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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