

**AMENDMENT ONE  
TO THE AGREEMENT FOR CLAIMS ADMINISTRATION SERVICES**

This Amendment One to that certain Agreement for Claims Administration Services dated as of July 1, 2015 and as subsequently amended (the “Agreement”) by and between City of Beaumont (“Client”) and Sedgwick Claims Management Services, Inc., (“Sedgwick”), as assignee to York Risk Services Group, Inc. (“York”);

WITNESSETH

WHEREAS, York and Client entered into an Agreement whereby York agreed to provide certain workers’ compensation administration services; and

WHEREAS, effective May 28, 2020, York assigned to its parent, Sedgwick all of its rights and obligations under the Agreement; and

WHEREAS, Sedgwick and Client desire to amend the Agreement to extend the term of the Agreement and revise the claim fees and pricing structure, as set forth herein.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Section II entitled “Term of Agreement” shall be revised to include the following:

“The term of this Agreement has been extended to include the period from July 1, 2020 to June 30, 2023.”

2. Effective July 1, 2020, Exhibit A of the Agreement shall no longer apply. From and after such date, the provisions set forth in the attached Exhibit A will apply instead.
3. Section XIII C of the Agreement shall be revised to reflect the following notice provisions for Sedgwick:

Notices to Sedgwick shall be delivered to:

General Counsel - Americas  
Sedgwick Claims Management Services, Inc.  
8125 Sedgwick Way  
Memphis, Tennessee 38125

4. In addition, Sedgwick represents that it is the corporate parent of York and unconditionally assumes all of the rights, duties, obligations and liabilities of York, under the Agreement.

5. All other terms of the Agreement shall remain in force and unchanged. Any conflicts between this Amendment and the original Agreement, including prior executed amendments, shall be superseded by the terms provided herein.

In Witness Whereof, the parties have executed this amendment to be effective as of City of Beaumont.

CITY OF BEAUMONT

YORK RISK SERVICES GROUP, INC.

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

SEDGWICK CLAIMS MANAGEMENT  
SERVICES, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## EXHIBIT A

### Claims Services

Sedgwick will provide claims handling at the following rates:

### Annual Fee

Line of Business	07/01/2020 through 06/30/2021	07/01/2021 through 06/30/2022	07/01/2022 through 06/30/2023
<b>Workers' Compensation</b>	\$37,971.00	\$39,110.00	\$40,283.00

*Annual Fee: Sedgwick's Annual Fee quotation is a guaranteed flat annual fee and applies to claims administration services provided during the 12-month contract term. Any additional administration beyond the initial 12-month contract term will be subject to an additional negotiated flat annual fee or other mutually agreed upon rate structure. If there is a significant increase in claims volume, Sedgwick may propose additional charges. If client agrees to such additional charges, the fees will be adjusted accordingly. If client does not agree to such charges, Sedgwick will have the right to terminate services on 60 days' notice.*

**Services of the Account Executive, along with phone claim reviews, are provided at no additional charge.**

### General Fees, Services, Terms and Conditions

- Outside Activity/Field Investigations will be billed at time and expense.
- During the term of a multi-year contract, except for items for which pricing for each year is explicitly listed above, pricing for each year after the first full year will increase by the greater of 3% or the percentage increase as reported by the U.S. Department of Labor - Bureau of Labor Statistics (<http://www.bls.gov/cpi/home.htm>) for the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average, All Items, covering the prior twelve-month period, valued as of the month ending two months prior (to allow time for reports to be published) to the anniversary date of the contract. For all contracts, pricing at the end of the contract term and each year thereafter will increase by such amount, provided that (i) both parties agree and enter into a renewal contract, or (ii) the parties continue with the existing contract on a month-to-month basis.
- Billing: Sedgwick will issue an electronic invoice monthly, via email. Payments shall be due and payable no later than thirty days from the date the invoice received.
- Pricing has been developed based on provided loss data. In the event that the loss data is erroneous or otherwise incorrect both parties agree to discuss an equitable adjustment of service fees.
- Client may request that the services we perform be rendered in a particular or different way or additional services be provided, and we will make all reasonable efforts to comply. If such request increases Sedgwick's cost of providing the services, Sedgwick shall be entitled to an equitable adjustment in its compensation.

- Subrogation: Sedgwick's fee per feature pricing includes placing parties that it deems responsible on notice. Pursuit of subrogation beyond this point can be performed at 25% of recovery (exclusive of attorney fees and expenses related to litigation as well as expenses, such as locate searches, skip traces, cost and origin reports, copy service, etc. or any agreed upon contingency fees).
- Claims and Allocated Loss Adjustment Expenses (ALAE) may be handled in two ways:
  - Client may elect to fund an account established and maintained by Sedgwick. In this case, Client will maintain and provide timely replenishment of funds to pay all Claims and ALAE and to avoid penalties and late payments. Sedgwick will electronically provide a monthly recap of all deposits as well as Claims and ALAE payments. Client will be responsible for bank fees with respect to the account.
  - Client may elect to maintain and fund a client-owned account from which Sedgwick will issue all Claim and ALAE payments. In this case, Client will provide Sedgwick with the facsimile signature of an officer, director, partner or employee of Client to print digitally on the checks. Client will be responsible for bank fees with respect to the account.

### Allocated Loss Adjustment Expenses

Sedgwick will arrange for various services and other costs as agent for Sedgwick's client. These costs are referred to as Allocated Loss Adjustment Expenses (ALAE). A list of these expenses follows. Payment of ALAE is the responsibility of Client. Sedgwick's fees do not cover ALAE, and Sedgwick is under no obligation to pay ALAE with our own funds.

- Fees of outside counsel for claims in suit, coverage opinions and litigation and for representation at 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
- Costs for employing experts for the preparation of maps, professional photographs, accounting, chemical or physical analysis, diagrams
- Costs for employing experts for the advice, opinions or testimony concerning claims under investigation or in litigation or 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, criminal or civil proceeding
- Costs for copies of any public records or medical records
- Costs of depositions and court reported or recorded statements
- Costs and expenses of subrogation
- Costs of engineers, handwriting experts or any other type of expert used in the preparation of litigation or used on a one-time basis to resolve disputes
- Witness fees and travel expenses
- Costs of photographers and photocopy services
- Costs of appraisal fees and expenses (not included in flat fee or performed by others)
- Costs of indexing claimants
- FROI/SROI Submission
- Services performed outside of our normal geographical regions
- Costs of outside investigation, signed or recorded statements

- Out of the ordinary expenses incurred in connection with an individual claim or requiring meeting with Customer
- Any other extraordinary services performed by us at Customer's request
- Investigation of possible fraud including SIU services and related expenses
- Any other similar cost, fee or expense 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 Customer.

Sedgwick may, but need not, elect to utilize its own staff or affiliated entities to perform any of these services. Associated fees and costs will be charged as ALAE.