



SUSAN S. MURANISHI
COUNTY ADMINISTRATOR

C O U N T Y A D M I N I S T R A T O R

May 24, 2018

Honorable Board of Supervisors
County of Alameda
1221 Oak Street, Suite 536
Oakland, California 94612-4305

SUBJECT: AWARD A CONTRACT TO YORK RISK SERVICES GROUP, INC. FOR
WORKERS' COMPENSATION THIRD PARTY ADMINISTRATION
SERVICES, MASTER CONTRACT NO. 901575; PROCUREMENT
CONTRACT NO. 16284; AMOUNT: \$5,685,476

Dear Board Members:

RECOMMENDATION:

Authorize the Purchasing Agent to execute a contract (Master Contract No. 901575, Procurement Contract No. 16284) with York Risk Services Group, Inc. (Principal: Bettina Cooper; Location: Oakland), to provide workers' compensation third party administration services to the Alameda County – Risk Management Unit, for the approximate term of 7/1/18 – 6/30/21, in the amount of \$5,685,476.

DISCUSSION/SUMMARY:

Alameda County workforce covered by the workers' compensation program consists of approximately 9,739 full-time and part-time employees including safety personnel in the Sheriff's Office, Fire Department, District Attorney's Office, and the Probation Department.

Alameda County requires the services of a workers' compensation third party administration (TPA) service provider capable of developing and delivering a cost-effective and proactive program in order to control the cost of workplace injury claims. Alameda County contracts with a TPA for claims management, processing, and payment of benefits for its self-insured workers' compensation program.

SELECTION CRITERIA/PROCESS:

The Risk Management Unit (RMU) worked with General Services Agency (GSA) – Procurement to develop and issue a Request for Proposal (RFP) that was issued on November 15, 2017, posted on the website for 56 days, and sent to subscribers to the E-Gov Professional Services – Current Contract Opportunities mailing service. Two networking/bidders conferences were held.

On January 10, 2018, four responses to the RFP were received. All responses were evaluated by the County Selection Committee (CSC) comprised of five representatives: one from RMU, one from the Office of the County Counsel, one from the Auditor-Controller's Agency – Central Payroll/Disability Unit, one from the Human Resource Services – Disability Program Unit, and one from the Sheriff's Office. All vendors that submitted a proposal were interviewed by the CSC. A maximum total of 550 evaluation points was available for this RFP. The total evaluation points include 50 preference points derived from a 5% preference for local vendors and a 5% preference for certified Small, Local and Emerging Business (SLEB) vendors, for a total of 10%.

York Risk Services Group, Inc. was the highest scoring qualified vendor and has agreed to subcontract 11% of the contract to Merriwether & Williams Insurance Services (Principal: Ingrid Merriwether; Location: Oakland; Certified Small: 08-91180; Expiration: 10/31/19) to provide claim assistants, and subcontract 9% of the contract to Blaisdell and Songey, Inc. DBA Blaisdell's Business Products (Principal: Margie Witt; Location: Oakland; Certified Small: 02-90133; Expiration: 3/31/20) to provide office supplies.

The following is a summary of the evaluation:

<i>Vendor</i>	<i>Location</i>	<i>Local</i>	<i>SLEB</i>	<i>Evaluation Points</i>
<i>York Risk Services Group, Inc.</i>	<i>Oakland, CA</i>	<i>Y</i>	<i>N</i>	<i>446</i>
<i>Acclamation Insurance Management Services, Inc.</i>	<i>Sacramento, CA</i>	<i>N</i>	<i>N</i>	<i>433</i>
<i>Innovative Claim Solutions, Inc.</i>	<i>Castro Valley, CA</i>	<i>Y</i>	<i>Y</i>	<i>385</i>
<i>Hazelrigg Claims Management Services</i>	<i>Oakland, CA</i>	<i>Y</i>	<i>Y</i>	<i>358</i>

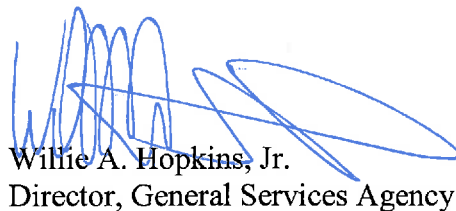
FINANCING:

Appropriations for this contract are included in the RMU FY 2018-19 MOE Budget Request and will be requested in future budget years. No additional appropriations are required and there will be no increase in net County cost.

Respectfully submitted,



Susan S. Muranishi
County Administrator



Willie A. Hopkins, Jr.
Director, General Services Agency

Attachment

cc: Steve Manning, Auditor-Controller/Clerk-Recorder
Donna R. Ziegler, County Counsel

ATTACHMENT

CONTRACT SUMMARY
 WORKERS' COMPENSATION THIRD PARTY ADMINISTRATION SERVICES
 RFP No. 901575
 JULY 1, 2018 – JUNE 30, 2021

<i>Vendor</i>	<i>Location</i>	<i>Estimated Dollar Value of Contract Award</i>	<i>Local Participation</i>		<i>SLEB Participation</i>	
			<i>Percentage</i>	<i>Dollar Amount</i>	<i>Percentage</i>	<i>Dollar Amount</i>
York Risk Services Group, Inc.	475 14 th Street, Suite 600 Oakland, CA 94612	\$5,685,476	100%	\$5,685,476	20%	\$1,137,095

<i>SLEB Subcontracting Information</i>			
Blaisdell and Songey, Inc. DBA Blaisdell's Business Products Margie Witt Certified Small/Emerging Certification No. 02-90133 Expiring 3/31/20	474 Roland Way Oakland, CA 94621-4806	9%	\$511,692.84
Merriwether & Williams Insurance Services Ingrid Merriwether Certified Small Certification No. 08-91180 Expiring 10/31/19	1970 Broadway, Suite 1225 Oakland, CA 94612	11%	\$625,402.36

**COUNTY OF ALAMEDA
STANDARD SERVICES AGREEMENT**

This Agreement, dated as of 9/19/2018, is by and between the County of Alameda, hereinafter referred to as the "County", and York Risk Services Group, Inc., hereinafter referred to as the "Contractor".

WITNESSETH

Whereas, County desires to obtain workers' compensation third party administration services which are more fully described in Exhibit A hereto ("Definition of Services"); and

Whereas, Contractor is professionally qualified to provide such services and is willing to provide same to County; and

Now, therefore it is agreed that County does hereby retain Contractor to provide workers' compensation third party administration services, and Contractor accepts such engagement, on the General Terms and Conditions hereinafter specified in this Agreement, the Additional Provisions attached hereto, and the following described exhibits, all of which are incorporated into this Agreement by this reference:

Exhibit A	Definition of Services
Exhibit B	Payment Terms
Exhibit C	Insurance Requirements
Exhibit D	Debarment and Suspension Certification
Exhibit E	Contract Compliance Reporting Requirements
Exhibit F	The Iran Contracting Act (ICA) of 2010
Exhibit G	CSAC-EIA Claims Administration Guidelines
Exhibit H	CSAC-EIA Workers' Compensation Claim Reporting & Reimbursement Procedures
Exhibit I	County's Self Insured Retention (SIR)

The term of this Agreement shall be from July 1, 2018 through June 30, 2021.

The compensation payable to Contractor hereunder shall not exceed Five Million Six Hundred Eighty Five Thousand Four Hundred Seventy Six dollars (\$5,685,476) for the term of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

COUNTY OF ALAMEDA

YORK RISK SERVICES GROUP,
INC.

By: DocuSigned by:
John Glann
EB371BC6D0094BF...
Signature

Name: John Glann
(Printed)

Title: Purchasing Manager

Date: 9/19/2018

By: DocuSigned by:
Jody A Moses
35098C65C175427...
Signature

Name: Jody A Moses
(Printed)

Title: Executive Vice President

Date: 9/18/2018

By: DocuSigned by:
Kimberly Gasaway
8E3D9AF6ACCD422...
Signature

Name: Kimberly Gasaway
(Printed)

Title: Chief Deputy, Administration

Date: 9/19/2018

By signing above, signatory warrants and represents that he/she executed this Agreement in his/her authorized capacity and that by his/her signature on this Agreement, he/she or the entity upon behalf of which he/she acted, executed this Agreement.

GENERAL TERMS AND CONDITIONS

1. **INDEPENDENT CONTRACTOR:** No relationship of employer and employee is created by this Agreement; it being understood and agreed that Contractor is an independent contractor. Contractor is not the agent or employee of the County in any capacity whatsoever, and County shall not be liable for any acts or omissions by Contractor nor for any obligations or liabilities incurred by Contractor.

Contractor shall have no claim under this Agreement or otherwise, for seniority, vacation time, vacation pay, sick leave, personal time off, overtime, health insurance medical care, hospital care, retirement benefits, social security, disability, Workers' Compensation, or unemployment insurance benefits, civil service protection, or employee benefits of any kind.

Contractor shall be solely liable for and obligated to pay directly all applicable payroll taxes (including federal and state income taxes) or contributions for unemployment insurance or old age pensions or annuities which are imposed by any governmental entity in connection with the labor used or which are measured by wages, salaries or other remuneration paid to its officers, agents or employees and agrees to indemnify and hold County harmless from any and all liability which County may incur because of Contractor's failure to pay such amounts.

In carrying out the work contemplated herein, Contractor shall comply with all applicable federal and state workers' compensation and liability laws and regulations with respect to the officers, agents and/or employees conducting and participating in the work; and agrees that such officers, agents, and/or employees will be considered as independent contractors and shall not be treated or considered in any way as officers, agents and/or employees of County.

Contractor does, by this Agreement, agree to perform his/her said work and functions at all times in strict accordance with currently approved methods and practices in his/her field and that the sole interest of County is to insure that said service shall be performed and rendered in a competent, efficient, timely and satisfactory manner and in accordance with the standards required by the County agency concerned.

Notwithstanding the foregoing, if the County determines that pursuant to state and federal law Contractor is an employee for purposes of income tax withholding, County may upon two week's notice to Contractor, withhold from payments to Contractor hereunder federal and state income taxes and pay said sums to the federal and state governments.

2. **INDEMNIFICATION:** To the fullest extent permitted by law, Contractor shall hold harmless, defend and indemnify the County of Alameda, its Board of

Supervisors, employees and agents from and against any and all claims, losses, damages, liabilities and expenses, including but not limited to attorneys' fees, arising out of or resulting from the performance of services under this Agreement, provided that any such claim, loss, damage, liability or expense is attributable to bodily injury, sickness, disease, death or to injury to or destruction of property, including the loss therefrom, or to any violation of federal, state or municipal law or regulation, which arises out of or is any way connected with the performance of this agreement (collectively "Liabilities") except where such Liabilities are caused solely by the negligence or willful misconduct of any indemnitee. The County may participate in the defense of any such claim without relieving Contractor of any obligation hereunder. The obligations of this indemnity shall be for the full amount of all damage to County, including defense costs, and shall not be limited by any insurance limits.

In the event that Contractor or any employee, agent, or subcontractor of Contractor providing services under this Agreement is determined by a court of competent jurisdiction or the Alameda County Employees' Retirement Association (ACERA) or California Public Employees' Retirement System (PERS) to be eligible for enrollment in ACERA and PERS as an employee of County, Contractor shall indemnify, defend, and hold harmless County for the payment of any employee and/or employer contributions for ACERA and PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of County.

3. **INSURANCE AND BOND:** Contractor shall at all times during the term of the Agreement with the County maintain in force, at minimum, those insurance policies and bonds as designated in the attached Exhibit C, and will comply with all those requirements as stated therein. The County and all parties as set forth on Exhibit C shall be considered an additional insured or loss payee if applicable. All of Contractor's available insurance coverage and proceeds in excess of the specified minimum limits shall be available to satisfy any and all claims of the County, including defense costs and damages. Any insurance limitations are independent of and shall not limit the indemnification terms of this Agreement. Contractor's insurance policies, including excess and umbrella insurance policies, shall include an endorsement and be primary and non-contributory and will not seek contribution from any other insurance (or self-insurance) available to County. Contractor's excess and umbrella insurance shall also apply on a primary and non-contributory basis for the benefit of the County before County's own insurance policy or self-insurance shall be called upon to protect it as a named insured.
4. **PREVAILING WAGES:** Pursuant to Labor Code Sections 1770 et seq., Contractor shall pay to persons performing labor in and about Work provided for in Contract not less than the general prevailing rate of per diem wages for work of a similar

character in the locality in which the Work is performed, and not less than the general prevailing rate of per diem wages for legal holiday and overtime work in said locality, which per diem wages shall not be less than the stipulated rates contained in a schedule thereof which has been ascertained and determined by the Director of the State Department of Industrial Relations to be the general prevailing rate of per diem wages for each craft or type of workman or mechanic needed to execute this contract.

5. **WORKERS' COMPENSATION:** Contractor shall provide Workers' Compensation insurance, as applicable, at Contractor's own cost and expense and further, neither the Contractor nor its carrier shall be entitled to recover from County any costs, settlements, or expenses of Workers' Compensation claims arising out of this Agreement.
6. **CONFORMITY WITH LAW AND SAFETY:**
 - a. In performing services under this Agreement, Contractor shall observe and comply with all applicable laws, ordinances, codes and regulations of governmental agencies, including federal, state, municipal, and local governing bodies, having jurisdiction over the scope of services, including all applicable provisions of the California Occupational Safety and Health Act. Contractor shall indemnify and hold County harmless from any and all liability, fines, penalties and consequences from any of Contractor's failures to comply with such laws, ordinances, codes and regulations.
 - b. **Accidents:** If a death, serious personal injury, or substantial property damage occurs in connection with Contractor's performance of this Agreement, Contractor shall immediately notify the Alameda County Risk Manager's Office by telephone. Contractor shall promptly submit to County a written report, in such form as may be required by County of all accidents which occur in connection with this Agreement. This report must include the following information: (1) name and address of the injured or deceased person(s); (2) name and address of Contractor's sub-Contractor, if any; (3) name and address of Contractor's liability insurance carrier; and (4) a detailed description of the accident and whether any of County's equipment, tools, material, or staff were involved.
 - c. Contractor further agrees to take all reasonable steps to preserve all physical evidence and information which may be relevant to the circumstances surrounding a potential claim, while maintaining public safety, and to grant to the County the opportunity to review and inspect such evidence, including the scene of the accident.

7. **DEBARMENT AND SUSPENSION CERTIFICATION:** (Applicable to all agreements funded in part or whole with federal funds and contracts over \$25,000).
 - a. By signing this agreement and Exhibit D, Debarment and Suspension Certification, Contractor/Grantee agrees to comply with applicable federal suspension and debarment regulations, including but not limited to 7 Code of Federal Regulations (CFR) 3016.35, 28 CFR 66.35, 29 CFR 97.35, 34 CFR 80.35, 45 CFR 92.35 and Executive Order 12549.
 - b. By signing this agreement, Contractor certifies to the best of its knowledge and belief, that it and its principals:
 - (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;
 - (2) Shall not knowingly enter into any covered transaction with a person who is proposed for debarment under federal regulations, debarred, suspended, declared ineligible, or voluntarily excluded from participation in such transaction.
8. **PAYMENT:** For services performed in accordance with this Agreement, payment shall be made to Contractor as provided in Exhibit B hereto.
9. **TRAVEL EXPENSES:** Contractor shall not be allowed or paid travel expenses unless set forth in this Agreement.
10. **TAXES:** Payment of all applicable federal, state, and local taxes shall be the sole responsibility of the Contractor.
11. **OWNERSHIP OF DOCUMENTS:** Contractor hereby assigns to the County and its assignees all copyright and other use rights in any and all proposals, plans, specification, designs, drawings, sketches, renderings, models, reports and related documents (including computerized or electronic copies) respecting in any way the subject matter of this Agreement, whether prepared by the County, the Contractor, the Contractor's sub-Contractors or third parties at the request of the Contractor (collectively, "Documents and Materials"). This explicitly includes the electronic copies of all above stated documentation.

Contractor also hereby assigns to the County and its assignees all copyright and other use rights in any Documents and Materials including electronic copies stored in Contractor's Information System, respecting in any way the subject matter of this Agreement.

Contractor shall be permitted to retain copies, including reproducible copies and computerized copies, of said Documents and Materials. Contractor agrees to take such further steps as may be reasonably requested by County to implement the aforesaid assignment. If for any reason said assignment is not effective, Contractor hereby grants the County and any assignee of the County an express royalty – free license to retain and use said Documents and Materials. The County’s rights under this paragraph shall apply regardless of the degree of completion of the Documents and Materials and whether or not Contractor’s services as set forth in Exhibit “A” of this Agreement have been fully performed or paid for.

In Contractor’s contracts with other Contractors, Contractor shall expressly obligate its Sub-Contractors to grant the County the aforesaid assignment and license rights as to that Contractor’s Documents and Materials. Contractor agrees to defend, indemnify, and hold the County harmless from any damage caused by a failure of the Contractor to obtain such rights from its Contractors and/or Sub-Contractors.

Contractor shall pay all royalties and license fees which may be due for any patented or copyrighted materials, methods or systems selected by the Contractor and incorporated into the work as set forth in Exhibit “A”, and shall defend, indemnify and hold the County harmless from any claims for infringement of patent or copyright arising out of such selection. The County’s rights under this Paragraph 11 shall not extend to any computer software used to create such Documents and Materials.

12. **CONFLICT OF INTEREST; CONFIDENTIALITY:** The Contractor covenants that it presently has no interest, and shall not have any interest, direct or indirect, which would conflict in any manner with the performance of services required under this Agreement. Without limitation, Contractor represents to and agrees with the County that Contractor has no present, and will have no future, conflict of interest between providing the County services hereunder and any other person or entity (including but not limited to any federal or state wildlife, environmental or regulatory agency) which has any interest adverse or potentially adverse to the County, as determined in the reasonable judgment of the Board of Supervisors of the County.

The Contractor agrees that any information, whether proprietary or not, made known to or discovered by it during the performance of or in connection with this Agreement for the County will be kept confidential and not be disclosed to any other person. The Contractor agrees to immediately notify the County by notices provided in accordance with Paragraph 13 of this Agreement, if it is requested to disclose any information made known to or discovered by it during the

performance of or in connection with this Agreement. These conflict of interest and future service provisions and limitations shall remain fully effective five (5) years after termination of services to the County hereunder.

13. NOTICES: All notices, requests, demands, or other communications under this Agreement shall be in writing. Notices shall be given for all purposes as follows:

Personal delivery: When personally delivered to the recipient, notices are effective on delivery.

First Class Mail: When mailed first class to the last address of the recipient known to the party giving notice, notice is effective three (3) mail delivery days after deposit in a United States Postal Service office or mailbox. Certified Mail: When mailed certified mail, return receipt requested, notice is effective on receipt, if delivery is confirmed by a return receipt.

Overnight Delivery: When delivered by overnight delivery (Federal Express/Airborne/United Parcel Service/DHL WorldWide Express) with charges prepaid or charged to the sender's account, notice is effective on delivery, if delivery is confirmed by the delivery service. Telex or facsimile transmission: When sent by telex or facsimile to the last telex or facsimile number of the recipient known to the party giving notice, notice is effective on receipt, provided that (a) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (b) the receiving party delivers a written confirmation of receipt. Any notice given by telex or facsimile shall be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.

Addresses for purpose of giving notice are as follows:

To County: COUNTY OF ALAMEDA
125 - 12th Street
Oakland, CA 94607
Attn: Maria Songco-Daluz

To Contractor: York Risk Services Group, Inc.
475 14th Street, Suite 600
Oakland, CA 94612
Attn: Bettina Hooper

Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger, or overnight delivery service.

Any party may change its address or telex or facsimile number by giving the other party notice of the change in any manner permitted by this Agreement.

14. **USE OF COUNTY PROPERTY:** Contractor shall not use County property (including equipment, instruments and supplies) or personnel for any purpose other than in the performance of his/her obligations under this Agreement.
15. **EQUAL EMPLOYMENT OPPORTUNITY PRACTICES PROVISIONS:** Contractor assures that he/she/it will comply with Title VII of the Civil Rights Act of 1964 and that no person shall, on the grounds of race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement.
 - a. Contractor shall, in all solicitations or advertisements for applicants for employment placed as a result of this Agreement, state that it is an "Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor.
 - b. Contractor shall, if requested to so do by the County, certify that it has not, in the performance of this Agreement, discriminated against applicants or employees because of their race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor.
 - c. If requested to do so by the County, Contractor shall provide the County with access to copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under state or federal law.
 - d. Contractor shall recruit vigorously and encourage minority - and women-owned businesses to bid its subcontracts.
 - e. Nothing contained in this Agreement shall be construed in any manner so as to require or permit any act, which is prohibited by law.
 - f. The Contractor shall include the provisions set forth in paragraphs A through E (above) in each of its subcontracts.

16. **DRUG-FREE WORKPLACE:** Contractor and Contractor's employees shall comply with the County's policy of maintaining a drug-free workplace. Neither Contractor nor Contractor's employees shall unlawfully manufacture, distribute, dispense, possess or use controlled substances, as defined in 21 U.S. Code § 812, including, but not limited to, marijuana, heroin, cocaine, and amphetamines, at any County facility or work site. If Contractor or any employee of Contractor is convicted or pleads nolo contendere to a criminal drug statute violation occurring at a County facility or work site, the Contractor within five days thereafter shall notify the head of the County department/agency for which the contract services are performed. Violation of this provision shall constitute a material breach of this Agreement.
17. **AUDITS; ACCESS TO RECORDS:** The Contractor shall make available to the County, its authorized agents, officers, or employees, for examination any and all ledgers, books of accounts, invoices, vouchers, cancelled checks, and other records or documents evidencing or relating to the expenditures and disbursements charged to the County, and shall furnish to the County, its authorized agents, officers or employees such other evidence or information as the County may require with regard to any such expenditure or disbursement charged by the Contractor.

The Contractor shall maintain full and adequate records in accordance with County requirements to show the actual costs incurred by the Contractor in the performance of this Agreement. If such books and records are not kept and maintained by Contractor within the County of Alameda, California, Contractor shall, upon request of the County, make such books and records available to the County for inspection at a location within County or Contractor shall pay to the County the reasonable, and necessary costs incurred by the County in inspecting Contractor's books and records, including, but not limited to, travel, lodging and subsistence costs. Contractor shall provide such assistance as may be reasonably required in the course of such inspection. The County further reserves the right to examine and reexamine said books, records and data during the three (3) year period following termination of this Agreement or completion of all work hereunder, as evidenced in writing by the County, and the Contractor shall in no event dispose of, destroy, alter, or mutilate said books, records, accounts, and data in any manner whatsoever for three (3) years after the County makes the final or last payment or within three (3) years after any pending issues between the County and Contractor with respect to this Agreement are closed, whichever is later.

18. **DOCUMENTS AND MATERIALS:** Contractor shall maintain and make available to County for its inspection and use during the term of this Agreement, all Documents and Materials, as defined in Paragraph 11 of this Agreement. Contractor's obligations under the preceding sentence shall continue for three (3) years following termination or expiration of this Agreement or the completion of

all work hereunder (as evidenced in writing by County), and Contractor shall in no event dispose of, destroy, alter or mutilate said Documents and Materials, for three (3) years following the County's last payment to Contractor under this Agreement.

19. TIME OF ESSENCE: Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a party of the benefits of any grace or use period allowed in this Agreement.
20. TERMINATION: The County has and reserves the right to suspend, terminate, or abandon the execution of any work by the Contractor without cause at any time upon giving to the Contractor prior written notice. In the event that the County should abandon, terminate, or suspend the Contractor's work, the Contractor shall be entitled to payment for services provided hereunder prior to the effective date of said suspension, termination, or abandonment. Said payment shall be computed in accordance with Exhibit B hereto, provided that the maximum amount payable to Contractor for its workers' compensation third party administration services shall not exceed \$5,685,476 payment for services provided hereunder prior to the effective date of said suspension, termination or abandonment.
21. SMALL LOCAL AND EMERGING BUSINESS (SLEB) PARTICIPATION: Contractor shall subcontract with *Merriwether & Williams Insurance Services, Inc.* (1970 Broadway, Suite 1225, Oakland, CA; Principal: *Ingrid Merriwether*) and *Blaisdell & Songey, Inc. DBA Blaisdell's Business Products* (474 Roland Way, Oakland, CA; Principal: *Margee Witt*), for services to be provided under this Agreement in an amount equal to twenty percent (20%) of the contract value of this Agreement in accordance with County's Small and Emerging Local Business provision, which includes but is not limited to:
 - a. SLEB subcontractor(s) is independently owned and operated (i.e., is not owned or operated in any way by Prime), nor do any employees of either entity work for the other.
 - b. As is applicable, Contractor shall ensure that the certification status of participating SLEB subcontractors is maintained in compliance with the SLEB Program for the term of this contract.
 - c. Contractor shall not substitute or add any small and/or emerging local business(s) listed in this agreement without prior written approval from the County. Said requests to substitute or add a small and/or emerging local business shall be submitted in writing to the County department contract representative identified under Item #13 above. Contractor will not be able to substitute the subcontractor without prior written approval from the

Alameda County Auditor–Controller Agency, Office of Contract Compliance (OCC).

- d. All SLEB participation, except for SLEB prime contractor, must be tracked and monitored utilizing the Elation compliance System. Contractor and Contractor’s small and/or emerging local businesses participating as subcontractors on the awarded contract are required to use the Elation web-based compliance system as described in Exhibit E (Contract Compliance Reporting Requirements) to report and validate payments made by Prime Contractors to the certified small and/or emerging local businesses. It is the Contractor’s responsibility to ensure that they and their subcontractors are registered and trained as required to utilize the Elation compliance system. SLEB prime contractor with SLEB subcontractors must enter payments made to subcontractors in the Elation System and ensure that SLEB subcontractors confirm payments received.

County will be under no obligation to pay contractor for the percent committed to a SLEB subcontractor if the work is not performed by the listed small and/or emerging local business.

For further information regarding the Small Local Emerging Business participation requirements and utilization of the Alameda County Contract Compliance System contact OCC via e-mail at ACSLEBcompliance@acgov.org.

22. FIRST SOURCE PROGRAM: For contracts over \$100,000, Contractor shall provide County ten (10) working days to refer to Contractor, potential candidates to be considered by Contractor to fill any new or vacant positions that are necessary to fulfill their contractual obligations to the County that Contractor has available during the contract term before advertising to the general public.
23. CHOICE OF LAW: This Agreement shall be governed by the laws of the State of California.
24. WAIVER: No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right or remedy shall be deemed a waiver of any other breach, failure, right or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.
25. ENTIRE AGREEMENT: This Agreement, including all attachments, exhibits, and any other documents specifically incorporated into this Agreement, shall constitute the entire agreement between County and Contractor relating to the subject matter of this Agreement. As used herein, Agreement refers to and

includes any documents incorporated herein by reference and any exhibits or attachments. This Agreement supersedes and merges all previous understandings, and all other agreements, written or oral, between the parties and sets forth the entire understanding of the parties regarding the subject matter thereof. The Agreement may not be modified except by a written document signed by both parties.

26. HEADINGS herein are for convenience of reference only and shall in no way affect interpretation of the Agreement.
27. ADVERTISING OR PUBLICITY: Contractor shall not use the name of County, its officers, directors, employees or agents, in advertising or publicity releases or otherwise without securing the prior written consent of County in each instance.
28. MODIFICATION OF AGREEMENT: This Agreement may be supplemented, amended, or modified only by the mutual agreement of the parties. No supplement, amendment, or modification of this Agreement shall be binding unless it is in writing and signed by authorized representatives of both parties.
29. ASSURANCE OF PERFORMANCE: If at any time County believes Contractor may not be adequately performing its obligations under this Agreement or that Contractor may fail to complete the Services as required by this Agreement, County may request from Contractor prompt written assurances of performance and a written plan acceptable to County, to correct the observed deficiencies in Contractor's performance. Contractor shall provide such written assurances and written plan within ten (10) calendar days of its receipt of County's request and shall thereafter diligently commence and fully perform such written plan. Contractor acknowledges and agrees that any failure to provide such written assurances and written plan within the required time is a material breach under this Agreement.
30. SUBCONTRACTING/ASSIGNMENT: Contractor shall not subcontract, assign, or delegate any portion of this Agreement or any duties or obligations hereunder without the County's prior written approval.
 - a. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. Any agreement that violates this Section shall confer no rights on any party and shall be null and void.
 - b. Contractor shall use the subcontractors identified in Exhibit A and shall not substitute subcontractors without County's prior written approval.
 - c. Contractor shall require all subcontractors to comply with all indemnification and insurance requirements of this agreement, including,

without limitation, Exhibit C. Contractor shall verify subcontractor's compliance.

- d. Contractor shall remain fully responsible for compliance by its subcontractors with all the terms of this Agreement, regardless of the terms of any agreement between Contractor and its subcontractors.
31. **SURVIVAL:** The obligations of this Agreement, which by their nature would continue beyond the termination on expiration of the Agreement, including without limitation, the obligations regarding Indemnification (Paragraph 2), Ownership of Documents (Paragraph 11), and Conflict of Interest (Paragraph 12), shall survive termination or expiration.
32. **SEVERABILITY:** If a court of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable, or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them, will not be affected, unless an essential purpose of this Agreement would be defeated by the loss of the illegal, unenforceable, or invalid provision.
33. **PATENT AND COPYRIGHT INDEMNITY:** Contractor represents that it knows of no allegations, claims, or threatened claims that the materials, services, hardware or software ("Contractor Products") provided to County under this Agreement infringe any patent, copyright or other proprietary right. Contractor shall defend, indemnify and hold harmless County of, from and against all losses, claims, damages, liabilities, costs expenses and amounts (collectively, "Losses") arising out of or in connection with an assertion that any Contractor Products or the use thereof, infringe any patent, copyright or other proprietary right of any third party. County will: (1) notify Contractor promptly of such claim, suit, or assertion; (2) permit Contractor to defend, compromise, or settle the claim; and, (3) provide, on a reasonable basis, information to enable Contractor to do so. Contractor shall not agree without County's prior written consent, to any settlement, which would require County to pay money or perform some affirmative act in order to continue using the Contractor Products.
- a. If Contractor is obligated to defend County pursuant to this Section 33 and fails to do so after reasonable notice from County, County may defend itself and/or settle such proceeding, and Contractor shall pay to County any and all losses, damages and expenses (including attorney's fees and costs) incurred in relationship with County's defense and/or settlement of such proceeding.
 - b. In the case of any such claim of infringement, Contractor shall either, at its option, (1) procure for County the right to continue using the Contractor

Products; or (2) replace or modify the Contractor Products so that that they become non-infringing, but equivalent in functionality and performance.

- c. Notwithstanding this Section 33, County retains the right and ability to defend itself, at its own expense, against any claims that Contractor Products infringe any patent, copyright, or other intellectual property right.
- 34. OTHER AGENCIES: Other tax supported agencies within the State of California who have not contracted for their own requirements may desire to participate in this contract. The Contractor is requested to service these agencies and will be given the opportunity to accept or reject the additional requirements. If the Contractor elects to supply other agencies, orders will be placed directly by the agency and payments made directly by the agency.
- 35. EXTENSION: This agreement may be extended for an additional two years by mutual agreement of the County and the Contractor.
- 36. SIGNATORY: By signing this agreement, signatory warrants and represents that he/she executed this Agreement in his/her authorized capacity and that by his/her signature on this Agreement, he/she or the entity upon behalf of which he/she acted, executed this Agreement

[END OF GENERAL TERMS AND CONDITIONS]

ADDITIONAL PROVISIONS

- Section No. 11, OWNERSHIP OF DOCUMENTS, is revised by deleting the first paragraph and replacing the first paragraph with the following as follows:

Contractor hereby assigns to the County and its assignees all copyright and other use rights in any and all proposals, plans, specification, designs, drawings, sketches, renderings, models, reports and related documents (including computerized or electronic copies) respecting in any way the subject matter of this Agreement, prepared solely for use by County, and for all other documents it grants the County and any assignee of the County an express royalty – free license to retain and use said Documents and Materials, whether prepared by the County, the Contractor, the Contractor’s sub-Contractors or third parties at the request of the Contractor (collectively, “Documents and Materials”). This explicitly includes the electronic copies of all above stated documentation.

County Counsel Signature: 52DC00217B8F4BB...

EXHIBIT A

DEFINITION OF SERVICES

1. Contractor shall provide workers' compensation third party administration services with the Specific Requirements set on this Exhibit A, consisting of the following:

Exhibit A-1 Specific Requirements
Exhibit A-2 Description of System
Exhibit A-3 Description of Services
Exhibit A-4 Implementation Plan
Exhibit A-5 Transition Plan

- a. This Exhibit A has been drafted to include the requirements contained in the Request for Proposal No. 901575, including any addenda, the proposal response of Contractor (Response), and additional services that the County obtained through negotiations, if any. In the event of any conflict (direct or indirect) among any of the exhibits, the RFP and the Response, the more stringent requirements providing the County with the broader scope of services shall have precedence, such that this Exhibit A including all attachments, the scope of work described in the RFP and the scope of work described in Contractor's proposal shall be performed to the greatest extent feasible.
- b. The RFP and Response may be relied upon to interpret this Contract and shall be applied in such a manner so that the obligations of the Contractor are to provide the County with the broadest scope of services for the best value.

2. Contractor project team will consist of the following Key Personnel and subcontractors, as applicable during the contract term:

Jody Moses
Senior Vice President
York Public Entity

Telephone: (714) 620-1336
E-Mail: Jody.Moses@yorkrsg.com

Bettina Hooper
Vice President
York Public Entity

Telephone: (916) 580-2450 Ext. 15128
E-Mail: Bettina.Hooper@yorkrsg.com

Jon Pease
Senior Vice President
York Public Entity

Telephone: (805) 288-4243 Ext. 14133
E-Mail: jon.pease@careworksmcs.com

Jeff Ponta
Vice President
Workers' Compensation Claims

Telephone: (916) 960-0965
E-Mail: Jeff.Ponta@yorkrsg.com

Tony Zuniga
Senior Account Manager

Telephone: (916) 746-8828
E-Mail: Tony.Zuniga@yorkrsg.com

Contractor agrees that it shall not transfer or reassign the individuals identified above as Key Personnel or substitute subcontractors without the express written agreement of County, which agreement shall not be unreasonably withheld. Should such individual or individuals in the employ of Contractor no longer be employed by Contractor during the term of this Agreement, Contractor shall make a good faith effort to present to County an individual with greater or equal qualifications as a replacement subject to County's approval, which approval shall not be unreasonably withheld.

3. The approval of County to a requested change shall not release Contractor from its obligations under this Agreement.

EXHIBIT A-1

SPECIFIC REQUIREMENTS

- A. The Contractor shall administer the County's claims from an office located within the County of Alameda or as otherwise approved by the County in writing.
- B. The Contractor shall perform all services required to supervise and administer a self-insured Workers Compensation ("WC") program for the County and act as the County's representative in matters relating to the County's obligations under the WC laws of the State of California. Contractor shall be responsive and work cooperatively with the County Agency/Department liaison, Department Personnel Officers, Disability Programs case manager, and other County staff ("County Staff")
- C. In addition, the Contractor shall perform claims administration services in accordance with County specific policies, procedures and industry standards. The claims administrative services required shall include, but are not limited to, the following:
 - 1. County Program Requirements
 - a. Ergonomic Services – Contractor shall make ergonomic evaluation referrals for all Repetitive Stress Injury (RSI) claims and those claims with prescriptions for ergonomic evaluations or equipment within one week of receipt of such claims or prescriptions, even if placed on delay status. Contractor shall make referrals to County-approved evaluators. The County shall order the recommended equipment. Contractor shall be responsible for documenting activity in the claims file and for paying all costs in regard to initial and follow-up reports and for equipment purchased and installed associated with the referral.

All payments for ergonomic evaluation and equipment are to be coded with the proper transaction codes, including distinguishing between evaluation and equipment costs.
 - b. Subcontractor Approvals – At the request of County, Contractor shall reassignment of subcontractors that are not performing in a manner satisfactory to the County.
 - c. Americans with Disabilities Act-California Fair Employment and Housing Act (ADA-FEHA) Program – Contractor shall provide appropriate disability information to the County to assist with departmental and Countywide ADA-FEHA accommodation efforts. Disability information including specific permanent restrictions and the County Essential

Functions Job Analysis (EFJA) completed by WC doctors shall be provided to contacts designated by the County.

- d. Return-To-Work Program – Contractor shall obtain work status and any temporary modified restrictions from the primary treating physician and provide restrictions and duration to assigned County Staff within three calendar days of receipt. Contractor shall provide updated work status information to assigned County Staff to track compliance with the County’s temporary modified work policy.
- e. Cal/PERS and ACERA Disability Retirement Services – Contractor shall cooperate with all inquiries made in relation to disability retirement applications. Such cooperation shall include, but is not limited to, responding to verbal and written inquiries by the County, including its attorneys, and providing copies of documents and case notes as requested. Cooperation may include direct contact, and the exchange of information and documents between the Risk Management Unit (“RMU”), County Counsel, and the assigned WC defense attorney. Contractor shall promptly respond to written inquiries regarding the existence and status of WC claims and provide copies of medical files within two weeks of the receipt of a request from the RMU.
- f. Essential Functions Job Analysis/Essential Functions Form #5 (EFJA/EF5) – Contractor shall obtain, from the County Staff, the EFJA/EF5 for the injured employee’s generic or specific job class. If one is not available, Contractor shall refer the request for an EFJA to a qualified RTW vendor. Contractor shall be responsible for sending the EFJA/EF5 to the Qualified Medical Examiner (QME), Agreed Medical Examiner (AME), and/or the primary treating physician prior to the Permanent and Stationary (P&S) determination. Contractor shall use County specific language in the doctor’s letters regarding the EFJA and obtain the completed EFJA/EF5 form from the evaluator with the medical-legal reports.

Contractor shall provide the County Staff and the County RMU, within 10 days of Contractor’s receipt, the following documents:

- EFJA/EF5s completed by the clinician;
- P&S reports;
- County Notices of Offer of Modified or Alternative Work for all P&S reports ; and

- g. Integration with Auditor-Controller Disability Unit – Contractor shall issue non-cash vouchers and checks as required by the Auditor-Controller Disability Unit and reports for the Alameda County Fire Department. Contractor shall respond timely to requests for verification of temporary disability/Labor Code 4850 in coordination with bi-weekly County pay periods. Contractor shall assist the Auditor-Controller Disability Unit with any request for audit of leaves for medical appointments (W57). Contractor does NOT have any authority to settle any payroll related adjustments.
- h. County Procedures & Forms – Contractor shall follow County policies and procedures, copy designated County staff on specified correspondence, and use County forms.
- i. Penalty Reimbursement – In addition to other damages that the County may be able to recover as provided by law, Contractor shall be responsible for all costs and penalties incurred as a result of its errors or delays in the administration of claims. This includes, but is not limited to, penalties as a result of failure to determine compensability or to pay claims timely, self-imposed penalties, and penalties imposed by the Workers' Compensation Appeals Board (WCAB) or other regulatory agencies. Contractor shall reimburse the County, for any such penalties incurred, on a quarterly basis within 30 days from the end of the quarter. If Contractor does not promptly reimburse County, County may deduct the amount due from the next payment due to Contractor.
- j. Payments through the County's Revolving Account – The County requires that certain payments made through the revolving account be pre-approved by the Director of Risk Management/designee. This includes all payments to the Contractor for ancillary services. The Contractor shall cooperate with the County in developing a process so that the bills are paid in a timely manner. Contractor shall notify the Auditor-Controller Disability Unit of any one time payment of \$10,000 or more.

2. Claims Management

- a. Information Technology – Contractor may use its own claims management system. Contractor shall provide training for County representatives, at no cost, in accessing information, creating reports, and downloading information into Microsoft Excel from its claims

management system. If information cannot be downloaded into a Microsoft Excel file format, then the Contractor shall provide reports within 24 hours of a request.

Regardless of the type of claims management system used, the Contractor shall provide County representative with full access and limited access licenses.

The Contractor shall comply with the requirements of the state Electronic Adjudication Management System (EAMS), at no additional charge to the County.

- b. Telephonic Claims Reporting – Contactor will report claims telephonically or electronically, customized to meet the County’s needs to provide at a minimum the services outlined below:
- (1) Provision of a 1-800 number operable 24/7/365 for telephonic reporting of WC claims and triage/first aid services by a registered nurse (RN) applying consistent, recognized, and County of Alameda (COA)-approved medical protocols. (If the call is from a supervisor, then triaging of the injury and referral to a medical care site are not needed).
 - (2) Referral to most appropriate COA-designated employer medical care sites.
 - (3) Documentation of all reported incidents, claims, first aid, and RN self-care reports and ability to generate summary reports by department on a monthly schedule.
 - (4) Electronic data interchange (EDI) transmission of WC claim/incident information same day to TPA, RMU and employee’s County Agency/Department liaison/Disability Programs case manager.
 - (5) Claim file shall be billed and not be included in the annual cost.
- c. Meetings, Audits, Coding, and Training – Contractor shall be responsible for the following:
- (1) Adhering to the latest County/Contractor procedure manual. All personnel, including newly hired employees and any temporary

claims personnel, shall be trained on County procedures prior to handling any County claims.

- (2) Preparing status reports for and participating in quarterly claims review meetings with respective County Staff and County RMU.
- (3) Participating in RMU meetings as needed.
- (4) Holding semi-annual meetings and file reviews on selected cases with RMU and defense attorney(s).
- (5) Holding quarterly meetings and file reviews on selected cases with RMU and investigative firm(s).
- (6) Providing documentation for the monthly check register audit.
- (7) Responding to Auditor/Controller Disability Unit with any request for audit on leaves from medical appointments.
- (8) Using and updating, within its claims management system, the County agency and department location, coding and occupational coding that correspond with County budget and job classifications, as needed.
- (9) Utilizing appropriate pay codes for all transactions.
- (10) Conducting quarterly meeting with Claims Adjusters on COA procedure updates/changes, CSAC EIA requirements, State regulations including Office of Self Insurance Plans, (OSIP), reserve analysis, return to work process, claim resolution including litigation management and settlement and diary management.
- (11) Conducting training in WC law and procedures, claims system procedures, and orientation meetings for the County's personnel involved in the WC program, including supervisors and County Staff.

d. General Program Administration

- (1) Contractor shall provide a dedicated claims team and sufficient claims personnel so that no claims adjuster will be required to handle more than 150 open indemnity claims. This caseload shall include future medical cases with every two future medical cases

and medical only file counted as one indemnity case. The claims count shall be reviewed on a quarterly basis. Contractor shall provide quarterly reports to monitor and verify compliance with the caseload requirements.

- (2) Contractor shall hire temporary claims adjusters to replace Contractor's staff that have been or are expected to be absent for more than two weeks.
- (3) Contractor shall have competent staff to effectively handle the County's WC claims. Insurance Code Section 11761 requires the Contractor to certify that their personnel meet minimum standards. Contractor will insure that all claims personnel assigned to the County's account shall meet the annual requirement for continuing education. In addition, the County requires that all personnel managing claims, contacting the public or employees must fluently speak and correctly write English for the effective administration of this Contract. The County expects and this Contract requires that claims staff will meet or exceed the experience and professional qualifications listed below and each must successfully complete a background check.
 - (a) The Claims Manager, Claims Supervisor, and Claims Adjusters shall be state-certified, Self-Insurance Administrators as set forth in Title 8, California Code of Regulations, Section 15452.
 - (b) The Claims Manager and Supervisor shall have a minimum of five years of WC claims experience with a California public agency with public safety employees and at least two years WC claims supervisory experience. Supervisors shall not carry caseloads, but may handle sensitive or conflict claims identified by RMU.
 - (c) Claims Adjusters shall be state-certified and experienced with the competency to handle medical, indemnity, and litigated claims. The Claims Adjuster shall have a minimum of five years of WC claims experience and as part of that a minimum of two years' WC claims experience with a California public agency with public safety employees.

- (d) Claims Adjusters handling future medical and medical-only claims shall be state-certified with a minimum of three years of WC claims handling experience.
- (e) No trainee shall be allowed to handle County claims.
- (4) Contractor shall be responsible for recruitment and selection of all personnel consistent with the position experience levels and professional qualifications outlined above. The County has the right to meet and talk with all finalists for the Claims Manager, Claims Supervisor and Claims Adjuster positions providing services to the County. The County also reserves the right to request, reassignment of Contractor employees/staff that are not performing in a manner satisfactory to the County and Contractor shall promptly replace that individual.
- (5) Contractor shall provide the County with information on changes and proposed changes in legislation and rules and regulations affecting the County's self-insured WC program, including but not limited to required postings and notices.
- (6) Contractor shall identify problem areas and recommended solutions on a quarterly basis to County representatives of which RMU must be included, or informed in writing. Contractor shall provide consultation services, as needed, to ensure the success of the program, including cost containment and reduction of losses.
- (7) Contractor shall provide loss and injury reports for the County, as a whole, and for each County Agency/Department monthly and prepare annual stewardship reports, OSIP, Cal/OSHA, and other reports as requested.
- (8) Contractor shall maintain an electronic database capable of producing specialized and ad-hoc reports in addition to those required by the State of California.
- (9) Contractor shall provide management summary as well as detailed claim reports to the County upon request. Contractor shall provide all required reports within the timeframes specified by the County. Electronic reports in Microsoft Excel file format are preferred for data analysis by County. If the electronic report initially provided cannot be full accessed or easily accessed and read, Contractor

shall, with 48 hours of a request, provide the reports in Microsoft Excel file format.

3. General Claims Administration

- a. Contractor shall administer claims in accordance with the CSAC-EIA Claims Administration Guidelines (see Exhibit G) and CSAC-EIA Excess Workers' Compensation Claim Reporting and Reimbursement Procedures (see Exhibit H). In the event that a more stringent requirement is contained in this Agreement, the more stringent requirement shall apply.
- b. If paper system, all correspondence is to be date-stamped and distributed to staff within one day of receipt. If paperless, all correspondence received shall be scanned legibly and documented in the paperless system within one day of receipt.
- c. Claims are to be reviewed and setup within 24 hours of receipt from any source. The Contractor shall conduct three point contact with the injured employee, supervisor, and physician within 48 hours of receipt. In the event any of these individuals is non-responsive, Contractor shall maintain evidence of at least three documented attempts to reach the individual. Medical only claims shall have this three point contact requirement as well.
- d. Contractor shall make initial compensability determination (delay, accept or denial) and reasons for determination shall be made and documented in the file within 14 calendar days of the filing of the claim with the employer. Contractor shall provide a copy of all benefit notices to County designee.
- e. Contractor shall code claims as first-aid, incident only, medical only, or indemnity and future medical. Contractor shall demonstrate compliance at least annually or upon request by the County.
- f. Contractor shall respond to phone calls and emails within one County working day and to written inquiries within three County working days.
- g. Contractor shall review and timely process all claims for WC benefits in accordance with the California Department of Industrial Relations (DIR) report and notification requirements.
- h. Contractor shall request a report from the Index Bureau on all new indemnity claims. Subsequent requests shall be made every six (6) to twelve (12) months thereafter or earlier if required. County claims can be

reported to the Index Bureau under a contract through the CSAC-EIA. Results shall be documented in claim notes.

- i. Contractor shall determine eligibility for and provide timely payments of medical and indemnity benefits and, if warranted, schedule QME examinations to determine the compensability of claims. Prior to the initial payment of temporary disability a medical report must be received or the medical provider contacted to establish the nature and extent of injury, causal relation to the alleged incident, treatment plan and estimated Return To Work date.
- j. Contractor shall make disability payments in accordance with the County's bi-weekly payroll schedule. In the event of continuing disability, the Contractor shall obtain medical documentation and contact the medical provider, as needed, for verification of continuing indemnity payments prior to issuing the temporary disability payment. Contractor shall document all activities in claim notes. Contractor shall work with County's Auditor-Controller's Agency when adjustment is needed with disability benefits.
- k. Contractor shall establish initial reserves within fourteen (14) calendar days of receipt of all new claims. Contractor shall set up and maintain appropriate reserves based on CSAC-EIA reserving rule and, according to OSIP requirements, using a diary system for regular review of adequacy, but at least every 45 days or any triggering events. The basis for any changes shall be documented in the file. If there are no adjustments, the file shall be documented to show that the review was conducted and provide reserve rationale. Claims Adjuster will be assigned varying authorities depending on the Contractor's reserve policy and approval process.
- l. Contractor shall obtain and evaluate medical reports as to the amount of any residual permanent disability to be anticipated, causation for apportionment and subrogation potential. Contractor shall document the claim file of all effort made on apportionment and subrogation.
- m. Contractor shall review, compute, and authorize timely payment for mileage and temporary and permanent disability benefits due to injured employees whether paid voluntarily or under Decisions, Orders, Findings & Awards of the WCAB, or Compromise & Release settlements. Payments shall be paid in accordance with the terms of the settlements and awards, Labor Code, or CSAC-EIA Workers' Compensation Administration Guidelines (attached as Exhibit G), whichever provides the timeliest payment to the injured worker. A mandatory mileage check

must be issued when a medical appointment letter is sent to the injured employee.

- n. Contractor shall timely report all claims to the excess insurance carrier when the reserves reach 50% of the County's SIR (attached as Exhibit I) and as required by the CSAC-EIA Excess Workers' Compensation Claim Reporting and Reimbursement Procedures (attached as Exhibit H). Reimbursement is to be sent directly to the County. Contractor shall post recovery to the appropriate claim file within 30 days' notice from the County. Contractor shall provide semi-annual report of cases where reserves reach 50% of the County's SIR.
- o. Contractor shall negotiate State Employment Development Department (EDD) and other liens as appropriate for proper case administration. EDD payments shall be coordinated with the County's Auditor-Controller's Agency and not paid directly to EDD unless authorized in writing by the County's Auditor-Controller's Agency.
- p. Contractor shall code all claims with proper County three-tier location codes and County occupational titles.
- q. Each open indemnity claim file shall reflect all significant development in the file and include a plan of action and resolution. Such plan shall be reviewed at 45 days unless there is a compelling reason, as determined by the Claims Supervisor, not to do so (e.g. future medical cases). All such reviews and summaries shall be labeled and documented in the claim notes. The supervisor shall monitor activity on indemnity files at intervals not to exceed 120 calendar days.
- r. On all future medical award cases, Contractor shall document the file specific as to the body parts(s) and/or specific condition for which future care has been awarded. Coverage parameters outlined on the P&S report shall be stated in file notes and referenced prior to authorization of future medical treatment.
- s. Contractor shall initiate action to finalize each claim within ten (10) working days of receipt of the final medical report. If no permanent disability benefits are owed, Contractor shall send No permanent disability (PD) letter and review file for closure if no further medical treatment required. If the claimant is eligible for permanent disability benefits, the Contractor shall inform claimant by letter and review report for appropriate and timely settlement resolutions.

- t. Contractor shall complete and submit error free Annual Report to the OSIP by September 1st of each year.
 - u. Contractor shall subrogate all claims where a third party is the cause of the injury and copy the County on initial notice and final resolution. If legal counsel is required, Contractor shall notify the County of such action. The County shall approve all third party recovery agreements. Reimbursement should be sent directly to the County. Contractor shall post recovery to the appropriate claim file within 30 days' notice from the County.
 - v. Contractor does not have any settlement authority. No agreement shall be authorized involving liability, or potential liability without the advance written consent of the County. Contractor shall obtain the County's authorization on all settlement or stipulations within 10 working days of receipt of a ratable medical report, or within 10 working days of defense attorney request for settlement authority. For claims that exceed the SIR, no agreement shall be authorized involving liability, or potential liability without the advance written consent of the County and Excess Workers' Compensation Carrier. Contractor shall obtain settlement authority from the County and provide such authority to defense counsel at least two weeks prior to Mandatory Settlement Conference (MSC) and trial dates.
 - w. Contractor shall investigate the existence of apportionment and it shall be documented in the claim file. If potential apportionment is identified, all efforts to reduce exposure shall be pursued and documented.
 - x. Contractor shall maintain complete claim files, including subpoenaed medical records, depositions, defense attorneys' records, and surveillance and investigation reports.
 - y. Contractor shall be in compliance with the mandatory reporting requirement per Medicare, Medicaid, and State Children's Health Insurance Program (SCHIP) Extension Act (MMSEA) Section 111. Contractor shall act as the County's reporting agent and report claims data to the Center for Medicare and Medicaid Services (CMS) and shall upload all files to the Coordination of Benefits (COB) Secure Website on behalf of the County at no additional cost.
4. Accounting Control
- a. Workers' Compensation Revolving Account

- (1) The County shall establish a revolving fund checking account in the amount of \$250,000 to cover payments and reimbursements applicable to the self-insured WC program. Checks shall be protected with state-of-the-art security measures. The trust fund shall be established in the name of the Contractor as the agent of the County. Deposits shall be made to the account as required to ensure that funds are available for payments of lawful and approved claim benefits, settlements and allocated expenses, including Labor Code Section 132a claims. "Allocated expense" shall include all WCAB costs, legal fees, copy and process service expenses, independent investigation expenses, expert witness fees, and other costs as approved by the County.
- (2) Contractor shall not draw on the fund for any purposes other than for the payment of lawful expenses. Contractor shall provide the County with a weekly check register in Microsoft Excel file format of all payments from the fund. The register shall include, but not be limited to, the date and check number, transaction purpose, name of claimant, claim number, name of adjuster, name of payee, and amount paid. Appropriate supporting documentation shall be made available upon request from the County. In addition, the Contractor shall provide a monthly check register in Microsoft Excel file format to the County's Auditor-Controller's Agency.
- (3) The County requires that certain payments be pre-approved by the Director of Risk Management/designee. This includes any payments made to the Contractor for ancillary services. The Contractor shall review and submit invoices to the County RMU within 10 calendar days of receipt from the vendor.
- (4) Contractor shall obtain pre-funding authorization from the County's Auditor-Controller's Agency on any one time payment of \$5,000 or more.
- (5) In addition, the Contractor shall reconcile the revolving fund checking account within three working days of the receipt of the bank statement and provide the information to the County.
- (6) Contractor shall develop, implement, and maintain necessary security procedures to safeguard the checks and the funds from fraud. If fraud is detected, Contractor shall immediately notify the County and manage the situation and its resolution.

- (7) If the Contractor uses its own bank, the County requires that the bank provide the following:
 - (a) A hard copy of the monthly bank statement and a soft copy of the cashed checks in an Microsoft Excel file format; and
 - (b) An electronic record of the cashed checks showing the front and the back of each check.

5. Medical Administration

- a. Contractor shall coordinate with the County to maintain a panel of medical practitioners for the initial treatment of injured employees.
- b. Contractor shall work with the managed care provider(s) to assure appropriateness of treatment and follow utilization review procedures, American College of Occupational and Environmental Medicine (ACOEM) guidelines, and Official Disability Guidelines (ODG). Contractor shall manage medical treatment for the \$10,000 cap on all delayed claims. Contractor shall authorize medical case management and nurses per agreed upon criteria and monitor their use for necessity and reasonableness.
- c. Contractor shall be responsible for handling Independent Medical Review (IMR) requests.
- d. Contractor shall refer all repetitive stress injuries claims for ergonomic evaluation within one week of receipt. All payments for ergonomic evaluations and equipment are to be coded to the proper accounting codes, including distinguishing between evaluation and equipment costs. Procedures, coding, vendors, ordering of evaluation, copying and report formats shall be in accordance with County procedures.
- e. Contractor shall pay bills in accordance with the California Labor Code. Medical bills shall be reviewed by the Claims Adjuster for relation to injury before being transmitted for payment. Prompt and appropriate notice to providers shall be sent regarding any medical charges that are questionable and/or disputed. Uncontested medical bills shall be paid in accordance with the Labor Code.
- f. Contractor shall provide complete claims administration and processing of all lifetime medical cases awarded or ordered by WCAB in accordance with current laws and utilization review. Contractor shall document the file specific as to the body parts(s) and/or specific condition for which future care has been awarded. Coverage parameters outlined on the P&S

report should be stated in file notes and referenced prior to authorization of future medical treatment.

- g. Contractor shall take a proactive role in handling initial medical control including contacting initial treatment providers and/or redirecting care where the injured employee has not initially gone to a designated facility or pre-designated physician.
- h. Contractor shall monitor temporary disability and restricted duty cases. Contractor shall contact the primary treating physician every 45 days on claims where injured employees remain on temporary disability with the goal of returning the injured employee to temporary modified work or to regular work as soon as possible.
- i. Contractor shall monitor all claims where injured employees are on temporary modified work with a goal of returning them to full duty or maximum medical improvement (MMI) as soon as possible. These claims shall be monitored in compliance with County policy which allows a maximum of 90 calendar days of temporary modified duty. The contractor shall coordinate with County Staff and RMU.
- j. Subject to the Memoranda of Understanding (MOU) or Administrative Code limitations, injured employees may be paid for actual treatment time and reasonable travel time when required by a physician to undergo diagnostic tests/treatment and therapy that falls within the employee's normal working hours. Contractor shall respond to quarterly random audit requests to confirm authorization of specific medical appointments (by claim, name, date, and provider) on forms provided by the County. Contractor shall respond within 14 calendar days of receipt.

6. Litigation Management

- a. Contractor shall use the County approved panel of defense firms/attorneys. Defense attorney referrals shall be approved by the Claims Supervisor and assignment shall be made in accordance with County criteria. Cases shall be assigned to defense firms on an "as-needed" and "tasked" basis as specified by the County.
- b. Cases shall be assigned to law firms using criteria to be specified by the County. All claims requiring referral to defense counsel shall be accompanied by a referral letter outlining the status of the case, results of investigations, and issues to be handled, including obtaining depositions and Agreed Medical Examiner(s) (AMEs), and resolving disputed ratings.

- c. Contractor shall monitor performance of all defense attorneys and require them to provide a case summary along with recommendations for resolution and an action plan within 30 calendar days of referral and provide justifications for settlement proposals 30 calendar days before the MSC or trial. The Contractor shall copy the County on correspondence as specified by the County.
 - d. Contractor shall obtain settlement authority from the County and provide such authority to defense counsel at least two weeks prior to Mandatory Settlement Conference and trial dates.
 - e. Contractor and defense counsel shall not include language in the settlement agreements addressing the disposition of claims in other venues, such as disability retirement, ADA-FEHA or tort claims unless directed by RMU. Any questions regarding settlement language or payroll issues shall be directed to County.
 - f. Contractor shall hold periodic meetings and file reviews on selected cases with RMU, and defense attorney.
 - g. Contractor and defense counsel should coordinate global settlements with County Counsel and, if applicable, County Civil Attorney's through the RMU. Additional, separate settlement authorization requirements apply to global settlements.
7. Investigation Management
- a. Contractor shall use the County approved panel of investigators. Investigation referrals shall be approved by the Claims Supervisor and assignment shall be made in accordance with County criteria.
 - b. Cases shall be assigned to investigators by the Contractor on an "as-needed" basis as specified by the County. All claims requiring referral to investigators shall be accompanied by a referral letter outlining the status of the case and issues to be handled.
 - c. Contractor shall monitor performance of all investigators and require them to provide a report within 14 calendar days of receipt of assignment. The Contractor shall copy the County on correspondence as specified by the County.
 - d. Contractor shall develop and implement a process to promptly refer potentially fraudulent claims to the County's selected Special Investigation Unit (SIU) Vendor. If requested, the Contractor shall help prepare the case for referral to the County of Alameda District Attorney's

Office for prosecution. Contractor shall provide quarterly reports of these activities, including results of sub-rosa investigations. All potential fraudulent claims shall also be monitored with SIU and copies be sent to the County. Contractor shall maintain a toll-free fraud hotline to receive reports of potential WC fraud.

- e. Contractor shall hold periodic meetings, promptly provide requested claim information, and monitor prosecution activity of cases referred to the District Attorney's Office for fraud.

8. Managed Care Cost Containment Services

- a. Managed care services are bid separately from the claims TPA. The Contractor shall work with and fully cooperate with the managed care provider(s) Utilization Review (UR) and Bill Review (BR) service vendor. The Contractor shall not charge the County or the managed care vendor(s) for setting up and maintaining this relationship including, but not limited to, implementation fees, electronic data interface, or scanning fees.
- b. Currently, the County does not have a Medical Provider Network (MPN). Should MPN be implemented, the contractor shall work and fully cooperate with the selected MPN. In addition, the Contractor shall not charge the County or MPN vendors for setting up and maintaining this relationship including, but not limited to, implementation fees, electronic data interface, or scanning fees.

9. Audit

- a. The County reserves the right to audit files for claims handling and payments. In addition, the County may require periodic claims audits and/or actuarial studies to be conducted by independent auditors or actuaries, at the County's expense. Contractor shall cooperate fully with audits and/or actuarial studies at their own expense. Additionally, Contractor shall provide County personnel and/or representatives with work space, access to claim system and provide assistance by locating files and invoices for these audits and studies.
- b. Contractor shall audit all outside vendor's billings including, but not limited to, legal, investigation, and UR/managed care invoices for accuracy before approving the payments and shall reconcile payments in claim system on a monthly basis with the County's payments to the vendors. Contractor shall approve invoices within 10 calendar days of receipt from vendors and forward to RMU.

- c. Should Contractor conduct periodic in house audits, a copy of the summary or recap of the audit shall be submitted to the County.

10. Quality Assurance

- a. The Contractor shall provide the County with a description of its quality assurance program. The program shall include, but not be limited to, the following areas:

- (1) Employee Qualification and Training

- (a) Minimum education and/or work experience requirements for each position;
- (b) Ongoing training as required by the state;
- (c) Staff meetings; and
- (d) Ongoing communication with claim staff regarding County requirements and changes.

- (2) Claims Handling

- (a) An acceptable staff to supervisor ratio;
- (b) Random internal audits;
- (c) Regularly updated claims processing manual;
- (d) New claims handling, three-point contacts;
- (e) Phone monitoring;
- (f) Diary monitoring;
- (g) Closing Ratio;
- (h) Caseload;
- (i) Reserves;
- (j) Plan of Action every 45 days;
- (k) Policy to minimize the number of claims with penalties and amounts of penalty;
- (l) External random audits by client; and
- (m) State audits.

- (3) Supervisor's Qualification and Training

- (a) Minimum education and/or work experience;
- (b) Ongoing training as required by the state;
- (c) Credentials and continuing education requirements; and
- (d) Timely supervisor diary and review.

11. Reports

Contractor shall provide the County with monthly, quarterly, and annual reports in the format and number requested by the County. Such reports shall include, but not limited to, the following:

- a. Monthly
 - (1) Claim Summary Report
 - (2) Claims Opened and Closed
 - (3) New Claims Opened
 - (4) Disability Report
- b. Quarterly
 - (1) Department/Agency Open Claims Log
 - (2) Penalty Report
 - (3) Subrogation Recoveries
 - (4) Claims Adjuster Training

EXHIBIT A-2

DESCRIPTION OF SYSTEM

A. **Claims Connect: Claims Management Information System**

1. Contractor shall use the Claims Connect system with the following features:
 - (a) **Data Analysis** – County access to accurate, real-time information to help sort and analyze the claims data.
 - (b) **Online Account Access** – County direct 24/7 access to its personalized claims database, enabling anyone with Internet, and proper authority, access to work from an online location.
 - (c) **Security** – Contractor’s data warehousing capabilities ensure the integrity, security and accuracy of all data.
 - (d) **SSAE18** – Contractor undergoes an independent examination of internal controls by an external CPA firm to verify that all controls are in place and working as designed. Contractor is and shall continue to be certified as SSAE 18/SOC 1 and SOC 2 compliant and shall undergo renewal of this certification semi-annually for SOC 1 and annually for SOC 2.
2. Contractor shall provide the County with 10 full access and at least 20 limited Claims Connect access licenses and four (4) FOCUS licenses. For the full access license, the County representative shall have access to, but not be limited to, the following:
 - (a) Diary access
 - (b) Claim notepad
 - (c) Status notes
 - (d) Payments and reserves
 - (e) All correspondence
 - (f) Work status access
 - (g) All reports

As specified, by County, some County representatives will have access to all department claims; others will have access to non-confidential information in their respective Agency/Department claims only.

3. **Ease of Use**

(a) ***Claims Connect offers:***

- (1) Hassle-free updates – Contractor conducts all updates centrally and seamlessly so pop-up update reminders are eliminated.
- (2) No need for servers – all databases are maintained by Contractor.
- (3) Fully scalable to meet the County’s needs

(b) ***Claims Connect is easy to use providing:***

- (1) “Smart Client” intuitive interface
- (2) Contact-sensitive help
 - (i) Slideshows, diagrams, videos, and written explanations help users make the most of Claims Connect
- (3) Powerful search capability
- (4) Claim summary page
- (5) Thorough training

(c) ***Contractor’s system is easily customizable with features such as:***

- (1) County-designated fields and rules engine
 - (i) Rules can trigger e-mails and alerts
- (2) Automatic electronic report distribution capability
- (3) Tailored data trending to focus loss control efforts
- (4) Hundreds of standard and ad hoc reports
 - (i) Information reports: pending reports and closure reports
 - (ii) Alert reports: category claims and claims over a certain threshold
 - (iii) Oversight reports: open claims with no activity for 60 days
- (5) Custom queries

4. **Programming Environment**

- (a) Microsoft ASP.NET with Microsoft SQL back end
- (b) Strong SDLC practice
- (c) Source Safe for version control
- (d) Clear separation between development and production environment and staff
- (e) Programming practice is covered under Contractor’sSSAE18 certification

5. Desktop Operating System

- (a) Requires Windows XP, Internet Explorer v.6 or higher, cookies enabled, Active x enabled for Word Processing functions, 1 GB of RAM, 1.0 GHz processor, and Crystal reports online and online document scanning.

6. Office Automation

The office automation software is built into Claims Connect:

- (a) Contains business rules engine
- (b) Document management capabilities providing paperless environment
- (c) Many automated workflow processes insure consistent and accurate work product
- (d) Claims Connect system is covered under our SSAE18 certification

7. Paperless System

- (a) Contractor operates in a paperless environment and all claims management functionality, including reserving, are electronic and performed within the claims management system. File notes contain copies of all correspondence including letters, faxes, reports and emails.
- (b) Notes summarize documents received and sent. In addition, file documentation will include the following as appropriate: Recorded statements and summaries, index reports, expert reports, legal opinions, medical authorizations, medical bills, medical reports, independent Adjuster reports, caption reports, official reports, scene diagrams, photos and damage verification. Phone calls are also documented in file notes. File notes will reflect Adjuster activity and the most recent status of the file. Contractor also maintains local copies of all policy information received for the handling offices. In addition, policy information is available online via a shared access drive.

8. Customization of Claims Connect: Rules Engine

- (a) Claims Connect incorporates a proprietary business rules engine that allows quick and easy customization of the claims handling workflow in accordance with requirements of the County. Such rules can help ensure that the claim is adjudicated in a timely manner as well as ensure that the data that is captured is accurate and on time. Rules can be created that ensure that certain fields (custom or otherwise) contain specific information before another event occurs.

9. **Data Production**

- (a) Contractor shall provide meaningful and accurate County reports on a monthly, quarterly, and annual basis as needed. The cost of these reports is incorporated into the annual claims administration fee. Contractor's web portal puts up-to-date management reports at the County's fingertips. The Claims Connect system provides the capability to select from a number of reports based on different filters, such as claim office, state and type of assignment, and can include billing and claim volume information. The requested reports can be viewed on screen or printed on-site. There is also an export function that allows the County to do ad hoc queries and export query results to an Excel spreadsheet for manipulation and analysis.
- (b) In addition to generic reports, customized reports can be designed based on the query of any data field, or combination of fields, captured in the claims system. Contractor's system has the flexibility and capability to provide various forms of detailed claim information tailored to suit the County's needs.
- (c) The County can use the Claim Search screen to run queries with a number of different fields.
- (d) Furthermore, Claims Connect also offers customizable fields to track trend losses. Filters can be applied to custom design each report by establishing conditions or values relative to various fields. Contractor is able to capture County designed custom fields of information that can be used to track specific or general claim loss trends.

10. **Reports and Trend Analysis**

In collaboration with the County, Contractor has developed several customized reports to meet the County's needs. Below is the list of reports and the frequency of delivery.

- (a) Temporary Total Disability (TTD) Report / Disability Report – ***Monthly and Quarterly***
- (b) New Weekly Claims Report – ***Weekly***
- (c) Repetitive Stress Claims – ***Monthly***
- (d) Claim Type Summary – ***Monthly***
- (e) Total Incurred Reserves – ***Quarterly***
- (f) Denied and Accepted – ***Quarterly***

- (g) Closed Claim Costs – *Quarterly*
- (h) Claim Duration Summary – *Quarterly*
- (i) Litigated Claims – *Quarterly*
- (j) Litigated Claims – *Fiscal Year (completed per quarter)*
- (k) COA Detail Claim Summary – *Monthly*
- (l) Monthly Summary Report – *Monthly*
- (m) Penalty Report – *Quarterly*
- (n) Voucher Register – *Monthly*
- (o) Voucher Register – Fire Department Only – *Monthly*
- (p) Financial Register DIV – *Monthly*
- (q) OSHA Reports – *Monthly*
- (r) Claim Listing – Sheriffs Only – *Monthly*
- (s) Summary Scorecard – *Quarterly*
- (t) Opened and Closed Claims – *Monthly*
- (u) Contractor shall also continue to provide the following reports, as requested by the County.
 - (1) A sample monthly summary report
 - (2) A sample monthly detail report
 - (3) Sample status reports

11. OSHA Reports

- (a) Contractor claims system, Claims Connect, tracks lost time, and maintains absence information so OSHA 300 reports are accurate using the Federal reporting standards. FOCUS, Contractor's Risk Management Information System, provides County with the ability to export workers compensation loss data to assist with OSHA record keeping responsibilities. The OSHA 300 and 300A forms are downloaded (or scheduled) in a completely editable format (.xlsx). Restricted days are calculated through the work entries entered into the claim system.
- (b) Lost days are calculated using information from lost time indemnity payments. Once the County has reviewed the log, made any changes, and is ready to post, simply print the output. At the end of each calendar year, Contractor completes a preliminary OSHA 300 log which is provided to the County and discussed to ensure agreement with the claims documented as reportable.
- (c) When a claim is set-up, Contractor determines whether it will be coded as a first aid, medical only, or indemnity. Contractor shall work with the County to determine whether the claim will be accepted, delayed or denied. If the claim classification needs to be changed (for example,

moved from a first aid to a medical only), Contractor shall update the system to reflect the change. Contractor shall also update the system to reflect any changes in the claim status from acceptance, delay, and denial.

12. **Data Integration**

Since the Claims Connect architecture is flexible and robust, Contractor is able to quickly and efficiently create custom extracts, two-way transmissions, and real-time communication with external systems.

B. **FOCUS: Risk Management Information System**

1. FOCUS is a powerful, yet easy-to-use customer interface that provides instant access to risk management information, analytics and reports exactly as County desires want to see it. The County's RMU shall have access to FOCUS. Contractor will provide continual access and training to RMU.
2. With just a click or two, FOCUS allows users to:
 - (a) View critical risk management information at a glance.
 - (b) Choose custom dashboards for lines of business or specialized functions such as Finance, Risk Management or Safety.
 - (c) Access the detail of an individual claim.
 - (d) Examine a claim in a specific context (e.g., similar claims, line of business, cause of loss, timeframe, etc.).
 - (e) Easily create your personalized home page view.
3. FOCUS also puts a wide array of report and customizable report options at user fingertips:
 - (a) Select individual reports
 - (1) Search our vast and ever-growing library of reports.
 - (2) Create ad-hoc reports from any field in the system.
 - (b) Quickly and easily customize reports using "plain language".
 - (c) Choose the data presentation format you prefer – data tables, charts, graphs or text or download to Word, Excel, or PDF.
 - (d) Schedule automatic delivery of reports, in any desired formats, down to the minute.
 - (1) Reports can be sent to RMU, to any individual, or to a distribution group specified by County.

- (2) Set up a one-time or recurring delivery.

C. HelpDesk

Contractor manages and supports a company HelpDesk that delivers consistent and valuable support to Contractor staff and the County. Contractor IT staff receives continued on-the-job training. Contractor HelpDesk is available to the County for technical support between the hours of 6:00 a.m. to 5:00 p.m. PST Monday through Friday.

D. Optimized for Tablet Access

FOCUS is optimized for mobile devices such as the tablet, so the visually compelling formats selected render flawlessly in print, on the PC and on the tablet.

E. *All Product Warranties*

Contractor owns and maintains Claims Connect claims management system and FOCUS system in-house. Since these are proprietary, Contractor shall warranty each system and will work with the County to resolve any system issues.

EXHIBIT A-3

DESCRIPTION OF SERVICES

Contractor shall provide:

- A. **Proprietary Claims Management System:** Claims Connect is a proprietary paperless claim system that is fully integrated with Contractor's managed care systems. This allows the Claims Adjuster to operate efficiently and dedicate their attention to claims handling and excellent customer service.
- B. **FOCUS – A True Risk Management System:** Contractor offers, and shall provide, a front end system, FOCUS, which is a powerful, yet easy-to-use risk management tool that will continue to provide the County instant access to the information. FOCUS utilizes top ranked Origami Risk to provide the client facing RMIS. Full functionality of Origami is possible, if desired.
- C. **TeamComp:** TeamComp is the name Contractor has given to how they manage workers' compensation claims. When claims TPA is coupled with Contractor's nurse case management, TeamComp offers a unique combination of sophisticated data analytics, clinical review and claim expertise. Adaptive technology allows Contractor to improve outcomes and lower County total cost of risk by managing claims costs *before* they occur.
- D. **Quality Assurance Department and York PLUS:** York PLUS provides consistent measures of quality for all product lines and business segments based on Contractor's best practices and County specific claim handling guidelines. These audits, plus weekly reports, allow Contractor to quickly and proactively identify any issues for early resolution. Branch results are calibrated through a separate review process by Contractor's Quality Assurance Division to ensure objective findings and consistency in the review process.

Any additional training required as a result of the audit findings are implemented immediately by the Contractor's County management team. Contractor shall share reports of claims audits with the County Contractor Claims Adjusters are evaluated as to the quality of the service they provide and their performance is rewarded and recognized based on how they score on quantifiable quality measures.

- E. **Mobile App:** Contractor offers a Mobile App which allows injured workers to get **direct, on-the-go access** to vital information about their workers' compensation claims. Not only can the injured workers access the information they want, when they want it, they can also see it where they want as well. Contractor's system is optimized for

mobile devices, so the visually compelling formats selected render flawlessly in print, on a PC, iPad, tablet or any other mobile device. Contractor's system is available 24/7/365.

Users can track the progress of their claim as it happens in real time and be instantly notified when payments are available. Injured workers can access key contact information or even import contacts from their phone for easy storing and safe keeping. Contractor's mobile app is easy to use and efficient. Injured workers will know they are taken care of, while the County can be certain that proactive claims management will result in greater claim closure rates and lower claim costs.

- F. **Account Management:** Contractor's Senior Account Manager, Tony Zuniga, will be the County's point person.
- G. **Legislative Tracking:** Contractor has a product development team that is tasked with tracking all legislation to ensure that Contractor is compliant with any changes that are made and facilitate training of the staff.
- H. **Fully Integrated Services:** Contractor's suite of integrated services enables Contractor to provide the County a comprehensive solution to reducing the cost of risk by reducing the cost of the County's medical expenses and facilitating the County's overall program goals. Contractor shall coordinate transition of managed care services into the claims operations.
- I. **Tailored Program:** Contractor shall customize program to meet the needs of the County.
- J. **Dedicated Public Entity Leadership:** Bettina Hooper, Vice President, Public Entity, is the County dedicated Public Entity Leader. Bettina meets weekly with County's assigned Senior Account Manager, Tony Zuniga, to discuss the account and any areas that she can assist. Bettina also meets with County Risk Management to ensure that Contractor is meeting and exceeding expectations. Jon Pease also participates in leadership of the program.
- K. **Specific Public Entity Approach:** The County shall receive customized local service with the benefits that come from a larger organization, including deep technical and operational support, dedicated quality control and organizational support that provides the resources and flexibility necessary to manage a complex claims program.
- L. **California Future Medical Claims:** Contractor handles future medical claims as either indemnity or medical only dependent upon our review of each file. Future Medical Claims have potential for Compromise and Release settlements. Adjusters shall aggressively follow the TeamComp model, OGD guidelines or other evidenced based guidelines and utilize Contractor's managed care resources per any special handling

instructions. Contractor initiates action to finalize each claim within ten (10) calendar days of receipt of the final medical report. All material changes in the file will be properly documented and incorporated within the action plan of the file.

The action plan, and the Adjuster's thought process, shall be clearly documented and diary will be added to ensure action is taken timely. All open future medical claims will have an updated action plan every 180 calendar days and are reserved in compliance with 8Cal C Regs 15300. Contractor keeps future medical claims open for 2 years from the last payment of benefit and documents in the claim notes the settlement data, future medical care outline and the last date/type of treatment.

- M. **York University:** Contractor has an extensive and comprehensive catalog of course offerings. Contractor's claims team receives ongoing training to ensure compliance with all regulations and changes in workers' compensation legislation. Ongoing, in-house training provides Contractor's claims professionals with 20 hours of classroom instruction annually. Presented in two hour modules, classroom instruction is focused on the basic principles of workers' compensation claims adjusting within California's unique risk management environment, provides updates on relevant legislation and its impact on claims adjusting and educates staff on the nuances of Contractor claims adjusting and Contractor-specific policies and procedures.
- N. **Client Service and Communication:** Contractor will maintain a dedicated Client Relations organization whose only function is to make sure the County receives great service and, will assign a single point of contact for all needs. The Manager and Client Services Manager provide continual training for the County claims handling team to ensure continued excellence.

EXHIBIT A-4

IMPLEMENTATION PLAN & SCHEDULE

A. Implementation Plan and Schedule

1. Within 30 days of execution of this Agreement by County, Contractor shall present to the County a draft set of SMART (Specific, Measurable, Achievable, Relevant, Time Sensitive) goals designed to drive results that are aligned with the program's core objectives. Working together, these SMART goals will be refined and key owners with deliverables will be documented and tracked on an agreed upon interval. In addition to the development of new initiatives with associated SMART goals, Contractor recommends refreshing and establishing SMART goals for the following:
 - (a) Account instructions
 - (b) Claim file reviews
 - (c) Reserve and settlement authority
 - (d) Banking processes
 - (e) Reports and metrics
 - (f) Medical facility contacts
 - (g) Nurse case management
 - (h) Medical Provider Network (MPN)
 - (i) Return to work program initiatives
2. To assist in the roll out of any new processes or initiatives that evolve as a result of the agreed upon SMART goals, Contractor has a dedicated team of onboarding and implementation specialists with a detailed playbook to address all aspects of a workers' compensation program that Senior Account Manager, Tony Zuniga, and the team can leverage if necessary.
3. As new action items are identified, each item will be assigned an owner with specific due dates. Regular scheduled meetings will be held to track and monitor progress.

Date *identified calendar dates are estimated, the identified number of days shall control		Milestone
	June 1, 2018	Contract inception – Claims operations review contract and sign
Pre Start Date	June 1 – 30, 2018	Staff training on MC processes
Renewal Start –	July 1, 2018	Contract in place, and program

Day 1		is renewed
30 Days	July 2, 2018	Development of SMART Goals
60 Days	August 1, 2018	Account Instructions and process review
75 Days	August 16, 2018	Outline continued training for the County and training initiatives for the year
Every 3 Months	Continuous	SMART Goals and Program Reviews
Every Year	September/October	Annual Stewardship

B. Staffing plan for recruiting, hiring, and training

Contractor has a staff in place as the County's third party administrator and remains at the ready to handle all aspects of the County's claims. Contractor has a robust recruitment plan to continually attract qualified candidates. Contractor constantly recruits to have a pipeline of qualified candidates in the event of turnover.

1. Background Screening

All potential applicants are carefully screened and required to pass all of Contractor's background checks and hiring protocols.

2. Skills Training

Contractor shall fully train its staff including, but not limited to the following:

- (a) Contractor's claims curriculum includes basic level courses that focus on its best practices in:
 - (1) Effective file documentation
 - (2) Investigation
 - (3) Subrogation
 - (4) Evaluation and negotiation
 - (5) Communications for claims professionals
- (b) Mid-level claims professionals have access to courses in:
 - (1) Litigation management
 - (2) Large loss reporting

- (3) Aggressive claims handling for either workers' comp or P&C claims
 - (4) Reservation of rights and non-waiver agreement
 - (5) Effective supervision
- (c) Targeted Skill-centric Training
- (1) Contractor's training regimen recognizes the need for targeted learning that sharpens, reinforces or even refreshes our employees' present skill basis. Huddles – a format developed by Contractor – fill this need with highly focused training sessions on different slices of core skills via a 10 to 15 minute presentation typically delivered during a regular staff meeting.
 - (2) Topics covered during huddles are typically based on clients' recommendations, audit findings or an anticipated need. Topics in our huddle library include:
 - (i) The what, when, where, how and why of file documentation
 - (ii) Three-point contact with employers, medical providers and injured workers
 - (iii) When and how to complete a reserve evaluation
 - (iv) Recognizing and documenting subrogation
 - (v) Litigation basics
 - (vi) The importance of Medicare data and proper reporting
 - (vii) How to keep file notes relevant, concise, explanatory and factual
 - (viii) The steps to a proper suit referral
 - (ix) The role of an Adjuster in requesting a referral for spinal surgery

(d) Professional Development

Contractor fully supports its employees' efforts to grow professionally and advance in the Contractor organization, and has demonstrated that commitment by providing access to a wide range of courses, many of which provide continuing education credits. Contractor is also pleased to offer access to the County as an opportunity for them to grow professionally as well and see firsthand the quality of training available to Contractor employees. Some of these include:

- (1) Chartered Property Casualty Underwriter (CPCU)

- (2) Associate in Claims (AIC)
- (3) Associate in Risk Management (ARM)
- (4) Associate in Insurance Services (AIS)

(e) Pivotal Leadership Development

Contractor's managerial training is built around its core values of respect and dignity, integrity and ownership for each team member and our commitment to creating an environment that will enable them to succeed and achieve their full potential.

To support this commitment, Contractor provides training for managers in areas such as:

- (1) Behavioral interviewing that provides structure and useful candidate assessment tools for interviewers to gather the data needed to make strategic hiring decisions rather than react to gut feelings.
- (2) Productive performance reviews that align Contractor's goals and individual objectives, clearly communicates expectations and provides written feedback to the employee.
- (3) Case profiles in leaderships that allows managers to explore their current business challenges with colleagues and then form initiatives to optimize their team's performance.
- (4) Coaching and mentoring techniques that promote two-way communications and respect the uniqueness of each employee.
- (5) Conflict resolution techniques that defuse stressful workplace encounters

(f) Compliance

- (1) Contractor monitors and stay abreast of regulatory and legislative developments at both a corporate and regional level. Contractor's claim staff is kept up-to-date on all regulatory and legislative changes that occur.

EXHIBIT A-5

TRANSITION PLAN

Upon contract signing, Contractor shall coordinate review of existing County service instructions, discussion of program initiatives and strategic goals. The all dates shall be adjusted based on the actual effective date of the Agreement.

Contractor shall use the new contract period and continued partnership to renew and refresh its commitment and goals. Upon program renewal the Senior Account Manager, Tony Zuniga, shall work with the County to finalize the contracts and any new program initiatives.

Contractor's dedicated implementation team and IT professionals are experts at overseeing details to effectively transition and interface with County's chosen ancillary and managed care vendors. Contractor's implementation team stand ready to coordinate partnership with all vendors prior to contract inception.

A. *Milestones for Testing*

Contractor offers the timeline below to assure milestones are achieved for a July 1, 2018 effective date.

TESTING TIMELINE & MILESTONES

Date	Milestone
June 1 – June 15, 2018	Identify managed care IT integration needs and timeline
June 1 – June 15, 2018	List outstanding cases with nurse case management for potential care transfer
June 1 – June 15, 2018	Develop UR plan and processes
June 15 – 30, 2018	Staff managed care training
June 15 – 30, 2018	Test managed care interfaces
July 1, 2018	Contract start date
August 1, 2018	Post implementation review

B. *Acceptance of Data Conversion*

While there is no need for acceptance of the claim data, Contractor commits to assuring that the managed care services are seamlessly transitioned and validated. In addition to the timeline above Contractor shall review with RMU their needs for MC data required to be documented to the claim system.

DATA CONVERSION TIMELINE & MILESTONES

Date	Milestone
June 1, 2018	Outline managed care integration action items and timeline
June 1, 2018	Initial meeting with managed care vendor and County
June 1 – June 30, 2018	Meet with RMU to identify – Managed Care data required to interface with claim system
June 1 – May 30, 2018	Weekly IT interface meetings
May 30 , 2018	MC data import
June 1 - June 30, 2018	Staff managed care training
June 15-30, 2018	Test MC interfaces
July 1, 2018	Contract start date
August 1, 2018	Post implementation review

C. ***Criteria by which to measure the performance and readiness of Contractor's electronic claims system, and staffing model***

Contractor is proposing the following criteria in order to measure the performance and readiness of our claims system and staff model which is currently in place:

1. Validation of:
 - a. Hierarchy
 - b. Reserving
 - c. Vendor information
 - d. Pay codes
 - e. Reports
 - f. Caseloads

The above criteria shall be validated during the pre-contract time period; should any changes in system or staff be identified, Contractor shall develop action items and timeline to implement.

EXHIBIT A-6

CUSTOMER SERVICE

A. ***Summary of Contractor's Customer Service Standards***

Monthly huddles shall be attended by County Risk Management staff, and Contractor executives, Bettina Hooper and Jon Pease. These huddles allows County Risk Management and Contractor executive leadership to discuss program results and address any strategies for moving forward.

Contractor is committed to continuous improvement of process, methodology and product. Audits conducted by Contractor internal audit team provide meaningful feedback for Contractor Adjusters. Any additional training required as a result of the audit findings is implemented immediately by the branch office management team.

B. ***What will the turnaround time be for acknowledging an issue?***

As part of Contractor's Best Practices, turnaround times are to respond as soon as possible but in no event more than 24 hours for acknowledging an issue. This includes claims handling as well as other claim processes such as reporting, client treasury and operational issues. The Senior Account Manager, Tony Zuniga, assigned to the County of Alameda is the primary contact for resolving issues. In addition, Bettina Hooper as the executive sponsor is available to problem-solve any potential issues.

C. ***Procedure for handling any issues***

When an issue is identified, it is acknowledged as soon as practical but not later than 24 hours of notice. If it is an issue with claims handling and the Senior Account Manager, Tony Zuniga, is notified, the necessary parties will be included for discussion and resolution. Issues and concerns with other areas will be vetted and the staff from the appropriate department(s) will be contacted for resolution. When issues arise that will take time to resolve, the County shall be kept informed of the status of the request made. The County's executive sponsor, Bettina Hooper, is always available to be consulted on any issue.

D. ***Provide professional and courteous customer service***

Contractor shall measure customer satisfaction in several ways:

1. County contact made by Senior Contractor Management at random intervals to discuss any concerns or issues; Meetings and conference calls with County throughout the course of the contract period to discuss Contractor performance

2. Feedback from County workers' compensation liaisons.
3. Use of customer satisfaction surveys conducted both by Contractor and by independent third parties to provide quantitative measures of the County's perception of performance levels, a copy of the format can be provided after vetting of confidentiality agreement.
4. Contractor has plans to implement a Net Promoter Score survey system. This will allow Contractor to gather an increased amount of unfiltered real-time customer feedback that will help identify and solve customer service issues quickly.

Contractor shall be committed to continuous improvement of process, methodology and product.

EXHIBIT B

PAYMENT TERMS

1. County will use reasonable efforts to make payment to Contractor upon successful completion and acceptance of the following services listed within thirty (30) days upon receipt and approval of invoice.

Description	Monthly Cost	Annual Cost
Claims Administration - Year 1	\$153,285.33	\$1,839,424.00
Claims Administration - Year 2	\$157,883.92	\$1,894,607.00
Claims Administration - Year 3	\$162,620.42	\$1,951,445.00

2. County may apply a credit to any invoice for any amounts due from Contractor to County.
3. Invoices will be reviewed for approval by the County, Risk Management Unit.
4. Total payment under the terms of this Agreement will not exceed the total amount of \$5,685,476. This cost includes all taxes and all other charges.
5. Optional Services:

Description	Cost Per Call
Telephonic Claims Reporting – Year 1	\$60.00
Telephonic Claims Reporting – Year 2	\$61.50
Telephonic Claims Reporting – Year 3	\$63.04

EXHIBIT C
COUNTY OF ALAMEDA MINIMUM INSURANCE REQUIREMENTS

Without limiting any other obligation or liability under this Agreement, the Contractor, at its sole cost and expense, shall secure and keep in force during the entire term of the Agreement or longer, as may be specified below, the following minimum insurance coverage, limits and endorsements:

TYPE OF INSURANCE COVERAGES		MINIMUM LIMITS
A	Commercial General Liability Premises Liability; Products and Completed Operations; Contractual Liability; Personal Injury and Advertising Liability	\$1,000,000 per occurrence (CSL) Bodily Injury and Property Damage
B	Commercial or Business Automobile Liability All owned vehicles, hired or leased vehicles, non-owned, borrowed and permissive uses. Personal Automobile Liability is acceptable for individual contractors with no transportation or hauling related activities	\$1,000,000 per occurrence (CSL) Any Auto Bodily Injury and Property Damage
C	Workers' Compensation (WC) and Employers Liability (EL) Required for all contractors with employees	WC: Statutory Limits EL: \$1,000,000 per accident for bodily injury or disease
D	Professional Liability/Errors & Omissions Includes endorsements of contractual liability and defense and indemnification of the County	\$1,000,000 per occurrence \$2,000,000 project aggregate
E	Endorsements and Conditions: 1. ADDITIONAL INSURED: All insurance required above with the exception of Professional Liability, Commercial or Business Automobile Liability, Workers' Compensation and Employers Liability, shall be endorsed to name as additional insured: County of Alameda, its Board of Supervisors, the individual members thereof, and all County officers, agents, employees, volunteers, and representatives. The Additional Insured endorsement shall be at least as broad as ISO Form Number CG 20 38 04 13. 2. DURATION OF COVERAGE: All required insurance shall be maintained during the entire term of the Agreement. In addition, Insurance policies and coverage(s) written on a claims-made basis shall be maintained during the entire term of the Agreement and until 3 years following the later of termination of the Agreement and acceptance of all work provided under the Agreement, with the retroactive date of said insurance (as may be applicable) concurrent with the commencement of activities pursuant to this Agreement. 3. REDUCTION OR LIMIT OF OBLIGATION: All insurance policies, including excess and umbrella insurance policies, shall include an endorsement and be primary and non-contributory and will not seek contribution from any other insurance (or self-insurance) available to the County. The primary and non-contributory endorsement shall be at least as broad as ISO Form 20 01 04 13. Pursuant to the provisions of this Agreement insurance effected or procured by the Contractor shall not reduce or limit Contractor's contractual obligation to indemnify and defend the Indemnified Parties. 4. INSURER FINANCIAL RATING: Insurance shall be maintained through an insurer with a A.M. Best Rating of no less than A:VII or equivalent, shall be admitted to the State of California unless otherwise waived by Risk Management, and with deductible amounts acceptable to the County. Acceptance of Contractor's insurance by County shall not relieve or decrease the liability of Contractor hereunder. Any deductible or self-insured retention amount or other similar obligation under the policies shall be the sole responsibility of the Contractor. 5. SUBCONTRACTORS: Contractor shall include all subcontractors as an insured (covered party) under its policies or shall verify that the subcontractor, under its own policies and endorsements, has complied with the insurance requirements in this Agreement, including this Exhibit. The additional Insured endorsement shall be at least as broad as ISO Form Number CG 20 38 04 13. 6. JOINT VENTURES: If Contractor is an association, partnership or other joint business venture, required insurance shall be provided by one of the following methods: — Separate insurance policies issued for each individual entity, with each entity included as a "Named Insured" (covered party), or at minimum named as an "Additional Insured" on the other's policies. Coverage shall be at least as broad as in the ISO Forms named above. — Joint insurance program with the association, partnership or other joint business venture included as a "Named Insured". 7. CANCELLATION OF INSURANCE: All insurance shall be required to provide thirty (30) days advance written notice to the County of cancellation. 8. CERTIFICATE OF INSURANCE: Before commencing operations under this Agreement, Contractor shall provide Certificate(s) of Insurance and applicable insurance endorsements, in form and satisfactory to County, evidencing that all required insurance coverage is in effect. The County reserves the rights to require the Contractor to provide complete, certified copies of all required insurance policies. The required certificate(s) and endorsements must be sent as set forth in the Notices provision.	

EXHIBIT D

**COUNTY OF ALAMEDA
DEBARMENT AND SUSPENSION CERTIFICATION**

(Applicable to all agreements funded in part or whole with federal funds and contracts over \$25,000).

The contractor, under penalty of perjury, certifies that, except as noted below, contractor, its principals, and any named and unnamed subcontractor:

- **Is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any federal agency;**
- **Has not been suspended, debarred, voluntarily excluded or determined ineligible by any federal agency within the past three years;**
- **Does not have a proposed debarment pending; and**
- **Has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three years.**

If there are any exceptions to this certification, insert the exceptions in the following space.

Exceptions will not necessarily result in denial of award, but will be considered in determining contractor responsibility. For any exception noted above, indicate below to whom it applies, initiating agency, and dates of action.

Notes: Providing false information may result in criminal prosecution or administrative sanctions. The above certification is part of the Standard Services Agreement. Signing this Standard Services Agreement on the signature portion thereof shall also constitute signature of this Certification.

CONTRACTOR: YORK RISK SERVICES GROUP, INC

PRINCIPAL: Jody A Moses **TITLE:** Executive Vice President

SIGNATURE:  **DATE:** 9/18/2018

EXHIBIT E

COUNTY OF ALAMEDA CONTRACT COMPLIANCE REPORTING REQUIREMENTS

County project managers will provide a special access code to contractors and subcontractors participating in this contract to allow use of the Elation Systems free of charge.

Upon receipt of signed contract documents, prime contractor shall immediately enter/assign subcontractors in the System, confirm payments received from the County within five business days in the System, immediately enter payments made to subcontractors, and ensure that subcontractors confirm they received payments within five business days in the System. Subcontractors shall confirm their payments received from the prime contractor within five business days in the System.

Alameda County Contract Compliance System training and ongoing support are provided at no charge to contractors and participating sub-contractors awarded a contract as a result of this bid process for this project. Contractors having contracts with the County should schedule a representative from their office/company, along with each of their subcontractors, to attend training. For the training schedule, please call Elation Systems at (925) 924-0340.

It is the Contractor's responsibility to ensure that they and their subcontractors are registered and trained as required to utilize the Alameda County Contract Compliance System. Training sessions are approximately one hour and will be held periodically in a number of locations throughout Alameda County.

EXHIBIT F

**COUNTY OF ALAMEDA
THE IRAN CONTRACTING ACT (ICA) OF 2010
For Procurements of \$1,000,000 or more**

The California Legislature adopted the Iran Contracting Act (ICA) to respond to policies of Iran in a uniform fashion (PCC § 2201(q)). The ICA prohibits persons engaged in investment activities in Iran from bidding on, submitting proposals for, or entering into or renewing contracts with public entities for goods and services of one million dollars (\$1,000,000) or more (PCC § 2203(a)). A person who “engages in investment activities in Iran” is defined in either of two ways:

1. The person provides goods or services of twenty million dollars (\$20,000,000) or more in the energy sector of Iran, including a person that provides oil or liquefied natural gas tankers, or products used to construct or maintain pipelines used to transport oil or liquefied natural gas, for the energy sector of Iran; or
2. The person is a financial institution (as that term is defined in 50 U.S.C. § 1701) that extends twenty million dollars (\$20,000,000) or more in credit to another person, for 45 days or more, if that person will use the credit to provide goods or services in the energy sector in Iran and is identified on a list created by the California Department of General Services (DGS) pursuant to PCC § 2201(b) as a person engaging in the investment activities described in paragraph 1 above.

By signing below, I hereby certify that as of the time of bidding or proposing for a new contract or renewal of an existing contract, neither I nor the company I own or work for are identified on the DGS list of ineligible persons and neither I nor the company I own or work for are engaged in investment activities in Iran in violation of the Iran Contracting Act of 2010.

If either I or the company I own or work for are ineligible to bid or submit a proposal or to renew a contract, but I believe I or it qualifies for an exception listed in PCC § 2202(c), I have described in detail the nature of the exception: _____

NAME: YORK RISK SERVICES GROUP, INC

PRINCIPAL: Jody A Moses

TITLE: Executive Vice President

SIGNATURE:  06090860A76422

DATE: 9/18/2018

EXHIBIT G

CSAC-EIA CLAIMS ADMINISTRATION GUIDELINES



Adopted: December 6, 1985
Amended: March 4, 1988
Amended: October 7, 1988
Amended: October 6, 1995
Amended: October 1, 1999
Amended: June 6, 2003
Amended: March 2, 2007
Amended: July 1, 2009
Amended: July 1, 2011
Amended: March 2, 2012
Amended: October 4, 2013

ADDENDUM A WORKERS' COMPENSATION CLAIMS ADMINISTRATION GUIDELINES

The following Guidelines have been adopted by the CSAC Excess Insurance Authority (hereinafter The Authority or the EIA) in accordance with Article 18(b) of the CSAC Excess Insurance Authority Joint Powers Agreement. It is the intent of these Guidelines to ensure compliance with all applicable Labor Code and California Code of Regulations Sections. In the event that there exists a conflict between the Guidelines, the Labor Code or the Code of Regulations, the most stringent requirement shall apply.

I. CLAIM HANDLING - ADMINISTRATIVE

A. Case Load

1. Each claims examiner assigned to the Member should handle a targeted caseload of 150 but not to exceed 165 claims. In situations where caseloads include future medical and medical only claims, these claims shall be counted as 2:1 in the caseload limit.
2. Supervisory personnel should not handle a caseload, although they may handle specific issues.

B. Case Review and Documentation

1. Documentation should reflect any significant developments in the file and include a plan of action. Plan of action statements should be updated at the time of examiner diary review.
2. The examiner should review the file at intervals not to exceed 45 calendar days. Future medical files should be reviewed at intervals

not to exceed 90 calendar days. An accomplishment level of 95% shall be considered acceptable.

3. The supervisor shall monitor activity on indemnity files at intervals not to exceed 120 calendar days. Future medical files shall be reviewed by the supervisor at intervals not to exceed 180 calendar days. An accomplishment level of 95% shall be considered acceptable.
4. File contents shall comply with Code of Regulations Sections 10101, 10101.1 and 15400, and be kept in a neat and orderly fashion. If claims are maintained in a paperless system, documents shall be clearly identified (e.g., medical report, WCAB Orders, legal, etc.). An accomplishment level of 95% shall be considered acceptable.
5. All medical-only cases shall be reviewed for potential closure or transfer to an indemnity examiner within 90 calendar days following claim file creation. An accomplishment level of 95% shall be considered acceptable.

C. Communication

1. Telephone Inquiries

Return calls shall be made within 1 working day of the original telephone inquiry. All documentation shall reflect these efforts. An accomplishment level of 95% shall be considered acceptable.

2. Incoming Correspondence

All correspondence received shall be clearly stamped with the date of receipt. An accomplishment level of 95% shall be considered acceptable.

3. Return Correspondence

All correspondence requiring a written response shall have such response completed and transmitted within 5 working days of receipt. An accomplishment level of 95% shall be considered acceptable.

4. Ongoing Claimant Contact

On cases involving unrepresented injured workers who are off work, telephone contact shall be made at a minimum of once every 45 days and within 3 working days after a scheduled surgical procedure. This is in addition to nurse case management involvement on claims where nurse case managers are assigned. An accomplishment level of 95% shall be considered acceptable.

D. Fiscal Handling

1. Fiscal handling for indemnity benefits on active cases shall be balanced with appropriate file documentation on a semi-annual basis to verify that statutory benefits are paid appropriately. Balancing is defined as, "an accounting of the periods and amounts due in comparison with what was actually paid". An accomplishment level of 95% shall be considered acceptable.
2. In cases of multiple losses with the same person, payments shall be made on the appropriate claim file. An accomplishment of 95% shall be considered acceptable.

E. Medicare Reporting

Proper verification of a claimant's status as to Medicare eligibility shall be completed and documented in the claim file. In those cases where the claimant does meet the eligibility requirements, mandatory reporting to the Center for Medicaid Services (CMS) must be completed directly or through a reporting agent in compliance with Section 111 of the Medicare Medicaid and SCHIP Extension Act of 2007 ("MMSEA"). An accomplishment of 100% shall be considered acceptable.

II. CLAIM CREATION

A. Three Point Contact

Three point contact shall be conducted with the non-represented injured worker, employer representative and treating physician within 3 working days of receipt of the claim by the third party administrator or self administered entity. If a nurse case manager is assigned to the claim, initial physician contact may be conducted by either the claims examiner or the nurse case manager. This initial contact should be substantive and clearly documented in the claim file. In the event a party is non-responsive, there should be evidence of at least three documented attempts to reach the individual. Medical-only claims shall have this three

point contact requirement as well. An accomplishment level of 95% shall be considered acceptable.

B. Compensability

1. The initial compensability determination (accept claim, deny claim or delay acceptance pending the results of additional investigation) and the reasons for such a determination shall be made and documented in the file within 14 calendar days of the filing of the claim with the employer. In the event the claim is not received by the third party administrator or self administered entity within 14 calendar days of the filing of the claim with the employer, the third party administrator or self administered entity shall make the initial compensability determination within 7 calendar days of receipt of the claim. An accomplishment level of 100% shall be considered acceptable.
2. Delay of benefit letters shall be mailed in compliance with the Division of Workers' Compensation (DWC) guidelines. In the event the employer does not provide notice of lost time to the third party administrator or self administered entity timely to comply with DWC guidelines, the third party administrator or self administered entity shall mail the benefit letters within 7 calendar days of notification. An accomplishment level of 100% shall be considered acceptable.
3. The final compensability determination shall be made by the claims examiner or supervisor within 90 calendar days of employer receipt of the claim form. An accomplishment level of 100% shall be considered acceptable.

C. AOE/COE Investigation

If a decision is made to delay benefits on a claim, an AOE/COE investigation shall be initiated within 3 working days of the decision to delay. This may include, but is not limited to, assigning out for witness/injured worker statements, initiating the QME/AME process, requesting medical records, etc. An accomplishment level of 95% shall be considered acceptable.

D. Reserves

1. Using the information available at claim file set up, an initial reserve shall be established for the most probable case value. An accomplishment level of 95% shall be considered acceptable.

2. The initial reserve shall be electronically posted to the claim within 14 calendar days of receipt of the claim. An accomplishment level of 95% shall be considered acceptable.

E. Indexing

All claims shall be reported to the Index Bureau at time of initial set up and re-indexed on an as needed basis thereafter. An accomplishment level of 95% shall be considered acceptable.

The EIA maintains membership with the Index Bureau that members can access.

III. CLAIM HANDLING – TECHNICAL

A. Payments

1. Initial Temporary and Permanent Disability Indemnity Payment

- a. The initial indemnity payment shall be issued to the injured worker within 14 calendar days of knowledge of the injury and disability. In the event the third party administrator or self administered entity is not notified of the injury and disability within 14 calendar days of the employer's knowledge, the third party administrator or self administered entity shall make payment within 7 calendar days of notification. Initial permanent disability payments shall be issued within 14 calendar days after the date of last payment of temporary disability. Effective 1/1/2013, permanent disability payments shall be issued upon approval of an Award pursuant to Labor Code Section 4650(b)(2). Prior to a PD Award, advances may be due if the employer has not offered the employee a position paying at least 85% of their wages and compensation at time of injury or the employee is not employed in a position paying at least 100% of their wages and compensation at time of injury. This shall not apply with salary continuation. An accomplishment level of 100% shall be considered acceptable.
- b. The properly completed DWC Benefit Notice shall be mailed to the employee within 14 calendar days of the first day of disability. In the event the third party administrator or self administered entity is not notified of the first day of disability until after 14 calendar days, the DWC Benefit Notice shall be mailed within 7 calendar days of notification. An

accomplishment level of 100% shall be considered acceptable.

- c. Self imposed penalty shall be paid on late payments in accordance with Section III. A.7 of this document. An accomplishment level of 100% shall be considered acceptable.
- d. Overpayments shall be identified and reimbursed timely where appropriate. The third party administrator or self administered entity shall request reimbursement of overpaid funds from the party that received the funds. If necessary, a credit shall be sought as part of any resolution of the claim. An accomplishment level of 95% shall be considered acceptable.

2. Subsequent Temporary and Permanent Disability Payments

- a. Eligibility for indemnity payments subsequent to the first payment shall be verified, except for established long-term disability. An accomplishment level of 100% shall be considered acceptable.
- b. Self imposed penalty shall be paid on late payments in accordance with Section III. A.7 of this document. An accomplishment level of 100% shall be considered acceptable.

3. Final Temporary and Permanent Disability Payments

- a. All final indemnity payments shall be issued timely and the appropriate DWC benefit notices sent. An accomplishment level of 100% shall be considered acceptable.
- b. Self imposed penalty shall be paid on late payments in accordance with Section III. A.7. of this document. An accomplishment level of 100% shall be considered acceptable.

4. Award Payments

- a. Payments on undisputed Awards, Commutations, or Compromise and Releases shall be issued within 10 calendar days following receipt of the appropriate document.

An accomplishment level of 95% shall be considered acceptable.

- b. For all claims in the primary workers' compensation program (PWC) and/or excess reportable claims, copies of all Awards shall be provided to the Authority at time of payment. An accomplishment level of 95% shall be considered acceptable.

5. Medical Payments

- a. Medical treatment billings (physician, pharmacy, hospital, physiotherapist, etc.) shall be reviewed for correctness, approved for payment and paid within 60 days of receipt. An accomplishment level of 100% shall be considered acceptable.
- b. The medical provider must be notified in writing within 30 days of receipt of an itemized bill if a medical bill is contested, denied or incomplete. An accomplishment level of 100% shall be considered acceptable.
- c. A bill review process should be utilized whenever possible. There should be participation in a PPO and/or MPN whenever possible.

6. Injured Worker Reimbursement Expense

- a. Reimbursements to injured workers shall be issued within 15 working days of the receipt of the claim for reimbursement. An accomplishment level of 95% shall be considered acceptable.
- b. Advance travel expense payments shall be issued to the injured worker 10 working days prior to the anticipated date of travel. An accomplishment level of 95% shall be considered acceptable.

7. Penalties

- a. Penalties shall be coded so as to be identified as a penalty payment. An accomplishment level of 95% shall be considered acceptable

- b. If the Member utilizes a third party administrator, the Member shall be advised of the assessment of any penalty for delayed payment and the reason thereof, and the administrator's plans for payment of such penalty, on a monthly basis. An accomplishment level of 95% shall be considered acceptable.
- c. If the Member utilizes a third party administrator, the Member, in their contract with the administrator, shall specify who is responsible for specific penalties.

B. Medical Treatment

- 1. Each Member shall have in place a Utilization Review process as set forth in Labor Code Section 4610. An accomplishment level of 100% shall be considered acceptable.
- 2. Disputes regarding utilization review determinations shall be resolved using the Independent Medical Review process set forth in Labor Code Section 4610.5 An accomplishment level of 100% shall be considered acceptable.
- 3. Nurse case managers shall be utilized where appropriate. An accomplishment level of 95% shall be considered acceptable.
- 4. If enrolled in a Medical Provider Network, the network shall be utilized whenever appropriate.

C. Apportionment

- 1. Investigation into the existence of apportionment shall be documented. An accomplishment level of 95% shall be considered acceptable.
- 2. If potential apportionment is identified, all efforts to reduce exposure shall be pursued. An accomplishment level of 95% shall be considered acceptable.

D. Disability Management

- 1. The third party administrator or self administered entity shall work proactively to obtain work restrictions and/or a release to full duty on all cases. The TPA or self-administered entity shall notify a designated Member representative immediately upon receipt of

temporary work restrictions or a release to full duty, and work closely with the Member to establish a return to work as soon as possible. An accomplishment level of 95% shall be considered acceptable.

2. The third party administrator or self administered entity shall notify a designated Member representative immediately upon receipt of an employee's permanent work restrictions so that the Member can determine the availability of alternative, modified or regular work. An accomplishment level of 95% shall be considered acceptable.
3. If there is no response within 20 calendar days, the third party administrator or self administered entity shall follow up with the designated Member representative. An accomplishment level of 95% shall be considered acceptable.
4. Members shall have in place a process for complying with laws preventing disability discrimination, including Government Code Section 12926.1 which requires an interactive process with the injured worker when addressing a return to work particularly with permanent work restrictions.
5. Third party administrators or self administered claims professional shall cooperate with members to the fullest extent, in providing medical and other information the member deems necessary for the member to meet its obligations under federal and state disability laws.

E. Supplemental Job Displacement Benefits

1. Supplemental Job Displacement Benefits – Dates of injury on or after 1/1/04 and before 1/1/13: Benefits pursuant to Labor Code Section 4658.5 shall be timely provided. Dates of injury on or after 1/1/13: Benefits pursuant to Labor Code 4658.7 shall be timely provided. An accomplishment level of 100% shall be considered acceptable.
2. The third party administrator or self administered entity shall secure the prompt conclusion of vocational rehabilitation/SJDB.. An accomplishment level of 95% shall be considered acceptable.

F. Reserving

1. Reserves shall be reviewed at regular diary and at time of any significant event, e.g., surgery, P&S/MMI, return to work, etc., and adjusted accordingly. This review shall be documented in the file regardless of whether a reserve change was made. A reserve worksheet shall be utilized and/or detailed rationale substantiating reserve levels shall be documented within the claim file. Where the SIP model does not apply, claims should be reserved for the most probable value. An accomplishment level of 100% shall be considered acceptable.
2. Indemnity reserves shall reflect actual temporary disability indemnity exposure with 4850 differential listed separately. An accomplishment level of 95% shall be considered acceptable.
3. Permanent disability indemnity exposure shall include life pension reserve if appropriate. An accomplishment level of 100% shall be considered acceptable.
4. Future medical claims shall be reserved in compliance with SIP regulation 15300 allowing adjustment for reductions in the approved medical fee schedule, undisputed utilization review, medically documented non-recurring treatment costs and medically documented reductions in life expectancy. Detailed rationale and/or reserve worksheet shall be documented within the claim file. An accomplishment level of 100% shall be considered acceptable.
5. Allocated expense reserves shall include medical cost containment, legal, investigation, copy service and other related fees. An accomplishment level of 100% shall be considered acceptable.

G. Resolution of Claim

1. Within 10 working days of receiving medical information indicating that a claim can be finalized, the claims examiner shall begin appropriate action to finalize the claim. An accomplishment level of 95% shall be considered acceptable.
2. Settlement value shall be documented appropriately utilizing all relevant information. An accomplishment level of 95% shall be considered acceptable.
3. Where settlement includes resolution of future medical for a medicare beneficiary or an expected medicare beneficiary, the settlement must document the strategy to protect medicare's

secondary payor status. An accomplishment level of 95% shall be considered acceptable.

4. Pursuant to CCR15400.2, claim files with awards for future benefits may be administratively closed two years after the last provision of benefits.

H. Settlement Authority

1. No agreement shall be authorized involving liability, or potential liability, of the Authority without the advance written consent of the Authority. The member shall be notified of any settlement request submitted to the EIA. An accomplishment level of 95% shall be considered acceptable.
2. The third party administrator shall obtain the Member's authorization on all settlements or stipulations in excess of the settlement authority provided in any provision of the individual contract between the Member and the claims administrator. An accomplishment level of 95% shall be considered acceptable.
3. Proof of settlement authorization(s) shall be maintained in the claim file. An accomplishment level of 95% shall be considered acceptable.

IV. LITIGATED CASES

The third party administrator or self administered entity shall establish written guidelines for the handling of litigated cases. The guidelines should, at a minimum, include the points below, which may be adopted and incorporated by reference as "the guidelines".

1. The third party administrator or self administered entity shall promptly initiate investigation of issues identified as material to potential litigation. The Member shall be alerted to the need for in-house investigation, or the need for a contract investigator who is acceptable to the Member. The Member shall be kept informed on the scope and results of investigations. An accomplishment level of 95% shall be considered acceptable.
2. The third party administrator or self administered entity shall, in consultation with the Member, assign defense counsel from a list approved by the Member. Initial referral and ongoing litigation management shall be timely and appropriate. The third party

administrator or self-administered entity shall maintain control of the ongoing claim activities. An accomplishment level of 95% shall be considered acceptable.

3. Settlement proposals directed to the Member shall be forwarded by the third party administrator, self administered entity or defense counsel in a concise and clear written form with a reasoned recommendation. Settlement proposals shall be presented to the Member as directed so as to insure receipt in sufficient time to process the proposal. An accomplishment level of 95% shall be considered acceptable.
4. Knowledgeable Member personnel shall be involved in the preparation for medical examinations and trial, when appropriate or deemed necessary by the Member so that all material evidence and witnesses are utilized to obtain a favorable result for the defense. An accomplishment level of 95% shall be considered acceptable.
5. The third party administrator or self administered entity shall comply with any reporting requirement of the Member. An accomplishment level of 95% shall be considered acceptable.

V. SUBROGATION

1. In all cases where a third party (other than a Member employee or agent) is responsible for the injury to the employee, attempts to obtain information regarding the identity of the responsible party shall be made within 14 calendar days of recognition of subrogation potential. Once identified, the third party shall be contacted within 14 calendar days with notification of the Member's right to subrogation and the recovery of certain claim expenses. If the third party is a governmental entity, a claim shall be filed with the governing board (or State Board of Control as to State entities) within 6 months of the injury or notice of the injury. An accomplishment level of 95% shall be considered acceptable.
2. Periodic contact shall be made with the responsible party and/or insurer to provide notification of the amount of the estimated recovery to which the Member shall be entitled. An accomplishment level of 95% shall be considered acceptable.
3. The file shall be monitored to determine the need to file a complaint in civil court in order to preserve the statute of limitations. An accomplishment level of 95% shall be considered acceptable.

4. If the injured worker brings a civil action against the party responsible for the injury, the claims administrator shall consult with the Member about the value of the subrogation claim and other considerations. Upon Member authorization, subrogation counsel shall be assigned to file a Lien or a Complaint in Intervention in the civil action. An accomplishment level of 95% shall be considered acceptable.
5. Whenever practical, the claims administrator shall aggressively pursue recovery in any subrogation claim. They should attempt to maximize the recovery for benefits paid, and assert a credit against the injured worker's net recovery for future benefit payments. An accomplishment level of 95% shall be considered acceptable.
6. Member (and EIA if applicable) approval is required to waive pursuit of subrogation or agree to a settlement of a third party recovery. This approval shall be documented in the claim file. In cases of self-administered entities, a process should be documented noting the authority levels within the member organization to waive pursuit of subrogation or agree to a settlement of a third party recovery. An accomplishment level of 95% shall be considered acceptable.

VI. EXCESS COVERAGE

- A. Claims meeting the definition of reportable excess workers' compensation claims as defined by the Memorandum of Coverage Conditions Section shall be reported to the Authority within 5 working days of the day on which it is known the criterion is met. Utilize the Excess Workers' Compensation First Report Form available through the EIA website. An accomplishment level of 95% shall be considered acceptable.
- B. Subsequent reports shall be transmitted to the Authority on a quarterly basis on all indemnity claims and on a semi-annual basis on all future medical claims or sooner if claim activity warrants, or at such other intervals as requested by the Authority, in accordance with Underwriting and Claims Administration Standards. Utilize the Excess Workers' Compensation Status Report Form available through the EIA website, or a comparable form to be approved by the Authority. An accomplishment level of 95% shall be considered acceptable.
- C. Reimbursement requests should be submitted in accordance with the Authority's reporting and reimbursement procedures on a quarterly or semi-annual basis depending on claims payment activity. Utilize the Excess Workers' Compensation Claim Reporting and Reimbursement

Procedures available through the EIA website. An accomplishment level of 95% shall be considered acceptable.

- D. A closing report with a copy of any settlement documents not previously sent shall be sent to the Authority. An accomplishment level of 95% shall be considered acceptable.

EXHIBIT H

CSAC-EIA EXCESS WORKERS' COMPENSATION CLAIM REPORTING & REIMBURSEMENT PROCEDURES

Board Adopted 6/3/88
Board Amended 10/2/92
Board Amended 3/01/02
Board Amended 10/2/09

CSAC EXCESS INSURANCE AUTHORITY EXCESS WORKERS' COMPENSATION CLAIM REPORTING AND REIMBURSEMENT PROCEDURES

In accordance with the Conditions Section of the Memorandum of Coverage:

1. All Workers' Compensation claims meeting the following conditions are to be reported to the CSAC-EIA within five (5) working days of the day on which it is known the criterion is met.
 - a. Any occurrence for which total incurred (total paid to date plus remaining reserves) exceed 50% of the member's SIR.
 - b. The reopening of any claim in which further award might exceed 50% of the member's SIR.
 - c. Any occurrence involving:
 - Death
 - Injury to the spinal cord
 - Amputation of a major extremity
 - Serious head injury
 - Severe burns
 - Permanent total disability as defined by law
 - An occurrence involving serious injury to two (2) or more employees
2. EIA has developed a First Report Form that requires narrative discussion of the pertinent issues. When properly completed this should eliminate the need to forward any file material to EIA.
3. Subsequent to reporting, additional information including a complete copy of the member's claim file may be requested by the EIA at any time.
4. The EIA, at its own discretion, may become actively involved in the day to day handling of any claim.
5. Although the member's third party administrator should be performing all reporting, it is the ultimate responsibility of the member to report to the EIA.
6. Once total payments per occurrence exceed the SIR, the member or its third party administrator shall submit a CSAC-EIA reimbursement request form summarizing the amounts paid for Indemnity, Medical, Vocational Rehabilitation and Expenses, a record of any dollars recovered for duplicate payments, and a data processing run that specifically includes:
 - a. Check or warrant number
 - b. Issue date
 - c. Payee
 - d. Paid Amount
 - e. Disability period or dates of service
 - f. Payment Type

After the initial reimbursement, subsequent reimbursement requests shall be submitted in the same manner as described above, on a quarterly or semi-annual basis depending on claim payment activity.
7. In accordance with the Conditions Section of the Memorandum of Coverage, no settlement, either Compromise and Release or Stipulation, may be entered into without the prior written consent of EIA.
8. In the absence of full documentation of payments, the EIA will make partial reimbursements for those amounts in excess of the SIR for which valid evidence of payment has been provided, as outlined in paragraph 6 above. The balance of amounts to be reimbursed will be paid upon receipt of valid evidence of payment.

EXHIBIT I

COUNTY'S SELF INSURED RETENTION (SIR)

COA Excess Insurance Policy Listings/Retention:				
<u>TERMS:</u>	<u>CARRIER:</u>	<u>POLICY #:</u>	<u>SIR:</u>	<u>REPORTING REQUIREMENT:</u>
11/21/1983- 11/21/1984	National Union c/o American International Adjustment Company P.O. Box 88-0908 San Francisco, CA 94188	960-4952	\$250,000.00	\$125,000.00
11/21/1984- 11/21/1985	Employers Reinsurance P.O. Box 2991 Overland, KS 66201	C22435	\$250,000.00	\$125,000.00
11/21/1985- 11/21/1986	Employers Reinsurance P.O. Box 2991 Overland, KS 66201	C22435	\$1,000,000.00	\$500,000.00
11/21/1986- 11/21/1987	Employers Reinsurance P.O. Box 2991 Overland, KS 66201	C22435R	\$2,000,000.00	\$1,000,000.00
11/21/1987- 11/21/1988	Employers Reinsurance P.O. Box 2991 Overland, KS 66201	C22435R	\$2,000,000.00	\$1,000,000.00
11/21/1988- 11/21/1989	General Reinsurance Corporation 600 Montgomery Street, Suite 1100 San Francisco, CA 94111	X-12103	\$2,000,000.00	\$1,000,000.00

11/21/1989- 11/21/1990	General Reinsurance Corporation 600 Montgomery Street, Suite 1100 San Francisco, CA 94111	X-12103	\$2,000,000.00	\$1,000,000.00
11/21/1990- 11/21/1991	General Reinsurance Corporation 600 Montgomery Street, Suite 1100 San Francisco, CA 94111	X-12103	\$2,000,000.00	\$1,000,000.00
11/21/1991- 11/21/1992	General Reinsurance Corporation 600 Montgomery Street, Suite 1100 San Francisco, CA 94111	X-12103	\$2,000,000.00	\$1,000,000.00
11/21/1992- 11/21/1993	General Reinsurance Corporation 600 Montgomery Street, Suite 1100 San Francisco, CA 94111	X-12103A	\$2,000,000.00	\$1,000,000.00
11/21/1993- 11/21/1994	General Reinsurance Corporation 600 Montgomery Street, Suite 1100 San Francisco, CA 94111	X-14169	\$2,000,000.00	\$1,000,000.00
11/21/1994- 07/30/1995	Employers Reinsurance P.O. Box 2991 Overland, KS 66201	555435	\$2,000,000.00	\$1,000,000.00
07/01/1995- 07/01/1996	CSAC Excess Insurance Authority 75 Iron Point Circle, Suite 200 Folsom, CA 95630	4156025	\$2,000,000.00	\$1,000,000.00
07/01/1996- 07/01/1997	CSAC Excess Insurance Authority 75 Iron Point Circle, Suite 200 Folsom, CA 95630	NXC0129791-00	\$2,000,000.00	\$1,000,000.00
07/01/1997- 08/24/1998	CSAC Excess Insurance Authority 75 Iron Point Circle, Suite 200 Folsom, CA 95630	NXC0129791-00	\$2,000,000.00	\$1,000,000.00

08/25/1998- 07/01/1999	CSAC Excess Insurance Authority 75 Iron Point Circle, Suite 200 Folsom, CA 95630	NXC0129791-00	\$300,000.00	\$150,000.00
07/01/1999- 07/01/2000	CSAC Excess Insurance Authority 75 Iron Point Circle, Suite 200 Folsom, CA 95630	EIA99 EWC 32	\$300,000.00	\$150,000.00
07/01/2000- 07/01/2001	CSAC Excess Insurance Authority 75 Iron Point Circle, Suite 200 Folsom, CA 95630	EIA00 EWC 32	\$300,000.00	\$150,000.00
07/01/2001- 07/01/2002	CSAC Excess Insurance Authority 75 Iron Point Circle, Suite 200 Folsom, CA 95630	EIA01 EWC 32	\$300,000.00	\$150,000.00
07/01/2002- 07/01/2003	CSAC Excess Insurance Authority 75 Iron Point Circle, Suite 200 Folsom, CA 95630	EIA02 EWC 32	\$2,000,000.00	\$1,000,000.00
07/01/2003- 07/01/2004	CSAC Excess Insurance Authority 75 Iron Point Circle, Suite 200 Folsom, CA 95630	EIA03 EWC 32	\$2,000,000.00	\$1,000,000.00
07/01/2004- 07/01/2005	CSAC Excess Insurance Authority 75 Iron Point Circle, Suite 200 Folsom, CA 95630	EIA04 EWC32	\$3,000,000.00	\$1,500,000.00
07/01/2005- 07/01/2006	CSAC Excess Insurance Authority 75 Iron Point Circle, Suite 200 Folsom, CA 95630	EIA05 EWC32	\$3,000,000.00	\$1,500,000.00
07/01/2006- 07/01/2007	CSAC Excess Insurance Authority 75 Iron Point Circle, Suite 200 Folsom, CA 95630	EIA06 EWC32	\$3,000,000.00	\$1,500,000.00

07/01/2007- 07/01/2008	CSAC Excess Insurance Authority 75 Iron Point Circle, Suite 200 Folsom, CA 95630	EIA07 EWC32	\$3,000,000.00	\$1,500,000.00
07/01/2008- 07/01/2009	CSAC Excess Insurance Authority 75 Iron Point Circle, Suite 200 Folsom, CA 95630	EIA08 EWC32	\$3,000,000.00	\$1,500,000.00
07/01/2009- 07/01/2010	CSAC Excess Insurance Authority 75 Iron Point Circle, Suite 200 Folsom, CA 95630	EIA09 EWC32	\$3,000,000.00	\$1,500,000.00
07/01/2010- 07/01/2011	CSAC Excess Insurance Authority 75 Iron Point Circle, Suite 200 Folsom, CA 95630	EIA10 EWC32	\$3,000,000.00	\$1,500,000.00
07/01/2011- 07/01/2012	CSAC Excess Insurance Authority 75 Iron Point Circle, Suite 200 Folsom, CA 95630	EIA11 EWC32	\$3,000,000.00	\$1,500,000.00
07/01/2012- 07/01/2013	CSAC Excess Insurance Authority 75 Iron Point Circle, Suite 200 Folsom, CA 95630	EIA12 EWC32	\$3,000,000.00	\$1,500,000.00
07/01/2013- 07/01/2014	CSAC Excess Insurance Authority 75 Iron Point Circle, Suite 200 Folsom, CA 95630	EIA13 EWC32	\$3,000,000.00	\$1,500,000.00
07/01/2014- 07/01/2015	CSAC Excess Insurance Authority 75 Iron Point Circle, Suite 200 Folsom, CA 95630	EIA14 EWC32	\$3,000,000.00	\$1,500,000.00
07/01/2015- 07/01/2016	CSAC Excess Insurance Authority 75 Iron Point Circle, Suite 200 Folsom, CA 95630	EIA15 EWC32	\$3,000,000.00	\$1,500,000.00

07/01/2016- 07/01/2017	CSAC Excess Insurance Authority 75 Iron Point Circle, Suite 200 Folsom, CA 95630	EIA16 EWC32	\$3,000,000.00	\$1,500,000.00
07/01/2017- 07/01/2018	CSAC Excess Insurance Authority 75 Iron Point Circle, Suite 200 Folsom, CA 95630	EIA17 EWC32	\$3,000,000.00	\$1,500,000.00