

## **WORKERS' COMPENSATION SELF-INSURANCE PROGRAM**

### **CLAIM SERVICE AGREEMENT FOR CITY OF LACROSSE**

This agreement is effective January 1, 2020 and expires 12:01am, January 1, 2025 (5 years) for claims occurring during the agreement period. Wisconsin Municipal Mutual Insurance Company (herein after referred to as WMMIC) agrees to perform services for City of LaCrosse, which is a self-insured employer (herein after referred to as Client).

WMMIC agrees to perform the following services in connection with Client's self-insured status as an employer under the Wisconsin Workers' Compensation Act. Client represents that it has or will make arrangements satisfactory to it for all other types of claims.

WMMIC agrees to perform the following services:

1. Investigate each reported claim for the purpose of determining whether it is compensable.
2. Discuss with the Client claims that need further review for determination of compensability.
3. To make or authorize payment on behalf of the Client for compensation and treatment benefits for all claims that WMMIC believes are compensable.
4. Periodically review Client's incident reports to ensure that Client is adequately documenting and categorizing incident reports.
5. Establish reserves for claims and periodically evaluate such reserves.
6. Periodically review claims to determine entitlement to non-treatment related expenses such as temporary disability, permanent disability, and retraining benefits, and to compute the amount of such benefits payable.
7. Review treatment bills including medical, hospital and chiropractic bills for reasonableness, necessity of treatment, accuracy, and completeness. To participate in the selection and supervision of outside service providers for detailed review of such bills for usual and customary charges.
8. Monitor medical treatment of injured employees. Participate in the selection and assist in the supervision of medical management, medical examiners and rehabilitation providers.

9. Participate in the selection of and assist in the supervision of claims investigators and attorneys retained to investigate, defend or settle claims.
10. Monitor claims for subrogation. Direct and supervise efforts for the recovery of funds.
11. Provide monthly reports detailing claims, claimants, and reserves.
12. Provide reports required under the provisions of the Wisconsin Workers' Compensation Act.
13. Comply with the Excess Insurance Carrier's "claim reporting requirements," if any, as outlined in Exhibit "A." WMMIC will pursue the collection of losses covered by any Excess Insurance coverage obtained by Client.

Client agrees as follows:

1. To promptly report to WMMIC all injuries and claims of injuries, in accordance with the Wisconsin Workers' Compensation Act.
2. To promptly report to WMMIC all claims that Client may have initially categorized as "incident only," when information becomes known that changes the category to either a "medical only" or "indemnity" claim.
3. To provide information to WMMIC investigators or attorneys handling claims on behalf of the Client, concerning questions which arise in regard to claims. To provide prompt and complete access to requested information and permit contact with employees.
4. To pay all sums incurred for the investigation of, management of, or the defense of claims regardless of whether the claims are contested. Such payments include, but are not limited to, medical bill review charges, medical, chiropractic and rehabilitation management, medical examinations, investigative services and attorney's fees, safety/loss control services and special services or administrative costs rendered by WMMIC. The Client will approve all services requested.
5. Client acknowledges that claims arising out of any penalty provisions under the Wisconsin Worker's Compensation Act, including but not limited to Wis. Stat. Sec. 102.57 (safety violation), 102.35(3) (failure to rehire) and 102.81(1)(bp) (bad faith), are to be covered by Client.

Penalties assessed under the Wisconsin Workers' Compensation Act for errors and omissions by WMMIC will be reimbursed only if such errors or omissions are solely caused by WMMIC

- 6. Accidents occurring prior to the inception date of this agreement are not administered unless otherwise agreed to by Client and WMMIC in writing.**
- 7. The actual fee for claim services will be based upon using the following schedule for the agreement period.**

<b><u>OPTION #1</u></b>				
<b>Claim Type</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	
Indemnity (including Lost Time, Permanent Disability, Retraining Benefits, MSA Files and Litigated )	\$950	\$979	\$1,008	
Medical Only Payments	\$150	\$155	\$160	

<b>Claim Type</b>	<b>2023</b>	<b>2024</b>
Indemnity (including Lost Time, Permanent Disability, Retraining Benefits, MSA Files and Litigated )	\$1,038	\$1,069
Medical Only Payments	\$165	\$170

Incident recording fee will be \$30.00 per report and this pricing will be stay constant for this contract.

**OPTION #2**

**WMMIC** will administer your claims on an annual flat administrative-fee basis. Payment is made in full each January, assuming a five-year contract.

2020 - \$21,000  
 2021 - \$22,700  
 2022 - \$23,400  
 2023 - \$24,100  
 2024 - \$24,800

The fees contemplate administering each claim to conclusion or closure. However, the annual per-claim Indemnity Fee has a five-year ***sunset provision***. If an Indemnity Claim is open five years from the date the claim was first reported to WMMIC, WMMIC at its option may charge additional administration fees equal to its actual time and expense in administering the claim. Such additional fees, if any, for a particular claim shall not exceed the per-claim Indemnity Fee in effect in the year the claim was first reported to WMMIC.

Fees will be automatically withdrawn from Client's SIR funds on deposit with WMMIC. WMMIC will account for all payments monthly and the Client shall fund the SIR account to maintain the minimum amount required or quarterly at the discretion of WMMIC.

No individual member of WMMIC shall in any way be liable for performance of WMMIC's duties and obligations hereunder.

This agreement shall be governed by the laws of the State of Wisconsin without regard to its conflict of laws, provisions, and the exclusive venue for disputes arising out of or related to this agreement shall be the appropriate state or federal court located in either the City of Madison, Wisconsin or Dane County, Wisconsin.

WMMIC and the Client each reserves the right to cancel this agreement for any reason whatsoever upon 90 days written notice given to each other. Services beyond the effective date of cancellation will be negotiated at the time of termination.

This instrument constitutes the whole and entire agreement between the parties and superseded all prior oral and written agreements. This instrument may be altered only by a subsequent mutual agreement that is reduced to writing and is executed by authorized legal representatives of both parties.

FOR WMMIC

\_\_\_\_\_  
Dean Boes, Executive Director

Date: \_\_\_\_\_

ACCEPTED FOR CLIENT

By:  \_\_\_\_\_

DEPUTY DIRECTOR OF HUMAN RESOURCES

Title

Option Chosen

OPTION # 2

Date: 1/7/2020

**EXHIBIT A  
CLAIMS REPORTING REQUIREMENTS**

("You" in the text below refers to the Insured; "We" refers to the Insurer.)

1. You must give us prompt notice of any accident or disease which may result in a claim or suit seeking an amount for loss in excess of your "bodily injury by accident" or "bodily injury by disease each employee" retention. The notice must be made no later than thirty (30) calendar days from the date you are notified of such accident or disease. The notice shall include;
  - a. How, when and where the accident or disease took place;
  - b. The names and addresses of any injured persons and witnesses; and
  - c. Complete details of the injury, disease or death.
  
2. You must furnish us with:
  - a. Written notification of each claim or suit which has, should have or is likely to have, without regard to liability, a reserve equal to or exceeding fifty percent (50%) of your retention. Written notice must be provided as soon as possible, but no later than fifteen (15) calendar days from the date you have sufficient knowledge of facts surrounding such claim or suit which could put you on notice that such reserve or payment is indicated. Complete files on such claim or suit must be given to us within thirty (30) calendar days from the date we request such files.

Written notification of each claim or suit which involves serious injury. This notice must be provided as soon as possible, no later than ten (10) business days from the date you have knowledge of such claim or suit. Serious injuries include, but are not limited to;

- 1) Cord Injury – paraplegia, quadriplegia;
- 2) Amputations – requiring a prosthesis;
- 3) Brain damage affecting mentality or central nervous system – such as permanent disorientation, behavior disorder, personality change, seizures, motor deficit, inability to speak Aphasia), hemiplegia or unconsciousness (Comatose);
- 4) Blindness;
- 5) Burns – involving over 10% of body with third-degree or 30% with second degree;

- 6) **Multiple fractures – involving more than one member or non-union of any part of the body;**
  - 7) **Fracture of both heel bones (Fractured or Bilateral OS Calcis);**
  - 8) **Nerve damage causing paralysis and loss of sensation in arm and hand (Brachial Plexus Nerve Damage);**
  - 9) **Massive internal injuries affecting body organs;**
  - 10) **Injury to nerve at base of spinal canal (Cauda Equina) or any other back injury resulting in incontinence of bowel or bladder;**
  - 11) **Fatalities;**
  - 12) **Any claim or suit not specified above that presents an unusual exposure to the coverage. Examples include: sexual molestation, AIDS, rape, class actions and bad faith allegations; or**
  - 13) **Any other serious injury which may involve our liability;**
  - 14) **Individual written loss reports of all serious injuries must be given to us within thirty (30) calendar days from the date you have knowledge of any claim or suit which involves serious injuries. This report must contain the facts surrounding the claim or suit, a description of injuries, suggested reserves, recommendations for future claims handling.**
- b. **Any other claim information or reports requested by us.**

**3. You must:**

- a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit" or action involving a sum in excess of your retention;**
- b. Authorize us to obtain records and other information;**
- c. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance applies;**
- d. Furnish us and direct defense counsel or others to furnish us with information we may request to evaluate the "accident" or "disease"; and**
- e. Attempt to settle the claim or "suit" within your retention.**