

ADDENDUM TO EXTEND SERVICE AGREEMENT FOR AN ADDITIONAL PERIOD

This Addendum shall be attached to and made a part of the Service Agreement for Administration of a Claims Program that was effective March 1, 2011 between *City of Gahanna*, ("Client") and Sedgwick Claims Management Services, Inc., ("Sedgwick") (the "Agreement").

It is agreed and understood that the Agreement to which this Addendum is attached and made a part shall be extended for an additional period commencing *January 1, 2013*.

Client shall pay Sedgwick CMS the following fee for services provided during this additional period:

A. Workers' Compensation Claims Administration

Sedgwick will perform all services outlined in the Claims Administration section of Exhibit A for the term of this Agreement for the following fees:

January 1, 2013 – December 31, 2013: \$11,600 Self-Insured / \$3,150 State Funded	Total Annual Flat Fee \$14,750
January 1, 2014 – December 31, 2014: \$11,900 Self-Insured / \$2,400 State Funded	Total Annual Flat Fee \$14,300
January 1, 2015 – December 31, 2015: \$12,300 Self-Insured / \$1,900 State Funded	Total Annual Flat Fee \$14,200

Definitions

For purposes of this Agreement, an "Indemnity Claim" shall mean any workers' compensation Qualified Claim:

- for which a payment is made or reserve is posted under the indemnity portion (i.e. not medical and not expense) of the Qualified Claim or the time lost from work exceeds the state prescribed waiting period; or
- for which an application for adjudication of a claim or hearing notice is received or otherwise involves litigation or communication from or to a petitioner's attorney; or
- where paid medical costs exceed \$3,000; or
- denied claims that otherwise would have been classified as Indemnity Claims; or
- claims which Client requests to be investigated or classified as an Indemnity Claim; or
- any claim for which subrogation is investigated or pursued; or
- any claim open longer than twelve months.

For purposes of this Agreement, a "Medical Only Claim" shall mean any workers' compensation Qualified Claim which is not an Indemnity Claim or an Incident Only.

For purposes of this Agreement, an "Incident Only" shall mean claims reported by Client that require no payment or activity other than generating a record in the data management system. These claims carry no reserves and no contacts are made by Sedgwick. If contacts are required on incident only cases, additional fees will apply.

All terms and conditions of the Agreement shall otherwise remain the same, except those terms and conditions which have been added, deleted, or modified by the parties in writing.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed on the dates shown below.

City of Gahanna

By Rebecca W. Stenderud

Title Mayor

Date 12/27/12

Sedgwick Claims Management Services, Inc.

By Dee L. L. L.

Title Senior Vice President

Date 5 December 2012



City of Gahanna
Signature
Ordinance

200 South Hamilton Road
Gahanna, Ohio 43230

File Number: ORD-0250-2012

Date Passed: 12/17/2012

TO AUTHORIZE THE MAYOR TO ENTER INTO ADDENDUM TO EXTEND SERVICE AGREEMENT FOR A THREE YEAR PERIOD WITH SEDGWICK CMS, AS THE PROVIDER FOR THIRD PARTY ADMINISTRATION SERVICES FOR THE SELF INSURED WORKERS COMPENSATION PROGRAM AND STATE FUND CLAIMS; AND TO DECLARE AN EMERGENCY.

WHEREAS, in March of 2011 the City of Gahanna changed from a fully insured program to a self insured program for our Workers Compensation program; and

WHEREAS, the City also entered into an agreement with Sedgwick CMS as Third Party Administrator to assist with the program, and the Director of Human Resources has recommended we extend the service agreement with them for an additional period of three (3) years; and

WHEREAS, it is imperative to extend this agreement so that the Third Party Administer, Sedgwick CMS, will continue to be available to the City in the new year, and all for the preservation of the public peace, property, health, safety and welfare;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GAHANNA, STATE OF OHIO:

Section 1. That the Mayor is hereby authorized to enter into Addendum to Extend Service Agreement for an Additional Period of three years, with SEDGWICK CMS, 6377 Emerald Parkway, Dublin, Ohio 43016, for Third Party Administration of our self insured workers compensation program and state fund claims; Agreement attached as EXHIBIT A and made a part herein.

Section 2. That funding will be set aside in the 2013 Appropriations to various Workers Compensation accounts to cover the herein costs.

Section 3. That, for the reasons set forth in the preamble herein above, this ordinance is declared emergency legislation and shall be in full force and effect immediately upon passage by this Council and on date of signature approval by the Mayor.

This Ordinance was Introduced, Second Reading Waived, and Adopted as an Emergency, this 17th day of December, 2012.

Brian D. Larick
Brian D. Larick
President

ATTESTED to and PRESENTED to the Mayor;
this 18th day of December, 2012.

Isobel L Sherwood

Isobel L. Sherwood, MMC
Clerk of Council

APPROVED by the Mayor, this
18th day of Dec. 2012.

Rebecca W. Stinchcomb
Rebecca W. Stinchcomb
Mayor

Approved as to form:

Shane W. Ewald
Shane W. Ewald
City Attorney