



Proposal of Insurance

Hall County Board of Commissioners

2875 Browns Bridge Rd
Gainesville, GA 30504

Presented: December 9, 2021

Effective: January 1, 2022

Scott Thomason

Regional Practice Leader | Public Sector

Arthur J. Gallagher Risk Management Services, Inc.

1050 Crown Pointe Parkway Suite 600

Atlanta, GA 30338

(678) 393-5200

Scott_Thomason@ajg.com



ajg.com

©2018 Arthur J. Gallagher & Co. All rights reserved.



Gallagher

Insurance | Risk Management | Consulting

Table of Contents

Service Team	3
Program Structure.....	4
Market Review.....	5
Premium Summary.....	7
Payment Plans	8
Premium Financing	9
Named Insured.....	10
Program Details.....	11
Excess Workers Comp - Midwest Employers Casualty Company	11
Carrier Ratings and Admitted Status.....	14
Proposal Disclosures.....	15
Proposal Disclosures.....	16
Client Signature Requirements	17
Client Authorization to Bind Coverage.....	18
Coverages for Consideration.....	20
Appendix	21
Bindable Quotations & Compensation Disclosure Schedule	22
Claims Reporting By Policy	23
Cyber Liability eRiskHub Features	24
Binding Requirements	25
CORE360™ Loss Control Flyer	26

Client Authorization to Bind Coverage

After careful consideration of Gallagher's proposal dated 12/9/21, we accept the following coverage(s). Please check the desired coverage(s) and note any coverage amendments below:

	COVERAGE/CARRIER
<input checked="" type="checkbox"/> Accept <input type="checkbox"/> Reject	Excess Workers Comp- Midwest Employers Casualty Company
<input checked="" type="checkbox"/> Option # 1	Excess WC Option 1 Premium:\$250,310, \$600K Retention
<input type="checkbox"/> Option # 2	Excess WC Option 2 Premium:\$239,840, \$600K/\$700K Retention 7710/7720
<input type="checkbox"/> Option # 3	Excess WC Option 3 Premium:\$228,013, \$605K/\$750K Retention 7710/7720
<i>TRIA Cannot Be Rejected</i>	
<input checked="" type="checkbox"/> Accept <input type="checkbox"/> Reject	Risk Management Fee - \$25,000
<input checked="" type="checkbox"/> Accept <input type="checkbox"/> Reject	Claims TPA Fee - \$60,000

The above coverage may not necessarily represent the entirety of available insurance products. If you are interested in pursuing additional coverages other than those addressed in the coverage considerations included in this proposal, please list below:

Producer/ Insured Coverage Amendments and Notes:

Exposures and Values

We confirm the payroll, values, schedules, and other data contained in the proposal, and submitted to the underwriters, are compiled from information provided by you and we acknowledge it is our responsibility to see that such information is updated and maintained accurately. For renewal policies, if no updates were provided to Gallagher, the values, exposures and operations used were based on the expiring policies.

Provide Quotations or Additional Information on the Following Coverage Considerations:

Gallagher recommends that you purchase the following additional coverages for which you have exposure. By rejecting a quotation for this valuable coverage, you understand that there will be no coverage and agree to hold Gallagher harmless in the event of a loss.

Other Services to Consider

- ☒ Yes ☐ No - CORE360™ Loss Control Portal
☐ Yes ☒ No - eRiskHub

Client Signature Requirements

Fee Agreement: *In lieu of / In addition to* commission received by Gallagher for the policy term reflected herein, 01/01/2022
Gallagher will receive a fee of: **\$25,000.00** for:

- Self-Insured program management and oversight, claims advocacy, and claims analytics services.
- Services shall include up to 40 hours of risk control services

This fee IS NOT refundable, is fully earned by signing below, and is due and payable within thirty (30) days of such signing. Any placements that require the payment of additional state or federal taxes and/or fees are the client's responsibility.

By accepting this fee agreement, we agree and understand that it reflects services to be provided that have been discussed with and fully disclosed to us, and the above fee is consistent with our understanding. This agreement and any disputes that arise out of this fee agreement shall be governed by the laws of the state of Illinois.

Gallagher's liability to Client arising from any acts or omissions of Gallagher shall not exceed \$20 million in the aggregate. Gallagher shall only be liable for actual damages incurred by Client, and shall not be liable for any indirect, consequential or punitive damages or attorneys' fees. No claim or cause of action, regardless of form (tort, contract, statutory, or otherwise), arising out of, relating to or in any way connected with this Agreement or any Services provided hereunder may be brought by either party any later than two (2) years after the accrual of such claim or cause of action.

Gallagher has established security controls to protect Client confidential information from unauthorized use or disclosure. For additional information, please review Gallagher's Privacy Policy located at <https://www.ajg.com/privacy-policy/>.

I have read, understand and agree that the above information is correct and has been disclosed to us prior to authorizing Gallagher to bind coverage and/or provide services to us.

By: _____
Print Name (Specify Title)

Company

Signature

Date: _____

Coverages for Consideration

Overview

- A proposal for any of the coverages can be provided.
- The recommendations and considerations summarized in this section are not intended to identify all exposures.
- Since Gallagher does not handle your complete insurance program, these recommendations only reflect items within our scope of responsibility.

PROGRAM SPECIFIC TERMS AND CONDITIONS

1. Claim Count Reconciliation:

A claim count reconciliation will take place 12 months after the end of the service period.

2. Billing and Payment Terms: Fees will be billed annually during the service period.

3. Claim Pricing Terms:

Life of Partnership:

Claims will be handled for the life of the partnership with no additional per claim fees. If the client decides to non-renew all or a portion of the program, all open files will be handled in one of the following two ways:

- GB will return the files to the client (contingent upon Carrier approval) at the client's expense.
- GB will continue to handle the open files at our prevailing annual rate per year open.

Additional Charges:

There will be additional charges for ongoing Data Management (RISX-FACS®), RMIS users, Administration, Banking fees and monthly reports for as long as GB handles claims.

4. Account Administration includes the following:

- Client Services
- Standard Analytics Reports
- 2 Claim Review(s) - Telephonic
- 2 Standard Meeting(s) Included
- Detailed Status Reports All Lines of Business @ \$50,000
- Settlement Consultation All Lines of Business @ \$0
- Loss Fund /Banking Services (SIMMS)
- Claim Reporting
- Data Transfer to Carrier(s)
- Acknowledgement Letter to Injured Employee WC
- Acknowledgement Letter to Claimant Liab

5. Claim Charges: Claim and incident fees will be assessed on a per occurrence, per claimant, per line of coverage basis.

6. This material is the proprietary, confidential property of Gallagher Bassett Services, Inc. It has been provided to you for the sole purpose of considering a quote for claims administration services. It is not to be duplicated or shared in any form with anyone other than the individuals of such prospective client that have a business need to know the information. It must be destroyed or returned Gallagher Bassett Services, Inc. after its intended use.

7. Gallagher Bassett Services, Inc. will not pay a fee, commission, or rebate to any party for the privilege of presenting our proposal or in order to secure the awarding of any program to Gallagher Bassett Services, Inc.

8. Pricing is based on using GBCARE Medical Management Services preferred vendors for Bill Review, PPO, out-of-network, utilization review, telephonic case management, MSA and field case management.

GENERAL CONTRACT TERMS AND CONDITIONS

1. Independent Adjusters - If applicable, following any significant loss as a result of a single event (i.e., hurricane, tornado, flood, earthquake, etc.), GB reserves the right to retain outside resources (adjusters) when appropriate and those fees will be paid as an Allocated Expense off the file.
2. The pricing quoted in this Cost & Terms is based upon the data and information provided by Client, as well as existing legislative and regulatory requirements. Material inaccuracies or changes to the foregoing may require adjustments to the quoted pricing.
3. Taxes - All applicable taxes will be added to the service fees where required.
4. Allocated Expenses: Shall be your responsibility as applicable and shall include, but not be limited to:
 - Legal Fees
 - Legal Bill Review
 - Medical Examination
 - Professional Photographs
 - Travel made at client's request
 - Costs for witness statements
 - Court reporter service, translation, and interpretation
 - Record retrieval and copying services (Including medical and legal)
 - Accident reconstruction
 - Experts' rehabilitation costs
 - Chemist
 - Fees for service of process
 - Collection cost payable to third parties on subrogation
 - Architects, contractors
 - Engineer
 - Any other similar cost, fee or expense reasonably chargeable to the investigation, negotiation, settlement or defense of a claim or loss which must have the explicit prior approval of the client
 - Police, fire, coroner, weather, or other such reports
 - Property damage appraisals
 - Vehicle appraisals (vehicle damage assessment)
 - SIU, surveillance and sub rosa investigation
 - Official documents and transcripts
 - Pre- and post-judgment interest paid
 - Outside Field Investigations
 - Subrogation at 20% of net recovery
 - Index Bureau Reporting (All Coverages)
 - Second Injury Fund Recovery
 - Data Intelligence Self-Service Reports
 - Medical Management - Medical Management services may include, but are not limited to:
 - Preferred provider organization networks
 - Utilization review services
 - Automated state fee scheduling
 - Light duty/return-to-work programs
 - Medical case management and Vocational rehabilitation network
 - Prospective injury management services
 - Hospital bill audit services

Market Review

We approached the following carriers in an effort to provide the most comprehensive and cost effective insurance program.

INSURANCE COMPANY	LINE OF COVERAGE	RESPONSE	PREMIUM
Midwest Employers Casualty Company	Excess Workers Comp	Recommended Quote	\$250,310.00

Renewal Comparison

	Expiring Program 2021-2022	Renewal Proposal 2022-2023 Recommended	% Change vs Expiring
Carrier Information	Midwest Employers	Midwest Employers	
Financial Rating	A+, XV	A+, XV	
Broker Commission	20%	20%	
<u>COVERAGE</u>			
Workers Comp Limit	STATUTORY	STATUTORY	
Employers Liability Limit	\$1,000,000	\$1,000,000	
Self-Insured Retention (SIR)	\$500,000	\$600,000	
Police/Fire SIRs	\$600,000	\$600,000	
Terrorism / TRIA Coverage	Included	Included	
Aggregate Limit	\$2,000,000	\$2,000,000	
Aggregate Retention	\$3,069,902	\$2,848,074	-7.2%
Aggregate Loss Limitation	\$500,000	\$500,000	
<u>EXPOSURE & RATING</u>			
Estimated Annual Payroll	\$85,000,000	\$82,707,992	-2.7%
Policy Premium	\$234,696	\$250,310	6.7%
Rate per \$100 Payroll	0.2761	0.3026	9.6%
Risk Management Fee	\$40,000	\$25,000	-37.5%
Claims TPA Fee	\$50,000	\$60,000	20.0%
Total Cost	\$324,696	\$335,310	3.3%

Notes:

1. MidWest provided additional retention options including split retentions.

Hall County Board of Commissioners



Premium Summary

The estimated program cost for the options are outlined in the following table:

LINE OF COVERAGE		EXPIRING PROGRAM		PROPOSED PROGRAM	
		CARRIER	EXPIRING COST	CARRIER	ESTIMATED COST
Excess Workers Comp	Premium TRIA Premium	Midwest Employers Casualty Company (W. R. Berkley Group)	\$234,696 Included	Midwest Employers Casualty Company (W. R. Berkley Group)	\$250,310 Included
Risk Management Fee	Fee		\$40,000		\$25,000
Claims TPA Fee	Fee		\$50,000		\$60,000
Total Estimated Program Cost			\$324,696		\$335,310

Quote from Midwest Employers Casualty Company (W. R. Berkley Group) is valid until 1/4/2022

Gallagher is responsible for the placement of the following lines of coverage:

Excess Workers Comp

It is understood that any other type of exposure/coverage is either self-insured or placed by another brokerage firm other than Gallagher. If you need help in placing other lines of coverage or covering other types of exposures, please contact your Gallagher representative.

Payment Plans

CARRIER / PAYABLE CARRIER	LINE OF COVERAGE	PAYMENT SCHEDULE	PAYMENT METHOD
Midwest Employers Casualty Company (W. R. Berkley Group)	Excess Workers Comp	Deposit Premium: \$250,310	Agency Bill

Program Details

Coverage: Excess Workers Comp

Carrier: Midwest Employers Casualty Company

Policy Period: 1/1/2022 to 1/1/2023

Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT
Specific Limit		Statutory
Employers Liability Limit	Limit	\$1,000,000
Aggregate Limit	Limit	\$2,000,000

Deductibles / Self-Insured Retention

TYPE	COVERAGE	AMOUNT
Retention	Excess Workers' Compensation - Specific Retention	\$600,000

States:

DESCRIPTION	STATE
States Covered:	GA
States Excluded:	OH, ND, WA, WY

Endorsements include, but are not limited to:

DESCRIPTION
Amendment to Schedule Item 1 - CMB-1
Amendment to Schedule Item 11 - CMB-11
Foreign - CMB-160
Change in Notification Time Required for Cancellation - Insured NOC 60 Days; MECC NOC 90 Days - CMB-184
Policyholder Disclosure Notice of Terrorism Insurance - CMB-199
Voluntary Compensation - ISI-261
Endemic Disease and Repatriation - ISI-266
Georgia - ISI-GA (11-16)
Amendment to Schedule Item 6 - CMB-6-CLS (Option(s) 0237155, 0237158)

Exclusions include, but are not limited to:

DESCRIPTION
Aircraft Exclusion - ISI-254-EXC

Binding Requirements:**DESCRIPTION**

Subject to a Signed Application Must be Received Prior to Policy Issuance.

Other Significant Terms and Conditions/Restrictions:**DESCRIPTION**

Total Premium Includes TRIA Premium of \$7,509

Estimated Aggregate Retention \$2,906,198

Minimum Aggregate Retention \$2,848,074

Aggregate Loss Limitation: \$500,000

MECC must be notified of any aircraft changes occurring during the policy period.

Premium	\$250,310.00
----------------	---------------------

ESTIMATED PROGRAM COST	\$250,310.00
-------------------------------	---------------------

Minimum Premium -	\$225,279.00
-------------------	---------------------

TRIA/TRIPRA PREMIUM (+ Additional Surcharges, Taxes and Fees as applicable)	INCLUDED
--	-----------------

Additional Retention Options:

DESCRIPTION	AMOUNT	DEDUCTIBLE / SELF-INSURED RETENTION	OTHER	PREMIUM
Excess WC Option1 Limits:\$1M/\$2M	\$1,000,000/\$2,000,000	\$600,000(Specific Retention) \$700,000 (Specific Retention 7720 GA 7710 GA Each	Minimum Premium: \$215,856, Deposit Premium: \$239,840, Premium Includes TRIA of \$7,195, Payroll Rate: 12.37%	\$239,840.00
Excess WC Option2, Limits:\$1M/\$2M	\$1,000,000/\$2,000,000	\$650,000(Specific Retention) \$750,000 (Specific Retention 7720 GA 7710 GA Each	Minimum Premium: \$205,212, Deposit Premium: \$228,013, Premium Includes TRIA of \$6,840, Payroll Rate: 11.76%	\$228,013.00

Subject to Audit: Annually

Auditable Exposures:

STATE	DESCRIPTION	EXPOSURE	RATE PER \$100
GA	Total Payroll	\$82,707,992 - Payroll	0.3026



Carrier Ratings and Admitted Status

PROPOSED INSURANCE COMPANIES	A.M. BEST'S RATING & FINANCIAL SIZE CATEGORY *	ADMITTED/NON-ADMITTED **
Midwest Employers Casualty Company	A+ XV	Admitted

*Gallagher companies use A.M. Best rated insurers and the rating listed above was verified on the date the proposal document was created.

Best's Credit Ratings™ reproduced herein appear under license from A.M. Best and do not constitute, either expressly or impliedly, an endorsement of Gallagher's service or its recommendations. A.M. Best is not responsible for transcription errors made in presenting Best's Credit Ratings™. Best's Credit Ratings™ are proprietary and may not be reproduced or distributed without the express written permission of A.M. Best.

A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. It is not a warranty of a company's financial strength and ability to meet its obligations to policyholders. Best's Credit Ratings™ are under continuous review and subject to change and/or affirmation. For the latest Best's Credit Ratings™ and Guide to Best's Credit Ratings, visit the A.M. Best website at <http://www.ambest.com/ratings>.

**If coverage placed with a non-admitted carrier, it is doing business in the state as a surplus lines or non-admitted carrier, and is neither subject to the same regulations as an admitted carrier nor do they participate in any state insurance guarantee fund.

Gallagher companies make no representations and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change.



HALL COUNTY, GA
01/01/2022 - 01/01/2023

ACKNOWLEDGEMENT OF COST & TERMS

The undersigned parties acknowledge and agree that this Cost & Terms is effective for the service period stated above.

Notices to Gallagher Bassett Services, Inc. should be directed to:

Gallagher Bassett Services, Inc.

2850 Golf Road

Rolling Meadows, Illinois 60008-4050

Attn: Legal Department

Email: GB-Contracts@gbtpa.com

ACCEPTED AND AGREED TO BY:

GALLAGHER BASSETT SERVICES, INC.

By: _____

Print Name: _____

Title: _____

Date: _____

ACCEPTED AND AGREED TO BY:

HALL COUNTY, GA

By: _____

Print Name: _____

Title: _____

Date: _____

DEFINITIONS

Incidents

An incident is a loss reported electronically through ClaimLine and/or the Web, or set up manually at the branch. GB will review the incident and make a courtesy call (if necessary) to determine if it is a claim or incident. GB will have full discretion in the determination and handling of these incidents and/or their conversion into claim status.

Workers' Compensation - Medical Only Claims

A work-related Claim that meets the following criteria:

- Payments for either indemnity or vocational rehabilitation were not required
- The Claim has not become contested or in suit
- Investigation to determine compensability or subrogation requirements was not required
- No loss notices, captioned reports, client meetings (other than routine meetings where the claim is listed and noted) or settlement consultation approvals were required
- Payments on the Claim do not exceed \$5,000
- Days open do not exceed 180 days

Workers' Compensation - Indemnity Claims

A work-related claim that is not a Medical Only Claim.

FLAT FEE - LIFE OF PARTNERSHIP	Est. Claim Frequency	Per Claim Fee	Projected Service Fee
Workers' Compensation			
WC Medical Only	128		Included
WC Indemnity (All Other States)	34		Included
Incidents - Workers' Compensation			Included
Total Workers' Compensation Fee Per Claim			\$60,000

ADMINISTRATIVE SERVICES	Quantity	Rate	Estimated Annual Fee
Administrative Services			
Administration / Data Management			Included
RMIS - 5 Users Full Access			Included
Total Administrative Services			\$0

TOTAL			\$60,000
--------------	--	--	-----------------

Claim count limitations:

If the number of newly reported indemnity claims for this contract term exceeds 34 total indemnity claims then Gallagher Bassett will be paid a per-claim fee of \$975 for each claim in excess of 34. If the number of newly reported medical only claims for this contract term exceeds 128 total medical only claims then Gallagher Bassett will be paid a per-claim fee of \$160 for each claim in excess of 128. The audit reconciliation would be performed 12 months post the expiration of the contract term.

GBCARE MEDICAL MANAGEMENT SERVICES

SERVICES	CHARGES
Fee Schedule (Bill Review / UCR / System Savings)	\$9.50 Per Bill
All Other Savings <ul style="list-style-type: none"> • Clinical Validation/Nurse Review (CV) • Preferred Provider Networks (PPO) • Out Of Network (OON) • Specialty Networks/Physical Therapy (PT) 	28% of Savings 28% of Savings 28% of Savings 28% of Savings
Electronic Receipt of Medical Bills	\$2 additional per bill
Telephonic Case Management	\$85 Medical Triage \$325 per claim (each 30 days)
Utilization Review Program	\$120 Inpatient Pre-Certification \$105 Outpatient Pre-Certification
UR Physician Review	\$270 per Review
Medical Case Management and Vocational Rehabilitation - Hourly	\$105 per hour plus expenses \$128 per hour plus expenses - AK, CA, HI, NY
Priority Care 365	\$90 per call
Texas HCN Service Option	Available options if client enrolls in Texas HCN (otherwise, Not Applicable) <u>Option #1-</u> Unbundled rate: \$17 per bill to include bill review & network access, \$75 for triage. <u>Option #2-</u> Bundled rate: \$27 per bill to include bill review, network access & Nurse triage. <u>Option #3-</u> Percent of savings: 9.5% of total savings to include bill review, network access & Nurse triage.
Other State Service Options: <ul style="list-style-type: none"> • California MPN Service Options • Illinois PPP Service Option • New York PPO Service Option • West Virginia MHCP Service Option 	For claims handled in the designated states (otherwise, Not Applicable) No additional fees beyond the normal Cost & Terms No additional fees beyond the normal Cost & Terms No additional fees beyond the normal Cost & Terms Available option if client enrolls in a West Virginia MHCP. If selected, fees include \$45 per claim. Network Management and Administration of \$45 per hour when required
Medical Cost Projection (MCP) and Clinical Recommendations	\$125 per hour
Pharmacy Benefit Management (PBM)	Cost of prescriptions - no charge for Bill Review or PPO reductions for PBM transactions

SERVICES	CHARGES
Durable Medical Equipment (DME) Program	Cost of medical equipment - no charge for Bill Review or PPO reductions for Prospective DME transactions
Dental Review Program	Charged on a per review basis

Client and GB agree as follows: If a vendor other than the GBCARE Medical Management Services preferred vendor is utilized, an administrative fee may apply in exchange for bona fide administrative services. The administrative services may include, but not be limited to overhead costs for the oversight and management of medical management vendors which includes the development and oversight of quality standards, development and maintenance of EDI interfaces and reports, and ensuring proper mandatory state compliance and reporting.

OTHER SERVICES

SERVICES	CHARGES
RMIS Additional Users (RMIS Standard License includes a set number of Full Access Users outlined under Administrative Services, and unlimited use of GB standard scheduled training classes)	RMIS View-only User, \$0 annually per user
	RMIS Full Access User, \$0 annually per user
Loss control	\$140 per hour
OSHA Reporting	\$6,000, OSHA platform to produce compliant OSHA 301 Report, 300 and 300a Logs, and electronic data file. Oversight and accuracy of all OSHA data is responsibility of the employer prior to posting or submitting any OSHA log.
Subrogation and Recovery	20% of net recovery amount less legal and collections expense based on recovery date Recoveries include subrogation, credits, lien waivers, file transfer (based on lien to date at time of transfer), and contribution or coverage handled in a separate action. Applies to all coverage types
Gallagher Bassett Investigative Services (GBIS)	
Special Fraud Investigations - SIU, Outside Field Investigations, Surveillance Investigations, Targeted Field Investigations	Prevailing hourly rate plus expenses
Targeted Database Searches, Self Service Database Searches	Prevailing rate per report
Gallagher Bassett Litigation Management Program (GBLMP)	
Invoice and Matter Management platform for adjusters/ counsel	If utilized, 2% of net legal invoice (invoice net of disbursements and invoice review savings). Charged as discount off total payment remitted to counsel and will be reflected as an allocated expense on the claim file.
5 client licenses for Legal Analytics platform	
Attorney-led legal bill review	
Gallagher Bassett Compliance Services (GBCS)	
Medicare Set-Aside Services: Allocation, CMS Submission, Medicare Eligibility Inquiry (MEI), SSDI Verification, Medical Cost Projection (MCP)	Prevailing rate per each service Rush fees apply for MSA completed within 5 business days MSA Revision fees apply
Medicare Secondary Payer Services: BCRC Notification, Conditional Payment Research (CPR), Conditional Payment Negotiations (CPN), Conditional Payment Notice Evaluation, Conditional Payment Dispute, Securing Final Demand for Settlement (SFD), Release / Settlement Agreement Review, Lien Research and Resolution (Advantage Plan, Medicaid, Part D)	Prevailing rate per each service
Taxes	
Taxes	All applicable taxes will be added to the service fees where required