

**AMENDMENT TO AGREEMENT BETWEEN LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT AND RISK MANAGEMENT SERVICES CO.**

THIS AMENDMENT TO THE CLAIMS HANDLING SERVICES AGREEMENT is effective this ___ day of July, 2015, by and between Risk Management Services Company (hereinafter "RMSC") and the Lexington-Fayette Urban County Government (hereinafter "LFUCG"). RMSC and LFUCG are collectively referred to herein as the "Parties".

WHEREAS, on March 21, 2013, LFUCG and RMSC entered into an Agreement under which RMSC assumed the responsibilities for processing and handling automobile and property damage claims adjusting and subrogation; and

WHEREAS, on July 1, 2013, LFUCG and RMSC entered into an Agreement under which RMSC assumed the responsibilities for processing and handling workers compensation, automobile liability and general liability claims for LFUCG; and

WHEREAS, the parties wish to add a provision for RMSC to include acting as claims manager as part of its third party administrative services related to the processing and handling of claims for LFUCG; and

WHEREAS, the Parties desire to amend the Agreement to include Claims Manager responsibilities:

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed upon as follows:

1. RMSC shall provide the following additional services as Claims Manager for LFUCG:

A. Daily Tasks:

- ❖ Set up each new loss with a reserve over \$10,000 or in Litigation into the Outlook Diary system. Set a diary of 30 days to 90 days and then review the claim file on the appropriate diary date. Send the adjuster instructions on claims handling as needed.
- ❖ Read all Outlook e-mails, and telephone messages on a daily basis and respond as required. Copy and save all necessary information to the Riskmaster claim file.
- ❖ Review and respond to all postal mail. Scan the mail to the Riskmaster claim file or send to the TPA.
- ❖ Review and approve all claim checks entered into the People Soft system.

- ❖ Set up all new litigation files into Riskmaster and input the claim reserves on each claim. Send the complaint to TPA and have the adjuster send a report to the excess insurer.
- ❖ Review the applications for Off Duty Employment for Police and Community Corrections for proper insurance coverage, so that LFUCG and the employee are protected.
- ❖ Review all Requests for Proposals and LFUCG contracts and recommend the needed insurance coverage(s) for LFUCG's protection. When contracts are renewed, review the Certificate of Insurance of the vendor to make sure that they have all required insurance coverage.
- ❖ Review all new loss reports and give appropriate instructions to the TPA.
- ❖ Respond to all Law Department management requests for data on any current claim file.
- ❖ Review all Claims related Open Records Requests, obtain the requested data and issue a response within the required 3 business days.
- ❖ Review the PPE payroll report to determine if the Workers Compensation lost time claims should be approved or denied, biweekly.
- ❖ Conduct initial review of legal bills as requested by Commissioner or Managing Attorney.

B. Quarterly Tasks:

- ❖ Review all open litigation claims for reserve adequacy and request that TPA adjusters send quarterly reports to excess insurers.
- ❖ Prepare a Quarterly Claim Report on the comparison of frequency and severity of cost of open claim files for the Commissioner of Law and attach all documentation.

C. Annual Tasks:

- ❖ Prepare an annual review of all TPA and litigation open claim files for reserve adequacy. Determine if any open claim files should be closed and then take the proper steps to close the file prior to fiscal year end. Raise or lower the pending reserves on all open files to make sure that they are adequate to meet the current settlement value.
- ❖ Prepare an annual year end report for the Commissioner of the Department of Law showing the financial results of the current fiscal year compared to the prior

two fiscal years. Report on any problems or large losses that may have skewed the numbers and suggest ways to improve the Claims work product.

- ❖ Work with the Commissioner of Law and the Managing Attorneys on the annual claims budget for the claims fund and the various professional service costs for the Department of Law.

D. Other Duties:

I. Required State Reports:

- ❖ Prepare the annual Workers Compensation Simulated Premium report to the Labor Cabinet by February 15th of each year and pay the premiums within thirty days of end of each quarter. Work with Accounting Department on the preparation of this report.
- ❖ Prepare the Annual Assigned Risk Assessment Report by December 30 of each calendar year. Attach the documentation and annual payment with the report.
- ❖ Prepare the recertification report on the Self Insurance Fund by the end of each calendar year.
- ❖ Have the claims administrative employee prepare the P&C quarterly auto claims report to the state at the end of each quarter.
- ❖ Work with accounting to prepare the Public Protection Cabinet MVSII report before May 1 of each calendar year.
- ❖ Send to each Division Director the annual Workers Compensation Notice Form required by the Commonwealth of Kentucky.

II. Management and Financial Reports:

- ❖ Work with current Actuary and Accounting Division to prepare all the financial reports necessary for an end of fiscal year Actuarial Report for LFUCG and the Self Insurance Fund. The Actuarial report will go to the Commissioner of the Department of Law, the Commissioner of Finance and to the Director of Accounting. This report will give recommendations for funding of the Self Insurance Fund for the next fiscal year. Work with the Commissioner of Law on the next fiscal year Claims Budget.
- ❖ Assist the Commissioner of Law and Managing Attorneys regarding any RFP request for proposal needed for the FY 17 fiscal year.

- ❖ Prepare a financial reserve adequacy on all large losses over \$50k for the Commissioner of Law, work with the Commissioner of Law on the annual Claims review by the outside financial auditor.
 - ❖ Send out the Auto Liability insurance coverage card to the Division of Fleet Services.
 - ❖ Attend mediations as needed; and
 - ❖ Act as liaison for all divisions (Police, Fire, Public Works, etc.) regarding workers' compensation issues.
2. The base compensation set forth in the Agreement shall be increased by \$78,000 for the provision of these additional services, billed a quarter in advance. This amount includes all staff costs; working on site in LFUCG office two days per week for the duration of this amendment (and includes associated costs such as mileage, etc.); and the costs of attending all meetings in Lexington as requested by LFUCG.
 3. The term of this amendment shall be two years from the beginning date referenced above.
 4. All other terms and conditions of the Agreement shall remain in full force and effect except as modified herein.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment in their official capacity and with legal authority to do so.

RISK MANAGEMENT SERVICES COMPANY

By: _____

Title: _____

Date: _____

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

By: _____

Title: _____

Date: _____