

**2005 ADDENDUM TO  
PROGRAM AGREEMENT  
(This Addendum)**

for  
**MIRANT SERVICES, LLC**  
Effective as of February 1, 2004

The terms and conditions stated in this 2005 Addendum apply only to the Policies listed below. All other terms and conditions of the Agreement are here incorporated by reference in their entirety.

<b>POLICY LISTING</b>				
<b>WORKERS COMPENSATION DEDUCTIBLE POLICIES</b>				
<b>Policy Number</b>	<b>Policy Period</b>	<b>Deductible Limit</b>	<b>Claims Handling</b>	<b>Issuing Company</b>
WLR C44184564	2/1/2005- 2/1/2006	\$250,000	INCLUDED	ACE American Insurance Company

<b>POLICY LISTING</b>				
<b>RETROSPECTIVELY RATED POLICIES</b>				
<b>Policy Number</b>	<b>Policy Period</b>	<b>Deductible Limit</b>	<b>Claims Handling</b>	<b>Issuing Company</b>
None				

**WORKERS COMPENSATION DEDUCTIBLE AND RETROSPECTIVELY RATED  
POLICIES**

**1. INITIAL PAYMENTS**

- 1.A. Estimated Workers Compensation Premium: Initial estimated deductible premium, and initial estimated non-loss costs – related premium for Retrospectively Rated Policies (if a policy number is listed in the table under Retrospectively Rated Policies) are payable as follows: Commencing on the effective date of this Addendum the Insured will make a payment to the Company in accordance with the Program Installment Schedule related to the above listed Policies. The payment shall be \$637,788 which includes the initial estimated Claims Administration Expense of \$50,805.
- 1.B. Estimated TRIA: Commencing on the effective date of this Addendum, the Insured will make an initial payment of \$59,273 to the Company related to the above listed Policies for estimated TRIA.
- 1.C. Estimated Policyholder Surcharges: Commencing on the effective date of this Addendum, the Insured will make an initial payment of \$58,174 to the Company related to the above listed Policies for estimated Policyholder Surcharges.

**2. ALLOCATED LOSS ADJUSTMENT EXPENSE**

2.A. Allocated Loss Adjustment Expense will be billed with Paid Losses as indicated by an X for the Workers Compensation Deductible and Retrospectively Rated Policies listed in this Addendum as shown in the table below pursuant to Article I.

<b>Policies</b>	<b>ALAE – 100% Insured</b>	<b>ALAE – Pro-Rata</b>	<b>ALAE – Erodes</b>
Workers Compensation Deductible Policies			x

**3. CLAIMS ADJUSTING SERVICE**

3.A. For Workers Compensation Deductible and Retrospectively Rated Policies listed on this Addendum, the Company has contracted with the Claims Adjusting Service shown below. Direct Bill Provision in Article I applies for the Policies indicated by an X in the table below applicable to a Claims Adjusting Service other than ESIS, Inc.:

<b>Policies</b>	<b>Claims Adjusting Service</b>	<b>Direct Bill Provision Applies</b>
Workers Compensation Policies	ESIS, Inc.	

**4. RECALCULATION/ADJUSTMENT**

4.A. The Company will recalculate the Deductible Credit Factor and the Insured will pay Deductible Premium for the Workers Compensation (“WC”) Deductible Policies. At the time of audit, the Company will recalculate and the Insured will pay Deductible Premium based on the following components:

- 4.A.a. Expense Costs: \$542,023 adjusted at the time of the audit adjustment based on a rate of .2973 per \$100 of WC Payroll excluding monopolistic states; plus
- 4.A.b. Premium Tax and Assessment Expense: 7.02% of Workers Compensation Deductible Premium for all states; such amounts will be recalculated based on state distribution of premiums, applicable state tax rates and any additional tax and/or assessment liability imposed by the states; plus
- 4.A.c. Claims Administration Expense as provided in Article I and based on the Fee Schedule in Item 4.C below.

4.B. Retrospectively Rated Policies: Upon any recalculation of premium for the Retrospectively Rated Policies due to audit, the Company will recalculate and the Insured will pay Non-Loss Retro Costs based on the following components:

- 4.B.a. Expense Costs: \$n/a, adjusted at the time of the audit adjustment based on a rate of n/a per \$100 of WC payroll excluding monopolistic states; plus
- 4.B.b. Premium Tax and Assessments: Estimated at n/a% of Retrospective Premium, such amount will be recalculated based on the retrospective rating endorsement

and actual assessments will be recalculated based on state distribution of standard premiums and any additional assessment liability imposed by the states; plus

4.B.c. Claims Administration Expense as provided in Article I and based on the Fee Schedule in Item 4.D below.

4.C. The following Minimums apply to the Workers Compensation Deductible and Retrospectively Rated Policies combined:

4. C. Expense Costs: \$542,023

4.D. Claims Administration Expense:

<b>WORKERS COMPENSATION DEDUCTIBLE AND RETROSPECTIVELY RATED CLAIMS ADMINISTRATION EXPENSE FEE SCHEDULE</b>	
Type of Claim	Fee per Claim
Medical Only	\$150
Indemnity including Enhanced Medical- All Other States	\$1,126
Indemnity including Enhance Medical – California, Florida, Texas	\$1,229

4.E. TRIA Adjustments: TRIA will be adjusted at the time of audit and annually thereafter based on state distribution of premiums and filed NCCI rates.

4.F. Policyholder Surcharges Adjustments: Policyholder Surcharges will be adjusted at the time of audit and annually thereafter based on state distribution of premiums and the applicable state charges.

#### **PAID LOSS DEPOSIT FUND**

For the Policies listed with Claims Handling indicated as Included on this Addendum, the Insured will make payments as provided in Article III.

Initial Paid Loss Deposit Fund:

\$ 20,900

Single Payment of Paid Loss and/or Allocated Loss Adjustment Expense:       \$ 10,000

**SUBROGATION AND SECOND INJURY FUND RECOVERY FEES**

Recovery Services International Charges: 20% of the recovery for subrogation and 10% for Second Injury Fund will be subtracted from amounts recovered. Fees are net of expenses incurred. Recoveries will reduce the amount of net losses.

**INSTALLMENT SCHEDULE**

	<b>First Installment</b>
Workers Compensation Premium	\$637,788
Workers Compensation Policyholder Surcharges	\$58,174
Workers Compensation TRIA	\$59,273
Paid Loss Deposit Fund	\$20,900
<b>Total</b>	<b>\$776,135</b>

**COLLATERAL SECURITY**

The required amount of collateral security includes a surcharge of 100% of expected losses and allocated loss adjustment expense within the applicable Deductible Limit or Loss Limitation. The surcharge will be added to the required amount until twenty-four (24) months from the inception date of the Policies.

IN WITNESS WHEREOF, this 2005 Addendum to Program Agreement has been executed by the parties hereto, each of which intends by its execution hereof to be legally bound by the terms of this Addendum and of the Agreement.

**MIRANT SERVICES, LLC**

Name: Dean R. Jobko  
Print Name: DEAN R. JOBKO  
Title: DELECTOR RISK MGT & INS.  
Date: 1/27/05

**ACE AMERICAN INSURANCE COMPANY**

Name: Robert K. Hawes  
Print Name: ROBERT K HAWES  
Title: VP - UNDERWRITING  
Date: 2/2/2005  
500 Colonial Center Parkway, Suite 200  
Roswell, GA 30076