



The ASU Group
Risk Management Services Agreement

The ASU Group (ASU), a Michigan Corporation, with corporate offices at 2120 University Park Drive, Okemos MI, 48864 enters this agreement for services with the City of Hamtramck (Client), located at 3401 Evaline Street, Hamtramck, MI 48212 according to the terms herein provided.

Term:

- A. The term of this Agreement shall be for two years, beginning July 1, 2026, and ending June 30, 2028.
- B. In the event of early termination by client, for any reason other than unsatisfactory performance by ASU, the remaining balance of the total fee will be due and payable on the effective date of the termination. If client intends to terminate this agreement any time before expiration date, due solely to unsatisfactory performance by ASU, client agrees to first provide ASU a written explanation of the performance issues and allow ASU 90 days post notice to correct performance deficiencies to the satisfaction of the client.

Services:

Client self-insures, insures, or administers risks and desires assistance with its insurance program (The Program). ASU will assist Client through the services provided in this Agreement and its attachments.

Where these services are provided for on Addendum A, ASU agrees to perform the following services:

- A. With Regard to Claims Administration Under The Program, ASU Shall:
 - 1) Review all claim and loss reports received from Client during the term of this Agreement and process each Qualified Claim or Loss report in accordance with applicable statutory and administrative regulations.
 - 2) Conduct an investigation of each reported claim or loss under Subparagraph 1) above (hereinafter referred to as a "Qualified Claim or Loss") to the extent deemed necessary by ASU, and in conjunction with the Client's wishes, in the performance of its obligations hereunder.
 - 3) On claims involving injuries, monitor treatment programs, medical and vocational reports and return to work plans. Provide information on benefits available to injured workers.
 - 4) Arrange for field investigation services, medical specialists, rehabilitation, and job retraining specialists, medical panel selection and providers of long-term care or other experts to the extent deemed necessary by ASU, and in conjunction with the Client's wishes, in connection with processing any Qualified Claim or Loss. Field Investigation Services shall mean and

include, but not be limited to, field and investigatory activities, supplementing the Supervision/In-House Investigation Services outlined above. ASU shall have adjusters secure statements of witnesses and injured persons, complete activities check, confer with doctors and hospitals, confer with plaintiff and/or defense lawyers, prepare reports for their findings and activities to keep Client advised as developments occur, or any other activity as directed by Client. Additionally, ASU will provide to Client possible subrogation options.

- 5) Pay on behalf of Client benefits, losses, and expenses; however, only if, in the judgment of ASU, such payment would be prudent for Client, and if the anticipated amount thereof does not exceed the limit specified by Client, or in any case Client specifically approves or directs such action.

It is expressly understood that ASU shall not be required to advance its own funds to pay losses or allocated loss expenses hereunder, or to perform any services hereunder if Client fails to provide adequate funds, as herein set forth.

- 6) Perform reasonable and necessary administrative and clerical work in connection with Qualified Claim(s) or Loss(es). Prepare checks bearing the name of Client and drawn on the account, or accounts, established pursuant to this Agreement
- 7) Where provided the necessary information, ASU shall notify excess insurers of all assigned claims that meet the excess insurer's reporting requirement (i.e., disabilities exceeding one year, fatalities, severe head injuries, severe burns, major amputation, spinal cord injuries, paraplegia, quadriplegia, and any claim where the incurred is 50% or more of the specific retention), and if requested provide necessary information on the current status of these claim(s). If requested by Client, ASU will complete experience reports submitted by excess insurers for aggregate retention reporting. Client will provide to ASU a copy of its excess insurance policy containing the notification requirements and obligations referenced in this section.
- 8) Assist in preparing the defense of litigated cases, negotiating settlements, and pursuing subrogation or contribution actions; attend trials on those cases involving a Qualified Claim(s) or Loss(es).
- 9) Maintain a current estimate of the expected total cost of each Qualified Claim(s) or Loss(es).
- 10) Use computer programs to furnish to Client selected loss and information reports including:
 - a) Loss Report -- Monthly

Reports are delivered via email and/or online via a secure site. Where mutually agreed to, provide additional data, reports, and graphics.

- 11) Where requested provide periodic narrative report on litigated claims and where mutually agreed to, provide additional analysis.
- 12) Provide claims forms and other forms deemed by ASU to be appropriate for the efficient operation of the self-insurance program.
- 13) Provide a seat to ASU's online claim system for purposes of reviewing Program data, subject to Client's compliance with ASU data security and privacy standards. Additional seats will be provided in accordance with Addendum A. A seat represents access to the ASU Group Client Portal for one unique user ID and the related security clearances and devices unique to an individual user.

B. With regard to development of the Program, ASU shall, to the extent appropriate:

- 1) Consult with key Program personnel on the establishment and coordination of necessary procedures and practices to comply with regulations regarding handling of claims.
- 2) Participate in the orientation of employees and Program personnel who are directly or indirectly involved in the processing of Qualified Claim(s) or Loss(es).
- 3) Provide information on changes or proposed changes in legislation, rules, or regulations affecting the handling of claims.
- 4) Review the development of the insurance program periodically with representatives of Client in order to identify problems and recommend corrective action.

C. Other ASU Services:

- 1) Perform loss control consulting services as detailed in Addendum B.
- 2) Perform medical cost containment services as detailed in Addendum C.

ASU Responsibilities:

- A. ASU has the authority to enter into this Agreement and the making of this Agreement does not violate any agreement, right, or obligation existing between ASU and any person, corporation, or firm.
- B. ASU has received and will maintain all necessary governmental approvals required to provide the services set forth in this Agreement.
- C. All ASU adjusters are properly licensed by the appropriate governmental entity.
- D. ASU'S administration of claims complies with all applicable governmental laws and regulations.
- E. ASU will provide timely and accurate claim data.

- F. Loss control services are provided without warranty. The loss control work product is based on information obtained from Program representatives and/or the conditions and practices observed during loss control surveys. These services may not list all unsafe conditions and/or practices that existed at the time of the survey. Surveys and suggestions made by ASU are advisory in nature. They are intended only to assist with Program operations. They are not a guarantee of compliance with any federal, state, or local law or standards.
- G. Coverage Line and State Specific Compliance

ASU will comply with applicable coverage line and state specific claim handling regulations including where applicable:

Michigan Workers' Compensation

- 1) ASU, as a Service Company, will comply with R408.43m, Rule 13m of the General Rules of the Bureau of Workers' Disability Compensation, Department of Labor, State of Michigan, which provides that all claims with dates of injury or disease within the contract will be handled until conclusion of the claims, unless the service company is relieved by the Bureau, in writing of the responsibility for handling claims. Notwithstanding said Rule, Client acknowledges its continuing obligation to pay ASU service fees.
- 2) Pursuant to rule 13 m, ASU will place on notice and provide reporting to specific and aggregate excess insurers on all claims meeting the requirements contained in all applicable excess insurance contracts.
- 3) Subject to compliance with its obligation under 1) and 2) above, ASU will return all documents generated or prepared by ASU for the group or individual self-insurer and any other materials which are the property of an individual or group self-insurer within ten (10) days of a request by the individual or group self-insurer.

Client Responsibilities:

- A Client will promptly forward claims data for new claims and for changes to existing claims to ASU through processes mutually agreed to from time to time. Client will promptly respond to ASU'S requests for approvals or direction.
- B. Client shall at all times provide funds adequate for the payment of Qualified Claim(s) or Loss(es) and of allocated loss expenses. For this purpose, allocated loss expenses shall mean all costs, charges, or expenses of third parties processed by ASU, its agents, or its employees which are properly chargeable to Qualified Claim(s) or Loss(es) including, without limitation, court costs, fees and expenses of attorneys, investigators, experts and witnesses, and fees for obtaining diagrams, reports, documents, and photographs. In addition, allocated loss expense may include certain ASU service fees or expenses as identified on Addendum A. However, no payments directly to ASU shall be made off the Client's account without written authorization from Client.
- C. Client shall deposit sufficient funds for ASU to carry out its responsibilities under the terms of this Agreement in a bank account, or accounts, established by Client.

ASU shall have full responsibility for the care, custody, and control of such account, or accounts, and Client shall readily make funds available to ASU for use in payments under The Program. Sufficient funds shall be provided at the inception of this Agreement in an amount mutually agreed upon by Client and ASU. Client shall promptly replenish such account from time to time, thereafter, based upon estimates furnished by ASU on the anticipated or actual level and volume of Qualified Claim(s) or Loss(es) and allocated loss expenses.

- D. Client shall provide ASU with information regarding any applicable excess coverage(s) for the policy years necessary for proper notification of applicable claims to such insurers by ASU.

Mandatory Medicare Reporting

ASU agrees to provide the following services:

For any claim reported by the Client, ASU will perform the necessary reporting to the Center for Medicare & Medicaid Services (CMS), in accordance with the Medicare Secondary Payer Mandatory Reporting Provisions in Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (the MMSEA – 42 U.S.C. 1395y(b)(8))

Client Obligations under this agreement:

- A. If applicable, to register with CMS as Responsible Reporting Entity (RRE) and assign an Authorized Representative in compliance with MMSEA 111.
- B. If applicable, to set up an account with CMS Coordination of Benefits Contractor (COBC) and assign an Account Manager and obtain an “RRE ID”.
- C. If applicable, to make ASU an “Account Designee” under Client’s “RRE ID” on the COBC Secure Web Site so that ASU can report required claims data on Client’s behalf.

Service Fees:

Client will pay to ASU service fees and expense reimbursements as detailed on addendum A. ASU service fees are due upon receipt and are payable in US dollars.

Indemnification:

ASU shall indemnify and hold harmless Client, and its directors, officers, and employees, for any and all damages, liabilities, claims and causes of actions (including reasonable attorney fees) arising out of the negligence or other wrongful acts or omissions of ASU and its employees. Client shall indemnify and hold harmless ASU and its agents, directors, officers, and employees, for any and all damages, liabilities, claims and causes of action (including reasonable attorney fees) arising out of the negligence or other wrongful acts or omissions of Client, its employees, or agents.

ASU will maintain errors and omissions, general liability, auto liability and workers compensation insurance. Liability coverage will be maintained at a minimum of \$ 2,000,000. ASU will provide certificates of insurance upon Client request.

License to Use ASU Data Formats and Documents:

License to use ASU data formats, forms and training material is granted to Client for internal use only. Any other use is strictly prohibited.

Force Majeure:

The obligations of a party under this Agreement will be suspended for the duration of any force majeure applicable to that party. The term "force majeure" means any cause not reasonably within the control of the party claiming suspension, including without limitation, an act of God, industrial disturbance, war, riot, weather-related disaster, earthquake, governmental action and unavailability or breakdown of equipment. The party claiming suspension under this Section will take reasonable steps to resume performance as soon as possible without incurring unreasonably excessive costs.

Confidentiality:

The Parties acknowledge the confidential nature of information shared under this Agreement and agree to limit disclosure to where it is required to complete services authorized herein, or authorized by the disclosing party, or where legally required.

No Solicitation:

The Parties agree that during the term of this agreement and for a period of eighteen (18) months after any termination, they will not directly or indirectly hire, contact, divert or take away any staff employee of the other Party for their own benefit or the benefit of other persons or entities, without the approval of the other Party.

Notices:

Notices required under this agreement shall be forwarded to the address provided above to the attention of the President/CEO for ASU and President/CEO for Client.

Amendment:

This Agreement may be amended or modified only by a subsequent document in writing executed by each of the Parties above.

Assignment:

It is agreed by the Parties hereto that there will be no assignment or transfer of this Agreement, nor of any interest in this Agreement.

Governing Law:

This Agreement shall be construed in accordance and governed by the laws of the State of Michigan.

Partial Invalidity:

If a material provision of this Agreement is to be held to be invalid, illegal, or unenforceable, the validity, legality, or enforceability of the remaining provisions of this Agreement shall remain in full force and effect.

Whole Agreement:

This Agreement constitutes the entire Agreement between the Parties and shall be deemed to supersede and cancel all other Agreements between the Parties relating to the transactions herein contemplated. None of the prior or contemporaneous negotiations, preliminary drafts or prior versions of this Agreement leading up to its execution and not set forth herein shall be used by any of the Parties to construe or affect the validity of this Agreement. Each Party acknowledges that no representation, inducement, or condition not set forth herein has been made or relied upon by either Party.

Effective Date:

This Agreement shall become effective as of the date upon which the last of the Parties listed below shall have signed this Agreement.

Period to Cure:

ASU shall have a period of ninety (90) days in which to cure any omission or improper performance under this Agreement. The 90-day period shall commence to run from the date ASU obtains written notice from Client.

Agreed and Accepted:

By ASU: _____,

Date: _____

By Client: _____, _____,

Date: _____

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Addendum A – Service Fees

All ASU fees are due upon receipt and payable in U.S. Dollars.

Claim fees are for claim handling for the life of the contract. The ASU Group agrees to handle all files to conclusion provided that a current contract for these services stays in full force and effect. In the event of cancellation or non-renewal, a negotiated fee will be charged per file per year until closure, or all files will be transferred to another Service Company.

An Administration Fee of \$16,500 will be billed in quarterly installments of \$4,125.
Included in the Fee are the following:

- Designated Account Team
- OFAC Search on Medical Only and Indemnity Claims
- Reporting to Excess Carrier(s)
- Preparation, Mailing, and Filing of 1099's
- One User ID's to provide On-Line Access to Data
- Monthly Loss Run, Delivered Electronically
- Up to four (4) Claim Review Meetings Annually upon request
- Appropriate State Workers' Compensation Forms
- Mandatory Medicare Reporting

Geographic Limitations

Geographic Limitations, of Service Agreement for Administration of Workers' Compensation Self-Insurance Program to include the following states:

Michigan

Allocated loss expenses will be billed separate from ASU service fees and will be paid from the claim account. Allocated Loss Expense includes but is not limited to the following:

- Fees to attorneys for claims in suit and representation at hearings or pretrial conferences
- Fees to court reporters
- All court costs, court fees and court expenses
- Interest paid as a result of litigation
- Fees for service of process
- Costs of undercover operative and detective services (i.e., surveillance, alive and well surveys), costs of employing experts for the preparation of maps, professional photographs, accounting, chemical or physical analysis, diagrams
- Costs for employing experts for the advice, opinions or testimony concerning claims under investigation or in litigation or for which a declaratory judgment is sought
- Cost for independent medical examination and/or evaluation for rehabilitation and/or to determine the extent of the Client's liability

- Costs of legal transcripts of testimony taken at coroner's inquests, criminal or civil proceedings
- Costs of copies of any public records and/or medical records
- Costs of depositions and court reported and/or recorded statement
- Costs and expense of subrogation when referred to outside attorneys
- Costs of engineers, handwriting experts and/or any other type of expert used in the preparation of litigation and/or used on a one-time basis to resolve disputes
- Any other similar cost, fee, or expense reasonably chargeable to the investigation, negotiation, settlement or defense of a claim or loss or to the protection or perfection of subrogation rights of the Client, with prior approval of the Client
- Vocational rehabilitation, medical management, and associated services
- Field investigations
- Medical cost containment services
- Any other expense which is a cost of the litigation
- Expenses to pay Indemnity or medical costs on a qualified claim or loss

Additional claim administration services including, but not limited to, field investigations, claim meetings, and special claim reports requested by the client beyond those provided in the annual fees will be billed at prevailing hourly rates.

No check shall be cut directly to ASU from Client's account unless specified in writing from Client prior to issuance.

If Client cancels or non- renews and requests ASU to provide a data transfer to another party, there will be a prevailing rate time and expense charge for the cost of the data transfer.

*There will be a late charge of 1.5 % per month for any amount past due for more than thirty (30) days and a charge of \$30.00 will be added to any returned checks.