.10 and an estimated premium of \$72,948.90.

23. Thus, the "manual rate premium" under number 1 should read \$73,329.57.

WHEREFORE, the motion for summary judgment should be denied and the State Insurance Fund bill should be

recalculated to reflect these changes in the payroll amount
and the omission of the unlawful penalty charge.



Harry Dorvilier

Sworn to before me this
10 day of JANUARY, 2011.



Thomas S. BAILEY
NOTARY Public - STATE of NJ

No. 02 BAL 218974

QUALIFIED IN Queen Court
COMM Exp 8/30/2014

THE STATE INSURANCE FUND
 199 CHURCH STREET, NEW YORK, N.Y. 10007-1100
 (212) 587-6507

Document Type: INFORMATION PAGE	Group No: 090	Period Covered: 2/07/2008 TO 2/07/2007	#	R.B. File No.
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INSURED: Q 1446 664-3

REPRESENTATIVE: 681981

HARRY'S NURSES REGISTRY INC
 88-25 163RD STREET
 JAMAICA NY 11432

JIN I KIM
 211-65 23RD AVE SUITE #6A
 BAYSIDE NY 11360

Policy Number: Q 1446 664-3
Date: 8/11/2008
Document Number: p999 777

* PERIOD OF COVERAGE BEGINS AND ENDS AT TWELVE AND ONE MINUTE O'CLOCK A.M. EASTERN STANDARD TIME

TYPE OF BUSINESS: CORPORATION

MP 659

INFORMATION PAGE REVISED

1. MANUAL RATE PREMIUM	188,416.32
2. EXPENSE CONSTANT	200.00
3. RATING BOARD PREMIUM	188,616.32
4. FOREIGN TERRORISM PREMIUM	1,599.43
5. DOMESTIC TERRORISM PREMIUM	470.42
6. TOTAL TERRORISM PREMIUM	2,069.85
7. RATING BOARD PREMIUM + TOTAL TERRORISM PREMIUM	190,686.17
8. STATE FUND DIFFERENTIAL - 50% OF ITEM 1	94,208.16
9. EST. ANNUAL SIF PREMIUM + TOTAL TERRORISM PREMIUM	284,894.33
10. ASSESSMENT CHARGE 17.5% OF (ITEM 9 LESS ITEM 2)	49,821.51
11. EST. ANN SIF PREM + TOTAL TERRORISM PREM + ASSMT	334,715.84
12. DEPOSIT REQUIRED 25.00% OF ITEM 11	83,678.96
13. LESS DEPOSIT FOR THIS PERIOD PREVIOUSLY BILLED	8,196.58CR
14. NET STATE FUND PREMIUM FOR THIS PERIOD	75,482.38

THIS GIVES CREDIT FOR PREVIOUS DEPOSIT BILL

THE REMAINING BALANCE CAN BE PAID IN 9 INSTALLMENT(S). A \$10 SERVICE CHARGE WILL APPLY TO EACH INSTALLMENT. YOU MAY PAY THE FULL ESTIMATED AMOUNT IF YOU WISH.

THE STATE INSURANCE FUND
 199 CHURCH STREET, NEW YORK, N.Y. 10007-1100
 (212) 597-5507

Document Type: INFORMATION PAGE	Group No: 080	Period Covered: 2/07/2006 TO 2/07/2007	R.U. File No.
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INSURED: Q 1446 664-3

REPRESENTATIVE: 681981

HARRY'S NURSES REGISTRY INC
 88-25 163RD STREET
 JAMAICA NY 11432

JIN I KIM
 211-65 23RD AVE SUITE #6A
 BAYSIDE NY 11360

Policy Number Q 1446 664-3
Date 2/05/2007
Document Number: p837 983

* PERIOD OF COVERAGE BEGINS AND ENDS AT TWELVE AND ONE M. NUTE O'CLOCK A.M. EASTERN STANDARD TIME
 TYPE OF BUSINESS: CORPORATION

MP 659

INFORMATION PAGE REVISED

CODE	CLASSIFICATION DESCRIPTION	ESTIMATED X RATE		MANUAL PREMIUM
		PAYROLL	PER \$100	

REBILLED TO REVISE SIF MOD.

8810	CLERICAL OFFICE EMPLOYEES NOC-U	173,000	0.36	622.80
8809	EXECUTIVE OFFICERS N.O.C. ETC-U	31,200	0.46	143.52
8854	HOME HEALTH CARE PROF EMPLOYEES	4,500,000	4.17	187,650.00

1.	MANUAL RATE PREMIUM			188,416.32
2.	EXPENSE CONSTANT			200.00
3.	RATING BOARD PREMIUM			188,616.32
4.	FOREIGN TERRORISM PREMIUM			1,599.43
5.	DOMESTIC TERRORISM PREMIUM			470.42
6.	TOTAL TERRORISM PREMIUM			2,069.85
7.	RATING BOARD PREMIUM + TOTAL TERRORISM PREMIUM			190,686.17
8.	STATE FUND DIFFERENTIAL - 25% OF ITEM 1			47,104.08
9.	EST. ANNUAL SIF PREMIUM + TOTAL TERRORISM PREMIUM			237,790.25
10.	ASSESSMENT CHARGE 17.5% OF (ITEM 9 LESS ITEM 2)			41,578.29
11.	EST. ANN SIF PREM + TOTAL TERRORISM PREM + ASSMT			279,368.54
12.	DEPOSIT REQUIRED 100.00% OF ITEM 11			279,368.54
13.	LESS DEPOSIT FOR THIS PERIOD PREVIOUSLY BILLED			89,678.96CR
14.	NET STATE FUND PREMIUM FOR THIS PERIOD			195,689.58

THIS GIVES CREDIT FOR PREVIOUS DEPOSIT BILL.

SUBJECT TO ANNUAL AUDIT

B

Assrd Name: HARRY'S NURSES REGULARY INC

Bill Num: 1463314]

Renewl Dt: 2/07/2006

Start Dt: 2/07/2006

End Dt: 2/07/2007

Bill Dt: 5/21/2007

Group: 90

Billing Plan 11

Audit Plan 14

1. MANUAL RATE PREMIUM.	258,078.92
2. EXPENSE CONSTANT	200.00-
3. RATING BOARD PREMIUM	258,278.92
4. FOREIGN TERRORISM PREMIUM.	2,200.58
5. DOMESTIC TERRORISM PREMIUM	647.23
6. TOTAL TERRORISM PREMIUM.	2,847.81
7. RATING BOARD PREMIUM + TOTAL TERRORISM PREMIUM.	261,126.73
8. STATE FUND DIFFERENTIAL - 25% OF ITEM 1.	64,519.73
9. STATE FUND PREMIUM + TOTAL TERRORISM PREMIUM.	325,646.46
10. ASSESSMENT CHARGE 17.5% OF ITEM 9 LESS ITEM 2	56,953.13-
11. TOTAL SIF PREM + TOTAL TERRORISM PREM + ASSMT.	382,599.59
12. LESS DEPOSIT FOR THIS PERIOD PREVIOUSLY BILLED	279,368.54CR
13. NET STATE FUND PREMIUM FOR THIS PERIOD	103,231.05 #
14. ACCOUNT BALANCE PRIOR TO THIS BILL	24,822.51
15. AMOUNT DUE STATE FUND.	128,053.56

Options: 1. Next] 2. Soa] 3. Prev Bill] 8. Bill Menu.] 9.Sif Menu.] ^]

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THE STATE INSURANCE FUND

199 CHURCH STREET, NEW YORK, N.Y. 10007-1100
(212) 587-5507

Document Type: AUDIT	Group No. 090	Period Covered. 2/07/2007 TO 8/19/2007	R.R. File No.
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INSURED: Q 1446 664-3

REPRESENTATIVE: 681981

HARRY'S NURSES REGISTRY INC
88-25 163RD STREET
JAMAICA NY 11432

KIM & CHOI ASSOCIATES
164-02 NORTHERN BLVD
FLUSHING NY 11358

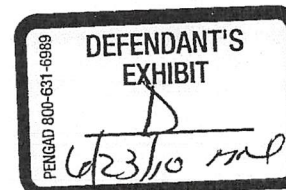
Policy Number Q 1446 664-3
Date 8/16/2007
Document Number: 1819 244

* PERIOD OF COVERAGE BEGINS AND ENDS AT TWELVE AND ONE MINUTE O'CLOCK A.M. EASTERN STANDARD TIME

INFORMATION PAGE AUDIT

CODE	CLASSIFICATION DESCRIPTION	PAYROLL	X RATE PER \$100	MANUAL PREMIUM
8810	CLERICAL OFFICE EMPLOYEES NDC-U	130,218	0.36	468.78
8854	HOME HEALTH CARE PROF EMPLOYEES	2,154,322	4.17	89,835.23
0931	SHORT RATE PREMIUM			27,091.20
	1. MANUAL RATE PREMIUM			117,395.21
	2. EXPENSE CONSTANT			94.00
	3. RATING BOARD PREMIUM			117,489.21
	4. FOREIGN TERRORISM PREMIUM			776.74
	5. DOMESTIC TERRORISM PREMIUM			228.45
	6. TOTAL TERRORISM PREMIUM			1,005.19
	7. RATING BOARD PREMIUM + TOTAL TERRORISM PREMIUM			118,494.40
	8. STATE FUND DIFFERENTIAL - 20% OF ITEM 1			23,479.04
	9. STATE FUND PREMIUM + TOTAL TERRORISM PREMIUM			141,973.44
	10. ASSESSMENT CHARGE 18.6% OF (ITEM 9 LESS ITEM 2)			26,389.58
	11. TOTAL SIF PREM + TOTAL TERRORISM PREM + ASSMT			168,363.02
	12. LESS DEPOSIT FOR THIS PERIOD PREVIOUSLY BILLED			92,719.28CR
	13. NET STATE FUND PREMIUM FOR THIS PERIOD			75,643.74

CANCELLED 6/19/2007



THIS IS NOT A BILL. IMPORTANT PREMIUM CALCULATION, PLEASE RETAIN FOR YOUR RECORDS.
(SEE REVERSE SIDE FOR CONDITIONS)

U/W

issued to HARRY'S NURSES & REGISTRY INC.

By COMMERCE AND INDUSTRY INSURANCE COMPANY

Partners In ProductivitySM

AIG RiskTool SystemSM

<https://www.aigswc.com>

**AIG Specialty Workers' Compensation[®]
American International Group**

P.O. Box 409
Parsippany, NJ 07054
(800) 645-2259

P.O. Box 40029
Phoenix, Arizona 85067
(800) 645-2259

NOTICE TO POLICYHOLDER

This notice is to alert you to AIG Specialty Workers' Compensation's new online, loss prevention and risk management platform, called AIG RiskTool SystemSM. AIG RiskTool System can assist you in managing the risks your company and employees face everyday.

As a valued customer, you can employ this tool to assess your specific needs, take steps to prevent injuries from occurring, and build and monitor your own loss prevention and risk management program.

The AIG RiskTool System can be accessed at our Partners in Productivity website, which also provides you with:

- information about us, frequently asked questions, and Contact Us access
- information on workers' compensation insurance
- the ability to locate medical providers for an injured worker
- the ability to report voluntary premium audits, and
- news and links to related workers compensation websites

When accessing the Partners in Productivity website have your policy close by so that you can enter the following information:

- Policy Number
- Agent or Broker Number
- Issuing Company

This valuable service is only available to current policyholders and their brokers.

If you have questions, please call us toll free at **1-800-645-2259**.

<https://www.aigswc.com>

Member Companies of American International Group, Inc

American Home Assurance, Inc., American International Pacific Insurance Company, American International South Insurance Company, AIU Insurance Company, Commerce and Industry Insurance Company, Granite State Insurance Company, Illinois National Insurance Co., New Hampshire Insurance Company, National Union Fire Insurance Company of Pa, Insurance Company of the State of Pa

**SWCPN
(Ed. 12/03)**



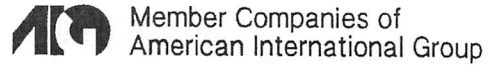
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POLICYHOLDER NOTICE

Thank you for purchasing insurance from a member company of American International Group, Inc. (AIG). The AIG member companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by AIG member companies to brokers and independent agents in the United States by visiting our website at www.aigproducercompensation.com or by calling AIG at 1-800-706-3102.

INCORPORATED UNDER THE LAWS OF NEW YORK
 ITEM 1. NAMED INSURED: MAILING ADDRESS IDENTIFICATION NO.:

HARRY'S NURSES & REGISTRY INC.
 88-25 163RD STREET
 JAMAICA, NY 11432-0000



Member Companies of
 American International Group
 EXECUTIVE OFFICES:
 70 PINE STREET, NEW YORK, N.Y. 10270

SEE NAME AND ADDRESS SCHEDULE - WC990610
 I.D# NY UI#: UNKNOWN

PRODUCERS NAME & MAILING ADDRESS

**WORKERS COMPENSATION AND EMPLOYERS
 LIABILITY POLICY INFORMATION PAGE**

WACHOVIA INS SVCS INC DBA AGENCY RESOURCES INC
 190 RIVER ROAD, CN 1011
 SUMMIT, NJ 07902-1011

INSURED IS
 CORPORATION

PREVIOUS POLICY NUMBER
 NEW

OTHER WORKPLACES NOT SHOWN ABOVE: SEE NAME AND ADDRESS SCHEDULE - WC990610

ITEM 2	POLICY PERIOD 12:01 A.M. standard time at the insured's mailing address FROM 05/25/07 TO 05/25/08									
ITEM 3	<p>A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation Law of the states listed here: NY</p> <p>B. Employers Liability Insurance: Part Two of the policy applies to the work in each state listed in item 3.A. The limits of our liability under Part Two are:</p> <table border="0"> <tr> <td>Bodily Injury by Accident \$</td> <td>500,000</td> <td>each accident</td> </tr> <tr> <td>Bodily Injury by Disease \$</td> <td>500,000</td> <td>policy limit</td> </tr> <tr> <td>Bodily Injury by Disease \$</td> <td>500,000</td> <td>each employee</td> </tr> </table> <p>C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here: AK AL AR AZ CA CO CT DC DE FL GA HI IA ID IL IN KS KY LA MA MD ME MI MN MO MS MT NC NE NH NJ NM NV OK OR PA RI SC SD TN TX UT VA VT WI</p>	Bodily Injury by Accident \$	500,000	each accident	Bodily Injury by Disease \$	500,000	policy limit	Bodily Injury by Disease \$	500,000	each employee
Bodily Injury by Accident \$	500,000	each accident								
Bodily Injury by Disease \$	500,000	policy limit								
Bodily Injury by Disease \$	500,000	each employee								

ITEM 4 The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

Classifications	Code Number	Estimated Total Remuneration		Rate Per \$100 OF Re-muneration	Estimated Premium	
		<input checked="" type="checkbox"/> Annual	<input type="checkbox"/> 3 Year		<input checked="" type="checkbox"/> Annual	<input type="checkbox"/> 3 Year
SEE EXTENSION OF INFORMATION PAGE - WC7754 TAXES/ASSESSMENTS/SURCHARGES						\$40,647

EXPENSE CONSTANT (EXCEPT WHERE APPLICABLE BY STATE) \$200 NY
 MINIMUM PREMIUM \$659 NY
 TOTAL ESTIMATED PREMIUM \$186,983

If indicated below, interim adjustments of premium shall be made:

Semi-Annually Quarterly Monthly DEPOSIT PREMIUM

ENDORSEMENTS (FORM NUMBER) SEE ATTACHED FORM SCHEDULE - WC990612

05/30/07 PARSIPPANY

82

Issue Date

Issuing Office

[Signature]
 Authorized Representative

WC 00 00 01

FORMS SCHEDULE

Policy Number: WC 531-26-38

Effective Date: 05/25/2007

FORTRSM	FOREIGN TERRORISM POLHOLDR NOT-PREM DTMN
W000113	TRIA EXTENSION ACT ENDT.
W000308	PARTNERS, OFFICERS, AND OTHERS EXCLUSION
W000403	EXPERIENCE RATING MODIFICATION FACTOR
W000406	PREMIUM DISCOUNT ENDORSEMENT
W000414	NOTIFICATION OF CHANGE IN OWNERSHIP ENDT
W000421A	D-TEC PREMIUM ENDT.
W000422	FOREIGN TERRORISM PREMIUM ENDT.
WCOFAC	NOTICE REG OFFICE OF FOREIGN ASSET CTRL
78052D	PRIVACY POLICY
W000419	PREMIUM DUE DATE ENDORSEMENT
WC310308	NY LIMIT OF LIABILITY ENDORSEMENT
WC310319D	NY CONSTRUCTION CLASSIFICATION PREM ADJ
WC9931021	NY NOTICE TO POLICY HOLDERS
WC993107	NY NOTICE TO POLICYHOLDER
WC993118	NY SE FUND SCH NOT - IMP NOT TO PHOLDERS
WC990610	NAMED INSUREDS/ADDRESSES

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

INSURANCE POLICY

National Union Fire Insurance
Company of Pittsburgh, Pa.

American Home Assurance Company

The Insurance Company of
The State of Pennsylvania

AIG Casualty Company

Commerce and Industry
Insurance Company



Member Companies of
American International Group, Inc.
EXECUTIVE OFFICES
70 PINE STREET
NEW YORK, N.Y. 10270

Coverage is provided by the Company designated on the Information Page
A Stock Insurance Company

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY QUICK REFERENCE

BEGINNING ON
PAGE

Information Page	i
GENERAL SECTION	1
A. The Policy	1
B. Who Is Insured	1
C. Workers Compensation Law	1
D. State	1
E. Locations	1
PART ONE-WORKERS COMPENSATION INSURANCE	1
A. How This Insurance Applies	1
B. We Will Pay	1
C. We Will Defend.....	1
D. We Will Also Pay	1
E. Other Insurance	2
F. Payments You Must Make.....	2
G. Recovery From Others	2
H. Statutory Provisions	2

THESE POLICY PROVISIONS WITH THE INFORMATION PAGE AND ENDORSEMENTS,
IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THIS POLICY.

"INCLUDES COPYRIGHT MATERIAL OF THE NATIONAL COUNCIL ON COMPENSATION
INSURANCE, USED WITH ITS PERMISSION.

COPYRIGHT 1983 NATIONAL COUNCIL ON COMPENSATION INSURANCE"

QUICK REFERENCE - CONTINUED

BEGINNING ON
PAGE

PART TWO - EMPLOYERS LIABILITY INSURANCE.....2
A. How This Insurance Applies.....2
B. We Will Pay.....3
C. Exclusions3
D. We Will Defend.....3
E. We Will Also Pay.....4
F. Other Insurance.....4
G. Limits of Liability.....4
H. Recovery From Others.....4
I. Action Against Us.....4

PART THREE - OTHER STATES INSURANCE.....4
A. How This Insurance Applies.....4
B. Notice.....5

PART FOUR - YOUR DUTIES IF INJURY OCCURS5

PART FIVE - PREMIUM.....5
A. Our Manuals.....5
B. Classifications.....5
C. Remuneration.....5
D. Premium Payments.....5
E. Final Premium.....5
F. Records.....6
G. Audit.....6

PART SIX - CONDITIONS.....6
A. Inspection.....6
B. Long Term Policy.....6
C. Transfer of Your Rights and Duties.....6
D. Cancellation.....6
E. Sole Representative.....6

IMPORTANT: This Quick Reference is **not** part of the Workers Compensation and Employers Liability Policy and does **not** provide coverage. Refer to the Workers Compensation and Employers Liability Policy itself for actual contractual provisions.

PLEASE READ THE WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY CAREFULLY

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

In return for the payment of the premium and subject to all terms of this policy, we agree with you as follows.

GENERAL SECTION

A. The Policy

This policy includes at its effective date the Information Page and all endorsements and schedules listed there. It is a contract of insurance between you (the employer named in Item 1 of the Information Page) and us (the insurer named on the Information Page). The only agreements relating to this insurance are stated in this policy. The terms of this policy may not be changed or waived except by endorsement issued by us to be part of this policy.

B. Who Is Insured

You are insured if you are an employer named in Item 1 of the Information Page. If that employer is a partnership, and if you are one of its partners, you are insured, but only in your capacity as an employer of the partnership's employees.

C. Workers Compensation Law

Workers Compensation Law means the workers or workmen's compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page. It includes any amendments to that law which are in effect during the policy period. It does not include any federal workers or workmen's compensation law, any federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

D. State

State means any state of the United States of America, and the District of Columbia.

E. Locations

This policy covers all of your workplaces listed in Items 1 or 4 of the Information Page; and it covers all other workplaces in Item 3.A states unless you have other insurance or are self-insured for such workplaces.

PART ONE - WORKERS COMPENSATION INSURANCE

A. How This Insurance Applies

This workers compensation insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. Bodily injury by accident must occur during the policy period.
2. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

B. We Will Pay

We will pay promptly when due the benefits required of you by the workers compensation law.

C. We Will Defend

We have the right and duty to defend at our expense any claim, proceeding or suit against you for benefits payable by this insurance. We have the right to investigate and settle these claims, proceedings or suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance.

D. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend:

1. reasonable expenses incurred at our request, but not loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the amount payable under this insurance;

3. litigation costs taxed against you;
4. interest on a judgment as required by law until we offer the amount due under this insurance; and
5. expenses we incur.

E. Other Insurance

We will not pay more than our share of benefits and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that may apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance will be equal until the loss is paid.

F. Payments You Must Make

You are responsible for any payments in excess of the benefits regularly provided by the workers compensation law including those required because:

1. of your serious and willful misconduct;
2. you knowingly employ an employee in violation of law;
3. you fail to comply with a health or safety law or regulation; or
4. you discharge, coerce or otherwise discriminate against any employee in violation of the workers compensation law.

If we make any payments in excess of the benefits regularly provided by the workers compensation law on your behalf, you will reimburse us promptly.

G. Recovery From Others

We have your rights, and the rights of persons entitled to the benefits of this insurance, to recover

our payments from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

H. Statutory Provisions

These statements apply where they are required by law.

1. As between an injured worker and us, we have notice of the injury when you have notice.
2. Your default or the bankruptcy or insolvency of you or your estate will not relieve us of our duties under this insurance after an injury occurs.
3. We are directly and primarily liable to any person entitled to the benefits payable by this insurance. Those persons may enforce our duties; so may an agency authorized by law. Enforcement may be against us or against you and us.
4. Jurisdiction over you is jurisdiction over us for purposes of the workers compensation law. We are bound by decisions against you under that law, subject to the provisions of this policy that are not in conflict with that law.
5. This insurance conforms to the parts of the workers compensation law that apply to:
 - a. benefits payable by this insurance or;
 - b. special taxes, payments into security or other special funds, and assessments payable by us under that law.
6. Terms of this insurance that conflict with the workers compensation law are changed by this statement to conform to that law.

Nothing in these paragraphs relieves you of your duties under this policy.

PART TWO - EMPLOYERS LIABILITY INSURANCE

A. How This Insurance Applies

This employers liability insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to your work in a state or territory listed in Item 3.A. of the Information Page.

3. Bodily injury by accident must occur during the policy period.
4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
5. If you are sued, the original suit and any related legal actions for damages for bodily injury

by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

B. We Will Pay

We will pay all sums you legally must pay as damages because of bodily injury to your employees, provided the bodily injury is covered by this Employers Liability Insurance.

The damages we will pay, where recovery is permitted by law, include damages:

1. for which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against such third party as a result of injury to your employee;
 2. for care and loss of services; and
 3. for consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee;
- provided that these damages are the direct consequence of bodily injury that arises out of and in the course of the injured employee's employment by you; and
4. because of bodily injury to your employee that arises out of and in the course of employment, claimed against you in a capacity other than as employer.

C. Exclusions

This insurance does not cover:

1. liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner;
2. punitive or exemplary damages because of bodily injury to an employee employed in violation of law;
3. bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers;
4. any obligation imposed by a workers compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
5. bodily injury intentionally caused or aggravated by you;

6. bodily injury occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily outside these countries;

7. damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions.

8. bodily injury to any person in work subject to the Longshore and Harbor Workers' Compensation Act (33 USC Sections 901-950), the Nonappropriated Fund Instrumentalities Act (5 USC Sections 8171-8173), the Outer Continental Shelf Lands Act (43 USC Sections 1331-1356), the Defense Base Act (42 USC Sections 1651-1654), the Federal Coal Mine Health and Safety Act of 1969 (30 USC Sections 901-942), any other federal workers or workmen's compensation law or other federal occupational disease law, or any amendments to these laws.

9. bodily injury to any person in work subject to the Federal Employers' Liability Act (45 USC Sections 51-60), any other federal laws obligating an employer to pay damages to an employee due to bodily injury arising out of or in the course of employment, or any amendments to those laws.

10. bodily injury to a master or member of the crew of any vessel.

11. fines or penalties imposed for violation of federal or state law.

12. damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 USC Sections 1801-1872) and under any other federal law awarding damages for violation of those laws or regulations issued thereunder, and any amendments to those laws.

D. We Will Defend

We have the right and duty to defend, at our expense, any claim, proceeding or suit against you for damages payable by this insurance. We have the right to investigate and settle these claims, proceedings and suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance. We have no duty to defend or continue defending after we have paid our applicable limit of liability under this insurance.

E. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim proceeding, or suit we defend;

1. reasonable expenses incurred at our request; but not loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance;
3. litigation costs taxed against you;
4. interest on a judgment as required by law until we offer the amount due under this insurance; and
5. expenses we incur.

F. Other Insurance

We will not pay more than our share of damages and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self-insurance will be equal until the loss is paid.

G. Limits of Liability

Our liability to pay for damages is limited. Our limits of liability are shown in Item 3.B. of the Information Page. They apply as explained below.

1. Bodily Injury by Accident. The limit shown for "bodily injury by accident-each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.

A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

2. Bodily Injury by Disease. The limit shown for "bodily injury by disease-policy limit" is the most we will pay for all damages covered by this insurance and arising out of bodily injury by disease, regardless of the number of employees who sustain bodily injury by disease. The limit shown for "bodily injury by disease-each employee" is the most we will pay for all damages because of bodily injury by disease to any one employee.

Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

H. Recovery From Others

We have your rights to recover our payment from anyone liable for an injury covered by this insurance. You will do everything necessary to protect those rights for us and to help us enforce them.

I. Actions Against Us

There will be no right of action against us under this insurance unless:

1. You have complied with all the terms of this policy; and
2. The amount you owe has been determined with our consent or by actual trial and final judgment.

This insurance does not give anyone the right to add us as a defendant in an action against you to determine your liability. The bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this Part.

PART THREE - OTHER STATES INSURANCE

A. How This Insurance Applies

1. This other states insurance applies only if one or more states are shown in Item 3.C. of the Information Page.
2. If you begin work in any one of those states after the effective date of this policy and are not insured or are not self-insured for such work, all provisions of the policy will apply as

though that state were listed in Item 3.A. of the Information Page.

3. We will reimburse you for the benefits required by the workers compensation law of that state if we are not permitted to pay the benefits directly to persons entitled to them.
4. If you have work on the effective date of this policy in any state not listed in Item 3.A. of the

Information Page, coverage will not be afforded for that state unless we are notified within thirty days.

B. Notice

Tell us at once if you begin work in any state listed in Item 3.C. of the Information Page.

PART FOUR - YOUR DUTIES IF INJURY OCCURS

Tell us at once if injury occurs that may be covered by this policy. Your other duties are listed here.

1. Provide for immediate medical and other services required by the workers compensation law.
2. Give us or our agent the names and addresses of the injured persons and of witnesses, and other information we may need.
3. Promptly give us all notices, demands and legal papers related to the injury, claim, proceeding or suit.

4. Cooperate with us and assist us, as we may request, in the investigation, settlement or defense of any claim, proceeding or suit.
5. Do nothing after an injury occurs that would interfere with our right to recover from others.
6. Do not voluntarily make payments, assume obligations or incur expenses, except at your own cost.

PART FIVE - PREMIUM

A. Our Manuals

All premium for this policy will be determined by our manuals of rules, rates, rating plans and classifications. We may change our manuals and apply the changes to this policy if authorized by law or a governmental agency regulating this insurance.

that the employers of these persons lawfully secured their workers compensation obligations.

D. Premium Payments

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid.

B. Classifications

Item 4 of the Information Page shows the rate and premium basis for certain business or work classifications. These classifications were assigned based on an estimate of the exposures you would have during the policy period. If your actual exposures are not properly described by those classifications, we will assign proper classifications, rates and premium basis by endorsement to this policy.

E. Final Premium

The premium shown on the Information Page, schedules, and endorsements is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy. If the final premium is more than the premium you paid to us, you must pay us the balance. If it is less, we will refund the balance to you. The final premium will not be less than the highest minimum premium for the classifications covered by this policy.

C. Remuneration

Premium for each work classification is determined by multiplying a rate times a premium basis. Remuneration is the most common premium basis. This premium basis includes payroll and all other remuneration paid or payable during the policy period for the services of:

If this policy is canceled, final premium will be determined in the following way unless our manuals provide otherwise.

1. All your officers and employees engaged in work covered by this policy; and
2. All other persons engaged in work that could make us liable under Part One (Workers Compensation Insurance) of this policy. If you do not have payroll records for these persons, the contract price for their services and materials may be used as the premium basis. This paragraph 2 will not apply if you give us proof

1. If we cancel, final premium will be calculated pro rata based on the time this policy was in force. Final premium will not be less than the pro rata share of the minimum premium.
2. If you cancel, final premium will be more than pro rata; it will be based on the time this policy was in force, and increased by our short rate

cancellation table and procedure. Final premium will not be less than the minimum premium.

F. Records

You will keep records of information needed to compute premium. You will provide us with copies of those records when we ask for them.

G. Audit

You will let us examine and audit all your records that relate to this policy. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records, and programs for storing and retrieving data. We may conduct the audits during regular business hours during the policy period and within three years after the policy period ends. Information developed by audit will be used to determine final premium. Insurance rate service organizations have the same rights we have under this provision.

PART SIX - CONDITIONS

A. Inspection

We have the right, but are not obliged to inspect your workplaces at any time. Our inspections are not safety inspections. They relate only to the insurability of the workplaces and the premiums to be charged. We may give you reports on the conditions we find. We may also recommend changes. While they may help reduce losses, we do not undertake to perform the duty of any person to provide for the health or safety of your employees or the public. We do not warrant that your workplaces are safe or healthful or that they comply with laws, regulations, codes or standards. Insurance rate service organizations have the same rights we have under this provision.

B. Long Term Policy

If the policy period is longer than one year and sixteen days, all provisions of this policy will apply as though a new policy were issued on each annual anniversary that this policy is in force.

C. Transfer of Your Rights and Duties

Your rights or duties under this policy may not be transferred without our written consent.

If you die and we receive notice within thirty days after your death, we will cover your legal representative as insured.

D. Cancellation

1. You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancellation is to take effect.
2. We may cancel this policy. We must mail or deliver to you not less than ten days advance written notice stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.
3. The policy period will end on the day and hour stated in the cancellation notice.
4. Any of these provisions that conflicts with a law that controls the cancellation of the insurance in this policy is changed by this statement to comply with that law.

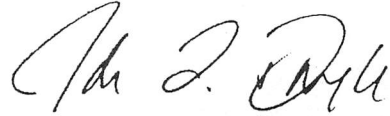
E. Sole Representative

The insured first named in Item 1 of the Information Page will act on behalf of all insureds to change this policy, receive return premium, and give or receive notice of cancellation.

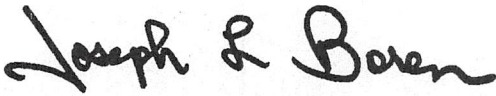
In Witness Whereof, the company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned by a duly authorized representative of the company.



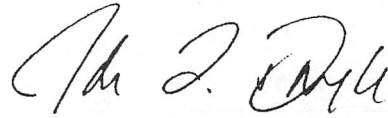
The Insurance Company
of The State of Pennsylvania



President
National Union Fire
Insurance Company of
Pittsburgh, PA



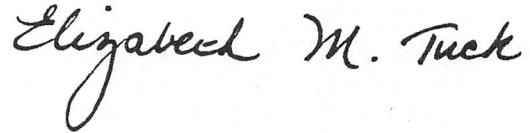
President
Commerce and Industry
Insurance Company



President
American Home
Assurance Company



President
AIG Casualty Company



Secretary
National Union Fire Insurance Company of Pittsburgh, PA
American Home Assurance Company
The Insurance Company of The State of Pennsylvania
AIG Casualty Company
Commerce and Industry Insurance Company

Page 1 of 1

STANDARD WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY EXTENSION FORM

WC 531-26-38

NEW YORK

Policy Prefix & No.

Schedule

INTRA/Independent State Risk ID

013-82-0507-00

HARRY'S NURSES & REGISTRY INC.

Item 4. Classification of Operations		Premium Basis	Rates	
Entries in this item, except as specifically provided elsewhere in this policy, do not modify any of the other provisions of this policy.	Code No.	Estimated Total Annual Remuneration	Per \$100 of Remuneration	Estimated Annual Premiums
RATING GROUP: 0001-01				
EXECUTIVE OFFICERS NOC-NOT FOREMEN, WORKERS OR SALESPERSONS	8809	31,200	0.46	144
CLERICAL OFFICE EMPLOYEES NOC	8810	380,000	0.36	1,368
HEALTH CARE SERVICES: MEDICAL OR OTHER	8854	4,500,000	4.17	187,650
PROFESSIONAL SERVICES -TRAVELING				
STATE OF NEW YORK TOTALS				
TOTAL CLASSIFICATION PREMIUM				189,162
TOTAL UNMODIFIED PREMIUM				189,162
MODIFIED STANDARD PREMIUM				189,162
UNDISCOUNTED PREMIUM				189,162
PREMIUM DISCOUNT	-4.10%	0064		-7,756
DISCOUNTED PREMIUM				181,406
EXPENSE CONSTANT		0900		200
FOREIGN TERRORISM (TRIA)		9740		4,886
DOMESTIC TERRORISM, ET AL	0.01	9741		491
TOTAL ESTIMATED PREMIUM				186,983
TAX/ASSESSMENT SURCHARGE	18.60%	0932		36,184
WC SECURITY FUND SURCHARGE	2.00%	9749		4,463
TOTAL DUE				227,630

FOREIGN TERRORISM (TRIA) POLICYHOLDER NOTICE - PREMIUM DETERMINATION

As indicated in Form No. WC 00 04 22, your Foreign Terrorism (TRIA) premium is shown in Form WC 7754. The schedule below shows how the premium for Foreign Terrorism (TRIA) is determined.

Schedule

State	Premium Determination Method
Arizona	Rate per \$100 of Remuneration <u>in addition to</u> rate included in Arizona premium as set forth below**.
Colorado, Connecticut, Florida, New Jersey, New Mexico and Wisconsin	Rate per \$100 of Remuneration.
New York	Rate per \$100 of Remuneration <u>and</u> rate applied to Total Classification Premium.
Idaho, Kansas, Maine, New Hampshire and Virginia	Included in Rates applied to Premium Basis (Remuneration) for calculation of annual premium for each applicable classification of operations.
Alabama, Alaska, Arkansas, Iowa, Montana, Nevada, Tennessee and Texas	Rate per \$100 of Remuneration <u>in addition to</u> charge included in rates applied to Premium Basis (Remuneration) for calculation of annual premium for each applicable classification of operations.
All Other States	Rate applied to Total Classification Premium.

Refer to Item 4 of the Information Page and State Schedule Pages form WC 7754 for the premium charged for the coverage provided for workers' compensation losses caused by an act of foreign terrorism. This premium is included in your Total Estimated Premium and is an estimate. The final premium for this coverage will be determined after this policy ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy.

The rates and rating methodologies used to calculate the premium charged for this coverage are subject to change. This means that the rates and rating methodologies applied when your policy was issued may be different from those applied when computing your premium after the issuance of the policy, for example, at time of audit

** For policies issued by Commerce and Industry Insurance Company, AIU Insurance Company or New Hampshire Insurance Company the total premium for Arizona also includes a charge for this coverage in the rates applied to Premium Basis (Remuneration) for each applicable classification of operations.

For policies issued by American Home Assurance Company, American International South Insurance Company, AIG Casualty Company, Granite State Insurance Company, Illinois National Insurance Co., National Union Fire Insurance Company of Pittsburgh, Pa. or The Insurance Company of the State of Pennsylvania the total premium for Arizona also includes a charge for this coverage determined by applying a rate against the Schedule Modification factor.

- f. For the period beginning on January 1, 2007 and ending on December 31, 2007, an amount equal to 20% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2007.

Limitation of Liability

The Act may limit our liability to you under this policy. If annual aggregate insured terrorism or war losses of all insurers exceed \$100,000,000,000 during the applicable period provided in the Act, and if we have met our insurer deductible, the amount we will pay for insured terrorism or war losses under this policy will be limited by the Act, as determined by the Secretary of the Treasury.

Policyholder Disclosure Notice

1. Insured terrorism or war losses would be partially reimbursed by the United States Government under a formula established by the Act. Under this formula, the United States Government would pay 90% for Program Year 4 and 85% for Program Year 5 of our insured terrorism or war losses exceeding our insurer deductible.
2. The premium charged for the coverage this policy provides for insured terrorism or war losses is included in the amount shown in Item 4 of the Information Page or in the Schedule in the Foreign Terrorism Premium Endorsement. (WC 00 04 22), attached to this policy.

PARTNERS, OFFICERS AND OTHERS EXCLUSION ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 05/25/2007 forms a part of Policy No. WC 531-26-38

Issued to HARRY'S NURSES & REGISTRY INC.

By COMMERCE AND INDUSTRY INSURANCE COMPANY

The policy does not cover bodily injury to any person described in the Schedule.

The premium basis for the policy does not include the remuneration of such persons.

You will reimburse us for any payment we must make because of bodily injury to such persons.

Partners

Schedule

Officers

Others

HARRY DORVILIER

EXPERIENCE RATING MODIFICATION FACTOR ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 05/25/2007 forms a part of Policy No. WC 531-26-38

Issued to HARRY'S NURSES & REGISTRY INC.

By COMMERCE AND INDUSTRY INSURANCE COMPANY

The premium for the policy will be adjusted by an experience rating modification factor. The factor was not available when the policy was issued. The factor, if any, shown on the Information Page is an estimate. We will issue an endorsement to show the proper factor, if different from the factor shown, when it is calculated.

PREMIUM DISCOUNT ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 05/25/2007 forms a part of Policy No. WC 531-26-38

Issued to HARRY'S NURSES & REGISTRY INC.

By COMMERCE AND INDUSTRY INSURANCE COMPANY

The premium for this policy and the policies, if any, listed in Item 3 of the Schedule may be eligible for a discount. This endorsement shows your estimated discount in Items 1 or 2 of the Schedule. The final calculation of premium discount will be determined by our manuals and your premium basis as determined by audit. Premium subject to retrospective rating is not subject to premium discount.

Schedule

		<u>Estimated Eligible Premium</u>			
1.	<u>State</u>	First	Next	Next	Balance
	New York	\$5,000	\$95,000 3.50	\$400,000 5.00	7.00

2. Average percentage discount: 4.10 %

3. Other policies:

4. If there are no entries in Items 1, 2 and 3 of the Schedule, see Premium Discount Endorsement attached to your policy number:

NOTIFICATION OF CHANGE IN OWNERSHIP ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 05/25/2007 forms a part of Policy No. WC 531-26-38

Issued to HARRY'S NURSES & REGISTRY INC.

By COMMERCE AND INDUSTRY INSURANCE COMPANY

Experience rating is mandatory for all eligible insureds. The experience rating modification factor, if any, applicable to this policy, may change if there is a change in your ownership or in that of one or more of the entities eligible to be combined with you for experience rating purposes. Change in ownership includes sales, purchases, other transfers, mergers, consolidations, dissolutions, formations of a new entity and other changes provided for in the applicable experience rating plan manual.

You must report any change in ownership to us in writing within 90 days of such change. Failure to report such changes within this period may result in revision of the experience rating modification factor used to determine your premium.

THIS ENDORSEMENT IS NOT APPLICABLE IN NEW JERSEY, PENNSYLVANIA,
CALIFORNIA, DELAWARE OR TEXAS.

**DOMESTIC TERRORISM, EARTHQUAKES, AND CATASTROPHIC INDUSTRIAL ACCIDENTS
PREMIUM ENDORSEMENT**

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 05/25/2007 forms a part of Policy No. WC 531-26-38

Issued to HARRY'S NURSES & REGISTRY INC.

By COMMERCE AND INDUSTRY INSURANCE COMPANY

This endorsement is notification that your insurance carrier is charging premium to cover the losses that may occur in the event of domestic terrorism, earthquakes, and/or a catastrophic industrial accident.

The premium charge provides funding for the risk of earthquakes, catastrophic industrial accidents, and certain acts of domestic terrorism. It does not provide funding for acts of terrorism certified as such by the Terrorism Risk Insurance Act of 2002 and any amendments resulting from the Terrorism Risk Insurance Extension Act of 2005 (the Act), or acts of foreign terrorism as that term is defined in the Foreign Terrorism Premium Endorsement (WC 00 04 22), attached to this policy.

For purposes of this endorsement, the following definitions apply:

Domestic terrorism: All acts of terrorism outside the scope of the Act or the Foreign Terrorism Premium Endorsement (WC 00 04 22), with aggregate workers compensation losses in excess of \$50 million.

Earthquake: The shaking and vibration at the surface of the earth resulting from underground movement along a fault plane or from volcanic activity where aggregate workers compensation losses from the single event are in excess of \$50 million.

Catastrophic Industrial Accident: Any single event resulting in aggregate workers compensation losses in excess of \$50 million.

Schedule

Refer to State Schedule Pages Form WC7754

FOREIGN TERRORISM PREMIUM ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 05/25/2007 forms a part of Policy No. WC 531-26-38

Issued to HARRY'S NURSES & REGISTRY INC.

By COMMERCE AND INDUSTRY INSURANCE COMPANY

This endorsement is notification that your insurance carrier is charging premium for losses that may occur in the event of an act of foreign terrorism.

Your policy provides coverage for workers compensation losses caused by acts of foreign terrorism, including workers compensation benefit obligations dictated by state law. Coverage for such losses is still subject to all terms, definitions, exclusions, and conditions in your policy, and any applicable federal and/or state laws, rules, or regulations.

For purposes of this endorsement, an "act of foreign terrorism" is defined as:

- a. Any act that is violent or dangerous to human life, property or infrastructure; and
- b. The act has been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The premium charge for the coverage your policy provides for workers compensation losses caused by an act of foreign terrorism is shown in Item 4 of the Information Page or in the Schedule below.

Schedule

State

Rate per \$100 of payroll

Refer to Item 4 of the Information Page and State Schedule Pages form WC 7754 for the premium charged for the coverage provided for workers' compensation losses caused by an act of foreign terrorism. This premium is included in your Total Estimated Premium and is an estimate. The final premium for this coverage will be determined after this policy ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy. For further information see the "Foreign Terrorism (TRIA) Policyholder Notice - Premium Determination" included with this policy.

The rates and rating methodologies used to calculate the premium charged for this coverage are subject to change. This means that the rates and rating methodologies applied when your policy was issued may be different from those applied when computing your premium after the issuance of the policy, for example, at time of audit.

**IMPORTANT NOTICE TO OUR CUSTOMERS
REGARDING THE
OFFICE OF FOREIGN ASSETS CONTROL**

Your rights as a policyholder and payments to you, any insured, additional insured, loss payee, mortgagee, or claimant, for loss under this policy may be affected by the administration and enforcement of U.S. economic embargoes and trade sanctions by the OFFICE OF FOREIGN ASSETS CONTROL ("OFAC").

WHAT IS OFAC?

OFAC is an office of the Department of the Treasury and acts under presidential wartime and national emergency powers, as well as authority granted by specific legislation, to impose controls on transactions and freeze foreign assets under U.S. jurisdiction. OFAC administers and enforces economic embargoes and trade sanctions primarily against:

- Targeted foreign countries and their agents
- Terrorism sponsoring agencies and organizations
- International narcotics traffickers

PROHIBITED ACTIVITY

- OFAC enforces certain embargoes and sanctions against certain designated countries. No U.S. business or person may enter into certain transactions in or connected to such designated "sanctioned" countries.
- OFAC maintains a directory known as the "Specially Designated Nationals and Blocked Persons" ("SDNBP") list. No U.S. business or person may transact business with any person or entity named on the SDNBP list.

Additional and more in-depth information on OFAC is available at the following website:
<http://www.ustreas.gov/offices/eotffc/ofac>.

OBLIGATIONS PLACED ON US BY OFAC

If we determine that you or any insured, additional insured, loss payee, mortgagee, or claimant are on the SDNBP list or are connected to a sanctioned country as described in the regulations enforced by OFAC, we must block or "freeze" property and payment of any funds transfers or transactions and report all blocks to OFAC within ten (10) days.

POTENTIAL ACTIONS BY US

1. We may immediately cancel your coverage effective on the day that we determine that we have transacted business with an individual or entity associated with your policy on the SDNBP list or connected to a sanctioned country as described in the regulations enforced by OFAC.
2. If we cancel your coverage, you will not receive a return premium unless approved by OFAC. All funds will be placed in an interest bearing blocked account established on the books of a U.S. financial institution.
3. We will not pay a claim, accept premium or exchange monies or assets of any kind to or with individuals, entities or companies (including a bank) on the SDNBP list or connected to a sanctioned country as described in the regulations enforced by OFAC. And, we will not defend or provide any other benefits under your policy to individuals, entities or companies on the SDNBP list or connected to a sanctioned country as described in the regulations enforced by OFAC.

YOUR RIGHTS AS A POLICYHOLDER

If funds are blocked or frozen by us in conjunction with the OFFICE OF FOREIGN ASSETS CONTROL, you may complete an "APPLICATION FOR THE RELEASE OF BLOCKED FUNDS" and apply for a specific license to request their release. Forms are available for download at the OFAC website. See
<http://www.ustreas.gov/offices/eotffc/ofac/legal/forms/license.pdf>

Our Commitment to Privacy:

The AIG Companies (AIG) believe one of our most important assets is the trust consumers place in us to respect and properly handle nonpublic personal information received by us in connection with providing our products and services. To continue earning your trust and enhance the products and services offered to you, the companies listed below have adopted the following privacy policy to govern how we treat your nonpublic personal information including such information about our former customers.

It's important for you to know that this privacy policy applies only to the product or service you have just obtained or the insurance policy under which you are seeking or receiving benefits. This policy does not preclude any AIG Company from using the information you provided in order to offer you other products or services in which you may be interested. This policy also does not preclude us from sharing your information with a non-AIG affiliated company so long as the sharing is necessary to administer and process the product or service you have just obtained or the insurance policy under which you are seeking or receiving benefits. As a large worldwide leader in the delivery of financial products and services, we offer numerous products and services to many types of consumers and clients in many different states and countries around the world. Therefore, any one of our companies may have different privacy policies to fit the specific products and services it offers.

Information We Collect:

We collect information about you that is necessary to tailor our products and services to meet your individual needs, provide effective customer service, and comply with legal requirements.

We may collect nonpublic personal information about you, from one or more of the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates or others;
- Information we receive from a consumer-reporting agency; and
- Information received in handling claims.

Sharing Information Within Our Family of Companies:

We may share some or all of the nonpublic personal information we collect with our affiliates - the members of the AIG family of companies, unless such sharing of information is prohibited by law. In many cases, the information that is shared may be at your request or is necessary to administer, process or otherwise handle your transactions with us or settle a claim on your behalf. In addition, we may provide this information to our affiliates in order to offer you products and services in which you may be interested.

Our family of companies includes many insurance companies (e.g., auto, home, and life insurance), insurance claims handling companies, other financial institutions (e.g., savings bank), and non-financial institutions.

Sharing Information Outside the AIG Family:

Sometimes, we use companies or businesses outside the AIG family to administer, process, or otherwise handle your transactions with us, such as for claims handling or customer service. Other times, we may enter into contracts with nonaffiliated companies to perform services on our behalf, such as marketing our products and services, or we may enter into joint marketing agreements with other financial institutions. In these and other circumstances permitted by law, we may share some or all of the information we collect above with these nonaffiliated third parties. However, whenever we utilize a nonaffiliated third party to provide these services, they are required to follow federal privacy laws governing this notice. We also may share information to combat fraud, in response to a court order, or at the request of government regulators.

Nonpublic Personal Health Information:

We will not disclose nonpublic personal health information about you without obtaining prior written authorization from you, except as permitted by applicable law or regulation.

Protecting and Safeguarding Your Information:

To help prevent unwarranted disclosure of your nonpublic information and secure it from theft, we utilize secure computer networks and restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. In addition, we maintain physical, electronic, and procedural safeguards that comply with applicable laws and regulations to guard our customers' nonpublic personal information.

Maintaining Accurate Information:

We also maintain procedures to ensure that the information we collect is accurate, up-to-date, and as complete as possible. If you believe the information we have about you in our records or files is incomplete or inaccurate, you may request that we make additions or corrections, or if it is feasible, that we delete this information from our files. You may make this request in writing to (include your name, address and policy number):

Chief Privacy Officer
AIG - Domestic Brokerage Group
175 Water Street, 3rd Floor
New York, NY 10038

FAX: 212-785-9495

e-mail: DBG.Privacy@AIG.com

Special notice for policyholders who reside in any of the following states: Arizona, California, Connecticut, Georgia, Illinois, Kansas, Maine, Massachusetts, Minnesota, Montana, Nevada, New Jersey, North Carolina, Ohio, Oregon, Virginia or Wisconsin: You can obtain access to any nonpublic personal information we have about you if you properly identify yourself and submit a written request to us at the address above describing the information you want to review (include your name, address and policy number). Once we have received your request, and if the information is reasonably locatable and retrievable, we will, within 30 business days, take the following actions:

- Inform you of the nature and substance of the recorded information;
- Allow you to see and copy, in person, such recorded personal information; or
- Send you a copy of the recorded personal information by mail (we may charge you a reasonable fee to cover the cost of this service).

We will also tell you at this time the identity, if recorded, of persons to whom we have disclosed the nonpublic personal information within the preceding two years.

If you ask us to correct, amend or delete any information about you, we will, within 30 business days, either correct, amend or delete the nonpublic personal information in dispute or notify you of our refusal to take such action along with the reasons for our decision. If we make the correction, amendment or deletion you've requested, we will also notify you along with any person you designate who has received the information about you within the preceding two years, together with any insurance support organization(s) which provided us with the disputed information.

If we refuse to make the requested correction, amendment or deletion, you are permitted to file a concise statement setting forth what you think is the correct, relevant or fair information along with a statement of the reasons why you disagree with our refusal to correct, amend or delete the information subject to dispute. We will file your statement with the disputed personal information and make any person who reviews your file aware of your statement. We will also furnish your statement to any person who has received personal information from us within the two preceding years and any insurance support organization whose primary source of personal information is an insurer.

Important Information Concerning the Applicability and Future Changes to this Privacy Policy:

This privacy policy applies, with respect to nonpublic personal financial information, to the particular products or services you have just obtained, which provide primarily for personal, family, or household purposes in the United States by the AIG Companies listed below, and it applies to all nonpublic personal health information these Companies may have. Although we may change this policy at any time, as it relates to the particular product or service, please rest assured that you will be notified of any changes as required by law.

AIG Companies Covered by this Policy:

AIG Hawaii Insurance Company
AIG Casualty Company
AIU Insurance Company
American Home Assurance Company
American International Pacific Insurance Company
American International South Insurance Company
Commerce and Industry Insurance Company
Granite State Insurance Company
Illinois National Insurance Co.
National Union Fire Insurance Company of Louisiana
National Union Fire Insurance Company of Pittsburgh, Pa.
New Hampshire Insurance Company
The Insurance Company of the State of Pennsylvania
American International Specialty Lines Insurance Company
American Pacific Insurance Company, Inc.
Landmark Insurance Company
Lexington Insurance Company
Agency Management Corporation
A. I. Risk Specialists Insurance, Inc.
A. I. Risk Specialists of Missouri, Inc.
American International Entertainment, Inc.
Eastern Risk Specialists, Inc.
Florida Risk Specialists, Inc.
The Gulf Agency, Inc.
Louisiana Risk Specialists, Inc.
Medical Excess Insurance Services, Inc.
Michigan Risk Specialists, Inc.
Midwestern Risk Specialists, Inc.
Nevada Risk Specialists, Inc.
New England Risk Specialists, Inc.
Northwestern Risk Specialists, Inc.
Risk Specialists Companies, Inc.
Risk Specialists Company (Bermuda), Ltd.
Risk Specialists Company of Colorado, Inc.
Risk Specialists Company of Kentucky, Inc.
Risk Specialists Company of Minnesota, Inc.
Risk Specialists Company of New Jersey, Inc.
Risk Specialists Company of New York, Inc.
Risk Specialists Company of Ohio, Inc.
Risk Specialists of the Carolinas, Inc.
Southeastern Risk Specialists, Inc.
Southern Risk Specialists, Inc.
Western Risk Specialists, Inc.
American International Surplus Lines Agency, Inc.
AIG Warranty Services and Insurance Agency, Inc.

and other member companies of the AIG family who sent you this privacy policy statement.

78052D
(Ed. 11/06)

PREMIUM DUE DATE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 05/25/2007 forms a part of Policy No. WC 531-26-38

Issued to HARRY'S NURSES & REGISTRY INC.

By COMMERCE AND INDUSTRY INSURANCE COMPANY

**PART FIVE
PREMIUM**

D. **Premium** is amended to read:

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid. **The due date for audit and retrospective premiums is the date of the billing.**

Document Type: AUDIT	Group No. 090	Period Covered: 2/07/2007 TO 6/18/2007	H.E. File No.
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INSURED: **Q 1446 664-3**
HARRY'S NURSES REGISTRY INC
88-25 163RD STREET
JAMAICA NY 11432

REPRESENTATIVE: **681981**
KIM & CHOI ASSOCIATES
164-02 NORTHERN BLVD
FLUSHING NY 11358

Policy Number Q 1446 664-3
Date 8/18/2007
Document Number: 1819 244

* PERIOD OF COVERAGE BEGINS AND ENDS AT TWELVE AND ONE MINUTE O'CLOCK A.M. EASTERN STANDARD TIME

INFORMATION PAGE AUDIT

CODE	CLASSIFICATION DESCRIPTION	PAYROLL	X RATE PER \$100	MANUAL PREMIUM
8810	CLERICAL OFFICE EMPLOYEES NDC-U	130,218	0.36	468.78
8854	HOME HEALTH CARE PROF EMPLOYEES	2,154,322	4.17	89,835.23
0931	SHORT RATE PREMIUM			27,091.20
	1. MANUAL RATE PREMIUM			117,395.21
	2. EXPENSE CONSTANT			94.00
	3. RATING BOARD PREMIUM			117,489.21
	4. FOREIGN TERRORISM PREMIUM			776.74
	5. DOMESTIC TERRORISM PREMIUM			228.45
	6. TOTAL TERRORISM PREMIUM			1,005.19
	7. RATING BOARD PREMIUM + TOTAL TERRORISM PREMIUM			118,494.40
	8. STATE FUND DIFFERENTIAL - 20% OF ITEM 1			23,479.04
	9. STATE FUND PREMIUM + TOTAL TERRORISM PREMIUM			141,973.44
	10. ASSESSMENT CHARGE 18.6% OF (ITEM 9 LESS ITEM 2)			26,389.58
	11. TOTAL SIF PREM + TOTAL TERRORISM PREM + ASSMT			168,363.02
	12. LESS DEPOSIT FOR THIS PERIOD PREVIOUSLY BILLED			92,719.28CR
	13. NET STATE FUND PREMIUM FOR THIS PERIOD			75,643.74

CANCELLED 6/19/2007

DEFENDANT'S EXHIBIT
 6/23/10 *mp*

THIS IS NOT A BILL. IMPORTANT PREMIUM CALCULATION, PLEASE RETAIN FOR YOUR RECORDS.
 (SEE REVERSE SIDE FOR CONDITIONS)