



Alternative Service Concepts, LLC dba Davies Claims Solutions

CLAIMS SERVICE CONTRACT

THIS AGREEMENT is made and entered into with an effective date of July 1, 2021 between **ALTERNATIVE SERVICE CONCEPTS, LLC dba DAVIES CLAIMS SOLUTIONS**, formed in Delaware, with principal offices at 26 Century Boulevard, Suite NT 350, P.O. Box 305148 Nashville, Tennessee 37214, hereinafter referred to as “Davies”, and **KENTON COUNTY FISCAL COURT** with principal offices in Covington, Kentucky, hereinafter referred to as “Client”.

WITNESS:

WHEREAS, “Davies” is in the claims service business; and

WHEREAS, “Client” desires to contract with “Davies” as its claims service company to service the claims of “Client” arising out of coverages provided under policies issued by the carrier effective July 1, 2021, through June 30, 2022, for their facilities located in the Commonwealth of Kentucky.

WHEREAS, “Client” has purchased excess coverage. “Davies” agrees to investigate, adjust, settle or resist all losses in compliance with the excess carrier’s policy provisions under the conditions listed below.

NOW, THEREFORE, “Davies” and “Client” contract as follows:

“DAVIES” AGREES:

1. (a) To review all claim and/or loss reports with occurrence dates as provided under said coverages specified in the policies issued by the carrier and reported to “Davies” during the term of this Contract, which involves claims against “Client” and/or claims by “Client” under said coverages.
- (b) To investigate, adjust, settle or resist all such losses and/or claims within the agreed discretionary settlement authority limit of Ten Thousand Dollars (\$10,000).
- (c) To investigate, adjust, settle or resist all such losses and/or claims as are in excess of the agreed discretionary settlement authority limit of Ten Thousand Dollars (\$10,000) only with specific prior approval of “Client”.
- (d) To report excess claims to “Client’s” excess carrier only if “Client” fulfills its



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obligations under "Client Agrees" Section 4c.

2. To furnish all claim forms necessary for proper claims administration.
3. To establish claim and/or loss files for each reported claim and/or loss. Such files shall be the exclusive property of "Client" and the carrier. Such files are available for review by "Client" at any reasonable time, with notice.
4. To maintain adequate Automobile Liability, Errors and Omissions, Fidelity Bond, General Liability, and Workers' Compensation insurance coverage.
5. To indemnify, defend and hold harmless "Client" with respect to any claims asserted as a result of any errors, omissions, torts, intentional torts or other negligence on the part of "Davies" and/or its employees, unless the complained of actions of "Davies" were taken at the specific direction of "Client".

"CLIENT" AGREES:

1. To make funds available that "Davies" may draw from at any time and from time to time for claim and/or loss payments and for associated allocated expense within the discretionary settlement authority limit of Ten Thousand Dollars (\$10,000) and for claim and/or loss payments in excess of the discretionary settlement authority limit of Ten Thousand Dollars (\$10,000) with the prior approval of "Client".
2. To pay "Davies" fees in accordance with the Fee Schedule attached to this Contract.
3. To pay "Davies" within thirty (30) days of the effective date of all invoices. All past due invoices are subject to an interest penalty of one and one-half percent (1 1/2%) per month. In the event "Davies" brings any action or proceeding to recover any part or all of an outstanding indebtedness, "Davies" shall be entitled to recover as additional damages any reasonable attorney fees not to exceed twenty percent (20%) of the outstanding indebtedness.
4. (a) To pay all Allocated Loss Expenses in addition to the claim service fee to be paid to "Davies" as prescribed in this Contract.
(b) "Allocated Loss Expenses" shall include but not be limited to attorneys' fees; experts' fees (i.e. engineering, physicians, chemists, etc.); automobile appraisals or property appraisal fees and extraordinary travel expenses, fees for

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independent medical examinations; witnesses' fees; witnesses' travel expenses; court reporters' fees; transcript fees; the cost of obtaining public records; commercial photographers' fees; medical cost containment services, such as utilization review, provider bill audit, preadmission authorization, hospital bill audit, and medical case management; all outside expense items; and any other similar fees, cost or expenses associated with the investigation, negotiation, settlement or defense of any claim hereunder or as required for the collection of subrogation on behalf of "Client".

- (c) To provide "Davies" with complete copies of all excess policies which apply to the claims reported during the Contract period.
5. To relinquish authority to "Davies" in all matters relating to claims service within the agreed discretionary settlement authority limit of Ten Thousand Dollars (\$10,000).
6. (a) In the event, "Davies", acting at the specific direction of "Client", becomes liable to any third party, "Client" agrees to indemnify, defend and hold "Davies" and/or its employees harmless.
- (b) If "Davies" or any of its employees are named as defendant in any action (i) where the plaintiff's cause of action involves a claim hereunder and (ii) where there are not allegations of errors, omissions, torts, intentional torts or other negligence on the part of "Davies", "Client" will assume the defense of the action on behalf of "Davies" and/or its employees and indemnify and hold "Davies" and/or its employees harmless from any judgment rendered as a result of such action.

"DAVIES" AND "CLIENT" MUTUALLY AGREE AS FOLLOWS:

1. The term of this Contract is continuous from its effective date for one (1) year. This Contract may be terminated by either "Davies" or "Client" upon cancellation of the coverages provided under the policies of insurance underwritten by the carrier.
- "Client" shall have the option, upon termination or expiration of this Contract:
- (i) To have "Davies" return the files to the client with carrier approval, or

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- (ii) To have "Davies" continue to handle all claims pending for a mutually agreed annual fee to conclusion.
- 2. This Contract covers Claim Service for "Client" in the United States of America.
- 3. Gross receipts tax or assessments in those states or jurisdictions where levied shall be in addition to the service fee.
- 4. In the event any one or more of the provisions of this Contract shall be determined to be invalid or unenforceable by any court or other appropriate authority, the remainder of this Contract shall continue in full force and effect as if said invalid and unenforceable portion had not been included in this Contract.
- 5. This Contract shall be construed and interpreted in accordance with the laws of the state of Kentucky.
- 6. This Contract represents the entire understanding of "Davies" and "Client" and supersedes all prior oral and written communications between "Davies" and "Client" as to the subject matter. Neither this Contract nor any provisions of it may be amended, modified or waived except in writing signed by a duly authorized representative of "Davies" and "Client".
- 7. The failure or delay of either "Davies" or "Client" to take action with respect to any failure of the other party to observe or perform any of the terms or provisions of this Contract, or with respect to any default hereunder by such other party, shall not be construed as a waiver or operate as a waiver of any rights or remedies of either "Davies" or "Client" or operate to deprive either "Davies" or "Client" of its right to institute and maintain any action or proceeding which it may deem necessary to protect, assert or enforce any such rights or remedies.
- 8. To not employ a person who has been employed by the other party at any time during the term of this Contract, unless the person to be employed shall not have been employed by the other party during the immediately preceding six (6) months or unless the hiring party shall have the other party's prior written consent. This provision shall survive the termination of this Contract for a period of ten (10) months.
- 9. During the term of this Contract, "Davies" will store closed files for a period of three (3) years from the date of closure, the date of the last payment of benefits, or the retention requirements of "Client's" carrier. The storage cost is included in the administrative



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fees. After the three (3) year period, files will either be returned to "Client" or destroyed if permitted by Statute.

10. "Davies" will query and transmit information under MMSEA requirements to CMS.

IN WITNESS WHEREOF, "Davies" and "Client" have caused this Contract to be executed by the person authorized to act in their respective names.

ALTERNATIVE SERVICE CONCEPTS, LLC dba DAVIES CLAIMS SOLUTIONS

WITNESS: DocuSigned by:
Beth Saling
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BY: DocuSigned by:
Mark Watkins
7635F5A8577D438...

TITLE: Vice President

DATE: 6/4/2021

KENTON COUNTY FISCAL COURT

WITNESS: _____

BY: _____

TITLE: _____

DATE: _____

Alternative Service Concepts, LLC dba Davies Claims Solutions

Alternative Service Concepts, LLC dba Davies Claims Solutions
Kenton County Fiscal Court
July 1, 2021 to June 30, 2022
One Year Handling

New Claims

Service	Number Of Claimants	Per-Claimant Fee	Total Fee
Workers' Compensation Claims			
Indemnity	5	\$820	\$ 4,100
Medical Only	30	\$160	\$ 4,800
Automobile Liability			
Physical Damage	14	\$535	\$ 7,490
Physical Damage Litigated	TBD	Base Fee + \$300	
Bodily Injury	TBD	\$615	
Bodily Injury Litigated	TBD	Base Fee + \$300	
General Liability			
Physical Damage	1	\$475	\$ 475
Physical Damage Litigated	TBD	Base Fee + \$300	
Bodily Injury	1	\$615	\$ 615
Bodily Injury Litigated	TBD	Base Fee + \$300	
E&O/Police Liability	8	\$718	\$ 5,744
E&O/Police Liability Litigated	TBD	Base fee + \$300	
Incident Reports ¹	TBD	\$40 per report	
Catastrophic Claims ²	TBD		

Minimum & Deposit Claims Fee			\$23,224
Systems fees			\$2,500
On-Line Access (One User)			No Charge
Additional Users			\$60/User/Month
MMSEA – Annual Transmission Fees (includes query & submissions)			\$ 2,100
Account Administration Fee			\$ 4,000
Total Minimum Fee			\$31,824

¹ Recorded in claims system only. Must be specified as "Incident" at time of reporting.

² Any event resulting in 10 or more claimants/suffixes will be treated as a catastrophe and billed the quoted per claim rate for the first 10 claimants/suffixes and any claim/suffix over 10 will be billed at a per claim rate of \$350 per claim.



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Claims will be handled for one year from the date the loss is reported to “Davies” with no additional per-claim fees. Any claim remaining open after 12 months will be subject to an annual maintenance fee of \$500 plus systems fee and administration fees.

“Davies” minimum contract claims fee is \$23,224.00. All claims handled by “Davies” will be credited towards the minimum claims fee by multiplying the actual number of claims by the fee per claimant. If the fee for the actual number of claims is more than \$23,224.00, “Davies” will invoice the “Client” for the difference between the actual fee and \$23,224.00.

The account administration fee includes:

- Account Setup
- New Claim Setup
- Client Meetings (Frequency to be Determined)
- Excess Reporting
- State Reporting
- Storage fees

Subrogation Pursuit and Recovery

15% of Recovery

Medical Cost Management³

Fee Scheduling.....	30% of Savings
PPO Usage and other Non-Fee Schedule Savings	33% of Savings

Banking

Should the client wish for “Davies” to manage the claims payment account, a setup fee and annual support fee will apply.

Additional Services and Fees⁴

Client Data Transmission.....	\$2,500 Per Release
Carrier Data Transmission.....	\$400 Per Release
Computer Compatible Checks & Electronic Transfers.....	At Cost
Data Conversion From Prior Administrator	At Cost
Reports Produced by “Client”.....	No Charge
Reports Produced by “Davies”.....	\$50 Per Copy
Systems Training.....	T&E (\$85 Per Hour)
Customized Programming	T&E (\$185 Per Hour)
Actuarial Data Requests	\$55 Per Hour
Travel Over 100 Miles.....	T&E (\$85 Per Hour)
Outside Investigation	T&E (\$85 Per Hour)

³ Additional pricing on managed care services will be provided upon request.

⁴ As required or requested. Most services are optional.



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Allocated Expenses

Allocated expenses will be charged to the claim file and include fees for:

- Legal services
- State-mandated EDI
- Court reporters
- Expert witness statements
- Professional photographs
- Official documents and transcripts
- Experts' / rehabilitation services
- Architects, contractors, engineers, chemists
- Police, fire, coroner, weather reports
- Accident reconstruction
- Subrogation collection cost payable to third party
- Extraordinary travel at client's request
- Medical records
- IMEs, MRIs, etc.
- Managed care
- Medical bill review
- Index Bureau Reporting
- Surveillance
- Any other expense requiring client approval

Invoicing and Payment Terms

Fees will be invoiced on an annual basis. Fees are payable upon receipt of the invoice. "Davies" reserves the right to charge 1½% per month or the maximum legal rate on unpaid balances after 30 days.

Claims Handling at Contract Conclusion

At the conclusion of the contract, the following options are available for continued handling of open claims:

- Annual per-claimant fee at "Davies" prevailing rates
- Claims returned to the "Client"/new administrator

Workers' Compensation Definitions (for billing purposes on per claim fee contracts)

Medical Only Claims - Work-related claims that require medical treatment only.

- Subrogation not required
- Investigation sufficient to determine claim type and compensability
- Lost days do not exceed statutory waiting period
- No loss notices, captioned reports, client meetings, or settlement authority required
- Total Payments do not exceed \$2,500
- Two-point contact made



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Indemnity Claims - Work-related claims that involve disability benefits or medical claims that require payment of medical and other expenses in excess of \$2,500 or require the pursuit of subrogation.

All claims, regardless of type, will be investigated, evaluated, and adjudicated in accordance with state statutory requirements and corporate guidelines.

ALTERNATIVE SERVICE CONCEPTS, LLC dba DAVIES CLAIMS SOLUTIONS

WITNESS: DocuSigned by: Beth Salinger
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BY: DocuSigned by: Mark Watkins
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TITLE: Vice President

DATE: 6/4/2021

KENTON COUNTY FISCAL COURT

WITNESS: _____

BY: _____

TITLE: _____

DATE: _____