



ADDENDUM NUMBER VIII
TO SERVICE CONTRACT FOR
WORKERS' COMPENSATION CLAIMS HANDLING

This is the eighth Addendum to the Agreement entered into between Johns Eastern Company, Inc., hereinafter called the SERVICE AGENT, and CLAY COUNTY SCHOOL BOARD, hereinafter called the EMPLOYER, dated the 1st day of July 2000.

This Addendum affects the remuneration to be paid by the EMPLOYER to the SERVICE AGENT for the handling of claims with a date of loss between July 1, 2009 through June 30, 2011. All other terms of the original Contract remain unchanged.

The remuneration to be paid to the SERVICE AGENT under this Agreement by the EMPLOYER for workers' compensation claims handling and safety services during the term of this Agreement shall be as follows:

4. **Allocated Claims Expenses.** Charges for services below are billed at negotiated rates for vendors selected by EMPLOYER/SERVICE AGENT unless otherwise outlined below. "Allocated Claims Expenses" shall be defined as expenses arising in connection with the settlement of claims, which shall be defined as expenses directly allocated to a particular claim to be discharged from the accounts funded by the EMPLOYER specified in Paragraph 3, including, but not limited to:
 - a. Attorneys' and legal assistants' fees for claim and any lawsuits, before and at trial, on appeal, or otherwise;
 - b. Court and other litigation and settlement expenses, including, without limitation:
 - (i) Medical examinations to determine extent of liability;
 - (ii) Expert medical and other testimony;
 - (iii) Laboratory, X-ray and other diagnostic tests;
 - (iv) Autopsy, surgical reviews, and other pathology services;
 - (v) Physician and related fees and expenses in reading, interpreting, or performing any of the foregoing tests or services;
 - (vi) Stenographer, process server, and other related trial preparation, trial, settlement, and court costs;
 - (vii) Witnesses fees and expenses before and at trial, deposition, settlement discussions, or otherwise; and
 - c. Fees and expenses for surveillance, private investigators, or otherwise,
 - d. Fees for the indexing of injured employees,
 - e. Fees for any work done outside the office, including, but not limited to, field investigations necessary to determine compensability, liability, Special Disability Trust Fund or subrogation recoverability, claimant control, attendance at mediations, hearings and depositions, attendance at management meetings, attendance at medical consultations or hearings, appraisals, case management, recorded statements,
 - f. Telephonic medical management - \$170.00 per medical only and lost time exposure. This option requires all medical only and lost time exposures be handled through medical management.

- g. Fees for over-night or special mail service for various documents,
- h. Fees for examining and reducing hospital and medical bills as appropriate will be \$5.95 per bill and 30% of savings over and above fee schedule savings
- i. Photocopying and/or CD-ROM copies, review of relevant documentation.
- j. Pre-Certification of Hospital Admissions, On-Site Case Management, Peer Review, Medical Care Audits, and Hospital Bill Audits.

5. **Compensation for the Service Agent:** For performing its services under this Agreement, the Service Agent shall be entitled to the following compensation:

- a) Fees for workers' compensation claims handling for Clay County School Board for exposures whose dates of loss fall between July 1, 2009 and June 30, 2011 will be an annual minimum and deposit of \$70,500.00. This fee contemplates handling 196 exposures. If the number of exposures exceeds 196, the additional fee will be billed proportionately. This fee will be billed on a quarterly basis, with the first payment due upon contract inception.
- b) Fees for automobile, general liability and property claims handling for Clay County School Board for exposures whose dates of loss fall between July 1, 2009 and June 30, 2011 will be an annual minimum and deposit of \$10,500.00. This fee will be billed on a quarterly basis, with the first payment due upon contract inception. This fee contemplates handling 24 automobile liability, general liability and property exposures. If the number of exposures exceeds 24, then the fees will be increased proportionately.
- c) Fees for any field investigation will be \$85.00 per hour, \$0.45 a mile and \$1.00 per color photograph. Field work for first party property claims will be billed per property rate schedule
- d) Information Services – Optional programs available. If selected by Employer, Service Agent will bill accordingly.

Online NOI (Pre-fill)	\$1,000.00, per year
Adhoc Report Library	\$1,000.00 Setup Fee (one time charge) \$250.00 per login & password (per year)
Adhoc Query Studio	\$1,500.00 Setup Fee (one time charge) \$400.00 per login & password (per year)

6. **Excess Reporting Obligation** - Unless otherwise specified in this addendum, Service Agent agrees that reporting claims to excess insurance carrier is the Service Agent's responsibility. It is the responsibility of the Employer to provide accurate coverage information regarding any insurance policies insuring claims covered by this contract. The information for all claim years that the Service Agent is handling will be made available to the Service Agent within 90 days of contract inception. New insurance information on renewal years will be made within 90 days of renewal date. Excess information will include name and claims reporting address and phone number of all carriers, policy number, effective dates, limits of liability, deductibles, specific retentions and loss funds. Actual policies will be provided. This information is required for each claim year that the Service Agent is handling for the employer. If this information is not made available as outlined in this paragraph, Service Agent will not be responsible for any penalties, interest, or reductions in excess recoveries because of late reporting.

7. **Continuing Handling of Claims After Termination of Contract or Legally Imposed Mandates.** Upon termination of this Agreement as set forth in paragraph 8, the Service Agent agrees to continue handling all

claims that have been made and reported to it prior to such date of termination for thirty (30) days unless the parties have agreed otherwise in writing.

Upon repeal of any service mandated by the workers' compensation law and/or other applicable statutes and/or regulations, the Service Agent agrees to continue handling all claims under the repealed service that have been reported to it prior to the date of such repeal for thirty (30) days unless the parties have agreed otherwise in writing.

Upon exiting, client data will be provided to the new TPA either by a series of attachments to one or more email messages containing zip files which can be password-protected or via CD ROMS. The claim files may exist as paper files and will be shipped as such. If the claim files are stored as images in a document retrieval system, they will be provided via CD ROM or the most current means of providing data. The cost for this will be no greater than \$3,500.00. The Employer will be billed for any additional programming to help in data transfer.

8. Handling of property claims during a catastrophe will be billed based upon the attached catastrophe schedule; or the schedule in effect at the time of the catastrophe.

All other terms of the contract remain unchanged.

IN WITNESS WHEREOF, the SERVICE AGENT and the EMPLOYER have each caused this Addendum to be executed by its duly authorized representative to be effective the 1st day of July, 2009.

WITNESSES:

CLAY COUNTY SCHOOL BOARD

WITNESSES:

JOHNS EASTERN COMPANY, INC.

Beverly Adkins, AIC, AIM
Executive Vice President
Special Account Services

