



CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY		Initials	Date	
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory		Purchasing		
Council Meeting Date:	01/11/10	Budget		
Department:	Purchasing	Legal		
Department Head	Mike Ryan	Assistant City Manager		
Dept Signature:		Deputy City Manager		
		City Manager		
Agenda Coordinator (include phone #): Glenna Hayes x 7539				
ACTION REQUESTED: <input type="checkbox"/> ORDINANCE <input checked="" type="checkbox"/> RESOLUTION <input type="checkbox"/> CHANGE ORDER <input type="checkbox"/> AGREEMENT <input type="checkbox"/> APPROVAL OF BID <input type="checkbox"/> AWARD OF CONTRACT <input type="checkbox"/> OTHER				
CAPTION				
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, APPROVING THE TERMS AND CONDITIONS OF A PROFESSIONAL SERVICES AGREEMENT BY AND BETWEEN ALTERNATIVE SERVICE CONCEPTS, LLC, AND THE CITY OF PLANO; AUTHORIZING ITS EXECUTION OF ALL NECESSARY DOCUMENTS BY THE CITY MANAGER, OR HIS DESIGNEE; AND PROVIDING AN EFFECTIVE DATE.				
FINANCIAL SUMMARY				
<input type="checkbox"/> NOT APPLICABLE <input checked="" type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR: 2009-10; 2010-11	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	342,382	83,465	425,847
Encumbered/Expended Amount	0	-167,455	0	-167,455
This Item	0	-250,395	-83,465	-333,860
BALANCE	0	-75,468	0	-75,468
FUND(S): PROPERTY/LIABILITY LOSS FUND				
COMMENTS: Funds are included in the FY 2009-10 Self Insurance Department Budget. This item, in the estimated amount of \$333,860, will provide for the continuation of professional services for third party claims administration for the purposes of evaluating the program and rebidding. The estimated annual amount to be spent in FY 2009-10, is \$250,395. The estimated future annual amount is \$83,465 which will be made within approved budget appropriations. Funds are available in other Property/Liability Fund accounts to cover the overage in FY 2009-10.				
STRATEGIC PLAN GOAL: Providing professional services for third party claims administration relates to a "Financially Strong City with Service Excellence."				
SUMMARY OF ITEM				
Staff recommends the acceptance of an agreement between Alternative Services Concepts, LLC and the City, continuing professional services for third party claims administration for the purposes of evaluating the program and rebidding. The term of the agreement is for a period of 12 months from date of execution of any necessary contract documents, in an estimated expenditure of \$356,507.22. 2010-43-C				
List of Supporting Documents: Resolution; contract		Other Departments, Boards, Commissions or Agencies N/A		

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, APPROVING THE TERMS AND CONDITIONS OF A PROFESSIONAL SERVICES AGREEMENT BY AND BETWEEN ALTERNATIVE SERVICE CONCEPTS, LLC, AND THE CITY OF PLANO; AUTHORIZING ITS EXECUTION BY THE CITY MANAGER, OR HIS DESIGNEE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council has been presented a proposed professional services agreement for third party claims administration services between Alternative Service Concepts, LLC., and the City of Plano, a substantial copy of which is attached hereto as Exhibit "A" and incorporated herein by reference (hereinafter called "Agreement"); and,

WHEREAS, the City has elected to continue such services while reviewing the current program and developing a new competitive proposal; and

WHEREAS, upon full review and consideration of the Agreement (2010-43-C), and all matters attendant and related thereto, the City Council is of the opinion that the terms and conditions thereof should be approved, and that the City Manager, or his designee, shall be authorized to execute it on behalf of the City of Plano.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:

Section I. The terms and conditions of the Agreement, having been reviewed by the City Council of the City of Plano and found to be acceptable and in the best interests of the City of Plano and its citizens, are hereby in all things approved.

Section II. The City Manager, or his designee, is hereby authorized to execute the Agreement and all other documents in connection therewith on behalf of the City of Plano, substantially according to the terms and conditions set forth in the Agreement.

Section III. This Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED this, the ____ day of _____, 2010.

Phil Dyer, MAYOR

ATTEST:

Diane Zucco, CITY SECRETARY

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

**PROFESSIONAL SERVICES AGREEMENT
BY AND BETWEEN THE CITY OF PLANO, TEXAS AND
ALTERNATIVE SERVICE CONCEPTS, LLC
FOR CLAIMS SERVICE CONTRACT NO. 2010-43-B**

THIS AGREEMENT is made and entered by and between the **CITY OF PLANO, TEXAS**, a Home-Rule Municipal Corporation, hereinafter referred to as "City," and **ALTERNATIVE SERVICE CONCEPTS, LLC**, incorporated in the State of Delaware, hereinafter referred to as "Professional" to be effective from and after the date as provided herein.

WITNESSETH:

WHEREAS, the City desires to engage the services of Professional to process claims related to risk management, hereinafter referred to as the "Project"; and

WHEREAS, Professional desires to render such services for the City upon the terms and conditions provided herein.

NOW, THEREFORE, for and in consideration of the covenants contained herein, and for the mutual benefits to be obtained hereby, the parties hereto agree as follows:

I. Engagement

The City hereby agrees to retain Professional to perform professional services in connection with processing claims related to risk management, and Professional agrees to perform such services in accordance with the terms and conditions of this Agreement.

II. Scope of Services

The parties agree that Professional shall perform such services as are further described in the Scope of Services attached hereto and incorporated herein as Exhibit "A". The parties understand and agree that deviations or modifications in the Scope of Services may be authorized from time to time by the City, but said authorization must be made in writing.

III. Term of Contract

The term of this Contract will be for a period of twelve (12) months from date of execution.

IV. Compensation/Expenses

Compensation and expenses during the term of this contract shall be as set forth in the Fee Schedule, attached hereto and incorporated herein as Exhibit "B"

V. Insurance

Professional agrees to meet all insurance requirements, and to require all consultants who perform work for Professional to meet all insurance requirements, as set forth in Exhibit "C", which is attached hereto and thereby made a part of this Agreement.

VI. Reimbursement MMSEA Fines

Professional shall promptly reimburse City for any fines, penalties or costs incurred by City pursuant to the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMMSEA) arising out of Professional's negligence or failure to perform in strict conformance with the provisions contained in the herein contract. Professional shall reimburse City within 30 days of receiving notice from City that MMSEA fines, penalties or costs have been incurred.

VII. Indemnity

1. GENERAL INDEMNITY

PROFESSIONAL SHALL RELEASE, DEFEND, INDEMNIFY AND HOLD THE CITY AND ITS OFFICERS, AGENTS AND EMPLOYEES HARMLESS FROM AND AGAINST ALL DAMAGES, INJURIES (INCLUDING DEATH), CLAIMS, PROPERTY DAMAGES (INCLUDING LOSS OF USE), LOSSES, DEMANDS, SUITS, JUDGMENTS, FINES INCLUDING REASONABLE ATTORNEY'S FEES AND EXPENSES, CAUSED BY THE NEGLIGENT ACT OR OMISSION OR INTENTIONAL WRONGFUL ACT OR OMISSION OF PROFESSIONAL ITS OFFICERS, AGENTS, EMPLOYEES, SUBCONTRACTORS, LICENSEES, INVITEES OR ANY OTHER THIRD PARTIES FOR WHOM PROFESSIONAL IS LEGALLY RESPONSIBLE (HEREINAFTER "CLAIMS"). PROFESSIONAL IS EXPRESSLY REQUIRED TO DEFEND CITY AGAINST ALL SUCH CLAIMS.

IN ITS SOLE DISCRETION, CITY SHALL HAVE THE RIGHT TO SELECT OR TO APPROVE DEFENSE COUNSEL TO BE RETAINED BY PROFESSIONAL IN FULFILLING ITS OBLIGATION HEREUNDER TO DEFEND AND INDEMNIFY CITY, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY CITY IN WRITING. CITY RESERVES THE RIGHT TO PROVIDE A PORTION OR ALL OF ITS OWN DEFENSE; HOWEVER, CITY IS UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY CITY IS NOT TO BE CONSTRUED AS A WAIVER OF PROFESSIONAL'S OBLIGATION TO DEFEND CITY OR AS A WAIVER OF PROFESSIONAL'S OBLIGATION TO INDEMNIFY CITY PURSUANT TO THIS AGREEMENT. PROFESSIONAL SHALL RETAIN DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF CITY'S WRITTEN NOTICE THAT CITY IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF PROFESSIONAL FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, CITY SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF, AND PROFESSIONAL SHALL BE LIABLE FOR ALL COSTS INCURRED BY CITY.

2. PATENT AND COPYRIGHT INFRINGEMENT INDEMNITY AND REMEDY

2.1 PROFESSIONAL WILL DEFEND, INDEMNIFY AND HOLD HARMLESS AT ITS EXPENSE ANY CLAIM/SUIT BROUGHT AGAINST THE CITY TO THE EXTENT IT IS BASED ON AN INFRINGEMENT CLAIM, AND PROFESSIONAL WILL INDEMNIFY THE CITY FOR THOSE COSTS AND DAMAGES FINALLY AWARDED AGAINST THE CITY FOR AN INFRINGEMENT CLAIM ARISING FROM PROFESSIONAL'S PERFORMANCE UNDER THIS CONTRACT. PROFESSIONAL'S DUTIES TO DEFEND AND INDEMNIFY ARE CONDITIONED UPON: THE CITY PROMPTLY NOTIFYING PROFESSIONAL IN WRITING OF THE INFRINGEMENT CLAIM; PROFESSIONAL HAVING SOLE CONTROL OF THE DEFENSE OF THE CLAIM/SUIT AND ALL NEGOTIATIONS FOR ITS SETTLEMENT OR

COMPROMISE; AND THE CITY PROVIDING TO PROFESSIONAL COOPERATION AND, IF REQUESTED BY PROFESSIONAL, REASONABLE ASSISTANCE IN THE DEFENSE OF THE INFRINGEMENT CLAIM. IN ADDITION TO PROFESSIONAL'S OBLIGATION TO DEFEND, AND SUBJECT TO THE SAME CONDITIONS, PROFESSIONAL WILL PAY ALL DAMAGES FINALLY AWARDED AGAINST THE CITY BY A COURT OF COMPETENT JURISDICTION FOR AN INFRINGEMENT CLAIM OR AGREED TO, IN WRITING, BY PROFESSIONAL IN SETTLEMENT OF AN INFRINGEMENT CLAIM.

2.2. IF AN INFRINGEMENT CLAIM OCCURS, OR IN PROFESSIONAL'S OPINION IS LIKELY TO OCCUR, PROFESSIONAL SHALL, AT ITS EXPENSE: (A) PROCURE FOR THE CITY THE RIGHT TO CONTINUE USING THE PRODUCT; (B) REPLACE OR MODIFY THE PRODUCT SO THAT IT BECOMES NON-INFRINGEMENT WHILE PROVIDING FUNCTIONALLY EQUIVALENT PERFORMANCE; OR (C) ACCEPT THE RETURN OF THE PRODUCT AND GRANT THE CITY A CREDIT FOR THE PRODUCT, LESS A REASONABLE CHARGE FOR DEPRECIATION. THE DEPRECIATION AMOUNT WILL BE CALCULATED BASED UPON GENERALLY ACCEPTED ACCOUNTING STANDARDS. PROFESSIONAL WILL PROCEED UNDER SUBSECTION (C) ABOVE ONLY IF SUBSECTIONS (A) AND (B) PROVE TO BE COMMERCIALY UNREASONABLE.

VIII. Independent Contractor

Professional covenants and agrees that it is an independent contractor and not an officer, agent, servant or employee of City; that it shall have exclusive control of and exclusive right to control the details of the work performed hereunder and all persons performing same, and shall be responsible for the acts and omissions of its officers, agents, employees, contractors, subcontractors and consultants; that the doctrine of respondeat superior shall not apply as between City and Professional its officers, agents, employees, contractors, subcontractors and consultants, and nothing herein shall be construed as creating a partnership or joint enterprise between City and Professional.

IX. Assignment and Subletting

Professional agrees that neither this Agreement nor the work to be performed hereunder will be assigned or sublet without the prior written consent of the City. Professional further agrees that the assignment or subletting of any portion or feature of the work or materials required in the performance of this Agreement shall not relieve the Professional from its full obligations to the City as provided by this Agreement.

X. Audits and Records

Professional agrees that at any time during normal business hours and as often as City may deem necessary, with reasonable notice in writing, Professional shall make available to representatives of the City for examination all of its records with respect to all matters covered by this Agreement, and will permit such representatives of the City to audit, examine, copy and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement, all for a period of three (3) years from the date of City's acceptance of the final Project, or for such other or longer period, if any, as may be required by applicable statute or other lawful requirement.

XI. Prohibited Interest

Professional agrees that it is aware of the prohibited interest requirements of the City Charter and Code of Conduct and will abide by the same. Further, a lawful representative of Professional shall execute the affidavit shown in Exhibit "D". Professional understands and agrees that the existence of a prohibited interest during the term of this Agreement will render the Agreement voidable.

XII. Contract Termination

The parties agree that City shall have the right to terminate this Agreement with or without cause upon sixty (60) days written notice to Professional. In the event of such termination, Professional shall deliver to City all finished or unfinished documents, data, studies, surveys, drawings, maps, models, reports, photographs or other items prepared by Professional in connection with this Agreement. Professional shall be entitled to compensation for any and all work completed to the reasonable satisfaction of City in accordance with the provisions of this Agreement prior to termination.

XIII. Ownership of Documents

Upon termination of this Agreement, Professional shall transfer, assign and make available to City, or its representatives, all property and materials in its possession or control belonging to the City and paid for by the City. In the event that the material, which is the subject of this Agreement, is copyrightable subject matter, Professional and City agree that for the purposes of this order the material shall be a work made for hire and the property of the City. In the event that the material which is the subject of this Agreement is not copyrightable subject matter, or for any reason is determined not to be a work made for hire, then and in such event Professional hereby assigns all right, title and interest to said material to City for the fees specified herein.

XIV. Trade Secrets

In conducting business and in anticipation of conducting business with Professional it may be necessary for the City to share trade secrets and/or other confidential and/or proprietary information or matter with Professional. The parties agree that such information and the materials referenced in the Agreement, the results and developments there from are confidential and/or proprietary information belonging to the City. Professional agrees not to disclose to any third party any such trade secrets and/or confidential or proprietary information for its own separate benefit. Professional will be responsible for its employees or agents complying with the provisions of this Agreement.

XV. Complete Agreement

This Agreement, including the Exhibits lettered "A" through "D", constitute the entire agreement by and between the parties regarding the subject matter hereof and supersedes all prior or contemporaneous written or oral understandings. This Agreement may only be amended, supplemented, modified or canceled by a duly executed written instrument.

XVI. Mailing of Notices

Unless instructed otherwise in writing, Professional agrees that all notices or communications to City permitted or required under this Agreement shall be addressed to City at the following address:

City of Plano, Texas
Risk Management Department
Attn: Darrell Edwards
P.O. Box 860358
Plano, TX 75086-0358

City agrees that all notices or communications to Professional permitted or required under this Agreement shall be addressed to Professional at the following address:

Alternative Service Concepts, LLC
Attn: Tommie Biggers
5601 NW 72nd Street, Suite 100
Oklahoma City, OK 73132

All notices or communications required to be given in writing by one party or the other shall be considered as having been given to the addressee on the date such notice or communication is posted by the sending party.

XVII. Miscellaneous

A. Paragraph Headings:

The paragraph headings contained herein are for convenience only and are not intended to define or limit the scope of any provision in this Agreement.

B. Agreement Interpretation:

This is a negotiated Agreement, should any part be in dispute, the parties agree that the terms of the Agreement shall not be construed more favorably for either party.

C. Venue/Governing Law:

The parties agree that the laws of the State of Texas shall govern this Agreement, and that it is performable in Collin County Texas. Exclusive venue shall lie in Collin County, Texas.

D. Successors and Assigns:

City and Professional and their partners, successors, subcontractors, executors, legal representatives, and administrators are hereby bound to the terms and conditions of this Agreement.

E. Severability:

In the event a term, condition, or provision of this Agreement is determined to be void, unenforceable, or unlawful by a court of competent jurisdiction, then that term, condition, or provision, shall be deleted and the remainder of the Agreement shall remain in full force and effect.

F. Effective Date:

This Agreement shall be effective from and after execution by both parties hereto.

SIGNED on the date indicated below.

**ALTERNATIVE SERVICE CONCEPTS,
LLC.**

DATE: _____

BY: _____
NAME: _____
TITLE: _____

CITY OF PLANO, TEXAS

DATE: _____

BY: _____
Thomas H. Muehlenbeck
CITY MANAGER

APPROVED AS TO FORM:

Diane C. Wetherbee, City Attorney

ACKNOWLEDGMENTS

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 20____, by _____ of **ALTERNATIVE SERVICE CONCEPTS, LLC.**, incorporated in the State of Delaware, on behalf of said Alternative Service Concepts, LLC.

Notary Public, State of _____

STATE OF TEXAS §
COUNTY OF COLLIN §

This instrument was acknowledged before me on the _____ day of _____, 20____, by **THOMAS H. MUEHLENBECK**, City Manager, of the **CITY OF PLANO, TEXAS**, a Home-Rule Municipal Corporation, on behalf of said municipal corporation.

Notary Public, State of Texas

SCOPE OF SERVICES FOR CLAIMS ADMINISTRATION

"ASC" AGREES:

1. (a) To review all claims and/or losses reported during the term of this Contract which involve Workers Compensation, Property & Casualty claims against "Client".
- (b) To investigate, adjust, settle or resist all such losses and/or claims within the agreed discretionary settlement authority limit of Two Thousand Five Hundred Dollars (\$2,500.00) and in accordance with the client's claims handling procedures a copy of which is attached to this contract (Attachment 2).
- (c) To investigate, adjust, settle or resist all such losses and/or claims as are in excess of the agreed discretionary settlement authority limit of Two Thousand Five Hundred Dollars (\$2,500.00) only with specific prior approval of "Client".
- (d) To report excess claims to "Client's" excess carrier only if "Client" fulfills its obligations under "Client Agrees" Section, 4c.
- (e) To comply with all state and federal reporting mandates on behalf of "Client".
2. To furnish all claim forms necessary for proper claims administration.
3. To establish claim and/or loss files, paper files and database files, for each reported claim and/or loss. Such files shall be the exclusive property of "Client". Such files are available for review by "Client" at any reasonable time, with notice.
4. To maintain adequate Automobile Liability, Errors and Omissions, Fidelity, General Liability, and Workers' Compensation insurance coverage in accordance with currently published City of Plano Risk Department requirements.
5. To indemnify, defend and hold harmless "Client" with respect to any claims asserted as a result of any errors, omissions, torts, intentional torts or other negligence on the part of "ASC" and/or its employees, unless the complained of actions of "ASC" were taken at the specific direction of "Client".
6. To provide access to the STARS claims system for six (6) users at no additional cost. (Attachment 1)

"CLIENT" AGREES:

1. To make funds available for payment of claims and/or loss payments and for associated allocated expense within the discretionary settlement authority limit of Two Thousand Five Hundred Dollars (\$2,500.00) and for claim and/or loss payments in excess of the discretionary settlement authority limit of Two Thousand Five Hundred Dollars (\$2,500.00) with the prior approval of "Client".
2. To pay "ASC" fees in accordance with the "Fee Schedule" contained in Exhibit B attached to this Contract.
3. To pay "ASC" in accordance with the Texas Prompt Payment Law.
4. (a) To pay all Allocated Loss Expenses in addition to the claim service fee to be paid to "ASC" as prescribed in this Contract.
(b) "Allocated Loss Expenses" shall include but not be limited to attorneys' fees; experts' fees (i.e. engineering, physicians, chemists, etc.); fees for independent medical examinations; witnesses' fees; witnesses' travel expenses; court reporters' fees; transcript fees; the cost of obtaining public records; commercial photographers' fees; automobile appraisal or property appraisal fees; medical cost containment services, such as utilization review, provider bill audit, preadmission authorization, hospital bill audit, and medical case management; all outside expense items; extraordinary travel expenses incurred by "ASC" at the request of "Client"; and any other similar fees, cost or expenses associated with the investigation, negotiation, settlement or defense of any claim hereunder or as required for the collection of subrogation on behalf of "Client".
(c) To provide "ASC" with complete copies of all excess policies which apply to the claims reported during the Contract period.
5. To relinquish authority to "ASC" in all matters relating to claims service within the agreed discretionary settlement authority limit of Two Thousand Five Hundred Dollars (\$2,500.00).

6. (a) In the event, "ASC", acting at the specific direction of "Client", becomes liable to any third party, "Client" agrees to indemnify, defend and hold "ASC" and/or its employees harmless.
- (b) If "ASC" or any of its employees are named as defendant in any action (i) where the plaintiff's cause of action involves a claim hereunder and (ii) where there are not allegations of errors, omissions, torts, intentional torts or other negligence on the part of "ASC", "Client" will assume the defense of the action on behalf of "ASC" and/or its employees and indemnify and hold "ASC" and/or its employees harmless from any judgment rendered as a result of such action.

"ASC" AND "CLIENT" MUTUALLY AGREE AS FOLLOWS:

1. The Contract term is 12 months from date of contract execution. This Contract may be terminated by either "ASC" or "Client" with cause by providing sixty (60) days' prior written notice by certified mail.
 - (a) In the event that this Contract terminates or expires for any reason:
 - i. ASC will provide "Client" with a delimited text file of all tables in the STARS Systems no later than the end of the 60 day notice required in this section. The required medium shall be at the sole discretion of the "Client".
 - ii. "Client" shall have the option to have ASC handle open files which have been reported for an additional fee at the then prevailing rates, or to have ASC return the files to the client.
2. This Contract covers Claim Service for "Client" in the United States of America.
3. Gross receipts tax or assessments in those states or jurisdictions where levied shall be in addition to the service fee.
4. In the event any one or more of the provisions of this Contract shall be determined to be invalid or unenforceable by any court or other appropriate authority, the remainder of this Contract shall continue in full force and effect, as if said invalid and unenforceable portion had not been included in this Contract.

5. This Contract shall be construed and interpreted in accordance with the laws of the state of Texas.
6. This Contract represents the entire understanding of "ASC" and "Client" and supersedes all prior oral and written communications between "ASC" and "Client" as to the subject matter. Neither this Contract nor any provisions of it may be amended, modified or waived except in writing signed by a duly authorized representative of "ASC" and "Client".
7. The failure or delay of either "ASC" or "Client" to take action with respect to any failure of the other party to observe or perform any of the terms or provisions of this Contract, or with respect to any default hereunder by such other party, shall not be construed as a waiver or operate as a waiver of any rights or remedies of either "ASC" or "Client" or operate to deprive either "ASC" or "Client" of its right to institute and maintain any action or proceeding which it may deem necessary to protect, assert or enforce any such rights or remedies.
8. To not employ a person who has been employed by the other party at any time during the term of this Contract, unless the person to be employed shall not have been employed by the other party during the immediately preceding six (6) months or unless the hiring party shall have the other party's prior written consent.
9. "Client" reserves the right of final approval of all staff assigned to the City under this contract. In the event that the performance of any such staff is not satisfactory, the City will submit a written statement to the ASC Account Manager requesting appropriate corrective action up to and including replacement. Upon request of replacement, ASC will have 30 days to comply in providing a staff member of similar skills, experience and capabilities, at the same fee structure.
10. During the term of this Contract, "Client" will store, at its expense, all claim files.

ATTACHMENT 1

STARS – CLAIM SYSTEM

System Access

ASC will provide the City of Plano read only access to STARSWeb for reporting/claim review. ASC will provide the City with 6 user IDs at no cost. Any additional IDs will be invoiced at \$30/per additional user/per month.

Input Capabilities

City of Plano would also like the ability for designated employees to report claims through our online reporting setup with QRM. ASC will have the City of Plano's custom loss reports available for use by their employees designated to report claims.

A URL link to our QRM (24/7 reporting tool) will be added to the STARSWeb home page. This will trigger a series of alerts and allow for proper claim protocol/handling procedures. ASC can also place a secured (logon required) link on the City's website.

Report Recreation

The STARSWeb claims system offers internet-based reporting via STARSWeb. STARSWeb users will have access to over 80 templates in the reports manager. The City of Plano will have the ability to add customized conditions, sorts, filters, alerts, define their output (i.e., download to Excel or other software), create graphs, etc.

Note: If the City would like ASC to re-create current Riskmaster reports that are not part of our standard reporting offering an hourly personnel rate may apply.

System Alerts

ASC will set up the proper ID security and new claim alerts through the My STARS home page. These notifications will be set up per id.

Time Needed

ASC shall complete the conversion no later than 120 days from date of execution.

Summary of Expected Costs - See Exhibit "B" Fee Schedule, Item #8

On-Line Check Register Data:

EXHIBIT A
PAGE 5 OF 20

ASC AGREES:

1. To create a comma delimited file that, at a minimum, includes the file claim number, check date, department, payee, and amount.
2. That for workers' compensation claims, the payee name will be left blank.
3. To generate a transaction identification number for each file.
4. To transfer the files relating to the checks and the on-line check register from ASC to the City of Plano over a mutually agreed secure method.

Designated Printer for Check Printing:

ASC AGREES:

1. To provide a printer for printing checks and absorb the costs for the printer, its installation, printing supplies (ink, etc.) all support and maintenance associated with ensuring the City of Plano maintains the capacity to print checks from the STARS System.
2. To remedy any problems associated with the inability of the City of Plano to print from the supplied printer within 24 hours of notice of problem or malfunction.

Associate Accounting Procedures

ASC AGREES:

1. To prepare 1099s and the responsibility of remedying any 1099 errors, questioned items and to absorb the cost of penalties associated with 1099 reporting. ASC is not responsible for 1099's on transactions occurring prior to the effective date of this agreement.
2. To mail the City of Plano copies of all 1099s reported to the Internal Revenue Service and any other correspondence related to the City of Plano's account.

STARS System Training

ASC AGREES:

1. To provide, at no additional cost to the City of Plano, up to 8 hours of training to be conducted onsite at a facility designated by the City of Plano.
2. To provide, at no additional cost to the City of Plano, up to 12 hours of web-based training to be lead by a facilitator technically proficient in the use and functionality of the STARS System.
3. To provide unlimited telephonic support of the STARS System over the life of the contract.

ATTACHMENT 2

CITY OF PLANO

SPECIAL CLAIM HANDLING INSTRUCTIONS

Description of Business: Municipality - City

Policy Information

Excess Workers' Compensation – Midwest Employers - \$1,000,000 SIR
Excess Liability – St. Paul Fire & Marine - \$1,000,000 SIR
EMT Professional Liability – Western World Ins. - \$500 Deductible
Underground Storage Tank Liability – Illinois Insurance - \$10,000 Deductible

Contacts

City of Plano

Darrell Edwards, Risk Manager
P. O. Box 860358
Plano, TX 75086-0358
Office (972) 941-7303

Jim Miller, Risk Program Manager
P. O. Box 860358
Plano, TX 75086-0358
Office (972) 941-7129

Elsa Gonzales, Claims Coordinator
P. O. Box 860358
Plano, TX 75086-0358
Office (972) 941-7306

Arthur J. Gallagher

Nancy Sylvester, Vice President
235 Highlandia Dr, Suite 200
Baton Rouge, LA 70810
Office (225) 906-1219
nancy_sylvester@aig.com

Midwest Employers, Excess Carrier

Dan Sulzner, Client Manager
14755 North Outer Forty Drive
Suite 300
Chesterfield, MO 63017
Office (636) 449-7157
dsulzner@mwecc.com

Illinois Union Insurance
580 Walnut Street
Cincinnati, OH 45202
Office (513) 369-5000

Western World Insurance
400 Parson's Pond Dr.
Franklin Lakes, NA 07417

St. Paul Fire & Marine Insurance
2700 NE Loop 410 Ste. 105
San Antonio, TX 78265

SECTION 1 – WORKERS COMPENSATION

I. Reporting Losses

First Reports of Injury (DWC-1) will be provided by the City's Claim Rep, directly to the claims adjuster. Claim files will be set up before the end of the next business day following receipt of the Employer's First Report of Injury by the TPA's claims assistant. If all information is not available, the City Claims Rep will submit the available information and follow-up with the department for the additional information. This information will then be forwarded to the TPA.

II. Claim Investigation, Set Up and Processing

- a. Initial claim investigations will be performed in accordance with Industry's Best Practices, and in compliance with provisions as specified in the Contract and applicable supplements (including on-site investigations) to provide the complete and necessary information to reserve and adjust all claims. The adjuster will respond to the hospital if an employee is in the ER or admitted for any injury, exposure or condition regardless of the status of the claim.
- b. The City's Claims Rep will track and verify all claims assignments to the TPA. A weekly assignment log will be maintained by the TPA.
- c. All files will be created within one (1) working day, and reserved within two (2) working days, of receipt of the Employer's First Report of Injury (DWC 1). All reports will be set up as claims and classified under the following claim types:

Medical Only – minor treatment not to exceed \$2,500.00 total incurred.

Indemnity – more than 7 days of lost time and treatment that generates bills and/or medical incurred costs that exceed \$2,500.00.

- d. The adjuster will answer all questions related to the particular claim that the employee may have and then document the file notes with all questions and answers provided.
- e. Diaries will be established, monitored, and maintained, so that every open claim is reviewed, and claimant contact is made at least once every 30 days by the adjuster. Confirmation of every Adjuster's claim review and claimant contact must be documented in the claim file's "Adjuster's Notes" section/notepad. All notes will be maintained and addressed on the same business day or within 24 hours of receipt, with the exception of weekends. Claims occurring over a weekend or long holiday must be documented on the first scheduled workday. Claims that remain open for medical maintenance benefits only may be set on a diary not to exceed 90 days. If active medical treatment resumes, the diary span will return to 30 days.

A Supervisory file review will occur at least once every 30 days on all open indemnity claims, claims open for more than 60 days and 25% of all other claims, and will document the review of reserves, benefit management, medical and/or case management (telephonic or field), and the Adjuster's action plan. Supervisory claim reviews will be clearly documented in the claim file's Adjuster Notes (notepad) section, identifying the supervisor, comments, and or instructions to the Adjuster. Supervisor will also review all vendor reports authorizing surgical procedures.

- f. Payments will be made promptly.
- Uncontroverted Indemnity – as required by law.
 - Uncontroverted Medical – within forty-five (45) days of receipt.
- g. All medical treatment and hospital bills/charges are to be reviewed by the Adjuster for verification of relation to the originally reported injury. Following the Adjuster's review, the claims coordinator will make copies of the bills for files and mail all original bills/records to be audited to:

MCMC
P.O. Box 291587
Nashville, TN 37217

Once MCMC has audited the bill, they will return the bill and Explanation of Review to the ASC office for payment.

Requests for Pre-Authorization or Pre-Certification, are to be sent directly to:

Speciality Health
330 E. Liberty Street, Suite 200
Reno, NV 889501-2221
P (775) 329-6200
F (775) 329-6221

- h. Copies of correspondence between the Adjuster and doctors, claimants, attorneys, rehabilitation counselors, case managers, investigators, and state agencies, must be documented immediately in the Adjuster's Notes/notepad, and hard copies kept in the claim file. Immediate shall mean all notes will be maintained and addressed on the same business day or within 24 hours of receipt, with the exception of weekends & holidays. Claims occurring over a weekend or holiday must be documented on the first scheduled workday.
- i. Every claim should be immediately evaluated for possible subrogation potential. All claims involving potential subrogation should be brought to the attention of the Claims Coordinator, and cc'd to Risk Manager. **No subrogation recovery less than 100% of the loss should be accepted without express authority from the City of Plano's Risk Manager or designee.** All claims will be reviewed for possible subrogation.

- j. Prior to the assignment of surveillance or other outside investigators, the Adjuster shall seek **express authority from** City of Plano's Claims Coordinator which will in turn get authorization from the Risk Manager before surveillance is approved.
- k. Refer all WC cases to Brandi Prejean with Thornton, Biechlin, Segrato, Reynolds & Guerra (DWC Rep) at (512) 329-6666 and ensure that each claim is brought to the attention of Paige Mims, Assistant City Attorney (972) 941-5235.
- l. The City's WC Adjuster and a City of Plano representative will attend all BRC's and CCH's and other proceedings. The Adjuster will arrive with the entire claim file and all pertinent information. The Adjuster will notify the Claims Coordinator and the Risk Manager of all hearings. A summary report will also be provided to the Claims Coordinator and Risk Manager.
- m. Upon written notice of claim, a three-point contact must be made and a complete investigation of **all** claims must be initiated within **24** hours. All conversations must be documented and summarized in the Adjuster's Notes/notepad immediately. The three points of contact will include contact with the Claims Coordinator, the Claimant and the doctor's office. The investigation will include a site visit, documentation and pictures if applicable.
- n. Initial phone contact with an injured employee or claimant will be accomplished or attempted within 24 hours of receipt of notification of the claim. This will include any notification received after hours by a City of Plano staff member. Employee nonparticipation with initial contact will not impede follow through of the claims process to ensure compliance of the DWC law. The adjuster must document in the file notes all attempts to make contact. If the adjuster continues to have a problem making contact the employees' supervisor or the Claims Coordinator, should be contacted for assistance.
- o. Upon contact with the claimant, the Adjuster will document the description of injury as provided by the employee or claimant, and obtain appropriate past medical history.
- p. All attempts to contact the injured employee or claimant will be documented in the Adjuster's Notes/notepad section of the electronic claim file record.
- q. Initial claimant contact should include, but not be limited to the following:
- A description of the Adjuster's function
 - Confirmation of the accident/injury function
 - Securing of information relative to prior injuries, accidents, or related medical conditions involving the same body parts
 - Confirmation of alternative contact phone numbers and/or addresses for the claimant
 - Any information which may be relative to the liability of a third party
- r. Audio recorded statements of the injured employee or claimant must be secured on all claims, to memorialize accident facts and affected body parts on all

indemnity and major or questionable medical claims. Written statements will be secured on all other claims. Incident only claims do not require a recorded statement unless they subsequently result in medical treatment.

- s. City's Workers' Compensation Adjuster must maintain telephone or personal contact with all temporarily disabled employees, their supervisor, or other designated persons, no less frequently than once a week, to maintain rapport, monitor medical progress, and keep abreast of the employee's return to work status and/or modified duties. Confirmation of the weekly contacts must be reflected in the Adjuster's claim file notes at all times.
- t. An Injured Employee, prior to and immediately following Surgical/Hospitalization, will be contacted upon the Claims Adjuster receiving knowledge of the procedure.
- u. **All** claims must be indexed with the Central Index Bureau when the claim is initially set-up, and **every year thereafter (until closure)**, or more frequently if facts of the claim warrant. A copy of every index filing will be kept in the claim file, and documented in the Adjuster's Notes/notepad..

III. File Documentation/Claim File Notes

All indemnity files will contain reserve worksheets, which explain how the current reserves are calculated. A copy of the reserve worksheet will be placed in the file. Reserve worksheets are mandatory on any reportable claim, or request for authority.

All file activity, including telephone conversations and/or personal meetings, and diary reviews will be immediately and clearly documented in the claim file Adjuster's Notes/notepad. This documentation will include a minimum of the individuals involved, dates, content of discussions, and the Adjuster's plan of action.

Supervisory review of every open claim file should be clearly noted in the file notes/notepad at least once every 30 days.

Specific direction on the investigation and handling of all indemnity claims will be established within three **(3) working days** of receipt of the initial report and clearly documented in the file notepad.

The Adjuster's basis for acceptance or denial of compensability will be clearly documented in the Adjuster's Notes/notepad. The Claims Coordinator and Risk Manager must be notified immediately, prior to employee notification, upon the decision to deny a claim or treatment. The adjuster must contact the employee by phone to notify the employee about a denial of a claim or treatment.

The TPA will conduct annual internal audits, or quality control procedures, these audits will be continuously maintained in a central file set up specifically for internal audit results.

Claims adjuster can request a Peer Review, RME, or DD anytime.

Claims adjuster will secure a DWC 69 (Maximum Medical Improvement form) on all claims except minimal first aid claims.

IV. Claim Denial/Delay

Delays will be sent in accordance with State regulations.

A hard copy of any PLN forms must be forwarded to the Claims Coordinator at the time of creation and filing. Forwarding via email or electronic medium is acceptable. A copy of the first and the final draft/check for indemnity payments will be sent to the Claims Coordinator.

V. Claim Administration

Each file will contain a **complete** written chronology of all actions taken within the Adjuster's Notes/notepad section of the electronic claim record of any City Claim.

This shall include full documentation of information gained during the three-point contact, initial investigation, and documentation of settlement or other authority extended by the City or any other information pertaining to this claim.

Documentation in the Adjuster's Notes/notepad shall also include notes and actions taken regarding hearings, conversations with attorneys, and summaries of medical reports.

The Adjuster must closely monitor and record all litigation activity and maintain litigation files using the Riskmaster Litigation Module.

The Adjuster will administer, monitor, and control, within the jurisdiction of the Labor Code, all cost containment programs established, or approved by the City.

VI. Reserving

The Adjuster will advise the City immediately of any claim requiring an aggregate reserve of **\$25,000 or more** on Workers Compensation, via e-mail, with documentation entered in the Adjuster's Notes/notepad.

The Adjuster will advise the Risk Manager of any claim requiring a subsequent aggregate reserve of **\$50,000 or more (on any claim)** via email, with documentation entered in the Adjuster's Notes/notepad.

The Adjuster will advise the Risk Manager of any change in reserves for all indemnity claims with a total incurred in excess of \$25,000.00.

Reserves will be estimated and maintained on the basis of most probable final cost.

With the exception of Medical Only claims, reserve worksheets will be completed for all initial and revised incurred loss estimates, and a copy sent to the Risk Manager.

Reserve worksheets will be standardized among all City WC claim files, and will contain separate categories for indemnity, medical, and allocated expenses. Major subcategories of each shall be included. All worksheets must explain how current reserves were calculated.

Reserves must be evaluated at least once every 60 days, and documented in the Adjuster's Notes/notepad. If reserves are adjusted, a reserve worksheet will be completed and filed.

VII. Settlement Authority/Liability

Settlement Authority: For authority in excess of **\$2,500**, the Adjuster will submit a written Request for Authority to the City of Plano, explaining the request and include copies of any pertinent medical and/or legal documents. The City must be notified of any payment of \$25,000 or more prior to payment.

VIII. Claim Payments

City of Plano will issue all checks.

Stop Pay Procedure:

The Adjuster must contact the City of Plano Claims Coordinator and request the stop pay. The Claims Coordinator will send the Adjuster a confirmation of the stop pay. Once the Adjuster receives the confirmation, they must then void the check in the claim system.

IX. Vendors

The City reserves the right to require and designate any attorneys, medical groups, vocational rehabilitation vendors and other professionals and experts.

X. Claim Reporting to the insured

All claims must be reported via Captioned Report when the incurred reserve reaches 50% of the City's SIR/deductible. (Reference Section I)

Claims involving the following injuries must be reported to the City's Broker, Arthur J. Gallagher and City Risk Manager immediately following notice of claim required by excess carrier (Exhibit A)

- Spinal cord injury
- Amputations
- Brain damage
- Blindness
- Head injuries requiring hospitalization
- Serious burns

- Multiple fractures involving more than 1 limb or non union, brachial plexus nerve damage (nerve damage causing paralysis and loss of sensation in arm and hand)
- Massive internal injuries affecting body organs
- Fatalities
- Suits naming the City, City staff, or TPA as a defendant
- Any suit involving Punitive Damage or Bad Coverage Questions
- Any claim at or expected to exceed 50% of the retention (\$150,000 or above)
- Any disability which might exceed more than one year

XI. Claim Reviews

The City of Plano will audit any or all open files on a minimum of a quarterly basis.

Where possible, the City will provide advance notice to the TPA and a list of the claim files that will be audited.

XII. Report of Special Contact

If any governmental agency, broker, attorney, or agent, contacts the TPA/Adjuster for any reason, with respect to any claim, except for ordinary, customary contact, not in the nature of a complaint; the TPA/Adjuster must notify the City of Plano's Risk Manager. The City will then notify the Public Information department and any other City officials.

XIII. Allocated Loss Expense

The City reserves the right to monitor and/or audit all allocated expense fund usage. Each allocated expense will be designated to a specific allocation listed below. The following shall be paid as allocated loss expense except where specifically precluded by the Labor Code or State Regulations:

- Medical-Legal examinations of claimants, including transportation
- Reports from attending or examining physicians on disputed medical claims
- Attorneys' fees and disbursements
- Court Reporter Services and Transcripts
- Witness Fees
- Court Costs
- Appeal Bonds
- Printing Costs related to Trials & Appeals
- Testimony, opinions, appraisals, reports surveys & analyses of Professionals and Experts
- Trial and Hearing Attendance Fees
- Reports from Government Agencies or Branches
- Credit Bureau Reports

- Central Index Bureau
- Private Investigators
- Photographs
- Medical Cost Containment Services, including Utilization Review, Pre-Admission authorization, hospital bill audits, provider bill audit and medical case management, in each case incurred at the request of the City
- Extraordinary claim investigation and/or travel expense incurred at the request of the insurer
- Any similar service related to the investigation and defense of a particular claim
- Photocopy Services

XIV. Charges for Allocated Loss Expenses

Allocated loss expense shall not exceed the usual and customary local charges, and no payments for any such expenses shall be made to the TPA, or any of its affiliates, without prior authority from the City. With the exception of recurring monthly administrative charges, no allocated expenses, by category or vendor, shall individually or collectively exceed \$2,500 without the express consent of the Risk Manager.

XV. Computer Reports

The adjuster must complete all applicable fields in any claim administration software system approved by the City of Plano so that useful reports can be run. The TPA will obtain monthly reports from any allocated expense provider, as required by the City for any work performed by them.

XVIII. IRS Reporting

The City of Plano will furnish all 1099 payments required by IRS.

XIX. Forms, Data and Reporting

TPA agrees to furnish claim forms, posting notices, and data as may be necessary for proper claims administration, and index bureau and state reporting, as set forth in the Contract.

XX. Education and Training

TPA will provide to the City of Plano, pertinent information pertaining to developments in the Workers' Compensation field, including legislative updates and statutory developments/changes, as same occur, or become effective.

Additionally, TPA will participate in the education and training for the City of Plano's Risk Management staff as needed. Training is generally tailored for a specific need in terms of format and can include topics such as:

- Reporting Requirements
- Stress Claims
- Legal Claims
- Fraud
- Supervisor Reporting
- Medical Management
- Integrated Disability Management

XXII. Penalties

The TPA will be held responsible for any and all penalties assessed to the City or the TPA directly if the penalties occur due to the claims handling process. The TPA will also be held responsible for any loss the City has due to overpayment or excessive treatment due to a lack of Claims Management.

XXIII. Medical Management

The City of Plano will utilize designated vendors for bill review, pre-authorization, and/or medical case management services. Any other referrals will be handled on a case-by-case basis, and require the prior approval of the City.

All claims involving; soft tissue injuries still actively treating in excess of 12 weeks, occupational illness/disease, serious injuries, hospitalizations exceeding 48 hours, and/or questionable or potential for denial claims, should be reported to a City designated specialist for their review and/or recommendation. Any concerns on the part of the Adjuster as to which claims for review, should be directed to the Claims Coordinator or Risk Manager.

XXIV. Return To Work Program

All City of Plano locations participate in a return to work program. The City's Claim Coordinator will provide written bona-fide offers of light or modified duty to the City employee, with a copy to the WC Adjuster.

The Adjuster is responsible for documenting such offers in the Adjuster's Notes/notepad section of the electronic claim record, in addition to reporting on future activity relating to return to work, and subsequent status reports.

XXV. Data Integrity

The Adjuster/TPA is responsible for completing all fields in the Riskmaster system. They are to continually monitor and update the records as information becomes available if not in the initial claim report.

Adjuster/TPA will respond in writing before the end of the next business day, to any written notice from the City, or any City designee, regarding errors discovered in the electronic claim record; including coding, content, facts, and/or financial or reserve records.

The Adjuster/TPA will advise in writing as to the date by which such reported errors will be investigated, and subsequently corrected, modified, or deleted, as necessary.

SECTION 2 – LIABILITY SECTION

All Workers Compensation Guidelines also apply to Liability unless otherwise specified below or in the event that the guideline is not applicable.

I. Claim Investigation, Set Up and Processing

Initial claim investigations will be performed in accordance with Industry's Best Practices, and in compliance with provisions as specified in the Contract and applicable supplements (including on-site investigations) to provide the complete and necessary information to reserve and adjust all claims.

A daily assignment log will be maintained by both the TPA and verified by the Claims Rep.

All files will be created before the end of the next working day, and reserved within two (2) working days.

Diaries will be established, monitored, and maintained. All claimant contact must be documented in the file accordingly.

A Supervisory file review will occur at least once every 30 days and will document the review

Payments will be made promptly.

Copies of correspondence between the Adjuster and doctors, claimants, attorneys, rehabilitation counselors, case managers, investigators, and state agencies, must be documented immediately in the Adjuster's Notes/notepad, and hard copies kept in the claim file. Immediate shall mean all notes will be maintained and addressed on the same business day or within 24 hours of receipt.

Every claim should be immediately evaluated for possible subrogation potential. All claims involving potential subrogation should be brought to the attention of the Adjuster, and cc'd to Claims Coordinator and Risk Manager. **No subrogation recovery less than 100% of the loss should be accepted without express authority from the City of Plano's Risk Manager or designee.** All claims will be reviewed for possible subrogation and the reasoning will be documented.

All claims requiring a referral to defense counsel will be submitted to the Claims Coordinator for forwarding to the City Attorney's Office.

All attempts to contact the claimant will be documented in the Adjuster's Notes/notepad section of the electronic claim file record.

Initial claimant contact should include, but not be limited to the following:

- A description of the Adjuster's function
- Confirmation of alternative contact phone numbers and/or addresses for the claimant
- Any information which may be relative to the liability of a third party

The adjuster will attend all appeals for denial of a claim or other claim related issues before the COP Risk Management Steering committee. The adjuster will be responsible for preparing and presenting a formal presentation to the committee.

II. File Documentation/Claim File Notes

All files will contain reserve worksheets, which explain how the current reserves are calculated. A copy of the reserve worksheet will be placed in the file. Reserve worksheets are mandatory on any reportable claim, or request for authority.

All file activity, including telephone conversations and/or personal meetings, and diary reviews will be immediately and clearly documented in the claim file Adjuster's Notes/notepad. This documentation will include a minimum of the individuals involved, dates, content of discussions, and the Adjuster's plan of action.

Supervisory review of every open claim file should be clearly noted in the file notes/notepad at least once every 30 days.

Specific direction on the investigation and handling of all claims will be established within three (3) working days of receipt of the initial report and clearly documented in the file notepad.

The TPA will conduct quarterly internal audits, or quality control procedures, these audits will be continuously maintained in a central file set up specifically for internal audit results.

III. Reserving

The Adjuster will advise the Risk Manager of any claim requiring a subsequent aggregate reserve of **\$50,000 or more** via email, with documentation entered in the Adjuster's Notes/notepad.

IV. Settlement Authority/Liability

Settlement Authority: For Auto & General Liability in excess of **\$2,500**, the Adjuster will submit a written Request for Authority to the Risk Manager, explaining the request and include copies of any pertinent medical and/or legal documents. The City must be notified of any payment of \$25,000 or more prior to payment.

No checks will be issued to the claimant without a full release signed, notarized and dated by the claimant, unless specifically approved by the Risk Manager.

There will be no third party payments made to vendors. All payments will be made directly to the claimant unless approved by the Risk Manager.

V. Claim Reporting to the insured

On all Liability claims with reserves in excess of \$5,000.00, a Claims Status Report (CSR) will be sent to the Risk Manager by the 10th of each month.

Copies of Claim Status Reports must be maintained in the original claim file.

All claims must be reported via Captioned Report when the incurred reserve reaches 50% of the City's SIR/deductible. (Reference Section I)

Claims involving the following injuries must be reported to the City's current Broker of Record and City Risk Manager immediately following notice of claim required by excess carrier (Exhibit A)

See section XII of the Workers Compensation section for the injuries.

VI. Subrogation Claims

- a. The department supervisor or manager completes a Risk Management Report of Incident (Risk Report) and emails to "riskreports@plano.gov (original sent interoffice)
- b. TPA's claims assistant will enter into the Riskmaster system. All fields that can be filled out must be completed.
- c. TPA's claims assistan will forward claim to adjuster for further handling
- d. The adjuster must determine at this point if an investigation is needed. All potential subrogation claims or personal property liability claims must be investigated. The extent of the investigation may vary depending on the type of claim.
- e. If subrogation is an option, the insurance company needs to be put on notice of a claim immediately upon determining that a 3rd party is responsible for the damage.
- f. If subrogation is an option, then a demand letter must be sent within 2 business days from receiving the subrogation amount.
- g. If within 30 days of the receipt of the original Risk Report, the adjuster has not received cost of damages from department (for Property Damage claims), the adjuster will contact the appropriate department manager or supervisor, and request the information.
- h. The assigned adjuster will follow-up with the department again, if the cost information for a Property Damage claim has not been received within 45 days.
- i. The assigned adjuster will advise the Claims Rep when cost information for a Property Damage claim has not been received within 60 days, and the Claims Rep will take the necessary steps in order to secure the required information from the department head, manager, or supervisor.
- j. When final costs are determined, the assigned adjuster will immediately issue a demand letter to the responsible third party, or their insurance carrier, and diary their file for a 30-day follow-up.
- k. Assigned adjuster will request a loss fund transfer from the Claims Coordinator

- l. Adjuster will give Claims Coordinator loss fund transfers to review and approve.
- m. If recovery is still outstanding at the 30-day mark from the first demand letter, the assigned adjuster will send a second demand letter, and diary their file for another 30-day follow-up.
- n. After the second letter to the responsible third party, with no response, the assigned adjuster will review file with the Claims Rep. Any file under \$500 will be reviewed by Risk Manager before referring the file to the City's Legal Department (property only).
- o. When Claims Rep receives a recovery check from the third party, a receipt will be processed, with the white copy and copy of check going to the assigned adjuster
- p. Claims Rep will enter the collection in Riskmaster and the pink copy with the original check attached will be forwarded to Accounting.
- q. The Claims Coordinator and the assigned adjuster will follow-up with Legal on a quarterly basis, until final resolution of the referred file is known, and appropriate entries have been made into the claim database records.

EXHIBIT B
FEE SCHEDULE
CITY OF PLANO, TEXAS
Twelve Month Period
From date of Contract Execution

Total Claim Service Fee.....	\$333,860.00
System Conversion One-Time Fee	20,000.00
MMSEA Reporting One-Time Setup Fee	727.22
MMSEA Reporting Annual Fee.....	<u>1,920.00</u>
Total.....	<u>\$356,507.22</u>

“Client” agrees to pay ASC:

1) Total Claim Service Fee: a flat fee of Three Hundred Fifty-six Thousand, Five Hundred and Seven Dollars, and twenty-two cents (\$356,507.22) for the administration of the Workers’ Compensation, Property & Casualty claims that are reported to “ASC” for the period of twelve months from date of contract execution; payment to be made in quarterly installments in arrears. ASC will provide one claims supervisor and one claims adjuster, both licensed to adjust all lines of insurance claims in the State of Texas and one claims assistant residing at “Client’s” office to administer Workers’ Compensation, and Property & Casualty claims in accordance with “Client’s” claim handling instructions.

<u>Position</u>	<u>Percentage of Time</u>
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One (1) Claims Supervisor	100%
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- minimum of 10 years experience handling Texas claims;
- current multi-line Texas adjuster license

One (1) Claims Adjuster	100%
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- minimum of 3 years experience handling Texas Workers’ Compensation Claims
- current multi-line Texas Adjuster license, or the ability to obtain such license within six (6) months of assignment to “Client’s” account.

One (1) Claims Assistant	100%
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- minimum of 3 years experience in the clerical field

One (1) Account Manager (Assistant Vice President) 25%

- minimum of 15 years experience in the insurance claims industry including supervisor and management experience

2) **System Conversion One-Time Fee**: a one-time fee of Twenty Thousand Dollars (\$20,000.00) for the conversion of City of Plano data from their current claim system to STARS;

3) **MMSEA Reporting One-Time Setup Fee**: a one-time fee of Seven Hundred and Twenty-Seven Dollars, and twenty-two cents (\$727.22) for setup of City of Plano claims in preparation for reporting to the Centers for Medicare and Medicaid Services under the Section 111 of the Medicare, Medicaid & SCHIP Extensions Act (MMSEA);

4) **MMSEA Reporting Annual Fee**: an annual reporting fee (MMSEA) of One Thousand Nine Hundred Twenty Dollars (\$1,920.00).

ASC will administer litigated claims (caseload not to exceed 25 claims) as needed from the Oklahoma City office. ASC will pay mileage reimbursement to one adjuster in the form of a monthly car allowance, and ASC will pay for reasonable ASC travel expenses. ASC will provide said service for the fees listed above, based on the following assumptions:

5) **Miscellaneous Expenses – Paid by City of Plano:**

- Rent & Utilities
- Storage
- Basic Phone
- Long Distance
- Network Communications
- Mail/Courier
- Customary Office Supplies
- Office Furnishings (desk, computer, cell phone)
- Printing
- Copier/Fax/

6) Allocated Loss Expenses:

Allocated expenses will be charged to the claim file, payable as invoices are received, include fees for:

- Legal services
- State-mandated EDI
- Court reporters
- Expert witness statements
- Official documents and transcripts
- Experts' / rehabilitation services
- Subrogation collection cost payable to third party
- Medical records
- IMEs, MRIs, etc.
- Managed care
- Medical bill review
- Index Bureau Reporting
- Surveillance
- Any other expense requiring client approval

7) Medical Cost Management¹

Fee Scheduling.....	\$15.00 Per Bill
PPO Usage and other Non-Fee Schedule Savings	28% of Savings
Field Medical Case Management	\$75 Per Hour

8) STARS Costs:

STARS Web Additional User Access (6 included no charge)	\$30.00 Per User
.....	Per month
One-time data conversion to STARS	\$see above
Report Recreation	\$125.00 per hour

Disclosure of Third Party Agreements:

¹Medical Bill Review Services – MCMC,LLC (medical bill review services)
Claims System – CS Stars
EDI Transmission to the State of Texas on FROI/SROI – Peak Performance

¹ Pricing for additional managed care services is available from ASC upon request.

City of Plano
Contractor Insurance Requirements and Agreement
Requirements

Contractors performing work on City property or public right-of-way for the City of Plano shall provide the City a certificate of insurance evidencing the coverages and coverage provisions identified herein. Contractors shall provide the City evidence that all subcontractors performing work on the project have the same types and amounts of coverages as required herein or that the subcontractors are included under the contractor's policy. The City, at its own discretion, may require a certified copy of the policy.

All insurance companies and coverages must be authorized by the Texas Department of Insurance to transact business in the State of Texas and must be acceptable to the City of Plano.

Listed below are the types and amounts of insurance required. The City reserves the right to amend or require additional types and amounts of coverages or provisions depending on the nature of the work.

Type of Insurance	Amount of Insurance	Provisions
1. Commercial General (Public) Liability to include coverage for: a) Premises/Operations b) Products/Completed Operations c) Independent Contractors d) Personal Injury e) Contractual Liability	\$500,000 each occurrence, \$1,000,000 general aggregate; Or \$1,000,000 combined single limits	City to be listed as additional insured and provided 30-day notice of cancellation or material change in coverage. City prefers that insurer be rated B+VI or higher by A.M.Best or A or higher by Standard & Pools
2. Business Auto Liability	As required by State of Texas	
3. Workers' Compensation & Employers' Liability	Statutory Limits \$100,000 each accident	City to be provided a waiver of subrogation

Questions regarding this insurance should be directed to the City of Plano Purchasing Department (972) 941-7557.

This form must be signed and returned with your quotation to verify that you can and will meet the insurance requirements listed herein should you be selected to perform work for the City, and will provide the certificates of insurance acceptable to the City. A PURCHASE ORDER WILL NOT BE ISSUED WITHOUT EVIDENCE OF INSURANCE.

AGREEMENT

I agree to provide the above-described insurance coverages if selected to perform work for the City of Plano. I also agree to provide the City evidence of insurance coverage on any and all subcontractors performing work on the project.

Project/Bid #: _____
Company: _____
Printed Name: _____ Vendor # (if applicable) _____
Signature: _____ Date: _____
Return Signed Form to: _____

PRODUCER 877-945-7378

Willis of Tennessee, Inc.
26 Century Blvd.
P. O. Box 305191
Nashville, TN 37230-5191

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

NAIC#

INSURED Alternative Service Concepts LLC
2501 McGavock Pike
Suite 802
Nashville, TN 37214

INSURERA: Hartford Underwriters Insurance Company	30104-003
INSURERB: Sentinel Insurance Company, Ltd.	11000-001
INSURERC: Hartford Casualty Insurance Company	29424-000
INSURERD: Hartford Insurance Companies	29424-076
INSURERE: American International Specialty Lines In	26883-003

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

Crime Coverage
Carrier: Navigators Insurance Company
NAIC: 42307
Policy Number: NY09CCCN00500NV
Effective Dates: 3/10/2009 - 03/10/2010
\$250,000 Limit
\$ 25,000 Deductible Per Loss

City of Plano is included as an Additional Insured as respects the General Liability policy as required by written contract. Waiver of Subrogation in favor of the Certificate Holder is included on the Workers Compensation policy.

EXHIBIT

C

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

This Certificate of Insurance does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

