

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 _____

Title _____

Date _____

Sedgwick Claims Management Services, Inc.

By *[Signature]*

Title *Senior Vice President*

Date *5 December 2012*

EXHIBIT A