

**AMENDMENT NO. 4  
TO AGREEMENT BETWEEN  
COUNTY OF MONTEREY AND  
INTERCARE HOLDINGS INSURANCE SERVICES, INC.**

**THIS AMENDMENT** is made to the AGREEMENT for the provision of Third Party General Liability Claims Administration by and between **INTERCARE HOLDINGS INSURANCE SERVICES, INC.**, hereinafter referred to as "CONTRACTOR", and the County of Monterey, a political subdivision of the State of California, hereinafter referred to as "County".

**WHEREAS**, the County and the CONTRACTOR previously entered into the original AGREEMENT on June 17, 2016, in the amount of \$328,000; and

**WHEREAS**, the original AGREEMENT'S term was from July 1, 2016 to June 30, 2018; and

**WHEREAS**, the County and CONTRACTOR amended the AGREEMENT by way of Amendment No. 1 and extended the term by one year through June 30, 2019, and increased CONTRACTOR'S compensation by \$144,000, to \$472,000; and

**WHEREAS**, the County and CONTRACTOR amended the AGREEMENT by way of Amendment No. 2 and extended the term by one year through June 30, 2020, and increased CONTRACTOR'S compensation by \$148,320, to \$620,320; and

**WHEREAS**, the County and CONTRACTOR amended the AGREEMENT by way of Amendment No. 3 and extended the term by three years through June 30, 2023, and increased CONTRACTOR'S compensation by \$442,844, to \$1,063,164; and

**WHEREAS**, the County and CONTRACTOR wish to amend the AGREEMENT'S term by three years through **June 30, 2026**, and increase the total compensation amount by \$493,304.40 for a total not to exceed amount of \$1,556,468.40 by way of Amendment No. 4, in accordance with the following annual renewal schedule:

<b>Year</b>	<b>Term</b>	<b>Increase Compensation</b>	<b>Not to Exceed</b>
1	July 1, 2023 to June 30, 2024	\$159,598.95	\$1,222,762.95
2	July 1, 2024 to June 30, 2025	\$164,386.92	\$1,387,149.87
3	July 1, 2025 to June 30, 2026	\$169,318.53	\$1,556,468.40

**NOW THEREFORE**, the County and CONTRACTOR hereby agree to amend the AGREEMENT in the following manner:

1. This Amendment is effective July 1, 2023.

2. Section 2.0, "PAYMENT PROVISIONS" shall be amended by increasing the total amount by \$493,304.40 for a total not to exceed amount of \$1,556,468.40.
3. Section 3.0, "TERM OF AGREEMENT" shall be amended by extending the term of this agreement by three years through **June 30, 2026**, at the sole and absolute discretion of the County of Monterey, not to exceed the increase on the rates and terms set forth below:

<b>Year</b>	<b>Term</b>	<b>Increase Compensation</b>	<b>Not to Exceed</b>
1	July 1, 2023 to June 30, 2024	\$159,598.95	\$1,222,762.95
2	July 1, 2024 to June 30, 2025	\$164,386.92	\$1,387,149.87
3	July 1, 2025 to June 30, 2026	\$169,318.53	\$1,556,468.40

4. Section 4.0, "SCOPE OF SERVICES AND ADDITIONAL PROVISIONS, Subsection 4.01, Exhibit A Scope of Services/Payment Provisions" shall be revised on the effective date as set forth in Exhibit A (Revised 05/18/23) and Addendum attached hereto and incorporated herein.
5. Except as provided herein, all remaining terms, conditions, and provisions of the AGREEMENT are unchanged and unaffected by this AMENDMENT and shall continue in full force and effect as set forth in the AGREEMENT.
6. A copy of this AMENDMENT 4 shall be attached to the original AGREEMENT executed by the County and Contractor.

-----*This section intentionally left blank*-----


**IN WITNESS WHEREOF**, the parties have executed the AMENDMENT on the day and year written below.

MONTEREY COUNTY

\_\_\_\_\_  
Contracts/Purchasing Officer

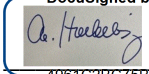
Dated: \_\_\_\_\_

*Approved as to Form:*

DocuSigned by:  
  
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County Counsel

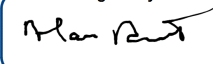
Dated: 5/24/2023 | 10:26 AM PDT

CONTRACTOR

DocuSigned by:  
  
\_\_\_\_\_  
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Signature of Chair, President, or Vice-President

Agnes Hoberling, President and CEO  
Printed Name and Title

Dated: 5/23/2023 | 1:30 PM PDT

DocuSigned by:  
  
By: \_\_\_\_\_  
04D2035788DD443...  
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer) \*

Alan Avriett, Sr. Vice President (Secretary)  
Printed Name and Title

Dated: 5/23/2023 | 3:44 PM CDT

\*INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

**EXHIBIT – A**  
**(Revised 05/18/2023)**

**To Agreement by and between**  
**County of Monterey, hereinafter referred to as “COUNTY”**  
**and**  
**Intercare Holdings Insurance Services, Inc., hereinafter referred to as “CONTRACTOR”**

**Scope of Services/Payment Provisions**

**A. SCOPE OF SERVICES**

CONTRACTOR shall provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

**A1. Resource Deliverables:**

<b>Intercare Holdings Insurance Services</b>
<p><b>I. Staffing Level:</b></p> <ul style="list-style-type: none"><li>a. Designated Senior Claims Specialist</li><li>b. Designated Claims Supervisor with over 20 years of experience</li><li>c. Designated Back-Up - Senior Claims Specialist with expertise in AL/GL and risk management consulting</li><li>d. Admin/general support team</li></ul>
<p><b>II. Other Resources:</b></p> <ul style="list-style-type: none"><li>a. In-house IT Department including 24/7 Helpdesk</li><li>b. Accounting Department/Trust account administration</li><li>c. Centralized Check processing system</li><li>d. Online Claim Intake System accessible 24/7</li><li>e. Advice Line</li><li>f. Quality Assurance and Compliance Review</li><li>g. RMIS System with robust reporting technology</li><li>h. Business Analyst</li><li>i. Vice President of Liability Division</li></ul>

<p><b>III. Subcontracted Services at County Approved Rates:</b></p> <ul style="list-style-type: none"> <li>a. Auto/vehicle damage appraisals</li> <li>b. Property damage appraisals</li> <li>c. Intercare will use County of Monterey preferred vendor or recommend a vendor from Intercare panel.</li> <li>d. Investigation Services: Outside investigator/field adjuster services are “pass through,” as claims allocated costs are incurred.</li> <li>e. Medical Bill Repricing/Negotiation – Medical bill review fees are to be separately accounted for and direct billed to claim file as an allocated loss adjustment expense (ALAE) with supporting documentation of review and savings. <i>\$16 per bill; estimated cost is subject to prior cost approval by the County.</i></li> </ul>
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**A2. Services/Deliverables:**

<b>IV. Claims Process</b>	
<ul style="list-style-type: none"> <li>▪ <b>Intake</b></li> </ul>	Losses reported via online system or email/fax/phone. For Risk management personnel, a toll free Advice Line is also available. Acknowledgement of report along with handling specialist name and contact information is sent upon receipt of report.
<ul style="list-style-type: none"> <li>▪ <b>Set-Up</b></li> </ul>	Set-up file within 24 hours; appropriate codes entered and claim number assigned.
<ul style="list-style-type: none"> <li>▪ <b>New Claim</b></li> </ul>	After new claim is received, Risk Management will provide notice to the involved department of the matter and that Intercare will be investigating. Once that notice has been sent, Intercare will contact the designated department representative directly for information necessary to the investigation. Except for employment related or law enforcement matters, Intercare is authorized to make contact with County employees identified by the department representative as having information relative to a specific claim. Intercare will not make direct contact with County employees on any employment related matter or law enforcement matter without prior approval of the specific contact.
<ul style="list-style-type: none"> <li>▪ <b>Contact</b></li> </ul>	Get direction and/or approval from the County Counsel-Risk Manager or the County Claims Committee on contact with the following stakeholders: <ul style="list-style-type: none"> <li>1. Claimant</li> <li>2. Witnesses</li> <li>3. County Department</li> </ul>

	<p>Contact the stakeholders within 24 hours of receiving direction and/or approval from the County Counsel-Risk Manager or the County Claims Committee.</p> <p>Intercare may contact claimant or claimant’s counsel directly in most non-litigated matters. However, Intercare will seek approval before initiating such contact on any employment related matter or any matter involving law enforcement. Intercare will not initiate contact with plaintiff counsel on any litigated matter without the approval of County Counsel.</p>
<ul style="list-style-type: none"> <li>▪ <b>Investigation Findings</b></li> </ul>	<p>Ongoing communication in collaboration with County Risk Management on the onset of the claim with the goal of completing the investigation within 30 days. Analyze coverage and communicate determination to the County before sending the acceptance or rejection.</p> <p>Resource Management Safety Coordinator/Investigator will continue to conduct scene investigations, but will request assistance with specific tasks from Intercare as may be needed on an Ad Hoc basis</p>
<ul style="list-style-type: none"> <li>▪ <b>CHP and Autopsy Reports</b></li> </ul>	<p>Risk Management will provide their contacts for obtaining police and CHP reports and provide an introduction of Intercare to those contacts after which Intercare will request reports on behalf of COM. Intercare will provide a copy of reports received to Risk Management.</p> <p>Chief Assistant County Counsel will continue to obtain autopsy reports for Intercare.</p>
<ul style="list-style-type: none"> <li>▪ <b>Reserves</b></li> </ul>	<p>Establish initial reserves within 2 days; post adjusted reserve within 7 days and project probable cost within 30 days based on determination. Quarterly reserve review of all open claims with Risk Management. Notify and communicate any reserve changes with Risk Management. Report to Excess carrier as required.</p> <ul style="list-style-type: none"> <li>• Intercare will set reserves on newly reported matters as is appropriate after the initial claim meeting discussion of the matter (or as above after initial discussion with county counsel on litigated matters).</li> <li>• Intercare will provide an email to Risk Management and Chief Assistant County Counsel advising of the initial</li> </ul>

	reserves. When reserves are updated, Intercare will provide email notice to Risk Management and Chief Assistant County Counsel of the reserve change with a brief explanation supporting the change.
▪ <b>Claim Notes</b>	Claim notes, diaries, action plans entered in iVOS.
▪ <b>County Access to Electronic Claim Information</b>	Access to all data including reserves, diaries, notes, action plans, payments, imaged documents/correspondence, legal/medical information, any data captured in the system.
▪ <b>Compliance with Government Code 910</b>	Review government claim form within 7 days and provide oral and written recommendations.
▪ <b>County Claims Committee</b>	Claim review with County Claims Committee at the Committee's desired frequency.
▪ <b>Litigation Management</b>	<p>Work collaboratively with County Risk Management, County Counsel or designated counsel every step of the way – maintain ongoing communication, attend mediation, seek approval when retaining defense counsel, settlement evaluation, disposition and all legal proceedings.</p> <ul style="list-style-type: none"> <li>• Initial notice of litigated matters will be transmitted from COM with identity of county counsel assigned.</li> <li>• Within a week of receipt of a new litigated matter, Intercare will contact county counsel for initial discussion of new matter for purposes of understanding potential exposure and discussion of initial litigation plan. Intercare will establish initial reserves with email notice to Risk Management and Chief Assistant County Counsel of same.</li> </ul>
▪ <b>CMIS System</b>	Ventiv iVOS System with a Medicare Module to comply with MMSEA Section 111 reporting
▪ <b>Standard Reports</b>	<ul style="list-style-type: none"> <li>▪ Frequency and Severity Reports</li> <li>▪ Top 10 Causes</li> <li>▪ Top 10 Risks</li> <li>▪ Reserve Trends</li> <li>▪ Loss Summary</li> <li>▪ Loss Stratification Report</li> <li>▪ Reserve Development Reports</li> <li>▪ Excess Claim Reports</li> <li>▪ Subrogation Reports</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Litigated claim reports</li> <li>▪ Check Register</li> <li>▪ Payment Report</li> </ul>
▪ <b>Internal Controls</b>	Annual SSAE 18 and SOC 2; Business Continuity Plan, Disaster Recovery Plan; Secured email
▪ <b>Other Services</b>	Account Management/Client Services Annual Stewardship Review Quarterly Roundtable Claim Review Topical Captioned Status Report Claim Analysis Excess Reporting MMSEA Reporting Training
▪ <b>Claims Meeting</b>	Intercare will manage and direct the periodic claims meeting process. Claims to be discussed include any newly reported matter since the prior call, all non-litigated matters pending a response to the claim, any other claim or lawsuit needing discussion. Risk Management will provide Intercare with the identity of the Beta Claims to be discussed and Intercare will include those matters on the list. The list of claims for the claim meeting will be circulated to the group on the Wednesday morning before each claim meeting with an invitation to all participants to add any other matter needing discussion. If updated, the updated list will be circulated to the group by Intercare ASAP before the claim meeting.

All written reports required under this Agreement must be delivered to Leslie J. Girard, Risk Manager, in accordance with the schedule above.

## **B. PAYMENT PROVISIONS (COMPENSATION/PAYMENT)**

County shall pay an amount in accordance with the following annual renewal schedule:

<b>Year</b>	<b>Term</b>	<b>Increase Compensation</b>	<b>Not to Exceed</b>
1	July 1, 2023 to June 30, 2024	\$159,598.95	\$1,222,762.95
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plus “excess claims” fees, and subrogation recovery fees in accordance with the fee schedule in Section B1 (see below) for liability claims management as set forth in the



Scope of Work. CONTRACTOR'S compensation for services rendered shall be based on the following rates or in accordance with the following terms:

**B1. Claim Administration Fees**

<b>Scope of Work</b>	<b>Intercare Holdings (Proposed TPA)</b>
<b>V.</b> General Liability Claims Management - Fixed Annual Fee includes handling pending and new claims up to 150 per year.	\$159,598.95/Annually for Year 1 \$164,386.92/Annually for Year 2 \$169,318.53/Annually for Year 3
<b>VI.</b> Fee for new incidents/claims in excess of the 150 new claims per year.	\$750.00
<b>VII.</b> Subrogation – Included in fixed fee and only includes pending claims and no new claims during this contract period. Subrogation fees are to be direct billed to Risk Management.	10% of recovery for subrogation claims (pending)
<b>VIII.</b> Annual Escalation Rate	3%
<b>IX.</b> Additional Users (per user per year)	\$0
<b>X.</b> Administration Fee – Per Year	\$0
<b>XI.</b> Claim System Data Conversion Fee	\$0
<b>XII.</b> System Access – First 5 Users – view only	\$0

County and CONTRACTOR agree that CONTRACTOR shall be reimbursed for travel expenses during this Agreement. CONTRACTOR shall receive compensation for travel expenses as per the “County Travel Policy”. A copy of the policy is available online at [www.co.monterey.ca.us/auditor/policies.htm](http://www.co.monterey.ca.us/auditor/policies.htm) To receive reimbursement, CONTRACTOR must provide a detailed breakdown of authorized expenses, identifying what was expended and when.

CONTRACTOR warrants that the cost charged for services under the terms of this contract are not in excess of those charged any other client for the same services performed by the same individuals.

**C. CONTRACTORS BILLING PROCEDURES**

NOTE: Payment may be based upon satisfactory acceptance of each deliverable, payment after completion of each major part of the Agreement, payment at conclusion of the Agreement, etc.

County may, in its sole discretion, terminate the contract or withhold payments claimed by CONTRACTOR for services rendered if CONTRACTOR fails to satisfactorily comply with any term or condition of this Agreement.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by County.

County shall not pay any claims for payment for services submitted more than twelve (12) months after the calendar month in which the services were completed.

**DISALLOWED COSTS:** CONTRACTOR is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.