

**AMENDMENT NO. 1  
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; and

**WHEREAS**, the Agreement's term was from July 1, 2016 to June 30, 2018; and

**WHEREAS**, the County and CONTRACTOR wish to amend the AGREEMENT'S term by one year through **June 30, 2019**, and increase the total annual amount by \$144,000 for a total not to exceed amount of \$472,000 by way of Amendment No. 1.

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

1. This Amendment is effective July 1, 2018.
2. Section 2.0, "PAYMENT PROVISIONS" shall be amended by increasing the total annual amount by \$144,000 for a total not to exceed amount of \$472,000.
3. Section 3.0, "TERM OF AGREEMENT" shall be amended by extending the term of this agreement by one year through **June 30, 2019**, and may be extended for an additional one year term at the sole and absolute discretion of the County of Monterey, not to exceed 10% increase on the rates and terms set forth herein.
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), attached hereto and incorporated herein.
5. Section 4.0, "SCOPE OF SERVICES AND ADDITIONAL PROVISIONS", shall be amended to incorporate during the term of this agreement specific General Liability Claims and Complaint Procedures to be followed as developed and prepared by County Counsel-Risk Management for use by the County and CONTRACTOR.

6. Section 14.0, "NOTICES" shall be amended to reflect Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to the County and CONTRACTOR'S contract administrators at the address listed below:

|                                                      |                                                          |
|------------------------------------------------------|----------------------------------------------------------|
| <b>FOR COUNTY:</b>                                   | <b>FOR CONTRACTOR:</b>                                   |
| Charles J. McKee,<br>County Counsel- Risk Manager    | Agnes R. Hoeberling,<br>President                        |
| Name and Title                                       | Name and Title                                           |
| 168 W. Alisal Street, 3rd Floor<br>Salinas, CA 93901 | 6020 West Oaks Boulevard, suite 100<br>Rocklin, CA 95765 |
| Address                                              | Address                                                  |
| (831) 755-5045                                       | (916) 677-4359                                           |
| Phone                                                | Phone                                                    |

7. 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.
8. A copy of this AMENDMENT 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

[Signature]  
Contracts/Purchasing Officer

Dated: 7-3-18

Approved as to Form:

[Signature]  
County Counsel

Dated: 6-12-18

CONTRACTOR

[Signature]  
Signature of Chair, President, or Vice-President

Agnes Hoerberling, President  
Printed Name and Title

Dated: 2018/JUNE/11

By: [Signature]  
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer) \*

Cheryl Mandich, Corporate Controller  
Printed Name and Title

Dated: 6/11/2018

\*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)**

**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, comply with County's Claim and Complaint Handling Procedures, 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>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>● <b>Staffing Level:</b><ul style="list-style-type: none"><li>– Designated Senior Claims Specialist with expertise in managing liability claims for public entity (see attached resume)</li><li>– Designated Claims Supervisor with over 30 years of experience</li><li>– Designated Back-Up - Senior Claims Specialist with expertise in AL/GL and risk management consulting</li><li>– Admin/general support team</li></ul></li></ul>                                                                                                                                                                                                                                      |
| <ul style="list-style-type: none"><li>● <b>Other Resources:</b><ul style="list-style-type: none"><li>– In-house IT Department including 24/7 Helpdesk</li><li>– Accounting Department/Trust account administration</li><li>– Centralized Check processing system</li><li>– Online Claim Intake System accessible 24/7</li><li>– Advice Line</li><li>– Quality Assurance and Compliance Review</li><li>– RMIS System with robust reporting technology</li><li>– Business Analyst</li><li>– Client Service/Account Manager</li><li>– Vice President of Liability Division with expertise in Professional Liability claims</li></ul></li></ul>                                                                        |
| <b>Subcontracted Services at County Approved Rates</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <ul style="list-style-type: none"><li>– Auto/vehicle damage appraisals</li><li>– Property damage appraisals</li><li>– Intercare will use County of Monterey preferred vendor or recommend a vendor from Intercare panel.</li><li>– Investigation Services: Outside investigator/field adjuster services are "pass through," as claims allocated costs are incurred.</li><li>– 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> |

**A2. Services/Deliverables:**

|                                                                                                          |                                                                                                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Claims Process</b>                                                                                    |                                                                                                                                                                                                                                                                                                              |
| <ul style="list-style-type: none"> <li>▪ <b>Intake</b></li> </ul>                                        | <p>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.</p>                                                 |
| <ul style="list-style-type: none"> <li>▪ <b>Set-Up</b></li> </ul>                                        | <p>Set-up file within 24 hours; appropriate codes entered and claim number assigned.</p>                                                                                                                                                                                                                     |
| <ul style="list-style-type: none"> <li>▪ <b>Contact</b></li> </ul>                                       | <p>Prompt contact with participants is important. Get direction from County Counsel-Risk Management or the County Claims Committee on Contact with:</p> <ol style="list-style-type: none"> <li>1. Claimant</li> <li>2. Witnesses</li> <li>3. County Department</li> <li>4. County Risk Management</li> </ol> |
| <ul style="list-style-type: none"> <li>▪ <b>Investigation Findings</b></li> </ul>                        | <p>Ongoing communication 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>                                                                                |
| <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. Notify and communicate with Risk Management.</p>                                                                                                           |
| <ul style="list-style-type: none"> <li>▪ <b>Claim Notes</b></li> </ul>                                   | <p>Claim notes, diaries, action plans entered in iVOS.</p>                                                                                                                                                                                                                                                   |
| <ul style="list-style-type: none"> <li>▪ <b>County Access to Electronic Claim Information</b></li> </ul> | <p>Access to all data including reserves, diaries, notes, action plans, payments, imaged documents/correspondence, legal/medical information, any data captured in the system.</p>                                                                                                                           |
| <ul style="list-style-type: none"> <li>▪ <b>Compliance with Government Code 910</b></li> </ul>           | <p>Review government claim form within 7 days and provide oral and written recommendations.</p>                                                                                                                                                                                                              |
| <ul style="list-style-type: none"> <li>▪ <b>Litigation Management</b></li> </ul>                         | <p>Will work collaboratively with County Risk Management, County Counsel or designated counsel every step of the way – maintain ongoing</p>                                                                                                                                                                  |

|                            |                                                                                                                                                                                                                                                        |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                            | communication, attend mediation, seek approval when retaining defense counsel, settlement evaluation, disposition and all legal proceedings.                                                                                                           |
| ▪ <b>CMIS System</b>       | Ventiv iVOS System with a Medicare Module to comply with MMSEA Section 111 reporting                                                                                                                                                                   |
| ▪ <b>Standard Reports</b>  | Frequency and Severity Reports, Top 10 Causes, Top 10 Risks, Reserve Trends, Loss Summary, Loss Stratification Report, Reserve Development Reports, Excess Claim Reports, Subrogation Reports, Litigated claim reports, Check Register, Payment Report |
| ▪ <b>Internal Controls</b> | SSAE 16 and SOC 2 annually; Business Continuity Plan, Disaster Recovery Plan; Secured email,                                                                                                                                                           |
| ▪ <b>Other Services</b>    | Account Management/Client Services<br>Annual Stewardship Review<br>Quarterly Roundtable Claim Review<br>Topical Captioned Status Report<br>Claim Analysis<br>Excess Reporting<br>MMSEA Reporting<br>Training                                           |

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

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

County shall pay an amount not to exceed \$144,000/annually 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**

| Scope of Work                                                                                                                                                         | Intercare Holdings<br>(Proposed TPA) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| <ul style="list-style-type: none"> <li>General Liability Claims Management - Fixed Annual Fee includes handling pending and new claims up to 150 per year.</li> </ul> | \$144,000/Annually                   |
| <ul style="list-style-type: none"> <li>Fee for new incidents/claim in excess of the 150 new claims per year.</li> </ul>                                               | \$750                                |

|                                                                                                                                                                                                               |                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Subrogation – Included in fixed fee up to a combined volume of 250 (new and pending) claims. Subrogation fees are to be direct billed to Risk Management.</li> </ul> | 10% of recovery for subrogation claims in excess of 250 annual claims (new and pending) |
| <ul style="list-style-type: none"> <li>• Annual Escalation Rate</li> </ul>                                                                                                                                    | 3%                                                                                      |
| <ul style="list-style-type: none"> <li>• Additional Users (per user per year)</li> </ul>                                                                                                                      | \$0                                                                                     |
| <ul style="list-style-type: none"> <li>• Administration Fee – Per Year</li> </ul>                                                                                                                             | \$0                                                                                     |
| <ul style="list-style-type: none"> <li>• Claim System Data Conversion Fee</li> </ul>                                                                                                                          | \$0                                                                                     |
| <ul style="list-style-type: none"> <li>• System Access – First 5 Users – view only</li> </ul>                                                                                                                 | \$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.