

8d  
02/23/16

**SERVICE AGREEMENT FOR ADMINISTRATION OF  
WOODBURY COUNTY GENERAL LIABILITY CLAIMS PROGRAM**

This Agreement is entered into effective the 1st day of January, 2016, by and between VeriClaim, Inc. ("Contractor") and Woodbury County, Iowa ("Client").

**RECITALS**

1. Client self-insures its claims administration program for general liability risks and desires to have Contractor provide the specific services set forth below in connection with such self-insured program (the "Program," as defined on Exhibit A, attached hereto).
2. Contractor is willing to provide such services on the terms and conditions hereinafter stated.

**AGREEMENT**

1. **Services to Be Performed by Contractor:** Contractor agrees to perform the following services:
  - A. With regard to Claims Administration, Contractor shall:
    - (1) During the term of this Agreement, review all claim and loss reports received from Client that are required to be reviewed under the Program (a "Qualified Claim"), and process each such claim or loss report in accordance with applicable statutory and administrative regulations;
    - (2) Conduct an investigation of each Qualified Claim to the extent deemed necessary by Contractor in the performance of its obligations hereunder;
    - (3) Arrange for independent investigators, appraisers, or medical or other experts to the extent deemed necessary by Contractor in connection with processing any Qualified Claim;
    - (4) Maintain a file for each Qualified Claim which shall be the property of Client and which shall be available for review by Client during normal business hours upon three (3) days prior written notice;
    - (5) Notify Client's first layer excess or umbrella insurer of each Qualified Claim where the values may exceed Client's retention, providing such insurer with necessary information on the current status of those claims, unless relieved of this obligation by Client pursuant to paragraph 2A;
    - (6) Assist Client's counsel, if requested, in preparing the defense of litigated cases arising out of Qualified Claims, negotiating settlements and pursuing subrogation or contribution actions;

- (7) Maintain a current estimate of the expected total cost of each Qualified Claim which is based on facts known at the estimation date, but is not trended or actuarially developed;
- (8) Use a proprietary data management system to furnish to Client agreed upon loss and information reports. These reports shall contain information such as each Qualified Claim date, condensed claim description, payments made, estimated future costs and total expected costs of all Qualified Claims, as well as summary and other data deemed relevant by Contractor, but not IBNR (incurred but not reported) claims or actuarially developed loss values; and
- (9) Annually report federal, state and local 1099 information under Contractor's tax identification number(s) for vendor payments issued by Contractor on bank accounts established and managed by Contractor on behalf of Client, but not for payment authorizations when Contractor does not issue the checks. Client recognizes and agrees that any earnings credits realized on the account(s) will be utilized to offset banking analysis fees related to any Contractor managed claim fund account. To the extent that earnings credits do not off-set all bank account fees, Client shall pay the additional bank account fees due.

- B. Contractor shall provide the special investigative unit (SIU) services set forth in the attached SIU Service Schedule.
- C. Contractor will provide the MMSEA/SCHIP Reporting services as set forth in the Medicare Reporting Services Schedule attached hereto.
- D. Contractor will provide additional Medicare compliance services as set forth in Medicare Compliance Schedule attached hereto.

2. **Obligations of Client:**

- A. Client shall provide Contractor in a timely manner with its first layer excess insurance or umbrella insurance information for the policy years necessary for proper notification of applicable Qualified Claims to such first layer excess insurers by Contractor. Should Client fail to provide such information, Contractor shall be relieved of any obligation to provide any notification to any excess or umbrella insurer.
- B. Client shall pay to Contractor a service fee which, in the initial term of this Agreement, shall be computed and payable as shown in Exhibit B, attached hereto and made a part of this Agreement, plus applicable taxes, if any.
- C. Client shall at all times provide funds adequate for the payment of Qualified Claims, including allocated loss adjustment expenses. For purposes of this

Agreement, allocated loss adjustment expenses shall mean all costs, charges or expenses incurred by Contractor, its agents or its employees which are properly chargeable to a Qualified Claim including, without limitation, court costs; fees and expenses of attorneys; appeal bonds; independent adjusters; investigators; appraisers; vocational services, training or evaluation; medical expenses and medical cost containment service providers (including those provided by Contractor, if applicable); durable medical equipment; rehabilitation services; experts and witnesses; fees for obtaining statements, diagrams, reports, records, documents, transcripts, depositions, index bureau filings and re-filings, and photographs; cost of file retrieval; cost associated with the pursuit of subrogation and/or Special Injury Fund claims; hearing representation services; and travel fees and expenses incurred at Client's request.

- D. It is expressly understood that Contractor shall not be required to advance its own funds to pay losses or allocated loss adjustment expenses for any Qualified Claim hereunder. It is further understood that if Client fails to promptly provide funds sufficient to allow required payments to be made timely, or if funds previously provided by or on behalf of Client are seized, frozen or otherwise unavailable to Contractor to allow required payments to be made timely on account of the bankruptcy, receivership, or other insolvency proceeding of Client [or Insurer, in cases where Insurer funds claim account], Contractor will have no obligation to perform any claims payments services during any period of underfunding.
- E. Should Client fail to make timely payments of any service fees due Contractor or should Client in any other way breach a material term of this Agreement, Contractor shall then have the right to refuse to perform any further services. If Contractor elects to exercise its rights under this paragraph, in addition to all other legal or equitable remedies, Contractor will have the right to its full minimum fee, if any, as well as any other fees for which Contractor may be eligible, and may collect such fees from any loss fund that may be in Contractor's care, custody and control.

3. **Discontinuance of Operations:**

Should Client discontinue its business for any reason, all fees due Contractor shall be paid immediately. Contractor shall have no further obligation to continue to provide the services called for in this Agreement, and, at Contractor's option, this Agreement shall be considered terminated as of the date Client ceases operations or is subject to a bankruptcy or receivership filing, either voluntarily or involuntarily.

4. **Covered Jurisdictions:**

This Agreement shall cover all operations of Client in the state(s) of Iowa.

5. **Term of Agreement and Termination:**

- A. The term of this Agreement shall be for the period commencing on January 1, 2016 and ending on December 31, 2016.
- B. This Agreement may be terminated by either party at any time, provided that at least sixty (60) days prior written notice of the effective date of termination is given to the other party.
- C. Contractor is providing services to Client on a life of contract basis. If requested by Client, Contractor will continue to process Client's Qualified Claims remaining open at the expiration or termination of this Agreement, if any, provided that Client shall continue to make adequate funds available for the payment of such Qualified Claims, including any allocated loss adjustment expenses and pay information technology and data tape fees. This provision shall not apply unless the additional fee for this service shall have been negotiated and agreed to in writing prior to the effective date of termination.
- D. Upon expiration or termination of this Agreement, Contractor shall deliver, at Client's sole cost, the hard copy and imaged files that Contractor has maintained for Qualified Claims (but not including any computer hardware, firmware, software or other proprietary information of Contractor), except those Contractor has agreed in writing to continue to process; provided, however, that Contractor or its agents, employees or attorneys shall continue to be entitled to inspect all such files and make copies or extracts there from. Imaged files shall be transferred to Client in the same electronic format. If Client does not agree to accept such files, they will be retained or destroyed at Contractor's option and Client shall have no recourse against Contractor for failure to retain them. Upon request and for the prevailing fees at the time of termination, Contractor will also provide its standard tape(s) containing the computer data for the Qualified Claim files stored on Contractor's computer system(s).
- E. Upon any termination or expiration of any contract or service arrangement between the parties, Client agrees to pay all applicable severance pay and other benefits as directed by Contractor policies for employees working on Client's program.

6. **Practice of Law:**

It is understood and agreed that Contractor will not perform, and Client will not request performance of, any services which may constitute the unauthorized practice of law.

7. **Indemnification:**

- A. Contractor shall be fully responsible for exercising reasonable care at all times in the performance of its obligations hereunder. However, if Contractor is named as

a party to any litigation or proceeding, or is the subject of any claim or demand because of its actions on behalf of Client, Client agrees to indemnify, defend, and hold Contractor, its officers, directors, employees and agents harmless from any and all losses, damages, costs, judgments and expenses (including attorneys fees and costs) with respect to any such litigation, proceeding, claim or demand, unless and until a finding is entered to the effect that Contractor failed to exercise such reasonable care in the performance of its obligations hereunder. Contractor agrees to indemnify, hold harmless and defend Client, its directors, officers, employees and agents from and against any and all liabilities, loss or damage that they may suffer as a result of any claim, demand, cost or judgment against them arising out of the negligence or willful misconduct of Contractor in connection with its performance under this Agreement, provided that such acts or omissions do not arise out of or relate to oral or written instructions, procedures or forms supplied by Client or to Client's internal management or adjustment of its claims. Each party agrees to keep the other fully informed of any matter for which it is defending, holding harmless or indemnifying the other party. Each party reserves the right to appoint its own counsel, at its own expense, regarding any matter defended hereunder and to approve any settlements of same.

- B. Notwithstanding anything to the contrary contained in the above paragraph, it is understood and agreed that if Client, directly or through a subcontractor or vendor of Client's choosing ("Client Subcontractor"), retains administration of a claim or performs any services for a claim Contractor administers, or if Client otherwise directs the administration of a claim, Client will indemnify, defend, and hold Contractor, its officers, directors, employees and agents harmless from the losses, damages, costs, judgments and expenses (including attorneys fees and costs) as a result of any litigation or proceeding, fines, penalties, revocation of license, or any other state regulatory investigation or action arising against Contractor related to the acts or omissions of Client or the Client Subcontractor.
- C. If Client's access to claim data includes the ability to add and modify data, Contractor shall not be required to verify, or otherwise be responsible for, the accuracy of data added or modified by Client. Client shall indemnify, defend and hold Contractor, its officers, directors, employees and agents harmless for any loss, cost (including attorney's fees), claim or judgment which is attributable to Client's input or modification of data.
- D. The provisions of this section shall survive the expiration or termination of the Agreement.

**8. Network Security/Confidentiality:**

- A. If Client's access to the data management system requires a network connection (the "Network Connection") between Client's network and Contractor's network, Contractor and Client shall take reasonable and customary precautions to prevent unauthorized access to or use of the Network Connection through their respective

networks. The parties agree, however, that each party is responsible for the security of its own network. Neither party shall be liable to the other for unauthorized access to the Network Connection, so long as the accused party shall have taken reasonable and customary precautions to prevent such unauthorized access.

B. Whether or not marked as such, and without regard to the media in which such records are stored, "Confidential Information" shall mean:

- (1) any business or technical information pertaining to the parties herein or to third parties, which is furnished, disclosed or made available by one party to the other, including, without limitation, specifications, prototypes, software, marketing plans, financial data and personnel statistics; and
- (2) Medical records, reports and information, as well as any other non-medical records, reports or information pertaining to claimants under the Program.

C. Each party agrees to protect Confidential Information received hereunder with the same degree of care that such party exercises with its own confidential information (but in no event less than reasonable care) and to limit access and disclosure of Confidential Information only to their employees, agents and contractors who have a "need to know," and who agree to maintain confidentiality in accordance with this section. Notwithstanding the foregoing, Client agrees to permit Contractor to compile and disseminate aggregate, de-identified information for benchmarking purposes or forward to a data collection facility data for Qualified Claims handled pursuant to this Agreement, provided that such facility agrees in writing to keep Client's data confidential. Further, Contractor shall be entitled, without violation of this section and without the prior consent of Client, to retain claims administration information and to forward claims administration information to government agencies to the extent required by law for the proper performance of the services set forth herein. The parties further agree that all Confidential Information that is communicated between Client and Contractor will be securely communicated. Secure communication of Confidential Information includes, but is not limited to, the use of industry standard encryption methods for emails and data exchanges that contain Confidential Information.

D. The provisions of this section shall survive the expiration or termination of the Agreement.

9. **Notices:**

Any notice required to be given under this Agreement shall be sent by certified or registered mail, postage prepaid, to General Counsel, Sedgwick Claims Management Services, Inc., 1100 Ridgeway Loop Road, Memphis, TN 38120, in the case of

Contractor, with a copy to Edward S. Gilliland, Woodbury County 620 Douglas Street, Room 701 Sioux City, IA 51101 in the case of Client.

10. **Successors:**

This Agreement shall be binding upon and shall inure to the benefit of all transferees, assigns and successors in interest of any kind of the parties hereto, but no transfer or assignment may be made without the prior written permission of the other party.

11. **Entire Agreement and Modification or Amendment:**

This Agreement and its attached exhibits and schedules represents the full and final understanding of the parties with respect to the subject matter described herein and supersedes any and all prior agreements or understandings, written or oral, express or implied. This Agreement may be modified or amended only by a written statement signed by both parties.

12. **Applicable Law:**

The terms and conditions of this Agreement shall be governed by the laws of the State of Tennessee without regard to conflicts of law principles.

13. **Force Majeure:**

Neither party shall be liable to the other party or be deemed to have breached this Agreement for any failure or delay in the performance of all or any portion of its obligations under this Agreement if such failure or delay is due to any contingency beyond its reasonable control (a "force majeure"). Without limiting the generality of the foregoing, such contingency includes, but is not limited to, acts of God, fires, floods, pandemics, storms, earthquakes, riots, boycotts, strikes, lock-outs, acts of terror, wars and war operations, restraints of government, power or communication line failure or other circumstance beyond such party's reasonable control, or by reason of the bankruptcy, receivership or other insolvency proceeding of any bank or other financial institution where funds to pay losses and allocated loss adjustment expenses are held, or by reason of a judgment, ruling or order of any court or agency of competent jurisdiction or change of law or regulation subsequent to the execution of this Agreement. Both parties are obligated to provide reasonable back-up capability to avoid the potential interruptions described above. If a force majeure occurs, the party delayed or unable to perform shall give immediate notice to the other party. Client acknowledges that the foregoing provision does not apply to Client's obligation to make timely payment of any fees due Contractor, and that Contractor shall be entitled to all remedies set forth in this Agreement and those allowed by law for Client's failure to timely pay such fees.

14. **Headings:**

Headings herein are for convenience of reference only and shall not be considered in any

interpretation of this Agreement.

15. **Relationship of Parties; Expenses:**

Nothing contained in this Agreement shall be deemed to create a partnership or joint venture between the parties hereto; the only relationship among the parties shall be that of independent parties to a contract. Except as expressly provided herein, no party hereto shall have authority or shall hold itself out as having authority to act for or bind any other party hereto. Except as expressly set forth herein, each party shall bear all expenses it may incur in connection with the execution, delivery and performance of this Agreement.

16. **Waiver of Breach:**

Failure of either party hereto to require the performance by the other party hereto of any obligation under this Agreement shall not affect its right subsequently to require performance of that or any other obligation. Any waiver by any party hereto of any breach of any provision of this Agreement shall not be construed as a continuing waiver of any such provision or a waiver of any succeeding breach or modification of any other right under this Agreement.

17. **Subcontractor Disclosure:**

Through contractual arrangements with subcontractors, Contractor provides a full range of medical management and investigative services to its clients, as well as structured settlements, claim indexing services, imaging, auto-bill adjudication, and extra-territorial claims administration services. Medical management services include, but are not limited to, bill review, network access, pharmacy benefits management, peer review, field case management, electro-medical devices, bone growth stimulators, orthotics, prosthetics, translation and interpretation, transportation, medical supplies, IV and respiratory therapy, home health, and durable medical equipment. Client recognizes and agrees that delivery of some of these services is being provided pursuant to separate agreements between subcontractors and Contractor. Invoices for these services will be paid as allocated loss adjustment expenses on individual claims, unless otherwise agreed between Client and Contractor. Notwithstanding the foregoing, Client agrees and understands that Client is obligated to make payment to the subcontractors either directly or by remitting such payment to Contractor, for any money due for subcontracted services which have been provided under this Agreement. Client acknowledges that Contractor receives a portion of charges for subcontracted services as reimbursement for cost of program management, administration, and technological and service enhancements. In no event will charges to Client exceed the amount indicated in the



Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and date first above written.

Woodbury County, Iowa

By Jerry Taylor

Title Chairperson

Date 2-23-2016

VeriClaim, Inc.

By J. R. Kelly

Title Senior Vice President

Date 27 April 2016

## EXHIBIT A

### SERVICE PROGRAM OVERVIEW

#### I. Introduction

Contractor is administering the self insured general liability claims for Client as follows:

<b>State Serviced</b>	<b>Contractor Servicing Office</b>
IL	1833 Centre Point Circle, Suite 139
	Naperville, IL 60563

Insured Claims (if applicable):

A portion of Client's program is insured. Client shall provide the relevant policy information, including a complete copy of all applicable policies, as soon as reasonably practical after same becomes available.

#### II. Account Coordination

On behalf of Client, this service program will be coordinated by:

**Edward S. Gilliland**  
**Woodbury County**  
**620 Douglas Street, Room 701 Sioux City, IA 51101**  
712.279.6480  
[egilliland@woodburycountyiowa.gov](mailto:egilliland@woodburycountyiowa.gov)

On behalf of Contractor, this service program will be coordinated by:

**Barry Parker**  
**1833 Centre Point Circle, Suite 139 Naperville, IL 60563**  
630.245.7089  
630.839.3039

**Dustin Bollinger**  
**1833 Centre Point Circle, Suite 139 Naperville, IL 60563**  
630.245.7075  
630.245.1920

Each party reserves the right to change its designated representative during the term of the Agreement.

## EXHIBIT B

### SERVICE FEES

Client shall pay the following fees for services provided during the term of this Agreement:

1. Per Claim Fees

A. Client shall pay the following fees for claims received by Contractor during the period beginning January 1, 2016 and ending December 31, 2016:

Claim Type	Life of Contract
General Liability Property Damage	\$395
General Liability Bodily Injury	\$595
First Party Property Damage	\$ 395
Auto Property Damage	\$250 + \$50 (if total loss)
Auto Liability Bodily Injury	\$595
Incident Only	\$40

#### FIELD ADJUSTING / INVESTIGATION SERVICES

##### Time & Expense Fee Schedule

Adjusting Services	Adjuster's prevailing rate
Admin Charge	18% of services
Mileage	IRS rates
Photographs	2.00 per printed photo – electronic photos are at no charge
Outside Expenses	Actual Cost

- B. For purposes of this Agreement, an "Incident Only" shall mean claims reported by Client that require no payment or activity other than generating a record in the data management system. These claims carry no reserves and no contacts are made by Contractor. If contacts are required on incident only cases, additional fees will apply.
- C. Client acknowledges that any liability claimant which files both a property damage claim and a bodily injury claim, or any combination thereof, will incur the above stated fee for administration of each claim filed by that claimant. Further, any event which creates liability claims filed by multiple claimants or multiple claims filed by the same claimant will incur the above stated fee for administration of each claim filed by each individual claimant.
- D. Client acknowledges that the per claim fees set forth in this section 1 are based on

the assumption that Client will forward to Contractor all claims arising under the Program within the applicable time period in a covered jurisdiction. In the event that Client does not forward to Contractor all such claims, Contractor may in its discretion adjust the per claim fees accordingly.

**2. Miscellaneous Charges**

Client shall pay the following fees for services provided during the period beginning on January 1, 2016 and ending on December 31, 2016:

- A. CMS Reporting fee: \$ 2400

**3. Invoicing**

All implementation and data conversion fees are billed upon notification of award.

Contractor shall submit its invoice for all other fees on a quarterly basis, in advance, based on an annual fee estimate. Shortly after the expiration of the contract year, or upon termination, Contractor shall compare the installment amounts paid by Client to the actual fee due. Client shall pay any additional fee due, or Contractor shall credit Client for any overpayment, as the case may be.

**4. SIU Service Fees**

The charges set forth below are the current fees for the services listed, and these fees may change from time to time upon sixty days prior written notice to Client:

A.	RESEARCH SERVICES	FEE
1.	<p><b>Comprehensive background</b> Extensive data research to provide a complete profile of the claimant. Data categories covered by this service include: Identity verification, personal information, claims history, public &amp; court records, financial records, professional information &amp; affiliations, and internet profile.</p> <p><b>Fraud assessment service toolkit (FAST)</b> For clients subscribing to ClaimDirector and participating in the Contractor SIU services program, this comprehensive background check will include a triage of the ClaimDirector score, review of claim data and an analyst's written recommendation for the investigation action plan.</p>	\$430
2.	<p><b>Canvassing services</b></p> <ul style="list-style-type: none"> <li>• <b>Medical canvass</b> Search within a 60 mile radius of the claimant's residence on the date of loss or injury, to determine if the claimant was treated in a hospital, surgery center or other major medical center by a physician or specialist within a specified time frame. Search includes a maximum of 15 provider locations.</li> <li>• <b>Pharmacy canvass</b> Search within a 60 mile radius of the claimant's residence on the date of loss or injury, to determine if prescriptions were obtained in the claimant's name within a specified time frame. Search includes a maximum of 15 pharmacy locations.</li> </ul>	\$250 Per canvass

	<ul style="list-style-type: none"> <li>Other facility canvass Search within a 60 mile radius of the claimant's residence on the date of loss or injury, to determine if claimant is known to be or has been affiliated with a particular facility category within a specified time frame. Search includes a maximum of 15 facilities.</li> </ul>	
3.	<b>Personal profile</b> Data research to provide a basic profile of the claimant including identity verification, personal information and online social media activity.	\$250
4.	<b>Internet profile</b> In-depth internet research to identify social media activity, professional links, military records, domain registration and other online activities that the claimant may be associated with.	\$200
5.	<b>Social media monitoring</b> When pertinent information has been obtained in the Internet Profile, we offer continued social media site monitoring for additional activity or updates. Flat rate fee includes an update once per week for four (4) consecutive weeks.	\$195
6.	<b>Skip tracing/individual locate</b> Research investigation to locate the claimant, witness or other involved parties.	\$175
7.	<b>Asset check</b> Verify and determine assets associated with an individual or business.	\$225
8.	<b>Criminal &amp; civil check</b> Court records research to determine claimant's involvement in a civil lawsuit, either as the plaintiff or defendant, and a felony & misdemeanor criminal check on the same subject. This service includes a search of both upper and lower courts and one (1) county of residence for the claimant over a seven (7) year period.	\$135, additional counties: \$35 per county
9.	<b>Records request</b> Requests for specific documentation related to a claim. This may include, but is not limited to, medical records, police reports, death certificates, court documents, etc.	\$100 Plus cost of records
10.	<b>Other research services</b> Requests for additional research investigation services will be quoted on an individual basis.	Quote upon request
<b>B.</b>	<b>FIELD SERVICES</b>	<b>FEE</b>
1.	<p><b>Surveillance</b> \$80 per hour: All other states. \$90 per hour: CA and New York City (five boroughs and Long Island). The above per hour rates includes onsite field surveillance, electronically transmitted detailed investigative reports, photos, and video highlights. There is no additional charge for rush, weekend, or holiday cases.</p> <p><u>The following expenses are in addition to the above listed rates:</u></p> <ul style="list-style-type: none"> <li>Travel: \$45 per hour (includes fuel and mileage).</li> <li>Additional Expenses: Billed at actual cost (prior approval required) for airfare, rental vehicles (including gas, and excluding mileage), meals, and lodging.</li> <li>Pre-surveillance verification: Verification of claimant's address, telephone number, social security number, and known vehicles: \$75 per assignment.</li> <li>License plate searches: \$10</li> </ul>	\$80/\$90 Per hour as noted
2.	<p><b>Alive &amp; Well</b> \$250 flat rate: All other states. \$275 flat rate: CA and New York City (five boroughs and Long Island).</p>	\$250/\$275 Flat rate as noted

	Scheduled face-to-face interview with the claimant covering nature and extent of injury/disability, medical diagnosis and treatment, review of medical providers, medication, follow-up treatment plans, previous/current employment, current activities, and physical restrictions. This service includes photo image of the claimant and the residence.	
3.	<b>Activity Check</b> \$325 flat rate: All other states. \$350 flat rate: CA and New York City (5 boroughs and Long Island). Field investigation designed to assess the claimant's activity level by discreetly interviewing neighbors and other persons who may have information about the claimant's level of activity, their injury, and other related information. Description and photos of the claimant's residence, vehicles and surrounding area are also provided. This service includes verification of claimant's residence, telephone, social security number, and a list of vehicles registered to the claimant's address.	\$325/\$350 Flat rate as noted
4.	<b>On-site field investigations</b> \$85 per hour: All other states. \$95 per hour: CA and New York City (five boroughs and Long Island) The hourly rate applies to on-site investigation, portal-to-portal travel, report documentation, and supervisory time. Mileage will be charged at the current effective standard mileage rate as issued by the Internal Revenue Service (IRS). Additional expenses for tolls, parking, records procurement charges, etc. will be invoiced at actual cost.	\$85/\$95 Per hour as noted
5.	<b>Transcription-recorded interviews</b>	\$35 Per hour
6.	<b>Fuel surcharge</b> If the national average price of regular gasoline exceeds \$3.75 per gallon for more than 30 consecutive days, a fuel surcharge of 2% of invoice amount will be incurred. The surcharge will be removed once the national average falls below \$3.75 per gallon for 30 consecutive days.	2% If fuel cost is > \$3.75 for 30 consecutive days
7.	<b>Fire investigations</b> This service includes review, investigation, documentation and consultation with local, state, or federal law enforcement, fire officials, and prosecutors.	\$130 Per hour
8.	<b>International investigations</b> <ul style="list-style-type: none"> <li>• Surveillance</li> <li>• Defense Base Act (DBA)</li> <li>• Contestable death claims</li> <li>• Life and health claims</li> <li>• Death verification claims</li> <li>• Travel claims</li> </ul>	Quoted on an individual basis
9.	<b>Testimony</b> \$85/hour: All other states \$95/hour: California and New York (Five boroughs and Long Island)	\$85/\$95
10.	<b>Video Processing</b> \$30 processing fee \$30/hour: Duplicate copies of additional video \$50/hour: Highlight video of activity	\$30/\$50
C.	<b>ASSESSMENT SERVICES</b>	<b>FEE</b>
1.	<b>Fraud investigation</b> Contractor SIU provides claim file review, claim file demand, fraud packaging, and consultation services.	\$95 Per hour

2.	<p><b>State fraud reporting</b>  Contractor SIU will complete state fraud reporting for states where mandated. For non-mandatory states, fraud may be reported based on findings and/or client direction. A Contractor SIU analyst will review the claim file to determine if the claim has the necessary elements to meet the filing requirements of the appropriate state agency.  *Claim files that require more than one hour of additional research and documentation to meet the state requirements will be invoiced at the hourly SIU Fraud investigation rate. The client will be notified of those instances and their approval is required.</p>	<p>\$75*  Per filing</p>
----	---	------------------------------

**5. Subrogation Recoveries**

Contractor shall pursue subrogation and Second Injury Fund recoveries as appropriate. Client shall pay Contractor fifteen percent (15%) of the recovery received. All fees and expenses, including attorneys' fees or investigations, for pursuit of any recovery shall be charged to the appropriate Qualified Claim file as an allocated loss adjustment expense. Upon receipt of the recovery check, Contractor shall deposit such checks and issue payment from its Accounts Payable system to Client for the net recovery (less Contractor' fee). The net recovery check will be deposited into the Client owned bank account (when one exists) or forwarded directly to Client.

**6. Payment Terms**

Client acknowledges that all fees set forth in the Agreement are due and payable within thirty (30) days of the invoice. Any and all past due fees will incur interest at the rate of 1.5% per month, unless otherwise prohibited by law. Client acknowledges that in the event Contractor undertakes collection proceedings for any outstanding fees, then Client will reimburse Contractor for all costs associated with such collection action, including a reasonable attorney fee and court cost.

## **SIU SERVICE SCHEDULE**

Contractor Special Investigations Unit ("Contractor SIU") will provide centralized management of investigative service vendors and will maintain a national vendor list of approved service providers based upon client or local Contractor office preference. Contractor SIU will establish quality benchmarking and ensure its vendors are properly licensed and maintain insurance coverage as mandated in vendor agreements with these firms.

Contractor SIU will serve as a central referral and coordination unit providing the following SIU services for the fees itemized in Exhibit B:

1. Assessment services including case review, consultation, action plan development, state fraud filing, claim file demand and fraud packaging.
2. Field services including surveillance, activity checks, alive and well checks, and on-site investigations including recorded statements, AOE/COE, and scene investigations.
3. Research services including comprehensive background checks, internet searches, facility canvasses public records, skip tracing, criminal, civil and asset checks.
4. SIU compliance services including carrier and state annual reporting and fraud awareness training.
5. And, other services as outlined in Exhibit B.



## **MEDICARE REPORTING SERVICES SCHEDULE**

In order to assist the Client in fulfilling its Medicare beneficiary reporting obligations under Medicare, Medicaid and State Children's Health Insurance Program Extension Act of 2007 ("MMSEA") Section 111 as set forth in 42 U.S.C. §1395y(b)(7)&(8), Contractor will perform the following reporting services:

- 1) Contractor will electronically interface with the Centers for Medicare and Medicaid Services ("CMS") to capture and report data in the format prescribed by the CMS Specifications.
- 2) Contractor will report directly to CMS on behalf of Client as an Account Designee (reporting agent), as such term is defined in the CMS User Guide as amended from time to time by CMS.
- 3) Client will be considered a Responsible Reporting Entity ("RRE") as that term is defined in MMSEA Section 111 as set forth in 42 U.S.C. §1395y. Contractor will assist Client as follows:
  - a) As the custodian of the original claims information from which the reports will be compiled, Contractor will be an authorized Account Designee for Client. As an Account Designee, Contractor will prepare and submit test files to CMS in accordance with the requirements of the CMS Specifications.
  - b) Contractor will prepare the CMS Medicare beneficiary required data files and submit them to CMS or otherwise forward them as instructed by Client.
- 4) Contractor will be responsible for payment of any and all fines assessed to Client in regards to compliance with the Medicare beneficiary reporting requirements of Medicare, Medicaid and SCHIP Extension Act of 2007 that relate to the negligent acts or omissions of Contractor except to the extent that:
  - a) Such fines or penalties are the direct result of specific direction given by Client and/or its agent or the actions or omissions of Client and/or its agent; or
  - b) Contractor did not receive information from Client that is essential to the performance of the duties set forth herein in a timely manner so as to be able to comply with the terms of this Agreement.

## MEDICARE LIABILITY COMPLIANCE SERVICES SCHEDULE

Upon request of Client and for additional fees, Contractor is able to perform the following Medicare Compliance Services for liability claims. The current fees for the services listed below may vary from the fees set forth at the time of contract execution, accordingly, the current fees will be provided to Client prior to such services being performed.

No.	Product Name/Description	
1	<b>Liability Medicare Set-Aside (MSA):</b> This is a compact MSA report that will not be submitted to CMS for review. The spreadsheet and cost analysis will contain the same amount of detail as a normal MSA, but the summary portion will be more concise.	\$1,695
2	<b>Medicare Lien Resolution:</b> Contractor's CMS Lien Resolution program will assist the examiner in all facets of lien resolution, including submitting all necessary documents to the government, obtaining the necessary consent forms from the claimant, evaluating the lien, challenging the sufficiency of the lien, assisting with settlement negotiations, and providing sample settlement language.	\$515
3.	<b>Medical Cost Projection (MCP):</b> A Medical Cost Projection (MCP) is similar to an MSA in that it projects the anticipated future care of a claimant. The report format and structure are very similar. The major difference is that MCPs cover both Medicare and non-Medicare related medical expenses. An MCP is primarily used for one of two purposes: (1) for reserve setting in a liability claim or (2) for determining total possible exposure for all future medical expenses.	\$2,200
4	<b>MSA/MCP COMBINATION REPORT:</b> This product is a combination of the MSA and MCP. It includes one report that summarizes medical records and two spreadsheets. One spreadsheet is for the cost of the MSA and the other is for future total medical exposure. This report can be offered at a reduced price if it is requested at time of referral as it would require one review of the medical records to write and price the single report. This is a helpful tool for settlement purposes as it gives the examiner a clear picture of future Medicare exposure as well as future medical exposure.	\$3,300
5	<b>MSA UPDATE:</b> All updates will be charged a flat fee per update. <b>*Exception: MSAs older than 2 years may be charged the full MSA rate for an update.</b>	\$600 per update
6	<b>Social Security Disability Check –</b> With an appropriate consent form signed by the claimant, we will check to determine if the claimant has applied for or been accepted for Social Security Disability Benefits. This information can be used to determine the appropriateness of a Medicare set-aside (MSA) or, in some jurisdictions, to determine if an offset can be taken on liability or WC benefits.	\$250
7.	<b>Rated age request:</b> In certain circumstances, it may be necessary to secure a rated-age in order to minimize the MSA	\$20

**Jean Jessen - Fwd: Woodbury County Contract - fully executed**

---

**From:** Ed Gilliland  
**To:** Barry Parker; Dustin Bollinger  
**Date:** 4/28/2016 10:04 AM  
**Subject:** Fwd: Woodbury County Contract - fully executed  
**CC:** Abell, Tonia; Anderson, Lisa; Gill, Patrick; Jessen, Jean; Thomas, M...  
**Attachments:** Woodbury County Iowa 2016 CSA.pdf

---

Thank you.

If it is possible, our Auditor does like to have the original here. Thanks again.

We look forward to doing as little business together as possible, that said, I as sure we will be talking soon!

Respectfully,

Ed G.

Edward S. Gilliland  
Director Human Resources  
Woodbury County  
620 Douglas Street, Room 701  
Sioux City, Ia 51101  
[712-279-6480](tel:712-279-6480)  
[egilliland@WoodburyCountyIowa.gov](mailto:egilliland@WoodburyCountyIowa.gov)

>>> "Dustin Bollinger" <[dbollinger@VeriClaimInc.com](mailto:dbollinger@VeriClaimInc.com)> 4/28/2016 9:59 AM >>>  
Ed,

I realized when going through my records that we did not send you a fully executed contract so I had it signed on our end and sent back to me. Attached is the signed and fully executed contract for this year for your records. Please let me know if you have any questions on either the contract or any of the claims.

Thank you,

---

**Dustin Bollinger**  
Direct # [\(630\) 245-7075](tel:630-245-7075)  
Fax # [\(630\) 839-2917](tel:630-839-2917)  
Email: [dbollinger@vericlaiminc.com](mailto:dbollinger@vericlaiminc.com)

**vrs** **vericlaim**  
a sedgwick company

---

1833 Centre Point Circle  
Suite 139  
Naperville, IL 60563  
[www.vrsvericlaim.com](http://www.vrsvericlaim.com)

---

This message may be confidential and/or privileged. If you are not the intended recipient, please notify the sender immediately then delete it - you should not copy or use it for any purpose or disclose its content to any other person. Internet communications are not secure. You should scan this message and any attachments for viruses. Under no circumstances do we accept liability for any loss or damage that may result from your receipt of this message or any attachments.

---