



WORKERS' COMPENSATION SERVICE AGREEMENT

This Agreement is entered into by and between **City of South San Francisco** ("Employer") and **Athens Administrators** ("Administrator") this 1st day of July 2019.

RECITALS

WHEREAS, Administrator provides claims administration services to California employers subject to the California Workers' Compensation Laws; and

WHEREAS, Employer desires to purchase Claims Administration Services from Administrator for existing open claims reported before the effective date of this agreement ("takeover claims") and new claims reported on or after the effective date of this agreement ("new claims");

NOW THEREFORE, it is agreed:

This Agreement is between the Employer and the Administrator to provide third party workers' compensation claim administration services for Employer in the State of California, including takeover claims and new claims, subject to the terms stated below:

I. TERM AND TERMINATION

1.01 Term:

The term of this agreement shall consist of three years from July 1, 2019 through June 30, 2022. At the Employer's option, this agreement may be extended for two additional one-year periods.

1.02 Termination:

- a. Either party may terminate this Agreement, with or without cause and without penalty, upon ninety (90) days prior written notice.
- b. Upon termination of this Agreement for any reason, a final accounting agreeable to both parties will be made of fees payable to Administrator and a final accounting of any funds belonging to Employer then in the possession of Administrator, and any balance due either party will be promptly paid over to the party entitled thereto.
- c. All claim files, records, reports and other material pertaining to the employee claims subject to this Agreement shall be the property of Employer and shall be made available promptly to Employer upon termination of this Agreement.
- d. Upon the effective date of any termination of this Agreement, all rights and obligations of the parties under this Agreement shall cease except with respect to rights and obligations, which have accrued or expressly survive termination.
- e. In the event Employer terminates this contract but desires Administrator to handle the remaining claims to a conclusion, a service charge will be agreed upon between the parties for Administrator's



handling of these claims. Employer agrees to provide Administrator with funds sufficient to pay all benefits and Allocated Loss Expenses on these remaining claims.

II. SERVICE FEES

2.01. Employer agrees to pay to Administrator Service Fees as follows:

PRICING OPTION - FLAT ANNUAL FEE			FLAT ANNUAL FEE
Program Year 1	7/1/2019	6/30/2020	\$196,052
Program Year 2	7/1/2020	6/30/2021	\$201,933
Program Year 3	7/1/2021	6/30/2022	\$207,991
TOTAL THREE YEAR COST			\$605,977
ONE YEAR PROGRAM EXTENSIONS			FLAT ANNUAL FEE
Program Year 4	7/1/2022	6/30/2023	\$214,231
Program Year 5	7/1/2023	6/30/2024	\$220,658

Employer’s fixed annual fee will be paid in twelve (12) equal installments and will be due and payable at the end of each month during the period this Agreement is in force.

2.02. Employer agrees to pay to Bill Review Service Fees as follows:

MEDICAL BILL REVIEW		
Medical Fee Schedule Reduction (OMFS)	\$8.50	Per Bill
<i>(Includes: Medical, Pharmacy and Supplies)</i>		
Hospital In and Out Patient Fee Schedule Reductions	\$650.00	Per Bill
PPO Network & Specialty Bill Negotiations	23.00%	of Savings
Duplicate Bills		No Charge

2.03. Employer agrees to pay an Annual Administration Fee of \$5,000. This fee will be billed in full in the first installment, and at the start of every program year thereafter.

2.04. Employer agrees to pay a fee of 15% of all subrogation recoveries. This fee will be paid directly from the individual claim file as an allocated expense.

2.05. City shall pay fees for all other services as described in Administrator’s pricing proposal dated April 24, 2019 (Exhibit A).

III. ADMINISTRATOR DUTIES AND SERVICES

3.01 Administrator agrees to meet on a regular basis with Employer to:

- a. Develop procedures, forms, instructions, schedules and other materials related to claim management, including a procedure manual for Employer's use, within thirty (30) days of the effective date of this Agreement and update such materials as needed.
- b. Provide claim reporting kits including, but not limited to, claim and accident report forms, required notices, and procedural instructions, for distribution by Employer to Employer's staff on or before the effective date of this Agreement, and as needed thereafter.
- c. Provide group education for Employer's management personnel regarding claim management as

requested.

- d. Assist Employer's personnel in the development of directives, notices, and other program communication to employees as requested.
- e. Provide all forms and supplies necessary for the efficient operation of the Workers' Compensation insurance program, including customized benefit checks bearing Employer's name and logo, and to prepare all legally required forms and documents including but not limited to, 1099 reports to the I.R.S. and any and all other documents and reports now or in the future required by the state or federal government or any other agency associated with Employer's Workers' Compensation program.

3.02. Administrator agrees to administer all claims as follows:

- a. Establish and maintain a claim file, with a diary date not to exceed thirty (30) days, on each active claim upon which indemnity benefits are being paid; A diary system not to exceed sixty (60) days on all other open, active Indemnity claims; and a supervisory review diary not to exceed one-hundred-twenty (120) days, or more often when needed.
- b. Manage timely receipt of all pertinent claim information from Employer providers and other sources.
- c. Determine, on behalf of Employer for each reported employee injury or illness, those benefits, if any that should be paid or rendered under the California Workers' Compensation Laws. Such determination shall include an estimate of future claim payment. Retain outside services with prior approval of Employer, for the investigation and management of the claims. Outside services include but are not limited to:
 - AOE/COE Investigators
 - Activities Check/Sub-rosa Investigator;
 - Medical Case Management and Rehabilitation Nurses/Consultants
 - Subrogation Investigators and Experts
- d. Exhibit in each Indemnity claim file good faith efforts to contact all injured workers by telephone within at least twenty-four hours of receipt of claim, and in no event any later than forty-eight hours of receipt of claim, excluding weekends and holidays. Establish phone contact with appropriate Employer department for initial discussion of claims, as needed, within three (3) working days of receipt of claim.
- e. Initiate investigations, subject to approval by Employer, to determine compensability of reported and actual claim status. Employer shall have prior approval of the selection of any investigator used to investigate Employer's claims of industrial injury or illness. Take necessary statements and investigate facts of the case within thirty (30) days receipt of claim, when warranted.
- f. Prepare documentation of cases for litigation and continue to monitor legal counsel representing Employer in legal action(s) and assist counsel as necessary in preparation of litigation. Employer shall select and approve counsel prior to each referral. In addition, Administrator shall promptly provide Employer with copies of all correspondence generated on those claim files which are litigated and shall immediately notify Employer in writing and shall keep Employer closely informed on those claims involving allegations of Serious and Willful Misconduct or alleged violation(s) of California Labor Code Section 132(a). At time of case referral to defense counsel administrator shall prepare a letter of

direction to defense counsel outlining work to be done, by whom, and in what time frame. All assignments, instructions and communication with defense counsel must be documented in the claim file and computer note pads. Administrator shall manage defense counsel on an ongoing basis and obtain status reports from defense counsel every sixty (60) days. Administrator shall actively manage litigated files and not perform functions and shall not require defense counsel to perform activities which can be accomplished effectively by claims staff. Examples of required examiner activity on litigated files include by are not limited to:

- Scheduling medical appointments
- Writing cover letters to doctors
- Subpoenaing medical records
- Answering applications
- Filing and serving requisite documents

Administrator shall obtain defense counsels' written evaluation within sixty (60) days of submission, including evaluation of liability, verdict potential, settlement value, and case strategy.

- g. Disburse payment on behalf of Employer out of the bank trust account funded by Employer, all "Allocated Loss Expenses", which is defined to include all costs incurred on behalf of Employer specifically related to an individual claim, including but not limited to, attorneys, independent adjusters or investigators, expert witnesses, copying records or transcripts, court costs or Appeals Board fees or other costs deemed proper and necessary to represent Employer.
- h. Examine on behalf of Employer all reports of industrial injury or illness relating to Employer's employees or former employees and reported to Administrator and to conduct investigations on such cases by Administrator's salaried employees as in Administrator's judgment is deemed necessary.
- i. Pay compensation, medical expense, "Allocated Loss Expense", and all other benefits as prescribed by law out of funds provided by Employer. Payments made by Administrator without Employer approval, where approval is required elsewhere in this Agreement, shall be the responsibility of the Administrator.
- j. Maintain a claim file on each reported claim which shall be available to Employer at all times for inspection and to conduct, on a quarterly basis, claim file reviews with Employer at the City's Offices.
- k. Index Bureau System. On the Employer's behalf, Athens shall subscribe and report to the Index Bureau System related to each claim. The costs of such reports will be allocated to each individual claim file.
- l. Create, reserve and enter required claim data into Administrator's computer system within five (5) working days of receipt of notice of claim from Employer. Enter all payments, reserved revisions, and file closings into the information system within three (3) working days.
- m. Review Employer's medical bills and other medical charges and treatment relating to Employer's claims of industrial injury or illness, for causal relationship to all claims of injuries/illness, and reasonableness of treatment prior to payment. Solicit all medical bills, medical reports and records, and documentation of alleged wage loss prior to settlement negotiations.
- n. Make all disability payments and send all notices in a timely manner, abiding by all applicable

provisions of the California Labor Code and California Workers' Compensation Laws, Rules and Regulations.

- o. Make payments of bills within thirty (30) days of receipt, and assure timely review and payment of all medical bills in accordance with statutory deadlines and requirements.
- p. Acknowledge to Employer all claims reported to Administrator within three (3) working days of receipt of the notice of claim and to notify Employer and injured workers within five (5) working days of the notice of claim to Employer, whether the claim has been accepted, delayed for further investigation, or denied. Administrator shall consult with Employer prior to accepting, delaying and/or denying a claim.
- q. Convert all Medical Only Claims to Indemnity Claims status when the paid amount reaches two-thousand-five-hundred (\$2,500) dollars or when the claim remains open in excess of one (1) year.
- r. Recognize and where appropriate investigate all subrogation and/or contribution possibilities, preserving evidence and utilizing appropriate investigators and experts, as needed, after first obtaining Employers permission to engage such investigators/experts. As respects subrogation and contribution cases, any compromise settlements or lien reductions will be discussed with the Employer.
- s. Administrator may receive compensation in connection with outsourced services, either by retaining a portion of expenses charged to the Account, or by receiving fees from preferred providers. The amount that Administrator receives will vary depending upon the preferred provider, and may be calculated based on percentage of savings, percentage of revenue to the provider or Administrators mark-up of provider fees. The amounts retained or received by Administrator in connection with outsourced services are in addition to the basic fees, reimbursable expenses, additional service fees, and the taxes paid to Athens by Company.
- t. MSA Allocations/SCHIP Reporting – Athens has contracted with third party Gould & Lamb, LLP for Medicare Set Aside allocations and State Children Health Insurance Program (“SCHIP”) reporting efforts. Athens may exclusively utilize the services of Gould and Lamb, LLP for MSA allocations and SCHIP reporting requirements unless otherwise requested in writing by Employer.
- u. Inflation Protection Clause – In the event that the annual average All Items Consumer Price Index for All Urban Consumers (CPI-U) as published by the Bureau of Labor and Statistics is subject to an inflation rate of greater than 10% above the rate which is published as of the effective date of this agreement the Administrator has the ability to make reasonable adjustments to the fees which are detailed in Section II of this agreement so as to equitably share the effect of inflation between Administrator and Employer. Notice of fee adjustments will be in writing and must be delivered at least (30) days in advance of adjustment.

3.03 Administrator agrees to monitor relevancy of medical treatment by the following:

- a. Maintain continual contact with medical practitioners in order to monitor claimant treatment process and a timely return to work. Administrator shall make a good faith effort to establish contact with attending physician within twenty-four (24) hours of receipt of injury report and shall make contact with attending physician's office within forty-eight (48) hours of receipt of injury report and shall document such contact in the claim file. In cases involving loss of time from work in excess of (10) ten calendar days, Administrator shall make contact with the attending physician's office on a biweekly

basis during the continuation of temporary disability to assure disability payments are supported by medical opinion.

- b. Review and discuss Vocational Rehabilitation Program(s) with Employer prior to its initiation for an individual claimant.
- c. Monitor individual vocational rehabilitation programs to determine appropriateness and progress.

3.04. Administrator agrees to the following record keeping and reporting requirements:

- a. Provide Employer with monthly reports consisting of:
 - (1) Check Registers including all claim disbursements made on behalf of Employer.
 - (2) Computerized loss reports in an acceptable format as mutually agreed upon at the effective date of this Agreement, showing descriptive data, details of each month's payments, total payments, reserves and total experience and incurred loss values for each claim.
 - (3) Any and all other reports as required by Employer.
- b. Provide oral claims reports on demand, special specific-focus loss run reports within twenty-four (24) hours and larger or major computer analysis reports within seven (7) working days, excluding weekends and holidays. It is further agreed and understood that should Employer require that Administrator prepare for Employer special reports, which require additional programming costs there may be an additional charge for said reports.
- c. Maintain all records and statistical data on each employee claim of injury or illness, including, but not limited to, a record of each denial, delay, litigated claim and loss, which records and data shall be available upon request by Employer. Employer, at Employer's discretion, may audit all records maintained by Administrator including, but not limited to, all payments made on behalf of Employer. Such audit may incorporate random sampling or other audit procedures suitable to Employer.
- d. Prepare and submit Federal Information Return (Form 1099) by statutory deadline for applicable payments made by Administrator on Employer's behalf, during the term of this Agreement and as specified under Section 1.02. (e) of this Agreement.
- e. Prepare all other reports as necessary to remain in compliance with all Workers' Compensation Laws and other state and federal laws, rules and regulations.
- f. Provide report to Employer of all payments when made and any other information necessary for Employer to adequately fund the bank trust account. All such payments shall be supported with check payment detail and monthly summary report showing all payees, payment amounts and dates of payment.
- g. Provide for Employer the ability to be on-line with Administrator's computer system. This system will provide Employer with all financial and statistical data relating to Employer's workers' compensation claims, together with narrative topical "notepad" reports, on each individual claim. This system will

also include electronic mail service between Administrator and Employer; the ability to electronically transmit 5020's (Employer's First Report of Industrial Injury/Illness); OSHA Log generation; and complete report generation capabilities.

- h. Special reports, new reports and data feeds can also be requested. They are subject to a cost per quote at a rate per project or per hour once the scope has been agreed upon.

IV. EMPLOYER'S DUTIES

4.01. Employer agrees to perform as follows:

- a. Promptly report to Administrator as they shall occur and become known to Employer, the employee claims of occupational injury, disease, illness, or death.
- b. Promptly forward to Administrator all applications, notices of claims, notices of hearings or other legal notices pertaining to claims against Employer for occupational injury, disease, illness, or death, and all other correspondence or information received by Employer which is or could be relevant to the efficient and proper handling of any reported claim of industrial injury, disease, illness, or death.
- c. Provide Administrator with all necessary data required for Administrator to perform under this Agreement and cooperate fully with Administrator in the performance of this Agreement.
- d. Make available to Administrator funds for the payment of benefits or services to or for occupational injury, disease, illness, death, or vocational rehabilitation and medical treatment of employees of Employer, or their dependents in the event of death, and "Allocated Loss Expense". Administrator shall administer said funds in accordance with the terms of this Agreement as Trustee of Employer.
- e. Pay promptly to Administrator the service fees as prescribed and included in this Agreement. The Service Fees are not included in and do not include "Allocated Loss Expenses"

V. ELECTRONIC CLAIM FILES, STORAGE, AND TRANSFER OF FILES

5.01 Files

Administrator shall record and maintain an electronic file of all industrial injuries reported. Files may be maintained electronically, in hard copy, or in other media, at Administrator's discretion. Such files shall be made available to Employer or its designated representative for inspection upon request.

5.02 Transfer of Electronic Files

Upon termination of this Agreement pursuant to section 1.02 above, Administrator will arrange for the transfer of Employer's files to Employer, or an entity designated by Employer, within 30 business days of the agreed upon transfer date of the files to the new Administrator. Employer will reimburse Administrator all reasonable costs incurred in such transfer of the files to the Employer. The electronic files will be in the electronic form used by Administrator to provide the services to Employer under this Agreement. Employer may request that the files be provided in a different format or that the hard copies of the files be provided to it, provided that Employer pays Administrator for all costs associated with such request. Notwithstanding the foregoing, Administrator will not be obligated to transfer the files to Employer or an entity designated by Employer, unless Employer has paid Administrator for all amounts due for services rendered pursuant to Section 3 of this Agreement. Employer agrees to comply, and to

require any recipient of the files designated by it to comply, with all applicable laws and regulations relating to the storage, transmission, use and confidentiality of the files and to hold Administrator harmless in relation thereto.

5.03 Copies of Files

Administrator may, at its discretion keep a copy of Employer's files if it deems it necessary to comply with or defend itself in relation to any obligation or rights that it has under this Agreement, applicable laws or regulations. Notwithstanding the foregoing, Employer may at any time request that any copies of Employer's files retained by Administrator be deleted destroyed and Administrator shall provide notice to Employer that such request has been complied with.

VI. FINES, PENALTIES AND STANDARDS

- 6.01.** All services as described in this Agreement shall be performed in accordance with all applicable laws, rules and regulations of any and all governmental authorities and applicable standards, and specifically performed in accordance with all applicable Workers' Compensation Laws of the State of California.
- 6.02.** Administrator and Employer acknowledge the obligations and penalties contained in the California Workers' Compensation Reform Act of 1989 that may be imposed on both Employers and claim administrators and agree to the following:
- a. Penalties for errors or omissions caused by Employer's failure to act or timely report claims or issues to Administrator that create a delay in payment of benefits, incorrect payment of benefits, or administrative fine(s) or penalty(s) shall be the responsibility of Employer. Penalties for errors or omissions caused by Administrator's performance of services under this contract that create a delay in payment of benefits, incorrect payment of benefits, or administrative fine(s) or penalty(s) shall be the responsibility of Administrator.
 - b. Administrator shall provide Employer with a quarterly accounting of penalties paid by Administrator on behalf of Employer including a description and detailed listing of each penalty payment and the specific claim file to which the penalty payment was charged. Penalties, which are computed by Administrator, shall be paid out of Employer's benefit account and Administrator shall then reimburse Employer quarterly for those penalties, which are the responsibility of Administrator under the terms and conditions of this Agreement, with pro-rated interest at the prevailing prime interest rate.
 - c. Without limiting the provisions set forth in the above two paragraphs it is agreed that upon receipt by Administrator of a notice of claim from Employer, upon which indemnity benefits shall be paid or notice given promptly to the employee in order to avoid late payment or notice of benefit penalties, Administrator shall have **ten working days** (excluding weekends and holidays) from the date of receipt of the claim from Employer, to investigate and pay the temporary disability or send the required wage continuation notice, and that failure on the part of Administrator to do so within this time frame shall be the financial responsibility of Administrator for any fine imposed for late notice or payment of benefits. Any fines or penalties for late payment or notice of benefits on claims, which are received from Employer by Administrator on or, after the **ninth day** following the date Employer knew or should have known about the claim(s) shall be the responsibility of Employer.
 - d. Administrator will be responsible for any fines or penalties associated with questionable or controverted claims which Administrator denies without first consulting and obtaining approval by

Employer for denial of the claim(s) Administrator will not be responsible for any fines or penalties levied by the Division of Workers' Compensation or any other judicial or quasi-judicial organization for improper denial of a claim(s) if, over the written objections of Administrator, Administrator has denied said claim(s) at the express written direction of Employer.

- e. Any controversy between the parties to this Agreement involving the construction or application of the terms, provisions, or conditions of this Agreement relating to the payment of penalties or fines shall be submitted to arbitration upon the written request of one party, after service of that request upon the other party.
- f. Arbitration and controversies relating to the payment of penalties or fines under this Agreement shall comply with and be governed by the provisions of the California Arbitration Act, as set forth at sections 1280 et. seq. of the California Code of Civil Procedure.
- g. Failing informal efforts between the parties to this Agreement to resolve disputes regarding the payment of penalties or fines, each party shall appoint one person to hear and resolve the dispute. These arbitrators, one appointed by each party, shall be known for the purposes of this Agreement as "*initial arbitrators*". If the "*initial arbitrators*" are unable to agree on a resolution of the dispute they shall then choose a third independent and impartial arbitrator whose decision shall be final and conclusive on both parties.
- h. If a dispute or arbitration under this Agreement is pending at a time when payment of the disputed penalty(s) or fine(s) is either statutorily mandated or when failure to effect payment will result in an increase in the fine or penalty, or an additional fine or penalty, each party shall bear liability for one-half of the penalty(s) or fine(s) in dispute until such time as the arbitration is concluded and liability for payment of the fine or penalty is finally determined. Once determined, the party adjudged to be liable for the penalty(s) or fine(s) shall reimburse the non-labile party for any portion of the penalty(s) or fine(s) the non-labile party may have paid during the pendency of the arbitration.

6.03 **Excess Coverage or Other Insurance:** Administrator, as a part of the regular claims administration process, shall comply with the reporting provisions, guidelines, and requirements imposed by the Employer's Excess Workers' Compensation Insurance Carrier(s) and other carriers that may be involved in the administration of the Employer's Workers' Compensation Program. However, Employer as policyholder shall continue to be liable for all the duties, requirements, obligations, and penalties imposed by Employer's Carrier(s).

VII. MATERIAL CHANGE

7.01. In the event of material change to Employer's operations, Section II, "Service Fees", to this Agreement shall be subject to renegotiation. "Material Change" shall be defined as the acquisition, merger, or divestiture by Employer of or with another company or business entity, the creation of new business operations not directly related to Employer's current California operations, or the elimination of business operations within the State of California, which could result in a materially significant increase or decrease in employee population and workers' compensation claims filed in the State of California.

VIII. DEFINITION OF "MEDICAL ONLY" AND "INDEMNITY" CLAIM

8.01. The definition of an "Indemnity Claim" shall be:

a. Any alleged work-related claim for which any of the following is claimed:

- (1) Temporary Disability
- (2) Permanent Disability
- (3) Vocational Rehabilitation
- (4) Life Pension
- (5) Death

8.02. The definition of a "Medical Only" claim shall be:

Any alleged work-related injury or illness for which medical treatment is sought, the claimant is not hospitalized, temporary disability does not exceed the waiting period as defined by the Workers' Compensation Laws of California, and no other Indemnity benefits are claimed.

IX. INSURANCE

9.01. Prior to beginning the Work and continuing throughout the term of this Agreement, Administrator, at its sole cost and expense, furnish the City with certificates of insurance evidencing that Consultant has obtained and maintains insurance in the following amounts:

a. Workers' Compensation that satisfies the minimum statutory limits.

b. Commercial General Liability and Property Damage Insurance in an amount not less than ONE MILLION DOLLARS (\$1,000,000) combined single limit per occurrence, TWO MILLION DOLLARS (\$2,000,000) annual aggregate, for bodily injury, property damage, products, completed operations and contractual liability coverage. The policy shall also include coverage for liability arising out of the use and operation of any City-owned or City-furnished equipment used or operated by the Administrator, its personnel, agents or subcontractors.

c. Comprehensive automobile insurance in an amount not less than ONE MILLION DOLLARS (\$1,000,000) per occurrence for bodily injury and property damage including coverage for owned and non-owned vehicles.

d. Professional Liability Insurance in an amount not less than ONE MILLION DOLLARS (\$1,000,000) covering the licensed professionals' errors and omissions.

X. GENERAL PROVISIONS

10.01 Administrator shall comply with all applicable local, state and federal laws, regulations and ordinances in the performance of this Agreement. Administrator shall not discriminate in the provision of service or in the employment of persons engaged in the performance of this Agreement on account of race, color, national origin, ancestry, religion, gender, marital status, sexual orientation, gender identity or gender expression, age, physical or mental disability in violation of any applicable local, state or federal laws or regulations.

10.02. Neither party shall assign this Agreement or any part hereof without the written consent of the other party.



10.03. Each party agrees to indemnify, defend, and hold harmless the other against all actions, claims or demands, and against all costs, expenses and attorneys' fees, arising directly or indirectly out of an actual or alleged injury to a person or to property as an actual or alleged result of an act or omission of the party or any of its shareholders, directors, officers, employees, or agents and each party's obligation to so indemnify, defend and hold harmless the other shall survive the expiration or earlier termination of this Agreement.

10.04. All notices or other communications under this Agreement shall be sent to the parties at the addresses set forth below:

<u>Employer:</u>	<u>Administrator</u>
City of South San Francisco	Athens Administrators, Inc.
400 Grand Avenue	P.O. Box 696
South San Francisco, CA 94080	Concord, CA 94522
Attn: Leah Lockhart, Human Resources Director	Attn: James R. Jenkins, President

10.05. In the event either party hereto shall institute formal legal action, the prevailing party shall be entitled to its reasonable attorneys' fees.

10.06. This Agreement may be amended at any time by mutual agreement of the parties, but any such amendment must be in writing, dated, signed by the parties and attached hereto.

10.07. Any failure of a party to insist upon strict compliance with any term, undertaking or condition of this Agreement shall not be deemed to be a waiver of such term, undertaking, or condition. To be effective, a waiver must be in writing, and signed by the parties hereto.

10.08. This Agreement shall be governed by California law and any action arising out of it shall be instituted and prosecuted only in the municipal or superior court of San Mateo County, State of California.

10.09. This Agreement instrument constitutes the entire agreement between the parties. Any oral representations or modifications concerning this Agreement shall be of no force and effect.

IN WITNESS WHEREOF: The Parties have hereto caused this Agreement to be executed by their duly authorized representatives as of the day and year stated.

CITY OF SOUTH SAN FRANCISCO

ATHENS ADMINISTRATORS

Leah Lockhart
Signature

[Signature]
Signature

Human Resources Director
Title

President
Title

6/24/19
Dated

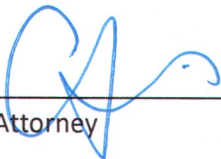
June 11, 2019
Dated

Dated _____

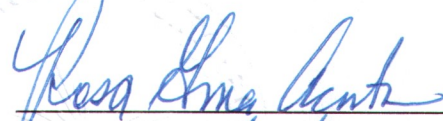
CITY OF SOUTH SAN FRANCISCO

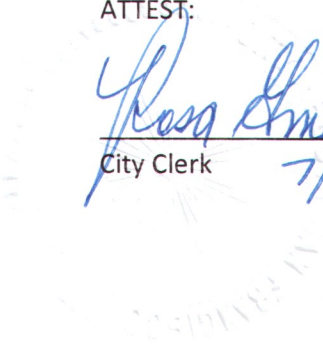
By: 
City Manager

Approved as to Form:

By: 
City Attorney

ATTEST:


City Clerk 7/12/19





City of South San Francisco

P.O. Box 711 (City Hall,
400 Grand Avenue)
South San Francisco, CA

City Council

Resolution: RES 72-2019

File Number: 19-497

Enactment Number: RES 72-2019

RESOLUTION APPROVING AN AGREEMENT WITH ATHENS ADMINISTRATORS FOR WORKER'S COMPENSATION CLAIMS ADMINISTRATION SERVICES FOR A TOTAL AMOUNT OF \$620,977 FOR JULY 1, 2019 THROUGH JUNE 30, 2022.

WHEREAS, the City of South San Francisco is a self-insured employer for worker's compensation;

WHEREAS, the City utilizes the services of a third-party administrator to administer worker's compensation claims;

WHEREAS, City staff conducted a request for proposals for third-party administrator services for the period of July 1, 2019 through June 30, 2022;

WHEREAS, Athens Administrators was selected as the proposer best meeting the needs of the City in a cost-effective manner.

WHEREAS, the City desires to enter a service agreement with Athens Administrators for worker's compensation claims administration services.

NOW THEREFORE BE IT RESOLVED, that the City Council of the City of South San Francisco hereby takes the following actions:

Approves the Agreement with Athens Administrators for claims administration services for the period of July 1, 2019 through June 30, 2022, attached hereto and incorporated herein as Exhibit 1.

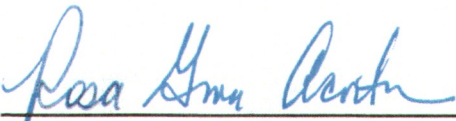
Authorizes the City Manager to execute this agreement and to make any revisions, amendments, or modifications, deemed necessary to carry out the intent of this resolution which do not materially alter or increase the City's obligations thereunder, subject to approval as to form by the City Attorney.

* * * * *

At a meeting of the Special City Council on 6/12/2019, a motion was made by Buenaflor Nicolas, seconded by

Mark Nagales, that this Resolution be approved. The motion passed.

Yes: 5 Councilmember Nagales, Mayor Matsumoto, Councilmember Addiego,
Councilmember Nicolas, and Vice Mayor Garbarino

Attest by 

Rosa Govea Acosta

CITY OF SOUTH SAN FRANCISCO

Pricing Proposal - Claim Administration Services *Prepared by: Athens Administrators*

PRICING OPTION 1 - FLAT ANNUAL FEE			FLAT ANNUAL FEE
Program Year 1	7/1/2019	6/30/2020	\$198,052
Program Year 2	7/1/2020	6/30/2021	\$201,933
Program Year 3	7/1/2021	6/30/2022	\$207,991
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OPTIONAL ONE YEAR PROGRAM EXTENSIONS			FLAT ANNUAL FEE
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Program Year 5	7/1/2023	6/30/2024	\$220,658

POSITION	STAFFING
Supervisor	1 Designated
Senior Claim Examiner	1 Designated
Future Medical Claim Examiner	Not Applicable
Assistant Claim Examiner	1 Designated

PRICING NOTES

1) Pricing contemplates Athens Administrators providing both claim administration and managed care services.		
2) Pricing assumes new claim volume of:		
	Indemnity	44
	Medical Only	30
3) Pricing contemplates the takeover of the following open historical claims.		
	Indemnity	129
	Medical Only	5
	Future Medical	21

ADDITIONAL SERVICES

Annual Administration Fee	\$5,000
Administration -includes mgmt. of (1) bank account, addtl. accounts at \$400 per month	Included
Data Management	Included
Account Management	Included
Claim Reporting (web, fax, telephonic)	Included
Dash Board Risk Management Web Site	Included
Web Site Access (2 Users)	Included
Annual Stewardship Report	Included
Electronic Delivery of Monthly Loss Runs	Included

CITY OF SOUTH SAN FRANCISCO

Staffing Expense Model - Claim Administration Services
Prepared by: Athens Administrators

Job Title (Employee)	Est. Annual Salary	Tax, Health, Ins. & Benefits	(%) Allocated	Total Compensation
SENIOR CLAIM EXAMINER	\$83,000	\$23,240	28.12%	\$106,240
FUTURE MEDICAL CLAIM EXAMINER	\$65,000	\$18,200	27.99%	\$83,200
ASSISTANT CLAIM EXAMINER	\$52,500	\$14,700	28.00%	\$67,200
Total Direct Compensation				\$127,103
Indirect Allocated Compensation¹				\$15,252
Total Compensation				\$142,355
Total Operational Expense & Profit²				\$53,697
Total Proposed Claim Administration Fee				\$196,052

¹ Indirect Allocated Compensation:
 Finance, Human Resources, Mailroom, Information Technology, Executive, Account Management, Operational Support and Reception

² Total Operational Expense & Profit:
 Rent, Equip Leases, Insurance, Software Expense, Software Support, Telephones, Postage, Training, Education, Office Supplies, Consulting Fees, Legal Fees as well as other Miscellaneous Expenses.

PRICING NOTES

- 1) Pricing contemplates Athens Administrators providing both claim administration and managed care services.
- 2) Pricing assumes new claim volume
- | | |
|--------------|----|
| Indemnity | 44 |
| Medical Only | 30 |
- 3) Pricing contemplates the takeover of the following open historical claims.
- | | |
|----------------|-----|
| Indemnity | 129 |
| Medical Only | 5 |
| Future Medical | 21 |

ADDITIONAL SERVICES

Annual Administration Fee	\$5,000
Administration -includes mgmt. of (1) bank account, addtl. accounts at \$400 per month	Included
Data Management	Included
Account Management	Included
Claim Reporting (web, fax, telephonic)	Included
Dash Board Risk Management Web Site	Included
RMIS Claim System Web Based Access	Included
Annual Stewardship Report	Included
Electronic Delivery of Monthly Loss Runs	Included

CITY OF SOUTH SAN FRANCISCO

Pricing Proposal - Managed Care Services *Prepared by: Athens Administrators*

MEDICAL BILL REVIEW		
Medical Fee Schedule Reduction (OMFS) <i>(Includes: Medical, Pharmacy and Supplies)</i>	\$8.50	Per Bill
Hospital In and Out Patient Fee Schedule Reductions	\$850.00	Per Bill
PPO Network & Specialty Bill Negotiations	23.00%	of Savings
Duplicate Bills		No Charge
UTILIZATION REVIEW, CASE MANAGEMENT AND PHYSICIAN REVIEW		
Utilization Review		
<i>Concurrent, Prospective and Retrospective review</i>		\$145 Flat Fee
UR appeals: Peer to Peer		\$300 Per Hour
Authorization Only		\$35 Flat Rate
Case Management		
Telephonic Nurse Case Management		\$118 Per Hour
Field Case Management	\$125 Per Hour + Travel and Mileage	
Catastrophic Case Management	\$140 Per Hour + Travel and Mileage	
Peer Review		
Physician Peer Review		\$300 Flat Fee
Records Review		\$250 Per Hour
OTHER RELATED SERVICES		
Investigations		Typically, \$97 Per Hour
Pharmacy Benefits Management (PBM)		No Charge
Pharmacy Drug Review		\$125 Per Hour
Central Index Bureau & First and Subsequent Report of Incident Reporting		\$18 Per
Claim Reporting		Included
Predictive Modeling		Included
Subrogation Recovery		15% of Gross Recovery
MPN (Blue Cross)		\$4.50 Per Bill
Nurse Triage (optional)		\$150 Per Claim



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/3/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Edgewood Partners Insurance Center License #0B29370 PO Box 13847 Sacramento CA 95853	CONTACT NAME: Rebecca Foster PHONE (A/C, No., Ext): 916-576-1524 E-MAIL ADDRESS: Rebecca.Foster@epicbrokers.com	FAX (A/C, No.): 916-583-7613													
	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A : Travelers Prop Casualty Co of America</td> <td>25674</td> </tr> <tr> <td>INSURER B : Travelers Indemnity Co of CT</td> <td>25682</td> </tr> <tr> <td>INSURER C :</td> <td></td> </tr> <tr> <td>INSURER D :</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </tbody> </table>		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Travelers Prop Casualty Co of America	25674	INSURER B : Travelers Indemnity Co of CT	25682	INSURER C :		INSURER D :		INSURER E :		INSURER F :
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INSURER F :															
INSURED Athens Insurance Service, Inc. DBA: Athens Administrators PO Box 696 Concord CA 94522	ATHEINSU														

COVERAGES

CERTIFICATE NUMBER: 949567402

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			630594M4320	1/1/2019	1/1/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 10,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			BA8L572517	1/1/2019	1/1/2020	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			EX0K045623	1/1/2019	1/1/2020	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	UB9J160807	1/1/2019	1/1/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

Approved as to form:
 Date: 7/10/19
 By: City Attorney

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Re: All Contracts/Written Agreements between the Certificate Holder and the Insured. Additional Insured: City of South San Francisco. When required by written contract, additional insured status with primary coverage applies to General Liability and Automobile Liability and waiver of subrogation applies to General Liability, Automobile Liability and Workers' Compensation, all per the attached endorsements.

CERTIFICATE HOLDER**CANCELLATION**

City of South San Francisco
 400 Grand Avenue
 South San Francisco, CA 94080

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

© 1988-2015 ACORD CORPORATION. All rights reserved.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED (CONTRACTORS OPERATIONS)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

1. WHO IS AN INSURED – (Section II) is amended to include any person or organization that you agree in a "written contract requiring insurance" to include as an additional insured on this Coverage Part, but:
 - a) Only with respect to liability for "bodily injury", "property damage" or "personal injury"; and
 - b) If, and only to the extent that, the injury or damage is caused by acts or omissions of you or your subcontractor in the performance of "your work" to which the "written contract requiring insurance" applies. The person or organization does not qualify as an additional insured with respect to the independent acts or omissions of such person or organization.
2. The insurance provided to the additional insured by this endorsement is limited as follows:
 - a) In the event that the Limits of Insurance of this Coverage Part shown in the Declarations exceed the limits of liability required by the "written contract requiring insurance", the insurance provided to the additional insured shall be limited to the limits of liability required by that "written contract requiring insurance". This endorsement shall not increase the limits of insurance described in Section III – Limits Of Insurance.
 - b) The insurance provided to the additional insured does not apply to "bodily injury", "property damage" or "personal injury" arising out of the rendering of, or failure to render, any professional architectural, engineering or surveying services, including:
 - i. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders or change orders, or the preparing, approving, or failing to prepare or approve, drawings and specifications; and
 - ii. Supervisory, inspection, architectural or engineering activities.
3. The insurance provided to the additional insured by this endorsement is excess over any valid and collectible "other insurance", whether primary, excess, contingent or on any other basis, that is available to the additional insured for a loss we cover under this endorsement. However, if the "written contract requiring insurance" specifically requires that this insurance apply on a primary basis or a primary and non-contributory basis, this insurance is primary to "other insurance" available to the additional insured which covers that person or organization as a named insured for such loss, and we will not share with that "other insurance". But the insurance provided to the additional insured by this endorsement still is excess over any valid and collectible "other insurance", whether primary, excess, contingent or on any other basis, that is available to the additional insured when that person or organization is an additional insured under such "other insurance".
4. As a condition of coverage provided to the additional insured by this endorsement:
 - a) The additional insured must give us written notice as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, such notice should include:
 - i. How, when and where the "occurrence" or offense took place;
 - ii. The names and addresses of any injured persons and witnesses; and
 - iii. The nature and location of any injury or damage arising out of the "occurrence" or offense.
5. The insurance provided to the additional insured does not apply to "bodily injury" or "property damage" caused by "your work" and included in the "products-completed operations hazard".

COMMERCIAL GENERAL LIABILITY

- b) If a claim is made or "suit" is brought against the additional insured, the additional insured must:
 - i. Immediately record the specifics of the claim or "suit" and the date received; and
 - ii. Notify us as soon as practicable.The additional insured must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c) The additional insured must immediately send us copies of all legal papers received in connection with the claim or "suit", cooperate with us in the investigation or settlement of the claim or defense against the "suit", and otherwise comply with all policy conditions.
- d) The additional insured must tender the defense and indemnity of any claim or "suit" to any provider of "other insurance" which would cover the additional insured for a loss we cover under this endorsement. However, this condition does not affect whether the insur-

ance provided to the additional insured by this endorsement is primary to "other insurance" available to the additional insured which covers that person or organization as a named insured as described in paragraph 3. above.

- 5. The following definition is added to SECTION V. – DEFINITIONS:

"Written contract requiring insurance" means that part of any written contract or agreement under which you are required to include a person or organization as an additional insured on this Coverage Part, provided that the "bodily injury" and "property damage" occurs and the "personal injury" is caused by an offense committed:

- a. After the signing and execution of the contract or agreement by you;
- b. While that part of the contract or agreement is in effect; and
- c. Before the end of the policy period.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**OTHER INSURANCE – ADDITIONAL INSURED –
PRIMARY AND NON-CONTRIBUTORY WITH RESPECT TO
CERTAIN OTHER INSURANCE**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following is added to Paragraph 4. a., **Primary Insurance**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

However, if you specifically agree in a written contract or agreement that the insurance afforded to an additional insured under this Coverage Part must apply on a primary basis, or a primary and non-contributory basis, this insurance is primary to other insurance that is available to such additional insured which covers such additional insured as a named insured, and we will not share with that other insurance, provided that:

- (1) The "bodily injury" or "property damage" for which coverage is sought is caused by an "occurrence" that takes place; and
- (2) The "personal injury" or "advertising injury" for which coverage is sought arises out of an offense that is committed;

subsequent to the signing and execution of that contract or agreement by you.

COMMERCIAL GENERAL LIABILITY

However, if this policy includes an endorsement that provides limited coverage for "bodily injury" or "property damage" or pollution costs arising out of a discharge, release or escape of "pollutants" which contains a requirement that the discharge, release or escape of "pollutants" must be reported to us within a specific number of days after its abrupt commencement, this Paragraph e. does not affect that requirement.

P. UNINTENTIONAL OMISSION

The following is added to Paragraph 6., **Representations**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy will not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our rights of

cancellation or nonrenewal in accordance with applicable insurance laws or regulations.

Q. BLANKET WAIVER OF SUBROGATION

The following is added to Paragraph 8., **Transfer Of Rights Of Recovery Against Others To Us**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

If the insured has agreed in a contract or agreement to waive that insured's right of recovery against any person or organization, we waive our right of recovery against such person or organization, but only for payments we make because of:

- a. "Bodily injury" or "property damage" caused by an "occurrence" that takes place; or
- b. "Personal injury" or "advertising injury" caused by an offense that is committed;

subsequent to the execution of the contract or agreement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS AUTO EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to the Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- | | |
|---|---|
| <ul style="list-style-type: none"> A. BROAD FORM NAMED INSURED B. BLANKET ADDITIONAL INSURED C. EMPLOYEE HIRED AUTO D. EMPLOYEES AS INSURED E. SUPPLEMENTARY PAYMENTS – INCREASED LIMITS F. HIRED AUTO – LIMITED WORLDWIDE COVERAGE – INDEMNITY BASIS G. WAIVER OF DEDUCTIBLE – GLASS | <ul style="list-style-type: none"> H. HIRED AUTO PHYSICAL DAMAGE – LOSS OF USE – INCREASED LIMIT I. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES – INCREASED LIMIT J. PERSONAL PROPERTY K. AIRBAGS L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS M. BLANKET WAIVER OF SUBROGATION N. UNINTENTIONAL ERRORS OR OMISSIONS |
|---|---|

PROVISIONS

A. BROAD FORM NAMED INSURED

The following is added to Paragraph A.1., **Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

Any organization you newly acquire or form during the policy period over which you maintain 50% or more ownership interest and that is not separately insured for Business Auto Coverage. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier.

B. BLANKET ADDITIONAL INSURED

The following is added to Paragraph c. in A.1., **Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

Any person or organization who is required under a written contract or agreement between you and that person or organization, that is signed and executed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to be named as an additional insured is an "insured" for Covered Autos Liability Coverage, but only for damages to which

this insurance applies and only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Section II.

C. EMPLOYEE HIRED AUTO

1. The following is added to Paragraph A.1., **Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in an "employee's" name, with your permission, while performing duties related to the conduct of your business.

2. The following replaces Paragraph b. in B.5., **Other Insurance**, of **SECTION IV – BUSINESS AUTO CONDITIONS**:

b. For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:

- (1) Any covered "auto" you lease, hire, rent or borrow; and
- (2) Any covered "auto" hired or rented by your "employee" under a contract in an "employee's" name, with your

COMMERCIAL AUTO

permission, while performing duties related to the conduct of your business.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

D. EMPLOYEES AS INSURED

The following is added to Paragraph A.1., **Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

E. SUPPLEMENTARY PAYMENTS – INCREASED LIMITS

1. The following replaces Paragraph A.2.a.(2), of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

(2) Up to \$3,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.

2. The following replaces Paragraph A.2.a.(4), of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

(4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$500 a day because of time off from work.

F. HIRED AUTO – LIMITED WORLDWIDE COVERAGE – INDEMNITY BASIS

The following replaces Subparagraph (5) in Paragraph B.7., **Policy Period, Coverage Territory**, of **SECTION IV – BUSINESS AUTO CONDITIONS**:

(5) Anywhere in the world, except any country or jurisdiction while any trade sanction, embargo, or similar regulation imposed by the United States of America applies to and prohibits the transaction of business with or within such country or jurisdiction, for Covered Autos Liability Coverage for any covered "auto" that you lease, hire, rent or borrow without a driver for a period of 30 days or less and that is not an "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.

(a) With respect to any claim made or "suit" brought outside the United States of America, the territories and possessions of the United States of America, Puerto Rico and Canada:

(i) You must arrange to defend the "insured" against, and investigate or settle any such claim or "suit" and keep us advised of all proceedings and actions.

(ii) Neither you nor any other involved "insured" will make any settlement without our consent.

(iii) We may, at our discretion, participate in defending the "insured" against, or in the settlement of, any claim or "suit".

(iv) We will reimburse the "insured" for sums that the "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, that the "insured" pays with our consent, but only up to the limit described in Paragraph C., Limits Of Insurance, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**.

(v) We will reimburse the "insured" for the reasonable expenses incurred with our consent for your investigation of such claims and your defense of the "insured" against any such "suit", but only up to and included within the limit described in Paragraph C., Limits Of Insurance, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**, and not in addition to such limit. Our duty to make such payments ends when we have used up the applicable limit of insurance in payments for damages, settlements or defense expenses.

(b) This insurance is excess over any valid and collectible other insurance available to the "insured" whether primary, excess, contingent or on any other basis.

(c) This insurance is not a substitute for required or compulsory insurance in any country outside the United States, its territories and possessions, Puerto Rico and Canada.

You agree to maintain all required or compulsory insurance in any such country up to the minimum limits required by local law. Your failure to comply with compulsory insurance requirements will not invalidate the coverage afforded by this policy, but we will only be liable to the same extent we would have been liable had you complied with the compulsory insurance requirements.

- (d) It is understood that we are not an admitted or authorized insurer outside the United States of America, its territories and possessions, Puerto Rico and Canada. We assume no responsibility for the furnishing of certificates of insurance, or for compliance in any way with the laws of other countries relating to insurance.

G. WAIVER OF DEDUCTIBLE – GLASS

The following is added to Paragraph D., **Deductible**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

No deductible for a covered "auto" will apply to glass damage if the glass is repaired rather than replaced.

H. HIRED AUTO PHYSICAL DAMAGE – LOSS OF USE – INCREASED LIMIT

The following replaces the last sentence of Paragraph A.4.b., **Loss Of Use Expenses**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

However, the most we will pay for any expenses for loss of use is \$65 per day, to a maximum of \$750 for any one "accident".

I. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES – INCREASED LIMIT

The following replaces the first sentence in Paragraph A.4.a., **Transportation Expenses**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

We will pay up to \$50 per day to a maximum of \$1,500 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type.

J. PERSONAL PROPERTY

The following is added to Paragraph A.4., **Coverage Extensions**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

Personal Property

We will pay up to \$400 for "loss" to wearing apparel and other personal property which is:

- (1) Owned by an "insured"; and

- (2) In or on your covered "auto".

This coverage applies only in the event of a total theft of your covered "auto".

No deductibles apply to this Personal Property coverage.

K. AIRBAGS

The following is added to Paragraph B.3., **Exclusions**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

Exclusion 3.a. does not apply to "loss" to one or more airbags in a covered "auto" you own that inflate due to a cause other than a cause of "loss" set forth in Paragraphs A.1.b. and A.1.c., but only:

- If that "auto" is a covered "auto" for Comprehensive Coverage under this policy;
- The airbags are not covered under any warranty; and
- The airbags were not intentionally inflated.

We will pay up to a maximum of \$1,000 for any one "loss".

L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS

The following is added to Paragraph A.2.a., of **SECTION IV – BUSINESS AUTO CONDITIONS**:

Your duty to give us or our authorized representative prompt notice of the "accident" or "loss" applies only when the "accident" or "loss" is known to:

- You (if you are an individual);
- A partner (if you are a partnership);
- A member (if you are a limited liability company);
- An executive officer, director or insurance manager (if you are a corporation or other organization); or
- Any "employee" authorized by you to give notice of the "accident" or "loss".

M. BLANKET WAIVER OF SUBROGATION

The following replaces Paragraph A.5., **Transfer Of Rights Of Recovery Against Others To Us**, of **SECTION IV – BUSINESS AUTO CONDITIONS**:

5. Transfer Of Rights Of Recovery Against Others To Us

We waive any right of recovery we may have against any person or organization to the extent required of you by a written contract signed and executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of operations contemplated by

COMMERCIAL AUTO

such contract. The waiver applies only to the person or organization designated in such contract.

N. UNINTENTIONAL ERRORS OR OMISSIONS

The following is added to Paragraph **B.2., Concealment, Misrepresentation, Or Fraud,** of **SECTION IV – BUSINESS AUTO CONDITIONS:**

The unintentional omission of, or unintentional error in, any information given by you shall not prejudice your rights under this insurance. However this provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

ENDORSEMENT WC 99 03 76 (A) – 001

POLICY NUMBER: UB9J160807

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS
ENDORSEMENT – CALIFORNIA
(BLANKET WAIVER)**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule.

The additional premium for this endorsement shall be 1 .0 % of the California workers' compensation premium.

Schedule

Person or Organization

Job Description

ANY PERSON OR ORGANIZATION FOR WHICH
THE NAMED INSURED HAS AGREED BY
WRITTEN CONTRACT EXECUTED PRIOR TO LOSS
TO FURNISH THIS WAIVER.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 1/1/2019

Policy No. UB9J160807

Endorsement No.
Premium

Insured Athens Insurance Services, Inc.

Insurance Company Travelers Property Casualty
Company of America

Countersigned by _____

DATE OF ISSUE:

ST ASSIGN:

Page 1 of 1