

SERVICE AGREEMENT FOR ADMINISTRATION OF A CLAIMS PROGRAM

This Service Agreement for Administration of a Claims Program dated June ___, 2019 (the “Agreement”), is entered into, by and between Sedgwick Claims Management Services, Inc. (“Sedgwick”), and Milwaukee County (the “Client”) (Sedgwick and Client together the “Parties”).

RECITALS

1. Client self-insures its claims administration program for workers’ compensation risks and desires to have Sedgwick provide the specific services set forth below in connection with such self-insured program (the “Program,” as defined on the attached Exhibit A).
2. Sedgwick is willing to provide such services on the terms and conditions hereinafter stated.

AGREEMENT

1. **Services to Be Performed by Sedgwick:** Sedgwick agrees to perform the following services:
 - A. With regard to Claims Administration, Sedgwick shall:
 - (1) During the term of this Agreement, review all claim and loss reports received from Client that are required to be reviewed under the Program (a “Qualified Claim”), and process each such claim or loss report in accordance with applicable statutory and administrative regulations;
 - (2) Conduct an investigation of each Qualified Claim to the extent deemed necessary by Sedgwick in the performance of its obligations hereunder;
 - (3) Arrange for independent investigators, appraisers, or medical or other experts to the extent deemed necessary by Sedgwick in connection with processing any Qualified Claim;
 - (4) Pay benefits, expenses, and adjust or settle each Qualified Claim, but only if in the sole judgment of Sedgwick such payment would be prudent for Client and the anticipated amount thereof does not exceed the limit specified in accordance with paragraphs 2F and 2G below, or as Client specifically approves or directs such action in writing;
 - (5) Maintain a file for each Qualified Claim which shall be the property of Client (for self-insured claims) or Insurer (for insured claims) and which shall be available for review by Client or Insurer during normal business hours upon three (3) days’ prior written notice;
 - (6) Notify Client’s first layer of insurance coverage for each Qualified Claim where the values may exceed Client’s retention, providing such insurer

with necessary information on the current status of those claims, unless relieved of this obligation by Client pursuant to paragraph 2A;

- (7) Assist Client's counsel, if requested, in preparing the defense of litigated cases arising out of Qualified Claims, negotiating settlements and pursuing subrogation or contribution actions;
 - (8) Maintain a current estimate of the expected total cost of each Qualified Claim which is based on facts known at the estimation date, but is not trended or actuarially developed;
 - (9) Use a proprietary data management system to furnish to Client agreed upon loss and information reports. These reports shall contain information such as each Qualified Claim date, condensed claim description, payments made, estimated future costs and total expected costs of all Qualified Claims, as well as summary and other data deemed relevant by Sedgwick, but not IBNR (incurred but not reported) claims or actuarially developed loss values; and
 - (10) Annually report federal, state and local 1099 information under Sedgwick's tax identification number(s) for vendor payments issued by Sedgwick on bank accounts established and managed by Sedgwick on behalf of Client, but not for payment authorizations when Sedgwick does not issue the checks. Client recognizes and agrees that any earnings credits realized on the account(s) will be utilized to offset banking analysis fees related to any Sedgwick managed claim fund account. To the extent that earnings credits do not off-set all bank account fees, Client shall pay the additional bank account fees due.
- B. Sedgwick will provide managed care services as set forth in the attached Managed Care Service Schedule.
 - C. Sedgwick will provide the call center services as set forth in the attached Call Center Service Schedule.
 - D. Sedgwick shall provide the special investigative unit (SIU) services set forth in the attached SIU Service Schedule.
 - E. Sedgwick shall provide Client with the capability to perform searches in a database which contains information regarding Client's Qualified Claims as set forth in the attached OSHA Database Service Schedule.
 - F. Sedgwick will provide the MMSEA/SCHIP Reporting services as set forth in the Medicare Reporting Services Schedule attached hereto.
 - G. Sedgwick will provide additional Medicare compliance services as set forth in Medicare Compliance Schedule(s) attached hereto.
 - H. Sedgwick will provide the clinical consultation services as set forth in the Clinical

Consultation Services Schedule attached hereto.

2. Obligations of Client:

- A. Client shall provide Sedgwick in a timely manner with its first layer of insurance coverage for the policy years necessary for proper notification of applicable Qualified Claims to such first layer insurers by Sedgwick. Should Client fail to provide this information, Sedgwick shall be relieved of any such reporting obligations.
- B. Client shall pay to Sedgwick a service fee which, in the initial term of this Agreement, shall be computed and payable as shown on the attached Exhibit B, plus applicable taxes, if any.
- C. Client shall at all times provide funds adequate for the payment of Qualified Claims, including allocated loss adjustment expenses. For purposes of this Agreement, allocated loss adjustment expenses shall mean all costs, charges or expenses incurred by Sedgwick, its agents or its employees which are properly chargeable to a Qualified Claim including, without limitation, court costs; fees and expenses of attorneys; appeal bonds; independent adjusters; investigators; appraisers; vocational services, training or evaluation; medical expenses and medical cost containment service providers (including those provided by Sedgwick, if applicable); durable medical equipment; rehabilitation services; experts and witnesses; fees for obtaining statements, diagrams, reports, records, documents, transcripts, depositions, index bureau filings and re-filings, and photographs; cost of file retrieval; cost associated with the pursuit of subrogation and/or Special Injury Fund claims; hearing representation services; and travel fees and expenses incurred at Client's request.
- D. Client shall deposit funds for payment of Qualified Claims, including allocated loss adjustment expenses, in a bank account or accounts (the "Claim Account"). Client shall be responsible for providing sufficient funds to enable Sedgwick to write checks on the Claim Account for use in the payment of Client's Qualified Claims. Such funds shall be provided by electronic funds transfer at the inception of the Program and replenished by electronic funds transfer promptly from time to time thereafter. The amount of the escrow required for the Claim Account may be modified in the following instances:
 - (1) There is a substantial increase or decrease in claims payment activity;
 - (2) Client fails to fund the Claim Account within the agreed upon time period;
 - (3) There is a change in funding cycle;
 - (4) The escrow is recalculated at Client's request; or
 - (5) The escrow amount is automatically recalculated on an annual basis.

- E. It is expressly understood that Sedgwick shall not be required to advance its own funds to pay losses or allocated loss adjustment expenses for any Qualified Claim hereunder. It is further understood that if Client fails to promptly provide funds sufficient to allow required payments to be made timely, or if funds previously provided by or on behalf of Client are seized, frozen or otherwise unavailable to Sedgwick to allow required payments to be made timely on account of the bankruptcy, receivership, or other insolvency proceeding of Client [or Insurer, in cases where Insurer funds claim account], Sedgwick will have no obligation to perform any claims payments services during any period of underfunding.
- F. Sedgwick shall have full discretion to make an individual payment of an allocated loss adjustment expense in an amount up to \$25,000 on any Qualified Claim and shall not need the approval of Client to make such payments. This amount may be changed at any time by Client upon ten (10) days' prior written notice to Sedgwick. It is agreed that Sedgwick shall have full authority and control in all matters pertaining to the payment, processing, investigation and administration of Qualified Claims within the limit established by this paragraph.
- G. Sedgwick shall have full discretion to redeem, compromise or settle any Qualified Claim for an amount not to exceed \$0 and will need the approval of Client to consummate such redemption, compromise or settlement. This amount may be changed at any time by Client upon ten (10) days' prior written notice to Sedgwick. Failure of Sedgwick to settle a Qualified Claim within such limit, however, shall not subject Sedgwick to any liability whatsoever in the event of an adverse judgment entered by any court or the settlement of such Qualified Claim for an amount in excess of such limit.
- H. Should Client fail to make timely payments of any service fees due Sedgwick or should Client in any other way breach a material term of this Agreement, Sedgwick shall then have the right to refuse to perform any further services. If Sedgwick elects to exercise its rights under this paragraph, in addition to all other legal or equitable remedies, Sedgwick will have the right to its full minimum fee, if any, as well as any other fees for which Sedgwick may be eligible, and may collect such fees from any loss fund that may be in Sedgwick's care, custody and control.

3. Discontinuance of Operations:

Should Client discontinue its business for any reason, all fees due Sedgwick shall be paid immediately. Sedgwick shall have no further obligation to continue to provide the services called for in this Agreement, and, at Sedgwick's option, this Agreement shall be considered terminated as of the date Client ceases operations or is subject to a bankruptcy or receivership filing, either voluntarily or involuntarily.

4. Jurisdictions:

This Agreement shall cover all operations of Client in the state of Wisconsin.

5. Term of Agreement and Termination:

- A. The term of this Agreement shall be for the period commencing on November 1, 2019 and ending on October 31, 2024.
- B. This Agreement may be terminated by either party at any time, provided that at least sixty (60) days' prior written notice of the effective date of termination is given to the other party.
- C. Sedgwick is providing services to Client on a life of contract basis. If requested by Client, Sedgwick will continue to process Client's Qualified Claims remaining open at the expiration or termination of this Agreement, if any, provided that Client shall continue to make adequate funds available for the payment of such Qualified Claims, including any allocated loss adjustment expenses and pay information technology fees, data tape fees, program management fees, and any other applicable fees. This provision shall not apply unless the additional fee for this service shall have been negotiated and agreed to in writing prior to the effective date of termination.
- D. If Sedgwick is required by Insurer to adjust Client's insured Qualified Claims after expiration or termination of this Agreement, Client shall continue to fund claims payments and allocated loss adjustment expenses as otherwise provided herein, and Client shall pay Sedgwick a mutually agreed upon fee, plus the prevailing fee for any information technology or data tapes required by Insurer.
- E. If Insurer fails to pay Sedgwick service fees which it is obligated to pay, then Sedgwick may present all unpaid invoices to Client and Client shall pay such service fees within thirty (30) days of presentment. If Insurer is responsible for funding the Claim Account and fails to adequately do so, then Client shall immediately and adequately fund the Claim Account upon notice from Sedgwick of the deficiency.
- F. Upon expiration or termination of this Agreement, Sedgwick shall deliver, at Client's sole cost, the hard copy and imaged files that Sedgwick has maintained for Qualified Claims (but not including any computer hardware, firmware, software or other proprietary information of Sedgwick), except those Sedgwick has agreed in writing to continue to process or files that are owned by Insurer; provided, however, that Sedgwick or its agents, employees or attorneys shall continue to be entitled to inspect all such files and make copies or extracts there from. Imaged files shall be transferred to Client in the same electronic format. If Client does not agree to accept such files, they will be retained or destroyed at Sedgwick's option and Client shall have no recourse against Sedgwick for failure to retain them. Upon request and for the prevailing fees at the time of termination, Sedgwick will also provide its standard tape(s) containing the computer data for the Qualified Claim files stored on Sedgwick's computer system(s).
- G. Should Client terminate the Agreement for convenience within the first twelve months of the Agreement, the Client shall pay Sedgwick fees equal to three

months of the service fees. Should Client terminate for convenience within the second twelve months of the Agreement, the Client shall pay Sedgwick fees equal to two months of the service fees. Termination fees are payable within thirty (30) days of the date of notice of such termination.

6. Practice of Law:

It is understood and agreed that Sedgwick will not perform, and Client will not request performance of, any services which may constitute the unauthorized practice of law.

7. Indemnification:

- A. Sedgwick shall be fully responsible for exercising reasonable care at all times in the performance of its obligations hereunder. However, if Sedgwick is named as a party to any litigation or proceeding, or is the subject of any claim or demand because of its actions on behalf of Client, Client agrees to indemnify, defend, and hold Sedgwick, its officers, directors, employees and agents harmless from any and all losses, damages, costs, judgments and expenses (including attorney's fees and costs) with respect to any such litigation, proceeding, claim or demand, unless and until a finding is entered to the effect that Sedgwick failed to exercise such reasonable care in the performance of its obligations hereunder. Sedgwick agrees to indemnify, hold harmless and defend Client, its directors, officers, employees and agents from and against any and all liabilities, loss or damage that they may suffer as a result of any claim, demand, cost or judgment against them arising out of the negligence or willful misconduct of Sedgwick in connection with its performance under this Agreement, provided that such acts or omissions do not arise out of or relate to oral or written instructions, procedures or forms supplied by Client or to Client's internal management or adjustment of its claims. Each party agrees to keep the other fully informed of any matter for which it is defending, holding harmless or indemnifying the other party. Each party reserves the right to appoint its own counsel, at its own expense, regarding any matter defended hereunder and to approve any settlements of same.
- B. Notwithstanding anything to the contrary contained in the above paragraph, it is understood and agreed that if Client, directly or through a subcontractor or vendor of Client's choosing (a "Client Subcontractor"), retains administration of a claim or performs any services for a claim Sedgwick administers, or if Client otherwise directs the administration of a claim, Client will indemnify, defend, and hold Sedgwick, its officers, directors, employees and agents harmless from the losses, damages, costs, judgments and expenses (including attorney's fees and costs) as a result of any litigation or proceeding, fines, penalties, revocation of license, or any other state regulatory investigation or action arising against Sedgwick related to the acts or omissions of Client or the Client Subcontractor.
- C. If Client's access to claim data includes the ability to add and modify data, Sedgwick shall not be required to verify, or otherwise be responsible for, the accuracy of data added or modified by Client. Client shall indemnify, defend and hold Sedgwick, its officers, directors, employees and agents harmless for any loss,

cost (including attorney's fees), claim or judgment which is attributable to Client's input or modification of data.

- D. The provisions of this section shall survive the expiration or termination of the Agreement.

8. Network Security/Confidentiality:

- A. If Client's access to the data management system requires a network connection (the "Network Connection") between Client's network and Sedgwick's network, Sedgwick and Client shall take reasonable and customary precautions to prevent unauthorized access to or use of the Network Connection through their respective networks. The Parties agree, however, that each party is responsible for the security of its own network. Neither party shall be liable to the other for unauthorized access to the Network Connection, so long as the accused party shall have taken reasonable and customary precautions to prevent such unauthorized access.
- B. Whether or not marked as such, and without regard to the media in which such records are stored, "Confidential Information" shall mean:
 - (1) any business or technical information pertaining to the Parties or to third parties, which is furnished, disclosed or made available by one party to the other, including, without limitation, specifications, prototypes, software, marketing plans, financial data and personnel statistics; and
 - (2) Medical records, reports and information, as well as any other non-medical records, reports or information pertaining to claimants under the Program.
- C. Each party agrees to protect Confidential Information received hereunder with the same degree of care that such party exercises with its own confidential information (but in no event less than reasonable care) and to limit access and disclosure of Confidential Information only to their employees, agents and contractors who have a "need to know," and who agree to maintain confidentiality in accordance with this section. Notwithstanding the foregoing, Client agrees to permit Sedgwick to compile and disseminate aggregate, de-identified information for benchmarking purposes or forward to a data collection facility data for Qualified Claims handled pursuant to this Agreement, provided that such facility agrees in writing to keep Client's data confidential. Further, Sedgwick shall be entitled, without violation of this section and without the prior consent of Client, to retain claims administration information and to forward claims administration information to government agencies to the extent required by law for the proper performance of the services set forth herein.
- D. The provisions of this section shall survive the expiration or termination of the Agreement.

9. Notices:

Any notice required to be given under this Agreement shall be sent by certified or registered mail, postage prepaid, to General Counsel, Sedgwick Claims Management Services, Inc., 8125 Sedgwick Way, Memphis, TN 38125, in the case of Sedgwick, and to in the case of Client.

10. Successors:

This Agreement shall be binding upon and shall inure to the benefit of all transferees, assigns and successors in interest of any kind of the Parties, but no transfer or assignment may be made without the prior written permission of the other party.

11. Entire Agreement and Modification or Amendment:

This Agreement and its attached exhibits and schedules represents the full and final understanding of the Parties with respect to the subject matter described herein and supersedes any and all prior agreements or understandings, written or oral, express or implied. This Agreement may be modified or amended only by a written statement signed by both Parties.

12. Applicable Law:

The terms and conditions of this Agreement shall be governed by the laws of the State of Tennessee without regard to conflicts of law principles.

13. Intentionally Deleted.

14. Force Majeure:

Neither party shall be liable to the other party or be deemed to have breached this Agreement for any failure or delay in the performance of all or any portion of its obligations under this Agreement if such failure or delay is due to any contingency beyond its reasonable control (a "Force Majeure Event"). Without limiting the generality of the foregoing, such contingency includes, but is not limited to, acts of God, fires, floods, pandemics, storms, earthquakes, riots, boycotts, strikes, lock-outs, acts of terror, wars and war operations, restraints of government, power or communication line failure or other circumstance beyond such party's reasonable control, or by reason of the bankruptcy, receivership or other insolvency proceeding of any bank or other financial institution where funds to pay losses and allocated loss adjustment expenses are held, or by reason of a judgment, ruling or order of any court or agency of competent jurisdiction or change of law or regulation subsequent to the execution of this Agreement. Both Parties are obligated to provide reasonable back-up capability to avoid the potential interruptions described above. If a Force Majeure Event occurs, the party delayed or unable to perform shall give immediate notice to the other party. Client acknowledges that the foregoing provision does not apply to Client's obligation to make timely payment of any fees due Sedgwick, and that Sedgwick shall be entitled to all remedies set forth in this Agreement and those allowed by law for Client's failure to timely pay such fees.

15. Headings:

Headings herein are for convenience of reference only and shall not be considered in any interpretation of this Agreement.

16. Relationship of Parties; Expenses:

Nothing contained in this Agreement shall be deemed to create a partnership or joint venture between the Parties; the only relationship among the Parties shall be that of independent parties to a contract. Except as expressly provided herein, no party hereto shall have authority or shall hold itself out as having authority to act for or bind any other party hereto. Except as expressly set forth herein, each party shall bear all expenses it may incur in connection with the execution, delivery and performance of this Agreement.

17. Waiver of Breach:

Failure of either party hereto to require the performance by the other party hereto of any obligation under this Agreement shall not affect its right subsequently to require performance of that or any other obligation. Any waiver by any party hereto of any breach of any provision of this Agreement shall not be construed as a continuing waiver of any such provision or a waiver of any succeeding breach or modification of any other right under this Agreement.

18. Subcontractor Disclosure:

Through contractual arrangements with subcontractors, Sedgwick provides a full range of medical management and investigative services to its clients, as well as structured settlements, claim indexing services, imaging, auto-bill adjudication, and extra-territorial claims administration services. Medical management services include, but are not limited to, bill review, network access, pharmacy benefits management, peer review, field case management, electro-medical devices, bone growth stimulators, orthotics, prosthetics, translation and interpretation, transportation, medical supplies, IV and respiratory therapy, home health, and durable medical equipment. Client recognizes and agrees that delivery of some of these services is being provided pursuant to separate agreements between subcontractors and Sedgwick. Invoices for these services will be paid as allocated loss adjustment expenses on individual claims, unless otherwise agreed between Client and Sedgwick. Notwithstanding the foregoing, Client agrees and understands that Client is obligated to make payment to the subcontractors either directly or by remitting such payment to Sedgwick, for any money due for subcontracted services which have been provided under this Agreement. Client acknowledges that Sedgwick receives a portion of charges for subcontracted services as reimbursement for cost of program management, administration, and technological and service enhancements. In no event will charges to Client exceed the amount indicated in the Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the day and date first above written.

Milwaukee County

Sedgwick Claims Management Services, Inc.

By _____

Title _____

Date _____

By _____

Title _____

Date _____

EXHIBIT A

SERVICE PROGRAM OVERVIEW

I. Introduction

Sedgwick is administering the self-insured workers' compensation claims for Client as follows:

State Serviced: WI

Sedgwick Servicing Office: Brookfield, WI

II. Account Coordination

On behalf of Client, this service program will be coordinated by:

Client Representative

Client Name

Client Address

Telephone #

Fax #

On behalf of Sedgwick, this service program will be coordinated by:

Sedgwick Representative: Anthony Martin

Sedgwick Office Address: Telecommuter

Telephone #: 704-423-2033

Fax #: 704-423-6241

Each party reserves the right to change its designated representative during the term of the Agreement.

EXHIBIT B

SERVICE FEES

Client shall pay the following fees on a **life of contract** basis for services provided during the term of this Agreement:

1. Per Claim Fees

- A. Client shall pay the following fees for claims received by Sedgwick during the period beginning November 1, 2019 and ending October 31, 2020:

Workers' Compensation

Indemnity Claim	\$940
Medical Only Claim	\$155
Incident Only	\$38

- B. For purposes of this Agreement, an "Indemnity Claim" shall mean any workers' compensation Qualified Claim:
- For which a payment is made or reserve is posted under the indemnity portion (i.e. not medical and not expense) of the Qualified Claim or there is time lost from work;
 - For which an application for adjudication of a claim or hearing notice is received or otherwise involves litigation or communication from or to a petitioner's attorney;
 - Where incurred medical costs exceed \$3,000;
 - That is denied but otherwise would have been classified as Indemnity Claims;
 - For which Client requests to be investigated or classified as an Indemnity Claim;
 - That Sedgwick determines additional investigation is necessary to determine compensability, to comply with applicable laws, or both;
 - For which subrogation is investigated or pursued; or
 - That is open longer than twelve months.
- C. For purposes of this Agreement, a "Medical Only Claim" shall mean any workers' compensation Qualified Claim which is not an Indemnity Claim or an Incident Only.
- D. For purposes of this Agreement, an "Incident Only" shall mean claims reported by Client that require no payment or activity other than generating a record in the data management system. These claims carry no reserves and no contacts are made by Sedgwick. If contacts are required on incident only cases, additional fees will apply.
- E. For purposes of this Agreement, a "Takeover Claim" shall mean any claim opened prior to November 1, 2019. Takeover Claims are charged the annual per claim fee shown in the pricing section for claims that are open as of the effective date of this

Agreement, open at the beginning of any subsequent contract year, or are reopened during any contract year.

- F. Client acknowledges that if an Incident Only Claim is converted to another claim type, then Client shall pay the difference in the per claim fee between the per claim fee already paid and the applicable per claim fee after the claim's conversion.
- G. Client acknowledges that any liability claimant which files both a property damage claim and a bodily injury claim, or any combination thereof, will incur the above stated fee for administration of each claim filed by that claimant. Further, any event which creates liability claims filed by multiple claimants or multiple claims filed by the same claimant will incur the above stated fee for administration of each claim filed by each individual claimant.
- H. Client acknowledges that the per claim fees set forth in this section 1 are based on the assumption that Client will forward to Sedgwick all claims arising under the Program within the applicable time period in a covered jurisdiction. In the event that Client does not forward to Sedgwick all such claims, Sedgwick may in its discretion adjust the per claim fees accordingly.

2. Miscellaneous Charges

Client shall pay the following fees for services provided during the period beginning on November 1, 2019 and ending on October 31, 2020:

- A. Account Management fee: \$ 15,000
- B. Implementation fee: \$5,250
- C. viaOne access, which includes 2 query users, is provided for a fee of \$1,690. Additional access is available for a fee of \$845 per query user per year.
- D. \$26,525 per data source converted for up to 100,000 records in the source.
- E. Standard data tapes are available for a fee of \$220 per month for monthly tape provided, \$605 per month for weekly file or \$1895 per month for daily file.
- F. Intake by any means other than utilizing Sedgwick Call Center or web reporting technology (i.e. fax, e-mail) will incur a fee of \$22 per report
- G. viaOne Advanced OSHA access is provided for an implementation fee of \$6,000; \$400 per user per year; and \$27 per incident.
- H. **ALTERNATIVE A – Use if Client maintains the SHARPS records**
viaOne OSHA SHARPS module is provided for a fee of \$12 per SHARPS case.

ALTERNATIVE B – Use if Sedgwick maintains the SHARPS records
viaOne OSHA SHARPS module is provided for a fee of \$25 per non-California SHARPS case and \$27 per California SHARPS case.

- I. Client shall pay for storage of claim files which were closed at the time that Sedgwick obtained the Program. Sedgwick’s liability for such files shall be subject to the same limitations as contained in its written agreements with storage service providers, if any.

3. Invoicing

All implementation and data conversion fees are billed upon notification of award.

Sedgwick shall submit its invoice for all other fees on a quarterly basis, in advance, based on an annual fee estimate. Shortly after the expiration of the contract year, or upon termination, Sedgwick shall compare the installment amounts paid by Client to the actual fee due. Client shall pay any additional fee due, or Sedgwick shall credit Client for any overpayment, as the case may be.

4. Care Management Fee Schedule

All claim administration fees and services contemplate the deployment of Sedgwick’s managed care services for all bill review and case management services. Managed care fees are detailed below. Fees may change from time to time upon 60 days’ written notice.

5. SIU Service Fees

The charges set forth below are the current fees for the services listed, and these fees may change from time to time upon sixty days’ prior written notice to Client:

Service name	Price
Research services	
Comprehensive background	\$450
Social media investigation	\$250
Canvassing services	\$250
Skip tracing/individual locate	\$175
Asset check	\$225
Criminal and civil check	\$135 plus cost of records Additional counties: \$35 (per county)
Records request	\$100 plus cost of records
Social media monitoring	\$25/week of monitoring
Other research services	Quote upon request
Surveillance services	
Surveillance	\$85 per hour (portal to portal): All other states \$95 per hour (portal to portal): California, Hawaii and New York <u>Additional expenses to hourly rate:</u> <ul style="list-style-type: none"> • Report writing (up to 1/2 hour per day at standard surveillance rates) • Pre-surveillance investigation: \$85 • License plate searches : \$10 (post prelim)

Service name	Price
Unmanned surveillance	\$700 per day (three-day minimum) Deployment and extraction of stationary device: \$85 per hour: All other states \$95 per hour: California, Hawaii and New York
Video copies	\$60 per additional copy plus shipping
Field Services	
Activity Check Alive and Well Check* AOE/COE* Recorded Statement* Scene Investigation* Trial/Deposition	\$85 per hour (portal to portal): All other states \$95 per hour (portal to portal): California, Hawaii and New York Mileage charged at IRS standard mileage rate
*These services are eligible for Virtual Interview technique	
Virtual Interview	\$85 per hour (2 hour minimum): All other states \$95 per hour (2 hour minimum): California, Hawaii and New York
International investigations	Quote upon request
Other field services	Quote upon request
Assessment services	
Suspect file review	\$95 per hour
Fraud investigation (includes state reporting when warranted)	\$95 per hour
SIU intelligence program	Workers' compensation and general liability — \$150 per claim triggered (includes up to three claim triage reviews per claim triggered)
Other assessment services	Quote upon request

6. Subrogation and Other Recoveries:

- A. Sedgwick shall pursue recoveries for subrogation, second injury funds, and other applicable special funds such as supplemental state funds, COLA reimbursements, retro funds, and other similar funds. Client shall pay Sedgwick seventeen and a half percent (17.5%) of the recovery received. All fees and expenses, including attorneys' fees or investigations, for pursuit of any recovery shall be charged to the appropriate Qualified Claim file as an allocated loss adjustment expense.
- B. As determined by the Parties, Sedgwick shall either:
- Deposit the recovery funds and issue payment from Sedgwick's accounts payable system to Client for the net recovery (less Sedgwick's fee). Sedgwick will deposit the net recovery check into the Client's loss-funding account or forward it directly to the Client; or
 - Deposit the recovery funds into the Client's loss-funding account and Sedgwick shall receive payment from the claim file or directly from Client.

7. Subsequent Year Fees

- A. Client shall pay the following fees for services provided and claims received by Sedgwick during the period beginning November 1, 2020 and ending October 31, 2021:

Workers' Compensation

Indemnity Claim	\$968
Medical Only Claim	\$160
Incident Only	\$39

B. Client shall pay the following fees for services provided and claims received by Sedgwick during the period beginning November 1, 2021 and ending October 31, 2022:

Workers' Compensation

Indemnity Claim	\$997
Medical Only Claim	\$165
Incident Only	\$40

C. Client shall pay the following fees for services provided and claims received by Sedgwick during the period beginning November 1, 2022 and ending October 31, 2023:

Workers' Compensation

Indemnity Claim	\$1,027
Medical Only Claim	\$170
Incident Only	\$41

D. Client shall pay the following fees for services provided and claims received by Sedgwick during the period beginning November 1, 2023 and ending October 31, 2024:

Workers' Compensation

Indemnity Claim	\$1,058
Medical Only Claim	\$175
Incident Only	\$42

8. Payment Terms

Client acknowledges that all fees set forth in the Agreement are due and payable within thirty (30) days of the invoice. Any and all past due fees will incur interest at the rate of 1.5% per month, unless otherwise prohibited by law. Client acknowledges that in the event Sedgwick undertakes collection proceedings for any outstanding fees, then Client will reimburse Sedgwick for all costs associated with such collection action, including a reasonable attorney fee and court cost.

All fees are contingent upon claim management from the JURIS system.

MANAGED CARE SERVICE SCHEDULE

Client has chosen the following managed care services, as defined herein:

- (1) Provider Fee Management - The bill review process reviews bills against up-to-date and accurate mandated state fee schedules or the usual and customary ("UCR") data base, whichever is appropriate, to reveal excessive, duplicate, or inappropriate charges.

- (2) Preferred Provider Organization (“PPO”) Networks - Sedgwick will arrange for access and channeling to national and regional PPO networks including specialty networks (Diagnostics, Physical Therapy, etc. under the managed care program in conjunction with the Provider Fee Management service.
- (3) Hospital Bill Review - Hospital or outpatient non-PPO bills will be reviewed by a nurse for possible errors or excessive charges relative to the patient’s medical diagnosis at Sedgwick’s or Client’s request.
- (4) Out of Network Bill Review – Bills from out of network health care providers will be reviewed, and if appropriate a negotiation with the billing provider will be pursued. Additionally, inpatient and outpatient procedures that are not addressed by an individual state’s fee schedule or UCR will be repriced to a geographically driven and cost to charge repricing database to determine appropriate reimbursement.
- (5) Specialty Usual and Customary Review – Sedgwick’s vendors will apply geographic charges (fee for same procedure charged by other providers in same area) and cost to charge ratios (actual cost to provider for procedure or hospital stay v. amount charged) to determine reimbursement of medical services billed that are not addressed within the jurisdictional fee schedule or usual and customary reimbursement.
- (6) Field Case Management - Sedgwick will assign appropriate cases for field medical and vocational management services.
- (7) Utilization Review, which includes the following components:
 - (a) Prospective Review - a review prior to treatment or admission conducted by an experienced registered nurse to validate or negotiate the necessity, setting, frequency, intensity and duration of care delivery.
 - (b) Concurrent Review - during the course of treatment, a review of treatment and planned procedures and establishment of target completion dates.
 - (c) Retrospective Utilization Review- a review post treatment conducted by an experienced registered nurse to identify inappropriate treatment utilization.
 - (d) Peer Review - physician-to-physician contact to resolve treatment and diagnosis questions.
- (8) Prescription Services – Pharmacy program made available to Client’s employees whereby a network of pharmacies, local to Employer sites/employee residences will provide prescription medications related to the work related injury with no out of pocket expenses to the employee.
- (9) Pharmacy review services include a review of all current medications prescribed to the claimant as well as a review of over the counter medication being taken by the claimant. The purpose of the review is to evaluate whether the medications

prescribed to and/or taken by the claimant are appropriate for treatment of the injury or ailment which is the subject of the underlying claim being administered by Sedgwick.

- (10) Telephonic Case Management services are described below and are available upon request and for an additional fee.
- (11) Complex file review (nurse review) - Hospital or outpatient non-PPO bills that meet specific, pre-established criteria may be reviewed by a nurse for possible errors or excessive charges relative to the patient's medical diagnosis.

Additional Managed Care Services

Telephonic Case Management

Sedgwick will provide a telephonic medical case management program in which nurse case managers receive early notice of a worker's injury and telephonically manage the appropriate cases. Other elements of the Telephonic Case Management program include:

- The management phase includes ongoing return to work ("RTW") and treatment plan management and negotiation. The treating physician will be contacted within forty-eight (48) hours to assess/determine the treatment and RTW plan, including any negotiation required to approve the treatment plan. The Client may also be contacted to assess/determine RTW opportunities. By continuing to contact the injured worker, the provider, and the Client, case management is best able to facilitate early RTW and appropriate treatment.
- The case may go simultaneously to the assigned claim examiner and nurse or the Sedgwick claims professional will make initial contacts to determine compensability and triage based on preset triggers and/or the claims professional's judgment to determine if the case will be sent to a telephonic case management nurse.
- Throughout the telephonic case management process, telephone contact will be made with the provider, employee, and Client. Status reports will be provided, within seventy-two (72) hours, to the claims professional via documentation in the data management system as significant events (e.g., surgery, treatment plan updates, RTW status, etc.) occur in a case, and no less often than every thirty (30) days.

If, at the end of thirty (30) days, the case has not closed, the nurse case manager will contact the claims professional with a recommendation. At that time, the case will either:

- ♦ Close based on a decision by the claims professional
- ♦ Continue with case management on a month-to-month basis until closure and/or RTW and/or maximum medical improvement (MMI).
- ♦ Be referred for Field Case Management

Documentation of this contact will be transmitted electronically to the data management system.

- Sedgwick claims offices will receive standard, open, closed, referred, and savings reports. All information collected will allow for insured level, by office reporting. Client customized

communication reports may carry an additional charge to be borne directly by Client. If this is the case, these charges will be detailed in a separate document to be agreed upon in writing between the Parties.

- Also included in the telephonic case management product model are any required Prospective Utilization Review or Concurrent Utilization Review necessary to meet individual claim or statutory requirements. These product components are described below:
 - ◆ Prospective Utilization Review is a utilization review prior to treatment or admission conducted by an experienced registered nurse that can validate or negotiate the necessity, setting, frequency, intensity, and duration of care delivery.
 - ◆ Concurrent Utilization Review is the process of using experienced registered nurses to review planned procedures and treatments to optimize patient recovery in line with accepted clinical practice.
 - ◆ Prospective and Concurrent Utilization Review services may also include the use of physician advisor review such as for cases that are complicated and warrant physician review to resolve treatment or diagnosis questions.

Evaluation and Recommendation

The Sedgwick Evaluation and Recommendation program involves triage contact with the injured worker, treating physician and, if appropriate and necessary, Client, to determine treatment and return to work (“RTW”) plans and appropriateness for telephonic case management.

- In the evaluation and recommendation phase, a Sedgwick nurse will receive demographic and initial claims professional contact information and open the case. The treating physician will be contacted within forty-eight (48) hours to assess/determine the treatment and RTW plan, including any negotiation required to approve the treatment plan. The Client may also be contacted to assess/determine RTW opportunities.
- Status reports will be provided, within seventy-two (72) hours to the claims professional via documentation in the data management system as significant events (e.g., surgery, treatment plan updates, RTW status, etc.) occur in a case, and no less often than every thirty (30) days.
- Continued telephonic case management will proceed on only those cases in which clinical activities can assist in resolving medical or RTW issues at the discretion of the Sedgwick claims professional. These activities require regular contact with the injured worker, treating physician or therapist, and Client, as appropriate.

CALL CENTER SERVICE SCHEDULE

1. Sedgwick will perform the following call center services:
 - A. Provide to the Client a toll free number owned by Sedgwick to be used by Client and its employees to access the Sedgwick telephonic claims intake center during the term of the Agreement between Client and Sedgwick regarding a claims administration program for Client's Program as defined in Exhibit A.
 - B. Shall fill out the appropriate form as required by an applicable program or statute.
 - C. Provide a copy of the form to Client via fax, mail, or electronically as agreed with Client.
 - D. Provide a copy of the form via fax, or electronically to the Sedgwick office responsible for managing the loss, as necessary.

2. Client agrees that:
 - A. Client shall provide Sedgwick in a timely manner information to facilitate distribution of report copies by Sedgwick.
 - B. Client shall pay to Sedgwick a service fee which, in the initial term of this Agreement, shall be computed and payable as shown in Exhibit B, attached hereto and made a part hereof, plus applicable taxes, if any.

SIU SERVICE SCHEDULE

Sedgwick Special Investigations Unit (“Sedgwick SIU”) will provide centralized management of investigative service vendors and will maintain a national vendor list of approved service providers based upon client or local Sedgwick office preference. Sedgwick SIU will establish quality benchmarking and ensure its vendors are properly licensed and maintain insurance coverage as mandated in vendor agreements with these firms.

Sedgwick SIU will serve as a central referral and coordination unit providing the following SIU services for the fees itemized in Exhibit B:

1. Assessment services including case review, consultation, action plan development, state fraud filing, claim file demand and fraud packaging.
2. Field services including surveillance, activity checks, alive and well checks, and on-site investigations including recorded statements, AOE/COE, and scene investigations.
3. Research services including comprehensive background checks, internet searches, facility canvasses public records, skip tracing, criminal, civil and asset checks.
4. SIU compliance services including carrier and state annual reporting and fraud awareness training.
5. And, other services as outlined in Exhibit B.

OSHA DATABASE SERVICE SCHEDULE

Basic case demographic data (name, address, etc.) will be loaded when the claim is initially set up in JURIS®. Any changes or updates in JURIS® are updated in viaOne® OSHA. The Client cannot modify any of the demographic data in viaOne® OSHA.

Special OSHA fields are updated from the JURIS® Workers' Compensation Detail screen OSHA tab. This data is completed by Sedgwick colleagues or obtained from the intake feed. The Client cannot modify data in viaOne® OSHA.

The OSHA recordability determination is made by the system based on OSHA recordkeeping rules and an evaluation of data provided by the Sedgwick colleagues regarding OSHA recordkeeping criteria.

Work status records identifying days away from work and days of restricted work activity are loaded from the JURIS® Time Tracking screens. The Client cannot modify this data.

Manual Adds: This feature allows the user to manually add a case that does not exist as a workers' compensation JURIS® claim.

OSHA 300 logs, the OSHA 300A and the OSHA 301 forms as well as BLS Surveys and DART/Incident Reports can be produced at any time.

The SIC/NAICS code, industry description, number of employees and hours worked data for the OSHA 300A are provided by the Client and can be uploaded by the client directly into viaOne® OSHA.

Client elects to include the SHARPS module as an operational feature of its OSHA recordkeeping services with Sedgwick subject to the following terms:

(Choose Alternative A or B)

(ALTERNATIVE A)

The Client will maintain SHARPS records in the SHARPS module. If Client chooses to manage its SHARPS cases, entries and updates can be accomplished in viaOne® OSHA.

(ALTERNATIVE B)

Sedgwick will maintain SHARPS records in the SHARPS module. Records are updated from the JURIS® Workers' Compensation Detail screen SHARPS Tab. This data must be completed by the Sedgwick colleagues or obtained from the intake feed. Client cannot modify data in viaOne OSHA.

The fees for these services are itemized in the attached Exhibit B. The charges for this service are the current fees for the services listed and may change from time to time upon sixty days' prior written notice to Client.

MEDICARE REPORTING SERVICES SCHEDULE

In order to assist the Client in fulfilling its Medicare beneficiary reporting obligations under Medicare, Medicaid and State Children's Health Insurance Program Extension Act of 2007 ("MMSEA") Section 111 as set forth in 42 U.S.C. §1395y(b)(7)&(8), Sedgwick will perform the following reporting services:

- 1) Sedgwick will electronically interface with the Centers for Medicare and Medicaid Services ("CMS") to capture and report data in the format prescribed by the CMS Specifications.
- 2) Sedgwick will report directly to CMS on behalf of Client as an Account Designee (reporting agent), as such term is defined in the CMS User Guide as amended from time to time by CMS.
- 3) Client will be considered a Responsible Reporting Entity ("RRE") as that term is defined in MMSEA Section 111 as set forth in 42 U.S.C. §1395y. Sedgwick will assist Client as follows:
 - a) As the custodian of the original claims information from which the reports will be compiled, Sedgwick will be an authorized Account Designee for Client. As an Account Designee, Sedgwick will prepare and submit test files to CMS in accordance with the requirements of the CMS Specifications.
 - b) Sedgwick will prepare the CMS Medicare beneficiary required data files and submit them to CMS or otherwise forward them as instructed by Client.
- 4) Sedgwick will be responsible for payment of any and all fines assessed to Client in regards to compliance with the Medicare beneficiary reporting requirements of Medicare, Medicaid and SCHIP Extension Act of 2007 that relate to the negligent acts or omissions of Sedgwick except to the extent that:
 - a) Such fines or penalties are the direct result of specific direction given by Client and/or its agent or the actions or omissions of Client and/or its agent; or
 - b) Sedgwick did not receive information from Client that is essential to the performance of the duties set forth herein in a timely manner so as to be able to comply with the terms of this Agreement.
- 5) There is no fee for this service.

MEDICARE WORKERS' COMPENSATION COMPLIANCE SERVICES SCHEDULE

In consideration for the Client's exclusive use of Sedgwick's Medicare Compliance Services, excluding where otherwise directed by the Client's insurer if applicable, Sedgwick agrees that the charges, as set forth below in the reduced fee schedules, will not increase during the initial term of the Agreement. After the initial term of the Agreement these fees may change from time to time upon sixty days' prior written notice to Client.

No.	Service name and description	Price
1	Medicare Set-Aside (MSA): This comprehensive report is primarily used to assist the examiner in determining an appropriate amount of money to set aside for the benefit of Medicare at the time of settlement.	\$2,050 \$1,950
2	MSA without submission: This is a compact MSA report that will not be submitted to CMS for review.	\$1,750
3	Zero dollar MSA Waiver: Preparation and submission of the \$0 MSA to CMS. This is only for DENIED cases where \$0 in medical and indemnity payments have been made.	\$1,200
4	Complex Medicare Set-Aside (MSA): Any MSA that includes more than 2 open claims to be included in the same report; or more than 200 pages of medical records. In addition to WCMSA fee.	\$650
5	MSA submission: Compiling, reviewing, analyzing and submitting necessary documentation to CMS for approval of an MSA.	\$720 \$650
6	Medicare Lien Resolution: Sedgwick's CMS Lien Resolution program will assist the examiner in all facets of lien resolution. <ul style="list-style-type: none"> No charge for liens under \$1,000. Subsequent liens to the same file only charged at \$350. 	\$515 \$500
7	Medicare Advantage Lien Search: Sedgwick's CMS Lien Resolution program will determine Medicare Advantage Organization and work with that organization to obtain conditional lien amount.	\$125
8	Medicare Advantage Lien Appeal: Sedgwick's CMS Lien Resolution program will file an appeal with the Medicare Advantage organization for any unrelated charges.	\$250
9	Medical Cost Projection (MCP): A Medical Cost Projection (MCP) is similar to an MSA in that it projects the anticipated future medical care for a claimant.	\$2,250
10	MSA/MCP Combination Report: This product is a combination of the MSA and MCP. It includes one report that summarizes medical records and two spreadsheets.	\$3,300
11	MSA Update: All updates will be charged at a flat rate. Exception: MSAs older than 2 years may be charged the full MSA rate for an update.	\$615 per update
12	Social Security Disability Check: We will check to determine if the claimant has applied for or been accepted for Social Security disability benefits.	\$250
13	Rated Age Request: In certain circumstances, it may be necessary to secure a rated-age in order to minimize the MSA.	\$25

CLINICAL CONSULTATION SERVICES SCHEDULE

Sedgwick will provide clinical consultation services. Clinical consultation services allow a nurse to speak with the injured employee at the time that the claim is reported in order to make recommendations whether medical intervention is needed. At the time of the initial call to Sedgwick, the injured employee will be transferred to a nurse who will utilize clinical guidelines to assess the injury, recommend immediate return-to-work or refer the claimant to the appropriate medical treatment provider, and document the care recommendation.

Sedgwick will make outbound calls to the injured employee on appropriate claims to obtain injured employees status and conduct the clinical consultation survey 24 hours after the initial clinical consultation call.

The current fee for agreed upon clinical consultation services are set forth in Exhibit B, but this fee will be reviewed and agreed upon annually with sixty days' written notice to Client of any changes. The fee for this service shall be added to Client's periodic invoicing.