



TF :: (800) 408-8882 T :: (863) 533-8882 F :: (863) 534-3322

April 24, 2013

FWC 09/10-74 RENEWAL TERM 1 APPROVED
RENEWAL TERM 1 VALID: 8/31/2013-8/30/2014
RENEWAL TERM 1 PRICES: 5% INCREASE ON INITIAL AWARDED
RATES FOR ALL LABOR AND EQUIP.

Linda King
FWC/Habitat & Species Conservation
Invasive Plant Management
3800 Commonwealth Blvd MS 705
Tallahassee, FL 32339-3000

RE: Price Increase Request for Contract Number FWC 09/10-74

Dear Ms. King:

Applied Aquatic (AAM) is requesting a 5% increase in all hourly costs under the referenced contract.

Over the last year AAM has seen a 11% increase in health insurance rates, 12% increase in workers comp insurance rates, and a 12% increase in gasoline prices.

Also attached is a letter from our insurance agent describing a new coverage AAM is required to have by law.

Thank you for your consideration of this matter.

Sincerely,

Paul C. Myers Jr.
General Manager



April 30, 2013

Mr. P.J. Myers
Applied Aquatic Management Inc.
4305 Bomber Road
Bartow, FL 33830-9698

RE: Workers Compensation, State Act and US Federal Acts

Dear Mr. Myers,

Please accept this letter as our formal written analysis and recommendation of the proper Workers Compensation policy and Liability coverage forms and endorsement language required by Applied Aquatic Management Inc.

- The US Merchant Marine act, also known as and referred to as the "Jones Act" is a federal act which provides employee benefits similar to our FL State Act workers compensation but to "masters and crew members" of vessels. The FL State Act coverage does not provide coverage for vessel masters and crew members. Therefore this type of employee can file suit against their employer for negligence, the negligence of a co-worker or the unseaworthiness of a vessel under the Jones Act.
- The coverage we have placed for Applied Aquatic Management, Inc., the Maritime Employers Liability coverage (MEL) will provide the necessary coverage for defense of lawsuits and potential judgments awarded by the courts arising out of claims brought by crew members.
- In addition, the US Longshore and Harbor Workers Compensation Act was designed to provide coverage for maritime workers *not specifically covered by the "Jones Act"* as mentioned above. This type of insurance essentially covers injuries to maritime workers sustained while working upon navigable waters of the US –including any adjoining pier, dock, or area used for loading, unloading a vessel. Unlike State Act workers compensation coverage, injuries sustained by employees who fit this definition, are governed by the US Department of Labor and the required benefits exceed the State Act benefits.



- We also recommend that Applied Aquatic Management Inc. have the "USL & H" endorsement referenced above although we believe the exposure for this is much less as employees subject to this coverage would be those employees *only* while loading or unloading a vessel. We are currently in the process of procuring this coverage for Applied Aquatic Management Inc. and this coverage will incur additional costs in excess of the State Act and MEL required coverage.

In summary, we realize that there is significant additional cost for the recommended insurance coverage but they are required under US Federal Law and these laws have severe ramifications for companies not providing workers with the benefits required. Employers can also be held individually responsible by piercing of the corporate veil which can be done in these situations.

Please don't hesitate to contact me with any questions or concerns regarding this analysis.

Best regards,

A handwritten signature in black ink, appearing to read "J. F. Knight".

James F. Knight
President

