

**COUNTY OF MONTEREY STANDARD AGREEMENT
(MORE THAN \$100,000)**

This **Agreement** is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter "County") and:

INTERCARE HOLDINGS INSURANCE SERVICES, INC.,
(hereinafter "CONTRACTOR").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

1.0 GENERAL DESCRIPTION.

- 1.01 The County hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of this Agreement. The goods and/or services are generally described as follows:

Provide General Liability Claims Administration Services.

2.0 PAYMENT PROVISIONS.

- 2.01 County shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of \$ 328,000.

3.0 TERM OF AGREEMENT.

- 3.01 The term of this Agreement is from July 1, 2016 to June 30, 2018, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and County and with County signing last, and **CONTRACTOR may not commence work before County signs this Agreement.**
- 3.02 The County reserves the right to cancel this Agreement, or any extension of this Agreement, without cause, with a thirty day (30) written notice, or with cause immediately.

4.0 SCOPE OF SERVICES AND ADDITIONAL PROVISIONS.

- 4.01 The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

Exhibit A Scope of Services/Payment Provisions

Exhibit B Intercare - Best Practices

Exhibit C Claims Processing Guidelines

5.0 PERFORMANCE STANDARDS.

- 5.01 CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of the County, or immediate family of an employee of the County.
- 5.02 CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.
- 5.03 CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use County premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

6.0 PAYMENT CONDITIONS.

- 6.01 Prices shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provided in this paragraph. The County does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement.
- 6.02 Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of the Agreement. Rate changes are not binding unless mutually agreed upon in writing by the County and the CONTRACTOR.
- 6.03 Invoice amounts shall be billed directly to the ordering department.
- 6.04 CONTRACTOR shall submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. The County shall certify the invoice, either in the requested amount or in such other amount as the County approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

7.0 TERMINATION.

- 7.01 During the term of this Agreement, the County may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.

- 7.02 The County may cancel and terminate this Agreement for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If County terminates this Agreement for good cause, the County may be relieved of the payment of any consideration to CONTRACTOR, and the County may proceed with the work in any manner, which County deems proper. The cost to the County shall be deducted from any sum due the CONTRACTOR under this Agreement.
- 7.03 The County's payments to CONTRACTOR under this Agreement are funded by local, state and federal governments. If funds from local, state and federal sources are not obtained and continued at a level sufficient to allow for the County's purchase of the indicated quantity of services, then the County may give written notice of this fact to CONTRACTOR, and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as the County may specify in its notice, unless in the meanwhile the parties enter into a written amendment modifying this Agreement.

8.0 INDEMNIFICATION.

- 8.01 CONTRACTOR shall indemnify, defend, and hold harmless the County, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the County. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

9.0 INSURANCE REQUIREMENTS.

9.01 Evidence of Coverage.

Prior to commencement of this Agreement, the Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the Contractor upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to the County's Contracts/Purchasing Department, unless otherwise directed. The Contractor shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and the County has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

9.02 Qualifying Insurers:

All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to

the current Best's Key Rating Guide or a company of equal financial stability that is approved by the County's Purchasing Manager.

- 9.03 **Insurance Coverage Requirements:** Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial General Liability Insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Business Automobile Liability Insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

(Note: any proposed modifications to these auto insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Workers' Compensation Insurance, if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

(Note: any proposed modifications to these workers' compensation insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Professional Liability Insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

(Note: any proposed modifications to these insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

9.04 Other Requirements:

All insurance required by this Agreement shall be with a company acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, **and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance.** The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by the County, CONTRACTOR shall file certificates of insurance with the County's contract administrator and County's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

CONTRACTOR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

10.0 RECORDS AND CONFIDENTIALITY.

- 10.01 Confidentiality. CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this Agreement, unless County specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out CONTRACTOR's obligations under this Agreement.
- 10.02 County Records. When this Agreement expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County to perform services under this Agreement.
- 10.03 Maintenance of Records. CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three year period, then CONTRACTOR shall retain said records until such action is resolved.
- 10.04 Access to and Audit of Records. The County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the parties to this Agreement may be subject, at the request of the County or as part of any audit of the County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.
- 10.05 Royalties and Inventions. County shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of County.

11.0 NON-DISCRIMINATION.

- 11.01 During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal,

state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

12.0 COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANTS.

- 12.01 If this Agreement has been or will be funded with monies received by the County pursuant to a contract with the state or federal government in which the County is the grantee, CONTRACTOR will comply with all the provisions of said contract, to the extent applicable to CONTRACTOR as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, County will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.

13.0 INDEPENDENT CONTRACTOR

- 13.01 In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent contractor and not as an employee of the County. No offer or obligation of permanent employment with the County or particular County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from County any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold County harmless from any and all liability which County may incur because of CONTRACTOR's failure to pay such taxes.

14.0 NOTICES

- 14.01 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 addresses listed below:

FOR COUNTY:	FOR CONTRACTOR:
Steve Mauck, Risk Manager	Agnes R. Hoeberling, Chief Operations Officer
Name and Title	Name and Title
168 W. Alisal Street, 3rd Floor Salinas, CA 93901	6020 West Oaks Boulevard, Suite 100 Rocklin, CA 95765
Address	Address
(831) 796-3006	(916) 677-4359
Phone	Phone

15.0 MISCELLANEOUS PROVISIONS.

- 15.01 Conflict of Interest. CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance of the services required to be rendered under this Agreement.
- 15.02 Amendment. This Agreement may be amended or modified only by an instrument in writing signed by the County and the CONTRACTOR.
- 15.03 Waiver. Any waiver of any terms and conditions of this Agreement must be in writing and signed by the County and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.
- 15.04 Contractor. The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on CONTRACTOR's behalf in the performance of this Agreement.
- 15.05 Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute.
- 15.06 Assignment and Subcontracting. The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of the County. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the County. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.
- 15.07 Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of the County and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.
- 15.08 Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.
- 15.09 Headings. The headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 15.10 Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.
- 15.11 Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.
- 15.12 Non-exclusive Agreement. This Agreement is non-exclusive and both County and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.

- 15.13 Construction of Agreement. The County and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.
- 15.14 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.
- 15.15 Authority. Any individual executing this Agreement on behalf of the County or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.
- 15.16 Integration. This Agreement, including the exhibits, represent the entire Agreement between the County and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the County and the CONTRACTOR as of the effective date of this Agreement, which is the date that the County signs the Agreement.
- 15.17 Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

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

16.0 SIGNATURE PAGE.

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Agreement as of the day and year written below.

COUNTY OF MONTEREY

By: *Neha Nish*

Contracts/Purchasing Officer

Date: *June 28, 2016*

By: _____

Department Head (if applicable)

Date: _____

By: _____

Board of Supervisors (if applicable)

Date: _____

Approved as to Form¹

By: *Kay Beeman*

County Counsel

Date: *6/21/16*

Approved as to Fiscal Provisions²

By: *[Signature]*

Auditor/Controller

Date: *6/17/16*

Approved as to Liability Provisions³

COUNTY OF MONTEREY

Approved as to Insurance Language

By: *[Signature]*

Risk Management

Date: *6/17/16*

County Board of Supervisors' Agreement Number: _____, approved on (date): _____

CONTRACTOR

INTERCARE HOLDINGS/INSURANCE SVCS

Contractor's Business Name*

By: *[Signature]*

(Signature of Chair, President, or Vice-President)*

AGNES HOERBERG, COO

Name and Title

Date: *6/17/2016*

By: *Misha Ayler*

(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)*

Misha Ayler Controller + VP

Name and Title

Date: *6/17/16*

*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.

¹Approval by County Counsel is required

²Approval by Auditor-Controller is required

³Approval by Risk Management is necessary only if changes are made in paragraphs 8 or 9

EXHIBIT

A

EXHIBIT-A

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:

Intercare Holdings Insurance Services
<ul style="list-style-type: none">Staffing Level:<ul style="list-style-type: none">Designated Senior Claims Specialist with expertise in managing liability claims for public entity (see attached resume)Designated Claims Supervisor with over 30 years of experienceDesignated Back-Up - Senior Claims Specialist with expertise in AL/GL and risk management consultingAdmin/general support team
<ul style="list-style-type: none">Other Resources:<ul style="list-style-type: none">In-house IT Department including 24/7 HelpdeskAccounting Department/Trust account administrationCentralized Check processing systemOnline Claim Intake System accessible 24/7Advice LineQuality Assurance and Compliance ReviewRMIS System with robust reporting technologyBusiness AnalystClient Service/Account ManagerVice President of Liability Division with expertise in Professional Liability claims
Subcontracted Services at County Approved Rates
<ul style="list-style-type: none">Auto/vehicle damage appraisalsProperty damage appraisalsIntercare will use County of Monterey preferred vendor or recommend a vendor from Intercare panel.Investigation Services: Outside investigator/field adjuster services are "pass through," as claims allocated costs are incurred.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>

A2. Services/Deliverables:

Claims Process	
▪ Intake	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.
▪ Set-Up	Set-up file within 24 hours; appropriate codes entered and claim number assigned.
▪ Contact	Within 24 hours: <ol style="list-style-type: none">1. Claimant2. Witnesses3. County Department4. County Risk Management
▪ Investigation Findings	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.
▪ Reserves	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.
▪ Claim Notes	Claim notes, diaries, action plans entered in IVOS.
▪ County Access to Electronic Claim Information	Access to all data including reserves, diaries, notes, action plans, payments, imaged documents/correspondence, legal/medical information, any data captured in the system.
▪ Compliance with Government Code 910	Review government claim form within 7 days and provide oral and written recommendations.
▪ Litigation Management	Will 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.

▪ CMIS System	Ventiv iVOS System with a Medicare Module to comply with MMSEA Section 111 reporting
▪ Standard Reports	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
▪ Internal Controls	SSAE 16 and SOC 2 annually; Business Continuity Plan, Disaster Recovery Plan; Secured email,
▪ Other Services	Account Management/Client Services Annual Stewardship Review Quarterly Roundtable Claim Review Topical Captioned Status Report Claim Analysis Excess Reporting MMSEA Reporting Training

All written reports required under this Agreement must be delivered to Steve Mauck, 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 (Proposed TPA)
• General Liability Claims Management - Fixed Annual Fee includes handling pending and new claims up to 130 per year.	\$144,000/Annually
• Fee for new incidents/claim in excess of the 130 new claims per year	\$750
• 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.	10% of recovery for subrogation claims in excess of 250 annual claims (new and pending)

• Annual Escalation Rate	3%
• Additional Users (per user per year)	\$0
• Administration Fee – Per Year	\$0
• Claim System Data Conversion Fee	\$0
• 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. 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.

EXHIBIT

B

Introduction

At Intercare we are dedicated to providing prompt, fair, and professional claim handling service. The Intercare claim staff is expected to handle claims in accordance with any applicable state law, and in accordance with the guidelines outlined below. Please note that these are guidelines. The management of any claim is unique, and common sense and good judgment applies.

Unfair Claims Settlement Practices Model Regulation

Most states have adopted some form of the Unfair Claims Settlement Practices Model Regulation. The regulation requires that prompt action and good communication be documented in the claim file. Some states imply into the insurance contract a duty of good faith and fair dealing. Intercare expects its employees to comply with the Unfair Claims Settlement Practices Model Regulation as a general business practice. A copy of the Unfair Claims Settlement Practices shall be provided to each claim professional.

Liability Claim Handling Standards**I. File Record and Documentation**

- All claim files shall contain all file notes and work papers pertaining to the claim in such detail that the pertinent events and dates of such events can be reconstructed.
- Notes shall be entered in iVOS to reflect all substantial claim activity with a goal of documenting claim handling progress from file opening until final disposition of the claim.

II. Assignment

- The supervisor shall review the claim notification on the same day it is received in the office, and assignment it to the claim professional in accordance with experience, expertise and licenses held.

III. Client Contact

- Contact the client within 24 hours of receipt of the assignment to the claim professional and document the claim file accordingly.
- Send written acknowledgement by email or regular mail to the client within 48 hours of the claim professional receiving the claim assignment.
- Maintain contact with the client throughout the life of the claim.
 - Keep the insured advised of the progress of the investigation as significant new information is developed within the first 90 days of claim administration.
 - A general guideline is to provide a written report on the progress of the investigation monthly during the first 90 days.
 - Thereafter, written reports should be submitted to the client every 90 days at a minimum, but promptly after new information is developed or significant claim activity occurs, and the file should be documented accordingly.

IV. Claimant Contact

- Contact the claimant or claimant representative, as warranted, within 24 hours of the assignment to the claim professional and document the claim file accordingly.
- Send a written acknowledgement letter to the claimant within 3 business days, or to the claimant representative within 10 business days of receipt of the claim by the claim professional.
- Initial contact should include obtaining/requesting necessary information, files, records & other pertinent documents pertaining to the claim.
- Respond within 10 business days to all pertinent communications from a claimant which reasonably suggests that a response is expected.

V. Coverage

- The claims handler has access to any applicable insurance policies/profiles.
- This documentation is either in the form of actual policies or in some instances, in the form of system coverage profiles.
- Coverage determinations are made within 30 days of receipt of a claim.
 - If a determination cannot be made by that time, the file reflects the status of the coverage investigation and the reason for any delay.
- The claims handler reviews and analyzes the coverage information to determine appropriate application of all terms, conditions, limits, insuring agreements, exclusions and endorsements to the claim. This review includes, but is not limited to, the following:
 - Does the claim fall within the period of coverage?
 - Is the loss location covered by the policy?
 - Are there any additional/other-insured issues?
 - Are deductibles or retentions involved, and if so, the applicability of the same to indemnity and defense costs?
 - Are there any exclusions or limitations that may apply?
 - Are there timing of notice issues involved?
 - Is there any other applicable insurance which may give rise to other insurance /co-insurance issues?
- Following a review of the loss and an analysis of any applicable coverage, the claims handler either:
 - Determines that there are no questions as to coverage.
 - Determines that coverage most likely exists subject with some reservations.
 - Determines that there is no applicable insurance coverage for the loss.
- Regardless of the determination of the applicability of coverage, the file adequately reflects the claims handler's evaluation of coverage and the actions taken as regarding any coverage issues.
- If necessary, the claim handler drafts a reservation of rights or coverage denial letter. The claims handler obtains client and/or supervisory approval for the issuance of any coverage position as appropriate.
- If a claim has realistic potential beyond the deductible/retention or the policy, the insured is advised and if required by the client's claim handling instructions, excess carriers are placed on notice of the claim.

VI. Investigation

Detailed information about the circumstances of an incident is obtained from all parties with knowledge of the incident in a timely manner to assist in proper evaluation of any claim. The involvement of the client in the loss events is confirmed.

- When beginning an investigation, the claim professional starts with the information that is known and builds on it to uncover as much as possible about the involved parties, the location of the incident, circumstances surrounding the incident, and the date and time of the incident; truly the who, what, where, when and how of the occurrence.
- Involved parties are contacted promptly and interviewed. A determination is made as to whether or not to attempt a recorded statement. Under certain circumstances a local claim professional is engaged to visit and interview certain persons, including claimants. When a local claim professional is hired, specific instructions are given to guide activities.
- Personal information about the claimant is obtained, including:
 - date of birth
 - sex
 - marital status and name of spouse
 - social security number
 - home address and phone number
 - age
 - name(s) and number of dependents
 - occupation
 - employer and salary
 - education
 - injury information
 - identification of treating physicians
 - existence/description of any prior injury(s).
- For accidents involving operation of equipment:
 - the position of the operator at the time of the incident
 - the exact manner in which claimant utilized the equipment
 - claimant's prior experience with the equipment
 - any training claimant received related to use of equipment
 - any accessories utilized with the equipment.
- Accident scene investigations are conducted when appropriate, including obtaining a diagram of the site, area measurements and photos of the site to help determine the cause of the accident. The services of a field claim professional may be obtained; however, specific instructions guiding the investigation are given. An agreement on fees is arranged in advance.
- The date, time, weather conditions (when appropriate), names and telephone numbers of any witnesses to the incident, description of the incident scene and a detailed description of the claimant's activities are obtained promptly. Alleged injury and property damage are identified, as well.
- Witnesses are contacted to obtain their version of the incident. The date, time, weather conditions (if appropriate), incident circumstances, the identity of other witnesses, alleged injury, etc. are confirmed.

- Any official records and photographs related to the incident that may exist are obtained. These may include:
 - Police reports
 - Fire Reports
 - Weather Reports
 - Death Certificates
 - Autopsy Reports
 - Emergency Service Records
 - OSHA investigation
 - Workers compensation records, if the claimant was working when the incident occurred.
- Local newspaper articles are obtained when available, or information is obtained on the Internet.
- Information necessary to address possible contractual indemnification and third party contribution is obtained. Any potential subrogation possibilities are identified and supported.
- All damages are documented and verified. A medical authorization form is used to obtain medical records directly from the care providers, including pre-incident records when appropriate. Invoices for all claimed medical care are obtained. These may include bills from ambulance services, the emergency room, treating physicians, chiropractors, radiologists, prescription medication and medical devices, physical therapy, rehabilitation expenses, etc.
- When the true nature of the alleged injury(s), disability, permanency or scarring is either questionable or unknown, an IME (independent medical exam) is considered to assist in proper evaluation of the injury(s).
- When lost wages are claimed, verification of lost wages, salary information and amount of lost time are obtained in writing from the claimant's employer.
- Subrosa investigation is conducted, if warranted. Such investigation is tightly controlled if utilized, with specific instructions provided to the investigator as to the scope of the investigation, and a budget for the investigation is set.
- Property damage claims are supported by the appropriate documentation such as purchase receipts, information about the age of the property, repair estimates and photographs. In cases where the damaged property is replaced, salvage value is considered.

VII. Reserves

- Reserving is not an exact science.
- The claims handler, however, must establish as soon as possible an assessment of the client's exposure, the likelihood of a successful defense, the ability to reach a settlement if necessary and the anticipated settlement value of the claim.
- Within one week of receipt of a claim, the handler establishes reserves, both loss and expense, based on the information gathered from the investigation completed to date.
- The file documents the rationale behind the reserve.

- If required, the client and/or their insurer are advised of the reserve and the file reflects such notice.
- If the client requires that the claims handler obtain approval to establish a reserve, the request to establish reserves is documented in the file.
- The file reflects any subsequent reserve recommendations and the client's approval/modification of such requests.
- An accurate probable ultimate cost reserve is established within 90 days of file creation.
- Reserves are reexamined every time the file is handled, and a review of reserves is completed on at least a quarterly basis.
- Ultimately, the probable ultimate cost of the claim is determined and a reserve is established in that amount.
- If the claim professional is uncertain about the validity of the reserves, the claim should be reviewed with a supervisor or other claim professional in an effort to establish realistic reserves.
- It is appropriate to change reserves upon receipt of information or documentation that significantly modifies the claim evaluation, but the claim professional should avoid "step ladder reserving".

VIII. File Documentation

- Thoroughly investigate, identify and document all applicable coverage.
- Document all communications pertaining to the claim.
 - Note the date, and parties involved as well as the content of all communications.
- Document any direction given pertaining to your investigation or the discovery being conducted on the claim.
- Document your evaluation and analysis.
- Document your action plan and update it as needed.
- Document your analysis of discovery.
- Maintain active claims on a 45 to 60 day diary.
 - Document any reason for extending the diary beyond 60 days.
- Maintain accurate data in our claim system.
 - Update all screens as information changes.
- Print and store a copy of all pertinent E-mails pertaining to the claim in the claim file.
- Reporting is tailored to each client's needs.
- The following outlines the Divisions standard procedures in the absence of any account instructions to the contrary:
 - Narrative reporting to the client is completed as required by the client.
 - The file is documented as to the claim handler's activities either via notes in the physical file or on the claims system.
 - Reporting to insurance carriers complies with any notice provisions of any applicable policy(s).

IX. Litigation Management

While client specific instructions are followed, the following steps are basic Intercare guidelines. The first step in litigation management is the initial review of the suit documents to:

- Determine the answer date
- Determine if service appears proper
- Evaluate whether suit has been brought in the proper jurisdiction/venue
- Determine if proper parties/entities named
- Note the Ad Damnum to determine if any excess issues are involved
- Evaluate whether there are any potential cross claims, counter claims and/or third party claims.

Following the initial review of the suit documents, the client is contacted to discuss the suit and the claims handler's initial recommendations as to handling. In the absence of any client wishes to the contrary, the claim handler contacts the plaintiff attorney and attempts to solicit additional information regarding the accident facts and the claimant's damages.

An initial evaluation of the suit is made to determine if an early resolution is appropriate and possible. Extensions of time are obtained if case is a candidate for early resolution or if there is insufficient time to get an answer on file. All extensions are confirmed with plaintiff counsel in writing.

Defense counsel is assigned in accordance with any special handling instructions for the account. In the absence of any specific instructions, the claims handler determines the appropriate law firm, considering:

- geographical proximity to the venue
- cost factors
- special expertise/experience

All assignments to counsel are accompanied by an in depth narrative assignment letter. This letter includes:

- Copies of the Summons and Complaint
- Copies of any pertinent investigative materials
- Accident facts developed to date
- Specific instructions to counsel regarding reporting:
 - Counsel's initial report is completed within 30 days of assignment.
 - This report outlines defense counsel's preliminary evaluation of the case, discusses any unique jurisdictional issues and makes recommendations as to a course of action.
 - This report also includes a projection as to litigation expenses.
- An explanation of the authority extended to counsel to conduct investigation, discovery, retain experts, etc.
- Billing instructions
- Discussion of the roles of the client, the claims handler and counsel in the litigation process, emphasizing ownership of the file by the claims handler

X. Litigated Cases

On litigated cases, the resolution plan is expanded to a Litigation plan. This plan includes all of the elements of a resolution plan, with the addition of a discussion of specific steps in the litigation process required to bring the case to conclusion and the timing of those steps. The plan also discusses a consideration as to whether alternative methods of dispute resolution (ADR) should be considered. While not appropriate for all cases, the concept is considered in every case and a decision as to whether to pursue ADR is made.

Strategy meetings and/or conference calls between client, the claim handler and defense counsel are held at key points of the development of a case. At these conferences the litigation plan is discussed and altered as needed. Unless unique situations warrant, these meetings are held at the following key times:

- At the completion of written discovery and document production and before depositions begin.
- After the completion of key depositions.
- After the completion of discovery but before trial.

As the case approaches trial, the case is reviewed and discussed with the unit manager. If at all possible, the claim handler attends trial in order to observe first hand any developments. If attendance is impossible, defense counsel reports to the claim handler on at least a daily basis. Unless the client has other requirements, the claim handler reports to the client on a daily basis during trial.

Attorney and other vendor invoices are examined for reasonableness and to make certain that the work performed was authorized. In the absence of any client instructions to the contrary, attorney invoices are submitted quarterly. All legal bills are itemized detailed to 1/10th of an hour. The claim handler reviews the invoice for accuracy. The claim handler clarifies any questions regarding the invoice and makes/negotiates any adjustments as necessary.

For accidents involving the operation of equipment, the position of the operator at the time of the incident is determined, along with the exact manner in which the claimant utilized the equipment. The claimant's prior experience with the equipment, any training the claimant received related to use of equipment and any accessories utilized with the equipment are also identified.

XI. Evaluation

- Our liability and damage evaluation should be completed within 90 days of receipt of the claim by the claim professional.
- Promptly and continuously consider and document the analysis of liability, defenses and damages in the claim file.
- Determine and apply proportionate liability to all parties involved, documenting the impact to the probable ultimate cost.
- Our liability analysis should include a discussion of the following:

- Coverage issues, if applicable.
- The facts giving rise to the occurrence.
- Credibility of prospective witnesses.
- Damages and supporting documentation.
- Our discussion of damages should include verification of claimed damages including but not limited to the claimed medical damages, the claimed wage loss damages and any other claimed damages, offsets, statutory limits and sources of contribution.
- Liability exposure of all parties involved.
 - f Our discussion of liability should include:
 - identification of central issues,
 - analysis of the alleged fault on the part of our client,
 - analysis of the full liability value,
 - mitigating factors in liability assessment,
 - an estimation of our chances of a successful defense,
 - and the probable ultimate claim cost.
- Reserve recommendation.
- Litigation considerations.
- Plan of action going forward.

XII. Resolution Plan/Claim Management

A resolution plan is developed for all cases. This plan reflects the thought process of the claim handler and at a minimum discusses:

- The incident facts
- Confirmation that the client was involved in the occurrence.
- Injuries and damages.
- Evaluation as to liability
- Evaluation as to claim potential and potential settlement value.
- If information is insufficient to make a preliminary evaluation of the claim, an outline of the information required and a strategy for obtaining these materials.
- Strategy for bringing the claim to conclusion.

The resolution plan is not a static document. As developments warrant, it is revised and the claim handler's thoughts as to these changes are documented.

Settlement authority is obtained from the client as specified in the account service instructions. All discussions regarding settlement authority are documented.

Structured settlements are considered where appropriate

XIII. Key Time Frames

- Claimant and insured contact – 24 hour from receipt of the claim.
- Coverage Analysis and Final Position – within 30 days of receipt of the claim if possible, or document reasons for delay, what is needed and when positions will be stated.



INTERCARE INSURANCE SERVICES-LIABILITY CLAIM HANDLING STANDARDS

- Written Evaluation and Analysis – 90 days unless otherwise specified in client service agreement.
- Coverage Letters-as soon as possible, but no later than 30 days
- Ultimate Reserve-90 days.

EXHIBIT

C

Exhibit C

Schedule for Development of Claims Processing Guidelines

The development of and compliance with Specific Claims Processing Guidelines for use by the County and Intercare is a key aspect of contract performance. Accordingly, both parties shall work diligently to develop Claims Processing Guidelines with respect to the initiation, investigation, management and documentation of claims managed through this Agreement.

A. Development and Implementation Schedule of Claims Processing Guidelines

1. Intercare shall provide a draft of the Claims Processing Guidelines specific to the needs and preferences of the County of Monterey within forty-five (45) days of the approval of the Agreement.
2. Intercare shall receive input from the County of Monterey, finalize and begin operating under the Claims Processing Guidelines within sixty (60) days of the approval of the Agreement.

B. Substance of Claims Processing Guidelines

The Monterey County Claims Processing Guidelines shall be based primarily upon the "Best Practices" attached to the Agreement as Exhibit B, and shall also include, but not be limited to, the following issues:

- a. Trust Account funding
- b. Trust Account accounting and reconciliations
- c. Disbursements must be approved by both County of Monterey Risk Management and the Monterey County Office of the Auditor-Controller
- d. Attorneys assigned to a claim or piece of litigation are to provide an assessment on liability
- e. Intercare shall set Reserves on claims based upon current information
- f. Reserves on claims are to be reviewed periodically with County Risk Management
- g. Proper disbursement of IRS form 1099, Miscellaneous Income
- h. Other issues pertinent to proper claim management, based upon review of claims portfolio



Monterey County Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Order

Agreement No.: A-13192

Upon motion of Supervisor Salinas, seconded by Supervisor Armenta and carried by those members present, the Board of Supervisors hereby:

- a. Approved and authorized the Contracts/Purchasing Officer or Contracts/Purchasing Supervisor to sign a Professional Services Agreement (PSA) with Intercare Holdings Insurance Services, Inc. for general liability claims administration services beginning July 1, 2016 through June 30, 2018 (two (2) year term), estimated to cost \$164,000 per year for an estimated total of \$328,000 over two years;
- b. Authorized the Contracts/Purchasing Officer or Contracts/Purchasing Supervisor to execute up to three (3) one-year extensions of the PSA at the request of the Risk Manager, provided the compensation terms do not increase by more than three percent (3%) of the estimated annual cost and all other terms remain unchanged; and
- c. Approved and authorized County Counsel Risk Management Division to implement the attached Agreement with Intercare Holdings Insurance Services, Inc. for general liability claims administration services.

PASSED AND ADOPTED on this 28th day of June 2016, by the following vote, to wit:

AYES: Supervisors Armenta, Phillips, Salinas, Parker
NOES: None
ABSENT: Supervisor Potter

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 79 for the meeting on June 28, 2016.

Dated: June 28, 2016
File ID: A 16-215

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By Denise Hancock
Deputy

ROUTING FORM – RQN #: 1210 *2239

Date: 06-17-16

KQN ✓

☒ AGREEMENT

☐ AMENDMENT

☒ BOARD REPORT FOR PRE-APPROVAL

KAY REIMANN

RUSH

Vendor Name: INTERCARE HOLDINGS INSURANCE SERVICES, INC.

Title/Brief Description of Document: General Liability TPA

Originating Dept.: RISK MANAGEMENT

Dept. Contact WITH Phone #: KARI, 796-3090

This Agreement or Amendment requires Board Approval: Yes ☒

No ☐

TO THE BOARD ON 6/28/16

This Agreement requires an MYA: Yes ☒

No ☐

AGREEMENT TYPE

<input type="checkbox"/> RQNSA – Standard Agreement	<input type="checkbox"/> RQNNS – Non-Standard Agreement
<input type="checkbox"/> RQNIT – ITD Standard Agreement	<input type="checkbox"/> RQNIN – ITD Non-Standard Agreement
<input checked="" type="checkbox"/> RQNPB – Pre-Board Standard Agreement	Non-Standard Board Agreement (Not to be tracked within RQN)
<input checked="" type="checkbox"/> Insurance & Endorsement Current	<input type="checkbox"/> VDR & Non-Resident State Forms Verified

ROUTING AND APPROVALS*

Each Approving Authority is requested to forward the Service Contract to the next Approving Authority in the order listed herein. Thank you.

	Approving Authority:	Approval Initials	Comments:	Date Reviewed
1st	ITD(for all ITD related contracts)	N/A		
2nd	County Counsel (required)	Kay R	A16-01750	6/21/16
3rd	Risk Management (non-standard insurance and/or indemnity provisions)	N/A		
4th	Auditor-Controller (required)	JW		6-17-16
5th	Contracts/Purchasing (required)	MM		6/28/16
	Return to Originating Department Instructions			6/24/16

* In the event that one of the approving authorities has an issue with the document and will not sign, the document shall be returned immediately to the originating department's key contact person identified herein along with a brief written explanation regarding the issue. Once that issue is corrected, the originating department shall restart the routing process again from the beginning by resubmitting the document through the approval process. The original Routing Form should be included for reference.

MYA #: _____

Revised 20140721. Ver.7