

**Amendment No. Three (3)
To Claims Service Agreement
Workers Compensation/Auto/General/EMT/Property/MMSEA**

This Amendment Three (3) to that certain Claims Service Agreement, all exhibits and amendments included, (herein collectively referred to as the "Agreement") dated as of October 1, 2010 and as subsequently amended by exhibit or otherwise, by and between **City of Lake Worth** ("Client") and York Risk Services Group, Inc.,(YORK) an affiliate of F. A. Richard and Associates, Inc.;

WITNESSETH

WHEREAS, the parties wish to extend the Term of this Agreement as set forth herein; and

WHEREAS, the parties wish to amend the Claims Administration Service Fees of this Agreement as set forth herein.

WHEREAS, the parties wish to update the corporate status/name.

NOW THEREFORE, the parties hereby agree as follows:

1. The Term of this Agreement shall be extended to include: October 1, 2015 through September 30, 2016.
2. The Claims Administration Service Fees of this Agreement shall be amended in accordance with the following:

FEE STRUCTURE

<u>Service Category</u>	<u>Estimated Per Claim Cost</u>	<u>Alternate fee basis</u>
Indemnity claims	\$975.00	
Medical Only claims	\$160.00	
Incident reports	\$47.00 per report	
Cost for taking over existing claims	N/A	
OSHA 300 Log preparation - <u>OPTIONAL</u>	Included	
Other one time fees, set up costs, etc.	N/A	
Other services (please describe)	See Below*	
Auto Liability	\$486.00	
Auto Physical Damage	\$347.00	
General Liability	\$600.00	
EMT Liability	\$600.00	
Property Claims	\$600.00	
Sunset Fee*	\$55.00 per month until claim closure.	

Definitions:

Life of Contract: Life of Contract applies to claim features occurring during the 12 month contract term and covers handling until conclusion without additional charge as long as the client continues to renew subsequent contracts. If any subsequent contract is cancelled or not renewed, the client may require York to

return all open claims or to continue the administration of open claims for an additional fee per open claim feature or Time and Expense.

Sunset Fee: Service fees quoted include full claims administration for twelve month period from the day the claim is reported. Further handling of Indemnity claims beyond that date shall earn an additional fee of \$55.00 per month until claim closure.

Workers' Compensation Definitions:

- Indemnity Claim: Any claim resulting in lost time, serious injury, fractures, severe burns, cumulative trauma, chemical exposure, subrogation, or death.
- Medical Only: Claims for minor injuries with no lost time that are expected to resolve in less than six months with medical treatment, and with no potential for subrogation recovery. Jurisdictional requirements will always take precedent. Medical only files automatically convert to an indemnity file at six months and/or reach \$3,500 in paid medical expenses.
- Record Only: The recording in York's system of an incident that at some point in the future may have the potential to develop into a claim. Record Only claims will be identified as such upon presentation to York and will have no adjuster/examiner involvement. Subsequent adjuster/examiner involvement will result in the "Record Only" becoming reclassified and billed as a Claim.

Access to York's claims system (YCE) is provided at no additional charge.

Standard Monthly Reporting is provided at no additional charge.

Services of the Account Manager, along with telephonic claim reviews, are provided at no additional charge.

General Fees, Services, Terms and Conditions

- Claim Intake/Reporting: \$11 – Telephonic, Web, Fax, Email.
 - \$4,000 non-erodible, non-refundable annual administration fee payable upon signing of contract.
 - RMIS Platform: FOCUS: The cost of each license/seat is \$750 per year.
- In the event the outgoing TPA presents charges for the preparation and transmission of their data to York, those costs will be categorized as a pass through to the client.
 - Outside Activity/Field Investigations will be billed at time and expense.
- MMSEA Reporting: \$8.75 per claim.
- Claim indexing: \$9.00 per claim
- York's proposed fees will remain in effect for 90 days from the date of this proposal.

- Data download/export at \$250.00 per transmission, whether magnetic tape, diskette, or electronic medium.
- Pricing for each subsequent year of a contract will be subject to the greater of 3% increase or the percentage increase as reported by the U.S. Department of Labor – Bureau of Labor Statistics) for the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average, All Items, covering the prior twelve month period, valued as of the month ending two months prior (to allow time for reports to be published) to the anniversary date of the contract.
- Unless specifically identified, York’s General Liability fixed fees are limited to Standard Commercial General Liability Coverage Form coverages A&C. Claims presented to York but excluded from the standard form coverages will be administered on a time & expense basis or on such other basis as agreed to between York and the City of Lake Worth.
- Billing: York will issue an electronic invoice monthly, via e-mail. Payments shall be due and payable no later than thirty days from the invoice date.
- This proposal contemplates that York will be entering into a direct contract with the City of Lake Worth. Should York be required to contract with any other party, different terms may apply.
- Pricing has been developed based on provided loss data. In the event that the loss data is erroneous or otherwise incorrect both parties agree to discuss an equitable adjustment of service fees.
- The City of Lake Worth will have the right to direct that the services York performs be rendered in a particular or different way or additional services be provided. If such direction increases York’s cost of providing the services, York shall be entitled to an equitable adjustment in its compensation.
 - Subrogation: York’s fee per feature pricing includes placing responsible parties on notice. Pursuit of subrogation beyond this point can be performed at 20% of recovery, plus costs, such as locate searches, skip traces, etc.
- Claims and Allocated Loss Adjustment Expenses (ALAE) may be handled in three ways:
 - The City of Lake Worth may elect to fund an escrow account established and maintained by York. In this case, the City of Lake Worth will need to maintain the appropriate amount of funds in the escrow account to pay all Claims and ALAE and to avoid penalties and late payments. York will electronically provide a monthly recap of all deposits as well as Claims and ALAE payments. The City of Lake Worth will be responsible for bank fees with respect to the account.
 - With our Draft option, the City of Lake Worth may also elect to have York notify the City of Lake Worth of check amounts and payees required to satisfy the City of Lake Worth’s Claims and ALAE obligations. The City of Lake Worth will be required to send York the requested checks in a timely manner for recording in the York claims system and distribution.
 - The City of Lake Worth may elect to maintain and fund a client-owned account from which York will issue all Claim and ALAE payments. In this case, the City of Lake Worth will provide York with the facsimile signature of an officer, director, partner or employee of the City of Lake Worth to print digitally on the checks. The City of Lake Worth will be responsible for bank fees with respect to the account.

Allocated Loss Adjustment Expenses

York will arrange for various services and other costs as agent for our client. These costs are referred to as Allocated Loss Adjustment Expenses (ALAE). A list of these expenses follows. Payment of ALAE is the responsibility of the City of Lake Worth. York's fees do not cover ALAE, and York is under no obligation to pay ALAE with its own funds.

- Fees of outside counsel for claims in suit, coverage opinions and litigation and for representation at hearings or pretrial conferences
- Fees of court reporters
- All court costs, court fees and court expenses
- Fees for service of process
- Costs of undercover operatives and detectives
- Costs for employing experts for the preparation of maps, professional photographs, accounting, chemical or physical analysis, diagrams
- Costs for employing experts for the advice, opinions or testimony concerning claims under investigation or in litigation or for which a declaratory judgment is sought
- Costs for independent medical examination or evaluation for rehabilitation
- Costs of legal transcripts of testimony taken at coroner's inquests, criminal or civil proceeding
- Costs for copies of any public records or medical records
- Costs of depositions and court reported or recorded statements
- Costs and expenses of subrogation
- Costs of engineers, handwriting experts or any other type of expert used in the preparation of litigation or used on a one-time basis to resolve disputes
- Witness fees and travel expenses
- Costs of photographers and photocopy services
- Costs of appraisal fees and expenses (not included in flat fee or performed by others)
- Costs of indexing claimants
- Services performed outside York's normal geographical regions
- Costs of outside investigation, signed or recorded statements
- Out of the ordinary expenses incurred in connection with an individual claim or requiring meeting with Customer
- Any other extraordinary services performed by York at Customer's request
- Investigation of possible fraud including SIU services and related expenses
- Any other similar cost, fee or expense reasonably chargeable to the investigation, negotiation, settlement or defense of a claim or loss or to the protection or perfection of the subrogation rights of Customer.

York may, but need not, elect to utilize its own staff to perform these services. Associated fees and costs will be charged as ALAE.

Managed Care Fees:

Detail	Fee
Medical Bill Review – Workers Compensation & Auto Liability PIP Claims	
Fee Per Bill – All States	\$6.95 per Bill
PPO Network & Out of Network Savings	28%
Enhanced Savings	28%
Case Management	
All States	
Telephonic Case Management	\$98.00 per Hour
Field Case Management	\$98.00 per Hour, Plus Mileage (IRS Reimbursement Rate & Expenses)
Life Care Plan	\$150.00 per Hour
Utilization Review / certification	
Procedure Rate per Review	\$125.00
Physician Review	\$140.00
Appeal Reviews	\$150.00
Peer Review	
Peer Review – Depending on Specialty	\$195.00 - \$395.00 per Hour
Medicare Secondary Payer Services (MSA)	
Standard MSA	\$3,500.00
Complex/Catastrophic MSA	\$5,000.00
Medical Cost Projections	\$1,200.00
Rush Report (Less than 10 days)	\$500.00
MSA Submission	\$500.00
Updated and Follow-up MSA	\$125.00 per Hour
Final Settlement Document Submission	\$50.00
SSA / SSDI Checks Eligibility	\$125.00 per Hour
Medicare Check	\$50.00
Conditional Payment Request	\$150.00
Conditional Payment Resolution	\$125.00 - \$500.00

3. York represents that it is an affiliate of F.A. Richard and Associates. York further represents that it unconditionally assumes all obligations of its affiliate company under the Agreement and that F.A. Richard and Associates agrees to remain liable for all of its obligations under the Agreement.

4. Except as noted above, this Agreement shall remain unchanged.

In witness whereof, the parties have executed this amendment as of the dates listed below with an effective date of October 1, 2015.

CITY OF LAKE WORTH
By: _____

Name: _____

Title: _____

Date: _____

YORK RISK SERVICES GROUP, INC.
By: _____

Jody A. Moses

Senior Vice President

Date: _____