

CONTRACT ROUTING FORM

1. Complete the information below BEFORE printing and completing items 2 through 7. Items in red are required.

Department: County Manager's Office

Department contract file name (use effective date): BrentwoodServicesAdministratorsInc_HR_20241101

Project Code: Click here to enter text.

Contract type: Agreement

Contracted Services/Goods: Claims and Loss Control Services – Worker Comp

Contract Component: Master

Change Order Number/Addendum Number: Click here to enter text.

Vendor Name: Brentwood Services Administrators, Inc.

Effective Date: 11/1/2024

Approved by: County Manager

Ending Date: Click here to enter a date.

Total Amount: \$20,000.00

** Return to Courtney Jones, HR*

2. Department Head or his/her designee has read the contract in its entirety.

By: Courtney Jones (Department Head signature required)

3. County Attorney has reviewed and approved the contract

County Attorney has reviewed and rejects the contract Reason: _____

This is an automatic renewal and does not require approval from the County Attorney: Yes No

If this box is checked the County Attorney's Office has reviewed the contract but has not made needed changes to protect the County because the contract is a sole source contract and the services required by the County are not available from another vendor.

4. Technical/MIS Advisor has reviewed the contract if applicable. Yes No * Not Applicable

5. Vendor has signed the contract. Yes No

6. A budget amendment is necessary before approval. Yes No
If budget amendment is necessary, please attach to this form.

7. Approval

Requires approval by the BOC - contracts over \$100,000.00. Follow Board submission guidelines.

Requires approval by the Manager – contracts \$100,000 or less.

8. Submit to Clerk.

Clerk's Office Only

Finance Officer has signed the contract

The Finance Officer is not required to sign the contract

THIRD-PARTY ADMINISTRATOR AGREEMENT

SELF-INSURED EMPLOYER

This THIRD-PARTY ADMINISTRATOR AGREEMENT (“Agreement”) is effective the 1st day of November, 2024 (“Effective Date”), by and between Brentwood Services Administrators, Inc., a Tennessee corporation with principal offices located at 214 Centerview Drive, Suite 350, Brentwood, Tennessee 37027 (“BSAI”), and Chatham County, a body politic and corporate of the State of North Carolina, with principal offices located at 12 East Street, Pittsboro, North Carolina 27312 (“Employer”) (each a “Party” and collectively, the “Parties”).

In consideration of the mutual promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree for themselves, their successors, and assigns as follows:

I. TERM AND APPOINTMENT

- A. Term.** This Agreement shall commence on the Effective Date and will terminate at 12:01 a.m., Central Time, on November 1, 2025 unless extended or earlier terminated as provided herein (“Term”). The Term of this Agreement shall be automatically extended for consecutive one (1) month terms (“Holdover Period”) until a Party provides thirty (30) days’ written notice of termination to the other Party or a new Agreement is entered into between the Parties. During the Holdover Period, all annual fees, minimums, and maximums in Exhibit C will be applied on a pro rata basis and BSAI may increase the fees listed in Exhibit C by providing thirty (30) days’ written notice to Employer of such rate increases.
- B. Appointment.** Employer represents and warrants that it was qualified as a self-insured Employer in the State of North Carolina. BSAI is authorized as a third-party administrator, and Employer hereby engages BSAI, as its third-party claims administrator to adjust runoff claims under the self-insured program (“Program”). BSAI accepts the engagement to provide the third-party administrator services.

II. DUTIES AND RESPONSIBILITIES OF BSAI

- A. Services.** BSAI shall, during the term of this Agreement, provide the “Services,” specified herein, consisting of:
1. Claims services, as set forth in Exhibit A attached hereto and incorporated herein by reference; and
 2. Loss control services, when applicable, as set forth in Exhibit B attached hereto and incorporated herein by reference.

All such services shall be provided by BSAI using its reasonable efforts, in conformance with the industry standard of performance, and in compliance with all applicable laws, rules, regulations, and regulatory advisory opinions.

- B. General Administration.** BSAI agrees to:

1. provide such clerical, secretarial, and administrative support, including necessary equipment and supplies, as may be necessary for the day-to-day compliance of the contractually agreed upon duties of BSAI in accordance with this Agreement;
 2. periodically, but no less than quarterly, render an accounting to Employer detailing all claims and related transactions performed by BSAI pertaining to the Program;
 3. maintain for itself general liability, automobile liability, workers' compensation, fidelity bond, and errors and omissions insurance coverage, as may be customary in the industry, but in no event less than required by law; and
 4. maintain all applicable licenses required by the states in which it is administering claims and providing Services.
- C. **Other States.** Employer represents and warrants that BSAI is not obligated to provide Services in any states or jurisdictions not listed in Section I (B), without prior written agreement by BSAI to provide Services in such states or jurisdictions.

III. DUTIES AND RESPONSIBILITIES OF EMPLOYER

- A. **Fees.** Employer shall pay to BSAI the fees set forth in Exhibit C, attached to this Agreement and incorporated herein by reference. Exhibit C may be modified by BSAI annually during a Holdover Period upon thirty (30) days' written notice to Employer.
- B. **Other Expenses.** Employer shall bear responsibility for all other expenses related to the Program, except for expenses directly relating to the performance by BSAI of its obligation under this Agreement. Employer acknowledges and warrants that BSAI is not responsible for expenses such as, but not limited to:
1. program insurance premium;
 2. premium taxes;
 3. assessments;
 4. claim and loss payments;
 5. Allocated Loss Expense (as defined in Exhibit D attached to this Agreement and incorporated herein by reference); and
 6. Any other expense associated with the servicing of Employer's Program which is not specifically delegated to BSAI under this Agreement.
- C. **Bank Accounts.** Employer may elect to maintain a claims fund bank account. If Employer elects to maintain a claims fund bank account, Employer must maintain adequate funds available from which BSAI may draw from at any time for claims, loss, and Allocated Loss Expense payments. Alternatively, Employer may direct BSAI to open and maintain a separate trust claims fund bank account on behalf of Employer. If a BSAI-owned account is utilized, Employer must ensure adequate funding is provided and maintained from which BSAI may draw from at any time for claims, loss, and Allocated Loss Expense. Under either account type, Employer acknowledges and warrants that BSAI will not process payments until adequate funding is established. Employer will bear the cost of all expenses, fines, penalties, interest, and any other monies owed arising from inadequate funding of an account.

- D. Compliance with Law.** Nothing in this Agreement shall be construed as relieving Employer of any duty, responsibility, or obligation it has to comply with any law or regulation. Employer remains responsible for performing all functions necessary to remain compliant with applicable law.
- E. Employer's Additional Duties.** Employer shall provide BSAI with claims contact information, notice of any Employer specific claims rules and regulations relating the Services provided under this Agreement, and any other information necessary for BSAI to provide the Services under this Agreement. Employer shall provide BSAI with full and accurate information necessary to report to the Centers for Medicare and Medicaid Services, when such reporting is required. Employer shall immediately provide notice to BSAI of any change in operation that involves claims in states other than those listed in Section I (B) or if it begins work in any state not listed in Section I (B).
- F. Access to Electronic Information Maintained by BSAI.** Employer will be granted access to certain information in electronic format relative to its Program that is maintained by BSAI through BSAI's claims software. As a condition for such access, Employer shall have responsibilities relative to the confidentiality and protection of such software and information, as more fully delineated in Exhibit E, attached to and incorporated herein by reference.
- G. Transmission of Excess Insurance Policy.** Employer shall transmit a copy of any excess insurance policies to BSAI within thirty (30) days of the effective date of this Agreement and within thirty (30) days of Employer's procurement of such policies to enable BSAI to provide claims information to the excess insurance carrier in conformance with such excess insurance policy. Should Employer fail to provide an excess insurance policy within this timeframe, then Employer shall defend and indemnify BSAI from any costs, penalties, fines, and other liabilities whatsoever with respect to the late reporting of claims on such excess insurance policy.

IV. OWNERSHIP OF BOOKS AND RECORDS

To the extent legally applicable, BSAI shall maintain and retain custody of the books, records, files, and other information ("Employer Records") as required to perform the Services. BSAI may destroy any Employer Records after seven (7) years of file inactivity, unless ordered by Employer, in writing, to continue to maintain said Employer Records. Such Employer Records may be maintained by BSAI in electronic format. The Employer Records shall remain the exclusive property of Employer and shall be available for review by Employer during business hours, with reasonable written notice, at the premises of BSAI. Employer acknowledges that all software, source codes, licenses, and other intellectual property rights that are utilized by BSAI are not the property of Employer and remain the exclusive property of BSAI.

If this Agreement is terminated by either Party, Employer releases BSAI from any duty and liability for the maintenance and keeping of the Employer Records. Employer acknowledges that BSAI may, in its exclusive discretion, retain a copy of all Employer Records upon termination of this Agreement.

V. TERMINATION

- A. Termination for Convenience.** During the Term of this Agreement, either Party may terminate this Agreement by providing one hundred twenty (120) days' prior written notice of termination to the other Party.
- B. Termination for Cause.**
1. If any of the following events occur, Employer may immediately terminate this Agreement for cause.
 - a. BSAI materially and deliberately misapplies, misdirects, or misappropriates funds or other property received for Employer pursuant to this Agreement.
 - b. BSAI materially breaches the terms of this Agreement and BSAI fails to cure such material breach within thirty (30) days of written notice to BSAI of such material breach.
 - c. BSAI files a bankruptcy petition, is placed into bankruptcy, is declared insolvent by a court of competent jurisdiction, or is dissolved.
 - d. Employer, based on its reasonable and good-faith belief, is in immediate danger of suffering irreparable harm from the continued operation of this Agreement.
 - e. BSAI or BSAI's executive officers are convicted of:
 - i. a material violation of the insurance laws or regulations of any jurisdiction;
 - ii. any offense constituting a felony in the jurisdiction which committed; or
 - iii. a material violation of any law, which violation would in a material way, negatively reflect on the integrity of BSAI or hinder its ability to perform services required under applicable law.
 - f. BSAI's failure to maintain any license, regulatory approval, or other type of regulatory authorization to perform its obligations under this Agreement.
 2. If any of the following events occurs, BSAI may terminate this Agreement for cause.
 - a. Employer fails to timely pay any fees in accordance with this Agreement.
 - b. Employer materially breaches this Agreement.
 - c. Employer files a bankruptcy petition, is placed into bankruptcy, is declared insolvent by a court of competent jurisdiction, or is dissolved.
 - d. BSAI, based on its reasonable and good-faith belief, that it is in immediate danger of suffering irreparable harm from the continued operation of this Agreement.
 - e. Employer or Employer's executive officers are convicted of:
 - i. a material violation of the insurance laws or regulations of any jurisdiction;
 - ii. any offense constituting a felony in the jurisdiction which committed; or
 - iii. a material violation of any law, which violation would in a material way negatively reflect on the integrity of BSAI or hinder its ability to perform services required under applicable law.
 - f. Employer's failure to maintain any license, regulatory approval, or other type of regulatory authorization to perform its obligations under this Agreement.
 3. If a Party elects to terminate this Agreement for cause, the terminating Party must provide written notice to the other Party. The written notice must clearly state the alleged cause for immediate termination.

- C. Billing Upon Termination.** BSAI will furnish to Employer its final billing for services rendered as soon as practicable following termination of this Agreement. If such billing results in monies due to BSAI, Employer shall pay the entire invoice to BSAI within thirty (30) days of the invoice date, unless subject to a good-faith dispute. If such billing results in monies due to Employer, BSAI shall pay the entire invoice to Employer within thirty (30) days of the invoice date, unless subject to a good-faith dispute.
- D. Transfer of Files Upon Termination.** If Employer requests BSAI to transfer the Employer Records, either to Employer or any third-party, following termination, Employer must pay the file transfer fee (“File Transfer Fee”), as set forth in Exhibit C, and all amounts outstanding owed to BSAI. Employer acknowledges that BSAI is not obligated to transfer the Employer Records until the File Transfer Fee and all outstanding amounts owed to BSAI has been paid, unless required by law.
- E. Employer’s Options Upon Termination.** Upon termination of this Agreement, Employer may:
1. Require BSAI to return all Employer Records in BSAI’s possession to Employer or designated third party within sixty (60) days, with Employer paying all costs for the transfer of such Employer Records and any File Transfer Fee; or
 2. Require BSAI to handle, to conclusion, all claims and other obligations reported during the Term. Should Employer choose this option, Employer shall compensate BSAI on a per-claim run-off basis at BSAI’s then prevailing rate and pay all systems and administrative fees and charges set forth in Exhibit C. This compensation shall be in addition to any compensation otherwise set forth in this Agreement.
- F. Duties Limited to Duration of Agreement.** Employer acknowledges and warrants that BSAI will cease performing and have no obligation to carry out the Services upon termination of this Agreement, unless Employer elects to have BSAI handle runoff claims pursuant to subsection (E)(2) of this Section, in which case BSAI’s obligations is strictly limited to providing the Services for claims reported to BSAI during the Term. In the event Employer elects for BSAI to handle runoff claims, this Agreement will remain in effect until all claims are closed.

VI. INDEMNIFICATION AND HOLD HARMLESS

To the extent allowable by applicable law and regulation, Employer and BSAI shall indemnify, defend, and hold harmless the other and each of their members, directors, officers, employees, affiliates, and independent contractors (“Indemnitees”) from and against any and all claims, liabilities, losses, damages, judgements, forfeitures, penalties, fines, actions, and other obligations (including reasonable attorneys’ fees and expenses) which may be asserted against, imposed upon, or incurred by the other Party and its Indemnitees as a result of, or arising out of, the indemnifying Party’s material breach of this Agreement or by reason of the indemnifying Party’s intentional or willful misconduct or grossly negligent acts or omissions. BSAI shall not be obligated to indemnify, defend, or hold Employer harmless with respect to any actions or omissions based upon the written or oral direction of Employer. This Section shall survive termination of this Agreement.

suit, action or proceeding arising out of or relating to this Agreement shall be instituted in the federal courts of the United States of America or the courts of the State of North Carolina and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of process, summons, notice or other document by hand delivery or certified mail in accordance with this Agreement shall be effective service of process for any suit, action or other proceeding brought in any such court. The Parties irrevocably and unconditionally waive any objection to venue of any suit, action or proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

- F. **Waiver.** No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set out in writing and signed by the Party so waiving. No waiver by any Party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.
- G. **Limitation of Liability.** **IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES. EACH PARTY TO THIS AGREEMENT IS EXEMPTED BY THE OTHER PARTY FROM LIABILITY IN TORT FOR HARM CAUSED BY THE FAILURE TO OBSERVE THE STANDARD OF REASONABLE CARE WITH RESPECT TO THE SUBJECT MATTER OF THIS AGREEMENT. THE PARTIES' RELATIONSHIP WITH RESPECT TO THE SUBJECT MATTER OF THIS AGREEMENT IS SOLELY CONTRACTUAL AS DEFINED HEREIN. FURTHERMORE, IN NO EVENT SHALL THE TOTAL LIABILITY OF BSAI TO EMPLOYER FOR ALL DAMAGES, LOSSES, SUITS AND CAUSES OF ACTION (WHETHER IN CONTRACT OR TORT, INCLUDING BUT NOT LIMITED TO, NEGLIGENCE, INDEMNIFICATION OR OTHERWISE) ARISING FROM THIS AGREEMENT EXCEED \$100,000 OR THE AMOUNT PAID TO BSAI BY EMPLOYER PURSUANT TO THIS AGREEMENT IN ANY CALENDAR YEAR, WHICHEVER IS GREATER.**
- H. **Contractual Modification of Statute of Limitations.** No case, claim, suit, or cause of action may be pursued or prosecuted by either Party via arbitration or otherwise (and no damages awarded by an arbitrator or court of competent jurisdiction) unless initiated within one (1) year of the accrual of the case or claim.
- I. **Headings.** All headings in this Agreement are for convenience of reference only and shall be disregarded.
- J. **Regulatory Compliance.** The Parties acknowledge that it is the Parties' intent that all obligations performed hereunder shall comply with all applicable federal and state laws and regulatory standards.

- K. Interpretation.** The Parties represent that both Parties have participated jointly in the drafting and negotiation of this Agreement. Accordingly, this Agreement will be construed as drafted equally by each Party, with no presumption favoring or disfavoring either Party.
- L. No Third-Party Beneficiaries.** This Agreement is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder. There are no third-party beneficiaries to this Agreement.
- M. Severability.** If any one or more of the provisions contained in this Agreement is, for any reason, held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability does not affect any other provisions of this Agreement. The court or tribunal which holds such provision to be invalid, illegal, or enforceable is empowered by the Parties to amend the terms of this Agreement to give effect to the intentions of the Parties, as reflected in the struck provision, to the greatest extent possible.
- N. Privacy and Confidential Information.** The Parties shall comply with all applicable statutes, regulations, and directives relative to the privacy of policyholder and claimant health and financial information.

“Confidential Information” is the terms and conditions of this Agreement, as well as all other information concerning the internal processes or condition of BSAI whether in oral, written, electronic, graphic, or other format, including without limitation: (a) information regarding BSAI’s, or BSAI’s corporate affiliates’, financial condition or performance, business operations, plans, strategies or techniques, pricing, past or current BSAI information, systems or system strategies, and marketing and distribution plans, methods or techniques; (b) any other information that is marked “confidential,” “proprietary,” or similar words, or that is summarized in writing as being confidential prior to, or promptly after, disclosure to the other Party; (c) all related research and data; (d) all designs, ideas, concepts, intelligence, engineering, techniques, processes, methodologies, and technology embodied in any of the foregoing; and (e) any administrative structure designed to facilitate or enhance the Parties’ relationship.

Employer shall keep all Confidential Information confidential and shall not, directly or indirectly, disclose such Confidential Information to any affiliate or third party; hold BSAI’s Confidential Information in strict confidence; and safeguard the Confidential Information in accordance with industry standards and no less than Employer safeguards its own information.

Notwithstanding the foregoing, any disclosure of Confidential Information required by applicable law, regulation, or judicial process (“Legal Order”) is subject to the terms of this section. Before making such a disclosure, Employer must make commercially reasonable efforts to provide BSAI with: (a) prompt written notice of such requirement, to the extent not prohibited by a Legal Order, unless the request stems from supervisory examinations, regulatory oversight, or in response to a standard subpoena seeking claim information regarding a claimant for purposes of an unrelated action; and (b) reasonable assistance in opposing such disclosure if requested by BSAI.

The Parties each acknowledge and warrant that the terms and conditions of this Agreement, and any exhibits, amendments, and addendums, contain charges, fees, and pricing information that is

competitively sensitive, proprietary, and trade secret information which is set forth herein as a result of negotiations between the Parties. Accordingly, Employer shall not use, disclose, or transfer any such information to a third party without the written approval of BSAI. The Parties acknowledge that such unauthorized use, disclosure, or transfer will cause irreparable harm to the other Party and the breaching Party will be liable for damages. The non-breaching Party shall also be entitled to seek injunctive and equitable relief to prevent any breach or to remedy any breach.

The confidentiality obligations set out in this paragraph shall survive the termination of the business relationship between the parties and the termination of this Agreement.


O. Force Majeure. A Party is not liable for failure to perform the Party's obligations if such failure is as a result of Acts of God (including fire, flood, earthquake, storm, hurricane, epidemic, pandemic, or other natural disaster), war, invasion, act of foreign enemies, hostilities (regardless of whether war is declared), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities, nationalization, government sanction, blockage, embargo, labor dispute, strike, lockout, or interruption or failure of electricity, telecommunication, or third-party software service. If a Party asserts force majeure as an excuse for failure to perform the Party's obligation, then the nonperforming Party must take reasonable steps to minimize delay or damages.

P. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, and all of which will constitute one and the same agreement. This Agreement may be executed and delivered by facsimile transmission, electronic mail, or other electronic means and shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective on the Effective Date.

Chatham County

Brentwood Services Administrators, Inc.

By: 

By: _____

Title: County Manager

Title: _____

Date: 11-8-2024

Date: _____

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.


Roy Lynch, Finance Director

EXHIBIT A

CLAIMS SERVICES FOR

WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY

In accordance with Section II of the Third-Party Administrator Agreement ("Agreement"), this Exhibit is attached to and is incorporated within the Agreement between Brentwood Services Administrators, Inc. ("BSAI") and Chatham County ("Employer").

- A. BSAI shall use reasonable efforts to provide to Employer certain claims services necessary for the day-to-day servicing of the Program. The obligation to provide such services is limited to "Qualified Claims" herein defined as claims made under Employer's Program that are:
1. existing claims previously reported to BSAI by Employer pursuant to a previous third-party administrator agreement; or
 2. existing claims that have been serviced by a previous administrator and which BSAI has agreed to assume servicing responsibility for provided such claims are in a state in which BSAI is appointed to handle claims on behalf of Employer under Section I (B) of the Agreement.
- B. BSAI shall:
1. service, review, investigate, adjust, and process Qualified Claims;
 2. establish claims reserves for each Qualified Claim and provide periodic review of claims reserves to reflect changes in claims reserves;
 3. acknowledge to Employer, in writing, the receipt of all Qualified Claims, on an as-agreed basis;
 4. acknowledge to Employer, in writing, all Qualified Claims that have been closed, on an as-agreed basis, with such acknowledgement containing the closure date and the amount paid;
 5. acknowledge to Employer, in writing and on an as-agreed basis, the receipt of all lawsuits, with such acknowledgement containing the assigned defense firm and a copy of the complaint or bill filed. As litigation proceeds, BSAI shall keep Employer apprised, to the extent reasonable, of discovery request deadlines, depositions, conferences, and trials;
 6. provide a narrative report to Employer on any Qualified Claims where the total reserves exceed One Hundred Thousand Dollars (\$100,000.00);
 7. prepare and maintain an electronic claim file for each Qualified Claim with the file open, during BSAI's normal business hours, for inspection and copying by Employer and its agents, servants, employees, and officers, at Employer's expense upon written request;
 8. prepare, maintain, and file all records and reports that may be required by any state regulatory agencies in connection with BSAI's handling of Qualified Claims, as instructed by Employer;
 9. coordinate the assignment of and provide utilization management services and case management services on Qualified Claims needing, within BSAI's reasonable discretion, such services. Charges for such services are Allocated Loss Expense, and thus Employer shall make payment for all such expenses in addition to the claims service fees delineated in Exhibit C. BSAI may utilize the services of a subcontractor or an affiliate to perform all or a portion of such services. Employer acknowledges that BSAI or its affiliate may be compensated for its administrative expense in connection with the provision of such services. Periodically, the rates charged for these services may be adjusted;

10. provide medical provider bill review services to reduce the bill to the fee schedule or reasonable and customary amounts, as applicable, at the rate set forth in Exhibit C. Further reductions on the bill to reflect preferred provider organization (PPO) savings and other types of savings below the fee schedule or reasonable and customary amounts will also be provided for the percentage of savings fee set forth in Exhibit C. Furthermore, BSAI may procure, on Employer's behalf, drug utilization review services, pharmaceutical PPO network services, durable medical equipment bill review services, durable medical equipment PPO services, home health care services, and home health care PPO network services. Charges for all services delineated in this paragraph are Allocated Loss Expense, and thus Employer shall make payment for all such expenses in addition to the claims service fees delineated in Exhibit C. BSAI may utilize the services of a subcontractor or an affiliate to perform all or a portion of such service. Employer acknowledges that BSAI or its affiliate may be compensated for its administrative expense in connection with the provision of such services. Periodically, the rates charged for the services may be adjusted;
11. coordinate the assignment of and provide translation, transportation, surveillance, and investigation services on Qualified Claims needing, within BSAI's reasonable discretion, such services. Charges for such services are Allocated Loss Expense, and thus Employer shall make payment for all such expenses in addition to the claims service fees delineated in Exhibit C. BSAI may utilize the services of a subcontractor or an affiliate to perform all or a portion of such services. Employer acknowledges that BSAI and its affiliate may be compensated for its administrative expense in connection with the provision of such services. Periodically, the rates charged for the services may be adjusted;
12. recommend panel physicians, as required or permitted by law, and assist in the implementation of the services such panel physicians provide;
13. investigate and, where appropriate, refer to defense counsel, subrogation possibilities and subsequent injury fund recovery possibilities. For all subrogation and subsequent injury fund recoveries, BSAI is entitled to a percentage of the recovery as set forth in Exhibit C. Charges for all subrogation and subsequent injury fund recoveries are Allocated Loss Expense, and thus Employer shall make payment for all such charges in addition to the claims service fees delineated in Exhibit C. For subrogation and subsequent injury fund recoveries, BSAI may utilize the services of a subcontractor to perform all or a portion of such services, which services shall be billed as a pass through to Employer. Employer acknowledges that BSAI may add an administrative fee in connection with the provision of such services as set forth in Exhibit C;
14. pay, out of Employer's claims fund account, such disability (lost time and indemnity) benefits, medical benefits, death benefits, Allocated Loss Expense, and any other loss and expense as may be required to comply with applicable workers' compensation laws and regulations, including any judgments or expenses as set forth in this Exhibit and the Agreement;
15. act as an agent for Employer and report to the Centers for Medicare and Medicaid Services, as required by Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007, otherwise known as the Medicare Secondary Payor Provision, and rules promulgated thereunder, and otherwise assist Employer, as the Responsible Reporting Entity, to comply with Section 111 and provide other Centers for Medicare and Medicaid Services compliance services, through a subcontractor or an affiliate. Employer acknowledges that BSAI and its affiliate may be compensated in connection with the provision of such services;

- 16. provide any information requested by any appropriate reinsurance or excess insurance carriers; and
- 17. provide to such certified public accountants, attorneys, or actuaries any claim cost information as may be reasonably directed by Employer.

C. The claims services provided by BSAI under this Exhibit and the Agreement are to be provided in accordance with (a) the reasonable rules and regulations adopted by Employer and provided, in writing, to BSAI; (b) the rules and regulations of any governmental or regulatory authority; and (c) the express lawful, requirement of any reinsurance or excess insurance contracts issued to Employer.

Employer DL
Initial

BSAI _____
Initial

EXHIBIT B
Loss Control Services

In accordance with Section II of the Agreement, this Exhibit is attached to and incorporated within the Third-Party Administrator Agreement ("Agreement") between Brentwood Services Administrators, Inc. ("BSAI") and Chatham County ("Employer").

Loss Control Services are not provided.

Employer 
Initial _____

BSAI _____
Initial _____

EXHIBIT C
Fee Schedule

In accordance with Section 2 of the Third-Party Administrator Agreement (“Agreement”), this Exhibit is attached to and incorporated within the Agreement between Brentwood Services Administrators, Inc. (“BSAI”) and Chatham County (“Employer”).

- A. Claim Service Fee.** Employer shall pay to BSAI a claims service fee (“Service Fee”) according to the schedule below. The Annual Flat Service Fee only includes those items identified as Standard Services. The Parties acknowledge and represent that only one (1) run-off claim is anticipated.

Annual Flat Service Fee (Life of Agreement)

Year 1
\$15,000.00

Standard Services	Year 1
System Fee (view only annual) 24/7 system access	Up to 3 users free, \$300.00 annually per each add'l user
Other	
Medical Bill Review (per bill)	\$8.50
All Medical Bill Review PPO Savings (% of savings)	28%
All Pharmaceutical Bill Review Savings (% of savings)	28%
All Other Savings (% of savings)	28%
CMS Reporting (annual)	\$2,000.00
Subsequent Claim Fee after 3 years (per claim)	\$1,000.00

- B. Loss Control Fee.** Employer shall pay to BSAI the Loss Control Fee contained in the Section A schedule. “Expense” is defined as time spent traveling, preparing risk evaluation reports, time re-preparing loss analyses, writing benchmark reports, conducting phone consultation, and other similar expenses. The Loss Control Fee may be adjusted by BSAI with thirty (30) days’ notice prior to the end of each Agreement year.

- C. Data Conversion Charges.** Employer shall pay to BSAI an initial data conversion charge of Five Thousand Dollars (\$5,000.00). Should Employer request that BSAI convert additional data during the Term of this Agreement, then Employer will pay an additional data conversion charge of Two Hundred Dollars (\$200.00) per hour of time expended by BSAI or its subcontractor to convert the data. Employer shall pay the full invoice amount to BSAI within ten (10) days of the invoice date. Any fee under this Section is fully earned once the data is converted to BSAI’s information system.

- D. Bank Reconciliation Fee.** Employer shall pay to BSAI an annual fee of _____ Dollars (\$_____.00) for BSAI to reconcile Employer’s claims fund account, including the reconciliation of beginning balance, checks issued, checks cleared, checks outstanding, checks voided, deposits, and ending balance. **[If blank, charges are included in the Service Fee.]**

- E. Subrogation, Subsequent Injury, and Secondary Injury Fund Recoveries.** For each subrogation, Subsequent Injury Fund, and Secondary Injury Fund recovery, Employer shall pay to BSAI an

administrative fee equal to fifteen percent (15%) of the net recovery. Such recovery fees are an Allocated Loss Expense in accordance with Exhibit D herein and are paid off the respective claim file. All such recovery fees are in addition to the service fees listed above. BSAI is not entitled to any additional fees for its time expended pursuing such recoveries.

- F. Custom Reports and IT Time.** All system menu reports are included in the Service Fee. Should Employer request any customized claims, loss control, or risk management reports or need any other service from BSAI's information technology personnel, then Employer shall pay to BSAI a fee of Two Hundred Dollars (\$200.00) per hour for time expended by BSAI's personnel. The per hour fee is earned as the time is expended. Employer must pay to BSAI the entire invoice amount within thirty (30) days of the invoice date.
- G. Billing, Payment, and Audit.** Employer shall pay to BSAI the Service Fee in equal (monthly/quarterly) installments. **Payment of the entire invoice amount is due thirty (30) days after the invoice date.**

Within ninety (90) days following the end of each Agreement year, BSAI will complete an audit for the previous Agreement year. Upon completion of the audit, BSAI will provide to Employer a statement showing the amount owed by Employer with an invoice for such amount or a statement showing the amount to be refunded to Employer by BSAI. If Employer owes monies to BSAI after the audit, payment of the amount owed shall be made to BSAI within thirty (30) days of the invoice date. If BSAI owes monies to Employer, BSAI shall apply such amount as a credit for Employer for the next Agreement year or, upon the written request of Employer, refund the overpayment to Employer within thirty (30) days of the audit statement date.

- H. Definition of Claim; Earning of Per-Claim Fees.** For purposes of calculating the number of claims, each injured worker with a reportable injury is considered a "claim", even if there are multiple workers injured as a result of the same occurrence. All per-claim fees are completely earned when the claim is reported to BSAI.
- I. Medical Cost Containment Fees.** BSAI shall receive fees for bill review and PPO services, utilization review services, pharmaceutical bill review and PPO procurement services, durable medical equipment bill review and durable medical equipment PPO services, and medical cost containment services in addition to the Service Fee, in accordance with the following schedule.
1. For each medical bill reviewed, Employer shall pay BSAI the fee indicated in the Section A schedule to reconcile the bill to the usual customary charge.
 2. For all medical bill review PPO savings, Employer shall pay BSAI the percentage indicated in the Section A schedule of all savings achieved below the usual and customary charge or fee schedule.
 3. For all pharmaceutical bill review savings, Employer shall pay BSAI the percentage indicated in the Section A schedule of all savings achieved below the usual and customary charge or fee schedule.
 4. For all other PPO savings, Employer shall pay BSAI the percentage indicated in the Section A schedule of all savings achieved below the billed amount or the usual and customary charge, whichever is lower.

All medical cost containment fees are an Allocated Loss Expense in accordance with Exhibit D and are paid off the respective claim file. All such fees are in addition to the Service Fee.

- J. Claim Run-off Fee.** In the event Employer or Employer's insurance carrier requests BSAI handle Qualified Claims to conclusion following termination of this Agreement, Employer shall pay to BSAI the Claim Run-off Fee, at the prevailing rate, per open claim, per year, for the life of the Qualified Claim. The Claim Run-off Fee may be adjusted by BSAI with thirty (30) days' notice prior to the end of each Agreement year.
- K. CMS Reporting Fee.** Employer shall pay to BSAI the annual CMS Reporting Fee listed in the Section A schedule for services performed for Section 111 reporting to CMS. The CMS Reporting Fee is earned pro-rata.
- L. Subsequent Claim Fee.** Employer shall pay to BSAI a Subsequent Claim Fee for any indemnity claim that is open three (3) years after inception, at the rate listed in the Section A schedule. If no rate is listed in the Section A schedule, Employer shall pay to BSAI the prevailing rate, per open claim, per year, for the life of the Qualified Claim.
- M. Takeover Claim Fee.** If listed, Client shall pay to BSAI the Takeover Claim Fee listed in the Section A schedule for any open and existing claims that it takes on from Client. The fee listed in the Section A schedule is on a per open claim basis and is fully earned when reported to BSAI.
- N. Transportation, Translation, and Investigation Fees.** Employer shall reimburse BSAI fees for transportation, translation, third-party investigation, and other similar expenses incurred by BSAI. Such expenses are an Allocated Loss Expense in accordance with Exhibit D and are paid off the respective claim file.
- O. Late Fees.** Should any payment required herein not be received by BSAI within thirty (30) days of the date due, Employer shall pay to BSAI a late fee of one percent (1%) per month, or the maximum amount permitted by law, whichever is lower, of the amount outstanding.
- P. Transfer of Files Upon Termination.** If Employer requests transfer of files following termination of the Agreement, Employer shall pay a file transfer fee to BSAI as follows:
1. Twenty Thousand and 00/100 Dollars (\$20,000.00), if the termination is during the first year of the business relationship between BSAI and Employer;
 2. Fifteen Thousand and 00/100 Dollars (\$15,000.00), if the termination is during the second year of the business relationship between BSAI and Employer; or
 3. Ten Thousand and 00/100 Dollars (\$10,000.00), if the termination is during the third year of the business relationship between BSAI and Employer or any time thereafter.

Nothing in this Exhibit or the Agreement may be construed as prohibiting BSAI or any of its affiliates from receiving ordinary and reasonable commissions from an insurance carrier, for producing Employer's workers' compensation policy or from any other insurance company or reinsurer providing reinsurance or other insurance coverage. Such commissions may not be considered a setoff against the fees due under this Agreement.

Unless otherwise specified herein, the fees listed in the Section A schedule contemplate BSAI providing the services described in this Agreement only during the Term or a renewal thereof, is in full force and effect.

For Maximum, Fixed, or Flat Fee Service Agreements, if a force majeure event, as defined in the Agreement, or a multiple-employee injury event occurs and such event results in claims volume increasing greater than ten percent (10%) over what would have been the claims volume in the absence of such event, then BSAI shall be entitled to additional claims service fees, at BSAI's then prevailing rate, which shall not be less than BSAI's prevailing indemnity claim rate listed in the Section A schedule per claim.

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EXHIBIT D
Allocated Loss Expense

In accordance with Section III of the Third-Party Administrator Agreement (“Agreement”), this Exhibit is attached to and incorporated within the Agreement between Brentwood Services Administrators, Inc. (“BSAI”) and Chatham County (“Employer”).

Under this Exhibit and the Agreement, “Allocated Loss Expense” is defined as and includes the following:

- 1) attorneys’ fees and expenses;
- 2) court reporter’s fees, court costs, fees, and expenses;
- 3) pre- and post-judgment interest;
- 4) costs of depositions, including, but not limited to, transcript fees;
- 5) costs of obtaining copies of public records;
- 6) costs of obtaining copies of medical records;
- 7) service of process fees;
- 8) witness fees and expenses;
- 9) expert fees and expenses;
- 10) costs of independent medical examinations and evaluations;
- 11) medical cost containment services, including, but not limited to, utilization management services;
- 12) travel expenses incurred by BSAI at Client’s request;
- 13) bill review service costs;
- 14) costs associated with indexing and submitting claims information to the Insurance Service Office, rate advisory service organizations, claims compilation or transmission agencies, and state agencies and their designees;
- 15) subrogation costs and expenses;
- 16) operative, investigative, and detective service costs;
- 17) postage solely related to a particular Qualified Claim;
- 18) survey and appraisal fees;
- 19) costs associated with making any regulatory filings with the Centers for Medicare and Medicaid Services, including, but not limited to, filings in connection with the Medicare Secondary Payor provisions of the Social Security Act;
- 20) medical case management service costs;
- 21) costs associated with disputing or complying with Medicare Section 111 conditional payment liens;
- 22) costs associated with creating or obtaining a Medicare Set Aside; and
- 23) any other similar fee, cost, or expense that is reasonably chargeable for the investigation, negotiation, settlement, adjustment, or defense of a Qualified Claim, whether charged by BSAI or a third party, or as required for the protection of the rights or collectability of subrogation on behalf of Client.

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EXHIBIT E
Electronically Accessible Information and Cybersecurity

In accordance with Section III of the Agreement, this Exhibit is attached to and shall be incorporated within the Agreement between Brentwood Services Administrators, Inc. ("BSAI") and Chatham County ("Employer").

The Agreement is hereby amended to add the following:

1. Definitions.

a. Information System. "Information System" means and refers to a discrete set of electronic information resources organized for the collection, processing, maintenance, use, sharing, dissemination or disposition of electronic information, as well as any specialized system such as industrial/process control systems, telephone switching and private branch exchange systems, and environmental control systems.

b. Nonpublic Information. "Nonpublic Information" means and refers to:

i. Confidential business-related information of:

- 1) BSAI or any of its affiliates;
- 2) Insurance companies whose insurance policies BSAI sells or solicits, and other insurance intermediaries involved in the sale or solicitation of such policies (collectively, the "Insurers"); and
- 3) Any past, actual or prospective insureds under such policies (collectively, the "Insureds"),

the tampering with, unauthorized disclosure of, or access or use of which could cause an adverse impact to the business, operations or security of BSAI, the Insurers or the Insureds;

ii. Any information concerning an individual which, because of name, number, personal mark or other identifier, can be used to identify such individual, in combination with any one or more of the following data elements: (1) social security number; (2) driver's license number or non-driver identification card number; (3) checking, savings, money market, credit card, debit card or any other financial account (collectively, a "Financial Account") number; (4) any security code, access code or password that would permit access to an individual's Financial Account; or (5) biometric records; and

iii. Any information or data, except age or gender, in any form or medium created or derived from a health care provider or an individual that relates to any actual or proposed past, present or future medical treatment or payment for provision of healthcare.

2. Access to Information Systems and Nonpublic Information. Employer agrees that any access to and use of BSAI's Information Systems and Nonpublic Information shall only be as required to perform its duties and obligations under the Agreement and shall at all times be in accordance with all applicable laws and regulations. Subject to all other terms and conditions of this Exhibit, Employer shall limit access to BSAI's Information Systems and Nonpublic Information to only those Employer employees, agents and subcontractors who (a) have a "need to know" in order for Employer to perform its duties and obligations under the Agreement and (b) are subject to a legal obligation (whether by agreement,

applicable law or regulation or otherwise) to maintain the confidentiality of such Information Systems and Nonpublic Information, as required herein.

3. Data Privacy. Employer represents, warrants and covenants that it maintains and will continue to maintain for the duration of the Agreement a data privacy plan and written policy for Nonpublic Information (the "Data Privacy Plan and Policy").
 - a. Employer represents, warrants and covenants that its Data Privacy Plan and Policy addresses Employer's methods for protecting, storing, disposing, accessing and making accessible, using and communicating Nonpublic Information.
 - b. Employer shall provide a current copy of its Data Privacy Plan and Policy to BSAI upon BSAI's request.
4. Data Security. Employer represents, warrants and covenants that it maintains and will continue to maintain for the duration of the Agreement a data security plan and written policy for protecting Nonpublic Information (the "Data Security Plan and Policy").
 - a. Employer represents, warrants and covenants that its Data Security Plan and Policy contains organizational and technological safeguards reasonably calculated to protect Nonpublic Information from unauthorized and unintended disclosure, and before it accesses BSAI's or BSAI's affiliates' Nonpublic Information will include, but will not be limited to: (i) application and software access controls; (ii) multi-factor authentication; (iii) database encryption technology to encrypt Nonpublic Information at rest; (iv) secure sockets layer (SSL) encryption for data in transit; (v) firewall, anti-malware and intrusion protection software capable of identifying and eliminating unauthorized threats; (vi) internal review, maintenance, monitoring and auditing guidelines, which call for periodic assessment of vulnerabilities; and (vii) appropriate training of personnel with access to Nonpublic Information.
 - b. Employer shall provide a current copy of its Data Security Plan and Policy to BSAI upon BSAI's request.
5. Transfer of Nonpublic Information. Employer agrees that it shall not provide any subcontractor, vendor or other third party (each, a "Subcontractor") with access to BSAI's Information Systems, or allow any Subcontractor to transmit, store or process Nonpublic Information, unless it has received the prior written consent of BSAI. Prior to providing any Subcontractor with such access, or allowing such transmission, storage or processing, Employer shall: (a) conduct a reasonable investigation of such Subcontractor's information security to ensure that such security is reasonable and consistent with Employer's obligations under this Exhibit; and (b) contractually impose upon such Subcontractor the same or substantially similar contractual duties regarding data privacy and security that are set forth herein or as required by all applicable laws and regulations.
6. Incident Notification. Employer shall notify BSAI promptly, and in any event within forty-eight (48) hours or sooner as required by law, in writing, after it becomes aware of any: (a) confirmed or potential unauthorized disclosure, loss, misuse or theft of Nonpublic Information; or (b) confirmed unauthorized access to or breach of Employer's Information Systems, computer and other technological infrastructure (each, a "Cybersecurity Incident"). Employer shall take prompt steps to remedy the Cybersecurity Incident and mitigate any harmful effects. Employer shall also cooperate with BSAI in any subsequent investigation, litigation or provision of notices related to the Cybersecurity Incident. Unless required by applicable laws or regulations, Employer shall not inform any third party of any Cybersecurity Incident without first obtaining BSAI's written consent.
7. Representation and Warranties; Covenants
 - a. Employer represents and warrants that, together, its Data Privacy Plan and Policy and Data Security Plan and Policy are effective to protect BSAI's Information Systems and Nonpublic Information from Cybersecurity Incidents to the extent Employer has access to or uses such

systems or information. Employer further represents and warrants that it is in compliance with all applicable information privacy and data security laws and regulations, and with its own Data Privacy Plan and Policy and Data Security Plan and Policy. Employer further represents and warrants that Employer has cyber insurance coverage in place that would respond to any breach of this Exhibit.

- b. Employer covenants that during the period of time in which the Agreement remains in effect and any period thereafter in which Employer continues to have access to or use BSAI's Information Systems or Nonpublic Information:
 - c. Upon request, Employer shall produce to BSAI evidence of its cyber insurance coverage as required herein.
8. Oversight and Security Compliance. Upon BSAI's written request, Employer shall promptly and accurately complete a written information security questionnaire provided by BSAI or a third party on BSAI's behalf regarding Employer's business practices and information technology program and environment in relation to all Nonpublic Information handled and/or services provided by Employer.
9. Indemnification. Employer agrees defend, indemnify and hold harmless BSAI, its affiliates and its and their respective officers, directors, members, managers, shareholders, partners, employees, agents, successors and assigns from and against any and all losses, liabilities, damages, actions, claims, demands, settlements, judgments and other expenses, including, but not limited to, those alleged by third parties as well as any related attorneys' fees and expenses, arising out of any actual or alleged failure of Employer to comply with its obligations regarding data privacy and security, as set forth herein or as required by all applicable laws and regulations.
10. Conflicts. Except to the extent hereby amended, the Agreement shall remain in full force and effect. In the event of any conflict between the provisions of this Exhibit and the Agreement, the provisions of this Exhibit shall control.

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EXHIBIT F

State Specific Terms and Conditions

The Exhibit is incorporated into the Third-Party Administrator Agreement (“Agreement”) between Brentwood Services Administrators, Inc. (“BSAI”) and Chatham County (“Employer”) (individually a “Party” and together, the “Parties”) and amends the Agreement and any attached exhibits, as it applies to services provided in the listed states below. As it only applies to the state listed, the terms of this Exhibit F supersede any conflicting terms and conditions in the Agreement and attached exhibits.

North Carolina Specific Terms and Conditions

- A. BSAI shall, pursuant to N.C. Gen Stat. § 58-47-180(a):
 - 1. Deposit all receipts directly into an account maintained in the name of Employer;
 - 2. Pay claims on drafts or checks of and authorized by Employer;
 - 3. Not withdraw from Employer’s account except for authority limited to pay claims and refund premiums; and
 - 4. Remit return premium, directly from Employer’s account to the person entitled to the return premium.
- B. Any check disbursement authority granted to BSAI may be terminated upon Employer’s written notice to BSAI or upon termination of the Agreement. Employer may suspend the check disbursement authority during the pendency of any dispute regarding the cause for termination.
- C. BSAI shall maintain, at its principal administrative office for the duration of the Agreement and five years thereafter, books and records of all transactions between it, Employer, and Employer’s employees. BSAI shall grant the North Carolina Commissioner of Insurance (the “Commissioner”) and Employer access to such books and records for the purpose of examination, audit, and inspection. Employer acknowledges that BSAI may retain a true and accurate copy of such books and records following termination of the Agreement. Any trade secrets contained therein, including but not limited to the identity and addresses of policyholders and certificate holders, must remain confidential, except the Commissioner may use such information in any proceedings instituted against BSAI. Employer retains the right to continuing access, during normal business hours and upon reasonable notice, to such books and records of BSAI sufficient to permit Employer to fulfill all of its contractual obligations to its employees, subject to any restrictions in this Agreement, on the proprietary rights of the parties in such books and records. N.C. Gen Stat. § 58-47-165.
- D. The Commissioner may use BSAI as an intermediary in the Commissioner's dealings with Employer if the Commissioner determines that this will result in a more rapid and accurate flow of information from Employer and will aid in Employer’s compliance with N.C. Gen. Stat. § 58-47-165 and the North Carolina Workers' Compensation Act.
- E. Employer shall own the books and records generated by BSAI pertaining to Employer 's business and shall have access to and rights to duplicate all books and records related to its business.
- F. When this Agreement is terminated, Employer shall release BSAI from any liability for the maintenance and keeping of Employer’s records. Employer acknowledges that BSAI shall transfer all books and records to the new third-party administrator, service company, or Employer’s representative in a form acceptable to Employer, at Employer’s sole expense. Employer shall cause the new third-party administrator or service company to acknowledge, in writing, that it is responsible for retaining the books and records of the previous third-party administrator, service

company, or the self-insurer as required in N.C. Gen Stat. § 58-47-165(a). Employer acknowledges that BSAI may, in its exclusive discretion, retain a copy of all Employer's records upon termination of the Agreement.

- G. Pursuant to N.C. Gen Stat. § 58-47-160(e), neither party shall be entitled to assign its rights or obligations under this Agreement without the prior written consent of the other party, to include the prior approval by the governing board of Employer and the North Carolina Insurance Commissioner.

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