PROPERTY AND LIABILITY
CLAIMS ADMINISTRATION SERVICES PERFORMANCE GUARANTEES AND REVIEWS

The TPA and FCSRMC agree that Performance Reviews will be conducted annually. Each Performance Review will involve Claim File Reviews and an overall Program Management Review. Performance Reviews will be conducted by FCSRMC's Risk Manager, or the designee thereof.

In the Claim File Review process, for each claim file that is reviewed, the reviewer will assign a score from 0 to 100 based upon the criteria outlined in this Attachment. At the conclusion of reviewing all selected claim files, an average score for all claim files reviewed will be calculated. In the Program Management Review process, a separate single score between 0 and 100 will calculated.

The average score for the Claim File Reviews will account for 75% of the overall scoring for the Performance Review. The total score for the Program Management Review will account for 25% of the overall scoring for the Performance Review. As an example, if the average Claim File Review score is 86 points and the Program Management Review score is 70, the total score will be calculated as follows:

Claim File Review average	86 points times 75% weight =	64.5 points
Program Management Review	70 points times 25% weight =	17.5 points
Total Weighted Review Points		82.0 points

The liquidated damages will be based upon the Total Weighted Review Points.

FCSRMC will perform an annual Performance Review in January for the previous calendar year's claims. FCSRMC retains the right, at its sole discretion, to perform such reviews at any time.

Failure to perform at or above expected levels for the Performance Reviews will result in liquidated damages of 1% of the amount that was charged by the TPA for the prior fiscal year. Any liquidated damages will be credited to future amounts invoiced by the TPA to FCSRMC. Only one Performance Review may be applied per fiscal year toward liquidated damages.

The Performance Reviews will measure objective performance standards which are easily identified and measured. After each Performance Review is performed, the TPA will meet with the FCSRMC Risk Manager and/or designee to discuss initial evaluation results. The TPA will be given an opportunity to factually rebut the initial findings. Thereafter, a final tally of the review results will be prepared.

The TPA's expected level for Performance Reviews will be ninety (90) total weighted review

points for the January 2028 Review, and ninety-five (95) total weighted review points thereafter.

CLAIM FILE REVIEWS

For the Claim File Review, FCSRMC reserves the right to audit up to twenty (20) property and liability claims opened during the prior fiscal year, selected randomly. The make-up of the files selected for each review will be at least 50% open files. At least 50% of the selected files will have recent (within performance period) file open dates and the remaining selected files will have file open dates prior to the beginning of the performance period. If claim counts increase 25% or more year-over-year, FCSRMC may adjust this number upward by up to 25% for each subsequent year.

Each claim will generate a score from 1 to 100 points. All timeliness standards of performance are stated in business, not calendar, days. In any instances where a standard is not applicable to a particular claim file, the file will be awarded the full point(s) for that standard. Only transactions that are paid or processed during the performance period will be subject to scoring.

CLAIMS MANAGEMENT – 100 Points

1. **Claim Receipt, Screening and Assignment (10 Points)**
   The TPA will document claims intake information on all claims, enter the claim into the system, properly code claim, assign claim number and assign adjuster. This information will be available electronically within one business day of receipt of claim intake information.

2. **Plan of Action (10 Points)**
   A written plan of action must be established jointly between the adjuster and, as appropriate, supervisor and FCSRMC within the following intervals:

   a. Within 10 days of the TPA's knowledge of a claim,
   b. Within 30 days of the TPA's knowledge of a claim, and
   c. At 90-day intervals thereafter, as long as a claim remains open.

   The plan of action must include, as appropriate, the resources anticipated to successfully close the file and document consultation with FCSRMC on the plan.

   File documentation will include a clear understanding for adjuster direction, strategy, and "who" is going to do "what" to ensure successful result. The end result desired or expected will be clearly documented.

3. **Reserves (10 Points)**
   A comprehensive reserve analysis must be prepared and be included as part of the claim file within the following intervals:

a. Within 10 days of the TPA's knowledge of a claim,
b. Within 90 days of the TPA's knowledge of a claim, and at 90-day intervals thereafter, as long as a claim remains open, and
c. At any time where the TPA's professional judgment should have determined a claim event has occurred requiring a reserve increase or decrease.

Increases or decreases of reserves by $50,000 or more requires notice to the Risk Manager, or designee. File should document such notice when appropriate.

4. **Timely, Quality Contact (10 Points)**
Adjuster will make timely (within three business days, excluding weekends and holidays), appropriate, and meaningful contact with appropriate individuals and entities, such as claimants/insured, claimant/insured counsel, claimant/insured insurance company. File will document this contact. If contact is not made, the file will document all attempts at contact which shall be attempted in a reasonable and timely manner.

5. **Recovery Activity (10 Points)**
Avenues of subrogation/recovery will be thoroughly explored with appropriate follow-up diaries if authorization is given to pursue subrogation/recovery by FCSRMC. TPA shall seek and demand defense where appropriate, with FCSRMC approval. Where defense has been accepted by a third-party, TPA shall seek recovery of all appropriate expenses made by FCSRMC. Where appropriate, and with approval, TPA shall seek recovery from contracted entities required to indemnify and hold harmless FCSRMC.

6. **Communication (10 Points)**
Evidence/documentation of routine and effective communication between all interested parties involved in the claim. Information requested from interested parties should be aggressively pursued. When the information is not provided in a reasonable amount of time, follow-ups for the requested information should be sent at regular intervals until the information is provided or the matter otherwise resolved. The file should be clearly documented with the date and description of each new request or follow-up.

7. **Litigation Management (10 Points)**
A litigation plan shall be documented and readily evident in the claim file. File should reflect timely response to all legal filings, legal correspondence, and proceedings. Defense counsel reports must be summarized, and file copies annotated with a meaningful description relative to the contents. FCSRMC shall be copied on all emails and correspondence initiated by the adjuster to defense counsel.

8. **Documentation (10 Points)**
Claim file documentation must be meaningful and self-explanatory. Important decisions must be clearly documented. Actionable events (new information, transactions,

correspondence and communication, actions, etc.) must be documented in real-time (i.e., same day). Outgoing documents seeking information, whether from claimants/insureds, attorneys, FCSRMC, or other sources must show follow-up efforts to gain the information sought, if not returned timely.

All claim files shall be sufficiently documented to the point that an individual entirely unfamiliar with the underlying facts of the claim could gain a reasonable understanding of the basic facts and issues involved in the claim without having to consult any outside resources.

9. **Supervisor, Manager Involvement (10 Points)**
   Appropriate supervisory/management involvement will be documented in claim file. Supervisory/management directives will include initial assignment, and subsequent directives will include involvement in evaluating reserves, involvement in strategic planning, and disposition of claim. Requests by the supervisor/manager for information from interested parties, and follow-ups for that information should be timely and clearly documented with a date and description of each request and follow-up.

10. **Bill Payment (10 Points)**
    The TPA will review bills, invoices, and other receipts for payment submitted by service providers to identify proper authorization, billing errors, and will adjudicate/pay those bills and mail (postmark) payments within 20 days of receipt. Rejected bills will be documented in the claim file with the date and reason for rejection.

    Appropriate use/management of support resources will be reviewed. This will include the use of all vendors/resources enlisted and paid as an allocated loss adjustment expense (ALAE) or a legal expense such as defense counsel, surveillance, translators, Medicare set-aside services, etc. To the extent a preferred panel of providers of these services has been established by FCSRMC, use of preferred providers and contracted rates will be reviewed.

PROGRAM MANAGEMENT REVIEW

REPORTING & COMMUNICATIONS – 40 Points

1. **Quarterly Meetings (20 Points)**
   Quarterly claim review meetings will be conducted with the Risk Manager, or designee, to review progress of the claims, the program, review financial indicators of the program, review legislative issues relevant to the program, and to discuss any open issues. Minutes of meetings will be made by the TPA and document any decisions or direction provided. Decisions or direction specific to the claim files will be documented to the applicable file.

2. **Monthly Reports (20 Points)**
   TPA will develop a written monthly report, acceptable to FCSRMC, listing all open claims, claim status, upcoming events and dates, and other appropriate information, and deliver to FCSRMC by the 5th of each month.

STAFFING – 25 Points

1. **Caseloads (10 Points)**
   Average assigned caseloads for adjusters will not exceed 130 open claim files.

2. **Total Staffing (15 Points)**
   Total staffing will meet or exceed contractually agreed figures. FCSRMC reserves the right to interview or speak with new adjusters when changes to staffing are made.

EXCESS INSURANCE – 35 Points

1. **Reporting and Documentation of appropriate communications with excess insurers (20 Points)**
   All claim files will document appropriate communication with excess insurance in accordance with the carrier's guidelines provided by FCSRMC'S broker annually. All required and appropriate information will be provided to excess insurers timely. The FCSRMC Risk Manager will be copied on all reports to excess insurers.

2. **Prompt reimbursement of excess insurance (15 Points)**
   The TPA will file for reimbursement from excess insurers for each claim file when total payments exceed self-insured retention. Initial filing for reimbursement will occur within 60 days of when total payments exceed self-insured retention, unless requested otherwise by the carrier. The TPA will follow up with excess insurer every 45 days until all excess insurance reimbursements have been received by FCSRMC.