

**REQUEST FOR PROPOSAL**

**WORKER’S COMPENSATION THIRD PARTY CLAIMS ADJUSTING SERVICES**

**FOR**

**POOLED LIABILITY ASSURANCE NETWORK JOINT POWERS AUTHORITY**  
**(PLAN JPA)**

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RETURN PROPOSALS TO:

Diane Pitman, Foster City  
[dpitman@fostercity.org](mailto:dpitman@fostercity.org)

**DEADLINE FOR FILING:**

**Tuesday, August 12, 2025, by 5:00 pm**

*\*Electronic Proposals Required.*

REQUEST FOR PROPOSAL  
WORKERS' COMPENSATIONTHIRD PARTY CLAIMS ADJUSTING SERVICES  
FOR

Pooled Liability Assurance Network JPA

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PLAN JPA

REQUEST FOR PROPOSAL

WORKERS' COMPENSATION CLAIMS ADJUSTING SERVICES

**I. BACKGROUND AND HISTORY**

The Board of Directors of the Pooled Liability Assurance Network (PLAN) is requesting proposals from qualified third-party claims adjusting firms (TPAs) to provide workers' compensation claims adjusting services for its self-funded Primary Workers' Compensation Program.

PLAN JPA has its roots dating back to 1986 as ABAG PLAN Corporation, originally developed as a nonprofit public benefit corporation organized exclusively for the promotion of the social welfare of the citizens of the San Francisco Bay area. In 2018, the Board of Directors decided to dissolve the corporation in favor of the creation of a Joint Powers Authority, PLAN JPA.

Pooled Liability Assurance Network, a Joint Powers Authority (PLAN) was established to provide and administer property and liability insurance and self-insurance services for member cities. PLAN membership includes 28 municipalities located in and around the San Francisco Bay area of Northern California. In June 2025, The Board of Directors took action to start a workers' compensation coverage program. This new program will follow suit with PLAN's other coverage programs in that it will use self-insurance, traditional insurance carriers and pooled self-insurance to provide financial coverage for the participating member entities. Initially, the program will start small primarily because of its mid-year start up timeframe. It is intended the program will renew at the fiscal year and more of PLAN's membership will participate in the program.

In addition, PLAN has developed effective risk management programs to reduce the frequency and severity of losses, to share the losses on a self-insured basis, and to jointly purchase and provide administrative and other services such as claims adjusting, data processing, risk management, loss prevention, accounting services, actuarial services, and legal services in connection with the program.

This is a new program for PLAN JPA and is anticipated to grow in size with an increase in participating members that will invariably add to the total claim count. Except for this growth, there is no expectation for the average number of open claims to increase or decrease significantly. A summary of the claims related activity as of December 31, 2024 has been provided in Appendix C.

The members of PLAN, the TPA, and the Workers' Compensation Program Manager actively monitor all claims. This requires the TPA to maintain open communications and a good rapport with all parties. PLAN has formally approved [Performance Standards \(See Appendix A\)](#) that the TPA firm and the Workers' Compensation Program Manager are tasked with enforcing.

## II. OBJECTIVES AND SCOPE OF WORK TO BE PERFORMED

The objective of this RFP is to select a Workers' Compensation Third Party Claims Adjusting Company (TPA). There is no incumbent being that this is a new program. A written contract will be executed by both the PLAN JPA and the selected firm. Such contract will be for a **three-year period** with two (2) one-year extension options. There shall be provisions within the contract providing for termination with and without cause. The contract will also include detailed performance standards and should be based on a **fixed fee annual price with pre-determined annual increases**. See [Appendix D](#) for a sample professional services agreement.

*PLAN JPA is very interested in maintaining a high level of communication between the TPA and the members, the Workers' Compensation Program Manager and defense counsel. The proposal should be priced in such a way to ensure this can be accomplished.*

The responsibilities of the TPA are divided into five categories: claims administration, support of the Workers' Compensation Program Manager, reporting of claims activities, participating agencies, and financial services. PLAN JPA has adopted the following best practices:

### A. *Claims Administration*

The TPA shall provide PLAN JPA with sufficient qualified personnel, including at least one senior claims adjuster, to meet the responsibilities efficiently and effectively as defined below and any other duties incidental, or in addition, to those responsibilities. The claims adjusting firm shall conform to the procedures outlined in the [PLAN JPA Performance Standards \(Appendix A\)](#). The senior claims adjuster shall have a minimum of three years' experience in adjusting workers' compensation claims for public entities. The claims adjusting firm shall also provide a supervisor/account manager who shall oversee the servicing of PLAN JPA's claims and act as a liaison to the PLAN JPA Workers' Compensation Program Manager, who has yet to be retained. The supervisor/account manager shall have at least six years' experience in adjusting liability claims, five of which involved adjusting liability claims for public entities. No adjuster or supervisor/account manager shall service the PLAN JPA's account without prior written approval by the PLAN JPA. In addition, all personnel should have experience adjusting public safety (police and fire) related claims in California.

The TPA shall provide for claim reviews no less than quarterly, to be held with the participating PLAN JPA member and workers' compensation program manager.

***B. Support of the Workers' Compensation Program Manager***

The claims adjusting firm shall assist in the implementation and conform to the procedures outlined in the Performance Standards formally approved by Resolution of the PLAN JPA (see [Appendix B](#)). The duties of the claims adjusting firm shall be to assist the PLAN JPA Workers' Compensation Program Manager.

***C. Reporting of Claims Activity***

Provide a monthly statistical report which shows all claims having activity, including claimant name, nature/type/cause of injury/loss, date of loss, status, loss/expense paid and reserved amounts, with monthly and year-to-date totals. Report should include a brief narrative of the actions to date and future recommended actions. A guide to any and all abbreviations used in any of the reports shall be provided to the members and the PLAN JPA. Reports shall include all claims meeting the members' and the PLAN JPA's reporting criteria.

In addition to the monthly statistical report, the adjusting firm will provide a monthly payment register showing all payments issued, payee, voucher number, voucher date, and claimant name, if applicable.

Upon the request of the member or the PLAN JPA, the adjusting firm shall also provide special reports on claims, in detail or summary, sorted or queried by any, or any combination, of the fields at no additional cost. All reports shall be provided in a Microsoft Excel format or PDF as requested by the member.

***Medicare Secondary Payer Mandatory Reporting Requirements***

TPA is responsible for the reporting of claims and compliance with the Medicare Secondary Payer Mandatory Reporting Requirements under the Medicare, Medicaid, and SCHIP Extension Act of 2007 for the City's self-insured workers' compensation program.

***OSHA Form 700***

The TPA shall provide the completed OSHA Form 700 for each of the program's participants on an annual basis and provide any needed support.

***D. Participating Agencies***

This coverage is starting mid-program year with several PLAN JPA members. However, it is intended that any other public agency as defined by Cal. Gov. Code § 6500 shall, if authorized by its governing body, has the option to participate in this coverage program as well as the services provided under any agreement as a result of this RFP. This option shall extend for the duration of the term of the agreement with PLAN JPA.

***E. Financial Services***

1. Provide daily documentation of all checks issued on JPA Member claims to the PLAN JPA Finance Department.
2. Provide weekly documentation of all temporary disability benefit payments issued on JPA Member claims (including dates covered by payment and payment amount) to the PLAN JPA Finance Department.
3. TPA, as agent for the PLAN JPA, shall maintain a bank account with a federally insured bank and shall have sole signing authority on said account up to \$5,000 or other agreed upon amount. Payments exceeding \$5,000 or other agreed upon amount shall require a second signature, by a PLAN JPA signatory. PLAN JPA will be responsible for maintaining a balance in the account in an amount to be determined by TPA and PLAN JPA.
4. TPA shall promptly forward to PLAN JPA a copy of each check drawn upon the trust account. All canceled checks drawn upon said account and the bank statement for the account shall be forwarded monthly to the PLAN JPA Finance Department.
5. Upon termination of the subsequent Agreement, TPA shall issue a check payable to PLAN JPA in the amount equal to all unexpended funds remaining in the trust account as of the effective date of termination and shall void outstanding checks at the direction of PLAN JPA.
6. Any interest earned in the trust account shall accrue to PLAN JPA's benefit. TPA shall issue 1099, Miscellaneous Income Tax Forms, for all vendors paid by PLAN JPA and/or Member agency through the Trust Account.

***Medical Bill Review***

The TPA shall provide Medical Bill Review and describe the process in their proposal.

The adjusting firm shall also cooperate and assist with information services "mapping" to coordinate the dissemination of information into any data management system implemented by

PLAN JPA or the TPA.

### **III. PROPOSAL REQUIREMENTS**

Each proposer shall submit a complete proposal with all information requested. The content of the proposal will be as follows:

A. Cover Letter

The cover letter will include the company name, address, and telephone number of the authorized person to be used as the contact.

The letter will indicate whether the proposer is an individual, partnership, or corporation. It must be signed by the individual, partner, or an officer or agent authorized to bind the firm. A corporation submitting a proposal may be required to furnish a certificate as to its corporate existence and satisfactory evidence as to the officers authorized to execute the contract on behalf of the corporation.

B. Table of Contents

C. Company Qualifications

This section should include:

1. An explanation of the knowledge and experience of the firm and its personnel in serving self-insured public entities in California. (Limited to one page);
2. A description of at least two similar or related contracts under which the proposer is currently providing services;
3. An explanation of the experience and qualifications of staff.
  - List the staff assigned, title, and responsibilities as it would relate to this project;
  - Include resumes of each staff assigned; and
  - Identify appropriate certifications.
4. A list of at least three public entity client references, preferably located in Northern California.

D. Work Plan

This section should contain the proposer's work plan for providing the services required. The following work plan must, at a minimum, address the following:

1. The general approach to providing claims administration services the proposer will employ;
2. Confirmation the proposer will comply with the attached [PLAN JPA Performance Standards \(See Appendix A\)](#);
3. Alternatively, the proposer must clearly specify how services will vary from these standards;
4. An explanation of the process of reporting and ability to generate a variety of Risk Management Information Systems RMIS reports. Presentation should include the ability of the members and the PLAN JPA to access claims information through Windows-based or web-based programs;
5. An explanation of the adjusters assigned:
  - Identify adjuster(s)
  - Location of service
  - Current case load
  - Maximum case load for this assignment per adjuster and supervisor
6. An indication for each staff assigned as to the relative time they will spend on PLAN JPA, i.e., will they be dedicated to the members and PLAN JPA or will they have additional client responsibilities;
7. An explanation and project timeline describing how the conversion of historical data from the current claims administration service provider, including retrieval of files, will occur; and
8. An indication and an outline of the proposers' ability to fulfill the role of the reporting agent for the PLAN JPA and whether such support service is included in the proposed contract pricing should be indicated. If the proposer is not equipped to fulfill the role of reporting agent for PLAN JPA, please propose how this role may be fulfilled, by what 3<sup>rd</sup> party service provider, and at what cost.
9. Include an example of a monthly statistical report for each line of coverage which shows all claims having activity, including claimant name,



nature/type/cause of injury/loss, date of loss, status, loss/expense paid and reserved amounts, with monthly and year-to-date totals.

E. Implementation Plan

All proposals shall contain an implementation plan including but not limited to, milestone schedule kick-off meetings, training, data validation steps, etc.

F. Cost

Please quote an annual service fee, clearly stating what services and expenses are included in the fee. Identify what services, if any, will require additional charges, fees, or costs. Any costs not identified in the proposal shall not be reimbursed by the PLAN JPA.

There are several agencies that will be transferring their current workers' compensation liabilities to PLAN from their current coverage provider(s). Please outline the associated costs and required timeline.

In addition to your company's respective proposal outline, all costs must be presented in the form included in this RFP as [Appendix E](#).

## INSURANCE REQUIREMENTS

The proposer must agree to indemnify, hold PLAN JPA and its members harmless, and defend PLAN JPA and its members from all claims and legal action for damages arising from their performance under the agreement.

Prior to and during the performance of the contract, the proposer shall maintain at its own expense the following minimum insurance coverage:

1. Commercial General Liability insurance in an amount no less than \$2,000,000 per occurrence, \$4,000,000 general aggregate, and \$2,000,000 products and completed operation aggregate.
2. Business Automobile Liability insurance in an amount no less than \$1,000,000 each accident.
3. Workers' Compensation insurance meeting all statutory benefit requirements of the Labor Code of the State of California and Employers Liability insurance with a minimum of \$1,000,000 each accident or disease.
4. Professional Errors & Omissions insurance with a minimum of \$5,000,000 limit per claim and in the aggregate.
5. Crime bond covering the misappropriation of PLAN JPA and/or member funds.
6. Cyber Liability coverage in an amount no less than \$1,000,000 per claim.

### Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by PLAN JPA. If necessary, at the option of PLAN JPA either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects PLAN JPA, its officers, officials, employees, and volunteers; or the TPA shall provide a financial guarantee satisfactory to PLAN JPA guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

### Other Insurance Provisions

The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. PLAN JPA, its Members, and all of their officers, officials, employees and volunteers are to be covered as additional insureds as respects: liability arising out of work or operations performed by or on behalf of the TPA; or automobiles owned, leased, hired or borrowed by the TPA.

2. For any claims related to this project, the TPA's insurance coverage shall allow and be endorsed primary insurance as respects PLAN JPA, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by PLAN JPA, its officers, officials, employees, or volunteers shall be excess of the TPA's insurance and shall not contribute with it.
3. The commercial general liability, automobile liability, and workers' compensation/employer's liability policies are to contain and be endorsed with a waiver of subrogation in favor of PLAN JPA, its officers, officials, employees, and volunteers.
4. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to PLAN JPA. If a carrier will not provide the required notice of cancellation, the proposer shall provide written notice to the PLAN JPA no later than ten (10) business days before cancellation.

#### Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to the PLAN JPA.

#### Verification of Coverage

Proposer shall furnish PLAN JPA with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by PLAN JPA or on other forms provided those endorsements conform to PLAN JPA requirements. All certificates and endorsements are to be received and approved by PLAN JPA before work commences prior to execution of a service agreement. PLAN JPA reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

#### Privacy

The TPA shall provide for all parties' privacy and the respective protection of such. This shall include all proprietary and third-party software platforms or any other method of data accumulation and aggregation.

## **V. PROCESS FOR SUBMITTING PROPOSALS**

All proposals must be submitted in PDF file format.

### **❖ Content of Proposal**

The proposal must be submitted using the format as indicated in [Section III - Proposal Requirements](#).

❖ **Preparation of Proposal**

Each proposal shall be prepared simply and economically, avoiding the use of elaborate promotional material beyond those sufficient to provide a complete, accurate and reliable presentation.

❖ **Number of Proposals**

Submit one (1) PDF file format copy of your proposal in sufficient detail to allow for thorough evaluation and comparative analysis.

❖ **Submission of Proposals**

Only those proposals which are complete and delivered by 5:00 p.m. on August 12, 2025, shall be considered.

Address all proposals to:

ATTN: Diane Pitman, Foster City  
[dpitman@fostercity.org](mailto:dpitman@fostercity.org)

## **VI. SELECTION PROCESS**

PLAN JPA will review the proposals submitted. The firms whose proposals are selected as finalists for consideration may be asked to appear, via Zoom or similar platform, before an evaluation panel to discuss their proposal.

All proposals, whether selected or rejected, shall become the property of PLAN JPA. Costs of preparation of proposals will be borne solely by the proposer. Proposals must be submitted electronically.

PLAN JPA may use some or all of the following criteria in its evaluation and comparison of proposals submitted. The criteria listed are not necessarily an all-inclusive list. The order in which they appear is not intended to indicate their relative importance:

- Compliance with RFP requirements
- Understanding of Project
- Methods and approach described to accomplish the Scope of Work of this RFP.
- Recent experience in conducting work of similar scope, complexity, and magnitude for other public agencies.
- Educational background, work experience, most importantly public sector work experience, and directly related consulting experiences.
- Price
- References from local clients with particular emphasis on local government.

PLAN may also contact and evaluate the bidder's references; contact any bidder to clarify any response; contact any current users of a bidder's services; solicit information from any available source concerning any aspect of a proposal; and seek and review any other information deemed pertinent to the evaluation process. The evaluation committee shall not be obligated to accept the

lowest priced proposal but shall make an award in the best interests of PLAN JPA.

Award is contingent upon the successful negotiation of final contract terms. Negotiations shall be confidential and not subject to disclosure to competing vendors unless an agreement is reached. If contract negotiations cannot be concluded successfully, PLAN may negotiate a contract with the next highest scoring vendor or withdraw the RFP. Nothing in this RFP shall be construed to obligate PLAN JPA to negotiate or enter a contract with any particular TPA. This RFP shall not be deemed to be an offer to contract or to enter into a binding contract or agreement of any kind.

Listed below is an anticipated timetable:

07/28/2025	Dissemination of Request for Proposals
08/05/2025	Deadline for Written Questions
08/12/2025	Proposals Due
08/12/2025 – 08/20/2025	Evaluation of Proposals
08/20/2025	Ad Hoc Committee to select interviewees
09/03/2025	Interview of Prospective Bidders and Selection of Firm
09/10/2025	Inform Bidders of Selection and Negotiate Contract
09/25/2025	Contract Formally Approved by Board
Determined by Selected Firm	Data Transfer and Mapping
01/01/2026	Begin Work

Questions regarding this Request for Proposal or the PLAN JPA workers' compensation claims programs may be directed to:

Diane Pitman, Foster City  
[DPitman@FosterCity.org](mailto:DPitman@FosterCity.org)

## **APPENDIX A – PLAN JPA Performance Standards**

### **1. Caseload**

The TPA shall provide qualified staff such that those working with PLAN claims will have manageable caseloads. To achieve this, it is recommended that each examiner maintain a caseload of 150 open indemnity claims. Each claims assistant shall have a caseload not to exceed 100 open medical-only claims. The supervisor shall not carry a caseload.

### **2. Forms**

The TPA shall provide all forms necessary for the processing of benefits or claims information including: the Employer's Report of Injury, DWC Form 1, medical service orders, return-to-work slips, lost time information reports, vouchers, checks, and other related forms. The cost of providing these forms shall be included within the AGREEMENT price.

### **3. Claim File Set-Up**

Within one business (1) day of receipt of the Employer's Report of Injury or any notice of a claim, The TPA will prepare and input into the computer an individual claim file.

### **4. Claim File Documentation**

All activity, contact, notification, reconciliation, referrals, reviews, verification, etc., shall be clearly documented in the computer notepad and maintained in the applicable claim file. A copy of all written documentation, notices, letters, reports, etc. will be maintained in the applicable claim file. This requirement shall apply to all standards contained in this section of the Agreement.

Use of electronic claim files is appropriate only with assurance all claim file documentation can be recreated in hard copy as requested and access provided to the electronic claim files.

### **5. Coverage**

The TPA shall verify the coverage period, and that coverage was provided to the member by The TPA on the date of injury or illness in accordance with member program dates and governing documents. If applicable, The TPA shall exercise due diligence in joining applicable co-defendants. All activity to verify coverage and join co-defendants shall be clearly documented in the computer notepad.

### **6. Employer Contact**

The TPA shall immediately request the Employer's Report of Injury form when or if the Doctor's First Report of Injury or any notice of a claim is received first.

If the DWC Form 1 has not been received by The TPA within two (2) business days after receiving the Employer's Report of Injury (5020) and where the 5020 does not indicate the form has been provided to the employee, the examiner will contact the member to ensure that the DWC Form 1 was given to the employee within one (1) working day of the employer's date of knowledge of the injury.

If a DWC Form 1 was not provided to the injured employee, The TPA shall immediately send the DWC Form 1 directly to the employee.

The TPA shall contact the member within one (1) business day of receipt of notice of a claim on all lost time claims or claims where compensability is in question. Such contact with the member shall be documented in the computer notepad.

## **7. Employee Contact**

In all non-litigated, lost time cases where the employee has not returned to work, telephone or personal contact will be attempted with the injured employee within one (1) business day of receipt of notice of claim. The attempt(s) to contact the employee will also be documented in the computer notepad within one (1) business day of receipt of notice of a claim. Such contact will continue as often as necessary, but at least monthly until the employee has returned to work. Such contact with the employee shall be documented in the computer notepad.

Return phone calls to employees will be accomplished within one (1) business day.

All correspondence from employees will be responded to within five (5) calendar days of receipt.

## **8. Reserves**

Reserves shall be established based upon the ultimate probable cost of each claim and within compliance with the Office of Self Insurance Regulations. All reserve categories shall be reviewed on a regular basis but not less than at least every ninety (90) calendar days for open, unresolved Indemnity claims and every 180 days for Future Medical claims allowing a two-week grace period for completion. Companion files will require regular ninety (90) calendar-day review. Such review shall be indicated in the computer notepad. The examiner shall utilize a reserve worksheet for each review.

A claims assistant shall have the authority to establish reserves up to \$3,000. An examiner shall have authority to establish reserves up to \$50,000. A senior examiner shall have authority to establish reserves up to \$75,000. The supervisor shall have authority to establish reserves up to \$150,000. A director, vice president, or president of The TPA shall review and approve all reserves in excess of \$150,000.

## **9. Medical Administration**

PLAN JPA does not have a Medical Provider Network. The TPA shall provide support and expertise to the program participants to select a panel of general practitioners, specialists, hospitals, and emergency treatment facilities to which injured employees should be referred, as approved by the member, and The TPA shall regularly review and update the panel.

The physician's office will be contacted within five (5) business days of notice of claim on all lost time claims. Such contact will continue as needed during the continuation of temporary disability to assure that treatment is related to a compensable injury or illness.

The TPA shall maintain contact with treating physicians to ensure employees receive proper medical treatment and are returned to full or modified employment at the earliest possible date.

The TPA shall maintain direct contact with medical service providers to ensure their reports are received in a timely manner.

The TPA shall arrange medical evaluations when needed, when reasonable, and/or as requested in compliance with the current California Labor Code.

The TPA shall ensure that medical bills are reduced to the Relative Value Schedule (RVS) and recommended rates established by the Administrative Director of the Division of Workers' Compensation.

The TPA shall assign, at the PLAN's expense, utilization review services.

The TPA shall assign, at the PLAN's expense, professional managed care services on an as needed basis to injured employees.

## **10. Medical Payments**

Medical bills will be matched to the file, reviewed for correctness, approved for payment, and paid within time limits established by California Labor Code section 4603.2. If all or part of the bill is being disputed, The TPA will notify the medical provider on the appropriate form letter within time limits established by California Labor Code 4603.2.

## **11. Plan of Action**

Each claim file shall contain the examiner's Plan of Action outlining the strategic steps to be taken to bring the claim to conclusion. Action Plans must be updated at least every ninety (90) calendar days, allowing a two-week grace period for completion on active indemnity claims upon which indemnity benefits are being paid or are at issue, or whenever a material event has occurred that will significantly affect the outcome of the claim. Action Plans must be updated at least every one-hundred eighty (180) calendar days, allowing a two-week grace period for completion on future medical claims. The supervisor shall monitor the diary reviews by printing a "No Activity" report each month to identify any files that have fallen off diary. Such Action Plans will be identified as such in the computer notepad.

## **12. Investigation**

The TPA shall subscribe to the Index Bureau. The examiner shall request a report from the Index Bureau on all new indemnity claims. The review of each Index report will be documented in the computer notepad. Subsequent requests should be made every six (6) to twelve (12) months thereafter on all active indemnity claims.

Referrals for investigation activities beyond the Index Bureau will be approved by the PLAN Workers' Compensation Program Manager in advance of the referral.

## **13. Compensability**

The compensability determination (accept claim, deny claim, or delay acceptance pending the results of additional investigation) and the reasons for such determination will be made and documented in the file within five (5) business days of the receipt of the notification of the loss. Delay of Benefit letters shall be mailed in compliance with the Department of Industrial Relations' guidelines.

The TPA shall notify the member of delay or denial of any claim.



In no case shall a final compensability decision be extended beyond ninety (90) calendar days from the date of knowledge of the claim.

#### **14. Provision of Benefits**

The TPA shall provide all compensation and medical benefits in a timely manner and in compliance with the statutory requirements of the California Labor Code. The TPA shall compute and pay temporary disability benefits to injured employees based upon earnings information and authorized disability periods. The TPA shall review, compute, and pay all informal ratings, death benefits, findings and awards, life pensions, or compromise and release settlements.

#### **15. Initial Indemnity Payment**

The initial indemnity payment or voucher will be issued and mailed to the injured employee within fourteen (14) calendar days of the first day of disability. The completed DWC notice will be mailed under separate cover. Such benefits shall be paid from the trust fund.

#### **16. Subsequent Indemnity Payments**

All indemnity payments or vouchers subsequent to the first payment will be verified, except for obvious long-term disability, and issued in compliance with California Labor Code Section 4651. Such benefits shall be paid from the PLAN trust fund.

#### **17. Return-to-Work**

The TPA shall provide assistance to the PLAN members in returning injured employees to modified duty while recovering and prior to their return to regular duties.

The TPA shall consult frequently with the member in those cases where the injury residuals might involve permanent work restrictions and/or retirement potential.

#### **18. Transportation Expense**

Transportation reimbursement will be mailed within five (5) business days of the receipt of the claim for reimbursement. Advance travel expense payments will be mailed to the injured employee ten (10) business days prior to the anticipated date of travel. Such benefits shall be paid from the PLAN trust fund.

#### **19. Permanent Disability**

The TPA shall explain and assist injured employees in completing the necessary forms to obtain a permanent disability rating.

The TPA shall determine the nature and extent of permanent disability and arrange for an informal disability rating whenever possible to avoid Workers' Compensation Appeals Board (WCAB) litigation.

All permanent disability benefit notices shall be sent to the employee as required by the California Labor Code.

## **20. Litigated Cases**

The TPA shall promptly initiate investigation of issues identified as material to potential litigation. The member shall be alerted to the need for an outside investigation and approval for referral to an investigator will be obtained from the PLAN Workers' Compensation Program Manager. Members shall be kept informed on the scope and results of all investigations.

When defense counsel is not necessary, The TPA shall work closely with the applicant's attorney in informal disposition of litigated cases.

The member shall be alerted to the need for outside counsel as soon as possible and approval for referral received from the PLAN Workers' Compensation Program Manager. Members shall be kept informed as to outside counsel's progress.

Settlement proposals directed to the PLAN Workers' Compensation Program Manager (WCPM) shall be forwarded by The TPA in a concise and clear written form with a reason(s) for such recommendation. The member shall be notified of all potential settlements.

All preparation for a trial shall involve the member so that all material evidence and witnesses are utilized to obtain a favorable result for the defense.

The supervisor or the examiner shall attend Workers' Compensation Appeals Board (WCAB) hearings, meetings with defense counsel, and meetings with member's staff, departments, and employee groups as necessary and when requested to do so.

## **22. Settlements**

The TPA will not have settlement authority. The TPA shall seek total settlement authority from PLAN's WCPM from up to the \$250,000 within the PLAN Self-Insured Retention. All requests for settlement authority shall include a written claim summary, estimate of permanent disability, and the defense counsel's comments and recommendations.

All settlements involving excess coverage will be referred to the excess carrier for authority. The excess carrier will be notified of settlement proposals if the proposed settlement will exceed the assigned retention level.

## **23. Subrogation**

In all cases where a third party is responsible for the injury to the employee, The TPA will send a letter to the member indicating they will pursue subrogation unless instructed otherwise by the member. When subrogation is to be pursued, the third party shall be contacted within ten (10) days of identification, with notification of the member's right to subrogation and the recovery of certain claim expenses. If the third party is a governmental member, a claim shall be filed with the third party's governing body within six (6) months of the injury or notice of injury.

Periodic contact shall be made with the responsible party and/or insurer to provide notification of the amount of the estimated recovery to which the member will be entitled.

If the injured worker brings a civil action against the party responsible for the injury, The TPA shall consult with the PLAN Workers' Compensation Program Manager about the value of the subrogation claim and other considerations. Upon member authorization, subrogation counsel shall be assigned to file a Lien or a Complaint in Intervention in the civil action.

Whenever practical, The TPA should take advantage of any settlement in a civil action by attempting to settle the workers' compensation claim by means of a Third-Party Compromise and Release. If such attempt does not succeed, then every effort should be made via the WCAB to offset claim expenses through a credit against the proceeds from the injured worker's civil action.

#### **24. Vocational Rehabilitation / SJDB**

In accordance with all applicable California laws in place at the date of injury, The TPA shall:

- A. Determine the Qualified Injured Worker/Non-Qualified Injured Worker status;
- B. Advise the injured worker of his/her rehabilitation benefits/SJDB;
- C. Provide appropriate vocational rehabilitation benefits/SJDB;
- D. Control rehabilitation costs/SJDB; and
- E. Settlement or "BUY OUT" of the SJDB shall be by exception only.

#### **25. Claim Reconciliation**

All claim files shall be reconciled to ensure all indemnity payments have been made correctly. The reconciliation should verify that payments were in the correct amount and paid from the correct claim file. The physical claim file should be verified with the computer information. All open claim files shall be reconciled at the time of a request for settlement authorization and at the time of submission for closure. Proof of the reconciliation should be documented in the claim file.

#### **26. Excess Insurance**

Cases that have the potential to exceed the member's self-insured retention shall be reported in accordance with the reporting criteria established by the excess insurance policies. All settlements which may involve reportable excess claims will be included in regularly filed excess reports.

All cases that meet the established reporting criteria are to be reported within five (5) days of the day on which it is known the criterion has been met.

#### **27. Award Payment**

Payments on awards, commutations, or Compromise and Release agreements will be issued within ten (10) days following receipt of the appropriate document. Such awards, commutations, or Compromise and Release agreements shall be paid from the PLAN trust fund.

## **28. Penalties and Self-Imposed Increases**

Late payment of all benefits must include the self-imposed increase in accordance with California law. The TPA will provide PLAN with a quarterly listing of any administrative penalties/increases paid the quarters ending March 31, June 30, September 30, and December 31. The report shall designate the party responsible for the penalty/increase. If the penalty/increase was the responsibility of The TPA, The TPA shall issue a check payable to PLAN for reimbursement of the penalties/increases. The check and report shall be submitted to PLAN by the 20<sup>th</sup> of the following month after the quarter ends.

## **29. Case Closure**

The supervisor must review all medical-only claims open beyond ninety (90) days from the date of entry by the TPA, for potential closure or conversion to Indemnity claim status. Claims with \$5,000 or more paid to date, and any claim open beyond one hundred eighty days (180) from date of entry, must be converted to Indemnity status and a reasonable, precautionary indemnity reserve placed on the claim(s). All indemnity cases where permanent disability is not an issue will be closed within sixty (60) days of the final financial transaction or final correspondence to the injured worker as required by law. All resolved indemnity claims with open future medical awards in which there is a reasonable expectation that no future benefits will be provided may be administratively closed one year from the last payment of benefits with the understanding these files will be reopened upon notice of activity or receipt of requests for payment or bills. The TPA will monitor stipulated cases with future medical provisions. Reserves for future medical will be reviewed semi-annually and adjusted according to use.

## **30. Claims Reporting**

The TPA shall maintain all loss information as required by Self-Insurance Plans.

The TPA shall assist in the preparation of all reports that are now or will be required by the State of California or other government agencies with respect to self-insurance programs. The TPA will also assist in the preparation of all reports or databases required statistical database organizations as requested by PLAN. The TPA has the right to request from PLAN the costs associated with the data programming.

## **31. Record Retention**

All claim files shall be maintained in accordance with statutory time requirements and the PLAN's Record Retention Policy.

## **32. Claim Supervision**

The TPA shall provide supervisory staff that will regularly review the work product of the claims examiners. The supervisor shall review each examiner's caseload to ensure each examiner is following the performance standards outlined in this agreement.

In addition, the supervisor shall conduct a review of all unresolved open indemnity claims every one-hundred twenty (120) calendar days, allowing a two-week grace period for completion, documenting this review in the computer notepad. Future medical claims will be reviewed every one-hundred eighty (180) calendar days, allowing a two-week grace period for completion.

### **33. Availability of Personnel**

The TPA shall ensure at least one (1) or more of The TPA's staff assigned to PLAN's unit is available to the member and/or PLAN every business day throughout the term of this agreement.

### **34. Examiner Training**

The TPA shall annually certify to PLAN that each claims examiner handling the members' claims is in compliance with all legal and regulatory licensing and continuing educational requirements as presently, or in the future, shall be promulgated and required by the State of California. Where required by law or regulation, copies of all such certifications shall be provided at least annually by The TPA to PLAN.

### **35. Member Services**

The TPA shall provide on-site training services to PLAN members, as requested, to ensure that the staff, which process workers' compensation claims, are effectively carrying out the procedures required for a successful program. Claim reviews with individual PLAN members will be provided upon request, either telephonically or in person. The claims to be reviewed will be mutually decided upon by the individual member and The TPA.

The TPA shall require an examiner to be available and readily respond to a member's or PLAN's request for assistance with problem cases.

The TPA shall provide PLAN with information regarding statutes, proposed changes to statutes, and changes to the rules and regulations affecting PLAN and its responsibility as a permissively self-insured workers' compensation joint powers authority.

### **36. Employee Services**

As requested, The TPA will develop, for review by PLAN, materials which will provide information and guidance regarding workers' compensation and the self-insurance program.

As required, The TPA will assist injured employees in resolving problems involving their claim.

### **37. Conflict of Interest**

The TPA shall avoid all conflicts of interest or appearance of conflicts of interest in performance of this document. If The TPA receives compensation from PLAN for services not included in this document, such as bill review services, managed care, or investigations, The TPA shall disclose all fees received from PLAN. Such disclosure shall be in the form of a letter and shall be received by PLAN each April 1.

### **38. Overpayments**

The TPA shall be responsible for attempting the collection of any overpayment of any benefit. In the event The TPA is unable to collect the overpayment, The TPA may be responsible to reimburse PLAN for the amount of the overpayment if the basis for the overpayment relates to an error or errors by The TPA.

Attempted recovery will be documented in the claims file. Any overpayment not recovered will NOT BE credited against "new and further" disability without the approval of the PLAN WCPM.

Overpayments which have not been recovered will be evaluated by The TPA for reimbursement to PLAN.

It is understood overpayment of benefits resulting from good faith attempts at benefit administration (such as estimating Permanent Disability Advance Payments) will require attempts at recovery; however, the resulting overpayment will not be the responsibility of The TPA to reimburse PLAN.

**APPENDIX B - PLAN JPA Memorandum of Coverage for the  
Workers' Compensation Program**

**POOLED LIABILITY ASSURANCE NETWORK JOINT  
POWERS AUTHORITY (PLAN)**

**POOLED WORKERS' COMPENSATION PROGRAM**

**MEMORANDUM OF COVERAGE**

**FOR THE 2026-2027 PROGRAM YEAR**

**EFFECTIVE January 1, 2026**

**FORM NO. PLAN 20260101-20260630 WC**

**POOLED LIABILITY ASSURANCE NETWORK JOINT  
POWERS AUTHORITY  
POOLED WORKERS' COMPENSATION COVERAGE  
POLICY NUMBER PLAN 2026-27 WC  
DECLARATIONS**

**NAMED COVERED PARTY:**

**POOLED LIABILITY  
ASSURANCE NETWORK Joint Powers  
Authority, et. al., as per Endorsement No. 1**

**1750 Creekside Oaks Drive, Suite 200  
Sacramento, CA 95833**

**POLICY PERIOD:**

**From 1-1-2026 to 6-30-2026  
12:01 a.m. Pacific Time**

**LIMIT OF LIABILITY:**

**\$250,000 Each Occurrence**

**EXCESS LIABILITY:**

**XXXXXX**

**FORM AND ENDORSEMENTS:**

**Form No. PLAN 20260101-  
20260630 WC,**

**FORMING PART OF THE POLICY AT INCEPTION  
Endorsement No. 1**

**ON BEHALF OF POOLED LIABILITY ASSURANCE NETWORK JOINT POWERS  
AUTHORITY**

**Authorized Representative**



## **POOLED WORKERS' COMPENSATION PROGRAM**

### **MEMORANDUM OF COVERAGE**

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## POOLED WORKERS' COMPENSATION PROGRAM (PWCP)

### MEMORANDUM OF COVERAGE

#### FORM NO. PLAN 20260101-20260630 WC

This Memorandum of Coverage (MOC) sets forth the terms, conditions, and limitations of coverage provided under the Pooled Workers' Compensation Program (PWCP). The terms of this MOC may not be changed or waived except by amendment made a part of this MOC.

Throughout this MOC, words and phrases that appear in **bold** have special meaning. They are defined in General Section A, "Definitions" or in the Master Program Document.

### GENERAL SECTION

#### A. DEFINITIONS

The terms in bold print are defined as follows:

1. **Authority** shall mean the POOLED LIABILITY ASSURANCE NETWORK Joint Powers Authority.
2. **Bodily injury** shall mean bodily injury by accident or disease, including death resulting therefrom, but shall not include **occupational disease**.
3. **Covered Party** shall mean a participant in this PWCP which has sustained a loss which is covered under this MOC of Coverage.
4. **Cumulative Injury or Illness** means occupational disease or cumulative injury caused by repeated events or repeated exposures at work, limited to the last date on which the employee was employed in an occupation exposing him or her to the hazards of the occupational disease or cumulative injury, whichever occurs first. The liability period for occupational disease or cumulative injury shall be limited to one year per California Labor Code 5500.5(a).
5. **Employee** shall mean any person performing work which renders the **Covered**

**Party** legally liable as an employer under the Workers' Compensation Act of the State of California, or under the common law of the State of California.

6. **Loss** shall mean only such amounts as are actually paid by the **Covered Party** in payment or benefits under the applicable Workers' Compensation Law, in settlement of claims, or in satisfaction of awards or judgments for liabilities imposed by the Workers' Compensation Act or other law for **bodily injury** or **occupational disease** to an **employee**.
7. **Occupational Disease** shall include (1) death resulting therefrom and (2) cumulative injuries.
8. **Occurrence** means A) All bodily injury sustained or alleged by one (1) or more employees involving one (1) or more Covered Parties, from any one (1) disaster, accident or event, or any series of disasters, accidents, or events, and is traceable to the same single disaster, accident or event, or series of disasters accidents or events, shall be deemed to arise from a single occurrence; however, any one (1) occurrence shall be limited to no more than seven (7) calendar days such that each individual employee claimant's date of injury must fall within the seven (7) calendar day period. PLAN will defer to PLAN's excess carrier, XXXXX, as to the date when any such seven (7) calendar day period begins, provided that it is not earlier than the date and time of the first recorded employee claimant's date of injury, and provided that no two (2) periods overlap. Should this Memorandum expire or terminate while an occurrence covered hereunder is in progress, PLAN will be responsible for its portion of loss arising from such occurrence under this Memorandum through the conclusion of the seven (7) calendar day period, even if such period extends beyond the term of this Memorandum, subject to the terms and conditions hereof, provided that no amount of loss for the same occurrence shall be claimed against any renewal or replacement of this Memorandum, and provided the Covered party has continued coverage under the subsequent policy period. (B) Occupational disease and communicable disease sustained or alleged by each employee shall be deemed to arise from a separate occurrence, and the occurrence shall be deemed to take place on the last day of the last exposure, in the employment of the Covered Party, to conditions causing or aggravating the disease OR the date upon which the employee first suffered disability and either knew, or in the exercise of reasonable diligence should have known, that such disability was caused by his or her employment with the Covered Party, whichever comes first.
9. **Participant** shall mean a **Member Entity**, which shall mean a signatory to the **Agreement** establishing the POOLED LIABILITY ASSURANCE NETWORK Joint Powers Authority, who has elected to participate in the PWCP.

10. **Retained limit** shall mean the amount stated on the Declarations page and all endorsements listed on the Declarations page, which will be paid by the **Covered Party** before the **Authority** is obligated to make any payment from the pooled funds.

11. **Workers' Compensation Law** shall mean the workers' compensation law of the State of California, including California Labor Code Division 4; however, it shall not include any non-occupational disability benefit provisions of any such law. It includes any amendments to such laws that are in effect during the term of this MOC. It does not include any federal workers' or workmen's compensation law, any federal **occupational disease** law, or the provisions of any law that provide non-occupational disability benefits. It does not include the workers' compensation laws of any state other than the State of California.

## **B. THE MEMORANDUM OF COVERAGE**

This MOC includes, at its effective date, the Declarations Page and all endorsements listed on the Declarations Page. This MOC is the coverage document between the **Covered Party** and the **Authority**. The terms of this MOC may not be changed or waived except by endorsement issued by the **Authority** to be part of this MOC.

## **C. COVERAGE PERIOD**

This MOC applies to **losses** occurring during the coverage period defined in the Declarations.

## **D. WHO IS COVERED**

The **Covered Party** is a **Participant** in the **Authority's** PWCP. If a **Covered Party** loses its status as a **Member Entity**, the coverage under this MOC shall terminate immediately upon such change in status.

Volunteer workers are also afforded workers' compensation benefits for performing duties for or on behalf of the **Covered Party** while acting within the scope of their duties on behalf of the **Covered Party** provided that the **Covered Party** has first adopted a resolution as provided in Division 4, Part 1, Chapter 2, Article 2 of the California Labor Code declaring such volunteer workers to be **employees** of the **Covered Party** for purposes of Workers' Compensation Law.

#### **E. WORKERS' COMPENSATION LAW**

Workers' Compensation Law means the workers' or workmen's compensation law and **occupational disease** law of the State of California, or any similar law. It includes any amendments to that law that are in effect during the term of this MOC. It does not include any federal workers' or worker's compensation law, any federal **occupational disease** law, or the provisions of any law that provide non-occupational disability benefits.

#### **F. QUALIFIED SELF-INSURER**

The **Covered Party** represents that it is a duly qualified self-insurer under the Workers' Compensation Law of the State of California and will continue to maintain such qualifications during the term this MOC is in effect. If the **Covered Party** should fail to qualify or fail to maintain such qualifications, the coverage provided under this MOC shall automatically terminate at the first date of such failure.

## **PART I – WORKERS' COMPENSATION COVERAGE**

The **Authority** will provide coverage for workers' compensation **losses** up to the **Authority's** Limit of Liability stated in the Declarations Page. This includes coverage for **losses** for **employees** normally employed by the **Covered Party** in the State of California who perform work outside the State of California, but only if all of the following is true: such work is incidental to the **employee's** regular employment in the State of California; such **losses** are compensable under the **Workers' Compensation Law**; the **employee** claims benefits under the **Workers' Compensation Law**, and benefits under the **Workers' Compensation Law** are administered.

This coverage applies to **bodily injury**.

1. **Bodily injury** by accident must occur during the coverage period.
2. **Bodily injury** by disease must be caused or aggravated by the conditions of employment by the **Covered Party**. The **employee's** last day of last exposure to the conditions causing or aggravating such **bodily injury** by disease must occur during the coverage period.

### **A. DEFENSE OF SERIOUS AND WILLFUL CLAIMS AND 132a ACTIONS:**

The **Authority** will provide a defense for serious and willful claims and Labor Code Section 132a actions, as set forth below, brought before the Workers' Compensation Appeals Board (WCAB), but in no event shall the **Authority** provide any indemnity for any such claim or action:

1. Serious and willful misconduct by the **Covered Party** against an **employee** involved in a claim for workers' compensation benefits. (Labor Code §4553.). Discrimination by the **Covered Party** against an **employee** involved in a claim for workers' compensation benefits. (Labor Code §132a.)
2. Such defense will be provided only until such time as the underlying claim for workers' compensation has concluded. The **Authority** shall have the sole discretion to determine when and whether the underlying claim has "concluded." The **Authority** may, at any time, exercise its right to withdraw from the defense of these claims, and such decision shall be final.

## **B. PAYMENTS THE COVERED PARTY MUST MAKE**

The **Authority** is not responsible for any payments in excess of benefits regularly provided by the Workers' Compensation Law including any payment based on the following conduct by the **Covered Party**:

1. Serious and willful misconduct;
2. Knowing employment of an **employee** in violation of law;
3. Knowing failure to comply with a health or safety law or regulation;
4. Discharge, coercion or otherwise discriminating against any **employee** in violation of the Workers' Compensation Law; or
5. Violation of or failure to comply with any Workers' Compensation Law.

If the **Authority** makes any payments in excess of the benefits regularly provided by the Workers' Compensation Law on the **Covered Party's** behalf, the **Covered Party** will reimburse the **Authority** promptly for such payment.

## **PART II – EMPLOYER’S LIABILITY COVERAGE**

The **Authority** will provide coverage for employer’s liability **losses** up to the **Authority’s** Limit of Liability stated in the Declarations Page.

This coverage applies to **bodily injury**. This coverage will apply to amounts awarded against the **Covered Party** in excess of the **Covered Party's Retained Limit** and subject to the Limit of Liability set forth herein, provided that those amounts awarded are the direct consequence of **bodily injury** that arises out of and in the course of the injured **employee's** employment by the **Covered Party** and are claimed against the **Covered Party** in a capacity other than as employer.

1. The **bodily injury** must arise out of and in the course of the injured **employee's** employment by the **Covered Party**.
2. **Bodily injury** by accident must occur during the coverage period.
3. **Bodily injury** by disease must be caused or aggravated by the conditions of employment by the **Covered Party**. The **employee's** last day of last exposure to the conditions causing or aggravating such **bodily injury** by disease must occur during the coverage period.



### **PART III - POLICY EXCLUSIONS**

This MOC shall not apply to:

- A. Liability imposed by the Workers' Compensation Laws because of **bodily injury** to prisoners or inmates who receive compensation from an entity, other than the **Covered Party**, for the work performed except for liability imposed by the Workers' Compensation Laws because of **bodily injury** to participants of a work release program or other community service program established by a county of the State of California;
- B. Employer's Liability Coverage herein does not apply to any obligation imposed by a workers' compensation, **occupational disease**, unemployment compensation, or disability benefits law, or any similar law.
- C. **Bodily injury** intentionally caused or aggravated by the **Covered Party**.
- D. **Bodily injury** to an **employee** while employed in violation of law with the actual knowledge of the **Covered Party**.
- E. Liability for additional compensation imposed on the **Covered Party** under Labor Code Section 4557 by reason of injury to an **employee** under sixteen years of age and illegally employed at the time of the injury.
- F. Liability imposed by Labor Code Section 4856. **Losses** involving benefits paid or filed in accordance with any workers' compensation or **occupational disease** law other than the **Worker's Compensation Law**.
- G. **Bodily injury** or **occupational disease** sustained by a peace officer, as defined in Section 50920 of the California Government Code, when he or she was off-duty, not acting under the immediate direction of his or her employer, and outside the state of California. However, this exclusion shall not apply to **bodily injury** or **occupational disease** sustained by a peace officer under such circumstances if:
  - 1. The peace officer at the time of the **occurrence** was engaging in the apprehension or attempted apprehension of law violators or suspected law violators, the protection or preservation of life or property, or the preservation of the peace; and
  - 2. Prior to the **occurrence**, the governing board of the **Covered Party** has adopted a resolution, as provided for in California Labor Code Section 3600.2, subdivision (b)(4), accepting liability for such **bodily injury** or **occupational disease** under the **Workers' Compensation Law**.

## **PART IV - THE COVERED PARTY'S RETENTION AND AUTHORITY'S LIMIT OF LIABILITY**

### **A. LIMIT OF COVERAGE BY AUTHORITY**

The **Authority** will indemnify the **Covered Party** for loss under Workers' Compensation Laws but will not exceed the Limit of Liability stated in the Declarations Page on any one **loss**. Coverage will include all benefits required under Workers' Compensation Laws, including full salary benefits listed in Labor Code Section 4850. The **Authority** will pay on behalf of the **Covered Party** for Employer's Liability losses but will not exceed the Limits of Liability stated in the Declarations Page on any one loss.

### **B. HOW THE LIMIT OF COVERAGE APPLIES**

The **Authority's** Limit of Coverage stated in the Declarations Page applies to claims covered under the Workers Compensation Coverage or Employer's Liability Coverage as follows:

1. To one or more **employees** for **bodily injury** or death in any one accident;
2. To any one **employee** for **bodily injury** or death by disease; and
3. If, an employee of two or more **Covered Parties** incurs a cumulative injury or illness as defined in General Section A(10) then the Retained Limits of the involved **Covered Parties** will be adjusted by applying the pro-rata percentage of exposure for the Cumulative Trauma period to each Member's SIR.

Five (5) years after the end of the program year in which the accident, incident, or exposure occurred, the **Authority** will undertake the following adjustment:

1. Calculate the total amount of the **Losses** paid for all **Covered Party** for **Employees** involved in the accident, incident, or exposure;
2. Calculate each involved **Covered Party's** percentage share (based on the **Losses** paid for each **Covered Party's Employee or Employees**) of the total **Losses** paid;
3. Multiply each involved **Covered Party's** percentage share of the total incurred **Losses** by each **Covered Party's** respective **Retained Limit**;
4. Use and apply the amount determined under step 3 as each **Covered Party's** adjusted **Retained Limit** for purposes of determining the **Authority** reimbursement for the **Losses** paid for the accident, incident, or exposure;

5. Calculate the amount of the **Authority's** payment of reimbursement, if any, to each **Covered Party** based on the adjusted **Retained Limit** of each the **Covered Party**; and
6. If applicable, pay reimbursement or additional reimbursement to each **Covered Party** based on the adjusted **Retained Limit**.

If losses for the accident, incident, or exposure involving multiple **Covered Parties** remains payable after the five-year period, the adjusted **Retained Limits** for each involved **Covered Party** will continue to apply to the calculation of **Authority** reimbursement until all claims are closed, and the **Authority** will not again readjust each involved **Covered Party's Retained Limit**.

Nothing contained herein shall operate to increase the **Authority's** Limit of Coverage under this MOC.

## **PART V - CONDITIONS**

### **A. NOTICE OF ACCIDENT OR CLAIM**

1. The Covered Party shall give written notice, within five days of the Covered Party's knowledge, to the **Authority** if a claim for a **bodily injury** or disease occurs which appears to involve coverage by the **Authority**.
2. Notice of accident given to the **Authority** shall contain complete details on the **bodily injury**, disease, or death. If a suit, claim, or other proceeding is commenced which appears to involve coverage by the **Authority**, the **Covered Party** shall give the **Authority**:
  - a. All notices and legal papers related to the claim, proceeding, or suit, or copies of these notices and legal papers; and
  - b. Copies of reports on investigations made by the **Covered Party** on such claims, proceedings, or suits.
3. If written notice is not provided by the **Covered Party** to the **Authority** within thirty (30) days of knowledge of such claim, coverage may not be provided under this MOC. This requirement is a condition precedent to coverage under this MOC.

### **B. SUBROGATION - RECOVERY FROM OTHERS**

The **Authority** has the **Covered Party's** rights, and the rights of persons entitled to compensation benefits from the **Covered Party**, to recover the **Authority's loss** from any third party liable for the **bodily injury**. The **Covered Party** will do everything necessary to protect those rights for the **Authority** and to assist in enforcing them. Any recovery, after deducting the **Authority's** recovery expenses, will first be used to reduce the **Authority's loss**. The balance, if any, will be returned to the **Covered Party**.

If the **Covered Party** waives its rights to subrogation on a claim covered under, or that may be covered under, this MOC, and if the amount of the claim exceeds the **Covered Party's Retained Limit** (and therefore comes within the **Authority's** layer), then the **Authority's** coverage shall not apply to the claim and the **Authority** shall not be liable for any indemnity, reimbursement, payment, or costs on the claim exceeding the **Covered Party's Retained Limit**, unless the **Authority's** Workers' Compensation Program Manager approves the waiver of subrogation in writing.

The exclusion of coverage for waiver of subrogation shall apply only to a waiver of subrogation made or approved by a **Covered Party** after the date of the injury or illness that resulted in the claim. This exclusion shall not apply to a waiver of subrogation contained in an agreement or contract that was approved by the **Covered Party** prior to the date of the injury or illness that resulted in the claim.

#### MEMORANDUM CONFORMS TO LAW

If any provision of this MOC is in conflict with Workers' Compensation Laws applicable to this MOC, the **Authority's Agreement**, the **Authority's** Bylaws, or the **Authority's** PWCP Master Program Document, this statement amends this MOC to conform to such law or document.

#### D. ALTERNATIVE DISPUTE RESOLUTION

THE PARTIES TO THIS MEMORANDUM UNDERSTAND THAT BY AGREEING TO THIS MEMORANDUM OF COVERAGE THEY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY AND TO CERTAIN TYPES OF DAMAGES FOR THE PURPOSE OF ADJUDICATING ANY DISPUTE OR DISAGREEMENT AS TO COVERAGE UNDER THIS MEMORANDUM.

Decisions by the **Authority** whether to assume control of the negotiation, investigation, defense, appeal, or settlement of a claim, or whether or not coverage exists for a particular claim or part of a claim shall be made by the **Board**. An appeal to the **Board** from a coverage decision or opinion by general counsel must be made in writing to the **Authority** by the **covered party** within one hundred and twenty (120) days of receipt of such opinion or decision.

The **Board** will take action on any appeal within sixty (60) days or the next scheduled **Board** of Directors meeting, whichever is later, unless an extension is agreed to by the parties. The action taken by the **Board** will include written notice to the **covered party** **Board's** final decision.

The **covered party** must exhaust the right to appeal, as set forth above, before pursuing either Option A - Arbitration or Option B - Declaratory Relief, as set forth below.

The **covered party** must submit to the Administrator of the **Authority** a written request for Arbitration to pursue Option A - Arbitration, or a written notice of intent to file an action for Declaratory Relief to pursue Option B – Declaratory Relief, within ninety (90) days of receipt of the **Board's** final written decision. If no such written request or notice is submitted to the Administrator of the **Authority**, the **covered party** shall be deemed to have waived any and all other forms of relief or appeal as to the coverage dispute.

Option A - Arbitration:

If both the **Board** and the **covered party** agree in writing, then the coverage dispute may be resolved by binding arbitration or by any other means mutually agreed between the **Authority** and the **covered party**.

Once the **covered party** submits to the Administrator of the **Authority** a written request for Arbitration, the **Authority** shall have 20 (twenty) days from the date of receipt of the written request to respond. If the **Authority** does not agree in writing to Arbitration by the expiration of that time period, it will be deemed to have denied the request. In the event the written request for Arbitration is denied, the **covered party** shall have 10 (ten) days from the date the request is denied or deemed to have been denied to submit to the Administrator of the **Authority** a written notice of intent to file an action for Declaratory Relief. If no such written notice is submitted to the Administrator of the **Authority**, the **covered party** shall be deemed to have waived any and all other forms of relief or appeal as to the coverage dispute.

In the event both the **Board** and the **covered party** agree to arbitrate, they shall be deemed to waive any rights to pursue any adjudication or relief as to the coverage dispute in any other forum or court, including any rights to appeal.

Arbitration shall be conducted pursuant to the California Code of Civil Procedure. Arbitration shall be conducted by a single arbitrator. The arbitrator shall not be employed by or affiliated with the **Authority** or the **covered party** or any **covered parties**.

The parties shall select the arbitrator within twenty (20) calendar days from the date of the mutual agreement to arbitrate. If the parties are unable to agree upon an arbitrator within that time period, they may mutually agree to a reasonable extension of time not to exceed thirty (30) days. If the parties are unable to agree upon an arbitrator within that extended time period, the **Authority** shall file a petition with the Sacramento County Superior Court requesting appointment of a neutral arbitrator, and the procedures set forth in the California Code of Civil Procedure Sections 1281.6 shall be followed. Unless mutually agreed otherwise, the arbitration hearing shall commence within forty-five (45) calendar days from the date of the selection of the arbitrator.

Each party shall pay one half the cost of the selected arbitrator. In addition, each party shall be responsible for its own attorneys' fees, costs and expenses of arbitration.

Except for notification of appointment and as provided in the California Code of Civil Procedure Sections 1282 et seq. for the scheduling of hearing(s) and matters relating to the hearing, there shall be no communication between the parties and the arbitrator relating to the subject of the arbitration other than at oral hearings. The procedures set forth in California Code of Civil Procedure Section 1283.05 relating to depositions and discovery shall apply to any arbitration pursuant to this paragraph 9. Except as provided otherwise above, arbitration shall be conducted as provided in Title 9 of the Code of Civil Procedure

(commencing with Section 1280). The decision of the arbitrator shall be final and binding and shall not be subject to appeal.

Option B – Declaratory Relief:

If the **covered party** chooses Declaratory Relief or if the parties are unable to agree to Arbitration an action for Declaratory Relief seeking to resolve the coverage dispute must be filed within 90 days of submittal of the written notice of intent to file an action for Declaratory Relief, and any unexpired statute of limitations shall be tolled until expiration of that 90-day period. If an action for Declaratory Relief is not filed in the Superior Court within the time limitations of this paragraph, then notwithstanding any statute of limitations provided in the California Code of Civil Procedure or otherwise, the **covered party** shall be deemed to have waived and be barred from pursuing any further relief, adjudication, action, arbitration or appeal regarding the coverage dispute.

The scope of the action for Declaratory Relief shall be limited to seeking a judicial interpretation of this Memorandum, and, as appropriate, determination and declaration of the amount, if any, to be paid by the **Authority** for indemnity or defense owed under this Memorandum, plus interest as provided herein. No other legal theories or causes of action relating to or arising out of a coverage disagreement under this Memorandum shall be allowed, and such are expressly waived, including but not limited to causes of action for breach of contract or breach of the covenant of good faith and fair dealing. Neither the **Authority** nor the **covered party** shall be entitled to a trial by jury. Neither the **Authority** nor the **covered party** shall be entitled to any damages or relief other than as provided in this paragraph, plus simple interest at the rate of 1% per year on any amounts adjudicated to be owed. Interest on any amounts adjudicated to be owed shall run from the time any invoices for defense fees and costs are actually submitted to the **Authority** (in the event it is adjudicated that the **Authority** had a duty to defend the **covered party** and did not defend the **covered party**), and/or from the time the **Authority** is provided written confirmation of the amount of actual payment by the **covered party** of any judgment or settlement (in the event it is adjudicated that the **Authority** had a duty to pay for any settlement or judgment on behalf of the **covered party** and did not pay for any settlement or judgment on behalf of the **covered party**). Notwithstanding anything in this paragraph, any party to the Declaratory Relief action preserves the right to appeal any judicial decision to the appropriate appellate court, as provided by California law.

Provisions Applicable to Both Option A – Arbitration and Option B – Declaratory Relief:

Regardless of the existence or outcome of a coverage dispute, a Declaratory Relief action or any arbitration proceeding, the maximum amount or limit of coverage owed under this Memorandum by the **Authority** shall remain unchanged. Further, the **Authority** shall owe defense costs only to the extent they are incurred in compliance with all guidelines for billing and case handling applicable to any defense counsel retained to defend covered claims.

If any coverage dispute results in a settlement, or in a judgment or arbitration award, the amount paid by the **Authority** shall be deemed to be **ultimate net loss** under this Memorandum and shall be considered and treated as any other payment of **ultimate net loss** by the **Authority** as if there had been no coverage dispute.



## **POOLED LIABILITY ASSURANCE NETWORK**

### **JOINT POWERS AUTHORITY**

#### **WORKERS' COMPENSATION MEMORANDUM OF COVERAGE**

##### **ENDORSEMENT NO. 1**

This ENDORSEMENT, effective 12:01 a.m. 1/1/2026, forms part of a Memorandum No. PLAN 2026-WC.

It is understood the Retained Limit for the named Covered Parties listed in ENDORSEMENT NO. 1 are as follows:

City of American Canyon	TBD
Town of Atherton	TBD
City of Campbell	TBD
City of Cupertino	TBD
City of Dublin	TBD
City of East Palo Alto	TBD
City of Half Moon Bay	TBD
City of Hillsborough	TBD
Town of Los Gatos	TBD
Town of Ross	TBD
City of San Carlos	TBD
City of Suisun City	TBD

Attached to and forming part of Policy No. PLAN 2026-27 WC

Effective Date: January 1, 2026

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AUTHORIZED REPRESENTATIVE

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**APPENDIX C - PLAN JPA Program Summary**

<b>Program Year</b>	<b>Claim Count</b>
<b>2024-25</b>	<b>59</b>
<b>2023-24</b>	<b>103</b>
<b>2022-23</b>	<b>73</b>
<b>2021-22</b>	<b>94</b>
<b>2020-21</b>	<b>80</b>
<b>2019-20</b>	<b>68</b>
<b>2018-19</b>	<b>78</b>
<b>2017-18</b>	<b>79</b>
<b>2016-17</b>	<b>58</b>
<b>2015-16</b>	<b>137</b>

\*\* Loss run data is available upon request. \*\*

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**APPENDIX D – Sample Professional Services Agreement**

PROFESSIONAL SERVICES AGREEMENT

By and Between

PLAN JPA

and

XXX

for

Workers' Compensation Claims Administration Services

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## PROFESSIONAL SERVICES AGREEMENT

By and Between POOLED LIABILITY ASSURANCE NETWORK

and XXX

For THIRD PARTY ADMINISTRATOR

THIS AGREEMENT (this “Agreement”) is made and entered into as of the 1st day of October 2025, by and between Pooled Liability Assurance Network (herein called “PLAN.”), a Joint Powers Authority, and XXX (herein called “CONSULTANT”).

### RECITALS

**WHEREAS**, PLAN requires certain work services as described in Exhibit “A” of this Contract; and

**WHEREAS**, the services required for the Project cannot be performed satisfactorily by the officers of PLAN; and

**WHEREAS**, the parties hereto now wish to enter into this Agreement pursuant to which CONSULTANT will render professional services in connection with the Project as hereinafter provided.

**NOW, THEREFORE**, the parties hereto agree as follows:

#### A. SCOPE OF SERVICES

CONSULTANT’s services are generally described in Attachment A, Scope of Work, attached hereto and incorporated herein by this reference. CONSULTANT agrees to provide legal services for the tasks identified as directed by the General Manager.

#### B. PERIOD OF PERFORMANCE

CONSULTANT’s services hereunder shall commence upon issuance of a written Notice to Proceed (NTP) issued by PLAN’s General Manager, but no work shall occur prior to

January 1, 2026 and shall continue until the project is completed but in no way past June 30, 2029 or until otherwise terminated or extended as hereinafter provided by written amendment, except that all indemnity and defense obligations hereunder shall survive termination of this Contract. CONSULTANT shall not be compensated for any Work performed or costs incurred prior to the approval of the Board of Directors or if authority has been granted to the Executive Committee.

PLAN, at its sole discretion, may extend the original term of the Contract through the issuance of a Board approved amendment.

### **C. COMPENSATION AND METHOD OF PAYMENT**

1. Compensation. CONSULTANT shall be compensated for services and PLAN shall be obligated to pay only such fees, allowances, costs, reimbursements, or other compensation as are specified below based on the defined Administration Fee for each of the program years of service plus any period less than a full program year shall be prorated at the current established rate set forth in Attachment A, attached hereto and incorporated herein by this reference, which include all applicable surcharges such as taxes, insurance, and fringe benefits as well as indirect costs, overhead and profit allowance, materials, and supplies.
2. Expenses. PLAN will reimburse CONSULTANT for all expenses deemed reasonable and necessary that are defined in the proposal incurred by CONSULTANT in the performance of this Agreement.



3. Method of Payment. CONSULTANT shall submit invoices for services rendered on a monthly basis, identifying the work for which payment is requested; the hours worked or the deliverable completed; any authorized expenses, together with receipts for such expenses, if requested; the total amount requested; and the cumulative amount billed and paid under this Agreement. Payment shall be made by PLAN within thirty (30) days of receipt of an acceptable invoice, approved by a designated representative. All invoices shall be made in writing and delivered or mailed to PLAN as follows:

“Attention: PLAN”

#### **D. AMENDMENTS**

PLAN reserves the right to request changes in the services to be performed by CONSULTANT. All such changes shall be incorporated in written amendments, which shall specify the changes in work performed and any adjustments in compensation and schedule. All amendments shall be executed by the Executive Director or a designated representative and CONSULTANT and specifically identified as amendments to the Agreement. Any services added to the scope of the Agreement by an amendment shall be subject to all applicable conditions of the Agreement. No claim for additional compensation or extension of time shall be recognized unless contained in a duly executed amendment.

#### **E. TERMINATION**

PLAN may terminate this Agreement, in whole or in part, at any time by written notice to CONSULTANT. Upon receipt of notice of termination, CONSULTANT shall stop work under this Agreement immediately, to the extent provided in the notice of termination, and shall promptly submit its termination claim to PLAN. CONSULTANT shall be reimbursed for hours performed, plus expenses, up to the time of termination, not to

exceed the maximum amount payable under the Agreement or, for deliverables-based payment, not to exceed the maximum payable for the deliverable.

CONSULTANT may withdraw from representation of PLAN, and terminate this Agreement, at any time, as required or permitted by Rule 3-700 of the California Rules of Professional Conduct, on "Termination of Employment," operative May 27, 1989 (and as those Rules may be amended from time to time).

#### **F. INSURANCE REQUIREMENTS**

1. Minimum Coverages. CONSULTANT shall, at its own expense, obtain and maintain in effect at all times during the life of this Agreement the following types of insurance against claims, damages and losses due to injuries to persons or damage to property or other losses that may arise in connection with the performance of work under this Agreement, placed with insurers with a Best's rating of A-VIII or better.
  - a. Workers' Compensation Insurance in the amount required by the applicable laws, and Employer's Liability insurance with a limit of not less than \$1,000,000 each accident or disease, and any and all other coverage of CONSULTANT's employees as may be required by applicable law. Such policy shall contain a Waiver of Subrogation endorsement in favor of PLAN.
  - b. Commercial General Liability Insurance for Bodily Injury and Property Damage liability, covering the operations of CONSULTANT and CONSULTANT's officers, agents, and employees and with limits of liability which shall not be less than \$2,000,000 combined single limit per occurrence with a general aggregate liability of not less than \$4,000,000, shall contain the same coverage for products and completed operations; and Personal & Advertising Injury liability with a limit of not less than \$2,000,000. Expense for Indemnitee's defense costs shall be outside of policy limits and such policy shall be issued on a Duty to Defend Primary Occurrence Form.

PLAN and its board members, officers, representatives, agents, and employees are to be named as additional insureds. Such insurance as afforded by this endorsement shall be primary as respects any claims, losses or liability arising directly or indirectly from CONSULTANT's operations.

- c. Automobile Insurance for all automobiles owned, used, or maintained by CONSULTANT and CONSULTANT's officers, agents, and employees, including but not limited to owned, leased, non-owned and hired automobiles, with limits of liability which shall not be less than \$1,000,000 combined single limit each accident.
- b. Professional Liability Insurance (if applicable) in an amount no less than \$5,000,000 per claim/\$5,000,000 aggregate. If such policy is written on a "Claims-Made" (rather than an "occurrence") basis, CONSULTANT agrees to maintain continuous coverage in effect from the date of the commencement of services to at least three (3) years beyond the termination or completion of services or until expiration of any applicable statute of limitations, whichever is longer. The policy shall provide coverage for all work performed by the CONSULTANT.
- c. Property Insurance. Property Insurance covering CONSULTANT'S own business personal property and equipment to be used in performance of this Agreement. Coverage shall be written on a "Special Form" ("All Risk") that includes theft, but may exclude earthquake, with limits at least equal to the replacement cost of the property. Such policy shall contain a Waiver of Subrogation in favor of PLAN. If such insurance coverage has a deductible, CONSULTANT shall also be liable for the deductible.
- d. Cyber Insurance. Coverage in an amount no less than \$1,000,000 per claim.
- e. Non-Limitation of Insurance Requirements. The insurance coverage provided, and limits required under this Contract are minimum requirements and are not intended to limit the CONSULTANT's

indemnification obligations under the Contract, nor do the indemnity obligations limit the rights of the Indemnified Parties to the coverage afforded by their insured status. To the extent required by Law in connection with Work to be performed, the CONSULTANT shall obtain and maintain, or cause to be obtained and maintained, in addition to the insurance coverage expressly required under this Contract, such other insurance policies for such amounts, for such periods of time and subject to such terms as required by Law and any other agreements with which the CONSULTANT is required to comply, including any Third-Party Agreements. Liability insurance coverage will not be limited to the specific location designated as the Site, except that if the CONSULTANT arranges project-specific general liability, excess liability, or workers' compensation coverage, limitations of coverage to the Site will be permitted subject to PLAN approval and use of the broadest available site-specific endorsements. No liability policy will contain any provision or definition that would serve to eliminate so-called "third-party-over action" claims, including any exclusion for bodily injury to an employee of the insured or of any Subcontractor. The CONSULTANT acknowledges and will at all times comply with the provisions of Labor Code Section 3700 which require every employer in the State to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code.

- b. Deductibles and Retentions. CONSULTANT shall be responsible for payment of any deductible or retention on CONSULTANT's policies without right of contribution from PLAN. Deductible and retention provisions shall not contain any restrictions as to how or by whom the deductible or retention is paid. Any deductible or retention provision limiting payment to the Named Insured is unacceptable.

In the event that PLAN seeks coverage as an additional insured under any CONSULTANT insurance policy that contains a deductible or self-insured retention, CONSULTANT shall satisfy such deductible or self-insured retention to the extent of loss covered by such policy, for any lawsuit arising from or connected with any alleged act of CONSULTANT, subconsultant, subcontractor, or any of their employees, officers or directors, even if CONSULTANT or subconsultant is not a named defendant in the lawsuit.

- c. Waiver of Subrogation. The commercial general liability, automobile liability, and workers' compensation/employer's liability policies are to contain and be endorsed with a waiver of subrogation in favor of PLAN JPA, its officers, officials, employees, and volunteers.
- d. Privacy. The TPA shall provide for all parties' privacy and the respective protection of such. This shall include all proprietary and third-party software platforms or any other method of data accumulation and aggregation.
- e. Notice of Termination. All CONSULTANT policies shall provide that the insurance carrier shall give written notice to PLAN at least 30 days prior to cancellation of the policy or policies (unless canceled for non-payment, then 10 days prior written notice will be given) and shall provide notice of such cancellation to PLAN and any other additional insured. If a carrier will not provide the required notice of cancellation, the proposer shall provide written notice to the PLAN JPA no later than ten (10) business days before cancellation.
- f. Additional Provisions. Each policy or policies of insurance described in Commercial General Liability Insurance, above, shall contain the following provisions:
  - Inclusion of PLAN, its successor entity, and their respective commissioners, officers, representatives, agents and employees, as additional insureds with respect to work or operations in connection with this Agreement.

- Endorsement providing that such insurance is primary insurance, and no insurance of PLAN will be called on to contribute to a loss.

g. Certificates of Insurance. Prior to commencement of any work hereunder, CONSULTANT shall deliver to PLAN Certificates of Insurance verifying the aforementioned coverages. Such certificates shall make reference to all provisions and endorsements referred to above and shall be signed on behalf of the insurer by an authorized representative thereof. CONSULTANT agrees, upon written request by PLAN, to furnish copies of such policies or endorsements, certified by an authorized representative of the insurer.

h. Disclaimer. The foregoing requirements as to the types and limits of insurance coverage to be maintained by CONSULTANT are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by CONSULTANT pursuant hereto.

**i. STATUS OF CONSULTANT**

CONSULTANT is an independent contractor retained through this Agreement to provide legal services in specific areas of law and not to participate in or advise PLAN on general ongoing decisions. CONSULTANT is not an employee of PLAN and has no authority to contract or enter into any other agreement in the name of PLAN. CONSULTANT has, and hereby retains, full control over the employment, direction, compensation, and discharge of all persons employed by CONSULTANT who are assisting in the performance of services under this Agreement. CONSULTANT shall be fully responsible for all matters relating to the payment of its employees, including compliance with social security, withholding tax and all other laws and regulations governing such matters. CONSULTANT shall be responsible for its own acts and those of its agents and employees during the term of this Agreement.

CONSULTANT shall conduct research and arrive at conclusions with respect to its rendition of information, advice, recommendations, or counsel independent of the control

and direction of PLAN or any PLAN official, other than normal contract monitoring, and shall possess no authority with respect to any PLAN decision beyond rendition of information, advice, recommendations, or counsel. The authority of CONSULTANT to make representations or statements on behalf of PLAN shall be limited to representations or statements that reflect or convey agency decisions of PLAN and which are of a type that outside counsel normally make in the context of representation of a client.

**j. WORK PRODUCTS CONFIDENTIAL**

Work products prepared or assembled by CONSULTANT, obtained from others by CONSULTANT or made available to CONSULTANT by PLAN in connection with the services under this Agreement shall be treated as confidential by CONSULTANT and subject to the Attorney Work Product Doctrine and the attorney-client privilege, and CONSULTANT agrees that they shall not be made available to any individual or organization without prior approval of PLAN.

**k. SUBCONTRACTS**

CONSULTANT shall not subcontract all or any portion of its services under this Agreement without the prior written approval of the General Manager or a designated representative, and any attempt to do so shall be void and unenforceable. In the event that CONSULTANT enters into one or more subcontracts pursuant to this Article, it is understood and agreed that the participating subcontractors shall be solely and directly responsible to CONSULTANT, and PLAN shall have no obligation to them.

**l. ASSIGNMENT OF AGREEMENT**

CONSULTANT shall not assign this Agreement, or any part hereof without prior express written consent of PLAN or a designated representative, and any attempt thereat shall be void and unenforceable.

**m. RECORDS**

CONSULTANT shall maintain full and adequate books, records, and accounts in accordance with generally accepted accounting practices. All such books, records, accounts, and any and all work products, materials, and other data relevant to its performance under this Agreement shall be retained by CONSULTANT for a minimum of four (4) years following the fiscal year of the last expenditure under this Agreement.

**n. AUDITS**

CONSULTANT shall permit PLAN and its authorized representatives to have access to CONSULTANT's books, records, accounts, and any and all work products, materials, and other data relevant to this Agreement, for the purpose of making an audit, examination, excerpt and transcription during the term of this Agreement, and for the period specified in Article 12. CONSULTANT shall in no event dispose of, destroy, alter, or mutilate said books, records, accounts, work products, materials, and data for that period of time.

**o. NOTICES**

Except for invoices submitted by CONSULTANT pursuant to Article 3, all notices, or other communications to either party by the other shall be deemed given when made in writing and delivered, mailed, emailed, or faxed to such party at their respective addresses as follows:

To PLAN:

Attention:

Eric Dahlen, General Manager

PLAN

1750 Creekside Oaks, Suite 200

Sacramento, CA 95833-3648



To CONSULTANT:                      Attention:

Email:

Tel:

Fax:

**p. PROHIBITED INTEREST**

No member, officer, employee, or agent of PLAN, during his/her tenure shall have any prohibited interest as defined by California Government Code Sections 1090, *et seq.* and 87100 *et seq.*, direct or indirect, in the Agreement or the proceeds thereof. Prohibited interests include interests of immediate family members, domestic partners, and their employers or prospective employers. CONSULTANT further covenants that it has made a complete disclosure to PLAN of all facts of which it is aware upon due inquiry bearing upon any possible interest, direct or indirect, which it believes any member, officer, agent or employee of PLAN (or an immediate family member, domestic partner or employer or prospective employer of such member, officer, agent or employee) presently has, or will have in the Agreement, or in the performance thereof, or in any portion of the profits thereunder. Willful failure to make such disclosure, if any, shall constitute grounds for cancellation and termination hereof by PLAN.

**q. SOLICITATION OF CONTRACT**

CONSULTANT warrants that it has not employed or retained any company or persons, other than a bona fide employee working solely for CONSULTANT, to solicit or secure this Agreement, and that it has not paid or agreed to pay any company or person other than bona fide employees working solely for CONSULTANT, any fee, commission,

percentage, brokerage fee, gift, or any other consideration contingent upon, or resulting from, the award or making of the Agreement. For breach or violation of this warranty, PLAN shall have the right to terminate the Agreement without liability or, at its discretion, the right to deduct from CONSULTANT's maximum payment the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent consideration.

**r. INTEREST OF THE CONSULTANT**

CONSULTANT covenants that it has a duty to disclose any potential conflicts of interest and has disclosed any potential conflicts of interest existing at the time of execution of the Agreement. CONSULTANT will otherwise act in accordance with its ethical obligations in performing its work for PLAN. PLAN acknowledges that CONSULTANT may represent individual members of PLAN and hereby acknowledges and waives any potential conflict of interest. In the event of an actual conflict, CONSULTANT will be required to recuse itself from matters giving rise to the conflict.

To the extent that an actual or potential conflict of interest is identified in the course of this engagement, CONSULTANT will seek the informed written consent of both PLAN and the other client where appropriate, in accordance with the State Bar of California Rules of Professional Conduct.

**s. LAWS AND REGULATIONS**

CONSULTANT shall comply with any and all laws, statutes, ordinances, rules, regulations, and procedural requirements of any national, state, or local government, and of any agency of such government, including but not limited to PLAN, that relate to or in any manner affect the performance of the Agreement. Those laws, statutes, ordinances, rules, regulations, and procedural requirements which are imposed on PLAN as a recipient of federal or state funds are hereby in turn imposed on CONSULTANT.

**t. REMEDIES FOR BREACH**

The duties and obligations imposed by the Agreement and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights, and remedies otherwise imposed or available by law. No action or failure to act by PLAN or CONSULTANT shall constitute a waiver of any right or duty afforded any of them under the Agreement, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing.

**u. CHOICE OF LAW**

All questions pertaining to the validity and interpretation of the Agreement shall be determined in accordance with the laws of California applicable to agreements made and to be performed within the State.

**v. MEDIATION**

Prior to the initiation of any legal proceedings, the parties of this Agreement agree to submit all claims, disputes or controversies arising out of or in relation to the interpretation, application, or enforcement of this Agreement to non-binding mediation. Such mediation shall be conducted under the auspices of the American Arbitration Association or such other mediation service or mediator upon which the parties agree. The Party seeking to initiate mediation shall do so by submitting a formal, written request to the other party to this Agreement. This section shall survive completion or termination of this Agreement, but under no circumstances shall either party call for mediation of any claim or dispute arising out of this Agreement after such period of time as would normally bar the initiation of legal proceeding to litigate such claim or dispute under the laws of the State of California.

**w. ENTIRE AGREEMENT**

The Agreement is the entire agreement of the parties. CONSULTANT represents that in entering into the Agreement it has not relied on any previous representations, inducements, or understandings of any kind or nature.

**x. PARTIAL INVALIDITY**

If any term or condition of the Agreement is found to be illegal or unenforceable, such term or condition shall be deemed stricken and the remaining terms and conditions shall remain valid and in full force and effect.

**y. BENEFIT OF AGREEMENT**

The Agreement shall bind and benefit the parties hereto and their heirs, successors, and permitted assigns.

IN WITNESS WHEREOF, the Agreement has been executed by the parties hereto as of the day and year first written above.

PLAN

CONSULTANT

\_\_\_\_\_  
Rebecca Mendenhall,  
President of the Board of Directors  
\_\_\_\_\_

\_\_\_\_\_  
XXX  
\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## **APPENDIX E – Cost Outline Worksheet**

Company Name	
Contact Person (Name & Title)	
Phone Number	
Email Address	
Physical Address	

[illegible]