

ADDENDUM NUMBER II
TO SERVICE CONTRACT FOR
MULTIPLE LINES CLAIMS HANDLING

This is the second Addendum to the Agreement entered into between JOHNS EASTERN COMPANY, INC., hereinafter called the SERVICE AGENT, and PINELLAS COUNTY SCHOOLS, hereinafter called the EMPLOYER, dated May, 2011.

This Addendum affects the remuneration to be paid by the EMPLOYER to the SERVICE AGENT for the handling of claims with a date of loss of July 1, 2016 through June 30, 2021. All other terms of the original Contract remain unchanged.

The remuneration to be paid to the SERVICE AGENT under this Agreement by the EMPLOYER for multiple lines claims handling and safety services during the term of this Agreement shall be as follows:

3. **Fund for Payment of Claims.** The Client has the sole obligation and responsibility for funding the payment of claims made by its employees under the Law and Rules. The Service Agent assumes no duty to fund any such claims at any time and shall have no obligation to advance funds for any such payment. The Client agrees to maintain all necessary funds for payment of claims in accordance with the Law and Rules and to inform the Service Agent of all relevant details with respect to any such accounts in order for the Service Agent to perform its duties under this Agreement. The Client shall add to or increase the amount in any such accounts as needed, and, in any event, within five (5) business days from the Service Agent's notice to the Client to such effect. The Client shall be responsible for all fees, fines or claims incurred and/or any loss or damages sustained by the Service Agent in the event Client does not meet its obligations under this paragraph 3.

5. **Compensation for the Service Agent.**

a. For performing its services under this Agreement, the Service Agent shall be entitled to the following compensation:

1) Minimum Annual Fee — This fee includes the cost of providing general administration, risk management information system services, and claims management and adjusting services for Workers' Compensation, General Liability, Automobile Liability, and Automobile Physical Damage coverage. It includes the cost of inputting incident reports. It does not include allocated expenses as previously defined.

Fees for claims handling for the School Board of Pinellas County for exposures whose dates of loss fall between July 1, 2016 and June 30, 2017 regardless of date reported will be a minimum annual fee of \$637,285.00. The annual fee will be billed on a quarterly basis with the first payment due upon program inception. This fee contemplates handling up to 1,350 exposures. The exposures may be Workers' Compensation, Automobile Liability, Automobile Physical Damage, General Liability or other claims as requested by the employer. If the number of exposures exceeds 1,350, there will be an additional charge at of

\$449.00 per exposure. Exposures of different lines of coverage involving a single claimant will be considered as one exposure.

2) Minimum Annual Fee — This fee includes the cost of providing general administration, risk management information system services, and claims management and adjusting services for Workers' Compensation, General Liability, Automobile Liability, and Automobile Physical Damage coverage. It includes the cost of inputting incident reports. It does not include allocated expenses as previously defined.

Fees for claims handling for the School Board of Pinellas County for exposures whose dates of loss fall between July 1, 2017 and June 30, 2018 regardless of date reported will be a minimum annual fee of \$650,031.00. The annual fee will be billed on a quarterly basis with the first payment due upon program inception. This fee contemplates handling up to 1,350 exposures. The exposures may be Workers' Compensation, Automobile Liability, Automobile Physical Damage, General Liability or other claims as requested by the employer. If the number of exposures exceeds 1,350, there will be an additional charge at of \$458.00 per exposure. Exposures of different lines of coverage involving a single claimant will be considered as one exposure.

3) Minimum Annual Fee — This fee includes the cost of providing general administration, risk management information system services, and claims management and adjusting services for Workers' Compensation, General Liability, Automobile Liability, and Automobile Physical Damage coverage. It includes the cost of inputting incident reports. It does not include allocated expenses as previously defined.

Fees for claims handling for the School Board of Pinellas County for exposures whose dates of loss fall between July 1, 2018 and June 30, 2019 regardless of date reported will be a minimum annual fee of \$669,532.00. The annual fee will be billed on a quarterly basis with the first payment due upon program inception. This fee contemplates handling up to 1,350 exposures. The exposures may be Workers' Compensation, Automobile Liability, Automobile Physical Damage, General Liability or other claims as requested by the employer. If the number of exposures exceeds 1,350, there will be an additional charge at of \$472.00 per exposure. Exposures of different lines of coverage involving a single claimant will be considered as one exposure.

4) Minimum Annual Fee — This fee includes the cost of providing general administration, risk management information system services, and claims management and adjusting services for Workers' Compensation, General Liability, Automobile Liability, and Automobile Physical Damage coverage. It includes the cost of inputting incident reports. It does not include allocated expenses as previously defined.

Fees for claims handling for the School Board of Pinellas County for exposures whose dates of loss fall between July 1, 2019 and June 30, 2020 regardless of date reported will be a minimum annual fee of \$689,618.00. The annual fee will be billed on a quarterly basis with the first payment due upon program inception. This fee contemplates handling up to 1,350 exposures. The exposures

may be Workers' Compensation, Automobile Liability, Automobile Physical Damage, General Liability or other claims as requested by the employer. If the number of exposures exceeds 1,350, there will be an additional charge at of \$486.00 per exposure. Exposures of different lines of coverage involving a single claimant will be considered as one exposure.

5) Minimum Annual Fee — This fee includes the cost of providing general administration, risk management information system services, and claims management and adjusting services for Workers' Compensation, General Liability, Automobile Liability, and Automobile Physical Damage coverage. It includes the cost of inputting incident reports. It does not include allocated expenses as previously defined.

Fees for claims handling for the School Board of Pinellas County for exposures whose dates of loss fall between July 1, 2020 and June 30, 2021 regardless of date reported will be a minimum annual fee of \$710,307.00. The annual fee will be billed on a quarterly basis with the first payment due upon program inception. This fee contemplates handling up to 1,350 exposures. The exposures may be Workers' Compensation, Automobile Liability, Automobile Physical Damage, General Liability or other claims as requested by the employer. If the number of exposures exceeds 1,350, there will be an additional charge at of \$501.00 per exposure. Exposures of different lines of coverage involving a single claimant will be considered as one exposure.

ADDITIONAL FEES AND COSTS

i. Designated Workers' Compensation Team:

1 - On-site liaison with duties and responsibilities to be mutually agreed upon by the School Board of Pinellas County and Johns Eastern Company, Inc.

1 - Litigation Adjuster

1 - Medical Only Adjuster

Included in Composite Rate

j. Designated Liability Team:

1 - Unit Manager

1 - Senior Liability Adjuster

1/2 - Support Person

Included in Composite Rate

m. Check-writing fee for limited Liability claims - \$50.00 per claim. These claims will not erode 1,350 claims cap.

n. Dedicated Medical Management Services

1 - Designated Supervisor (not full-time)

2 - Full-Time Registered Nurses

1 - Support Staff

Cost Containment and Bill Review Services

Access to PPO Network

There will be a separate annual fee of \$317,814 for services under this paragraph whose dates of loss fall between July 1, 2016 and June 30, 2017. It will be payable quarterly with the first installment due upon the inception of the contract.

There will be a separate annual fee of \$324,170 for services under this paragraph whose dates of loss fall between July 1, 2017 and June 30, 2018. It will be payable quarterly with the first installment due upon the inception of the contract.

There will be a separate annual fee of \$333,895 for services under this paragraph whose dates of loss fall between July 1, 2018 and June 30, 2019. It will be payable quarterly with the first installment due upon the inception of the contract.

There will be a separate annual fee of \$343,912 for services under this paragraph whose dates of loss fall between July 1, 2019 and June 30, 2020. It will be payable quarterly with the first installment due upon the inception of the contract.

There will be a separate annual fee of \$354,229 for services under this paragraph whose dates of loss fall between July 1, 2020 and June 30, 2021. It will be payable quarterly with the first installment due upon the inception of the contract.

IN WITNESS WHEREOF, the parties have executed this Agreement effective for all purposes as of July 1, 2016.

The School Board of Pinellas County, Florida

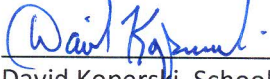
By: _____
Peggy L. O'Shea, Chairperson

Attest: _____
Michael A. Grego, Ed.D., Superintendent

Johns Eastern Company, Inc.

By: _____
Beverly Adkins, AIC, AIM
Executive Vice President

Approved as to form:



David Koperski, School Board Attorney