

Attachment A

PROFESSIONAL SERVICES AGREEMENT WITH GEORGE HILLS COMPANY, INC. FOR THIRD PARTY GENERAL LIABILITY CLAIMS AND ADMINISTRATION SERVICES

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is made and entered into as of this 26th day of May, 2026 ("Effective Date"), by and between the CITY OF NEWPORT BEACH, a California municipal corporation and charter city ("City"), and GEORGE HILLS COMPANY, INC., a California corporation ("Consultant"), whose address is 6020 West Oaks Boulevard, Suite 100, Rocklin, CA 95765, and is made with reference to the following:

RECITALS

- A. City is a municipal corporation duly organized and validly existing under the laws of the State of California with the power to carry on its business as it is now being conducted under the statutes of the State of California and the Charter of City.
- B. City desires to engage Consultant to provide third party general liability claims and administration services ("Project").
- C. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the professional services described in this Agreement.
- D. City has solicited and received a proposal from Consultant, has reviewed the previous experience and evaluated the expertise of Consultant, and desires to retain Consultant to render professional services under the terms and conditions set forth in this Agreement.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. TERM

The term of this Agreement shall commence on the Effective Date, and shall terminate on May 25, 2031, unless terminated earlier as set forth herein.

2. SERVICES TO BE PERFORMED

Consultant shall diligently perform all the services described in the Scope of Services attached hereto as Exhibit A and incorporated herein by reference ("Scope of Services" or "Services"). City may elect to delete certain Services within the Scope of Services at its sole discretion.

3. CITY RESPONSIBILITY

City agrees that it shall:

3.1 Collaborate with Consultant as reasonably necessary for Consultant to perform its services including establishing, drafting, and agreeing to a complete set of Claim Handling Instructions which provide direction and guidance related to the services.

3.2 Maintain a City trust account to pay indemnity and expenses that may be due on claims. The amount to be maintained in the trust account shall be determined by City.

3.3 Provide direction to Consultant as requested regarding particular project requirements.

3.4 Communicate any changes in expectations and/or in the event Consultant is not performing in an acceptable manner so Consultant can immediately address such changes and/or performance issues.

3.5 Be responsible for reporting to Consultant all Bodily Injury Claims in addition to all other items noted in the "Medicare, Medicaid, and SCHIP Extension Act of 2007" (MMSEA), attached hereto as Exhibit B and incorporated herein by this reference.

3.6 Be responsible for updating Consultant on any changes to coverage/policy language; including limits, retentions/deductibles and coverage changes before the start of each policy term.

3.7 Obtain any necessary consent in the collection of any City data that is transmitted to a third party (i.e., lawyer, actuary, or auditor). City shall provide Consultant with reasonable assurances that it has the necessary consent to transmit City data to a third party. City acknowledges that the claims data may contain confidential and/or protected health information ("PHI").

4. CONSULTANT ACKNOWLEDGEMENT OF CIPA

4.1 The Consultant acknowledges that the City is a member of the California Insurance Pool Authority ("CIPA") and shall be subject to the Minimum Performance Standards for Liability Claims Administration Policy ("Policy") attached hereto as Exhibit C and incorporated herein by this reference. This requirement applies to the Policy, or as subsequently amended or replaced by the City's then current excess JPA/Carrier.

4.2 By executing this Agreement, the Consultant provides its formal acknowledgment of the Policy and agrees to conduct all claims administration services in strict compliance with the Minimum Performance Standards established by CIPA. The Consultant understands and agrees that all claims managed under this Agreement will be audited by CIPA, or its authorized representative, to ensure conformance with the Policy.

5. TIME OF PERFORMANCE

5.1 Time is of the essence in the performance of Services under this Agreement and Consultant shall perform the Services in accordance with the schedule included in Exhibit A. In the absence of a specific schedule, the Services shall be performed to completion in a diligent and timely manner. The failure by Consultant to strictly adhere to the schedule set forth in Exhibit A, if any, or perform the Services in a diligent and timely manner may result in termination of this Agreement by City.

5.2 Notwithstanding the foregoing, Consultant shall not be responsible for delays due to causes beyond Consultant's reasonable control. However, in the case of any such delay in the Services to be provided for the Project, each party hereby agrees

to provide notice within two (2) calendar days of the occurrence causing the delay to the other party so that all delays can be addressed.

5.3 Consultant shall submit all requests for extensions of time for performance in writing to the Project Administrator as defined herein not later than ten (10) calendar days after the start of the condition that purportedly causes a delay. The Project Administrator shall review all such requests and may grant reasonable time extensions for unforeseeable delays that are beyond Consultant's control.

5.4 For all time periods not specifically set forth herein, Consultant shall respond in the most expedient and appropriate manner under the circumstances, by hand-delivery or mail.

6. COMPENSATION TO CONSULTANT

6.1 City shall pay Consultant for the Services on a time and expense not-to-exceed basis in accordance with the provisions of this Section and the Schedule of Billing Rates attached hereto as Exhibit D and incorporated herein by reference. Consultant's compensation for all Work performed in accordance with this Agreement, including all reimbursable items and subconsultant fees, shall not exceed **Seven Hundred Eighty Four Thousand Twenty Five Dollars and 00/100 (\$784,025.00)**, without prior written authorization from City. No billing rate changes shall be made during the term of this Agreement without the prior written approval of City.

6.2 Consultant shall be reimbursed at actual cost for the allocated expenses detailed in Exhibit E, which is incorporate herein by reference, provided that all such costs are approved in writing by the City prior to being incurred.

6.3 Consultant shall submit monthly invoices to City describing the Work performed the preceding month. Consultant's bills shall include the name of the person who performed the Work, a brief description of the Services performed and/or the specific task in the Scope of Services to which it relates, the date the Services were performed, the number of hours spent on all Work billed on an hourly basis, and a description of any reimbursable expenditures. City shall pay Consultant no later than thirty (30) calendar days after approval of the monthly invoice by City staff.

6.4 Consultant shall not receive any compensation for Extra Work performed without the prior written authorization of City. As used herein, "Extra Work" means any Work that is determined by City to be necessary for the proper completion of the Project, but which is not included within the Scope of Services and which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Compensation for any authorized Extra Work shall be paid in accordance with the Schedule of Billing Rates as set forth in Exhibit D.

7. PROJECT MANAGER

7.1 Consultant shall designate a Project Manager, who shall coordinate all phases of the Project. This Project Manager shall be available to City at all reasonable times during the Agreement term. Consultant has designated Todd Mershon or designee to be its Project Manager. Consultant shall not remove or reassign the Project Manager

or any personnel listed in Exhibit A or assign any new or replacement personnel to the Project without the prior written consent of City. City's approval shall not be unreasonably withheld with respect to the removal or assignment of non-key personnel.

7.2 Consultant, at the sole discretion of City, shall remove from the Project any of its personnel assigned to the performance of Services upon written request of City. Consultant warrants that it will continuously furnish the necessary personnel to complete the Project on a timely basis as contemplated by this Agreement.

7.3 If Consultant is performing inspection services for City, the Project Manager and any other assigned staff shall be equipped with a cellular phone to communicate with City staff. The Project Manager's cellular phone number shall be provided to City.

8. ADMINISTRATION

This Agreement will be administered by the City Attorney's Office. The City Attorney or their designee shall be the Project Administrator and shall have the authority to act for City under this Agreement. The Project Administrator shall represent City in all matters pertaining to the Services to be rendered pursuant to this Agreement.

9. CITY'S RESPONSIBILITIES

To assist Consultant in the execution of its responsibilities under this Agreement, City agrees to provide access to and upon request of Consultant, one copy of all existing relevant information on file at City. City will provide all such materials in a timely manner so as not to cause delays in Consultant's Work schedule.

10. STANDARD OF CARE

10.1 All of the Services shall be performed by Consultant or under Consultant's supervision. Consultant represents that it possesses the professional and technical personnel required to perform the Services required by this Agreement, and that it will perform all Services in a manner commensurate with community professional standards and with the ordinary degree of skill and care that would be used by other reasonably competent practitioners of the same discipline under similar circumstances. All Services shall be performed by qualified and experienced personnel who are not employed by City. By delivery of completed Work, Consultant certifies that the Work conforms to the requirements of this Agreement, all applicable federal, state and local laws, and legally recognized professional standards.

10.2 Consultant represents and warrants to City that it has, shall obtain, and shall keep in full force and effect during the term hereof, at its sole cost and expense, all licenses, permits, qualifications, insurance and approvals of whatsoever nature that is legally required of Consultant to practice its profession. Consultant shall maintain a City of Newport Beach business license during the term of this Agreement.

10.3 Consultant shall not be responsible for delay, nor shall Consultant be responsible for damages or be in default or deemed to be in default by reason of strikes, lockouts, accidents, acts of God, or the failure of City to furnish timely information or to

approve or disapprove Consultant's Work promptly, or delay or faulty performance by City, contractors, or governmental agencies.

11. HOLD HARMLESS

11.1 To the fullest extent permitted by law, Consultant shall indemnify, defend and hold harmless City, its City Council, boards and commissions, officers, agents, volunteers and employees (collectively, the "Indemnified Parties") from and against any and all claims (including, without limitation, claims for bodily injury, death or damage to property), demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs and expenses (including, without limitation, attorneys' fees, disbursements and court costs) of every kind and nature whatsoever (individually, a Claim; collectively, "Claims"), which may arise from or in any manner relate (directly or indirectly) to any breach of the terms and conditions of this Agreement, any Work performed or Services provided under this Agreement including, without limitation, defects in workmanship or materials or Consultant's presence or activities conducted on the Project (including the negligent, reckless, and/or willful acts, errors and/or omissions of Consultant, its principals, officers, agents, employees, vendors, suppliers, consultants, subcontractors, anyone employed directly or indirectly by any of them or for whose acts they may be liable, or any or all of them), and/or if it is subsequently determined that an employee of Consultant is not an independent contractor.

11.2 Notwithstanding the foregoing, nothing herein shall be construed to require Consultant to indemnify the Indemnified Parties from any Claim arising from the sole negligence or willful misconduct of the Indemnified Parties. Nothing in this indemnity shall be construed as authorizing any award of attorneys' fees in any action on or to enforce the terms of this Agreement. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Consultant.

12. INDEPENDENT CONTRACTOR

12.1 It is understood that City retains Consultant on an independent contractor basis and Consultant is not an agent or employee of City. The manner and means of conducting the Work are under the control of Consultant, except to the extent they are limited by statute, rule or regulation and the expressed terms of this Agreement. No civil service status or other right of employment shall accrue to Consultant or its employees. Nothing in this Agreement shall be deemed to constitute approval for Consultant or any of Consultant's employees or agents, to be the agents or employees of City. Consultant shall have the responsibility for and control over the means of performing the Work, provided that Consultant is in compliance with the terms of this Agreement. Anything in this Agreement that may appear to give City the right to direct Consultant as to the details of the performance of the Work or to exercise a measure of control over Consultant shall mean only that Consultant shall follow the desires of City with respect to the results of the Services.

12.2 During the period of this Agreement, and for a period of one (1) year thereafter, Consultant agrees not to solicit for employment any City employee contacted during the performance of this Agreement. During the period of this Agreement, and for

a period of one (1) year thereafter, City agrees not to solicit for employment, or employ either directly or by contract, any employee of Consultant contacted by the City during the performance of this Agreement. In the event that City solicits an employee of Consultant who performed services on behalf of City pursuant to the Agreement, City agrees to pay a fee equal to one year of the employee's salary.

13. COOPERATION

Consultant agrees to work closely and cooperate fully with City's designated Project Administrator and any other agencies that may have jurisdiction or interest in the Work to be performed. City agrees to cooperate with the Consultant on the Project.

14. CITY POLICY

Consultant shall discuss and review all matters relating to policy and Project direction with City's Project Administrator in advance of all critical decision points in order to ensure the Project proceeds in a manner consistent with City goals and policies.

15. PROGRESS

Consultant is responsible for keeping the Project Administrator informed on a regular basis regarding the status and progress of the Project, activities performed and planned, and any meetings that have been scheduled or are desired.

16. INSURANCE

Without limiting Consultant's indemnification of City, and prior to commencement of Work, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement or for other periods as specified in this Agreement, policies of insurance of the type, amounts, terms and conditions described in the Insurance Requirements attached hereto as Exhibit F, and incorporated herein by reference.

17. PROHIBITION AGAINST ASSIGNMENTS AND TRANSFERS

Except as specifically authorized under this Agreement, the Services to be provided under this Agreement shall not be assigned, transferred contracted or subcontracted out without the prior written approval of City. Any of the following shall be construed as an assignment: The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Consultant, or of the interest of any general partner or joint venturer or syndicate member or cotenant if Consultant is a partnership or joint-venture or syndicate or co-tenancy, which shall result in changing the control of Consultant. Control means fifty percent (50%) or more of the voting power or twenty-five percent (25%) or more of the assets of the corporation, partnership or joint-venture.

18. SUBCONTRACTING

The subcontractors authorized by City, if any, to perform Work on this Project are identified in Exhibit A. Consultant shall be fully responsible to City for all acts and omissions of any subcontractor. Nothing in this Agreement shall create any contractual relationship between City and any subcontractor nor shall it create any obligation on the

part of City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law. City is an intended beneficiary of any Work performed by the subcontractor for purposes of establishing a duty of care between the subcontractor and City. Except as specifically authorized herein, the Services to be provided under this Agreement shall not be otherwise assigned, transferred, contracted or subcontracted out without the prior written approval of City.

19. OWNERSHIP OF DOCUMENTS

19.1 Each and every report, draft, map, record, plan, document and other writing produced, including but not limited to, websites, blogs, social media accounts and applications (hereinafter "Documents"), prepared or caused to be prepared by Consultant, its officers, employees, agents and subcontractors, in the course of implementing this Agreement, shall become the exclusive property of City, and City shall have the sole right to use such materials in its discretion without further compensation to Consultant or any other party. Additionally, all material relating directly and only to the City posted in cyberspace by Consultant, its officers, employees, agents and subcontractors, in the course of implementing this Agreement, shall become the exclusive property of City, and City shall have the sole right to use such materials in its discretion without further compensation to Consultant or any other party. Consultant shall, at Consultant's expense, provide such Documents, including all logins and password information to City upon prior written request.

19.2 Documents, including drawings and specifications, prepared by Consultant pursuant to this Agreement are not intended or represented to be suitable for reuse by City or others on any other project. Any use of completed Documents for other projects and any use of incomplete Documents without specific written authorization from Consultant will be at City's sole risk and without liability to Consultant. Further, any and all liability arising out of changes made to Consultant's deliverables under this Agreement by City or persons other than Consultant is waived against Consultant, and City assumes full responsibility for such changes unless City has given Consultant prior notice and has received from Consultant written consent for such changes.

19.3 All written documents shall be transmitted to City in formats compatible with Microsoft Office and/or viewable with Adobe Acrobat.

20. CONFIDENTIALITY

All Documents, including drafts, preliminary drawings or plans, notes and communications that result from the Services in this Agreement, shall be kept confidential unless City expressly authorizes in writing the release of information.

21. INTELLECTUAL PROPERTY INDEMNITY

Consultant shall defend and indemnify City, its agents, officers, representatives and employees against any and all liability, including costs, for infringement or alleged infringement by Consultant of any United States' letters patent, trademark, or copyright, including costs, contained in Consultant's Documents provided under this Agreement.

22. RECORDS

Consultant shall keep records and invoices in connection with the Services to be performed under this Agreement. Consultant shall maintain complete and accurate records with respect to the costs incurred under this Agreement and any Services, expenditures and disbursements charged to City, for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant under this Agreement. All such records and invoices shall be clearly identifiable. Consultant shall allow a representative of City to examine, audit and make transcripts or copies of such records and invoices during regular business hours. Consultant shall allow inspection of all Work, data, Documents, proceedings and activities related to the Agreement for a period of three (3) years from the date of final payment to Consultant under this Agreement.

23. WITHHOLDINGS

After providing notice to Consultant regarding any disputed sums, City may withhold payment to Consultant of any disputed sums until satisfaction of the dispute with respect to such payment. Such withholding shall not be deemed to constitute a failure to pay according to the terms of this Agreement. Consultant shall not discontinue Work as a result of such withholding. Consultant shall have an immediate right to appeal to the City Manager or designee with respect to such disputed sums. Consultant shall be entitled to receive interest on any withheld sums at the rate of return that City earned on its investments during the time period, from the date of withholding of any amounts found to have been improperly withheld.

24. ERRORS AND OMISSIONS

In the event of errors or omissions that are due to the negligence or professional inexperience of Consultant which result in expense to City greater than what would have resulted if there were not errors or omissions in the Work accomplished by Consultant, the additional design, construction and/or restoration expense shall be borne by Consultant. Nothing in this Section is intended to limit City's rights under the law or any other sections of this Agreement.

25. CITY'S RIGHT TO EMPLOY OTHER CONSULTANTS

City reserves the right to employ other Consultants in connection with the Project.

26. CONFLICTS OF INTEREST

26.1 Consultant or its employees may be subject to the provisions of the California Political Reform Act of 1974 (the "Act") and/or Government Code §§ 1090 et seq., which (1) require such persons to disclose any financial interest that may foreseeably be materially affected by the Work performed under this Agreement, and (2) prohibit such persons from making, or participating in making, decisions that will foreseeably financially affect such interest.

26.2 If subject to the Act and/or Government Code §§ 1090 et seq., Consultant shall conform to all requirements therein. Failure to do so constitutes a material breach

and is grounds for immediate termination of this Agreement by City. Consultant shall indemnify and hold harmless City for any and all claims for damages resulting from Consultant's violation of this Section.

27. NOTICES

27.1 All notices, demands, requests or approvals, including any change in mailing address, to be given under the terms of this Agreement shall be given in writing, and conclusively shall be deemed served when delivered personally, or on the third business day after the deposit thereof in the United States mail, postage prepaid, first-class mail, addressed as hereinafter provided.

27.2 All notices, demands, requests or approvals from Consultant to City shall be addressed to City at:

Attn: City Attorney
City Attorney's Office
City of Newport Beach
100 Civic Center Drive
Newport Beach, CA 92660

27.3 All notices, demands, requests or approvals from City to Consultant shall be addressed to Consultant at:

Attn: Chris Shaffer
George Hills Company, Inc.
PO Box 120
Rocklin, CA 95677

28. CLAIMS

Unless a shorter time is specified elsewhere in this Agreement, before making its final request for payment under this Agreement, Consultant shall submit to City, in writing, all claims for compensation under or arising out of this Agreement. Consultant's acceptance of the final payment shall constitute a waiver of all claims for compensation under or arising out of this Agreement except those previously made in writing and identified by Consultant in writing as unsettled at the time of its final request for payment. Consultant and City expressly agree that in addition to any claims filing requirements set forth in the Agreement, Consultant shall be required to file any claim Consultant may have against City in strict conformance with the Government Claims Act (Government Code sections 900 *et seq.*).

29. TERMINATION

29.1 In the event that either party fails or refuses to perform any of the provisions of this Agreement at the time and in the manner required, that party shall be deemed in default in the performance of this Agreement. If such default is not cured within a period of two (2) calendar days, or if more than two (2) calendar days are reasonably required to cure the default and the defaulting party fails to give adequate assurance of due performance within two (2) calendar days after receipt of written notice of default,

specifying the nature of such default and the steps necessary to cure such default, and thereafter diligently take steps to cure the default, the non-defaulting party may terminate the Agreement forthwith by giving to the defaulting party written notice thereof.

29.2 Notwithstanding the above provisions, City shall have the right, at its sole and absolute discretion and without cause, of terminating this Agreement at any time by giving no less than thirty (30) calendar days' prior written notice to Consultant. In the event of termination under this Section, City shall pay Consultant for Services satisfactorily performed and costs incurred up to the effective date of termination for which Consultant has not been previously paid. On the effective date of termination, Consultant shall deliver to City all reports, Documents and other information developed or accumulated in the performance of this Agreement, whether in draft or final form.

29.3 Upon the earlier of a notice of termination or the actual termination of this Agreement for any reason, Consultant shall, at no cost to City, promptly provide all historical claim data, files, and related information to City or its designee but not later than fifteen (15) calendar days. This delivery shall include all data, transactional records, and updates generated up to and including the effective date of termination. Such data must be provided in a machine-readable, industry-standard format (e.g., .csv, .xlsx, or SQL) that is immediately accessible and ready for use without the need for proprietary software. Consultant further agrees to provide a comprehensive data dictionary or schema to ensure the City can fully interpret and integrate the historical records into its own systems or those of a successor administrator.

30. AMENDMENT DUE TO GOVERNMENTAL, POLITICAL, OR LEGISLATIVE CHANGES

Consultant and City agree that governmental, political, or legislative changes may impact the work of Consultant and City on behalf of City members. Consultant reserves the right, for the benefit of both parties, to require an amendment to any portion(s) of this Agreement, expressly including the compensation, fees, and expenses stated in Section 4, in response to any change to, addition or deletion of any statute, rule, regulation, or policy which materially impacts the liability of public entities in California, damages for which public entities may become responsible, and/or the handling, administration, adjustment, payment, and/or reporting related to services performed under this Agreement.

31. CONTRACTOR NOT A PUBLIC OFFICIAL

Neither Consultant, nor any employee of Consultant, is a "public official" for purposes of Government Code §§ 87200 et seq. Consultant conducts research and arrives at conclusions, provides advice, recommendation, or counsel independent of the control and direction of the City or any official of the City, other than normal contract monitoring. In addition, Consultant possesses no authority with respect to any City decision beyond these conclusions, advice, recommendation, or counsel.

32. STANDARD PROVISIONS

32.1 Recitals. City and Consultant acknowledge that the above Recitals are true and correct and are hereby incorporated by reference into this Agreement.

32.2 Compliance with all Laws. Consultant shall, at its own cost and expense, comply with all statutes, ordinances, regulations and requirements of all governmental entities, including federal, state, county or municipal, whether now in force or hereinafter enacted. In addition, all Work prepared by Consultant shall conform to applicable City, county, state and federal laws, rules, regulations and permit requirements and be subject to approval of the Project Administrator and City.

32.3 Waiver. A waiver by either party of any breach, of any term, covenant or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition contained herein, whether of the same or a different character.

32.4 Integrated Contract. This Agreement represents the full and complete understanding of every kind or nature whatsoever between the parties hereto, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions herein.

32.5 Conflicts or Inconsistencies. In the event there are any conflicts or inconsistencies between this Agreement and the Scope of Services or any other attachments attached hereto, the terms of this Agreement shall govern.

32.6 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of the Agreement or any other rule of construction which might otherwise apply.

32.7 Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.

32.8 Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

32.9 Controlling Law and Venue. The laws of the State of California shall govern this Agreement and all matters relating to it and any action brought relating to this Agreement shall be adjudicated in a court of competent jurisdiction in the County of Orange, State of California.

32.10 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, sex, sexual orientation, age or any other impermissible basis under law.

32.11 No Attorneys' Fees. In the event of any dispute or legal action arising under this Agreement, the prevailing party shall not be entitled to attorneys' fees.

32.12 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute one (1) and the same instrument.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the dates written below.

**APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE**
Date: 5/12/26

CITY OF NEWPORT BEACH,
a California municipal corporation
Date: _____

By: Jose Montoya for
Aaron C. Harp 5-12-26 RS
City Attorney

By: _____
Lauren Kleiman
Mayor

ATTEST:
Date: _____

**CONSULTANT: GEORGE HILLS
COMPANY, INC.,** a California
corporation

By: _____
Lena Shumway
City Clerk

Date: _____

By: _____
Lowell Hays
Chief Executive Officer

Date: _____

By: _____
Ron Shah
Chief Financial Officer

[END OF SIGNATURES]

- Attachments:
- Exhibit A – Scope of Services
 - Exhibit B – Medicare, Medicaid, and Schip Extension Act of 2007
 - Exhibit C – California Insurance Pool Authority (“CIPA”)
 - Exhibit D – Schedule of Billing Rates
 - Exhibit E – Allocated Expenses
 - Exhibit F – Insurance Requirements

EXHIBIT A

SCOPE OF SERVICES

SCOPE OF SERVICES AND CLIENT EXPRESSED AUTHORITY AND LIMITATIONS UNDER THE AGREEMENT

This Exhibit A provides the Scope of Services referenced in Section 2 of the Agreement and also the specific service expectations in the Agreement, that would not otherwise require revision during the term of the Agreement, and which may differ from, or elaborate upon, the Client Service Profile. Services to be provided by Consultant on behalf of City may include some or all of the following.

I. SERVICES INCLUDED IN THE AGREEMENT

A. General Administrative Services

Throughout each year Consultant performs numerous functions which support claims administration on behalf of the City, other than claims handling, and are performed by non-claims personnel. Additionally, in the first year of this Agreement there are several "on-boarding" services that are general and administrative in nature. Below is a list of such services which are included within the terms of the Agreement:

- 1) Claims Management Information System ("CMIS") Services and Reports
 - A. Access to CMIS and training.
 - B. A monthly listing of open claims, showing expense categories, reserves, and total incurred.
 - C. Monthly claim summary reports.
 - D. Monthly hours and claims data detail for billing.
 - E. Providing loss run data and required reports.
 - F. Access to GH Client Portal.
- 2) Providing annual reports to outside agencies.
- 3) Filing of regulatory reports (such as 1099, W-9, etc.).
 - A. Administer and maintain the City's designated trust account to pay indemnity and expenses that may be due on claims as provided below in Section I (Financial Accounting).

B. Investigative Services

- 1) George Hills will conduct all investigations.
- 2) Retention of vendors (appraisers, translators, copy services, Independent Adjuster, IME's, Surveillance, etc.) shall be preauthorized by the City.
- 3) Receipt and examination of all reports of accidents or incidents that are or may be the subject of claims.
- 4) Investigation of accidents or incidents as warranted, to include on-site investigation, photographs, witness interviews, determination of losses and other such investigative services necessary to determine all City losses but not to include extraordinary investigative services outside the expertise of GH.

- 5) In the event City or other agency conducts any investigation, and upon Client's request, GH shall review and analyze for liability and/or damage issues and for possible additional follow-up investigation.
- 6) Maintain service on a 24-hour, 7 days per week basis, to receive reports of any incident or accident which may be the subject of a liability claim and provide immediate investigative services to the extent necessary to provide a complete investigation.
- 7) Undertake items of investigation requiring special handling for City at the direction of the Project Administrator.

C. Liability and Claim Handling Services

- 1) Contractor shall ensure all tort claims are handled in strict conformance with CIPA Policy standards and timelines.
- 2) Within twenty-four (24) hours, set up a claim file upon receipt of the claim and maintain a claim file on each potential or actual claim reported.
- 3) Assess and evaluate the nature and extent of each claim and establish claims reserves for indemnity and legal expense.
- 4) GH will follow any City policy regarding tort claim rejection instructions, including rejection and return of an untimely or insufficient claim.
- 5) Ensure timely tort claim handling, including contact and follow-up with claimants regarding claim issues and processing.
- 6) Any bodily injury claim and property damage claim that is being pursued shall be indexed. Notice only matters or precautionary bodily injury claims that are not pursued do not need to be indexed.
- 7) Determine the need for defense representation. All litigation shall be handled by either City in-house legal counsel or outside legal counsel selected by the City.
- 8) Report claims to the excess insurer in compliance with excess carrier's reporting requirements and CIPA Policy and coordinate with the excess insurer on a claim's progress in accordance with the excess insurer's reporting requirements.
- 9) Maintain records on any such claim and notify City when City is about to exhaust the Self-Insured Retention.
- 10) Obtain settlement contracts and releases upon settlement of claims or potential claims not in litigation.
- 11) Perform periodic reviews, as needed, of City files and claims as well as statutory requirements to ensure compliance including excess insurance related requirements.
- 12) Perform the necessary data gathering for the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA) and the Set Aside Contracts in compliance with Section 111 of the MMSEA including the required reporting. (See Exhibit B.)
- 13) To the extent there is privileged information or PHI shared between agencies, which is subject to protection under HIPAA, GH shall implement all necessary measures in compliance with the Act and will execute a Business Associates Agreement (BAA).

D. Litigation Support Services

- 1) Upon notification by the City that litigation has been filed naming City or any of its members, GH shall follow the instructions outlined in the Client Expressed Scope of Work Instructions form. GH will work collaboratively with City to post all legal payments and expenses and to ensure that all financial activities related to the case are recorded in the system for inclusion on a formal loss run which will be provided to the City.
- 2) City will handle litigated claims in house, with GH to capture data into SIMS.
- 3) The CMIS operated by GH will serve as the repository for the City's legal file pertaining to the litigation.
- 4) Consultant will collaborate with the City to ensure that there is a process such that the file contents include the following documents and information:
 - Operative Summons and Complaint;
 - Case evaluations from defense counsel;
 - A summary or copy of any discovery motions;
 - Summary of discovery efforts and evidence obtained;
 - Expert Witness Reports and summary of expected testimony;
 - A summary or copy of dispositive motions;
 - Mediation or settlement conference statements of all parties;
 - Settlement demands or offers from any party;
 - A copy of any Judgment, arbitration award, or Jury verdict;
 - Any Court order of significance to liability in the case; and
 - Appellate documents including open and responsive briefs and opinions or decisions issued by the Court.

E. Litigation Management and Support Services

- 1) Claims Processors, Adjusters and/or Supervisors will perform the following services in relation to litigated, or to-be-litigated, claims:
 - Upon notification by the City that litigation has been filed on an open claim, Consultant shall follow the litigation referral process as outlined in the Client Expressed Scope of Work Instructions form.
 - Work cooperatively with City in choosing outside counsel and assist defense counsel in on-going litigation defense efforts.
 - Obtain and maintain a Litigation Plan and Budget.
 - Review legal bills in connection with Litigation Plan and Budget.
 - Review, evaluate and adjust defense counsel invoices for legal services in cooperation with the City.
 - Cooperate with and assist defense counsel assigned to litigation of open claims and provide such investigative services as directed during pre-trial and trial stages.
 - Assist in responding to discovery or preparing discovery.
 - At the request of the City, attend mandatory settlement conferences on behalf of City.

- Where authorized by the City, appear on behalf of City in small claims actions filed against City.
- Review and evaluate case evaluations, correspondence and status reports forwarded to Consultant by counsel. Regularly discuss, review, and direct investigation, discovery, and case strategy with counsel.
- Cooperate with counsel and litigation manager as a team with an open communication approach on each case to obtain the most economical and best result for the City.

2) Litigation Managers shall perform the following services:

A. For designated claims identified as having a complex nature or potential high level of exposure, including coverage issues:

- Review to determine proper handling throughout the life of the claim and/or litigation.
- Assess excess coverage reporting requirements and potential issues related to coverage and advise Consultant personnel of the need for reporting.
- Identify the need for evidence preservation including scope and duration.
- Assess need for early intervention by and assignment to defense counsel where appropriate.
- Assess need for early retention and evaluation by expert witnesses.
- Review case evaluations, correspondence and status reports forwarded by defense counsel to advise City on proper handling including settlement, trial, and/or appellate work.
- Monitor the case and advise on updating reserves and financial information on the file to maintain current and accurate loss information.
- Provide advice on and/or assign defense counsel and ensure that a plan of action, budget, and evaluation of the case is prepared and maintained on designated cases.
- Obtain, review, and analyze status reports of defense counsel and participate in selection of strategy, need for motions, retention of experts, trial preparation and trial, and appellate work.
- Cooperate with counsel, claims supervisor and adjuster as a team with an open communication approach on each case to obtain the most economical and best result for the City.
- Appear at mediations and settlement conferences.

B. For non-claims related matters:

- Evaluate defense attorney case load and areas of practice to ensure consistent handling between cases with similar subject matter.

- Where appropriate, will analyze the work of defense counsel and participate in the selection of new counsel or correction of existing counsel where appropriate.
- Provide independent analysis of risk exposure not only based on education, training, and experience the Litigation Managers, but also based on litigation trends across the state for similar cases, incidents, and legal issues.

F. Reports and Procedures

- 1) Within thirty (30) days of assignment, or sooner if practicable, required, or requested, Consultant will provide City with a report pursuant to specified claims handling instructions, showing name(s) of claimant(s), type of claim, date of loss, comments on liability, reserve recommendations, settlement recommendations, and other pertinent information. Subsequent to the initial thirty (30) day report, Consultant will report as often as warranted by any important change in status but no longer than every ninety (90) days until the claim closes unless extended diary is appropriate.
- 2) All original reports, documents, and claim data of every kind or description, that are prepared in whole or in part by or for the Consultant in connection with the Agreement shall be City's property and constitute the Consultant's work product for which compensation is paid. A copy of all reports, documents, and claim data of every kind or description that is in whole or in part by or for the City is the property of Consultant. Additional copies of original reports, documents, and data requested by City will be at City's expense in accordance with this Agreement.
- 3) Consultant agrees that City have access and the right to audit and reproduce any of the Consultant's relevant records to ensure that the City is receiving all services to which the City is entitled under this Agreement or for any purpose relating to the Agreement.

G. Data

- 1) Utilize Consultant's claims management information system. City will be provided "read-only" access to the claims system. "Read-write" access may be obtained at the City's additional expense.
- 2) Record all claim information including all financial data.
- 3) Provide City and broker Read only on-line access to the claims data system (up to five users), if desired by City.
- 4) Provide monthly standard loss run and check register.
- 5) Provide annual claims data report upon request. Written authorization and/or a Business Associate Agreement may be required for confidential information protected by HIPAA.
- 6) Provide assistance to City in developing customized reports when requested at no additional charge).
- 7) Arrange for electronic file conversion for any open and closed claims at the direction of City.

H. Weekly Meeting and Claim Review Meetings

Consultant shall hold weekly remote check-ins with the City to discuss claim strategy and direction on claims.

In addition to weekly consultations, Consultant shall, on a mutually agreed periodic basis, meet with Client to review and discuss the City's claims inventory and claims results of specified periods and delivery of services by Consultant. Consultant will attend four (4) claims review meetings annually with two (2) of the meetings to be attended in person and an agreed upon location and two (2) of the meeting to be held remotely by phone or video conference.

I. Trust Account and Financial Accounting

- 1) Consultant shall administer and maintain the City's designated trust account for the payment of claim-related indemnity and expenses. The amount to be maintained in the trust account shall be determined by City. The Consultant is responsible for performing all reporting and reconciliation obligations in accordance with the terms of the Agreement and the City's financial protocols.
- 2) Maintain a copy of all checks drawn by the Consultant to pay claims and claims related expenses.
- 3) Submit weekly check registers of all transactions made for the period.
- 4) Approval process shall be documented in Consultant Client Expressed Scope of Work Standards and Instruction Form.
- 5) Consultant will provide monthly bank reconciliation reports to City for audit purposes.
- 6) Submit positive pay if applicable/monitor positive pay (review daily emails from bank for exceptions).
- 7) Monitor account balance and prepare replenishment requests monthly. Where replenishment of the account is required more than once per month, an additional administration fee may be required. Any additional fees are subject to the City's prior written approval.
- 8) Respond to special funding requests arising out of the settlement of a claim or case and funding thresholds as defined in the Claim Handling Instructions. In the event that more than two (2) special funding requests are required in a month, an additional fee may apply.
- 9) Annual Service
 - A. Respond to outside financial auditors
 - B. Provide reports to City actuaries and claims auditors
 - C. Submit GH SSAE 16 reports, or the current equivalent
 - D. Providing annual reports to outside agencies
 - E. Filing of regulatory reports such as 1099, W-9, etc.
 - F. Cooperate with annual audits conducted by the City and its excess JPA/Carrier, whether performed jointly or independently

J. Third Party Subrogation Services

In any claim in which City is alleged to be liable or case in which City is a named defendant, Consultant will identify additional parties to that dispute which may also bear responsibility or liability for the damages claimed by the claimant(s) and/or plaintiff(s). Where additional individuals or entities are identified as having some responsibility, Consultant will perform the following services, with the City's prior approval:

- 1) Prepare and file a claim with each identified individual or entity.
- 2) Tender defense to or seek recovery from any identified individual or entity.
- 3) With the assistance of counsel selected by the City, Consultant will prepare and file, or caused to be prepared and filed, any necessary litigation required to affect the claim of recovery on behalf of the City.
- 4) Assist City with management of litigation related to such claims or cases made to or filed against the other individual or entity.
- 5) All costs and expenses of litigation filed pursuant to this section, including attorney fees for outside counsel where necessary and approved, will be paid by the City.

K. First Party Subrogation Services

In the event that City assigns first party subrogation claims to Consultant, City shall identify damages it has sustained which have a value of one thousand dollars (\$1,000) or greater and for which any individual or entity is believed to be liable or responsible, the following may be performed:

- 1) City may authorize Consultant to act as a representative of City for the investigation, adjustment, processing, supervision, and evaluation of an ultimate recovery of potential money from the identified individuals or entities.
- 2) With prior approval of the City, Consultant may engage the services of one of the City's litigation attorneys to consult, review, and determine the best legal strategy available leading to recovery for the City. Upon determination by the attorney that a civil action is in the best interest of the City, Consultant will notify the City and obtain authorization to initiate litigation in accordance with the recommendations of the City and its attorney.
- 3) Where Consultant is able to recover money from an identified individual or entity, in addition to any other compensation identified in this Agreement, City will pay a Subrogation Fee in the amount of twenty five percent (25%) of the gross amount recovered for each recovery obtained by Consultant. In no event shall Consultant be entitled to recover or share attorney's fees or costs from the City or City's designated litigation attorneys. The minimum amount to be paid to Consultant will be two hundred fifty dollars (\$250) per claim upon recovery. However, Consultant has the authority to reject any claim for any reason, relieving the City of any fiscal responsibility for rejected claims only. The amounts due under this section shall be invoiced to the City on a monthly basis following receipt of the recovery payment from the at-fault party.

- 4) While Consultant is handling a subrogation claim for the City pursuant to the terms of this Agreement, and the institution of a civil action is determined by the City to be the best course of action, City may elect to, at City's expense, recall the claim to the City's control so that City may pursue recovery in a manner in the best interest of the City.
- 5) Where requested, Consultant shall consult with City on claims and other related matters not specifically assigned to Consultant for handling under this Agreement.
- 6) Consultant reserves the right to cease working on any claim whereas information has not been made available to Consultant within one hundred twenty (120) days after Consultant has submitted the information and/or documentation to the City, at such time, the claim will be closed.
- 7) Consultant does not handle subrogation claims with a value less than one thousand dollars (\$1,000), unless a separate arrangement is established and agreed to.
- 8) Costs and Expenses: All costs and expenses arising out of or connected to any claim or lawsuit filed pursuant to this Agreement, including attorney fees for outside counsel where necessary and approved, will be paid by the City. All such expenses require the City's advance written approval before they are incurred.
 - A. Where Consultant is requested to appear in small claims court to pursue the recovery of funds, each appearance will incur an additional fee of one hundred fifty dollars (\$150).
 - B. Where Consultant personnel appear in the same court on the same day for more than one (1) claim, Consultant will charge a flat fee of four hundred dollars (\$400) for one half ($\frac{1}{2}$) of a day, or eight hundred dollars (\$800) for one (1) full day, regardless of the number of claims handled on that day.
 - C. City shall reimburse Consultant all miles traveled at the current IRS rate and Allocated Expenses as provided in Exhibit E.
- 9) Billing for Services and Payment to Consultant: The process for payment to Consultant is stated as follows:
 - A. Upon reaching a settlement agreement approved in writing by the City and all documentation executed including a release, the at-fault party will issue a check to City for the full agreed upon amount.
 - B. Consultant shall submit an invoice to the City pursuant to Section 4 of the Agreement for its Subrogation Fee plus any costs and expenses authorized pursuant to this Agreement.
 - C. If City terminates the services of Consultant related to First Party Subrogation before the end of the Term or recalls any claim for any reason, the City's sole liability for pending First Party Subrogation claims shall be to reimburse Consultant for direct out-of-pocket costs only.
 - D. The parties may discuss additional conditions under which payment may be made or work continued and may reach an additional agreement related thereto at the time of termination.
- 10) Consultant shall defend and indemnify City, its agents, officers, representatives and employees against any and all liability, including costs, for any actual or

alleged violation of the Fair Debt Collection Practices Act, the California Rosenthal Fair Debt Collection Practices Act, or any similar state or federal consumer protection or unfair business practices statutes, arising out of the Consultant's collection, recovery, or subrogation activities on behalf of the City pursuant to this Agreement.

II. **CLIENT EXPRESSED AUTHORITY AND LIMITATIONS**

It is agreed by the parties that the City has provided Consultant with the following authority and/or limitations, on the ability of Consultant to act on behalf of the City.

Protocols for Rejections

GH requires City authorization to reject claims. Once authorization is granted, GH may send the rejection on behalf of the City.

Settlement of Claims and Payment of Expenses

It is agreed that City has granted no authority to Consultant for the purpose of compromising, settling, and paying any claims against City being handled by Consultant as set forth in this Exhibit A. The Consultant shall obtain written prior approval from the City's Project Administrator before compromising or settling any claim.

Legal Invoices and Expenses

Unless otherwise requested by the City, the Consultant is authorized to pay legal expenses—including, but not limited to, attorney's fees—without seeking prior consent from the City. The Consultant shall include an itemized summary of all legal expenses paid on a quarterly basis or more frequently upon the City's request. This summary must include the payee (e.g. law firm), the amount disbursed, and the specific matter to which the expense relates.

EXHIBIT B
MEDICARE, MEDICAID, AND SCHIP EXTENSION
ACT OF 2007 (MMSEA)

This law requires liability insurers, self-insurers, no fault insurers and workers' compensation insurers to report certain information to The Centers for Medicare and Medicaid Services (CMS) concerning Medicare beneficiaries. The penalty for failure to comply is one thousand dollars (\$1,000) per day, per claimant.

George Hills Company, Inc. (GH) has contracted with ExamWorks for Mandatory Insurer Reporting (MIR) for the CLIENT. ExamWorks shall represent the CLIENT and Responsible Reporting Entity (RRE) to this existing Agreement and this addendum and will be the designated reporting agent. GH will be responsible for gathering and reporting accurate claims data required by MMSEA to ExamWorks in a timely manner. GH agrees to assume the responsibility for reporting data to ExamWorks to meet all reporting requirements in accordance with MMSEA, on behalf of the RRE; including assuming responsibility for any fines or penalties that are directly caused by GH's non-compliance. GH further agrees to indemnify and hold harmless, RRE, and staff, for any penalties or fines resulting from GH's direct failure to timely and accurately provide the reporting data to ExamWorks. The above-mentioned obligations to indemnify and hold harmless shall not be applicable to matters relating to delays caused by RRE or other third parties, or inaccurate data supplied to GH by RRE or other third parties.

By contract with GH, ExamWorks will indemnify and hold GH harmless from and against any claim, damage, fine, loss and expense, arising in connection with, or as a result of, any error, omission, or negligent performance of its obligations as reporting agent, which indemnity will include all reasonable costs of litigation and attorneys' fees incurred. Without in any way limiting the indemnity set forth in this Agreement, all work performed by ExamWorks will be done in a professional manner.

GH shall perform the necessary data gathering for RRE and ExamWorks; as such GH shall include in our monthly invoicing the time incurred for such work at GH's contract hourly rate or will be included in your monthly flat fee or claims adjusting.

ExamWorks will perform the MMSEA Mandatory Insurer Reporting function for GH, and its RREs, shall be charged as an Allocated Expense, as defined in Attachment C, subject to the following. RRE will designate ExamWorks, unless otherwise requested, as its exclusive vendor for all of RRE's "Qualified Referrals" (those claims determined to require Medicare Set Aside (MSA) or a Claim Settlement Allocation (CSA) and RRE will utilize other ExamWorks services related to Medicare Secondary Payer (MSP) compliance identified in their fee schedule.

EXHIBIT C
CALIFORNIA INSURANCE POOL AUTHORITY (“CIPA”)

**MINIMUM PERFORMANCE STANDARDS
FOR LIABILITY CLAIMS ADMINISTRATION POLICY**

Member Agencies shall either incorporate these minimum performance standards into signed agreements with their claims administrator or obtain a signed acknowledgement from their claims administrator that they will comply with the Minimum Performance Standards established by California Insurance Pool Authority (CIPA). Copies of the agreements or signed acknowledgments shall be provided to CIPA. Claims will be audited for conformance with this Policy.

This Policy is divided into the following sections:

- 1) Caseloads
- 2) Communication
- 3) Investigations
- 4) File Review & Documentation
- 5) Reporting
- 6) Litigation Management
- 7) Claim Resolution & Settlement Authority
- 8) Payments & Reserves
- 9) Excess Insurance Reporting
- 10) Supervisory Review
- 11) Subrogation
- 12) Medicare Reporting

CASELOADS

- A. Caseloads for claims examiners shall not exceed one hundred seventy five (175) claims, unless approved in writing by the Member Agency and/or CIPA.
- B. Supervisory personnel shall not handle a caseload. Exceptions may be made for a small number of claims involving special issues.
- C. Administrator shall provide CIPA and Member Agency with an accounting of caseloads each June 30 and December 31. The accounting for each examiner shall include (1) the name or pseudo name of all assigned clients;

and (2) the number of claims for each client. Each examiner shall sign acknowledgement of their claims count and provide to CIPA and Member Agency.

COMMUNICATION

- A. If claimant is not represented by an attorney, contact claimant within twenty-four (24) hours of receipt of a claim and maintain appropriate contact with them until the claim is closed, unless otherwise directed by the Member Agency. If claimant not contacted, the reason shall be documented in file.
- B. Telephone calls will be returned within twenty-four (24) hours. If the staff member called is not available within this timeframe, another designated staff member will return the call.
- C. All written communications received shall be stamped with date of receipt.
- D. Respond to emails within forty-eight (48) hours, unless an immediate response is required. If staff member does not have the information being requested at the time they respond, the response should include a date by which they will provide the requested information.
- E. The claims administrator shall respond to all other written communications within five (5) business days of receipt or sooner if an immediate response is required.

INVESTIGATIONS

- A. When required on non-litigated claims, statements from or interviews with claimant(s) and witnesses shall be taken within three (3) business days of receipt of a claim. Statements will be preserved by recording or taking handwritten signed statements and interviews shall be documented.
- B. Examiner shall take steps to ensure proper preservation of evidence.
- C. Further investigate claims where the initial review indicates that it is warranted. Further investigation may include, but not be limited to, on-site investigation, taking photographs, interviewing witnesses, taking signed or recorded statements, verifying damage or loss, taking measurements, or obtaining maps/diagrams, medical releases, police reports, vendor contracts, third-party contracts, insurance documents, internal operations investigations, paramedic reports, marine department reports, building permits, or other records as required. Initial investigations shall be completed within forty-five (45) calendar days of receipt. The efforts to complete the initial investigation and any further investigations shall be documented in the file, including any reason for delay.
- D. Within forty-five (45) calendar days, identify and document in the file all liability issues, including but not limited to immunities, comparative negligence, joint tortfeasors, and joint and several liability
- E. Within forty-five (45) calendar days, identify and document in the file all damages, including property damage, nature and extent of injuries, medical

- costs, lost wages, and non-economic damages. The efforts to complete shall be documented in the file, including any reason for delay.
- F. Evaluate need to utilize experts and obtain approval from Member Agency, and CIPA if indicated.
 - G. Within fifteen (15) calendar days of receipt of claim, report bodily injury cases to the Index Bureau and re-index as needed. If not reported, the reason shall be documented in file.
 - H. Within three (3) business days of receipt of a claim, arrange for appraisal of damaged property when indicated. If appraisal not obtained, the reason shall be documented in file.
 - I. Investigative assignments to outside vendors will only be made with approval from Member Agency, and CIPA if indicated
 - J. All notices, including claim insufficiency, late claims, rejections, etc., shall be done in accordance with the relevant Governmental Code provisions.

FILE REVIEW & DOCUMENTATION

- A. Claims will be initially reviewed and entered in the computer system within twenty-four (24) hours of receipt.
- B. Calendar all files at appropriate intervals and no less frequently than every sixty (60) calendar days to allow for timely completion of required activity. Rejected claims shall be diaried every ninety (90) days or as directed by Member Agency.
- C. All activity, including phone calls, correspondence and the rationale for decisions shall be clearly and concisely documented in the files.
- D. All correspondence shall be contained in the file.
- E. Notes and activities entered in the computer system must be dated and identify who completed the entry.
- F. File notes shall not be copied from prior entries without reviewing for relevance and accuracy.
- G. An active case strategy shall be documented in the file until closure.
- H. Maintain accurate and complete records of all payments.
- I. Provide Member Agency and CIPA with copies of file correspondence and documentation as requested.
- J. All files shall be reviewed for closure and closed within seven (7) calendar days from date all issues have been resolved.

REPORTING

- A. Provide first status report within thirty (30) calendar days of receipt of claim to Member Agency. Send report to CIPA General Manager when claim meets designated criteria.
- B. Subsequent status reports shall be provided no less than every ninety (90) calendar days. Status reports shall focus on changes in liability analysis, damages, and reserves.
- C. Provide Member Agency and CIPA, if applicable, with a status report outlining the facts of the case, results of investigations, primary issues,

requested action and any related documentation within fourteen (14) calendar days of receipt of lawsuit.

- D. Provide clear and concise narrative reports when recommending rejection or settlement of a claim, when claim is going to trial, or when other significant events occur.
- E. CIPA shall be provided with closing documents and an accounting of the final paid amounts within fifteen (15) calendar days from the day the final defense bill is paid on claims involving CIPA funds.

LITIGATION MANAGEMENT

- A. Forward Litigation Acknowledgement Form to defense attorneys when case assigned (do not wait until lawsuit filed). The claims administrator shall follow-up no less than every five (5) business days for receipt of Litigation Acknowledgement Form, as expenses incurred prior to receipt do not count toward a Member Agency's self-insured retention (SIR).
- B. If the billed amount of attorney's fees and costs exceed seventy five (75) percent of the total budget, then the claims administrator shall request an updated budget.
- C. Defense attorneys shall copy CIPA on all correspondence related to reportable claims. The claims administrator shall immediately notify the defense attorney if CIPA is not copied on any correspondence.
- D. Assist trial attorney in preparation of litigation and negotiation of settlements at request of Member Agency and/or CIPA and provide trial attorney with all necessary documentation.
- E. Assist trial attorney in answering interrogatories.
- F. Attend mediations, mandatory and voluntary settlement conferences, and arbitrations as requested.
- G. Assist Member Agency's designated representative in small claims actions.
- H. Monitor performance of vendors for appropriateness of work and cost effectiveness. Any deficiencies should be reported to Member Agency and, if applicable, to CIPA.
- I. The claims administrator is responsible for monitoring compliance with the Liability Program Defense Counsel Policy. The Member Agency and CIPA, if applicable, shall be copied on follow-up requests to defense attorneys when out of compliance. All claims administrators are responsible for being fully knowledgeable of requirements in the Liability Program Defense Counsel Policy.

CLAIM RESOLUTION AND SETTLEMENT AUTHORITY

- A. Process any claim or potential claim for settlement in accordance with instructions and policies of Member Agency and in accordance with the California Government Code.
- B. Obtain a fully executed release on all settlements and dismissals.
- C. All settlement offers requiring any payment or potential payment from CIPA must be approved in writing in advance by CIPA. Neither the examiner nor

legal counsel shall make any recommendations or commitments to injured employees or their legal counsel for settlements that involve or potentially involve CIPA funds without CIPA's prior approval.

- D. Proof of settlement authorization from the Member Agency and CIPA, if applicable, shall be maintained in the file.

PAYMENTS & RESERVES

- A. Review and process payments within authority level within twenty (20) calendar days of receipt.
- B. Each claim shall be reserved at the most probable outcome and evaluated based on the merits of the claim. This includes but is not limited to damages, past and future medical expenses, loss of income, pain and suffering, plaintiff's attorney fees, defense costs, comparative negligence, facts of loss, defense counsel evaluations, and jury verdicts. The file shall document the rationale for the reserves.
- C. At all times, reserves shall reflect the current information in the file and reserves shall be reviewed for adequacy at each diary review and no less frequently than every ninety (90) calendar days and the file shall document this required review of reserves.
- D. Review proposed reserve changes with CIPA General Manager prior to making changes on any claims with potential exposure to CIPA.

EXCESS INSURANCE REPORTING

- A. Claims administrator shall report to the reinsurance/excess insurance carrier(s), including CIPA, in accordance with reporting requirements established by CIPA and each insurance carrier above CIPA.
- B. Quarterly reporting shall be in a format prescribed by CIPA, as may be modified from time to time.
- C. As defined by CIPA's Memorandum of Coverage, all claims with reserves or potential payments, including defense costs that are 50% or more of a Member Agency's SIR, or involving any of the following, shall be considered "excess claims" and reported in writing to the General Manager of CIPA within two (2) business days after receipt by claims administrator.
 - 1) Paralysis – Paraplegia, Quadriplegia
 - 2) Loss of eye(s) or limb(s)
 - 3) Spinal cord or brain injury
 - 4) Sensory organ or nerve injury, or neurological deficit
 - 5) Serious burns
 - 6) Substantial disability or disfigurement
 - 7) Death
 - 8) Amputation or loss of use of a major extremity
 - 9) Rape, sexual abuse offense/molestation of any individual
 - 10) Any disability where it appears reasonably likely that there will be disability that lasts for more than one year

11)Class Action

12)Employment Practices Liability claims regardless of claim reserves

SUPERVISORY REVIEW

Supervisors shall review claims no less frequently than every one hundred twenty (120) calendar days. The supervisor shall document the scope of the review and include any recommendations.

SUBROGATION

- A. Subrogation possibilities will be identified within five (5) business days after a claim is opened, or within five (5) business days after information is available that subrogation may exist. The claim file shall document subrogation possibilities and all action related to pursuing.
- B. The party responsible for the injury shall be notified of the Member Agency's or CIPA's right to subrogation within fourteen (14) calendar days after the identity of the responsible party is known by claims administrator.
- C. Contact with the responsible party and/or insurer to provide notification of the amount of estimated recovery shall be made at least every sixty (60) calendar days or sooner if costs escalate.
- D. Member Agency's approval is required to waive pursuit of subrogation or agree to a settlement of a third-party recovery. This approval shall be documented in the claim file.
- E. CIPA's approval is required to waive pursuit of subrogation or agree to a third-party settlement if there is potential for the claim to exceed the Member Agency's SIR.

MEDICARE REPORTING

- A. The claims administrator shall report all claims in compliance with Medicare, Medicaid, and SCHIP Extension Act (MMSEA) Section 111 Mandatory reporting.
- B. Medicare eligibility shall be documented in the file no later than at the time the file is evaluated for settlement.

Amended and Approved by the Board of Directors on June 29, 2020.

Repeals April 10, 2018 Minimum Claims Performance Standards for Third Party Liability Claims Administration Policy.

EXHIBIT D SCHEDULE OF BILLING RATES

COMPENSATION, FEES AND EXPENSES

The following compensation, fees and expenses, shall be paid in consideration for the services provided by Consultant:

George Hills Pricing	Annual Claim Admin Fee	One Time Startup Fee	MMSEA Fee	Annual Non Claim Admin Fee	Total Cost
2026-2027	\$ 135,000.00	\$ 10,000.00	\$ 800.00	\$ 6,500.00	\$ 152,300.00
2027-2028	\$ 139,050.00	\$ -	\$ 500.00	\$ 6,695.00	\$ 146,245.00
2028-2029	\$ 143,220.00	\$ -	\$ 500.00	\$ 6,895.00	\$ 150,615.00
2029-2030	\$ 147,520.00	\$ -	\$ 500.00	\$ 7,100.00	\$ 155,120.00
2030-2031	\$ 151,945.00	\$ -	\$ 500.00	\$ 7,300.00	\$ 159,745.00
				Total Value	\$ 764,025.00

The compensation to be paid pursuant to this Agreement are comprised of three distinct categories:

- A: "Administrative Services"
- B: "Fees for Claim Adjusting Services"
- C: "Allocated Costs/Expenses"

The Fees and Costs/Expenses pursuant to subsections "A", "B", and "C" will be billed together monthly in a standard invoice format utilized by Consultant. Additionally, if the City elects any optional services identified subsections "F" or "G" below, all additional amounts will be itemized and billed together monthly where applicable.

A. Administration Services

- 1) One Time (first year only) On-Boarding Fee: Ten thousand dollars (\$10,000)

Consultant will charge a one-time startup fee which includes, but is not limited to, the planning and coordination of the onboarding process and documentation, detailing specific claims handling instructions, communication protocols, personalize design of claims management information system ("CMIS"), coordinating trust accounts and banking setups, W-9, etc., and claims triage and assignments. This fee is billed in the first month of service.

- 2) Annual Administration Fee: Six thousand five hundred dollars (\$6,500) which is billed annually at the beginning of the Agreement term and thereafter upon the anniversary of the Agreement.

- 3) MMSEA: There is a one-time setup fee of eight hundred dollars (\$800) and a five hundred dollar (\$500) annual reporting fee, charged to support Consultant's contract with Consultant's service provider for reporting to CMS. This fee is billed annually at the beginning of the Agreement term.
- 4) System Access Fee: Access to the claims management information system, "CMIS", which includes the setup and management of up to five (5) "read only" user accounts. "Read/write" access to the system can be obtained for an additional fee.
- 5) iMetrics Report Fee: There will be no charge for our iMetrics business intelligence reports with executive in-person debriefs.
- 6) George Hills Client Portal: Consultant operates a client interface which is intended to provide the City with information regarding claims related and loss information. City will be provided with access for five (5) users at no additional cost.
- 7) Custom Reports: Additional charges for custom reporting shall be defined as, specialized reporting requiring a third-party programmer for three hours or more and is client specific. Custom Report do not apply to standard searches, data exports, loss runs, or reports generated for Public Records Act requests, which are provided by Consultant at no cost.
- 8) Conversion Fee: Consultant shall perform all services associated with electronic data conversion, transition, reconciliation of financials, all reports created and vetted, and City sign-off on CMIS set up ("Conversion") at no cost to the City. The Conversion Fee, valued at twenty thousand dollars (\$20,000), is waived in full for the five-year term of this Agreement. The City shall not be responsible for any costs or fees associated with data conversion, system setup, or reporting vetting during the term of this Agreement.

The Conversion Fee does not include shipping, storing, scanning, copying, or otherwise handling open or closed paper claims files. Please see "Paper Files" Section 12 below.

- 9) Catastrophic Fees: Consultant recognizes that there are events that are unanticipated and/or catastrophic. When such events occur, it requires additional hours for the handling of such claims which could not be estimated or included in the Annual Fixed Fee calculation contained herein. As such, to preserve the quality and efficiency of service, when such an event is deemed to be catastrophic by any entity providing excess coverage, the California Department of Insurance, the Insurance Services Office, or any local, state, or federal government declares a State of Emergency in relation to the subject matter upon which the claim is based, and upon agreement of the City and Consultant, should any one event occur resulting in five or more claimants alleging loss out of the same designated event, or two or more claimants with their own attorneys, Consultant will bill the City on a time and expenses basis at the current hourly rate for all services. Consultant shall provide a written budget estimate for the City's prior approval. These claims will be identified for separate billing procedures and will not be counted in the claims frequency which serves as the underlying basis for the Fixed Fee calculation applicable for the next year in the Agreement period.

- 10) Fixed Fee Annual Recalculation: Consultant reviews and analyzes the claims frequency semi-annually. Within thirty (30) days of the end of each six (6) month period from July 1, 2026, the date the work under the Agreement is initiated, Consultant will provide notice to the City of the actual number of claims received for the preceding 6 months. If the claims frequency during a twelve (12) month period exceeds, or drops below, the base number of one hundred seventy five (175), by greater than thirty percent (30%), but in no event more than fifty percent (50%), Consultant will provide a new Annual Fixed Fee calculation based on the change in frequency. The new Annual Fixed Fee will begin on July 1st of the next year in the Agreement term. If the frequency changes in an amount of thirty percent (30%) or less, there will be no change in the Annual Fixed Fee calculation. The claim frequency changes by greater than fifty percent (50%), the parties will discuss contract modification. In determining the actual number of claims received by the City, any catastrophic claims as described above shall be excluded and shall not count toward the base number for purpose of the frequency calculations.
- 11) General File: A general administrative file shall be established and maintained to track effort related to services necessary to fulfill our contractual obligations and not otherwise associated with a claim.
- 12) Paper Files: Consultant is prepared to take the lead to arrange for all services relating to conversion storage, copying, scanning, shipping, and disposal. Consultant will provide City a quote for any services related to storage, retrieval, copying, scanning, shipping, and disposal of paper files.

B. Fees for Claim Adjusting Services

- 1) Annual Fixed Fee of \$135,000. In exchange for the services provided under the Agreement by Consultant, City shall pay to Consultant the following Annual Fixed Fee(s).

Fixed Annual Fee*	
Year One (4/1/26 – 3/31/2027)	\$135,000
Year Two (4/1/2027 – 3/31/2028)	\$139,050
Year Three (4/1/2028 – 3/31/2029)	\$143,220
Year Four (4/1/2029 – 3/31/2030)	\$147,520
Year Five (4/1/2030 – 3/31/2031)	\$151,945

- 2) Time and Expense: In the event of catastrophic loss as referenced herein, the Consultant Claims team will charge time for each task performed on a claim. The time billed will be charged to each specific claim using a minimum of one tenth (1/10) of an hour increments for each task. Time billed will be rounded to the nearest one tenth (1/10) of an hour. Each billing entry will be accompanied

with further descriptions of the task performed and shall be stated on each monthly invoice. The current hourly rates are:

Litigation Manager:	\$225/hour*
Claims Supervisor:	\$135/hour*
Sr. Claims Adjuster:	\$118/hour*
Claims Adjuster:	\$105/hour*
Claims Processing:	\$92/hour*

C. Allocated Costs/Expenses

With City's prior written consent, Consultant will charge to the City both allocated and non-allocated costs and expenses incurred pursuant to the Agreement as stated herein and defined further in Exhibit E, "Allocated Expenses."

- 1) Mileage Reimbursement: Mileage traveled will be paid at the IRS rate in effect at the time the mileage is traveled. This section applies to mileage which can be allocated to a specific claim and also mileage which is not allocated to any claim, such as attendance at claim review, board and/or committee meetings requested or required by the City.
- 2) Adjuster Travel Expenses: Consultant will separately charge for any travel expenses in connection with attendance at mediations, settlement conferences, trials, etc. This will be subject to City prior written approval and actual expenses will be submitted with receipts on a monthly basis. This section applies to travel expenses which can be allocated to a specific claim and also travel expenses which are not allocated to any claim, such as attendance at claim review, board and/or committee meetings.

E. Electronic Funds Transfer or Direct Deposit

Consultant has determined that the most efficient and secure default form of payment for goods and/or services provided under the Agreement with City shall be Electronic Funds Transfer (EFT) or direct deposit, unless an alternative method of payment is deemed appropriate by both Consultant and City and agreed to in writing.

Consultant will submit a direct deposit authorization request via to City with banking and vendor information, and any other information that the City determines is reasonably necessary to process the payment and comply with all accounting, record keeping, and tax reporting requirements.

At any time during the duration of the Agreement, Consultant may submit a written request for an exemption to this requirement. Such request must be based on specific

legal, business or operational needs and Consultant will explain why the payment method designated by the City is not feasible and an alternative is necessary.

F. First Party Subrogation Services and Fees

Consultant is a claim administration firm experienced in the handling of first party subrogation claims and is ready and capable of performing such services on behalf of City upon assignment. The fee for these services is twenty five percent (25%) of the gross recovery.

G. Optional Services

Consultant employs "in-house" attorneys which have vast experience in claims and litigation handling, problem resolution, issue identification and investigation, and advice and consultation, for all types of claims and issues which may arise for a public entity. Should the special circumstance arise whereby City requests additional services by a Consultant attorney, including those identified in the list below, the services will be provided on a time and expenses basis and at the rate of two hundred twenty five dollars (\$225) per hour, billed using one tenth (1/10) of an hour increments for each task performed on a claim or issue. The fees charged for these services will be in addition to any other compensation defined in this

Litigation Management

Monitoring Counsel

Outside General and Special Counsel

Trial/Mediation/Board Meeting Attendance

Legal Training and Seminars

Consultant can also provide Professional and Financial Services related to risk management and loss prevention in alignment with the scope of services for the same rate referenced above.

Upon written request from the Project Administrator as defined herein, Consultant shall provide a letter proposal for Optional Services requested by the City (hereinafter referred to as the "Letter Proposal"). The Letter Proposal shall include the following:

1. A detailed description of the Services to be provided.
2. The position of each person to be assigned to perform the Services, and the name of the individuals to be assigned, if available.
3. The estimated number of hours and cost to complete the Services.
4. The time needed to finish the specific project.

No Services shall be provided until the Project Administrator has provided written acceptance of the Letter Proposal. Once authorized to proceed, Consultant shall diligently perform the duties in the approved Letter Proposal.

EXHIBIT E ALLOCATED EXPENSES

Typically, allocated expenses are those expenses that are generated by a claim (by outside vendors other than George Hills) that cannot be foreseen nor included in this Agreement. These expenses are generally allocated back to the specific claim file for which the cost was incurred and then charged back to the entity whose claim incurred that cost. In most situations these are pass-through costs (with processing fees) for services and/or fees not directly generated by the TPA, but rather by a third-party consultant where the TPA has acted as an agent on behalf of the entity to necessarily outsource services to a third-party consultant and/or miscellaneous fees applicable to the specific claim applied by an outside entity, such as a court or copy services. Below, George Hills has provided a list, which is not an exhaustive list, of typical allocated expenses.

Paid to GH

- CMS reporting costs and fees (ExamWorks)

Paid to Others as Authorized by Client

- Fees of outside counsel for claims in suit, coverage opinions, and litigation, and for representation and hearings or pretrial conferences;
- Fees of court reporters;
- All court costs, court fees, and court expenses;
- Fees for service of process;
- Costs of undercover operatives and detectives (if initially paid by GH);
- Costs for employing experts for the preparation of maps, professional photographs, accounting, chemical or physical analysis, or diagrams;
- Costs for employing experts for the advice, opinions, or testimony concerning claims under investigation or in litigation for which a declaratory judgment is sought;
- Costs for independent medical examination or evaluation for rehabilitation;
- Costs of legal transcripts of testimony taken at coroner's inquests, or criminal or civil proceeding;
- Costs for copies of any public records or medical records;
- Costs of depositions and court reporting;
- Costs and expenses of subrogation, (if not George Hills);
- Costs of engineers, handwriting experts, or any other type of expert used in the preparation of litigation or used in a one-time basis to resolve disputes;
- Witness fees and travel expenses;

- Costs of photographers and photocopy services (if not George Hills—our costs for this is included in our rate);
- Costs of appraisal fees and expenses not included in flat fee or performed by others;
- Costs of indexing claimants;
- Services performed outside Southern California;
- Costs associated with Medicare Set-Aside analysis and submission or Medicare Conditional Lien negotiation;
- Investigation of possible fraud including SIU services and related expenses; and/or
- Any other similar cost, fee, or expense that is not otherwise included in the TPA's service fees that is reasonably chargeable to the investigation, negotiation, settlement, or defense of a claim or loss or to the protection or perfection of the subrogation rights of the entity, including travel related expenses.

Travel Related

Costs of travel related to claims including mileage driven, such as for attendance at inspections, mediations, and trial, shall be allocated to the specific claim and reimbursed to GH based on the actual cost incurred. Mileage shall be reimbursed at the current IRS rated at the time the mileage is traveled.

EXHIBIT F

INSURANCE REQUIREMENTS – PROFESSIONAL SERVICES

1. Provision of Insurance. Without limiting Consultant's indemnification of City, and prior to commencement of Work, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to City. Consultant agrees to provide insurance in accordance with requirements set forth here. If Consultant uses existing coverage to comply and that coverage does not meet these requirements, Consultant agrees to amend, supplement or endorse the existing coverage.
2. Acceptable Insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.
3. Coverage Requirements.

- A. Workers' Compensation Insurance. Consultant shall maintain Workers' Compensation Insurance, statutory limits, and Employer's Liability Insurance with limits of at least one million dollars (\$1,000,000) each accident for bodily injury by accident and each employee for bodily injury by disease in accordance with the laws of the State of California, Section 3700 of the Labor Code.

Consultant shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its City Council, boards and commissions, officers, agents, volunteers and employees.

- B. General Liability Insurance. Consultant shall maintain commercial general liability insurance, and if necessary umbrella liability insurance, with coverage at least as broad as provided by Insurance Services Office form CG 00 01, in an amount not less than two million dollars (\$2,000,000) per occurrence, four million dollars (\$4,000,000) general aggregate. The policy shall cover liability arising from premises, operations, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).
- C. Automobile Liability Insurance. Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented

vehicles, in an amount not less than one million dollars (\$1,000,000) combined single limit each accident.

- D. Professional Liability (Errors & Omissions) Insurance. Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of two million dollars (\$2,000,000) per claim and four million dollars (\$4,000,000) in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the Effective Date of this Agreement and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the Services required by this Agreement.
 - E. Cyber Liability Insurance. Consultant shall maintain cyber liability insurance in an amount not less than two million dollars (\$2,000,000) per occurrence and four million dollars (\$4,000,000) annual aggregate covering (1) all acts, errors, omissions, negligence, infringement of intellectual property; (2) network security and privacy risks, including but not limited to unauthorized access, failure of security, breach of privacy perils, wrongful disclosure, collection, or negligence in the handling of confidential information, privacy perils, including coverage for related regulatory defense and penalties; (3) data breach expenses payable whether incurred by City or Consultant, including but not limited to consumer notification, whether or not required by law, computer forensic investigations, public relations and crisis management firm fees, credit file or identity monitoring or remediation services in the performance of services for City or on behalf of City hereunder. If a sub-limit applies to any elements of coverage, the certificate of insurance evidencing the coverage above must specify the coverage section and the amount of the sub-limit.
4. Other Insurance Requirements. The policies are to contain, or be endorsed to contain, the following provisions:
- A. Waiver of Subrogation. Insurance coverage for Commercial General Liability, Automobile, and Workers' Compensation maintained or procured pursuant to this Agreement shall be endorsed to waive subrogation against City, its City Council, boards and commissions, officers, agents, volunteers and employees or shall specifically allow Consultant or others providing insurance evidence in compliance with these requirements to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers from each of its subconsultants.
 - B. Additional Insured Status. All liability policies including general liability, excess liability, pollution liability, and automobile liability, if required, but not including professional liability, shall provide or be endorsed to provide that

City, its City Council, boards and commissions, officers, agents, volunteers and employees shall be included as insureds under such policies.

- C. Primary and Non Contributory. All liability coverage shall apply on a primary basis and shall not require contribution from any insurance or self-insurance maintained by City.
- D. Notice of Cancellation. All policies shall provide City with thirty (30) calendar days' notice of cancellation (except for nonpayment for which ten (10) calendar days' notice is required) or nonrenewal of coverage for each required coverage.

5. Additional Agreements Between the Parties. The parties hereby agree to the following:

- A. Evidence of Insurance. Consultant shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation and other endorsements as specified herein for each coverage. Insurance certificates and endorsement must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this Agreement. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or reduced, Consultant shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. City reserves the right to require complete, certified copies of all required insurance policies, at any time.
- B. City's Right to Revise Requirements. City reserves the right at any time during the term of the Agreement to change the amounts and types of insurance required by giving Consultant sixty (60) calendar days' advance written notice of such change. If such change results in substantial additional cost to Consultant, City and Consultant may renegotiate Consultant's compensation.
- C. Right to Review Subcontracts. Consultant agrees that upon request, all agreements with subcontractors or others with whom Consultant enters into contracts with on behalf of City will be submitted to City for review. Failure of City to request copies of such agreements will not impose any liability on City, or its employees. Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated

herein, and Consultant shall ensure that City is an additional insured on insurance required from subcontractors. For CGL coverage, subcontractors shall provide coverage with a format at least as broad as CG 20 38 04 13.

- D. Enforcement of Agreement Provisions. Consultant acknowledges and agrees that any actual or alleged failure on the part of City to inform Consultant of non-compliance with any requirement imposes no additional obligations on City nor does it waive any rights hereunder.
- E. Requirements not Limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City unless expressly prohibited by the insurance policy.
- F. Self-insured Retentions. Any self-insured retentions must be declared to the City. Self-insurance will not be considered to comply with these requirements unless approved by City.
- G. City Remedies for Non-Compliance. If Consultant or any subconsultant fails to provide and maintain insurance as required herein, then City shall have the right but not the obligation, to purchase such insurance, to terminate this Agreement, or to suspend Consultant's right to proceed until proper evidence of insurance is provided. Any amounts paid by City shall, at City's sole option, be deducted from amounts payable to Consultant or reimbursed by Consultant upon demand.
- H. Timely Notice of Claims. Consultant shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.
- I. Consultant's Insurance. Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the Work.