State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES
25 Capitol Street – Room 120
Concord, New Hampshire 03301
Office@das.nh.gov

Charles M. Arlinghaus
Commissioner
(603) 271-3201

Joseph B. Bouchard
Assistant Commissioner
(603) 271-3204

Catherine A. Keane
Deputy Commissioner
(603) 271-2059

June 5, 2019

His Excellency, Governor Christopher T. Sununu
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

Requested Action

1. Authorize the Department of Administrative Services (DAS), Risk Management Unit, to amend the existing contract with Cross Insurance TPA Inc., (Cross) (VC#265158), in the amount of $78,000, decreasing the total amount of the contract from $2,560,000 to an amount not to exceed $2,482,000 to administer Workers' Compensation Third Party Administration and Related Services (Agreement) for state employees. The original contract was approved by the Governor and Executive Council on May 27, 2015, Item #143, copy attached. This agreement will become effective upon Governor and Council approval through June 30, 2020.

2. Authorize DAS, Risk Management Unit, to exercise the option to extend the amended contract with Cross (VC#265158), in an amount not to exceed $1,037,000, increasing the total contract amount from $2,482,000 to $3,519,000 to administer Workers' Compensation Third Party Administration and Related Services (Agreement) for state employees. The original contract was approved by the Governor and Executive Council on May 27, 2015, Item #143, copy attached. This agreement will become effective the later of Governor and Council approval or July 1, 2020 through June 30, 2022.

Funding will be through individual agency expenditures, contingent upon availability and appropriations for all fiscal years.

Explanation

RSA 21-I:24 and 21-I:25-a together authorize the Commissioner of DAS to enter into contracts for services directly related to the provision and monitoring of workers' compensation benefits payable to state employees. RSA 281-A:11 permits the State to self-insure for workers' compensation coverage and directs the legislature to appropriate sufficient

funds to implement a self-insurance program that includes legal costs, benefits and administrative costs. The State has opted to self-fund its workers' compensation program. Therefore, a third party administrator pays wage replacement (indemnity), medical and other claims expenses and is reimbursed by the State. The costs of claims expenses are in addition to the cost of administrative service fees associated with this Agreement. The State reimburses claims expenses on a monthly basis and pays the administrative fee for services quarterly.

DAS currently contracts with Cross as the State's workers' compensation (WC) third party administrator (TPA) using a "life of claim" approach to claims management. Under the "life of claim" approach, Cross manages each claim through to its closure even if the claim is open beyond the contract term. The result is multiple WC TPAs managing State WC claims should the WC TPA change through a future procurement.

After assessing industry trends and best practices, DAS is requesting to amend the existing contract from a "life of claim" to a "life of contract" claims management approach. Under the 'life of contract" approach, all open claims transition to any future WC TPA, affording DAS efficiencies in program administration, contract management, invoicing, accounting, and data analytics. The change in approach to claims management results in an overall decrease of $78,000 credited in Year 5.

DAS is also requesting an extension of the initial Cross contract for two additional years ending June 30, 2022. Through a competitive procurement process, Cross won the current contract over two other compliant bidders. Over the past four years, DAS and state agencies have worked with Cross to manage the State's workers compensation claims with a hands-on approach in line with industry standards. The State's partnership with Cross has focused on enhancing communication and building strong relationships with agencies resulting in more timely claims reporting, identification of return-to-work opportunities, rigorous claims investigations, and thorough litigation preparation. The partnership has also yielded more favorable outcomes at Department of Labor hearings and an overall decrease in the average time for injured workers to return-to-work.

The State's Risk Manager plans to build on these collaborative efforts by developing agency specific metrics and cost containment strategies. The continued partnership with Cross is integral to getting these key initiatives in motion. Through negotiations, Cross has shown their desire to continue building on their relationship with the State by agreeing to less than a one percent (1%) annual increase in their administrative fees each year of the extension period.

Based upon the foregoing, I respectfully request your approval of this contract amendment and extension.

Respectfully submitted,

Charles M. Arlinghaus
Commissioner

FIRST AMENDMENT TO THE CONTRACT
BETWEEN CROSS INSURANCE TPA
THE STATE OF NEW HAMPSHIRE, DEPARTMENT OF ADMINISTRATIVE SERVICES,
FOR WORKERS' COMPENSATION THIRD PARTY CLAIM ADMINSTRATION AND RELATED SERIVCES
CONTRACT # 8002527

This First Amendment (hereinafter referred to as the "Amendment"), dated this 29th day of May, 2019, is by and between the State of New Hampshire, Department of Administrative Services ("State") and Cross Insurance TPA, Inc., (Cross or Contractor) for Workers' Compensation Third Party Claims Administration and Related Services.

WHEREAS, pursuant to an agreement effective July 1, 2015, set to expire June 30, 2020, (hereinafter referred to as "the Agreement"), the Contractor agreed to perform certain administrative services related to the self-funded workers' compensation program for state employees in consideration of payment by the State of certain sums as specified therein; and

WHEREAS, pursuant to Section 18 of the Agreement, the Agreement may be amended by an instrument in writing executed by both parties;

NOW, THEREFORE, for and in consideration of the mutual promises set forth in this Amendment and the underlying Agreement, the parties do mutually agree as follows:

1. Delete in its entirety Form Number P-37, item 1.7 Completion Date and substitute the following:

   1.7 June 30, 2022

2. Delete in its entirety Form Number P-37, item 1.8 Price Limitation and substitute the following:

   1.8 $3,519,000

3. Amend Exhibit A, Article 2, Effective Date, as follows:

   Replace the Expiration Date of Agreement with: 06/30/2022

4. Delete Exhibit A, Article 3, Definitions, Paragraph F Claims Run Off, in its entirety and substitute with the following.

   F. Claims Run Off Services: Services performed by Cross following the termination of the Agreement to support the transition of claims handling to the State or a successor Third Party Administrator. Services include but are not limited to: Timely transfer of all records to the State or successor TPA related to claims incurred during the Agreement period (Including, but not limited to, electronic RMIS data extracts, paper files, legal correspondence, New Hampshire DOL communications/decisions, and similar claims related documents). Contractor will process and pay claims on behalf of the State that have a claim incurred date during the Agreement Period (or portion thereof if the Agreement terminates prior to the end of the Agreement Period).

5. Delete Exhibit A, Article 3, Definitions, Paragraph I Cradle to Grave, in its entirety and substitute with the following.

   I. Life of Contract: Workers' Compensation claims that are reported to Cross within the Agreement term of 7/1/2015 through 6/30/2022 and handled by Cross until the termination date of this Agreement.

Contractor Initials: WFJ
Date: 5/31/19

6. Delete Exhibit A, Article 4, Paragraph A, Sections 1a. and 1b., in their entirety and substitute with the following:

   1. CLAIMS TO BE SERVICED

      a. Cross shall administer all workers' compensation claim activity generated by state employees for the "Life of the Contract", beginning on July 1, 2015 and continuing through June 30, 2022, the contract term.

      b. Claims Run Off Services: Cross TPA shall agree to cooperate with all other vendors of the State in the on-going coordination and delivery of workers' compensation services to the State, in the event of transfer of responsibility to a successor workers' compensation TPA upon the termination of this agreement. There shall be no Administrative Services Fee for Claims Run Off Services.

7. Delete Exhibit A, Article 4, Paragraph A, Section 3, third bullet (•), in its entirety and substitute with the following.

   - All Workers' Compensation claims reported from 7/1/2015 through 7/1/2022 will be entered into Cross' claims reporting system and assigned to an adjuster within one business of report from the State. The day following the date of receipt, issuance, or other required action counts as the first day. All file activity shall be fully documented either by paper or electronically, and shall include the source of information and date of activity.

8. Delete Exhibit A, Article 4, Paragraph K, Section 1a, in its entirety and substitute with the following:

   a. Specific Claims to be serviced: Cross will administer all workers' compensation claim activity generated by state employees beginning on July 1, 2015 through June 30, 2022, for the Life of Contract.

9. Delete Exhibit B, Article 1, Contract Price, Sections A and B, in their entirety and substitute with the following.

   A. Cross hereby agrees to provide the services in complete compliance with the terms and conditions specified in Exhibit A at the price below for the term of the contract ("contract price"). The total Contract Price for the term of the Agreement as shown in block 1.8 of the P-37 is $3,519,000.

   B. The annual administrative fees are as follows:

Year	Annual Administrative Fee
July 1, 2015 to June 30, 2016	$490,000
July 1, 2016 to June 30, 2017	$510,000
July 1, 2017 to June 30, 2018	$515,000
July 1, 2018 to June 30, 2019	$520,000
July 1, 2019 to June 30, 2020	$447,000
July 1, 2020 to June 30, 2021	$516,000
July 1, 2021 to June 30, 2022	$521,000

Contractor Initials: WSJ
Date: 5/31/19

10. Delete Exhibit B, Article 2, Payment Terms, Paragraph A, in its entirety and substitute with the following.

    A. Contract Price Invoicing. Cross shall submit TPA administrative invoices to the State on a quarterly basis in an amount of one fourth the applicable annual administrative fee, except for the period of July 1, 2019 to June 30, 2020, which shall be invoiced as follows: $53,250 in quarter 1 and $131,250 in quarters 2, 3, and 4. The administrative fee is billed separately from claims costs.

11. All other provisions of the Agreement, approved by the Governor and Executive Council on May 27, 2015 (agenda item 143), shall remain in full force and effect.

Contractor Initials: WJ
Date: 5/31/19

WORKERS' COMPENSATION TPA, INC

By: William J Lewis

William J Lewis
(Print Name)

Title: Vice President

Date: 5/31/19

NOTARY PUBLIC/JUSTICE OF THE PEACE

On the 31 day of May, 2019
There appeared before me the state and county foresaid a person who satisfactorily identified himself as

William J. Lewis

And acknowledge that he executed this document indicated above.

In witness thereof, I hereunto set my hand and official seal.

Michelle A Thomas
(Notary Public/Justice of the Peace)

My commission expires:

Michelle A. Thomas
Notary Public, Maine
My Commission Expires July 22, 2021
(Date)

STATE OF NEW HAMPSHIRE

By:

Charles M. Arlinghaus
(Print Name)

Title: Commissioner
Department of Administrative Services

Date:

OFFICE OF THE ATTORNEY GENERAL

By: Deanne Martin

(Print Name)

Title: Assoc. AG

Date: 6/5/19

The foregoing contract was approved by the Governor and Council of New Hampshire on

JUN 19 2019

Signed:

Title: DEPUTY SECRETARY OF STATE

Contractor Initials: MF
Date: 5/31/19

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that CROSS INSURANCE TPA, INC. is a Maine Profit Corporation registered to do business in New Hampshire as TPA CROSS AT NEW HAMPSHIRE on March 20, 2014. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: **706057**
Certificate Number: **0004520962**

IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 29th day of May A.D. 2019.

William M. Gardner
Secretary of State

CROSS INSURANCE TPA, INC.

CERTIFICATE OF VOTE

I, Sarah S. Zmistowski, Clerk of Cross Insurance TPA, Inc., do hereby certify as follows:

1. I am the duly elected Clerk of Cross Insurance TPA, Inc. (the "Corporation"), a Maine corporation.

2. I maintain and have custody of and am familiar with the Seal and minute books of the Corporation.

3. I am duly authorized to issue certificates.

4. Attached hereto as **Exhibit A** is a true, accurate and complete copy of the resolutions adopted by the Board of Directors of the Corporation on May 29, 2019 by an Action by Unanimous Written Consent in accordance with Maine Law and the bylaws of the Corporation.

5. The foregoing resolutions have not been revoked, annulled or amended in any manner whatsoever, and remain in full force and effect as of the date hereof; and the following persons have been duly elected and now occupy the offices indicated below:

President:	Royce M. Cross
Chairman of the Board:	Woodrow W. Cross
Executive Vice President:	Jonathan Cross
Vice President:	Gard Estes
Vice President:	William Jeffrey Lewis
Treasurer:	Woodrow W. Cross

IN WITNESS WHEREOF, I have hereunto set my hand as the Clerk of the Corporation and have affixed its corporate seal this 30th day of May, 2019.

Sarah S. Zmistowski, Clerk

(Corporate Seal)

STATE OF MAINE
COUNTY OF PENOBSCOT

On this the 30th day of May, 2019, before me, Janet Miller, the undersigned officer, personally appeared Sarah S. Zmistowski, who acknowledged herself to be the Clerk of Cross Insurance TPA, Inc., a corporation, and that she, as such Clerk being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by herself as Clerk.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

Janet Miller
Notary Public
My Commission expires:

JANET MILLER
Notary Public - State of Maine
My Commission Expires October 5, 2022

Exhibit A

CROSS INSURANCE TPA, INC.

ACTION TAKEN BY WRITTEN CONSENT OF DIRECTORS

Pursuant to 13-C MRSA, §822 and the bylaws of Cross Insurance TPA, Inc. (the "Corporation"), the undersigned, being a majority of the directors of the Corporation, do hereby consent to the following actions, without holding a meeting, such actions being stated in the form of, and to be as fully effective as if taken by, resolutions of said directors at a meeting duly called and held on the date hereof at which the undersigned directors were present and acting throughout:

RESOLVED: That this Corporation is hereby authorized to enter into a First Amendment to the existing Contract # 8002527 with the State of New Hampshire providing for the performance by the Corporation of certain Workers' Compensation Third Party Claims Administration and Related Services, said amendment being attached hereto as Exhibit A (the "First Amendment").

RESOLVED: That the President of the Corporation is hereby authorized, acting singly, to execute and deliver the First Amendment on behalf of the Corporation, to take any and all such actions and to execute, seal, acknowledge and deliver for and on behalf of this Corporation any and all documents, agreements and other instruments and any amendments, revisions or modifications thereto as he may deem necessary, desirable or appropriate to effectuate the intent of the foregoing resolution.

RESOLVED: That all actions heretofore taken by the President of the Corporation, acting singly, on behalf of this Corporation relating to the First Amendment are hereby ratified, confirmed and approved.

RESOLVED: That the signature of any officer of this Corporation affixed to any instrument or document described in or contemplated by these resolutions shall be conclusive evidence of the authority of said officer to bind this Corporation thereby.

RESOLVED: That the Clerk of the Corporation hereby is authorized to execute and deliver one or more certificates certifying as to the adoption of the foregoing resolutions and as to the incumbency of the Corporation's officers.

Dated: May 29, 2019

Royce M. Cross

Jonathan Cross

Woodrow W. Cross

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 5/29/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Cross Insurance 491 Main Street P.O. Box 1388 Bangor ME 04401	CONTACT NAME: Molly Alley PHONE (A/C, No, Ext): (207) 947-7345 FAX (A/C, No): E-MAIL ADDRESS: malley@crossagency.com
INSURED Cross Financial Corp. 491 Main Street P O Box 1388 Bangor ME 04402	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A: Citizens Ins Co of America — 31534 INSURER B: National Union Fire Insurance Company c — INSURER C: MEMIC Indemnity Company — 11030 INSURER D: Westport Ins Co — 39845 INSURER E: Travelers Casualty and Surety — INSURER F: —

COVERAGES **CERTIFICATE NUMBER:** CL189461751 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC OTHER:			ZBP 6875017-16	7/21/2018	7/21/2019	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG Employee Benefits Liability	$ 1,000,000 $ 100,000 $ 10,000 $ 1,000,000 $ 2,000,000 $ Included $ 1,000,000
A	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS			ABP-4728890-24 ADP-915322604-08	7/21/2018 7/21/2018	7/21/2019 7/21/2019	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) Uninsured motorist combined single	$ 1,000,000 $ $ $ $ 1,000,000
B	X UMBRELLA LIAB OCCUR EXCESS LIAB CLAIMS-MADE DED X RETENTION $ 10,000			BE020572716	7/21/2018	7/21/2019	EACH OCCURRENCE AGGREGATE	$ 25,000,000 $ 25,000,000 $
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH) Y/N N/A If yes, describe under DESCRIPTION OF OPERATIONS below			5101800114 3102802556	10/1/2018 10/1/2018	10/1/2019 10/1/2019	X PER STATUTE OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 1,000,000 $ 1,000,000 $ 1,000,000
D	Error & Omissions			WED4ME011022004	5/1/2019	5/1/2020	Each Loss Limit	$10,000,000
E	Crime/Fidelity			106335845	7/10/2018	7/10/2019	Limit	$500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Cross Insurance TPA, Inc. The number of cancellation days is 30 except in instances of non-payment which is 10 days per Maine State Law.
Refer to policy for exclusionary endorsement and special provisions.

CERTIFICATE HOLDER

Department of Administrative Services
Risk Management Unit
NH Department of Admin.Service
25 Capitol Street
Concord, NH 03301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Molly Alley/MA2 Molly b. Alley

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State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES
OFFICE OF THE COMMISSIONER
25 Capitol Street – Room 120
Concord, New Hampshire 03301

5/27/15
#143

JOSEPH B. BOUCHARD
Assistant Commissioner
(603)-271-3204

May 5, 2015

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, NH 03301

REQUESTED ACTION

Authorize the Department of Administrative Services (DAS) to enter into a five-year agreement with Cross Insurance TPA, Inc., (Cross), New Gloucester, Maine (Vendor # 265158) for the provision of Workers' Compensation Third Party Administration and Related Services (Agreement) at the cost of $2,560,000 for the term effective July 1, 2015 through June 30, 2020. The fees will be billed in quarterly installments and allocated to state agencies.

Funding will be through individual agency expenditures, contingent upon availability and appropriations for all fiscal years.

EXPLANATION

RSA 21-I:24 and 21-I:25-a together authorize the Commissioner of DAS to enter into contracts for services directly related to the provision and monitoring of workers' compensation benefits payable to state employees. RSA 281-A:11 permits the State to self-insure for workers' compensation coverage and directs the legislature to appropriate sufficient funds to implement a self-insurance program that includes legal costs, benefits and administrative costs. The State has opted to self-fund its workers' compensation program so wage replacement (indemnity), medical and other claims expenses are paid by a third party administrator and reimbursed by the State. The costs of claims expenses are in addition to the cost of services associated with this Agreement. The State will reimburse claims expenses on a monthly basis and will pay the administrative fee for services quarterly.

DAS issued bid invitations through Request for Proposal (RFP) 2015-173 on March 23, 2015. The RFP was posted on the state website and emailed to twenty-three (23) vendors. Legal notice was also published March 30, 2015 through April 1, 2015 in the Union Leader. Six vendors provided proposals in response to the RFP. However, one proposal was withdrawn and two proposals could not be scored because they did not meet bidder specifications.

The scoring of the proposals was based upon the following areas and corresponding weights: Financial (50 points), Claims Administration, Risk Management Information System, Account Management, Claims Payment, Reports and Invoicing (20 points); Managed Care Services, Disability Management/Modified Duty, Litigation Management and Vocational

Rehabilitation (15 points), Implementation and Performance Guarantees (5 points), Loss Control Services and Medicare Secondary Payer Reporting (10 points). In accordance with the State's procurement rules, non-financial scoring was based on the quality of each bidder's response and not based on any outside knowledge of the programs and/or services offered by each bidder.

All scoring other than the cost proposal scoring was conducted by a Technical Scoring Committee that included the following team members: Catherine Keane, (DAS, Director of Risk and Benefits), Jason Dexter (DAS, Risk Manager), Alan Sylvester, (DAS, Loss Control Consultant) and Alexis Martin (Department of Transportation, Administrator of Human Resources). The Technical Scoring Committee reviewed all six proposals and scored the proposals from Cross Insurance TPA, Inc., The Lawson Group (Lawson), and Helmsman Management Services (Helmsman). Of a total of 50 possible points awarded for technical merit, Cross received the highest technical score for a total of 38 points, followed by the incumbent Helmsman that scored a total of 28 points, and Lawson scored a total of 27 points. Cross's high score is attributed to its highest ranking scores in the categories identified above that begin with claims administration and managed care services.

The Financial Scoring Committee included Catherine Keane, Robert Stowell (DAS, Bureau of Purchase and Property Administrator,) and Sarah Trask (DAS, RMU, Senior Financial Analyst). The financial scoring was based on the projected five-year costs for administrative and other claims expenses and fees. The lowest scoring proposal was awarded 50 points for the Financial Score and all other proposals were scored on a sliding scale with proposals losing 2 of the 50 allocated points for every 1% more costly they were than the lowest cost proposal. Proposals that projected costs more than 25% higher than the lowest cost proposal received 0 points for the Financial Section. Cross submitted the lowest cost proposal and received 50 points for the Financial Section, Lawson received 38 points, and Helmsman received 0 points for its financial proposal under the sliding scale.

Cross received the highest total score and is recommended for the contract. After negotiations, Cross agreed to lower its administrative fees over a five year period by $115,000. Additionally, it agreed to lower the percentage it charges for medical bill review fees, a process that negotiates a lower medical bill, from 30% of the savings to 25% of the savings. The State's agreement with Cross incorporates specific financially-based performance guarantees to ensure a high level of service and achieves a significant cost savings for administrative and related services from the previous agreement.

DAS respectively recommends approval of the contract as submitted.

Respectfully submitted,

Joseph B. Bouchard
Assistant Commissioner

RFP 2015-173

FINAL SCORING FOR WORKERS COMPENSATION THIRD PARTY ADMINISTRATION AND RELATED SERVICES

	Cross TPA	Lawson Group	Helmsman
PRICING	50.00	38.21	0.00
TECHNICAL	38	27	28
TOTAL	87.75	65.21	28.00

Subject: **Workers Compensation Claims Administration and Related Services**

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Administrative Services		1.2 State Agency Address 25 Capitol Street, Concord NH 03301	
1.3 Contractor Name Cross Insurance TPA, Inc.		1.4 Contractor Address 60 Pineland Drive, Suite 130 New Gloucester, ME 04260	
1.5 Contractor Phone Number 207-688-1201	1.6 Account Number Individual Agency Expenditures	1.7 Completion Date June 30, 2020	1.8 Price Limitation $ 2,560,000
1.9 Contracting Officer for State Agency Catherine A. Keane		1.10 State Agency Telephone Number 603 271-2059	
1.11 Contractor Signature		1.12 Name and Title of Contractor Signatory Royce M. Cross, President	

1.13 Acknowledgement: State of Maine, County of Penobscot

On May 4, 2015, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.

1.13.1 Signature of Notary Public ~~or Justice of the Peace~~

[Seal]

1.13.2 Name and Title of Notary ~~or Justice of the Peace~~

ALICE M. DYER
NOTARY PUBLIC, MAINE
MY COMMISSION EXPIRES SEPTEMBER 26, 2021

1.14 State Agency Signature	1.15 Name and Title of State Agency Signatory Assistant Joseph Bouchard, Commissioner

1.16 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)*

By: Director, On:

1.17 Approval by the Attorney General (Form, Substance and Execution)

By: On: 5/12/15

1.18 Approval by the Governor and Executive Council

By: DEPUTY SECRETARY OF STATE MAY 27 2015

Contractor's Initials:
Date: 5/4/15

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT. Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.
5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

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7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):
8.1.1 Failure to perform the Services satisfactorily or on schedule;
8.1.2 Failure to submit any report required hereunder; and/or
8.1.3 Failure to perform any other covenant, term or condition of this Agreement.
8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
8.2.4 Treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.
9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.
9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:
14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $250,000 per claim and $2,000,000 per occurrence; and

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14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.
14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.
14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A *("Workers' Compensation")*.
15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

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EXHIBIT A
SERVICES TO BE PERFORMED

ARTICLE 1. INTRODUCTION

This EXHIBIT A is made a part of the Agreement (the "Agreement") between the between the State of New Hampshire ("State") and Cross Insurance TPA, Inc. ("Cross") for Workers' Compensation Third Party Claims Administration and Related Services.

ARTICLE 2. EFFECTIVE DATE

Effective Date of Agreement: 07/01/2015
Expiration Date of Agreement: 06/30/2020

The State shall have the right to terminate the contract at any time by giving the Cross ninety (90) days advance written notice.

ARTICLE 3. DEFINITIONS

For the purposes of this Exhibit A and any addenda, attachments or schedules to the Agreement, the following words and terms have the following meanings unless the context or use clearly indicates another meaning or intent.

A. Allocated Loss Adjustment Expenses (ALAE): All expenses allocable to a claim including but not limited to, legal expenses or attorneys' fees, court costs or fees, fees for service of process, costs for depositions or examinations under oath, interest, costs for copies of any public records, transcription services, appraisal fees, cost of hospital or other medical reports, medical examinations, medical bill review or hospital bill review fees, PPO Network fees, Utilization Review fees, private investigation, surveillance, professional photography, expert witness analysis or testimony, accident reconstruction, Electronic Legal Billing, Contractor Hearing/Trial Attendance, engineering analysis, non-contractor field investigation, index bureau report. The definition of "allocated loss adjustment expense" shall be amended when, and to the extent, necessary to bring the definition into compliance with applicable law.

B. Benefits: Compensation for wage loss, remedial care and rehabilitation as provided by New Hampshire RSA 281-A.

C. Case: A Workers' Compensation claim within an administrative or adjudicatory process.

D. Claim: A right or entitlement, actual or supposed, to protection and benefits established by New Hampshire Workers' Compensation Law RSA 281-A.

E. Claim Review (On-Site): Pre-planned formal in-person or telephonic meeting between the State or their consultant to discuss a predetermined group of claims selected by the State. This typically includes the current status of claims, the adequacy of loss cost estimate and case action plan, and may include a Claims Summary Report.

F. Claims Run Off: Administration of State claims by Cross that are reported to the Cross between 7/1/2015 and 6/30/2020 that remain open upon and after termination of this contract with the Cross.

G. Claims Service Reimbursement Statement: A listing of individual claims associated with the Service Plan. The statement will list all claims with activity during the period being invoiced under the Service Plan. The claims are listed by report date, by State Agency, location, and show incurred amounts, paid amounts and claims handling service fee.

H. Contractor: Cross Insurance TPA, Inc.

I. Cradle to Grave: Workers' Compensation Claims that are reported to Cross within the Agreement term of 7/1/2015 through 6/30/2020 and handled by Cross until closed or fully resolved, regardless of the termination date of this Agreement. Once Agreement is terminated and claims are still being handled by Cross, they are categorized as Claims Run Off.

J. Data Conversion: The process in which data provided by the State or its Contractor is reformatted to meet the systems requirements of Cross for purposes of consolidated report generation. To complete this

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process, a number of services must be completed, including preliminary analysis, data mapping, PRISM generation, RT Data Service Assessment, and Risk Information Systems programming, and Data Access.

K. Employee: As defined by New Hampshire RSA 281-A, with respect to public employment, means any person in the service of the State, including members of the general court, under any express or implied voluntary contract of hire and every elected or appointed official or officer of the state or any agency thereof while performing official duties.

L. Employer: The State of New Hampshire and any agency of the State.

M. Field Investigation and Related Activity (WC): Initial and/or follow up claims investigation conducted by a staff of geographically disbursed Field Investigators, at the request of the Contractor for the purpose of fraud prevention or to ensure the appropriate level of investigation. Workers' Compensation investigations may include in-person contact and recorded interview of claimants, the State's, and/or other witnesses to verify accident facts and determine whether injury occurred in the course and scope of employment. This may include on-site investigation/inspection of accident scene and contact with public agencies as needed or requested by the State and also includes investigation of recovery potential. This service also includes performance of activity checks on injured workers when Cross believes the claimant may be performing activities inconsistent with their disability. Activity checks may include neighborhood interviews, background checks and photographs or other activities as agreed to by the State and Cross.

N. Injury: Accidental injury or death arising out of and in the course of employment, or any occupational disease or resulting death arising out of and in the course of employment, including disability due to radioactive properties or substances or exposure to ionizing radiation. No compensation shall be allowed to an employee for injury proximately caused by the employee's willful intention to injure himself or injure another. Conditions of the aging process, including but not limited to heart and cardiovascular conditions, shall be compensable only if contributed to or aggravated or accelerated by the injury. Notwithstanding any law to the contrary, "injury" or "personal injury" shall not mean accidental injury, disease, or death resulting from participation in athletic/recreational activities, on or off premises, unless the employee reasonably expected, based on the employer's instruction or policy, that such participation was a condition of employment or was required for promotion, increased compensation, or continued employment (from RSA 281-A)

O. Managed Care Network: A system of healthcare providers, contracted by a managed care organization, to render services, as needed, to workers' compensation claimants.

P. Nurse Case Managers (NCM's): NCM job duties are to assess injury severity, medical treatment plans, functional abilities and physical job requirements, establishing case-specific return to work plans.

Q. Statute: The Workers' Compensation Law, RSA 281-A, as amended.

R. Occupational disease: An injury arising out of and in the course of the employee's employment and due to causes and conditions characteristic of and peculiar to the particular trade, occupation or employment. It shall not include other diseases or death therefrom unless they are the direct result of an accidental injury arising out of or in the course of employment, nor shall it include either a disease which existed at commencement of the employment or a disease to which the last injurious exposure to its hazards occurred prior to August 31, 1947. (RSA 281-A)

S. Utilization Management: Cross' Utilization Management unit provides recommendations regarding the medical appropriateness of medical treatment requested.

T. Performance Standards: Cross' standards of performance in providing services to the State of New Hampshire under this Contract.

U. Performance Guarantees: Measurable criteria used by the State to evaluate Cross' adherence to the Performance Standards as well as Cross' success or failure to meet the standards. Financial penalties will be assessed based on Cross' failure to meet the Performance Standards.

V. Rehabilitation provider: Any qualified medical professional providing physical rehabilitation services and/or remedial or restorative care.

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W. Right-to-Know Law: New Hampshire RSA 91-A which ensures both the greatest possible public access to the actions, discussions and records of all public bodies, and their accountability to the people.

X. State Loss Reports: Reports contain loss information based on state specific self-insurance requirements.

Y. Vocational rehabilitation provider: Any qualified person who provides vocational rehabilitation services, such as job placement, job analysis, aptitude testing, and vocational counseling.

ARTICLE 4. ADMINISTRATIVE SERVICES PROVIDED BY CROSS

A. CLAIMS ADMINISTRATION

Cross shall perform Workers' Compensation Third Party Claims Administration services including but not limited to: claims adjusting services including compensability investigation, reserving practices, claim reviews, medical care and loss control, disability management, litigation management and payment control.

1. CLAIMS TO BE SERVICED

a. Cross shall administer all workers' compensation claim activity generated by State employees' beginning on July 1, 2015 and through June 30, 2020, the proposed contract term, and continuing thereafter until each claim is completely resolved (from "cradle to grave").

b. The State may elect to transfer responsibility for servicing these claims during or following the termination of the contract period. Cross shall handle claims from "cradle to grave", but the State reserves the right to transfer responsibility for any or all of the claim files at the time the contract terminates, or any time thereafter, if such a transfer would be in the best interest of the State. In the event of such a transfer, Cross shall pay to the State within thirty days of written demand, an amount equal to the then "market rate" for TPA claims runoff services, said market rate to be arrived at by good faith negotiations between the parties. Upon the election of the State to transfer responsibility, Cross agrees to transfer all records to the state or the successor Third Party Administrator in a manner agreed to by the parties or in no more than 90 days of contract termination.

c. The State and Cross reserve the right to amend this contract to include administration of claims that are administered by Helmsman.

2. IMPLEMENTATION

a. Cross shall begin implementation upon approval of the contract by Governor and Council (G&C meeting date to be determined) for an effective date of coverage on July 1, 2015.

b. Cross' implementation plan **shall** include the following:

- Implementation meeting(s) open to all State agency risk management coordinators and agency personnel responsible for managing workers' compensation claims for the State's 61 agencies and boards which include approximately 1,635 sub-locations. The meeting(s) shall be held at one or two central locations in State buildings within thirty days of contract commencement. The meeting(s) will address the following activities and topics and include the stated materials: Prepare and distribute workers' compensation brochures, applicable forms and communication materials to State employees detailing workers' compensation claim filings and procedures, the managed care network, loss prevention services and risk management information systems.
- Provide each agency with workers' compensation Notice of Compliance posters.
- Ensure that Cross's computerized risk management information system available to the State users upon the effective date of the contract. During the course of the contract term and upon request of the State, Cross will hold orientation meetings to train risk management coordinators whenever a new version of the Cross's IT claim reporting computer system is rolled out.
- Ensure that the Cross's managed care network is available to injured employees.
- Train Cross staff on the State account and upon request, attend meetings or tours of State worksites to become familiar with State operations, personnel and workplace exposures.

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3. CLAIM REPORTING AND ASSIGNMENT

- The State shall be able to report a claim to Cross via internet, telephone and/or fax twenty-four (24) hours a day seven (7) days a week. Cross shall provide a toll free number for claim reporting. Claim location, cause and injury coding, shall be in a format dictated by the State.
- Cross shall be responsible for reporting claims to the NH Department of Labor and shall participate in the Central Index Bureau.
- All Workers' Compensation claims reported from 7/1/2015 through 6/30/2020 will be entered into Cross' claim reporting system and assigned to an adjuster within one business day of report from the State. The day following the date of receipt, issuance, or other required action is counted as the first day. All file activity shall be fully documented either by paper or electronically, and shall include the source of information and dates of activity.

4. INVESTIGATION

All claims, including medical only and lost time claims, shall be investigated to determine compensability and include contact with the applicable agency personnel to verify accident details and resolve compensability issues.

Lost time claims will require additional contact requirements as detailed here:

a. For all "appropriate" continuous lost time workers' compensation claims, Cross will contact or make "reasonable attempts" to "contact" the following individuals within the following parameters:

b. Unless represented by an attorney, contact with the injured worker within 1 business day of report of the claim by the State and request a recorded statement.

c. Contact with the appropriate personnel at the applicable State agency within 1 business day of report of the claim by the State.

d. Contact with the injured worker's treating physician within 2 business days of the report of the claim by the State.

e. Contact with relevant witnesses to verify accident details within 2 business days of notice of existence and request a recorded statement.

f. All actual and attempted contacts will be documented by Cross.

g. "Reasonable attempts" are defined as written documentation, posted in the electronic file of Cross' attempts to contact the injured worker, employer, treating physician, and witnesses.

h. "Appropriate" is defined as cases with continuous lost time at the time of report that exceed the New Hampshire statutory waiting period of three (3) days, per RSA 281-A:22.

i. Verification of an employee's average wage consistent with jurisdictional requirements shall be obtained from the employer within ten (10) working days.

j. Cross is responsible for identification of and all aspects of filing claims with the NH Second Injury Fund, per RSA 281-A:55; Combined Earnings per RSA 281-A: 30, RSA 281-A: 15 and RSA 281-A:55, and Job Modification Reimbursement per RSA 281-A:54.

5. LIEN WAIVER REQUESTS.

In collaboration with RMU, Cross shall prepare all documents required for Governor and Council (G&C) meetings in accordance with employees' petition for workers' compensation lien waiver, in full or part, connected to a third party recovery. Cross shall not tentatively agree to settlement amounts without written approval from the Risk Management Unit and shall make parties to any tentative agreement aware lien waivers are subject to G&C approval.

6. FRAUD PREVENTION.

When appropriate, activity checks and/or surveillance shall be conducted by Cross or its designee.

7. CLAIM ACCEPTANCE OR DENIAL

a. Cross shall manage receipt of the following workers' compensation forms from the State and work with agency personnel to obtain any information necessary to complete the forms. Cross shall be responsible for filing claims with the NH Department of Labor (DOL).

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- **Notice of Accidental Injury or Occupational Disease (Form No. 8aWCA).** This form is used by an employee to provide the employer with written notice that she or he has sustained an on the job injury or believes that she or he has developed an occupational illness.
- **Employer's First Report of Injury or Occupational Disease (Form No. 8-WC).** This form is to be completed by the employer within five calendar days of learning of an employee's work-related injury or illness.
- **Employer's Supplemental Report of Injury (Form No. 13 WCA).** The employer uses this form when an employee's occupational illness or injury has resulted in lost time from work (disability) of four or more days. It is also used when an employee who was disabled by a work-related injury or illness returns to work. It should be used to clarify lost time if the First Report of Injury is not clear.
- **Wage Schedule (Form No. 76 WCA).** In the event that an employee becomes disabled from a work-related injury or illness and loses time from work. This form will need to be completed and mailed to Cross so that the injured employee's workers' compensation rate can be calculated.
- **Supplemental Wage Schedule (Form No. 76 WCA 1).** If requested, this form should be completed by the employer and signed by the employee. This form is used to calculate after tax earnings.

b. Cross will accept or deny a claim that exceeds the New Hampshire three (3) calendar day waiting period within 14 calendar days from the first day of disability whichever is sooner. This standard is held in abeyance if the claim is reported less than 5 business days prior to the compensability due date. Cross will mail a letter of denial within twenty-one (21) calendar days of receipt of claim to all appropriate parties: injured worker, attorney if injured worker is represented, employer and treating physician.

c. If a claim is determined to be compensable, a first payment shall be issued on or before the 14th business day of disability or earlier, if statute so provides, if special circumstances warrant delivery prior to the 14th business day. Cross shall send a 9WCA (memo of payment form) to the State agency.

d. If a denial of compensability is in order, prompt and legally sufficient details of such denial shall be made to all the appropriate parties within 21 calendar days from receipt of claim on form 9WCA-1 (Memo of Denial form). Cross shall contact the agency employer representative advising of the intention to deny prior to issuing written notice to the employee. All denials shall be followed by timely administrative filings and a vigorous defense of non-meritorious claims.

8. RESERVING

Cross shall establish initial reserves for Workers' Compensation indemnity claims within 14 business days of disability. Reserve estimates shall be revised whenever developments occur which change the ultimate loss exposure. Documentation shall exist, with reserve worksheets or other appropriate means to support the basis for reserve changes.

B. MANAGED CARE SERVICES

1. Cross shall make available to the State a network of medical care providers and medical centers contracted by a managed care program to render services to employees on workers' compensation. The network shall be approved by the Commissioner of Labor as provided in RSA 281-A:23-a and comply with Lab 700. The network shall ensure that injured employees have access to prompt, efficient and quality medical care providers and specialists. The medical providers and centers shall be currently licensed and credentialed in the State of NH. The network should provide coverage throughout the State of NH and Cross shall administer and enforce participation in accordance with RSA 281-A:23-a.

2. The managed care services shall include:

a. Qualified injury management facilitators, case managers and rehabilitation managers either employed or contracted by Cross or managed care program. Including medical and disability case management with registered nurses case managers and/or other medical personnel with experience in occupational medicine. Nurse case managers assess injury severity, medical treatment plans, functional abilities and physical job requirements, establishing case-specific return to work plans. Nurse case managers may accompany injured employees to doctor's visits and may contact injured employees to discuss treatment plans and return to work plans.

b. Referral to appropriate medical providers within network in accordance with RSA 281-A:23-a and Lab 700 *Managed Care Programs in Workers' Compensation*.

c. Medical bill review – Review and adjustment of medical bills for compliance with fee schedules, usual and customary limitations, treatment plans and clinical logic, as well as jurisdictional rules and

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requirements regarding medical necessity, casualty, and precertification; includes adjustments negotiated with providers regarding particular charges and elimination of duplicate bills, bills for non-covered services and bills disallowed through peer review.

d. Utilization Management pre-certification review – initial request for medical services to determine medical necessity and appropriateness; Utilization Management Extension review – subsequent review for further certification of treatment or service beyond that which has already been certified. Review for necessity of extended service during hospitalization or the extended necessity of outpatient treatment; Utilization Management non-clinical review – Data collection and processing of certain medical services to identify treatment exceeding standards of practice; Utilization Management retrospective review; and Utilization Management consultation – proving recommendations regarding the medical appropriateness of treatment request.

e. Case management of employee in-patient or outpatient medical care on all lost time cases, and medical only cases if treatment extends more than ninety (90) days after injury and/or employee is working with physician imposed restrictions.

f. Pharmaceutical cost management measures.

g. Written medical reports shall be aggressively pursued and obtained from the treating physician and/or other medical practitioners for the status of the worker's injury and for use in conjunction with medical bills screening, and file preparation pending hearings and/or appeal.

C. DISABILITY MANAGEMENT/MODIFIED DUTY AND ALTERNATIVE WORK

Modified duty and/or Temporary Alternative Work shall be evaluated and discussed with the employer by Cross. All opportunities shall be confirmed and detailed in written correspondence by the Cross, supplied to the physician, and copied to the employer contact. If available, Cross shall inform the provider of modified duty opportunities prior to the employee's medical appointment where disability status will be assessed. Cross shall follow the provisions of RSA 281-A:23-b for temporary alternative work opportunities for State employees.

1. Cross shall arrange for the best medical care necessary to treat and cure injury or illness to State employees claiming workers' compensation benefits. Cross shall provide the employer with a list of physicians/medical providers' utilized and possessing experience in industrial medicine and managed care concepts within thirty (30) days of contract inception and annually thereafter. Cross shall manage physicians/medical providers in the network on an ongoing basis to ensure standards are met.

2. The service team must promote a team approach to mitigate disability through use of continual follow-up contact with the injured worker, employer and physician at intervals consistent with the injury and estimated length of disability to establish a return-to-work target date. Personnel utilized must possess expertise and licensing necessary to effectively discuss diagnosis, prognosis and extent of disability with treating physicians. Board Certified physicians are preferred.

3. The treating physician must be provided with a complete job description detailing essential tasks and responsibilities required. If none are available from the State department, or in a form insufficient for medical comment on disability and return to work, Cross will take whatever measures are necessary to detail essential tasks and job requirements. The physician shall be requested to facilitate an objective evaluation of the injured worker's ability to return to work. When necessary, Cross will videotape the job and provide it to the physician.

4. Cross must provide **technical assistance** to the employer in the development of task analysis for transitional and/or modified jobs when requested by the agency employer and approved by the Risk Management Unit. If an offer of physician approved Temporary Alternative Work is refused by an injured employee, Cross must confer with the employer and/or RMU prior to requesting termination or reduction of benefits.

5. Independent medical examinations shall be conducted consistent with RSA 281-A: 38, RSA 281-A:38-a, and Lab 700 where questions of disability, causal relationship, need for surgery and/or existing treatment or where reports of treating physician are not forthcoming. Cross must be willing to enforce RSA 281-A:39 if State employees on Workers' Compensation refuse to submit to an examination.

6. When appropriate, activity checks and/or surveillance shall be conducted consistent with length of disability and/or when the injured worker is suspected of exaggerating or prolonging disability. Persons or companies conducting activity checks and/or surveillance must be licensed and bonded.

7. If an offer of physician approved Temporary Alternative Work is refused by an injured employee, Cross shall notify the State Risk Manager prior to requesting termination or reduction of benefits per RSA 281-A:48.

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D. VOCATIONAL REHABILITATION

Shall be provided per the provisions of RSA 281-A: 25, RSA 281-A:68, and Lab 500. Vocational rehabilitation involves job placement, job analysis, aptitude testing and vocational counseling services.

E. LITIGATION MANAGEMENT

Cross may utilize in-house or outside counsel that meets Cross' quality control standards and agrees to accept the Cross' litigation management plan and billing rates or fee schedule. The Risk Manager or designee reserves the right to approve Cross' choice of legal counsel for representation in hearings or appeals.

Cross shall ensure that all cases are properly prepared prior to conference, hearing or trial, including but not limited to the following:

a. Notify the State Risk Manager and agency contact of the scheduled hearing/appeal date and discuss whether employer representation is necessary. Agency employer and/or a member of the RMU may attend hearings, conferences, appeals or trials concerning a State employee unless there are bona fide privacy concerns. Upon request of RMU or legal counsel, Cross' claims representatives shall attend hearings.

b. Have available all necessary lay and professional witnesses or their depositions prior to formal hearing or trial.

c. If contested issues involve extent of disability and/or permanency, have medical reports and opinions and witnesses available and ready for testimony or deposition, depending on the statute requirements.

d. Cross shall notify the State in writing of hearing and appeal outcomes, preferably with a report from assigned counsel, and make recommendations regarding the merits of appealing outcomes.

F. LOSS CONTROL SERVICES

Cross' designated Loss Control Services personnel shall work closely with the RMU to tailor an effective statewide loss control program. Cross shall focus on reducing loss frequency, severity and related costs while complying with the provisions of RSA 281-A: 64. Cross shall work with the State to identify actual and potential sources of loss and offer recommendations, information and training to assist the State in reducing its loss frequency, severity and related costs.

1. NOTIFICATION STANDARDS

When the RMU requests loss control assistance, Cross shall make contact with the employer agency within ten (10) business days. After the service visit has been completed, Cross shall follow up with a written report to the agency and RMU within fifteen (15) business days.

2. CONSULTATION STANDARDS. CROSS OR ITS DESIGNEE SHALL PROVIDE THE FOLLOWING SERVICES, AS NEEDED:

- Assist agencies with creation of loss control programs for State agencies following the provisions of RSA 281-A: 64, RSA 277, RSA 277-A and LAB 1400 rules.
- Assist agencies with development of temporary alternative work.
- Assist agencies with joint loss management committees by making loss control staff available to occasionally attend.
- Review of actual and potential exposures, hazard analysis, and fact-finding, broken down by employer agencies.
- Comparison to appropriate industry benchmarks.
- Basic engineering guidelines for the design of physical safety controls
- Loss control surveys which reveal an immediate danger to employees shall be reported within twenty four (24) hours to the RMU. Cross will work with the State to prioritize and target higher risk loss exposures and then develop targeted loss control programs.
- Standard industrial hygiene services as follows: the State shall report claims or potential claims that are directly related to an occupational illness exposure or uncontrolled exposure that needs testing, such as indoor air quality, solvents and dust, noise and vibrations, water incursion into buildings and

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radiation. The hygienist shall go on site to collect and analyze samples and then issues a written analysis and recommendation.

- Workstation assessments by a consultant trained in ergonomics and submission of recommendations to reduce exposure to cumulative trauma disorders with existing or potential workers' compensation claims.
- Safety and loss control training materials, safety literature and posters.
- Access to webinar trainings.
- Four health and safety in person classroom based seminars shall be conducted annually by Cross for State agencies on pertinent loss control topics agreed upon by Cross and the State. In the past, topics were blood borne pathogens, accident investigation, ergonomics, indoor air quality; setting up a Joint Loss Management Committee and agency safety programs and lock out/tag out.
- Cross shall provide a combination of on-site, telephonic and web-based safety consulting.

G. REPORTS

In accordance with cradle to grave claims handling, Cross shall continue to provide all required reports until claims are fully resolved. All reports, including ad-hoc reports shall be provided to the State within 5 business days of request. The reports shall include, but not be limited to:

1. QUARTERLY REPORTS

Cross shall send quarterly reports to State agencies on the 10th of the month at the end of each quarter, for each year of the contract, on the following dates:

- October 10 for the first quarter from July to September
- January 10 for the second quarter from October to December
- April 10 for the third quarter from January to March
- July 10 for the fourth quarter from April to June
- If requested on an as needed basis by the State, the reports shall be provided within 30 days.

2. THE REPORTS ARE AS FOLLOWS:

a. **Quarterly Claim Summary Reports.** Separately for each agency and one total summary report for the State. The reports shall include the following:

1. Total claim count and cost; number of open and closed claims.
2. Distribution of claims total paid and reserve sorted by amounts: all claims with value of up to $1,500, claims from $1,500 to $10,000, claims from $10,001 to $25,000 and claims over $25,000.
3. List of top 10 claims indicating claim number, name, injury date, open or closed status, total incurred, paid and on reserve.
4. Medical savings indicating medical bills received, PPO penetration, total charged, duplicates eliminated, net charged, medical dollars saved, percentage saved and net medical paid.
5. First report of injury with number reported within three days of injury, between four to ten days and over eleven days.
6. Lost time cases: total count and incurred and litigated cases, indicating count and incurred.
7. Lost time cases by employee tenure: number of cases and total incurred sorted by employees who have worked for the State less than one year, more than one year, between two to four years, between five to nine years and over ten years.
8. Disability days indicated temporary total and temporary partial.
9. Top five causes of loss: indicating number of claims; percentage of total; total incurred
10. Top three medical providers with total paid, number of claims and percentage of savings, and PPO inclusion

b. **Quarterly Incident Rate Reports** shall be sent to the agencies separately and one summary shall be sent to RMU for the State overall. Indicating the number of injuries per 100 employees which is

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calculated as a number of claims times 200,000 work hours divided by actual work hours. The report will indicate a number for total claims and a number for lost time claims only.

3. **ANNUAL REPORTS**

- **Detailed Statistical plan reports** including recommendations on corrective action to be taken by the State in order to realize a reduction of claim frequency, severity and costs. Recommendations shall identify the State agency involved and establish the cost to implement as well as dollars projected to be saved resulting from planned action.
- **Actuarial analysis of outstanding liabilities** for the State's workers' compensation program shall be provided to the State no later than September 1 of each contract year. The report analyzes the State's workers' compensation claim experience in order to develop estimates of unpaid loss and Allocated Loss Adjustment Expense (ALAE). The analysis shall also include an allocation of the Incurred But Not Reported (IBNR) losses and ALAE to the State's four operating divisions. This report will assist the State in meeting any governmental requirements in settling of actuarially sound reserves for workers' compensation liabilities. Cross may have the report prepared by an outside party, such as an actuarial or accounting firm.
- **Service Organization Control 1 (SOC 1) Report with Independent AICPA Service Auditor's Report including Tests Performed and Results Thereof** (formerly Statement on Auditing Standards (SAS) No. 70 Reports). The Report shall be provided to the State no later than September 1 of each policy year. Cross may have the report prepared by an outside party, such as an actuarial or accounting firm.
- **Department of Labor Reporting**: Cross shall provide data and forms necessary for the completion of the requisite regulatory filings including self-insurance renewal Questionnaire.

H. MEDICARE SECONDARY PAYER

With regard to claims serviced by Cross, identify those individuals who are eligible to receive Medicare benefits and/or whom Medicare Secondary Payer (MSP) requirements apply, Cross will be designated the State's agent for the purpose of mandatory reporting under the Medicare and Medicaid Extension act of 2007 (MMSEA) and related regulations. Cross shall be responsible for the following:

Accurately and timely submitting required reports including without limitation reports under the (MMSEA), specifically Section 111, and any regulations that the federal government may issue pertaining to the MMSEA, using the appropriate Responsible Reporting Entity (RRE) identification number.

Promptly provide missing data and/or corrections to the US Department of Health and Human Services for Medicare and Medicaid Services (CMS) if inaccurate or incomplete data is submitted and make responsible staff available to CMS for inquiries.

Cross will bear financial responsibility for any fines levied by CMS on the State or Cross for failure to follow the requirements.

I. RISK MANAGEMENT INFORMATION SERVICES

1. Cross shall provide Risk Management Information Systems comprised of user-friendly web-based technology available to representatives in the State's 61 agencies and boards with the ability to make online claim status inquiries, real time claim file notes, customized and standard reporting with a high level of data integrity and security. In accordance with cradle to grave claims handling Cross shall continue to provide access until claims are fully resolved.
2. The State's requirements include, but are not limited to, the following types of workers' compensation claim reports:
   - Itemized statement of loss
   - Customized claim detail
   - Customized payment detail
   - Loss comparison by cause, location, date
3. The State requires the above mentioned reports via on-line access to a computerized claim system. Internet accessibility shall follow State standards for web interface, including web browsing standards approved by the State. State users shall be able to access the reports electronically, sort them via tailored queries and print them.

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4. The State shall have a minimum of eight users of the IT system with the ability to create and write reports. The users will be in the RMU and the State larger agencies. The RMU will determine which agency personnel will be granted user status.
5. All agencies shall have the ability to logon to Cross' computer portal system to report claims and run more basic, agency-specific standard claim reports.
6. Cross shall supply a one-time training session to the RMU and agency users. This training shall also be made available online. The training shall take place in a State building in Concord, N.H. Cross shall supply on-going support for training and new product releases or upgrades via the telephone and/or internet. Support personnel shall be fully trained and have the required expertise to respond to technical questions and perform troubleshooting and problem solving.
7. The flat administrative fee shall include all of the above mentioned risk management information services including any software releases during the contract term.
8. For every claim and/or incident of injury reported to Cross, data collection shall include:
    - Employee name
    - Employer [State Department] name
    - Division, Bureau, District, or other unique identifier for respective locations as determined necessary by the Department involved
    - Date of accident/injury
    - Short summary description of how the accident/injury occurred
    - Claim category identification to include the following descriptions: Incident Only, Medical Only, Permanent Total, Temporary Total, Temporary Partial, Permanent Partial, Diminished Earning Capacity, Temporary Alternative Work
    - Incurred loss amounts, Paid loss amounts and Reserve loss amounts
    - Number of lost time days
    - Code/name for cause of accident
    - Code/name for body part injured
    - Code/name for type of injury
    - Claim status identified as open or closed, and date of action

J. ACCOUNT MANAGEMENT

Cross shall assign experienced personnel to the State account that have adequate caseloads, resources and time to service the account. Cross will attend meetings as requested by the State. Cross will provide a staffing plan detailing how account will be serviced.

1. Cross shall, at its own expense, provide all personnel, materials and resources necessary to perform the services under the contract. Cross shall warrant that all personnel engaged in the contract services are qualified to perform the services and are properly licensed and otherwise authorized to perform services under all applicable laws.
2. Cross' personnel shall have a strong dedication to customer service in all aspects of its dealings with the State. Cross' personnel shall return telephone calls promptly, be professional and maintain confidentiality when communicating with State employees.
3. Cross' personnel shall be available to State personnel five days a week during normal business hours (Monday through Friday from 8am to 4:30 pm E.S.T.)
4. The State reserves the right to require Cross to remove and/or reassign any employee, including the lead staff member, from the State account due to unacceptable job performance. The State retains the right to approve any replacement employee(s), and to participate in the hiring of all professional staff on the state's account.
5. Cross shall coordinate with RMU in a timely manner on topics such as, but not limited to, RSA 91-A *Right-to-Know* law requests, requests for information from State leadership and/or elected officials, job modification, termination and other issues, if they relate to workers' compensation matters. Cross shall be willing to accommodate individual State agency personnel policies and rules, within reason, while maintaining compliance with RSA 281-A.

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6. Cross shall follow the State's Customized claims special service instructions.

The special service instructions shall be distributed to Cross' claims personnel. The instructions shall be reviewed and updated annually and/or as necessary. The special service instructions are as follows:

a. Litigation Management: Discuss with the State prior to actual referral of claim to panel attorney/law firm. The State approves referral of claim to outside counsel. Discuss if there are any additional fees and provide detail.

b. Settlement Consultation with the State's Risk Manager or designee to obtain settlement approval for all claim settlements over twenty thousand dollars ($20,000) and all settlements involving any other mental disability including stress and indoor air quality issues.

c. Claim and Reserve Communication: Cross shall notify the State's Risk Manager on the following claims: reserve increase of one hundred thousand dollars ($100,000) or more, fatality, catastrophic injury, unusual or emerging risk, complex coverage and return to work is no longer an option.

d. Action Plan Communication/Update:

Cross shall email a sixty (60) day action plan updates to the Risk Manager. Communication for the initial investigation and return to work coordination is between the State agency representative and Cross, the Risk Manager is involved on overall case management.

e. Compensability Decisions: After investigating a workers' compensation with efforts from the local agency, contact the Risk Manager if the claim is denied.

K. CLAIMS PAYMENTS SERVICES

1. The State requires the following claims payment process:

a. Specific Claims to be serviced: Cross will administer all workers' compensation claim activity generated by State employees' beginning on July 1, 2015 for the proposed contract term through June 30, 2020 and continuing thereafter until each claim is fully resolved (from "cradle to grave").

b. Medical and indemnity payments shall be made according to the timetable set forth in RSA 281-A or based on Cross' internal guidelines, if sooner.

c. Attorney bills shall be reviewed by Cross to ensure that they reflect billing practices and expense controls that are consistent with Cross' fee schedule and billing agreements on Cross' approved Law Firms. Non-panel attorney bills should be reviewed to ensure that billing practices and expense controls are consistent with cost containment measures. All claims payments shall be made by Cross in accordance with statutory provisions and regulations.

d. Upon request by the State, Cross shall make available within ten (10) business days all source documents related to any payment in question.

e. The State is directly responsible for actual paid Loss and Allocated Loss Adjustment Expense (ALAE) and shall reimburse Cross for all payments advanced as provided herein. Loss and allocated loss adjustment expenses advanced by Cross shall be charged directly to the claim file and billed monthly to the State one month in arrears.

f. Cross agrees to extend to the State the right to an independent audit at the Cross' own cost.

L. INVOICING

1. **Claim Invoicing** v shall be responsible for submitting claim invoices to the State on a monthly basis on the last day of each month in which the services have been charged to Cross. Invoices shall include the date, the services provided, the charge, and any additional detail in which the State may require for processing. Claim payment detail shall support invoices submitted by Cross when requesting reimbursement for workers' compensation benefits paid out on behalf of the State in the previous month. At minimum, reports shall include employee name, date of injury, payee, amount paid, and type of payment made [Indemnity, Medical, Expense]. Wage replacement (indemnity), medical, legal, permanency ratings and other claim expenses are paid by the TPA and then reimbursed by the State on a monthly basis.

2. **Quarterly TPA Administrative Fee Invoicing** Cross shall be responsible for submitting TPA administrative fee invoices on a quarterly basis. The administrative fee is a flat fee for claims management, loss control, managed care, legal defense, information systems, Medicare Secondary Payer reporting and other related services. The administrative fee is billed separately from claims costs.

3. Invoices shall be submitted to:

Contractor's Initials: _____
Date: 5/4/15

The State of New Hampshire

Department of Administrative Services

Risk Management Unit

25 Capitol Street, Rm 412

Concord, NH 03301

Or via email to: jason.dexter@nh.gov

4. The State shall not make payments to Cross prior to July 1, 2015.

5. Cross shall be reimbursed within thirty (30) business days after receipt of invoices and acceptance of the work to the State's satisfaction. Said payments shall be made electronically, through an automatic deposit or ACH credit.

ARTICLE 5. PERFORMANCE GUARANTEES

Performance Guarantees are criteria used by the State to measure Cross' adherence to the performance standards as well as Cross' success or failure to meet the standards. Performance guarantee metrics may be self-reported, but are subject to independent audit by the State. All guarantees shall be set and measured annually.

During the term of this Agreement, Cross shall extend to the State the Performance Guarantees which follow:

1. Implementation: Successful implementation per the terms of this contract. Penalty for non-conformance is 1% of the applicable administrative fee for each quarter of the contract.
    a. Meetings and training with State Risk Management Unit and agency personnel.
    b. Distribution of workers compensation brochures, forms and communication material.
    c. Availability of RMIS for all applicable state personnel.
    d. Availability of managed care network and training of state staff.
    e. Establishing procedures for claims reporting and assignment in accordance with proposal that, at a minimum, includes:
        i. Contact the applicable agency personnel to verify the details of the accident and resolve compensability issues
        ii. Cross agrees that for all appropriate continuous lost time workers compensation claims, we will contact or make "reasonable attempts" to contact the following individuals within the following parameters:
            - Unless represented by an attorney, contact the injured worker within 1 business day of the report by the state and request a recorded statement.
            - Contact with the appropriate personnel at the applicable state agency within 1 business day of report of the claim by the state.
            - Contact with the injured workers' treating physician within 2 business days of the report of the claims by the state.
            - Contact with the relevant witnesses to verify accident details within 2 business days of notice of existence and request a recorded statement
        iii. Cross agrees to document all contact attempts whether calls, emails, letters on the claims system.
        iv. Cross agrees that reasonable attempts are defined as written documentation, posted in the electronic file of our attempts to contact the injured worker, employer, treating physician, and witnesses.
        v. Cross agrees that 'Appropriate" is defined as cases with continuous lost time at the time of the report that exceeds the New Hampshire statutory waiting period of 3 days per RSA 281-A:22
        vi. Cross agrees to verify the injured workers average weekly wage consistent with jurisdictional requirements by securing the necessary information from the employer within 10 working days.

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vii. Cross agrees to be responsible for identifying and all aspects of filing claims with the NH Second Injury Fund per RSA 281-A:55, Combined Earnings per RSA 281-A:15 and RSA 281-A:55, and Job Modification per RSA 281-A:54.

viii. Begin pursuing subrogation and other recovery potential on your behalf as soon as possible in order to reduce your loss exposure. Subrogation recovery efforts are conducted by the adjusters handling the claims. There are no additional charges for subrogation recoveries. Cross has extensive liability claims adjustment experience that will aid in the pursuit of subrogation.

ix. Index each lost time claim with the Central Index Bureau.

x. Establish an estimated length of disability and communicate this to the injured worker. This establishes return-to-work expectations in the minds of all parties.

xi. Work cooperatively with the medical provider to obtain modified duty capabilities, and promptly communicate those capabilities to the client and the injured worker

After completing the investigation, and within fourteen days of claim assignment, Cross will provide the State with a compensability recommendation.

2. Risk Management Information Systems available 98% of the time measured annually. Penalty for non-conformance is 1% of the applicable administrative fee in the quarter measured.

3. Standard reports and Ad-hoc reports delivered timely: Standard reports shall be delivered per the terms of this contract and ad-hoc reports within 5 business days of request. Penalty for non-conformance is $1000 for each report not delivered timely.

4. Claims administration: Adherence to investigation standards per the terms of the RFP will be measured annually. Penalty for non-conformance is 1% of the applicable administrative fee for the policy year measured.

Contractor's Initials: _____
Date: 5/4/15

EXHIBIT B
CONTRACT PRICE AND PAYMENT TERMS

This EXHIBIT B – Contract Price, Limitation on Price, Payment is made a part of the Agreement and is made according to the terms of paragraph 5 of the Form P-37. Words defined in EXHIBIT A shall have the same meaning in this EXHIBIT B unless expressly defined otherwise herein.

ARTICLE 1. CONTRACT PRICE.

A. Cross hereby agrees to provide the services in complete compliance with the terms and conditions specified in Exhibit A at the price below for the term of the contract ("contract price"). The total Contract Price for the term of the Agreement as shown in block 1.8 of the P-37 is $2,560,000.

B. The annual administrative fees are as follows:

Year	Annual Administrative Fee
July 1, 2015 to June 30, 2016	$490,000
July 1, 2016 to June 30, 2017	$510,000
July 1, 2017 to June 30, 2018	$515,000
July 1, 2018 to June 30, 2019	$520,000
July 1, 2019 to June 30, 2020	$525,000

C. The annual actuarial report price shall remain fixed at $15,000 for a total amount of $75,000.

D. Other fees

Bill Review Fee	$6.75 per bill
Nurse Case Manager	$80.00 per hour
External Investigation/Surveillance	$58.00 per hour
Index Bureau filing	$8.95 per filing
Percentage of savings	25%

ARTICLE 2. PAYMENT TERMS

A. Contract Price Invoicing. Cross shall be responsible for submitting TPA administrative fee invoices to the State on a quarterly basis in an amount of one fourth the applicable annual administrative fee. The administrative fee is billed separately from claims costs.

B. Claim Invoicing. Cross shall be responsible for submitting claims service reimbursement statement invoices to the State on a monthly basis on the last day of each month in which the services have been charged to Cross. Invoices shall include the date, the services provided, the charge, and any additional detail in which the State may require for processing. Claim payment detail shall support invoices submitted by Cross when requesting reimbursement for workers' compensation benefits paid out on behalf of the State in the previous month. At minimum, reports shall include employee name, date of injury, payee, amount paid, and type of payment made [Indemnity, Medical, Expense]. Wage replacement (indemnity), medical, legal, permanency ratings and other claim expenses are paid by the TPA and then reimbursed by the State on a monthly basis.

C. Invoices shall be submitted to:

The State of New Hampshire
Department of Administrative Services
Risk Management Unit
25 Capitol Street, Rm 412
Concord, NH 03301
Or via email to: jason.dexter@nh.gov

D. The State shall not make payments to Cross prior to the Agreement effective date of July 1, 2015.

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E. Cross shall be reimbursed within thirty (30) business days after receipt of invoices and acceptance of the work to the State's satisfaction. Said payments shall be made by means of a check mailed to the address specified in Section 1.4 of the P-37 or electronically, through an automatic deposit or ACH credit. Reimbursement via ACH may be issued 2 to 5 business days after receipt and approval of invoice. Payments made via ACH require contractor to enroll with the State Treasury: http://www.nh.gov/treasury/Divisions/DocsForms/Tforms.htm?inc=P

F. Upon request by the State, Cross must make available within three (3) business days all source documents related to any payment in question.

G. The State is directly responsible for actual paid Loss and Allocated Loss Adjustment Expense (ALAE) and shall reimburse Cross for all payments advanced as provided herein. Loss and allocated loss adjustment expenses advanced by Cross shall be charged directly to the claim file and billed monthly to the State one month in arrears.

H. Should a dispute arise as to an amount due Cross based on the State's good faith belief that Cross has, because of an administrative error, miscalculated the amount due, then the State, after written notice to Cross indicating the nature and amount of the dispute, agrees to either:

1. Pay the entire amount due, including the disputed portion thereof, provided that if the disputed amount is resolved in the State's favor, Cross shall credit the State such disputed advance; or
2. Pay the amount due less the disputed amount, provided that if the disputed advance amount is resolved in Cross' favor, the State shall remit to Cross such disputed amount.

I. In the event that Cross processes a payment in the amount of $500,000 or more, Cross shall immediately notify and bill the State for amount of such payment. The State shall remit payment with seven (7) days of such notification.

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Date: 5/4/15

EXHIBIT C
SPECIAL PROVISIONS

This EXHIBIT C – Special Provisions is made a part of the Agreement and is made according to the terms of paragraph 22 of the Form P-37. Words defined in EXHIBIT A shall have the same meaning in this EXHIBIT C unless expressly defined otherwise herein.

ARTICLE 1. INSURANCE

Delete Paragraph 14.1.1 and substitute the following: "comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $250,000 per claim and $1,000,000 per incident and no less than $1,000,000 in excess/umbrella liability each occurrence; and".

Form P-37, section 14 Insurance, is amended to include the following coverage enhancements:

Errors and Omissions liability insurance/professional liability coverage with limits in the amount of $5 (five) million per claim and $10 (ten) million in the aggregate.

There are no other special provisions of this contract.

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Date: 5/4/15

ATTACHMENT

PRIVACY PRACTICES DISCLOSURE NOTICE

Contractor's Initials: TCM

Date: 5/4/15

ATTACHMENT

WRITTEN INFORMATION SECURITY PLAN

EFFECTIVE MARCH 1, 2010

Revised 9/18/2014

Written Information Security Program for 201 CMR 17.00

Objective:

This Information Security Plan is intended to create effective administrative, technical and physical safeguards for the protection of personal information of individuals who are customers/prospects of Cross Insurance **(all corporations and divisions)**. This Plan will set forth the Agency's procedure for evaluating electronic and physical methods of accessing, collecting, storing, using, transmitting and protecting the personal information of our customers.

For the purposes of this Plan, "personal information" means the following:

A Customer/Prospect first and last name or first initial and last name, in combination with any one or more of the following that relate to such person:

1. Social Security Number.
2. Driver's license number or other types of personal identification cards.
3. Financial account numbers, credit or debit card numbers, annuity account numbers with or without any required security codes, access codes, personal identification numbers or passwords that would allow access to a customers/prospects financial accounts.

Provided, however, that "personal information" shall not include information that is lawfully obtained from publicly available information, or from federal, state or local government records lawfully made available to the general public.

The Agency recognizes that in particular, it possesses the personal information of customers/prospects and employees in the following places:

1. Hard copy customer and prospective customer files located in file cabinets, file room, dead file storage boxes, on desks and in desk drawers within the agency, as well as off premises storage facilities.
2. Electronic customer files located on the agency's servers, computer hard drives, CD-Rom, USB drive, email server or scanned document server/database.
3. Electronic customer, claimant or driver database located on the agency server or computer hard drive.
4. Personnel files and benefits information for agency employees located in file cabinets or desk drawers.
5. Payroll information for agency employees, including direct deposit information located in file cabinets, desk drawers or hard drive.

This Plan is intended to protect this information from all unauthorized access and/or use.

Scope:

In formulating and implementing this Plan, we have identified reasonable foreseeable internal and external risks to the security, confidentiality and/or integrity of any electronic, paper or other records containing personal information. We have assessed the likelihood and potential danger of these threats, taking into consideration the sensitivity of the personal information, evaluated the sufficiency of existing policies,

procedures, customer information systems and other safeguards in place to minimize those risks. A plan has been designed and implemented that puts safeguards in place to minimize those risks, consistent with the requirements of 201 CMR 17.00 and the Plan will be regularly monitored to check the effectiveness of those safeguards.

Data Security Coordinator

The Agency has designated Paula Stegall as the Data Security Coordinator to implement, supervise and maintain the Plan.

The Data Security Coordinator will be responsible for the following:

1. Initial implementation of the Plan.
2. Regular testing of the Plan's safeguards.
3. Evaluate the ability of service providers to comply with the law.
4. Review the scope of the security measures in the Plan at least annually, or whenever there is a material change in business practices which would affect the Plan.
5. Conduct an annual training session for all branch and department managers for their subsequent communication to personnel who have access to personal information.

Internal Risk to Personal Information

To combat internal risks for security, confidentiality and/or integrity of records containing personal information, including any and all customer/prospect files, the following measures will be taken:

1. Agency employees should access customer/prospect files only for legitimate business purposes.
2. Paper files containing personal information are to be secured by one or more of the following options **determined by feasibility**:
   <u>On Premises</u>
   a. Locked filing cabinets, nightly.
   b. File cabinets in a file room, room locked up nightly.
   c. Files in an area where office is secured and locked nightly.
   <u>Off Premises</u>
   a. Transporting files – the branch will take reasonable steps to maintain the security of any personal information.
3. When appropriate to destroy agency records, paper and electronic records containing personal information must be destroyed in a manner in which the information can not be read or reconstructed.
4. Agency computers shall require a user ID and password and those IDs and passwords should be changed periodically. Electronic assess to personal information will be blocked after multiple unsuccessful attempts to log-in. Back up tapes on or off premises are to be properly secured.
5. Terminated employees must return all records containing personal information in any form. Return all keys, IDs, and access codes. Terminated employees will be reported to the Home Office including the I.S. Coordinator and will be prohibited from accessing personal information and access to email, voicemail, agency intranet and passwords immediately.

6. Employees are encouraged to report any suspicious or unauthorized use of customer information to the Data Security Officer.
7. Customer checks for premium payments will be secured by the payment desk or designated employee following agency procedures.
8. To the extent technically feasible, personal information transmitted across public networks or wireless is encrypted. When typing emails, do not include banking information, social security numbers, driver's license numbers, credit or debit card numbers, checking account numbers, passwords, access codes or PINs in the text of the email.

Agency employees who violate this Plan may be subject to discipline up to and including termination.

External Risks to Personal Information

To minimize external risks to the security, integrity of records containing personal information, including any and all customer/prospect files, the following measures will be taken:

1. Visitors to the agency shall not have access to records containing personal information.
2. Visitors to the agency shall not have access to the computer system in any way. Unauthorized use is strictly prohibited.
3. To the extent feasible, personal information stored on laptops, other portable devices, transmitted information across public networks or wireless communications should be encrypted.
4. Secure measures are to be taken to protect all passwords and user IDs that would allow access to agency computer and customer/prospect information. If you receive a new temporary password, you are to change it as soon as possible.
5. The agency maintains up to date firewall protection, spyware, anti virus protection and operating security patches. Periodic announcements have been and will continue to be sent to all employees that computers/laptops belong to the Cross Insurance and are not to be used for any personal information. All employees are required to sign the Equipment Acceptable Use Policy.
6. If you use a remote log in from home, the exact same rules apply.

Personal Information Breach

A security breach occurs when there is an unauthorized acquisition or use of personal information of one or more agency customers/prospects. The following measures will be taken by the Agency in the event of a security breach which creates a risk of identity theft to a customer/prospect:

1. The Agency will notify the Office of Consumer Affairs and Business Regulations and the Attorney General's Office. This notice shall include the nature of the breach, the number of customers/prospects affected by the breach and all the steps the agency has taken to rectify the incident and to prevent any further breaches from occurring.

2. The Agency shall also notify the customer(s)/prospect(s) affected by this breach. That notice shall include information regarding the nature of the breach and the number of customers/prospects affected.

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that Cross Insurance TPA, Inc. doing business in New Hampshire as TPA Cross at New Hampshire, a(n) Maine corporation, is authorized to transact business in New Hampshire and qualified on March 20, 2014. I further certify that all fees and annual reports required by the Secretary of State's office have been received.

In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 27th day of April, A.D. 2015

William M. Gardner
Secretary of State

CROSS INSURANCE TPA, INC.

CERTIFICATE OF VOTE

I, Sarah S. Zmistowski, Clerk of Cross Insurance TPA, Inc., do hereby certify as follows:

1. I am the duly elected Clerk of Cross Insurance TPA, Inc. (the "Corporation"), a Maine corporation.

2. I maintain and have custody of and am familiar with the Seal and minute books of the Corporation.

3. I am duly authorized to issue certificates.

4. The following are true, accurate and complete copies of the resolutions adopted by the Board of Directors of the Corporation on May 6, 2015 by an Action by Unanimous Written Consent in accordance with Maine Law and the bylaws of the Corporation:

> **RESOLVED:** That this Corporation's execution and delivery of a contract with the State of New Hampshire providing for the performance by the Corporation of certain Workers' Compensation Third Party Claims Administration and Related Services is hereby ratified, confirmed and approved as of May 4, 2015.
>
> **RESOLVED:** That all actions heretofore taken by each of the President, Vice President and Treasurer, acting singly, on behalf of this Corporation relating to the execution and delivery of said contract with the State and any and all such actions and to execute, seal, acknowledge and deliver for and on behalf of this Corporation any and all documents, agreements and other instruments and any amendments, revisions or modifications thereto as he may deem necessary, desirable or appropriate to accomplish the same are hereby ratified, confirmed and approved as of May 4, 2015.
>
> **RESOLVED:** That the signature of any officer of this Corporation affixed to any instrument or document described in or contemplated by these resolutions shall be conclusive evidence of the authority of said officer to bind this Corporation thereby.

5. The foregoing resolutions have not been revoked, annulled or amended in any manner whatsoever, and remain in full force and effect as of the date hereof; and the following persons have been duly elected and now occupy the offices indicated below:

President:	Royce M. Cross
Vice President:	Gard Estes
Treasurer:	Woodrow W. Cross

IN WITNESS WHEREOF, I have hereunto set my hand as the Clerk of the Corporation and have affixed its corporate seal this 6th day of May, 2015.

Sarah S. Zmistowski, Clerk

(Corporate Seal)

STATE OF MAINE
COUNTY OF PENOBSCOT

On this the 6th day of May, 2015, before me, Linda M. Chambers the undersigned officer, personally appeared Sarah S. Zmistowski, who acknowledged herself to be the Clerk of Cross Insurance TPA, Inc., a corporation, and that she, as such Clerk being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by herself as Clerk.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

Notary Public
My Commission expires: _____

LINDA M. CHAMBERS
Notary Public • Maine
My Commission Expires February 24, 2017

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 4/28/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME: Woodrow Cross, II
Cross Insurance P.O. Box 1388 Bangor ME 04401	PHONE (A/C, No, Ext): (207) 947-7345 FAX (A/C, No):
	E-MAIL ADDRESS: w2cross@crossagency.com
	INSURER(S) AFFORDING COVERAGE — NAIC #
	INSURER A: Hanover Insurance Group, Inc. — 22292
	INSURER B: National Union Fire Ins Co LA — 32298
	INSURER C: Maine Employers Mutual Ins Co.
	INSURER D: Utica Mutual Ins Co
	INSURER E:
	INSURER F:
INSURED Cross Financial Corp. P O Box 1388 Bangor ME 04402	

COVERAGES — CERTIFICATE NUMBER: CL147713649 — REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC			ZBP687501711	7/21/2014	7/21/2015	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 300,000 $ 5,000 $ $ 2,000,000 $
A	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS HIRED AUTOS SCHEDULED AUTOS NON-OWNED AUTOS			ABP472889020 ADP915322604	7/21/2014 7/21/2014	7/21/2015 7/21/2015	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
B	X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE DED RETENTION $			BE7251220	7/21/2014	7/21/2015	EACH OCCURRENCE AGGREGATE	$ 10,000,000 $ 10,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		5101800114 3102802556	10/1/2014 10/1/2014	10/1/2015 10/1/2015	WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 500,000 $ 500,000 $ 500,000
D	Errors & Ommissions			4179150EO	5/1/2014	5/1/2015	Each Loss Limit	$10,000,000
A	Crime/Fidelity			BDP1834885	7/21/2014	7/21/2015	Limit	$500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Cross Insurance TPA, Inc. The number of cancellation days is 30 except in instances of non-payment which is 10 per Maine State law.

Refer to policy for exclusionary endorsements and special provisions.

CERTIFICATE HOLDER

Department of Administrative Services
Risk Management Unit
NH Department of Administrative Services
25 Capitol Street
Concord, NH 03301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Woodrow Cross, II/WC1 Woodrow Cross II

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State of New Hampshire
DEPARTMENT OF ADMINISTRATIVE SERVICES
OFFICE OF THE COMMISSIONER
25 Capitol Street – Room 120
Concord, New Hampshire 03301

JOSEPH B. BOUCHARD
Assistant Commissioner
(603)-271-3204

May 5, 2015

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, NH 03301

REQUESTED ACTION

Authorize the Department of Administrative Services (DAS) to enter into a five-year agreement with Cross Insurance TPA, Inc., (Cross), New Gloucester, Maine (Vendor # 265158) for the provision of Workers' Compensation Third Party Administration and Related Services (Agreement) at the cost of $2,560,000 for the term effective July 1, 2015 through June 30, 2020. The fees will be billed in quarterly installments and allocated to state agencies.

Funding will be through individual agency expenditures, contingent upon availability and appropriations for all fiscal years.

EXPLANATION

RSA 21-I:24 and 21-I:25-a together authorize the Commissioner of DAS to enter into contracts for services directly related to the provision and monitoring of workers' compensation benefits payable to state employees. RSA 281-A:11 permits the State to self-insure for workers' compensation coverage and directs the legislature to appropriate sufficient funds to implement a self-insurance program that includes legal costs, benefits and administrative costs. The State has opted to self-fund its workers' compensation program so wage replacement (indemnity), medical and other claims expenses are paid by a third party administrator and reimbursed by the State. The costs of claims expenses are in addition to the cost of services associated with this Agreement. The State will reimburse claims expenses on a monthly basis and will pay the administrative fee for services quarterly.

DAS issued bid invitations through Request for Proposal (RFP) 2015-173 on March 23, 2015. The RFP was posted on the state website and emailed to twenty-three (23) vendors. Legal notice was also published March 30, 2015 through April 1, 2015 in the Union Leader. Six vendors provided proposals in response to the RFP. However, one proposal was withdrawn and two proposals could not be scored because they did not meet bidder specifications.

The scoring of the proposals was based upon the following areas and corresponding weights: Financial (50 points), Claims Administration, Risk Management Information System, Account Management, Claims Payment, Reports and Invoicing (20 points); Managed Care Services, Disability Management/Modified Duty, Litigation Management and Vocational

Rehabilitation (15 points), Implementation and Performance Guarantees (5 points), Loss Control Services and Medicare Secondary Payer Reporting (10 points). In accordance with the State's procurement rules, non-financial scoring was based on the quality of each bidder's response and not based on any outside knowledge of the programs and/or services offered by each bidder.

All scoring other than the cost proposal scoring was conducted by a Technical Scoring Committee that included the following team members: Catherine Keane, (DAS, Director of Risk and Benefits), Jason Dexter (DAS, Risk Manager), Alan Sylvester, (DAS, Loss Control Consultant) and Alexis Martin (Department of Transportation, Administrator of Human Resources). The Technical Scoring Committee reviewed all six proposals and scored the proposals from Cross Insurance TPA, Inc., The Lawson Group (Lawson), and Helmsman Management Services (Helmsman). Of a total of 50 possible points awarded for technical merit, Cross received the highest technical score for a total of 38 points, followed by the incumbent Helmsman that scored a total of 28 points, and Lawson scored a total of 27 points. Cross's high score is attributed to its highest ranking scores in the categories identified above that begin with claims administration and managed care services.

The Financial Scoring Committee included Catherine Keane, Robert Stowell (DAS, Bureau of Purchase and Property Administrator,) and Sarah Trask (DAS, RMU, Senior Financial Analyst). The financial scoring was based on the projected five-year costs for administrative and other claims expenses and fees. The lowest scoring proposal was awarded 50 points for the Financial Score and all other proposals were scored on a sliding scale with proposals losing 2 of the 50 allocated points for every 1% more costly they were than the lowest cost proposal. Proposals that projected costs more than 25% higher than the lowest cost proposal received 0 points for the Financial Section. Cross submitted the lowest cost proposal and received 50 points for the Financial Section, Lawson received 38 points, and Helmsman received 0 points for its financial proposal under the sliding scale.

Cross received the highest total score and is recommended for the contract. After negotiations, Cross agreed to lower its administrative fees over a five year period by $115,000. Additionally, it agreed to lower the percentage it charges for medical bill review fees, a process that negotiates a lower medical bill, from 30% of the savings to 25% of the savings. The State's agreement with Cross incorporates specific financially-based performance guarantees to ensure a high level of service and achieves a significant cost savings for administrative and related services from the previous agreement.

DAS respectively recommends approval of the contract as submitted.

Respectfully submitted,

Joseph B. Bouchard
Assistant Commissioner

RFP 2015-173

FINAL SCORING FOR WORKERS COMPENSATION THIRD PARTY ADMINISTRATION AND RELATED SERVICES

	Cross TPA	Lawson Group	Helmsman
PRICING	50.00	38.21	0.00
TECHNICAL	38	27	28
TOTAL	87.75	65.21	28.00

Subject: **Workers Compensation Claims Administration and Related Services**

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Administrative Services		1.2 State Agency Address 25 Capitol Street, Concord NH 03301	
1.3 Contractor Name Cross Insurance TPA, Inc.		1.4 Contractor Address 60 Pineland Drive, Suite 130 New Gloucester, ME 04260	
1.5 Contractor Phone Number 207-688-1201	1.6 Account Number Individual Agency Expenditures	1.7 Completion Date June 30, 2020	1.8 Price Limitation $ 2,560,000
1.9 Contracting Officer for State Agency Catherine A. Keane		1.10 State Agency Telephone Number 603 271-2059	
1.11 Contractor Signature		1.12 Name and Title of Contractor Signatory Royce M. Cross, President	

1.13 Acknowledgement: State of Maine, County of Penobscot

On May 4, 2015, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.

1.13.1 Signature of Notary Public ~~or Justice of the Peace~~

[Seal] Alice M Dyer

1.13.2 Name and Title of Notary ~~or Justice of the Peace~~

ALICE M. DYER
NOTARY PUBLIC, MAINE
MY COMMISSION EXPIRES SEPTEMBER 26, 2021

1.14 State Agency Signature Joseph Bouchard	1.15 Name and Title of State Agency Signatory Joseph Bouchard, Commissioner Assistant

1.16 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)*

By: Director, On:

1.17 Approval by the Attorney General (Form, Substance and Execution)

By: On: 5/12/15

1.18 Approval by the Governor and Executive Council

By: DEPUTY SECRETARY OF STATE MAY 27 2015

Contractor's Initials:
Date: 5/4/15

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT. Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.
5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

Contractor's Initials: _____
Date: __5/4/15____

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):
8.1.1 Failure to perform the Services satisfactorily or on schedule;
8.1.2 Failure to submit any report required hereunder; and/or
8.1.3 Failure to perform any other covenant, term or condition of this Agreement.
8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
8.2.4 Treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.
9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.
9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:
14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $250,000 per claim and $2,000,000 per occurrence; and

Contractor's Initials: _____
Date: __5/4/15____

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.
14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.
14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A *("Workers' Compensation")*.
15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Contractor's Initials: _____
Date: 5/4/15

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Contractor's Initials: _____
Date: __5/4/15____

EXHIBIT A
SERVICES TO BE PERFORMED

ARTICLE 1. INTRODUCTION

This EXHIBIT A is made a part of the Agreement (the "Agreement") between the between the State of New Hampshire ("State") and Cross Insurance TPA, Inc. ("Cross") for Workers' Compensation Third Party Claims Administration and Related Services.

ARTICLE 2. EFFECTIVE DATE

Effective Date of Agreement: 07/01/2015
Expiration Date of Agreement: 06/30/2020

The State shall have the right to terminate the contract at any time by giving the Cross ninety (90) days advance written notice.

ARTICLE 3. DEFINITIONS

For the purposes of this Exhibit A and any addenda, attachments or schedules to the Agreement, the following words and terms have the following meanings unless the context or use clearly indicates another meaning or intent.

A. Allocated Loss Adjustment Expenses (ALAE): All expenses allocable to a claim including but not limited to, legal expenses or attorneys' fees, court costs or fees, fees for service of process, costs for depositions or examinations under oath, interest, costs for copies of any public records, transcription services, appraisal fees, cost of hospital or other medical reports, medical examinations, medical bill review or hospital bill review fees, PPO Network fees, Utilization Review fees, private investigation, surveillance, professional photography, expert witness analysis or testimony, accident reconstruction, Electronic Legal Billing, Contractor Hearing/Trial Attendance, engineering analysis, non-contractor field investigation, index bureau report. The definition of "allocated loss adjustment expense" shall be amended when, and to the extent, necessary to bring the definition into compliance with applicable law.

B. Benefits: Compensation for wage loss, remedial care and rehabilitation as provided by New Hampshire RSA 281-A.

C. Case: A Workers' Compensation claim within an administrative or adjudicatory process.

D. Claim: A right or entitlement, actual or supposed, to protection and benefits established by New Hampshire Workers' Compensation Law RSA 281-A.

E. Claim Review (On-Site): Pre-planned formal in-person or telephonic meeting between the State or their consultant to discuss a predetermined group of claims selected by the State. This typically includes the current status of claims, the adequacy of loss cost estimate and case action plan, and may include a Claims Summary Report.

F. Claims Run Off: Administration of State claims by Cross that are reported to the Cross between 7/1/2015 and 6/30/2020 that remain open upon and after termination of this contract with the Cross.

G. Claims Service Reimbursement Statement: A listing of individual claims associated with the Service Plan. The statement will list all claims with activity during the period being invoiced under the Service Plan. The claims are listed by report date, by State Agency, location, and show incurred amounts, paid amounts and claims handling service fee.

H. Contractor: Cross Insurance TPA, Inc.

I. Cradle to Grave: Workers' Compensation Claims that are reported to Cross within the Agreement term of 7/1/2015 through 6/30/2020 and handled by Cross until closed or fully resolved, regardless of the termination date of this Agreement. Once Agreement is terminated and claims are still being handled by Cross, they are categorized as Claims Run Off.

J. Data Conversion: The process in which data provided by the State or its Contractor is reformatted to meet the systems requirements of Cross for purposes of consolidated report generation. To complete this

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process, a number of services must be completed, including preliminary analysis, data mapping, PRISM generation, RT Data Service Assessment, and Risk Information Systems programming, and Data Access.

K. Employee: As defined by New Hampshire RSA 281-A, with respect to public employment, means any person in the service of the State, including members of the general court, under any express or implied voluntary contract of hire and every elected or appointed official or officer of the state or any agency thereof while performing official duties.

L. Employer: The State of New Hampshire and any agency of the State.

M. Field Investigation and Related Activity (WC): Initial and/or follow up claims investigation conducted by a staff of geographically disbursed Field Investigators, at the request of the Contractor for the purpose of fraud prevention or to ensure the appropriate level of investigation. Workers' Compensation investigations may include in-person contact and recorded interview of claimants, the State's, and/or other witnesses to verify accident facts and determine whether injury occurred in the course and scope of employment. This may include on-site investigation/inspection of accident scene and contact with public agencies as needed or requested by the State and also includes investigation of recovery potential. This service also includes performance of activity checks on injured workers when Cross believes the claimant may be performing activities inconsistent with their disability. Activity checks may include neighborhood interviews, background checks and photographs or other activities as agreed to by the State and Cross.

N. Injury: Accidental injury or death arising out of and in the course of employment, or any occupational disease or resulting death arising out of and in the course of employment, including disability due to radioactive properties or substances or exposure to ionizing radiation. No compensation shall be allowed to an employee for injury proximately caused by the employee's willful intention to injure himself or injure another. Conditions of the aging process, including but not limited to heart and cardiovascular conditions, shall be compensable only if contributed to or aggravated or accelerated by the injury. Notwithstanding any law to the contrary, "injury" or "personal injury" shall not mean accidental injury, disease, or death resulting from participation in athletic/recreational activities, on or off premises, unless the employee reasonably expected, based on the employer's instruction or policy, that such participation was a condition of employment or was required for promotion, increased compensation, or continued employment (from RSA 281-A)

O. Managed Care Network: A system of healthcare providers, contracted by a managed care organization, to render services, as needed, to workers' compensation claimants.

P. Nurse Case Managers (NCM's): NCM job duties are to assess injury severity, medical treatment plans, functional abilities and physical job requirements, establishing case-specific return to work plans.

Q. Statute: The Workers' Compensation Law, RSA 281-A, as amended.

R. Occupational disease: An injury arising out of and in the course of the employee's employment and due to causes and conditions characteristic of and peculiar to the particular trade, occupation or employment. It shall not include other diseases or death therefrom unless they are the direct result of an accidental injury arising out of or in the course of employment, nor shall it include either a disease which existed at commencement of the employment or a disease to which the last injurious exposure to its hazards occurred prior to August 31, 1947. (RSA 281-A)

S. Utilization Management: Cross' Utilization Management unit provides recommendations regarding the medical appropriateness of medical treatment requested.

T. Performance Standards: Cross' standards of performance in providing services to the State of New Hampshire under this Contract.

U. Performance Guarantees: Measurable criteria used by the State to evaluate Cross' adherence to the Performance Standards as well as Cross' success or failure to meet the standards. Financial penalties will be assessed based on Cross' failure to meet the Performance Standards.

V. Rehabilitation provider: Any qualified medical professional providing physical rehabilitation services and/or remedial or restorative care.

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W. Right-to-Know Law: New Hampshire RSA 91-A which ensures both the greatest possible public access to the actions, discussions and records of all public bodies, and their accountability to the people.

X. State Loss Reports: Reports contain loss information based on state specific self-insurance requirements.

Y. Vocational rehabilitation provider: Any qualified person who provides vocational rehabilitation services, such as job placement, job analysis, aptitude testing, and vocational counseling.

ARTICLE 4. ADMINISTRATIVE SERVICES PROVIDED BY CROSS

A. CLAIMS ADMINISTRATION

Cross shall perform Workers' Compensation Third Party Claims Administration services including but not limited to: claims adjusting services including compensability investigation, reserving practices, claim reviews, medical care and loss control, disability management, litigation management and payment control.

1. CLAIMS TO BE SERVICED

a. Cross shall administer all workers' compensation claim activity generated by State employees' beginning on July 1, 2015 and through June 30, 2020, the proposed contract term, and continuing thereafter until each claim is completely resolved (from "cradle to grave").

b. The State may elect to transfer responsibility for servicing these claims during or following the termination of the contract period. Cross shall handle claims from "cradle to grave", but the State reserves the right to transfer responsibility for any or all of the claim files at the time the contract terminates, or any time thereafter, if such a transfer would be in the best interest of the State. In the event of such a transfer, Cross shall pay to the State within thirty days of written demand, an amount equal to the then "market rate" for TPA claims runoff services, said market rate to be arrived at by good faith negotiations between the parties. Upon the election of the State to transfer responsibility, Cross agrees to transfer all records to the state or the successor Third Party Administrator in a manner agreed to by the parties or in no more than 90 days of contract termination.

c. The State and Cross reserve the right to amend this contract to include administration of claims that are administered by Helmsman.

2. IMPLEMENTATION

a. Cross shall begin implementation upon approval of the contract by Governor and Council (G&C meeting date to be determined) for an effective date of coverage on July 1, 2015.

b. Cross' implementation plan **shall** include the following:

- Implementation meeting(s) open to all State agency risk management coordinators and agency personnel responsible for managing workers' compensation claims for the State's 61 agencies and boards which include approximately 1,635 sub-locations. The meeting(s) shall be held at one or two central locations in State buildings within thirty days of contract commencement. The meeting(s) will address the following activities and topics and include the stated materials: Prepare and distribute workers' compensation brochures, applicable forms and communication materials to State employees detailing workers' compensation claim filings and procedures, the managed care network, loss prevention services and risk management information systems.
- Provide each agency with workers' compensation Notice of Compliance posters.
- Ensure that Cross's computerized risk management information system available to the State users upon the effective date of the contract. During the course of the contract term and upon request of the State, Cross will hold orientation meetings to train risk management coordinators whenever a new version of the Cross's IT claim reporting computer system is rolled out.
- Ensure that the Cross's managed care network is available to injured employees.
- Train Cross staff on the State account and upon request, attend meetings or tours of State worksites to become familiar with State operations, personnel and workplace exposures.

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3. CLAIM REPORTING AND ASSIGNMENT

- The State shall be able to report a claim to Cross via internet, telephone and/or fax twenty-four (24) hours a day seven (7) days a week. Cross shall provide a toll free number for claim reporting. Claim location, cause and injury coding, shall be in a format dictated by the State.
- Cross shall be responsible for reporting claims to the NH Department of Labor and shall participate in the Central Index Bureau.
- All Workers' Compensation claims reported from 7/1/2015 through 6/30/2020 will be entered into Cross' claim reporting system and assigned to an adjuster within one business day of report from the State. The day following the date of receipt, issuance, or other required action is counted as the first day. All file activity shall be fully documented either by paper or electronically, and shall include the source of information and dates of activity.

4. INVESTIGATION

All claims, including medical only and lost time claims, shall be investigated to determine compensability and include contact with the applicable agency personnel to verify accident details and resolve compensability issues.

Lost time claims will require additional contact requirements as detailed here:

a. For all "appropriate" continuous lost time workers' compensation claims, Cross will contact or make "reasonable attempts" to "contact" the following individuals within the following parameters:

b. Unless represented by an attorney, contact with the injured worker within 1 business day of report of the claim by the State and request a recorded statement.

c. Contact with the appropriate personnel at the applicable State agency within 1 business day of report of the claim by the State.

d. Contact with the injured worker's treating physician within 2 business days of the report of the claim by the State.

e. Contact with relevant witnesses to verify accident details within 2 business days of notice of existence and request a recorded statement.

f. All actual and attempted contacts will be documented by Cross.

g. "Reasonable attempts" are defined as written documentation, posted in the electronic file of Cross' attempts to contact the injured worker, employer, treating physician, and witnesses.

h. "Appropriate" is defined as cases with continuous lost time at the time of report that exceed the New Hampshire statutory waiting period of three (3) days, per RSA 281-A:22.

i. Verification of an employee's average wage consistent with jurisdictional requirements shall be obtained from the employer within ten (10) working days.

j. Cross is responsible for identification of and all aspects of filing claims with the NH Second Injury Fund, per RSA 281-A:55; Combined Earnings per RSA 281-A: 30, RSA 281-A: 15 and RSA 281-A:55, and Job Modification Reimbursement per RSA 281-A:54.

5. LIEN WAIVER REQUESTS.

In collaboration with RMU, Cross shall prepare all documents required for Governor and Council (G&C) meetings in accordance with employees' petition for workers' compensation lien waiver, in full or part, connected to a third party recovery. Cross shall not tentatively agree to settlement amounts without written approval from the Risk Management Unit and shall make parties to any tentative agreement aware lien waivers are subject to G&C approval.

6. FRAUD PREVENTION.

When appropriate, activity checks and/or surveillance shall be conducted by Cross or its designee.

7. CLAIM ACCEPTANCE OR DENIAL

a. Cross shall manage receipt of the following workers' compensation forms from the State and work with agency personnel to obtain any information necessary to complete the forms. Cross shall be responsible for filing claims with the NH Department of Labor (DOL).

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- **Notice of Accidental Injury or Occupational Disease (Form No. 8aWCA).** This form is used by an employee to provide the employer with written notice that she or he has sustained an on the job injury or believes that she or he has developed an occupational illness.
- **Employer's First Report of Injury or Occupational Disease (Form No. 8-WC).** This form is to be completed by the employer within five calendar days of learning of an employee's work-related injury or illness.
- **Employer's Supplemental Report of Injury (Form No. 13 WCA).** The employer uses this form when an employee's occupational illness or injury has resulted in lost time from work (disability) of four or more days. It is also used when an employee who was disabled by a work-related injury or illness returns to work. It should be used to clarify lost time if the First Report of Injury is not clear.
- **Wage Schedule (Form No. 76 WCA).** In the event that an employee becomes disabled from a work-related injury or illness and loses time from work. This form will need to be completed and mailed to Cross so that the injured employee's workers' compensation rate can be calculated.
- **Supplemental Wage Schedule (Form No. 76 WCA 1).** If requested, this form should be completed by the employer and signed by the employee. This form is used to calculate after tax earnings.

b. Cross will accept or deny a claim that exceeds the New Hampshire three (3) calendar day waiting period within 14 calendar days from the first day of disability whichever is sooner. This standard is held in abeyance if the claim is reported less than 5 business days prior to the compensability due date. Cross will mail a letter of denial within twenty-one (21) calendar days of receipt of claim to all appropriate parties: injured worker, attorney if injured worker is represented, employer and treating physician.

c. If a claim is determined to be compensable, a first payment shall be issued on or before the 14th business day of disability or earlier, if statute so provides, if special circumstances warrant delivery prior to the 14th business day. Cross shall send a 9WCA (memo of payment form) to the State agency.

d. If a denial of compensability is in order, prompt and legally sufficient details of such denial shall be made to all the appropriate parties within 21 calendar days from receipt of claim on form 9WCA-1 (Memo of Denial form). Cross shall contact the agency employer representative advising of the intention to deny prior to issuing written notice to the employee. All denials shall be followed by timely administrative filings and a vigorous defense of non-meritorious claims.

8. RESERVING

Cross shall establish initial reserves for Workers' Compensation indemnity claims within 14 business days of disability. Reserve estimates shall be revised whenever developments occur which change the ultimate loss exposure. Documentation shall exist, with reserve worksheets or other appropriate means to support the basis for reserve changes.

B. MANAGED CARE SERVICES

1. Cross shall make available to the State a network of medical care providers and medical centers contracted by a managed care program to render services to employees on workers' compensation. The network shall be approved by the Commissioner of Labor as provided in RSA 281-A:23-a and comply with Lab 700. The network shall ensure that injured employees have access to prompt, efficient and quality medical care providers and specialists. The medical providers and centers shall be currently licensed and credentialed in the State of NH. The network should provide coverage throughout the State of NH and Cross shall administer and enforce participation in accordance with RSA 281-A:23-a.

2. The managed care services shall include:

a. Qualified injury management facilitators, case managers and rehabilitation managers either employed or contracted by Cross or managed care program. Including medical and disability case management with registered nurses case managers and/or other medical personnel with experience in occupational medicine. Nurse case managers assess injury severity, medical treatment plans, functional abilities and physical job requirements, establishing case-specific return to work plans. Nurse case managers may accompany injured employees to doctor's visits and may contact injured employees to discuss treatment plans and return to work plans.

b. Referral to appropriate medical providers within network in accordance with RSA 281-A:23-a and Lab 700 *Managed Care Programs in Workers' Compensation*.

c. Medical bill review – Review and adjustment of medical bills for compliance with fee schedules, usual and customary limitations, treatment plans and clinical logic, as well as jurisdictional rules and

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requirements regarding medical necessity, casualty, and precertification; includes adjustments negotiated with providers regarding particular charges and elimination of duplicate bills, bills for non-covered services and bills disallowed through peer review.

d. Utilization Management pre-certification review – initial request for medical services to determine medical necessity and appropriateness; Utilization Management Extension review – subsequent review for further certification of treatment or service beyond that which has already been certified. Review for necessity of extended service during hospitalization or the extended necessity of outpatient treatment; Utilization Management non-clinical review – Data collection and processing of certain medical services to identify treatment exceeding standards of practice; Utilization Management retrospective review; and Utilization Management consultation – proving recommendations regarding the medical appropriateness of treatment request.

e. Case management of employee in-patient or outpatient medical care on all lost time cases, and medical only cases if treatment extends more than ninety (90) days after injury and/or employee is working with physician imposed restrictions.

f. Pharmaceutical cost management measures.

g. Written medical reports shall be aggressively pursued and obtained from the treating physician and/or other medical practitioners for the status of the worker's injury and for use in conjunction with medical bills screening, and file preparation pending hearings and/or appeal.

C. DISABILITY MANAGEMENT/MODIFIED DUTY AND ALTERNATIVE WORK

Modified duty and/or Temporary Alternative Work shall be evaluated and discussed with the employer by Cross. All opportunities shall be confirmed and detailed in written correspondence by the Cross, supplied to the physician, and copied to the employer contact. If available, Cross shall inform the provider of modified duty opportunities prior to the employee's medical appointment where disability status will be assessed. Cross shall follow the provisions of RSA 281-A:23-b for temporary alternative work opportunities for State employees.

1. Cross shall arrange for the best medical care necessary to treat and cure injury or illness to State employees claiming workers' compensation benefits. Cross shall provide the employer with a list of physicians/medical providers' utilized and possessing experience in industrial medicine and managed care concepts within thirty (30) days of contract inception and annually thereafter. Cross shall manage physicians/medical providers in the network on an ongoing basis to ensure standards are met.

2. The service team must promote a team approach to mitigate disability through use of continual follow-up contact with the injured worker, employer and physician at intervals consistent with the injury and estimated length of disability to establish a return-to-work target date. Personnel utilized must possess expertise and licensing necessary to effectively discuss diagnosis, prognosis and extent of disability with treating physicians. Board Certified physicians are preferred.

3. The treating physician must be provided with a complete job description detailing essential tasks and responsibilities required. If none are available from the State department, or in a form insufficient for medical comment on disability and return to work, Cross will take whatever measures are necessary to detail essential tasks and job requirements. The physician shall be requested to facilitate an objective evaluation of the injured worker's ability to return to work. When necessary, Cross will videotape the job and provide it to the physician.

4. Cross must provide **technical assistance** to the employer in the development of task analysis for transitional and/or modified jobs when requested by the agency employer and approved by the Risk Management Unit. If an offer of physician approved Temporary Alternative Work is refused by an injured employee, Cross must confer with the employer and/or RMU prior to requesting termination or reduction of benefits.

5. Independent medical examinations shall be conducted consistent with RSA 281-A: 38, RSA 281-A:38-a, and Lab 700 where questions of disability, causal relationship, need for surgery and/or existing treatment or where reports of treating physician are not forthcoming. Cross must be willing to enforce RSA 281-A:39 if State employees on Workers' Compensation refuse to submit to an examination.

6. When appropriate, activity checks and/or surveillance shall be conducted consistent with length of disability and/or when the injured worker is suspected of exaggerating or prolonging disability. Persons or companies conducting activity checks and/or surveillance must be licensed and bonded.

7. If an offer of physician approved Temporary Alternative Work is refused by an injured employee, Cross shall notify the State Risk Manager prior to requesting termination or reduction of benefits per RSA 281-A:48.

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D. VOCATIONAL REHABILITATION

Shall be provided per the provisions of RSA 281-A: 25, RSA 281-A:68, and Lab 500. Vocational rehabilitation involves job placement, job analysis, aptitude testing and vocational counseling services.

E. LITIGATION MANAGEMENT

Cross may utilize in-house or outside counsel that meets Cross' quality control standards and agrees to accept the Cross' litigation management plan and billing rates or fee schedule. The Risk Manager or designee reserves the right to approve Cross' choice of legal counsel for representation in hearings or appeals.

Cross shall ensure that all cases are properly prepared prior to conference, hearing or trial, including but not limited to the following:

a. Notify the State Risk Manager and agency contact of the scheduled hearing/appeal date and discuss whether employer representation is necessary. Agency employer and/or a member of the RMU may attend hearings, conferences, appeals or trials concerning a State employee unless there are bona fide privacy concerns. Upon request of RMU or legal counsel, Cross' claims representatives shall attend hearings.

b. Have available all necessary lay and professional witnesses or their depositions prior to formal hearing or trial.

c. If contested issues involve extent of disability and/or permanency, have medical reports and opinions and witnesses available and ready for testimony or deposition, depending on the statute requirements.

d. Cross shall notify the State in writing of hearing and appeal outcomes, preferably with a report from assigned counsel, and make recommendations regarding the merits of appealing outcomes.

F. LOSS CONTROL SERVICES

Cross' designated Loss Control Services personnel shall work closely with the RMU to tailor an effective statewide loss control program. Cross shall focus on reducing loss frequency, severity and related costs while complying with the provisions of RSA 281-A: 64. Cross shall work with the State to identify actual and potential sources of loss and offer recommendations, information and training to assist the State in reducing its loss frequency, severity and related costs.

1. NOTIFICATION STANDARDS

When the RMU requests loss control assistance, Cross shall make contact with the employer agency within ten (10) business days. After the service visit has been completed, Cross shall follow up with a written report to the agency and RMU within fifteen (15) business days.

2. CONSULTATION STANDARDS. CROSS OR ITS DESIGNEE SHALL PROVIDE THE FOLLOWING SERVICES, AS NEEDED:

- Assist agencies with creation of loss control programs for State agencies following the provisions of RSA 281-A: 64, RSA 277, RSA 277-A and LAB 1400 rules.
- Assist agencies with development of temporary alternative work.
- Assist agencies with joint loss management committees by making loss control staff available to occasionally attend.
- Review of actual and potential exposures, hazard analysis, and fact-finding, broken down by employer agencies.
- Comparison to appropriate industry benchmarks.
- Basic engineering guidelines for the design of physical safety controls
- Loss control surveys which reveal an immediate danger to employees shall be reported within twenty four (24) hours to the RMU. Cross will work with the State to prioritize and target higher risk loss exposures and then develop targeted loss control programs.
- Standard industrial hygiene services as follows: the State shall report claims or potential claims that are directly related to an occupational illness exposure or uncontrolled exposure that needs testing, such as indoor air quality, solvents and dust, noise and vibrations, water incursion into buildings and

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radiation. The hygienist shall go on site to collect and analyze samples and then issues a written analysis and recommendation.

- Workstation assessments by a consultant trained in ergonomics and submission of recommendations to reduce exposure to cumulative trauma disorders with existing or potential workers' compensation claims.
- Safety and loss control training materials, safety literature and posters.
- Access to webinar trainings.
- Four health and safety in person classroom based seminars shall be conducted annually by Cross for State agencies on pertinent loss control topics agreed upon by Cross and the State. In the past, topics were blood borne pathogens, accident investigation, ergonomics, indoor air quality; setting up a Joint Loss Management Committee and agency safety programs and lock out/tag out.
- Cross shall provide a combination of on-site, telephonic and web-based safety consulting.

G. REPORTS

In accordance with cradle to grave claims handling, Cross shall continue to provide all required reports until claims are fully resolved. All reports, including ad-hoc reports shall be provided to the State within 5 business days of request. The reports shall include, but not be limited to:

1. QUARTERLY REPORTS

Cross shall send quarterly reports to State agencies on the 10th of the month at the end of each quarter, for each year of the contract, on the following dates:

- October 10 for the first quarter from July to September
- January 10 for the second quarter from October to December
- April 10 for the third quarter from January to March
- July 10 for the fourth quarter from April to June
- If requested on an as needed basis by the State, the reports shall be provided within 30 days.

2. THE REPORTS ARE AS FOLLOWS:

a. **Quarterly Claim Summary Reports.** Separately for each agency and one total summary report for the State. The reports shall include the following:

1. Total claim count and cost; number of open and closed claims.
2. Distribution of claims total paid and reserve sorted by amounts: all claims with value of up to $1,500, claims from $1,500 to $10,000, claims from $10,001 to $25,000 and claims over $25,000.
3. List of top 10 claims indicating claim number, name, injury date, open or closed status, total incurred, paid and on reserve.
4. Medical savings indicating medical bills received, PPO penetration, total charged, duplicates eliminated, net charged, medical dollars saved, percentage saved and net medical paid.
5. First report of injury with number reported within three days of injury, between four to ten days and over eleven days.
6. Lost time cases: total count and incurred and litigated cases, indicating count and incurred.
7. Lost time cases by employee tenure: number of cases and total incurred sorted by employees who have worked for the State less than one year, more than one year, between two to four years, between five to nine years and over ten years.
8. Disability days indicated temporary total and temporary partial.
9. Top five causes of loss: indicating number of claims; percentage of total; total incurred
10. Top three medical providers with total paid, number of claims and percentage of savings, and PPO inclusion

b. **Quarterly Incident Rate Reports** shall be sent to the agencies separately and one summary shall be sent to RMU for the State overall. Indicating the number of injuries per 100 employees which is

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calculated as a number of claims times 200,000 work hours divided by actual work hours. The report will indicate a number for total claims and a number for lost time claims only.

3. **ANNUAL REPORTS**

- **Detailed Statistical plan reports** including recommendations on corrective action to be taken by the State in order to realize a reduction of claim frequency, severity and costs. Recommendations shall identify the State agency involved and establish the cost to implement as well as dollars projected to be saved resulting from planned action.
- **Actuarial analysis of outstanding liabilities** for the State's workers' compensation program shall be provided to the State no later than September 1 of each contract year. The report analyzes the State's workers' compensation claim experience in order to develop estimates of unpaid loss and Allocated Loss Adjustment Expense (ALAE). The analysis shall also include an allocation of the Incurred But Not Reported (IBNR) losses and ALAE to the State's four operating divisions. This report will assist the State in meeting any governmental requirements in settling of actuarially sound reserves for workers' compensation liabilities. Cross may have the report prepared by an outside party, such as an actuarial or accounting firm.
- **Service Organization Control 1 (SOC 1) Report with Independent AICPA Service Auditor's Report including Tests Performed and Results Thereof** (formerly Statement on Auditing Standards (SAS) No. 70 Reports). The Report shall be provided to the State no later than September 1 of each policy year. Cross may have the report prepared by an outside party, such as an actuarial or accounting firm.
- **Department of Labor Reporting**: Cross shall provide data and forms necessary for the completion of the requisite regulatory filings including self-insurance renewal Questionnaire.

H. MEDICARE SECONDARY PAYER

With regard to claims serviced by Cross, identify those individuals who are eligible to receive Medicare benefits and/or whom Medicare Secondary Payer (MSP) requirements apply, Cross will be designated the State's agent for the purpose of mandatory reporting under the Medicare and Medicaid Extension act of 2007 (MMSEA) and related regulations. Cross shall be responsible for the following:

Accurately and timely submitting required reports including without limitation reports under the (MMSEA), specifically Section 111, and any regulations that the federal government may issue pertaining to the MMSEA, using the appropriate Responsible Reporting Entity (RRE) identification number.

Promptly provide missing data and/or corrections to the US Department of Health and Human Services for Medicare and Medicaid Services (CMS) if inaccurate or incomplete data is submitted and make responsible staff available to CMS for inquiries.

Cross will bear financial responsibility for any fines levied by CMS on the State or Cross for failure to follow the requirements.

I. RISK MANAGEMENT INFORMATION SERVICES

1. Cross shall provide Risk Management Information Systems comprised of user-friendly web-based technology available to representatives in the State's 61 agencies and boards with the ability to make online claim status inquiries, real time claim file notes, customized and standard reporting with a high level of data integrity and security. In accordance with cradle to grave claims handling Cross shall continue to provide access until claims are fully resolved.
2. The State's requirements include, but are not limited to, the following types of workers' compensation claim reports:
   - Itemized statement of loss
   - Customized claim detail
   - Customized payment detail
   - Loss comparison by cause, location, date
3. The State requires the above mentioned reports via on-line access to a computerized claim system. Internet accessibility shall follow State standards for web interface, including web browsing standards approved by the State. State users shall be able to access the reports electronically, sort them via tailored queries and print them.

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4. The State shall have a minimum of eight users of the IT system with the ability to create and write reports. The users will be in the RMU and the State larger agencies. The RMU will determine which agency personnel will be granted user status.

5. All agencies shall have the ability to logon to Cross' computer portal system to report claims and run more basic, agency-specific standard claim reports.

6. Cross shall supply a one-time training session to the RMU and agency users. This training shall also be made available online. The training shall take place in a State building in Concord, N.H. Cross shall supply on-going support for training and new product releases or upgrades via the telephone and/or internet. Support personnel shall be fully trained and have the required expertise to respond to technical questions and perform troubleshooting and problem solving.

7. The flat administrative fee shall include all of the above mentioned risk management information services including any software releases during the contract term.

8. For every claim and/or incident of injury reported to Cross, data collection shall include:

   - Employee name
   - Employer [State Department] name
   - Division, Bureau, District, or other unique identifier for respective locations as determined necessary by the Department involved
   - Date of accident/injury
   - Short summary description of how the accident/injury occurred
   - Claim category identification to include the following descriptions: Incident Only, Medical Only, Permanent Total, Temporary Total, Temporary Partial, Permanent Partial, Diminished Earning Capacity, Temporary Alternative Work
   - Incurred loss amounts, Paid loss amounts and Reserve loss amounts
   - Number of lost time days
   - Code/name for cause of accident
   - Code/name for body part injured
   - Code/name for type of injury
   - Claim status identified as open or closed, and date of action

J. ACCOUNT MANAGEMENT

Cross shall assign experienced personnel to the State account that have adequate caseloads, resources and time to service the account. Cross will attend meetings as requested by the State. Cross will provide a staffing plan detailing how account will be serviced.

1. Cross shall, at its own expense, provide all personnel, materials and resources necessary to perform the services under the contract. Cross shall warrant that all personnel engaged in the contract services are qualified to perform the services and are properly licensed and otherwise authorized to perform services under all applicable laws.

2. Cross' personnel shall have a strong dedication to customer service in all aspects of its dealings with the State. Cross' personnel shall return telephone calls promptly, be professional and maintain confidentiality when communicating with State employees.

3. Cross' personnel shall be available to State personnel five days a week during normal business hours (Monday through Friday from 8am to 4:30 pm E.S.T.)

4. The State reserves the right to require Cross to remove and/or reassign any employee, including the lead staff member, from the State account due to unacceptable job performance. The State retains the right to approve any replacement employee(s), and to participate in the hiring of all professional staff on the state's account.

5. Cross shall coordinate with RMU in a timely manner on topics such as, but not limited to, RSA 91-A *Right-to-Know* law requests, requests for information from State leadership and/or elected officials, job modification, termination and other issues, if they relate to workers' compensation matters. Cross shall be willing to accommodate individual State agency personnel policies and rules, within reason, while maintaining compliance with RSA 281-A.

Contractor's Initials: _____
Date: 5/4/15

6. Cross shall follow the State's Customized claims special service instructions.

The special service instructions shall be distributed to Cross' claims personnel. The instructions shall be reviewed and updated annually and/or as necessary. The special service instructions are as follows:

a. Litigation Management: Discuss with the State prior to actual referral of claim to panel attorney/law firm. The State approves referral of claim to outside counsel. Discuss if there are any additional fees and provide detail.

b. Settlement Consultation with the State's Risk Manager or designee to obtain settlement approval for all claim settlements over twenty thousand dollars ($20,000) and all settlements involving any other mental disability including stress and indoor air quality issues.

c. Claim and Reserve Communication: Cross shall notify the State's Risk Manager on the following claims: reserve increase of one hundred thousand dollars ($100,000) or more, fatality, catastrophic injury, unusual or emerging risk, complex coverage and return to work is no longer an option.

d. Action Plan Communication/Update:

Cross shall email a sixty (60) day action plan updates to the Risk Manager. Communication for the initial investigation and return to work coordination is between the State agency representative and Cross, the Risk Manager is involved on overall case management.

e. Compensability Decisions: After investigating a workers' compensation with efforts from the local agency, contact the Risk Manager if the claim is denied.

K. CLAIMS PAYMENTS SERVICES

1. The State requires the following claims payment process:

a. Specific Claims to be serviced: Cross will administer all workers' compensation claim activity generated by State employees' beginning on July 1, 2015 for the proposed contract term through June 30, 2020 and continuing thereafter until each claim is fully resolved (from "cradle to grave").

b. Medical and indemnity payments shall be made according to the timetable set forth in RSA 281-A or based on Cross' internal guidelines, if sooner.

c. Attorney bills shall be reviewed by Cross to ensure that they reflect billing practices and expense controls that are consistent with Cross' fee schedule and billing agreements on Cross' approved Law Firms. Non-panel attorney bills should be reviewed to ensure that billing practices and expense controls are consistent with cost containment measures. All claims payments shall be made by Cross in accordance with statutory provisions and regulations.

d. Upon request by the State, Cross shall make available within ten (10) business days all source documents related to any payment in question.

e. The State is directly responsible for actual paid Loss and Allocated Loss Adjustment Expense (ALAE) and shall reimburse Cross for all payments advanced as provided herein. Loss and allocated loss adjustment expenses advanced by Cross shall be charged directly to the claim file and billed monthly to the State one month in arrears.

f. Cross agrees to extend to the State the right to an independent audit at the Cross' own cost.

L. INVOICING

1. **Claim Invoicing** v shall be responsible for submitting claim invoices to the State on a monthly basis on the last day of each month in which the services have been charged to Cross. Invoices shall include the date, the services provided, the charge, and any additional detail in which the State may require for processing. Claim payment detail shall support invoices submitted by Cross when requesting reimbursement for workers' compensation benefits paid out on behalf of the State in the previous month. At minimum, reports shall include employee name, date of injury, payee, amount paid, and type of payment made [Indemnity, Medical, Expense]. Wage replacement (indemnity), medical, legal, permanency ratings and other claim expenses are paid by the TPA and then reimbursed by the State on a monthly basis.

2. **Quarterly TPA Administrative Fee Invoicing** Cross shall be responsible for submitting TPA administrative fee invoices on a quarterly basis. The administrative fee is a flat fee for claims management, loss control, managed care, legal defense, information systems, Medicare Secondary Payer reporting and other related services. The administrative fee is billed separately from claims costs.

3. Invoices shall be submitted to:

Contractor's Initials: _____
Date: 5/4/15

The State of New Hampshire

Department of Administrative Services

Risk Management Unit

25 Capitol Street, Rm 412

Concord, NH 03301

Or via email to: jason.dexter@nh.gov

4. The State shall not make payments to Cross prior to July 1, 2015.
5. Cross shall be reimbursed within thirty (30) business days after receipt of invoices and acceptance of the work to the State's satisfaction. Said payments shall be made electronically, through an automatic deposit or ACH credit.

ARTICLE 5. PERFORMANCE GUARANTEES

Performance Guarantees are criteria used by the State to measure Cross' adherence to the performance standards as well as Cross' success or failure to meet the standards. Performance guarantee metrics may be self-reported, but are subject to independent audit by the State. All guarantees shall be set and measured annually.

During the term of this Agreement, Cross shall extend to the State the Performance Guarantees which follow:

1. Implementation: Successful implementation per the terms of this contract. Penalty for non-conformance is 1% of the applicable administrative fee for each quarter of the contract.
    a. Meetings and training with State Risk Management Unit and agency personnel.
    b. Distribution of workers compensation brochures, forms and communication material.
    c. Availability of RMIS for all applicable state personnel.
    d. Availability of managed care network and training of state staff.
    e. Establishing procedures for claims reporting and assignment in accordance with proposal that, at a minimum, includes:
        i. Contact the applicable agency personnel to verify the details of the accident and resolve compensability issues
        ii. Cross agrees that for all appropriate continuous lost time workers compensation claims, we will contact or make "reasonable attempts" to contact the following individuals within the following parameters:
            - Unless represented by an attorney, contact the injured worker within 1 business day of the report by the state and request a recorded statement.
            - Contact with the appropriate personnel at the applicable state agency within 1 business day of report of the claim by the state.
            - Contact with the injured workers' treating physician within 2 business days of the report of the claims by the state.
            - Contact with the relevant witnesses to verify accident details within 2 business days of notice of existence and request a recorded statement
        iii. Cross agrees to document all contact attempts whether calls, emails, letters on the claims system.
        iv. Cross agrees that reasonable attempts are defined as written documentation, posted in the electronic file of our attempts to contact the injured worker, employer, treating physician, and witnesses.
        v. Cross agrees that 'Appropriate" is defined as cases with continuous lost time at the time of the report that exceeds the New Hampshire statutory waiting period of 3 days per RSA 281-A:22
        vi. Cross agrees to verify the injured workers average weekly wage consistent with jurisdictional requirements by securing the necessary information from the employer within 10 working days.

Contractor's Initials: JVC

Date: 5/4/15

vii. Cross agrees to be responsible for identifying and all aspects of filing claims with the NH Second Injury Fund per RSA 281-A:55, Combined Earnings per RSA 281-A:I5 and RSA 281-A:55, and Job Modification per RSA 281-A:54.

viii. Begin pursuing subrogation and other recovery potential on your behalf as soon as possible in order to reduce your loss exposure. Subrogation recovery efforts are conducted by the adjusters handling the claims. There are no additional charges for subrogation recoveries. Cross has extensive liability claims adjustment experience that will aid in the pursuit of subrogation.

ix. Index each lost time claim with the Central Index Bureau.

x. Establish an estimated length of disability and communicate this to the injured worker. This establishes return-to-work expectations in the minds of all parties.

xi. Work cooperatively with the medical provider to obtain modified duty capabilities, and promptly communicate those capabilities to the client and the injured worker

After completing the investigation, and within fourteen days of claim assignment, Cross will provide the State with a compensability recommendation.

2. Risk Management Information Systems available 98% of the time measured annually. Penalty for non-conformance is 1% of the applicable administrative fee in the quarter measured.

3. Standard reports and Ad-hoc reports delivered timely: Standard reports shall be delivered per the terms of this contract and ad-hoc reports within 5 business days of request. Penalty for non-conformance is $1000 for each report not delivered timely.

4. Claims administration: Adherence to investigation standards per the terms of the RFP will be measured annually. Penalty for non-conformance is 1% of the applicable administrative fee for the policy year measured.

Contractor's Initials: _____

Date: __5/4/15____

EXHIBIT B
CONTRACT PRICE AND PAYMENT TERMS

This EXHIBIT B – Contract Price, Limitation on Price, Payment is made a part of the Agreement and is made according to the terms of paragraph 5 of the Form P-37. Words defined in EXHIBIT A shall have the same meaning in this EXHIBIT B unless expressly defined otherwise herein.

ARTICLE 1. CONTRACT PRICE.

A. Cross hereby agrees to provide the services in complete compliance with the terms and conditions specified in Exhibit A at the price below for the term of the contract ("contract price"). The total Contract Price for the term of the Agreement as shown in block 1.8 of the P-37 is $2,560,000.

B. The annual administrative fees are as follows:

Year	Annual Administrative Fee
July 1, 2015 to June 30, 2016	$490,000
July 1, 2016 to June 30, 2017	$510,000
July 1, 2017 to June 30, 2018	$515,000
July 1, 2018 to June 30, 2019	$520,000
July 1, 2019 to June 30, 2020	$525,000

C. The annual actuarial report price shall remain fixed at $15,000 for a total amount of $75,000.

D. Other fees

Bill Review Fee	$6.75 per bill
Nurse Case Manager	$80.00 per hour
External Investigation/Surveillance	$58.00 per hour
Index Bureau filing	$8.95 per filing
Percentage of savings	25%

ARTICLE 2. PAYMENT TERMS

A. Contract Price Invoicing. Cross shall be responsible for submitting TPA administrative fee invoices to the State on a quarterly basis in an amount of one fourth the applicable annual administrative fee. The administrative fee is billed separately from claims costs.

B. Claim Invoicing. Cross shall be responsible for submitting claims service reimbursement statement invoices to the State on a monthly basis on the last day of each month in which the services have been charged to Cross. Invoices shall include the date, the services provided, the charge, and any additional detail in which the State may require for processing. Claim payment detail shall support invoices submitted by Cross when requesting reimbursement for workers' compensation benefits paid out on behalf of the State in the previous month. At minimum, reports shall include employee name, date of injury, payee, amount paid, and type of payment made [Indemnity, Medical, Expense]. Wage replacement (indemnity), medical, legal, permanency ratings and other claim expenses are paid by the TPA and then reimbursed by the State on a monthly basis.

C. Invoices shall be submitted to:

The State of New Hampshire
Department of Administrative Services
Risk Management Unit
25 Capitol Street, Rm 412
Concord, NH 03301
Or via email to: jason.dexter@nh.gov

D. The State shall not make payments to Cross prior to the Agreement effective date of July 1, 2015.

Contractor's Initials: _____
Date: 5/4/15

E. Cross shall be reimbursed within thirty (30) business days after receipt of invoices and acceptance of the work to the State's satisfaction. Said payments shall be made by means of a check mailed to the address specified in Section 1.4 of the P-37 or electronically, through an automatic deposit or ACH credit. Reimbursement via ACH may be issued 2 to 5 business days after receipt and approval of invoice. Payments made via ACH require contractor to enroll with the State Treasury: http://www.nh.gov/treasury/Divisions/DocsForms/Tforms.htm?inc=P

F. Upon request by the State, Cross must make available within three (3) business days all source documents related to any payment in question.

G. The State is directly responsible for actual paid Loss and Allocated Loss Adjustment Expense (ALAE) and shall reimburse Cross for all payments advanced as provided herein. Loss and allocated loss adjustment expenses advanced by Cross shall be charged directly to the claim file and billed monthly to the State one month in arrears.

H. Should a dispute arise as to an amount due Cross based on the State's good faith belief that Cross has, because of an administrative error, miscalculated the amount due, then the State, after written notice to Cross indicating the nature and amount of the dispute, agrees to either:

1. Pay the entire amount due, including the disputed portion thereof, provided that if the disputed amount is resolved in the State's favor, Cross shall credit the State such disputed advance; or
2. Pay the amount due less the disputed amount, provided that if the disputed advance amount is resolved in Cross' favor, the State shall remit to Cross such disputed amount.

I. In the event that Cross processes a payment in the amount of $500,000 or more, Cross shall immediately notify and bill the State for amount of such payment. The State shall remit payment with seven (7) days of such notification.

Contractor's Initials: _____
Date: __5/4/15____

EXHIBIT C
SPECIAL PROVISIONS

This EXHIBIT C – Special Provisions is made a part of the Agreement and is made according to the terms of paragraph 22 of the Form P-37. Words defined in EXHIBIT A shall have the same meaning in this EXHIBIT C unless expressly defined otherwise herein.

ARTICLE 1. INSURANCE

Delete Paragraph 14.1.1 and substitute the following: "comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $250,000 per claim and $1,000,000 per incident and no less than $1,000,000 in excess/umbrella liability each occurrence; and".

Form P-37, section 14 Insurance, is amended to include the following coverage enhancements:

Errors and Omissions liability insurance/professional liability coverage with limits in the amount of $5 (five) million per claim and $10 (ten) million in the aggregate.

There are no other special provisions of this contract.

Contractor's Initials: _____
Date: 5/4/15

ATTACHMENT

PRIVACY PRACTICES DISCLOSURE NOTICE

Contractor's Initials: _____
Date: __5/4/15____

ATTACHMENT

WRITTEN INFORMATION SECURITY PLAN

EFFECTIVE MARCH 1, 2010

Revised 9/18/2014

Written Information Security Program for 201 CMR 17.00

Objective:

This Information Security Plan is intended to create effective administrative, technical and physical safeguards for the protection of personal information of individuals who are customers/prospects of Cross Insurance **(all corporations and divisions)**. This Plan will set forth the Agency's procedure for evaluating electronic and physical methods of accessing, collecting, storing, using, transmitting and protecting the personal information of our customers.

For the purposes of this Plan, "personal information" means the following:

A Customer/Prospect first and last name or first initial and last name, in combination with any one or more of the following that relate to such person:

1. Social Security Number.
2. Driver's license number or other types of personal identification cards.
3. Financial account numbers, credit or debit card numbers, annuity account numbers with or without any required security codes, access codes, personal identification numbers or passwords that would allow access to a customers/prospects financial accounts.

Provided, however, that "personal information" shall not include information that is lawfully obtained from publicly available information, or from federal, state or local government records lawfully made available to the general public.

The Agency recognizes that in particular, it possesses the personal information of customers/prospects and employees in the following places:

1. Hard copy customer and prospective customer files located in file cabinets, file room, dead file storage boxes, on desks and in desk drawers within the agency, as well as off premises storage facilities.
2. Electronic customer files located on the agency's servers, computer hard drives, CD-Rom, USB drive, email server or scanned document server/database.
3. Electronic customer, claimant or driver database located on the agency server or computer hard drive.
4. Personnel files and benefits information for agency employees located in file cabinets or desk drawers.
5. Payroll information for agency employees, including direct deposit information located in file cabinets, desk drawers or hard drive.

This Plan is intended to protect this information from all unauthorized access and/or use.

Scope:

In formulating and implementing this Plan, we have identified reasonable foreseeable internal and external risks to the security, confidentiality and/or integrity of any electronic, paper or other records containing personal information. We have assessed the likelihood and potential danger of these threats, taking into consideration the sensitivity of the personal information, evaluated the sufficiency of existing policies,

procedures, customer information systems and other safeguards in place to minimize those risks. A plan has been designed and implemented that puts safeguards in place to minimize those risks, consistent with the requirements of 201 CMR 17.00 and the Plan will be regularly monitored to check the effectiveness of those safeguards.

Data Security Coordinator

The Agency has designated Paula Stegall as the Data Security Coordinator to implement, supervise and maintain the Plan.

The Data Security Coordinator will be responsible for the following:

1. Initial implementation of the Plan.
2. Regular testing of the Plan's safeguards.
3. Evaluate the ability of service providers to comply with the law.
4. Review the scope of the security measures in the Plan at least annually, or whenever there is a material change in business practices which would affect the Plan.
5. Conduct an annual training session for all branch and department managers for their subsequent communication to personnel who have access to personal information.

Internal Risk to Personal Information

To combat internal risks for security, confidentiality and/or integrity of records containing personal information, including any and all customer/prospect files, the following measures will be taken:

1. Agency employees should access customer/prospect files only for legitimate business purposes.
2. Paper files containing personal information are to be secured by one or more of the following options **determined by feasibility**:
   On Premises
   a. Locked filing cabinets, nightly.
   b. File cabinets in a file room, room locked up nightly.
   c. Files in an area where office is secured and locked nightly.
   Off Premises
   a. Transporting files – the branch will take reasonable steps to maintain the security of any personal information.
3. When appropriate to destroy agency records, paper and electronic records containing personal information must be destroyed in a manner in which the information can not be read or reconstructed.
4. Agency computers shall require a user ID and password and those IDs and passwords should be changed periodically. Electronic assess to personal information will be blocked after multiple unsuccessful attempts to log-in. Back up tapes on or off premises are to be properly secured.
5. Terminated employees must return all records containing personal information in any form. Return all keys, IDs, and access codes. Terminated employees will be reported to the Home Office including the I.S. Coordinator and will be prohibited from accessing personal information and access to email, voicemail, agency intranet and passwords immediately.

6. Employees are encouraged to report any suspicious or unauthorized use of customer information to the Data Security Officer.
7. Customer checks for premium payments will be secured by the payment desk or designated employee following agency procedures.
8. To the extent technically feasible, personal information transmitted across public networks or wireless is encrypted. When typing emails, do not include banking information, social security numbers, driver's license numbers, credit or debit card numbers, checking account numbers, passwords, access codes or PINs in the text of the email.

Agency employees who violate this Plan may be subject to discipline up to and including termination.

External Risks to Personal Information

To minimize external risks to the security, integrity of records containing personal information, including any and all customer/prospect files, the following measures will be taken:

1. Visitors to the agency shall not have access to records containing personal information.
2. Visitors to the agency shall not have access to the computer system in any way. Unauthorized use is strictly prohibited.
3. To the extent feasible, personal information stored on laptops, other portable devices, transmitted information across public networks or wireless communications should be encrypted.
4. Secure measures are to be taken to protect all passwords and user IDs that would allow access to agency computer and customer/prospect information. If you receive a new temporary password, you are to change it as soon as possible.
5. The agency maintains up to date firewall protection, spyware, anti virus protection and operating security patches. Periodic announcements have been and will continue to be sent to all employees that computers/laptops belong to the Cross Insurance and are not to be used for any personal information. All employees are required to sign the Equipment Acceptable Use Policy.
6. If you use a remote log in from home, the exact same rules apply.

Personal Information Breach

A security breach occurs when there is an unauthorized acquisition or use of personal information of one or more agency customers/prospects. The following measures will be taken by the Agency in the event of a security breach which creates a risk of identity theft to a customer/prospect:

1. The Agency will notify the Office of Consumer Affairs and Business Regulations and the Attorney General's Office. This notice shall include the nature of the breach, the number of customers/prospects affected by the breach and all the steps the agency has taken to rectify the incident and to prevent any further breaches from occurring.

2. The Agency shall also notify the customer(s)/prospect(s) affected by this breach. That notice shall include information regarding the nature of the breach and the number of customers/prospects affected.

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that Cross Insurance TPA, Inc. doing business in New Hampshire as TPA Cross at New Hampshire, a(n) Maine corporation, is authorized to transact business in New Hampshire and qualified on March 20, 2014. I further certify that all fees and annual reports required by the Secretary of State's office have been received.

In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 27th day of April, A.D. 2015

William M. Gardner
Secretary of State

CROSS INSURANCE TPA, INC.

CERTIFICATE OF VOTE

I, Sarah S. Zmistowski, Clerk of Cross Insurance TPA, Inc., do hereby certify as follows:

1. I am the duly elected Clerk of Cross Insurance TPA, Inc. (the "Corporation"), a Maine corporation.

2. I maintain and have custody of and am familiar with the Seal and minute books of the Corporation.

3. I am duly authorized to issue certificates.

4. The following are true, accurate and complete copies of the resolutions adopted by the Board of Directors of the Corporation on May 6, 2015 by an Action by Unanimous Written Consent in accordance with Maine Law and the bylaws of the Corporation:

> **RESOLVED:** That this Corporation's execution and delivery of a contract with the State of New Hampshire providing for the performance by the Corporation of certain Workers' Compensation Third Party Claims Administration and Related Services is hereby ratified, confirmed and approved as of May 4, 2015.
>
> **RESOLVED:** That all actions heretofore taken by each of the President, Vice President and Treasurer, acting singly, on behalf of this Corporation relating to the execution and delivery of said contract with the State and any and all such actions and to execute, seal, acknowledge and deliver for and on behalf of this Corporation any and all documents, agreements and other instruments and any amendments, revisions or modifications thereto as he may deem necessary, desirable or appropriate to accomplish the same are hereby ratified, confirmed and approved as of May 4, 2015.
>
> **RESOLVED:** That the signature of any officer of this Corporation affixed to any instrument or document described in or contemplated by these resolutions shall be conclusive evidence of the authority of said officer to bind this Corporation thereby.

5. The foregoing resolutions have not been revoked, annulled or amended in any manner whatsoever, and remain in full force and effect as of the date hereof; and the following persons have been duly elected and now occupy the offices indicated below:

President:	Royce M. Cross
Vice President:	Gard Estes
Treasurer:	Woodrow W. Cross

IN WITNESS WHEREOF, I have hereunto set my hand as the Clerk of the Corporation and have affixed its corporate seal this 6th day of May, 2015.

Sarah S. Zmistowski, Clerk

(Corporate Seal)

STATE OF MAINE
COUNTY OF PENOBSCOT

On this the 6th day of May, 2015, before me, Linda M Chambers the undersigned officer, personally appeared Sarah S. Zmistowski, who acknowledged herself to be the Clerk of Cross Insurance TPA, Inc., a corporation, and that she, as such Clerk being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by herself as Clerk.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

Notary Public
My Commission expires: _____

LINDA M. CHAMBERS
Notary Public • Maine
My Commission Expires February 24, 2017

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 4/28/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Cross Insurance

P.O. Box 1388
Bangor ME 04401

CONTACT NAME: Woodrow Cross, II
PHONE (A/C, No, Ext): (207) 947-7345 FAX (A/C, No):
E-MAIL ADDRESS: w2cross@crossagency.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Hanover Insurance Group, Inc.	22292
INSURER B: National Union Fire Ins Co LA	32298
INSURER C: Maine Employers Mutual Ins Co.	
INSURER D: Utica Mutual Ins Co	
INSURER E:	
INSURER F:	

INSURED
Cross Financial Corp.

P O Box 1388
Bangor ME 04402

COVERAGES CERTIFICATE NUMBER: CL147713649 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC			ZBP687501711	7/21/2014	7/21/2015	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 300,000 $ 5,000 $ $ 2,000,000 $
A	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS HIRED AUTOS SCHEDULED AUTOS NON-OWNED AUTOS			ABP472889020 ADP915322604	7/21/2014 7/21/2014	7/21/2015 7/21/2015	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
B	X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE DED RETENTION $			BE7251220	7/21/2014	7/21/2015	EACH OCCURRENCE AGGREGATE	$ 10,000,000 $ 10,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		5101800114 3102802556	10/1/2014 10/1/2014	10/1/2015 10/1/2015	WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 500,000 $ 500,000 $ 500,000
D	Errors & Ommissions			4179150EO	5/1/2014	5/1/2015	Each Loss Limit	$10,000,000
A	Crime/Fidelity			BDP1834885	7/21/2014	7/21/2015	Limit	$500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Cross Insurance TPA, Inc. The number of cancellation days is 30 except in instances of non-payment which is 10 per Maine State law.

Refer to policy for exclusionary endorsements and special provisions.

CERTIFICATE HOLDER

Department of Administrative Services
Risk Management Unit
NH Department of Administrative Services
25 Capitol Street
Concord, NH 03301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Woodrow Cross, II/WC1 Woodrow Cross II

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