WORKER'S COMPENSATION SELF-INSURANCE PROGRAM

CLAIM SERVICE AGREEMENT FOR CITY OF MADISON

This is a three-year contract effective 12:01 am January 1, 2015 and expires 12:01am, January 1, 2018 (with two optional one-year extensions that automatically renew unless 90 days written notice is provided by the City for claims occurring during the agreement period. Wisconsin Municipal Mutual Insurance Company (herein after referred to as WMMIC) contracts to perform services for City of Madison, which is a self-insured employer (herein after referred to as Client).

WMMIC contracts to perform the following services in connection with Client's self-insured status as an employer under the Wisconsin Worker's Compensation Act.

WMMIC agrees to perform the following services:

1. Review and analyze each reported claim for the purpose of determining whether it is compensable.

2. Contact employees that indicate on their Accident Report that they are seeking medical treatment within 24 hours of injury during business hours Monday through Friday.

3. Discuss with the Client claims that need further review for determination of compensability. It will be a priority of WMMIC at all times during the term of this contract to recognize as early as possible, claims that require a higher-than- average level of scrutiny and administration. WMMIC will promptly bring to the Client's attention any such claims.

4. Make or authorize payment on behalf of the Client for compensation and treatment benefits for all claims that are compensable under the Workers' Compensation Act.

5. Attend hearing and court proceedings at WMMIC's expense.

6. Conduct periodic reviews of all claims with Client, including a monthly meeting to discuss claim issues and to conduct semi-annual reviews of "Old Dog" claim files as needed.

7. Periodically review Client's incident reports to ensure that Client is adequately documenting and categorizing incident reports.

8. Establish reserves for claims and periodically evaluate such reserves.

9. 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.

10. Review treatment bills including medical, hospital and chiropractic bills for reasonableness, necessity of treatment, accuracy, and completeness, and participate in the selection and supervision of outside service providers for detailed review of such bills for usual and customary charges. Provide quarterly utilization reports detailing costs and savings obtained.

11. Monitor medical treatment of injured employees and participate in the selection and assist in the supervision of medical management, medical examiners and rehabilitation providers. Identify and administer effective cost control measures such as utilization review and including opportunities for the discount pricing for medical services.

12. Select, after consultation with the Client, the attorneys retained to investigate, defend or settle claims, and assist the Client in supervision of the attorneys.

13. Select, after consultation with the Client, and supervise claims investigators.

14. Monitor claims for subrogation and inform the Client's City Attorney's office of such claims. Assist the Client's efforts for the recovery of funds.

15. Provide Client with secure on-line access to Client's claims information and analytic tools for use in claims analysis, loss control and loss prevention efforts. WMMIC will provide reports as reasonably requested by Client.

16. Conduct periodic informational and training sessions for Client's employees.

17. Communicate to Client relevant claims information and statutory duties relevant to ADA, Duty-Related Disability Retirement, and related legal obligations.

18. Provide monthly reports detailing claims, claimants, and reserves.

19. Provide reports and otherwise meet all required provisions of the Wisconsin Worker's Compensation Act.

20. Comply with Client's 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.

21. Identify, report to Client, and facilitate the prosecution of fraudulent claims. However, WMMIC does not guarantee that it will identify all fraudulent claims.

22. Respond, within 30 days, to any serious problems identified in writing by Client regarding the administration of any claims, and to propose a method of curing the problems identified by Client.

Client agrees as follows:

1. To promptly report to WMMIC all injuries and claims of injuries in accordance with the Wisconsin Worker's Compensation Act.

2. To assist in providing information concerning questions which arise in regard to claims to WMMIC investigators or attorneys handling claims on behalf of the Client,. To provide prompt and complete access to requested information and permit contact with Client's employees.

3. 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.

4. 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 Worker's Compensation Act for errors and omissions by WMMIC will be reimbursed only if such errors or omissions are solely caused by WMMIC.

5. To identify any claims where Client has experienced a serious problem in the administration of the claim, and to notify WMMIC in writing of the nature of the problem.

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 the following schedule for the agreement period.

OPTION #1

Claim Type	2015	2016	2017
Indemnity (including Lost Time, Permanent Disability, Retraining Benefits, MSA Files and Litigated)	$834	$859	$885
Medical Only Payments	$126	$129	$133
Incident Recording	$44	$46	$47

Claim Type	2018	2019
Indemnity (including Lost Time, Permanent Disability, Retraining Benefits, MSA Files and Litigated)	$912	$939
Medical Only Payments	$137	$141
Incident Recording	$48	$50

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.

2015 - $185,000
2016 - $190,550
2017 - $196,266
2018 - $202,153
2019 - $208,217

The fee contemplates 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 accepted for administration by WMMIC, WMMIC has the option, after discussion with Client, to charge additional fees equal to its actual time ($67 per hour) 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 Self Insured Retention (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.

EXHIBIT A
CLAIMS REPORTING REQUIREMENTS
("You" in the text below refers to the Insured; "We" or "us" refers to WMMIC.)

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 your Risk Management Section is 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 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 your Risk Management Section has knowledge of such claim or suit. Serious injuries include, but are not limited to;

    a. Cord Injury – paraplegia, quadriplegia;

    b. Amputations – requiring a prosthesis;

    c. 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);

    d. Blindness;

    e. Burns – involving over 10% of body with third-degree or 30% with second degree;

    f. Multiple fractures – involving more than one member or non-union of any part of the body;

    g. Fracture of both heel bones (Fractured or Bilateral OS Calcis);

    h. Nerve damage causing paralysis and loss of sensation in arm and hand (Brachial Plexus Nerve Damage);

    i. Massive internal injuries affecting body organs;

j. Injury to nerve at base of spinal canal (Cauda Equina) or any other back injury resulting in incontinence of bowel or bladder;

k. Fatalities;

l. 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

m. Any other serious injury which may involve our liability;

n. 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.

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 attempt to settle the claim or "suit" within your retention.

4. We must furnish you with:

a. A quarterly report which provides the following information for each claim or suit which was outstanding, opened, revised or closed during the previous quarter; the identity of the claimants or injured parties; the dates, places, description and cause of injuries; the amounts of reserves for such claim or suit; claims expenses (both paid and outstanding) and payments of claims, judgments or settlements. This report must be furnished no later than thirty (30) calendar days after the end of each calendar quarter.

b. 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 ½) 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.

c. Any other claim information or reports request by you.