

PRINCE WILLIAM SELF-INSURANCE GROUP CASUALTY POOL ASSOCIATION
1 County Complex Court, Prince William, Virginia 22192-9201
703-792-6700 Metro 631-1703 Ext. 6700 Fax 703-792-7695

Group Members:
Prince William County
Prince William County Manassas Regional Adult Detention Center
Prince William County Park Authority

CONTRACT: 8007NA3

SUBJECT: CLAIMS ADMINISTRATION

Between:

PRINCE WILLIAM COUNTY SELF-INSURANCE GROUP
CASUALTY POOL ASSOCIATION
1 COUNTY COMPLEX COURT
PRINCE WILLIAM, VA 22192-9201

703-792-6070 METRO 631-1703 EXT 6700

and the Contractor:

PMA MANAGEMENT CORPORATION
4801 COX ROAD
GLEN ALLEN, VA 23060
Telephone: 800-572-7624
Facsimile: 410-527-9180

This Contract is entered into this 15th day of October, 2007, by and between the Prince William Self-Insurance Group Casualty Pool Association, or its authorized agents, and the Contractor identified above for services identified herein, on the following terms and conditions. This Contract is prepared in accordance with the Purchasing Regulations of Prince William County, which are incorporated herein by reference.

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SECTION I

SPECIAL PROVISIONS

I.1 Definitions

"PWSIG" shall mean the Prince William Self-Insurance Group, Casualty Pool Association.

"Contract Administrator" assigned to administer this Contract for the PWSIG is Lori Gray, Risk Manager.

"Contractor" or "TPA" shall mean:

PMA MANAGEMENT CORPORATION
4801 COX ROAD
GLEN ALLEN, VA 23060
Telephone: 800-572-7624
Facsimile: 410-527-9180

whose authorized representative is Michael MacAulay, Vice President of Sales, who is responsible for the performance obligation of the Contractor under this Contract.

I.2 Period of Contract

The term of this Contract shall be for three (3) years from July 1, 2007. The County shall have the option to extend the Contract for three (3) additional one (1) year periods, contingent upon availability of funds for the purpose.

The PWSIG shall give the Contractor ninety (90) days written notice of intent not to renew prior to the expiration date of the current Contract. Agreement to extend the Contract term shall not be final until the Contractor provides written acknowledgement of the extension.

I.3 Incorporation of Documents

The following documents are hereby incorporated by reference into this Contract:

1. Contractor's Proposal dated April 13, 2007, and cost proposal revision dated June 14, 2007.
2. PWSIG Solicitation Number RFP070012 entitled Managed Care and Claims Administration dated March 23, 2007, and Amendment No. 1.

In the event of an inconsistency, such inconsistency shall be resolved by affording precedence to the documents in the following order of priority:

I.3 (Continued)

1. This Contract.
2. Contractor's proposal dated June 14, 2007.
3. Request for Proposal RFP070012.

I.4 Provision of Services

The Contractor hereby agrees to provide services to the PWSIG as described herein and further outlined in Attachment A, Scope of Work.

I.5 Contract Amount

In return for the services identified above, and subject to the "Non-Appropriation of Funds" clause herein, the PWSIG certifies that sufficient funds are budgeted and appropriated and shall compensate the Contractor in accordance with such formula for payments as set forth in Attachment B.

I.6 Method of Payment

The Contractor shall submit invoices quarterly listing the services performed and completed as outlined in Attachment A. The claims administration service fee shall be paid quarterly, in advance. The invoice should cite the Contract Number and date of services.

The PWSIG will make payment to the Contractor, net 30 days or in accordance with discount terms, if offered, after receipt of an acceptable invoice and satisfactory completion of each of the requested services as set forth in the payment schedule in Attachment B.

I.7 Time of the Essence and Completion

Time shall be of the essence to this Contract, except where it is herein specifically provided to the contrary.

The Contractor shall provide the Contract services in accordance with the schedule set out in the Contractor's proposal and the Operating Procedures set out for the PWSIG as mutually agreed to. The PWSIG Operating Procedures shall take precedence.

I.8 Key Personnel

The Contractor shall assign to this Contract the following key personnel:

David Sweigard, Manager - Business Development
John Waggoner, Regional Claims Manager
Beverly Deale, Senior Claims Adjuster
Amber Johnson, Senior Claims Adjuster

I.8 (Continued)

During the period of performance, the Contractor shall make no substitutions of key personnel unless the substitution is necessitated by illness, death, or change of employment. Any proposed substitutions are subject to the approval of the PWSIG. The Contractor shall notify the Contract Administrator within 5 calendar days after the occurrence of any these events and provide the information required by the paragraph below.

The Contractor shall provide a detailed explanation of the circumstances necessitating the proposed substitutions, complete resumes for the proposed substitutes, and any additional information requested by the Contract Administrator. Proposed substitutes should have comparable qualifications to those of the persons being replaced. The Contract Administrator will notify the Contractor within 5 calendar days after receipt of all required information of the decision on substitutions. This clause will be modified to reflect any approved changes of key personnel.

I.9 Inspection and Acceptance

All tasks and reports shall be conducted and completed in accordance with recognized and customarily accepted industry practices, and shall be considered complete when the deliverables are approved as acceptable by the Contract Administrator in writing. In the event of rejection of any report or deliverable, the Contractor shall be notified in writing and shall have ten (10) working days from date of issuance of notification to correct the deficiencies and resubmit the report/deliverable. Failure to submit acceptable work within the 10 days shall constitute a breach of the Contract for which the Contractor may be held in default.

I.10 Insurance

The Contractor shall maintain insurance, in an amount and a form set forth in RFP070012.

Contractor shall procure a fidelity bond sufficient to protect the interests of the Group under this Contract in a form and an amount as required by the State Corporation Commission. It shall be a condition of this Contract throughout its term that the Contractor shall be approved by the State Corporation Commission under Insurance Regulation 16 and Insurance Regulation 30 as a Service Agent. Contractor shall provide satisfactory evidence of the foregoing State Corporation Commission approvals.

I.11 Hold Harmless

To the extent liability is imposed by law, the PWSIG shall be responsible for its own acts and omissions and those of its agents and employees.

I.11 (Continued)

The Contractor agrees to indemnify and hold harmless the PWSIG with respect to any claims, actions and suits asserted as a result of any errors, acts, omissions, torts, intentional torts or other negligence on the part of the Contractor or its employees, unless the complained of actions of the Contractor were taken at the specific direction of the PWSIG.

The right and obligation of the PWSIG or Contractor to be responsible for acts and omissions, or to indemnify and be indemnified, shall survive the expiration or termination of this Contract by either party for any reason. Nothing in this Contract creates any right of action in any third party and nothing in this Contract shall be construed as a waiver of sovereign immunity or a waiver of any defense available to either party.

It is understood and agreed that the Contractor is at all times herein acting as an independent Contractor and not an employee of PWSIG.

SECTION II**GENERAL PROVISIONS****II.1 Assignability of Contract**

Neither this Contract, nor any part hereof, may be assigned by the Contractor to any other party without the express written permission of the PWSIG.

II.2 Modifications or Changes to the Contract

All modifications and changes to the Contract shall be in writing and mutually agreed to and signed by both parties.

II.3 Employment Discrimination for Contracts Over \$10,000

1. During the performance of this Contract, the Contractor agrees as follows:

a. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

b. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.

c. Notices, advertisements, and solicitations placed in accordance with Federal law, rule, or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.

2. The Contractor will include the provisions of the foregoing paragraphs a, b, and c in every Subcontract or purchase order over \$10,000.00, so that the provisions will be binding upon each Subcontractor or Contractor.

II.4 Drug-free Workplace to be Maintained by Contractor for Contracts over \$10,000.00

During the performance of this Contract, the Contractor agrees to (i) provide a drug-free workplace for the Contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful

II.4 (Continued)

manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every Subcontract or purchase order over \$10,000.00, so that the provisions will be binding upon each Subcontractor or Contractor.

For the purpose of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific Contract awarded to a Contractor in accordance with this chapter, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession, or use of any controlled substance or marijuana during the performance of this Contract.

II.5 Claims/Disputes

In accordance with Section 2.2-4363, VA Code Ann., this provision shall be followed for consideration and handling of all claims by the Contractor under this contract. Section 2.2-4365, VA Code Ann., is not applicable to this Contract, and under no circumstances is this paragraph to be construed as an administrative appeals procedure governed by Section 2.2-4365, VA Code Ann.

Notice of the intent to submit a claim setting forth the basis for any claim shall be submitted in writing within ten (10) days after the occurrence of the event giving rise to the claim, or within ten (10) days of discovering the condition giving rise to the claim, whichever is later. In no event, shall any claim arising out of this Contract be filed after the submission of the request for Final Payment by the Contractor.

Disputes by the Contractor with respect to this Contract shall be decided in the first instance by the Purchasing Manager, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor. This decision shall be final and binding unless within thirty (30) days from the date of such decision the Contractor mails or otherwise furnishes the Purchasing Manager a written appeal addressed to the PWSIG Members Supervisory Board. Decision by the PWSIG Members Supervisory Board shall be final.

Should any decision-maker designated under this procedure fail to make a decision within the time period specified, then the claim is deemed to have been denied by the decision-maker.

Pending a final determination of a claim, the Contractor shall proceed diligently with the performance of the Work under the Contract.

In accordance with the provisions of Section 2.2-4300 et seq, VA Code

II.5 (Continued)

Ann., full compliance with this procedure set forth in the provision shall be a precondition to the filing of any lawsuit by the Contractor against the PWSIG Board arising out of this Contract.

II.6 Termination for Convenience of the PWSIG

The parties agree that the PWSIG may terminate this Contract, or any work or delivery required hereunder, from time to time either in whole or in part, whenever the PWSIG shall determine that such termination is in the best interests of the PWSIG.

Termination, in whole or in part, shall be effected by delivery of a Notice of Termination signed by the Chairman of the PWSIG, mailed or delivered to the Contractor, and specifically setting forth the effective date of termination not earlier than 30 days from receipt.

Upon receipt of such Notice, the Contractor shall:

1. Cease any further deliveries or work due under this Contract, on the date, and to the extent, which may be specified in the Notice;
2. Place no further orders with any subcontractors except as may be necessary to perform that portion of this Contract not subject to the Notice;
3. Terminate all subcontracts except those made with respect to Contract performance not subject to the Notice;
4. Settle all outstanding liabilities and claims which may arise out of such termination, with the ratification of the Purchasing Manager and
5. Use its best efforts to mitigate any damages which may be sustained by it as a consequence of termination under this clause.

After complying with the foregoing provisions, the Contractor shall submit a termination claim, in no event later than six (6) months after the effective date of its termination, unless an extension is granted by the Purchasing Manager.

The Purchasing Manager, with the approval of the PWSIG and the State Corporation Commission, shall pay from the PWSIG's budget reasonable costs of termination, including a reasonable amount for profit on supplies or services delivered or completed. In no event shall this amount be greater than the original Contract price, reduced by any payments made prior to Notice of Termination and further reduced by the price of the supplies not delivered, or the services not provided. This Contract shall be amended accordingly, and the Contractor shall be paid the agreed amount.

In the event that the parties cannot agree on the whole amount to be

II.6 (Continued)

paid to the Contractor by reason of termination under this clause, the Purchasing Manager shall pay to the Contractor the amounts determined as follows, without duplicating any amounts which may have already been paid under the preceding paragraph of this clause:

1. With respect to all Contract performance prior to the effective date of Notice of Termination, the total of:
 - a. Cost of work performed or supplies delivered;
 - b. The cost of settling and paying any reasonable claims as provided in subparagraph (4), above;
 - c. A sum as profit on (a) determined by the Purchasing Manager to be fair and reasonable.
2. The total sum to be paid under (a) above shall not exceed the Contract price, as reduced by the amount of payments otherwise made, and as further reduced by the Contract price of work or supplies not provided.

In the event that the Contractor is not satisfied with any payments which the Purchasing Manager shall determine to be due under this clause, the Contractor may appeal any claim to the PWSIG in accordance with the "Disputes" clause of this Contract.

When termination for the convenience of the PWSIG is a provision of this Contract, the Contractor shall include similar provisions in any subcontract, and shall specifically include a requirement that subcontractors make all reasonable efforts to mitigate damages which may be suffered. Failure to include such provisions shall bar the Contractor from any recovery from the PWSIG whatsoever of loss or damage sustained by a subcontractor as a consequence of termination for convenience.

II.7 Termination for Default

Either party may terminate this Contract, without further obligation, for the default of the other party or its agents or employees with respect to any agreement or provision contained herein.

II.8 Termination for Non-Appropriation of Funds

If funds are not appropriated for any succeeding fiscal year subsequent to the one in which this Contract is entered into, for the purposes of this Contract, then the PWSIG may terminate this Contract upon thirty (30) days prior written notice to the Contractor. Should termination be accomplished in accordance with this Section, the PWSIG shall be liable only for payments due through the date of termination.

II.9 Payments to Subcontractors

In the event that the Contractor utilizes a subcontractor for any portion of the work under this Contract, the Contractor hereby agrees to:

1. The Contractor shall take one (1) of the two (2) following actions within seven (7) days after receipt of amounts paid to the Contractor by the PWSIG for work performed by a subcontractor under the Contract.
 - a. Pay a subcontractor for the proportionate share of the total payment received from the PWSIG attributable to the work performed by that subcontractor under the Contract; or
 - b. Notify the agency and any subcontractors, in writing, of its intention to withhold all or a part of the subcontractor's payment with the reason for nonpayment.
2. The Contractor shall be obligated to pay interest to a subcontractor on all monies owed by the Contractor that remain unpaid after seven (7) days following receipt by the Contractor of payment from the PWSIG for work performed by a subcontractor under the Contract, except for amounts withheld under Subsection 1 b. of this section. The Contractor's obligation to pay an interest charge to a subcontractor pursuant to the provisions of this section may not be construed to be an obligation by the PWSIG. A contract modification may not be made for the purpose of providing reimbursement for any such interest charge. A cost reimbursement claim may not include any amount for reimbursement for such interest charge.
3. Unless otherwise provided under the terms of this Contract, interest shall accrue at the rate of one percent (1%) per month.
4. The Contractor is hereby required to include in each of its subcontracts a provision requiring each subcontractor to otherwise be subject to the same payment and interest requirements set forth in subsection 2. and 3. of this section with respect to each lower-tier subcontractor.

II.10 Examination of Records

The Contractor agrees that the PWSIG, or any duly authorized representative, shall, until the expiration of five (5) years after final payment hereunder, have access to and the right to examine and copy any directly pertinent books, documents, papers and records of the Contractor involving transactions related to this Contract.

The Contractor further agrees to include in any subcontract for more than \$10,000 entered into as a result of this Contract, a provision to the effect that the subcontractor agrees that the PWSIG or any duly authorized representative shall, until the expiration of five (5) years

II.10 (Continued)

after final payment under the subcontract, have access to and the right to examine and copy any directly pertinent books, documents, papers and records of such Contractor involved in transactions related to such subcontract, or this Contract. The term "subcontract" as used herein shall exclude subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public. The period of access provided herein for records, books, documents and papers which may relate to any arbitration, litigation, or the settlement of claims arising out of the performance of this Contract or any subcontract shall continue until any appeals, arbitration, litigation or claims shall have been finally disposed of.

II.11 Ethics in Public Contracting

The Contractor hereby certifies that it has familiarized itself with Article 6 of Title 2.2 of the Virginia Public Procurement Act, Sections 2.2-4367 through 2.2-4377, VA Code Ann., and that all amounts received by it, pursuant to this Procurement, are proper and in accordance therewith.

II.12 Immigration Reform and Control Act of 1986

By accepting this Contract, Contractor certifies that it does not and will not during the performance of this contract violate the provisions of the Federal Immigration Reform and Control Act of 1986, which prohibits employment of illegal aliens.

II.13 Governing Law and Choice of Forum

This Contract and any disputes hereunder shall be governed by the laws of the Commonwealth of Virginia. It is further agreed that all disputes and matters whatsoever arising under, in connection with or incident to this Contract, shall be litigated, if at all, in and before a state Court located in the County of Prince William in the Commonwealth of Virginia or a federal Court located in the Eastern District of Virginia, and any appropriate appellate Court thereof, to the exclusion of the courts of any other state, territory, country or other jurisdiction.

II.14 Integration

This Contract shall constitute the whole agreement between the parties. There are no promises, terms, conditions, or obligations other than those contained herein, and this Contract shall supersede all previous communications, representations, or agreements, written or verbal, between the parties hereto.

II.14 (Continued)

PRINCE WILLIAM SELF-INSURANCE GROUP PMA MANAGEMENT CORPORATION
CASUALTY POOL ASSOCIATION

Chairman

Contractor Representative

Title

ATTEST:

Purchasing Manager

APPROVED AS TO FORM COUNTY ATTORNEY'S OFFICE

_____ Date: _____

ATTACHMENT A
SCOPE OF WORK

The Contractor shall provide the following services to the PWSIG.

A.1. Claims Handling Procedures Common to all Claims

- a. Date stamp all correspondence on the day it is received.
- b. Create a claim file folder with file number and a record of the name of the adjuster assigned to handle the claim.
- c. Set reserve amount for each claim within 5 days of the file inception.
- d. Enter the claim and the information pertaining to that claim on the computer database within 3 days of receipt of the claim. All information captured on the claim report forms must be available on the database.
- e. Contact the claimant within one day of notification of bodily injury claims or workers' compensation claims where an employee will miss more than 3 days of regular assigned duties at work. Contact must be made in person or by telephone. Contact by mail is acceptable only when it can be documented that personal/telephone contact has been attempted multiple times at reasonable hours during the first 48 hours of the investigation. Personal contact, to include telephone contact, will be made on any claim involving bodily injury (including workers' compensation) when a total reserve is over \$10,000.
- f. Under the supervision of the County Attorney's Office, investigate for liability compensability, subrogation, or second injury fund recovery immediately and complete no later than 15 days after receipt of the claim.
- g. Maintain an orderly claim file. Place correspondence in chronological order with the first item in the file being the accident report.
- h. Keep a reserve work sheet in the file indicating the coverage and the reserve amount and any changes. This shall include an explanation of all reserve changes. If a paper worksheet is not utilized, electronic notes should provide a stand alone entry for the detailed reserve analysis.
- i. Maintain a record of diary reviews, reserve changes, and work notations on the part of the adjuster. This shall be included on the computerized claims data management system. If the diary dates are not viewable to outside reader, plan of action should state the next diary date with a detailed explanation if diary is extended beyond 30 days.

- j. Each claim file shall contain an explanation of the results of the investigation and the decision of liability, compensability, or denial. The file will have accurate records of payments and documentation of the authority to pay the claim. If the information is provided electronically, it must be clearly documented in the notes.
- k. As directed by the County Attorney, recorded statements will be taken in each case for liability determination and transcribed when directed.
- l. Each open claim file will be reviewed every 30 days. Documentation of the review will be on the computerized claims data management system. Documentation to be recorded will include appropriate comments on information received, file direction by the adjusters, and file disposition plans. If the file diary is extended beyond 30 day, a detailed explanation is required. Electronic entries for diary reviews must be clearly designated "diary review".
- m. An evaluation of reserve adequacy will be made at the time of each diary review. Comments will be recorded as to reserve adequacy with documentation of reasons and rationale for reserve changes. For reserve changes of \$10,000 or more, documentation will be submitted to the Office of Risk Management.
- n. A supervisor or manager will review each open claim at least quarterly. Documentation shall be made on the computerized system.
- o. The TPA will verify that financial activity on claims is properly reconciled within the computerized system.
- p. The TPA will be held responsible for any fines, penalties, interest charges, or duplicate claim payments incurred by the PWSIG or any of its members as a result of the TPA's failure and/or negligence.
- q. The TPA will notify the excess carrier when applicable, in accordance with established PWSIG criteria.
- r. Prince William County facilities are available for storage of closed claim files.
- s. Follow the Prince William Self-Insurance Group's Claims Procedures. Copies available from the Purchasing Office.
- t. Assist the County Attorney's Office, or other designated counsel, in the handling of any claim as required. Such assistance will include, but not be limited to, taking recorded statements, answering interrogatories, investigating claims, or assisting at trials and/or hearings.

A.2. Claim Review

The TPA will provide written reports on claim files for quarterly review at the claims committee meetings. The claims reviewed will be determined by the Office of Risk Management, the County Attorney's Office and the Claims Administrator.

A.3. Claims Investigation

The TPA must provide prompt and thorough claims investigation services at the direction of, and as supervised by, the County Attorney. Depending upon the seriousness of the accident or situation, investigations are to be initiated within one to three working days after the TPA has been notified of the accident or situation. This will require onsite inspections of accident locations where liability is questionable and/or injuries to claimant are severe, photographs of accident locations, obtaining statements from employees, claimants, witnesses, obtaining copies of police and accident reports, etc. The TPA must have a 24-hour toll-free hotline for serious cases, as well as personnel assigned to respond to on-site inspections, 24 hours a day, seven days a week, or as requested.

The purpose of this investigation is to assist the County Attorney in defending against claims or make settlements as the circumstances warrant and to assist in litigation if needed.

For all claims with an injury allegation, TPA will submit index form to Commercial Index Bureau (CIB). All positive responses will be investigated.

A.4. Payment of Claims and Settlement Authority

The TPA, on behalf of the PWSIG, will make required payments to claimants and providers. A monthly check register must be provided indicating all checks issued during the month. This register must include the name of the claimant and claim number for a reference. Payments shall be made within 10 days of receipt of the bill. Payments to vendors must indicate payee name and reference service or invoice for identification purposes.

Reserves and checks for \$10,000 and above for the Workers' Compensation Pool and \$10,000 and above for the Casualty Pool must be approved by the Office of Risk Management. Claims for \$25,000 and above must be approved by the Claims Committee and \$50,000 and over must be approved by the PWSIG. When justified claims may be settled under these limits for full and final settlement. The County reserves the right to impose other limitations on settling claims.

A.5. Subrogation

The TPA shall initiate subrogation proceedings to recover all medical, indemnity, and property costs from responsible third parties. If payment is not received within 30 days, these shall be forwarded to the County Attorney's Office for collection.

A.6. Reporting

The PWSIG expects to have liability insurance coverage and Workers' Compensation coverage over a Self-Insured Retention (S.I.R.). The amount of the S.I.R. may change from the initial contract term to subsequent renewal periods. The TPA will forward a copy of the Notice of Claim served upon PWSIG member to the excess carrier as required and submit requests for reimbursement on behalf of the PWSIG when necessary. The TPA is responsible for keeping the excess insurance company updated on the status of outstanding claims. The amount of information and frequency of notification depends upon the seriousness of the claim and requirements of the carrier.

A.7. Previous Claims

If requested by PWSIG, the TPA will assume the responsibility for the handling of all claims under this contract from the inception date of the PWSIG. The TPA must handle all claims incurred during their contract period to their conclusion or for the life of the claim.

A.8. Reports

The TPA shall provide computerized claim loss/experience reports on a quarterly basis to each member of the PWSIG. These reports shall consist of the information listed below. The reports will allow for comparisons of accident frequency and severity for each member agency. Reports shall be separate for each line of coverage.

- Claimant/Last Name, First Name, Middle Initial
- Employer/Department/Location
- Claim Number
- Date of Accident
- Type of Coverage
- Type of Injury
- Description of Loss
- Days Away from Work
- Claim Status - Open or Closed
- Amount Paid for Medical
- Amount Paid for Indemnity
- Amount Paid for Property Loss
- Amount Paid for Expenses
- Outstanding Reserves for Medical, Indemnity, Property Loss and Expenses
- Total Incurred

A.9. Filings

The TPA shall furnish appropriate renewal application forms and shall file all periodic reports required by State and Federal administrative agencies, including, for worker's compensation cases, Virginia State forms 45A and 45G and the OSHA 200 log and report.

A.10. Data Processing Capabilities

At a minimum the TPA shall:

- a. Provide a comprehensive claims management electronic information system.
- b. Offer detailed reporting capabilities that are made available to the members of the PWSIG and its contractors.
- c. Provide a fully automated information system that can be used by the TPA to enter claims data, print checks, and run experience reports.
- d. Provide a system that will accommodate a minimum of 10 users.
- e. Provide a system that will allow the prior claim information of the PWSIG to be downloaded onto the current system.
- f. The TPA will be responsible for installing and maintaining a direct computer link to the members of the PWSIG and the Pool Administrator.
- g. Provide on-line access by the PWSIG members to the TPA's system.
- h. Provide training to all users in the operation and access of the system.

The PWSIG currently defines its information technology standards relating to Microsoft and server support and services as follows, but are subject to change as new versions or replacements are released by the vendors:

Server: MS Windows 2003 Server SP1
Databases: MS SQL Server 2003 and SQL Server 2005 compatible; ORACLE 9i or Oracle 10g
Web Server: MS IIS 6.0
Browser: Microsoft Internet Explorer 6 SP2
Protocol: TCP/IP
Network: Ethernet 100Base-T
Desktop: Windows XP
Office Suite: Microsoft Office 2003

In addition, the proposed solution shall adhere to the following technical requirements:

- Should be Web-based where possible and should have been developed in .NET; VB.NET or ASP.NET is preferred
- Provision end-users through an external LDAP server
- Uses Microsoft SQL Server for all database functions
- The application authentication should follow industry best practices for user ID and password setup. (Complex Passwords, Limited Sign On Attempts, Password Expiration)

- Compatibility with our standard reporting tools such as Crystal Reports, Microsoft Word/Excel and Adobe
- Support IIS for Web based applications
- Provide API support for Web Services protocols, including XML, SOAP, WSDL, and UDDI
- Support Windows 2003 and/or HP/UX Operating Systems
- Should support IP-only network connectivity
- E-mail operations should be performed using SMTP, IMAP, and/or POP3 protocols
- Adhere to County standards for remote access of servers for maintenance (Nortel VPN)
- Application provided should not require special access privileges on the client computer (no local admin requirements)
- Application provider must have disaster recovery plan in place

For non-technical IT requirements:

- Provide implementation services, to include loading software, configuration/customizations, report development (if applicable) and training.
- Provide list of proposed tasks and deliverables
- Provide sample schedule for implementation
- Provide comprehensive help documentation for using system
- Work closely with PWSIG personnel to ensure all data, applications, and information is secure and adheres to security guidelines established by the County.
- Provide support, tools, and proven methodologies for data migration (if applicable)
- Offer annual software maintenance
- Offer desktop application support

A.11. Records Maintenance

All records shall be maintained in the Commonwealth of Virginia and available for review and audit at any time.

A.12. Claims Data

1. As to all original books, manuals, films, or other patented or copyrighted material developed with contract funds, the PWSIG and its agents have a non-exclusive, irrevocable royalty-free license to reproduce, translate, or otherwise use and to authorize other governmental agencies to publish and use such material.
2. The TPA shall take all steps necessary to safeguard any data, files, reports or other information from loss, destruction or erasure. Liability for any loss of such data shall be born by the TPA unless at the time of loss said data was in the exclusive custody of the PWSIG.
3. At the conclusion of any contract awarded pursuant to this RFP, the PWSIG and its members, as appropriate, shall be provided all matters comprising the claims files services under the agreement. In the

event the contract terminates, for whatever reason, prior to the completion of the contract, the TPA will turn over to the PWSIG, all data in usable form in a timely basis at reasonable cost.

4. Collection and dissemination of data shall conform to the requirements of all applicable federal and state laws and codes, including, without limitation, the Virginia Freedom of Information Act and the Privacy Protection Act of 1976.

A.13. Right to Audit

The right to audit shall be subject to the following provisions:

1. The PWSIG or its designated representative shall be authorized to visit the TPA's processing and/or storage premises and have access to all data, including paper documents, microfilm, and magnetically stored data relating to all liability and employee claims and all data in any way relating to this Contract.
2. The TPA shall agree to assist in the audits with the SCC and any other regulatory body and the various members of internal audit staff if need be. The TPA agrees to notify PWSIG of any irregularities found in their own audit as it relates to the PWSIG's account or other accounts that would have significant impact on PWSIG.

**ATTACHMENT B
FEE SCHEDULE**

Comprehensive cradle to grave third party claims administration services for all new claims for the flat fees listed below. The annual fee includes claims handling, annual administration fee, PMA Cinch (3 users) and OSHA Log.

Contract Period	Flat Annual Fee
Year 1 of 3	\$41,800
Year 2 of 3	\$41,800
Year 3 of 3	\$43,700
Option Year 1	\$45,600
Option Year 2	\$47,500
Option Year 3	\$48,925