

CONTRACT COVERSHEET

NOTE: Shaded areas are for County Executive review.

CC 278
Significant
PF 3-5-07

DEPARTMENT: DOA/Risk Management	CONTRACT/ADDENDUM #: <u>8975</u>																				
1. This contract, grant or addendum: <input checked="" type="checkbox"/> AWARDS <input type="checkbox"/> ACCEPTS	<table style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%; text-align: left;">Contract</th> <th style="width: 50%; text-align: right;">Addendum</th> </tr> <tr> <td style="text-align: center;">↓</td> <td style="text-align: center;">↓</td> </tr> <tr> <td colspan="2" style="text-align: center; font-size: small;">If Addendum, please include original contract number</td> </tr> <tr> <td><input type="checkbox"/> POS</td> <td><input type="checkbox"/></td> </tr> <tr> <td><input type="checkbox"/> Co Lessee</td> <td><input type="checkbox"/></td> </tr> <tr> <td><input type="checkbox"/> Co Lessor</td> <td><input type="checkbox"/></td> </tr> <tr> <td><input type="checkbox"/> Intergovernmental</td> <td><input type="checkbox"/></td> </tr> <tr> <td><input type="checkbox"/> Purchase of Property</td> <td><input type="checkbox"/></td> </tr> <tr> <td><input type="checkbox"/> Property Sale</td> <td><input type="checkbox"/></td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td><input type="checkbox"/></td> </tr> </table>	Contract	Addendum	↓	↓	If Addendum, please include original contract number		<input type="checkbox"/> POS	<input type="checkbox"/>	<input type="checkbox"/> Co Lessee	<input type="checkbox"/>	<input type="checkbox"/> Co Lessor	<input type="checkbox"/>	<input type="checkbox"/> Intergovernmental	<input type="checkbox"/>	<input type="checkbox"/> Purchase of Property	<input type="checkbox"/>	<input type="checkbox"/> Property Sale	<input type="checkbox"/>	<input type="checkbox"/> Other:	<input type="checkbox"/>
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2. This contract is discretionary <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO																					
3. Term of Contract or Addendum: From: <u>4/1/07</u> To: <u>3/31/12</u>																					
4. Amount of Contract or Addendum varies depending on claims annually.																					
5. Purpose: To administer self-funded worker's compensation claims																					
6. Vendor or Funding Source: <u>HRH Insurance Services</u>																					
7. Vendor Code: <u>10322</u>																					
8. Bid/RFP Number: <u>106149</u>																					
9. If grant: Funds Positions? <input type="checkbox"/> YES <input type="checkbox"/> NO Will require on-going or matching funds? <input type="checkbox"/> YES <input type="checkbox"/> NO																					
10. Are funds included in the budget? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO																					
11. Account No. & Amount, Org. & Obj. <u>WCAADMWC32580</u> Amount \$ _____																					
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12. Is a resolution needed: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO If "YES," has a resolution been prepared/submitted? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Please attach a copy of the Resolution. If Resolution has already been approved by the County Board, Resolution No. & date of adoption <u>278</u>																					
13. Director's Approval: <u>[Signature]</u>																					

CONTRACT REVIEW/APPROVALS

Initials	Fnt	Date In	Date Out
<u>[Signature]</u> Received	_____	<u>2-20-07</u>	_____
<u>[Signature]</u> Controller	_____	_____	<u>2/20/07</u>
<u>[Signature]</u> Corporation Counsel	<u>[Signature]</u>	<u>2/20/07</u>	<u>3/1/07</u>
<u>[Signature]</u> Risk Management	_____	<u>2-20-07</u>	<u>2-20-07</u>
<u>[Signature]</u> ADA Coordinator	_____	<u>2-20-07</u>	<u>2-20-07</u>
<u>[Signature]</u> Purchasing Agent	_____	<u>3/5/07</u>	<u>3/5/07</u>
_____ County Executive	_____	_____	_____

VENDOR

Vendor Name & Address <u>HRH Insurance Services</u> <u>P. O. Box 877</u> <u>Appleton, WI 54912</u>
Contact Person <u>Jerry Iverson</u>
Phone No. <u>800-236-3311</u>
E-mail Address <u>jerry.iverson@hrh.com</u>

Footnotes:

1. ~~Summary of contract award 5 year including terms will~~

2. _____

Return To: Name/Title: <u>Barbara Wegner, Risk Mgr</u> Dept.: <u>DOA</u>
Phone: <u>266-4134</u> Mail Address: <u>CCB Room 425</u>
E-mail: <u>wegner@co.dane.wi.us</u>

Certification

The attached contract: *[check as many as apply]*

- conforms to Dane County's standard Purchase of Services Agreement form in all respects
- conforms to Dane County's standard Purchase of Services Agreement form with modifications and is accompanied by a revision copy¹
- is a non-standard contract which has been reviewed or developed by corporation counsel and which has not been changed since that review/development
- is a non-standard contract previously review or developed by corporation counsel which has been changed since that review/development; it is accompanied by a revision copy¹
- is a non-standard contract not previously reviewed by corporation counsel; it is accompanied by a revision copy
- contains non-standard/indemnification language which has been reviewed or developed by risk management and which has not been changed since that review/development
- contains non-standard insurance/indemnification language which has been changed since review/development or which has not been previously seen by risk management; it is accompanied by a revision copy
- contains non-standard affirmative action/equal opportunity language which has been reviewed or developed by contract compliance and which has not been changed since that review/development
- contains non-standard affirmative action/equal opportunity language which has been changed since the earlier review/development by contract compliance or which has not been previously seen by contract compliance; it is accompanied by a revision copy¹

Date: 2/20/07

Signed: _____

Telephone Number 266-4134

Print Name: _____

Barbara Wegner Bonnie Hammersley

Major Contracts Review (DCO Sect. 25.20) This review applies only to contracts which both exceed \$100,000 in disbursements or receipts and which require county board review and approval.

Executive Summary (attach additional pages, if needed).

1. **Department Head** Contract is in the best interest of the County.
Describe any deviations from the standard contracting process and any changes to the standard Purchase of Services Form Agreement.

Date: 2/20/07

Signature: [Signature]

2. **Director of Administration** Contract is in the best interest of the County.
Comments:

Date: 2/20/07

Signature: [Signature]

3. **Corporation Counsel** Contract is in the best interest of the County.
Comments:

Date: 2/28/07

Signature: [Signature]

¹ A revision copy is a copy of the contract which shows the changes from the standard contract or previously revised/developed contract by means of overstrikes (indicating deletions from the standard language) and underlining (showing additions to the standard language).

8975

DANE COUNTY
WORKER'S COMPENSATION
THIRD PARTY ADMINISTRATOR CONTRACT

This Agreement is entered into by and between **Insurance Services, Inc. A Hilb Rogal & Hobbs Company** (herein referred to as IS) a Third Party Administrator (TPA) provider, and **Dane County**, its client (hereinafter referred to as "COUNTY").

I. INCORPORATION OF REQUEST FOR PROPOSAL TERMS.

This Agreement incorporates the terms and conditions of COUNTY's Request For Proposal #106149 ("RFP"). Any conflict between a term or condition specifically set forth herein and a term or condition contained in the RFP shall be resolved in favor of the terms and conditions contained in this document.

II. TERMS/EFFECTIVE DATE.

A. **Effective date.** The term of this Agreement shall commence at 12:01 a.m. on April 1, 2007.

B. **Period of Agreement.** This Agreement shall be in effect for the five- year period from April 1, 2007 through March 31, 2012. "Contract year" is defined as the period from April 1 through March 31.

C. **Extension of Agreement.** COUNTY shall have the option to extend the Agreement period annually for the contract years 2012 and 2013. IS shall provide to COUNTY, in writing, any proposed rate increases not later than December 1 of the year preceding the year in which the extension will become effective. Failure to give such notice shall bar any rate or other increase by IS. COUNTY may exercise its option to extend by providing written notice to IS no later than February 1 of the contract year in which the extension will become effective.

*2/27/09
in Not included
per Jerry Johnson*

*2/27/07
"OK"
KPIK*

*OK DW
2-28-07*

III. SERVICES

IS agrees to perform all services outlined in section 4.2 and 4.3 of the RFP in connection with Dane County's self-insured status as an employer under the Wisconsin Worker's Compensation Act to include but not limited to:

1. To review each reported claim for the purpose of determining compensability
2. To discuss with the employer claims that need further review for determination of compensability
3. To make or authorize payment on behalf of the COUNTY for compensation and treatment benefits for all claims that IS believes are compensable
4. To conduct reviews of all claims
5. To establish reserves for claims and periodically evaluate such reserves

FEB 28 2007

6. To periodically review claims to determine entitlement to non-treatment related expenses such as temporary disability, permanent disability and retraining benefits. To compute the amount of such benefits payable.
7. To review treatment bills including medical, hospital and chiropractic bills for reasonableness, necessity of treatment, accuracy and completeness. To participate in the selection and supervision of outside service providers for detailed review of such bills for usual and customary charges.
8. To monitor medical treatment of injured employees. To participate in the selection and assist in the supervision of medical management, medical examiners, and rehabilitation providers.
9. To participate in the selection of and assist in the supervision of claims investigators and attorneys retained to investigate, defend and/or settle claims.
10. To monitor claims for subrogation. To direct and supervise efforts for the recovery of funds.
11. To provide monthly reports detailing claims, claimants, reserves and payments.
12. To provide reports required under the provisions of the Wisconsin Worker's Compensation Act.
13. To comply with the Excess Insurance Carrier's "claim reporting requirements" as outlined in 'Exhibit A' attached.
14. To calculate COUNTY'S experience modifier.
15. To attend hearings at IS's expense.
16. To coordinate timing of payments to employees with Risk Management staff.
17. To contact any employee that loses time from the job within 24 hours of notice of injury during business hours Monday through Friday.
18. To contact any employee in need of major medical treatment within 48 hours of notice of injury during business hours Monday through Friday.

COUNTY agrees as follows:

1. To promptly report all injuries and claims of injuries in accordance with the Wisconsin Worker's Compensation Act.
2. To assist in providing information concerning questions which arise in regard to claims to IS, investigators or attorneys handling claims on behalf of the COUNTY. To provide prompt and complete access to requested information and permit contact with employees.
3. To pay all sums incurred for the investigation of, management of, or the defense of claims regardless of whether same are contested. Such payments include, but are not limited to medical review charges, medical, chiropractic and rehabilitation management, medical examinations, investigative services and attorney's fees, and special services or administration costs rendered by IS. All services request will be approved by the Risk Manager.
4. COUNTY acknowledges that claims arising out of any penalty provision under the Wisconsin Worker's Compensation Act, including but not limited to, Wi Stat. Sec 102.57 (safety violation), 102.53(3) (failure to rehire) are to be covered by COUNTY. Section 102.81(1)(bp) (bad faith) will be covered by COUNTY if it has been determined that the penalty results from the COUNTY'S direction or approval of non-payment to IS.

At times there may be penalties that are not specifically covered by COUNTY in paragraph 4 above. Those penalties could be assessed by the Wisconsin Worker's Compensation Act for errors and omission by IS. IS will be reimbursed for those penalties only if the errors or omissions are solely caused by COUNTY.

IV. DEPOSIT FEES AND RATES

Base Rates for the Contract Year 4/1/07 – 3/31/08 are as follows:

PER CLAIM FEE	
Paid claims < \$1,000	\$115
Paid claims > \$1,000	\$490
Indemnity	\$945

COUNTY will deposit with IS \$60,000 annually payable in 12 monthly installments of \$5,000 per month beginning 4/1/07 and ending 3/1/12.

V. RATE GUARANTEES-ANNUAL PERCENTAGE INCREASE IN PER CLAIM FEES AND AUDIT OF SERVICE FEE PROCEDURES

4/1/08 – 3/31/09	4.5%
4/1/09 – 3/31/10	4.3%
4/1/10 – 3/31/11	4.0%
4/1/11 – 3/31/12	4.0%

All fees contemplate administering each claim to closure (cradle to grave).

The actual fee for this agreement shall be determined in the following way:

The actual fee for each contract year will be determined in the following manner. After September of the first contract year (4-1-07 - 4-1-08) and each contract year thereafter, the service fee will be audited for the prior contract year. For example, for the 4/1/07 – 4/1/08 contract year, the audit will be completed after September, 2008. Any adjustment from the deposit fee will be made through an invoice if there is an additional fee and a credit memo if a reimbursement is due COUNTY.

VI. TERMINATION.

- A. Either party can terminate this agreement for any reason upon 120 days written notice. The notice of cancellation must be signed by an individual with the legal authority to terminate such agreement and the notice is to be delivered certified mail to the recipient of the notice of cancellation. The recipient of such notice is to acknowledge, in writing, the receipt of the notice confirming the termination date. Once notice has been received and confirmed, all parties to this agreement must continue to comply with all terms of the agreement, including described services and payments of such fees, until such time that the agreement is fully terminated. An audit of service fees described on Page 3 of this agreement will be conducted after the termination date. Any additional fees due as a result of the audit will be paid by COUNTY or if there is a credit amount due, IS will return the amount due to COUNTY.

VII. ENTIRE AGREEMENT.

This Agreement with referenced incorporated parts and attachments shall constitute the entire agreement, and no other terms and conditions in any other document, acceptance, or acknowledgement shall be effective or binding unless expressly agreed to in writing by COUNTY.

VIII. APPLICABLE LAW

This Agreement shall be governed under the laws of the State of Wisconsin, and venue for any legal action between the parties shall be in Dane County Circuit Court. INSURANCE SERVICES, INC. shall at all times comply with and observe all federal and state laws, local laws, ordinances, and regulations which are in effect during the period of this Agreement and which in any manner affect the work or its conduct.

XII. ASSIGNMENT.

No right or duty, in whole or in part, of INSURANCE SERVICES, INC. under this Agreement may be assigned or delegated without the prior written consent of COUNTY.

XIII. NONDISCRIMINATION/AFFIRMATIVE ACTION.

During the term of this Agreement INSURANCE SERVICES, INC. agrees, in accordance with Wis. Stats. sec. 111.321 and Chapter 19 of the Dane County Code of Ordinances, not to discriminate against any person, whether an applicant or recipient of services, an employee or an applicant for employment, on the basis of age, race, ethnicity, religion, color, gender, disability, marital status, sexual orientation, national origin, cultural differences, ancestry, physical appearance, arrest record or conviction record, military participation or membership in the national guard, state defense force or any other reserve component of the military forces of the United States, or political beliefs. IS shall provide a harassment-free work environment. These provisions shall include, but not be limited to, the following: employment, upgrading, demotion, transfer, recruitment, advertising, layoff, termination and training, including apprenticeships, rates of pay or other forms of compensation.

- A. Contractors who have twenty (20) or more employees and a contract of twenty thousand dollars (\$20,000) or more must submit a written affirmative action plan to the County Contract Compliance Office within fifteen (15) working days of the effective date of the contract. COUNTY may elect to accept a copy of the current affirmative action plan filed with and approved by a federal, state or local government unit.
- B. INSURANCE SERVICES, INC. agrees to post in conspicuous places, available for employees and applicants for employment, notices setting forth the provisions of this Agreement as they relate to affirmative action and nondiscrimination.

- C. Failure to comply with the conditions of this clause may result in INSURANCE SERVICES, INC. being declared ineligible to do business with the COUNTY, termination of the Agreement, or subject to withholding of payment.
- D. INSURANCE SERVICES, INC agrees to furnish all information and reports required by COUNTY's Contract Compliance Officer as the same relate to affirmative action and nondiscrimination, which may include any books, records, or accounts deemed appropriate to determine compliance with Chapter 19, D.C. Ords., and the provisions of this Agreement.
- E. *Americans with Disabilities Act:* INSURANCE SERVICES, INC. agrees to the requirements of the Americans with Disabilities Act, providing for physical and programmatic access to service delivery and treatment in all programs and activities.

XIV. INSURANCE RESPONSIBILITY.

INSURANCE SERVICES, INC. shall:

- A. Maintain worker's compensation as required by Wisconsin Statutes, for all employees engaged in the work. INSURANCE SERVICES, INC. shall furnish evidence of adequate worker's compensation insurance.
- B. Indemnify, hold harmless and defend COUNTY, its boards, commissions, agencies, officers, employees and representatives against any and all liability, loss (including, but not limited to, property damage, bodily injury and loss of life), damages, costs or expenses which COUNTY, its officers, employees, agencies, boards, commissions and representatives may sustain, incur or be required to pay by reason of INSURANCE SERVICES, INC. for its negligent acts, errors or omissions in furnishing the services or goods required to be provided under the contract with the COUNTY, provided, however, that the provisions of this paragraph shall not apply to liabilities, losses, charges, costs, or expenses caused by or resulting from the acts or omissions of COUNTY, its agencies, boards, commissions, officers, employees or representatives. The obligations of INSURANCE SERVICES, INC under this paragraph shall survive the expiration or termination of any contract resulting from the successful vendor's bid.
- C. At all times during the term of this Agreement, keep in full force and effect comprehensive general liability and auto liability insurance policies (as well as professional malpractice or errors and omissions coverage, if the services being provided are professional services) issued by a company or companies authorized to business in the State of Wisconsin and

licensed by the Wisconsin Insurance Department, with liability coverage provided for therein in the amount of at least \$1,000,000 CSL (Combined Single Limits). Coverage afforded shall apply as primary. COUNTY shall be given ten (10) days advance notice of cancellation or non-renewal. Upon execution of this Agreement, INSURANCE SERVICES, INC. shall furnish COUNTY with a certificate of insurance listing COUNTY as an additional insured and, upon request, certified copies of the required insurance policies. If INSURANCE SERVICES INC'S. insurance is underwritten on a Claims-Made basis, the Retroactive Date shall be prior to or coincide with the date of this Agreement, the Certificate of Insurance shall state that coverage is Claims-Made and indicate the Retroactive Date, INSURANCE SERVICES, INC. shall maintain coverage for the duration of this Agreement and for two years following the completion of this Agreement. INSURANCE SERVICES, INC shall furnish COUNTY, annually on the policy renewal date, a Certificate of Insurance as evidence of coverage. It is further agreed that INSURANCE SERVICES, INC. shall furnish COUNTY with a 30-day notice of aggregate erosion, in advance of the Retroactive Date, cancellation, or renewal. In the event any action, suit or other proceeding is brought against COUNTY upon any matter herein indemnified against, COUNTY shall give reasonable notice thereof to INSURANCE SERVICES, INC and shall cooperate with INSURANCE SERVICES INC'S. attorneys in the defense of the action, suit or other proceeding.

- D. The COUNTY reserves the right to request higher or lower limits where it believes a limit change is warranted. COUNTY and INSURANCE SERVICES INC.. will negotiate in good faith to resolve any issues arising from such request.
- E. In case of any sublet of work under this Agreement, INSURANCE SERVICES, INC. shall furnish evidence that each and every subcontractor has in force and effect insurance policies providing coverage identical to that required of INSURANCE SERVICES, INC..

XV. LIVING WAGE REQUIREMENT.

- A. INSURANCE SERVICES, INC. agrees to:
 - 1. Pay COUNTY's living wage to all its employees engaged in performance of the work, whether on a full-time or part-time basis.
 - 2. Make available for the COUNTY's inspection its payroll records relating to employees providing services under the Agreement.
 - 3. Submit certifications as required in section 25.015(7), D.C. Ords.

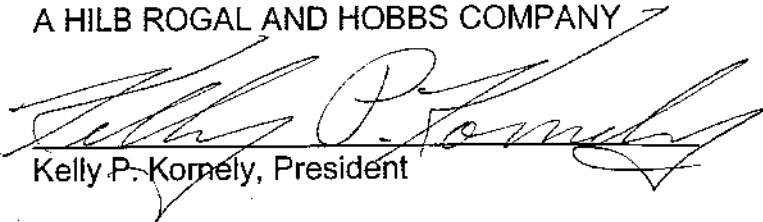
4. Display COUNTY's current living wage poster in a prominent place where it can be easily seen and read by employees.

B. In the event its payroll records contain any false, misleading or fraudulent information, or if INSURANCE SERVICES, INC. fails to comply with the provisions s. 25.015, D.C. Ords., the COUNTY may withhold payments on the Agreement, terminate, cancel or suspend the Agreement in whole or in part, or, after a due process hearing, deny INSURANCE SERVICES, INC. the right to participate in bidding on future County contracts for a period of one year after the first violation is found and for a period of three (3) years after a second violation is found.

IN WITNESS WHEREOF, COUNTY and INSURANCE SERVICES, INC., by their respective authorized agents, have caused this contract to be executed effective April 1, 2007.

FOR INSURANCE SERVICES, INC.
A HILB ROGAL AND HOBBS COMPANY

Date signed: 2/8/07



Kelly P. Kornely, President

Date signed: _____

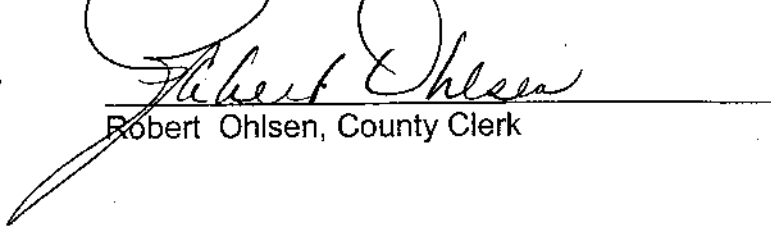
FOR COUNTY

Date Signed: 3/21/07



Kathleen M. Falk, County Executive

Date Signed: 3-23-07



Robert Ohlsen, County Clerk