

SERVICE AGREEMENT

THIS SERVICE AGREEMENT (the "Agreement") is made and entered into by and between COMMERCIAL RISK MANAGEMENT, INC. (referred to as the "Company") and CITY OF CLEARWATER (referred to herein as the "Self-Insured").

In consideration of the covenants and conditions set forth below to be performed and observed by the parties hereto, it is agreed as follows:

1. So long as this Agreement remains in effect, the Company will furnish claims handling and statistical data, including filing of all forms and reports (from data supplied by the Self-Insured) as required by the Florida Department of Financial Services, Division of Workers' Compensation.

2. The Company will handle to a conclusion all claims that occur during the period that this Agreement remains in effect. The cost of handling the tail for the initial one year term of this Agreement and for each one-year renewal of the term of this Agreement will be considered to be included in the Annual Service Fee to be paid upon each renewal of the term of this Agreement. However, in the event of any cancellation of this Agreement, the Self-Insured shall pay to the Company an administrative fee for handling the tail in an amount to be negotiated between the Company and the Self-Insured, which administrative fee shall not exceed ten percent (10%) of paid loss, and which administrative fee shall be payable on a monthly basis as invoiced by the Company.

In the event claims files and claims servicing responsibilities are transferred to a new service company, the Company will provide an accounting of all claims and claims activity to the new service company. Upon the transfer of the files and final accounting of the claims activity, the Company shall be released from all further responsibility and liability under this Agreement.

The Company acknowledges that files containing the records of the Self-Insured's claims shall belong to the Self-Insured, provided that the Company shall have the right to retain copies of any and all such records to the extent determined appropriate by the Company.

All claim expenses commonly referred to in the insurance industry as "Allocated Claims Expenses" shall be the responsibility of, and paid by, the Self-Insured. Without limiting the generality of the immediately preceding sentence, the term "Allocated Claims Expenses" shall include such items as attorneys' fees, court costs, independent investigative claims costs, and managed care services as provided by the company of the Self-Insured's choice. The Self-Insured shall be responsible for service charges that accrue to the claims paying checking account if the account is maintained by the Company.

3. The Self-Insured shall pay to the Company, for the Company's services under this Agreement, a Service Fee payable as invoiced by the Company. The Company will handle any and all claims that the City of Clearwater sends to our office, and this will be charged in accordance with the fees as outlined below:

FEES:

Claim Fees

- Indemnity/Lost Time Claim: \$1,000 per claim
- Medical Only Claim for handling routine or overflow medical only claims: \$250 per claim
- Complicated Medical Only Claim
Claim forwarded for complex medical issues and/or investigative purposes: \$500 per claim

Any medical only claim, routine or complex, that becomes a lost time claim, the difference in the fee up to the \$1,000 will be charged.

It is the intention of our Agreement that the City of Clearwater will forward to our office for handling claims that they wish us to handle. The parameters or indicators include but are not limited to the following:

- 1) Lost Time Claims.
- 2) Medical Only Claims that turn into Lost Time Claims.
- 3) Claims that require Impairment Benefit Payments.
- 4) Compensability Issues.
- 5) Complex Medical Claims.
- 6) Claims that become Legal.
- 7) Claims that need investigation.
- 8) Heart-Lung Presumption Claims or Exposure Claims that require Affidavit.
- 9) Subrogation Claims.
- 10) New claims with multiple employees involved where initial excess reporting is necessary.
- 11) Medical Only Claims when City personnel are away from the office.

The Service Fees shall be payable quarterly as invoiced by the Company.

Since the basis of the Service Fee is not predicated on payroll or premium, an annual payroll audit is not included as a part of this Service Agreement.

4. The initial term of this Agreement shall be one (1) year with such term being deemed to have commenced at 12:01 a.m. on February 1, 2019, and with such term to terminate at 12:01 a.m. on February 1, 2020. Any renewal of the term of this Agreement shall be documented by an instrument in writing signed on behalf of both the Company and the Self-Insured and can be renewed for up to three (3) additional periods of one (1) year each.

Notwithstanding the foregoing provisions of this paragraph, either the Self-Insured or the Company shall have the right to cancel this Agreement solely by giving the other not less than sixty (60) days' advance written notice of the proposed date of cancellation. Any such cancellation of this Agreement shall be subject to all of the applicable terms and provisions of this Agreement.

5. Each notice, request, demand, consent, approval, or other communication required or permitted under this Agreement (collectively a "notice") shall be valid only if it is (a) in writing [or sent by telex, telegram, or telecopy and promptly confirmed in writing] and (b) addressed by the sender to the other party at its address and in the manner set forth below:

(a) If to the Company: COMMERCIAL RISK MANAGEMENT, INC.
Post Office Box 18366
Tampa FL 33679-8366

(b) If to the Self-Insured: Risk Management Department
CITY OF CLEARWATER
P.O. Box 4748
Clearwater FL 33758

Except as otherwise provided herein, each notice shall be effective on the earlier of its receipt, if delivered personally or by courier, or the third day after it (or the written confirmation of it) is postmarked for dispatch by first-class, postage prepaid, certified or registered, United States mail, with return receipt requested (whether or not the return receipt is subsequently received by the sender).

Any party wishing to change the person or address to which notices are to be given may do so by complying with the notice provisions of this paragraph.

6. This Agreement embodies the entire Agreement and understanding between the parties with respect to the subject matter hereof, expressly superseding all prior Agreements and understandings, whether oral or written. No amendment, modification or attempted waiver of any provisions of this Agreement shall be binding upon either party to this Agreement unless reduced to writing and signed by or on behalf of each of the parties to this Agreement. The waiver by either party of any breach of any covenant or condition of this Agreement shall not be construed as a waiver of any subsequent breach of such covenant or condition or of the breach of any other covenant or condition contained in this Agreement. Any number of counterparts of this Agreement may be signed and delivered, each of which shall be considered an original and all of which, together, shall constitute one and the same instrument. This Agreement shall be governed by and shall be construed in accordance with the laws of the State of Florida. The provisions of this Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto, and their respective successors and assigns.

7. The Company agrees to notify the excess workers' compensation and employers liability insurance companies on all claims in accordance with the reporting requirements contained in each insurance policy so long as the City of Clearwater provides the copies of necessary excess policies. Furthermore, the Company agrees to notify the Self-Insured of any

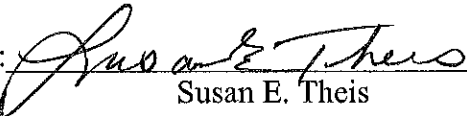
recoveries received from the Special Disability Trust Fund and the excess insurance Companies and to make timely requests for reimbursements with the excess insurance companies.

8. **Confidentiality of Business, Employment and Medical Records Information.** The Company agrees that it and all Company personnel shall treat all patient, medical, and/or City of Clearwater business information to which it/they become privy as confidential and proprietary to the City and will not, at any time, directly or indirectly, divulge to any unauthorized person or entity or use for their own personal gain any confidential information acquired by them during the term of this Agreement. The Company also agrees that it and all Company personnel shall comply with applicable laws and regulations concerning the confidentiality and disclosure of medical records and medical record information.

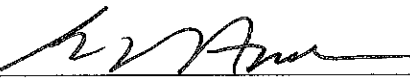
9. The Company will maintain professional liability/E & O insurance coverage with limits of \$5,000,000 per occurrence and supply proof of such insurance on a yearly basis as coverage renews.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its undersigned officers duly authorized this 9th day of October, 2018, but effective as of February 1, 2019.

COMMERCIAL RISK MANAGEMENT, INC.

By: 
Susan E. Theis
President/CEO

ATTEST:

By: 
Sharon Anderson
Chief Claims Officer

IN WITNESS WHEREOF, the Self-Insured has caused this Agreement to be executed by its undersigned officers duly authorized this _____ day of _____, 2018, but effective as of February 1, 2019.

Countersigned:

CITY OF CLEARWATER

George N. Cretkos
Mayor

By: _____
William B. Horne II
City Manager

Approved as to form:

Attest:

Assistant City Attorney

Rosemarie Call
City Clerk