

1/09 - 12/12

**Wells Fargo Insurance Services of Indiana, LLC
Claims Service Contract**

**CITY OF FT. WAYNE HURT ON DUTY AND CITY OF FT. WAYNE WORKER'S
COMPENSATION PROGRAMS**

STATE OF INDIANA

COUNTY OF ALLEN

THIS AGREEMENT, made and entered into this 1st day of January 2009 between **WELLS FARGO INSURANCE SERVICES**, hereinafter referred to as the "Servicing Company," and **THE CITY OF FORT WAYNE HURT ON DUTY AND THE CITY OF FT. WAYNE WORKER'S COMPENSATION PROGRAMS**, hereinafter referred to as the "Client."

WITNESSETH THAT:

WHEREAS, the "Servicing Company" operates a business known as Wells Fargo Insurance Services of Indiana, LLC. and

WHEREAS, the "Client" desires to employ the "Servicing Company" as its Claims Adjusters, to service its claims.

NOW THEREFORE, the "Servicing Company" and the "Client" mutually agree as follows:

1. The City of Ft. Wayne Hurt on Duty and City of Ft. Wayne Worker's Compensation general agreements page, to which this is attached, is made a part hereof as though fully repeated and set out herein.
2. This contract covers Claim Service for the "Client."
3. The "Client" shall pay the "Servicing Company" fees for handling City of Ft. Wayne Hurt on Duty claims as follows:

a.	Monthly Administration fees	\$ 800
b.	Per-Claim fee	\$ 250
c.	Managing account, providing forms and reports	No charge
d.	Monthly loss runs	No charge
e.	Administer banking account and reconcile	No charge
	(Client pays service and check fees)	

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4. The "Client" shall pay the "Servicing Company" fees for handling City of Ft. Wayne Workers' Compensation claims as follows:

	2009	2010	2011	2012
Lost time	\$775	\$800	\$825	\$850
Intermediate*	\$375	\$400	\$425	\$450
Medical only	\$100	\$110	\$120	\$130

- a. Fee for managing account, providing forms and reports: No charge
 - b. Monthly loss runs: No charge
 - c. Administer banking account and reconcile: No charge
(Client pays service and check fees)
5. The "Servicing Company" can provide additional services at the request of the "Client". The terms, conditions and costs of such services will be determined on a case by case basis.
6. "Servicing Company" makes all payments for City of Ft. Wayne Hurt on Duty and City of Ft. Wayne Workers' Compensation claims.
7. The "Client" pays allocated loss expenses described in the attached Claims Service Contract.
8. The "Client" agrees to pay the "Servicing Company" monthly for all Hurt on Duty and City of Ft. Wayne Worker's Compensation fees. All payments are due within 45 days of invoice date.

*Intermediate defined:

Claims are classified as intermediate if they meet at least one of the following seven criteria:

1. Any claim that involves continuing medical treatment over 90 days.
2. Any claim of questionable compensability which requires extensive investigation.

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3. Any claim that has been denied after investigation.
4. Any claim that is in active litigation and/or that requires the involvement of defense counsel.
5. Any claim that involves repetitive motion/cumulative trauma.
6. Any claim involving a fracture.

**CITY OF FT. WAYNE HURT ON DUTY AND THE CITY OF FT. WAYNE
WORKER'S COMPENSATION
GENERAL AGREEMENTS**

THE "SERVICING COMPANY" AGREES:

1. To review all Workers's Compensation claims and/or loss reports with claim and/or loss dates incurred during the term of this contract, involving the hereinabove stated exposures to the "Client".
2. To investigate, to the extent deemed necessary in the judgment of the "Servicing Company," all reported claims and/or losses defined in Item 1.
3. To investigate, adjust, settle or resist all such losses and/or claims as defined in Item 1, within the discretionary settlement authority limit of the "Servicing Company".
4. To investigate, adjust, settle or resist all such losses and/or claims as defined in Item 1, in excess of the discretionary settlement authority limit of the "Servicing Company" with specific prior approval of the "Client".
5. To furnish all claim forms necessary for proper claims administration.
6. To establish claim and/or loss files for each reported claim and/or loss.
7. To transmit to the "Client" finalized claim and/or loss files as each claim and/or loss is concluded.

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8. To establish a Workers' Compensation interest-bearing checking account at the Wells Fargo Bank for both the City of Ft. Wayne Hurt on Duty and City of Ft. Wayne Worker's Compensation programs.
9. To issue payment of all Workers' Compensation indemnity and medical expenses for the City of Ft. Wayne Worker's Compensation program and all medical expenses for the City of Ft. Wayne Hurt on Duty program.
10. Reconcile bank statement monthly and provide client with accounting of all funds.
11. To be responsible for any misappropriations of clients funds.
12. The "Servicing Company" agrees to maintain adequate General Liability, Automobile Liability, Workers' Compensation, Fidelity Bond and Errors and Omissions insurance coverage.
13. The "Servicing Company" agrees to indemnify, defend and hold harmless the "Client" with respect to any claims asserted as a result of any errors, omissions, torts, intentional torts or other negligence on the part of the "Servicing Company" and/or its employees unless the complained of actions of the "Servicing Company" were taken at the specific direction of the "Client".

THE "CLIENT" AGREES:

1. To pay to the "Servicing Company" the claim service fees as prescribed in this contract.
2. To pay all allocated loss expense, as defined herein, in addition to the claim service fee to be paid to the "Servicing Company" as prescribed in this contract.
3. To pay all check charges and banking expenses for the City of Ft. Wayne Hurt on Duty and the City of Ft. Wayne Workers' Compensation checking accounts.
4. To fund the checking accounts with periodic deposits.

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5. To indemnify and hold harmless the "Servicing Company" in the event of an adverse result or judgment when the "Servicing Company" could have settled the claim and/or loss within its discretionary settlement authority limit, if the "Servicing Company" is not guilty of error, other than error in judgment or omission, unless such actions were taken at the specific direction of the "Client".
6. In the event the "Servicing Company," acting at the specific direction of the "Client," becomes liable to any third parties, the "Client" agrees to indemnify, defend and hold the "Servicing Company" and/or its employees harmless.
7. If the "Servicing Company" or any of its employees are named as a Defendant in any action (i) where the plaintiff's cause of action involves A claim hereunder and (ii) where there are no allegations of errors, omissions, torts, intentional torts or other negligence on the part of the "Servicing Company," the "Client" will assume defense of the action on the behalf of the "Servicing Company" and/or its employees.

THE "SERVICING COMPANY" AND THE "CLIENT" MUTUALLY AGREE AS FOLLOWS:

1. The term of this contract is continuous from its effective date for four (4) years.
2. Allocated Loss Expense shall mean:
 - a. Legal fees
 - b. Court costs
 - c. Independent medical examinations
 - d. Court reporter and transcript fees
 - e. Witness fees and witness travel expense

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- f. Expense for professional photos or photocopy service
 - g. Expense to obtain copies of public records
 - h. Fees related to Alternative Dispute Resolution (ADR)
 - i. Other expenses or services, including, but not limited to, expert fees as required.
3. The following services are not included in the fixed fees:
- a. Attendance at City of Ft. Wayne Hurt on Duty and City of Ft. Wayne Workers' Compensation hearings or any legal proceeding at the request of, or on behalf of, the City of Fort Wayne
 - b. Litigation management services
 - c. Subrogation/recovery services
 - d. City of Ft. Wayne Hurt on Duty and City of Ft. Wayne Workers' Compensation claims involving occupational disease, mental/mental stress (i.e., mental disability arising out of the work environment not caused by physical injury or occupational disease) or any cumulative trauma involving multiple contract periods
 - e. Any claim arising out of employers' liability, USL&H, Jones Act, aircraft liability, environmental impairment, personal injury, false arrest, liquor liability, professional liability, unlawful discharge, or any other specialty liability coverage not specifically included in a set fee as set out in this quotation
 - f. The agreed cost to transcribe recorded statements as requested by the client
 - g. Unusual travel expenses, including, but not limited to: airfares, cab fares, parking and tolls as requested by the client
 - h. Costs to coordinate customer audits as requested by the client

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- i. Preparation and/or filing of insurance carrier or self-insured reports, such as, but not limited to: NCCI, unit statistical, major case or other statistical reports mandated by industry or governmental entities
- j. Rehabilitation/medical management services
- k. Computer information services, including, but not limited to: real time claims access, interactive data inquiry, on-line report generation, customer-driven claims analysis and data download
- l. Any claim or loss not occurring within the 48 contiguous states
- m. Computerized medical bill review services
- n. Automated index system filing services
- o. The cost to provide forms, notices and other supplies or any other out-of-pocket expenses or services performed in addition to those customarily included in the claims service fee as stated, all at the request, or prior agreement, of client and Wells Fargo Insurance Services.
- p. Attendance at Alternative Dispute Resolution (ADR) forums, including arbitration, mediation, etc.
- q. Any other specialty services performed by Wells Fargo Insurance Services at the client's request

IN WITNESS WHEREOF, the "Servicing Company" and the "Client" have caused this contract to be executed by the persons authorized to act in their respective names.

CITY OF FORT WAYNE

BY: Patricia Kael

TITLE: Controller

DATE SIGNED: 12/15/08

WELLS FARGO INSURANCE SERVICES

BY: John D. Dinkel

TITLE: Director, Claims Administration

DATE SIGNED: 12/22/08