

EXHIBIT A – SCOPE OF WORK
Workers' Compensation Claims Management Services
Terms and Conditions

I. DESCRIPTION OF WORKERS' COMPENSATION CLAIMS MANAGEMENT SERVICES

- (a) Customer shall promptly notify CorVel of all incidents subject to the services described in this Agreement.
- (b) First report of loss services involve gathering pertinent information related to a work injury and reporting such information to the appropriate state industrial accident board or commission as required by law, and is used to facilitate CorVel's initial review of the claim to determine whether the claim is likely to be medical-only or lost time and to help guide the initial determination of Services that may be required ("First Report Services").
- (c) CorVel's Workers' Compensation Claims Management services provide Customer with a process to comply with Customer's workers' compensation issues in the applicable jurisdiction. CorVel shall provide workers' compensation claims management services set forth herein to Customer on behalf of employees that sustain work related injuries ("Injured Employees"). CorVel may subcontract with a third party to provide some portion of its claims management services obligations hereunder with the prior written consent of Customer.

II. DELIVERY OF FIRST REPORT OF LOSS SERVICES

- (a) CorVel shall provide First Report Services to Customer upon receipt by CorVel of specific requests from Customer. Prior to the implementation of CorVel First Report Services and as required during the Term of this Agreement, Customer may provide CorVel with instructions regarding the scope and extent of the First Report to be performed by CorVel. Absent such instruction, CorVel First Report Services shall be performed as described below.
- (b) Customer shall initiate First Report Services by (i) entering such information online through CareMC, (ii) calling CorVel via a toll free number provided by CorVel, or (iii) faxing such information to the CorVel intake specialist. Customer or the Customer representative entering such information on CareMC, making such calls, or faxing such information shall provide CorVel with all information required to complete the First Report of Loss form required by the applicable state ("Required Information"). Required Information generally includes the following: name/address of claimant, date of incident, description of injuries, social security number, date of birth, employer, salary, and other descriptive information reasonably required by CorVel, and may include information required by applicable statute (e.g., employer TIN). CorVel shall (i) provide sufficient staff to handle all incoming calls, and (ii) be prepared to complete First Report of Loss forms for all applicable states.
- (c) Once the Required Information is validated and confirmed by a CorVel representative,

First Report of Loss forms will be made available to Customer through the CareMC Application. CorVel will, upon request of Customer, provide a hard copy of the completed First Report of Loss form to the Customer. An electronic copy shall be available to Customer via CareMC. To the extent permitted by the applicable state industrial accident board or commission, the Required Information shall be transmitted electronically.

- (d) To the extent required by applicable statute or otherwise agreed in writing by CorVel, CorVel will file additional reports on earlier-filed First Reports of Loss ("Subsequent Reports").
- (e) Unless agreed to otherwise in writing by the parties, any questions or concerns from an industrial accident board or commission concerning First Reports of Loss forms completed by CorVel hereunder will be handled directly by CorVel. All such inquiries will receive an initial response within the next business day following CorVel's receipt of the inquiry. CorVel will keep Customer apprised of any inquiries it receives and the response thereto. CorVel will send a written response to the inquiry within five (5) business days outlining the nature of the inquiry and the resolution of same by CorVel. A copy of such response will also be sent to the attention of the designated Customer representative if requested in writing by Customer. Customer shall have the right, but not the obligation, at any time and at Customer's expense, to interject itself into the inquiry between CorVel and the industrial accident board or commission, and in connection therewith to resolve the inquiry in a manner acceptable to Customer at its sole discretion, in which case Customer shall defend, indemnify and hold harmless CorVel from and against any claim, liability, damages or costs arising from Customer's handling of such inquiry or the resolution thereof.

III. DELIVERY OF CLAIMS MANAGEMENT SERVICES

- (a) Customer shall arrange so that all claims and all related bills of any type, as well as all other correspondence that Customer receives relating to such claims, are sent directly to CorVel. CorVel shall perform all of the following "Claims Services" in connection with each portion of a Claim related to Workers' Compensation benefit payments for lost income (each an "Indemnity Claim") and one or more of such Claims Services with respect to that portion of a Claim related to Workers' Compensation benefits other than payments for lost income (each a "Non-Indemnity Claim"). All Claims Services provided by CorVel under this Agreement shall be performed in accordance with the guidelines set forth in Sections II-IV of this Exhibit A:
 - (i) CorVel shall immediately assign each new Indemnity Claim and Non-Indemnity Claim to CorVel's designated claims professional.
 - (ii) Utilizing CorVel's CareMC Application or other applicable CorVel Online System, CorVel shall maintain a chronological record of all Claims Services performed by CorVel.
 - (iii) CorVel shall make all filings related to Indemnity Claims and Non-Indemnity Claims with the appropriate state Workers' Compensation regulatory authorities.

- (iv) CorVel shall maintain a complete and accurate claim file for each Indemnity Claim and Non-Indemnity Claim.
- (v) CorVel shall perform reasonable and necessary administrative and clerical work including, without limitation, the following:
 - (A) Investigate all Indemnity Claims and Non-Indemnity Claims. .
 - (B) Determine and evaluate any coverage and/or compensability issues and provide Customer with appropriate recommendations and advice regarding the same.
 - (C) Adjust, handle, or settle to a conclusion those Indemnity Claims and Non-Indemnity Claims that CorVel believes the Customer is legally obligated to pay under applicable state law and regulations, and in accordance with the authority granted to CorVel by Customer under the Agreement.
 - (D) Prepare checks for payments of Indemnity claims, Non-Indemnity Claims and Allocated Loss Adjustment Expenses.
 - (E) Prepare documents as necessary to close out Indemnity Claims and Non-Indemnity Claims.
- (b) CorVel shall process claims and process the disbursement of benefit payments to claimants and providers entitled to such payments from Customer. Funding for the payment of all benefits to claimants, providers, vendors and "allocated loss adjustment expenses" (as defined below) is the sole responsibility of Customer and Customer agrees to be liable for and fund all proper claims processed by CorVel. Such payment shall be made through a bank account established by CorVel. There shall be one account established for claims relating to both First Reports of Loss arising on or after July 1, 2014 and for claims relating to First Reports of Loss that arose prior to July 1, 2014 that were administered by JT2 (the "bank account"), if applicable (i.e., if CorVel is assuming responsibility for providing Claims Administration services for claims occurring prior to the effective date of the Agreement). CorVel shall provide Customer with a check register in a mutually agreed format for each checkrun drawn on a bank account prior to mailing of the checks. CorVel also will provide Customer information as necessary for Customer to prepare periodic bank account reconciliation reports. Customer agrees to pay into the bank account funds sufficient to pay approved claims and to maintain the advance deposit set forth below and to provide CorVel with such authorizations as shall be necessary to make the required instruments valid claims against Customer. Notwithstanding the other provisions of this Agreement, if payments are not made when due, Customer shall be in default and subject to immediate termination without notice, and CorVel shall have no liability for claims, penalties or other damages arising out of or relating to any such failures on the part of Customer.
 - (i) Customer shall make an initial advance deposit into the bank account in an amount equal to Five Hundred Thousand Dollars (\$500,000).
 - (ii) "Allocated loss adjustment expenses" or "ALAE" shall mean claim adjustment costs and expenses incurred by CorVel or its subcontractor and allocated by

CorVel to the investigation, adjustment and settlement or defense of a claim for benefits, including, without limitation, attorneys' fees and disbursements, pre and post judgment interest, court reporter services and transcripts, deposition charges and transcripts, fees for service of process, court costs, courier/express mail, long distance, appeal bonds, printing costs related to trials and appeals, witness and expert fees, medical examination and review, laboratory costs, engineering, independent adjuster fees, surveillance, photography, and similar costs and expenses reasonably incurred and related to the investigation and defense of claims or the protection and collection of subrogation rights of the Customer.

- (c) CorVel shall provide Customer with payment services through Check Writing services in accordance with specifications mutually agreed by Customer and CorVel.
 - (i) The checks referred to in Section II(d) will be drawn on CorVel's account at Wells Fargo Bank, Portland, Oregon or CorVel's account at such other bank as the parties of this Agreement may mutually accept, as evidenced by a letter or written document signed by both parties (hereafter, the "Bank"), with Customer identified on each check as the insurer or any insurance carrier as such may be required. Check Writing services shall also include IRS form 1099 filing and associated follow-up, bank reconciliation, and bank fees specifically related to such processing if Customer is using CorVel's bank account. Otherwise, such services will be subject to an additional fee.
- (d) CorVel agrees to provide the following services to Customer relating to the processing and payment of claims:
 - (i) to receive claims and process payment of benefits in accordance with applicable State(s) program guidelines required for the payment of workers' compensation claims;
 - (ii) to correspond with the claimants, providers of services and vendors if additional information is deemed necessary to complete the processing of claims;
 - (iii) to determine the amount of benefits payable;
 - (iv) to provide notice to claimants as to the reason(s) for denial of benefits (when such are denied) and to provide for the review of such denied claims;
 - (v) to receive and process for payment claims for benefits incurred prior to the Effective Date in consideration for the separate fees established in Exhibit B; and
 - (vi) at Customer's request, to provide specified additional services for such fees as the parties mutually agree;
- (e) Subject to applicable law, all claims files, data, systems and records and associated documents and notices regarding the administration of claims and provision of services pursuant to this Agreement and the payment of claims and allocated loss adjustment expenses, may be audited, examined, and copied by Customer, its representatives, excess carriers, reinsurers or any state insurance department or other regulatory body

that so requires, at Customer's expense, at any time or times during CorVel's normal business hours and with not less than thirty (30) days advance notice; and notwithstanding anything to the contrary contained in this Agreement.

- (f) CorVel is and shall remain an independent contractor with respect to the services being performed hereunder and shall not for any purpose be deemed an employee of Customer, nor shall CorVel and Customer be deemed partners, joint venturers or governed by any legal relationship other than that of independent contractor as set forth herein. CorVel does not assume any responsibility for the adequacy of the funding of benefits or any act or omission or breach of duty by Customer.
- (g) CorVel is not in any way to be deemed an insurer, underwriter or guarantor with respect to any benefits payable under Customer's workers' compensation program.
- (h) CorVel may rely on instructions received from such person or persons as Customer may from time to time designate in writing, provided that no such instruction may vary the terms of this Agreement.
- (i) Unless otherwise directed by Customer or precluded by law, CorVel shall seek subrogation recoveries on behalf of Customer and shall provide Customer with any recoveries obtained, minus the attorneys' fees and costs incurred in obtaining such recoveries. Customer represents and warrants that its workers' compensation program provides for rights of subrogation. Customer delegates and/or assigns these subrogation rights and third party recovery rights to CorVel as its agent for purposes of subrogation only. Customer shall assist CorVel in its subrogation efforts by providing requested information and documentation. CorVel may engage the services of a subrogation management firm to assist with the identification and management of subrogation cases. The fees charged by the subrogation management firm will be deducted from any recovery. In those cases where the subrogation recovery efforts of the claimant's attorney should be compensated, Customer delegates to CorVel full authority to act on behalf of the Customer to negotiate reasonable attorneys' fees. In those instances where Customer's subrogation lien, in the opinion of CorVel, should be compromised or abandoned, Customer delegates to CorVel full authority to act on behalf of Customer to compromise or abandon the lien. Any determination by CorVel with respect to subrogation liens shall be final and conclusive, unless overturned by order of a limited arbitrary and capricious standard of review.
- (j) CorVel shall consult and cooperate with Customer with respect to any loss or claim resulting in a lawsuit being instituted against Customer. Nothing in this paragraph shall be construed in any way as a waiver by CorVel of any attorney/client, work product or other applicable privilege with respect to any materials or documents prepared by CorVel or its counsel in anticipation of litigation.
- (k) CorVel shall assist, cooperate and participate with Customer, carriers and reinsurers in connection with claim reviews and audits and catastrophic injury claim analysis and excess claim related reporting.

IV. SERVICE CRITERIA, STANDARDS AND GUIDELINES

- (a) Assignments: Customer will notify CorVel, either via CareMC, telephone or facsimile,

that Customer's employee has sustained a work related injury. All new Lost Time claims will be acknowledged and established by CorVel within the next business day following such notice. The acknowledgement will include the name and contact information of the assigned Adjuster.

- (b) Contacts: As warranted, and always with regard to lost time, or anticipated lost time claim situations, initial contact with the injured employee will be made within the next business day following receipt of a new assignment claim. Contact with the Physician, and employer, if required will be made by the next business day.
- (c) Investigation: Completed and documented within 30 days from date of assignment.

EXHIBIT B**Fees**

- (1) During Initial Term. Fees during the Initial Term of this Agreement shall be as follows:

Claims Administration*

Description	Pricing
Flat Annual Fee –Year One (option #1)	\$198,267.00
Up to 50 new MO 72 new IND claims annually	
Per claim fee after maximum number of claims:	
Medical-Only	\$ 175.00
Indemnity	\$ 1,495.00
First Notice of Loss Intake Submitted via Care ^{MC}	No Charge
Incident Only Reporting Submitted via Care ^{MC}	No Charge
24/7 Nurse Triage	No Charge
Data Conversion	No Charge
CareMC User IDs (online claim system access) Up to 5 Users	No Charge
Annual Banking Fees	One Wells Fargo Account
Subrogation	25% of Recoveries
Indexing	\$10.00 per Index

**All existing open claims are included in the flat annual fee above. The above pricing per claim is based on handling of all claims that occur and are reported during the agreement period. They will be handled until closed or until the end of the agreement period, whichever comes first. Pricing is valid for first year of contract. After year 1, all flat rate fees are subject to 3 % annual increase dating from contract inception*

Medical Bill Review Services*

Description	Pricing
Bill Review	\$20.00 per bill
State EDI	Included
Scanning/OCR	Included
PPO, Enhanced Bill Review, Professional Review & Pharmacy (CCR)	Included
Checkwriting	Included
Initial 1099 provider notification letter	Included

Clinical Pain Management

Description	Pricing
Medication Review Services	\$ 200.00 per hour
Physician Case Management	\$ 300.00 per hour*

*Physician Case Management Administration rate at \$50 per hour.

Patient Management

Type of Case Management	Pricing
Telephonic Case Management	\$ 110.00 per hour
Field Case Management*	\$ 110.00 per hour
Utilization Review	\$ 110.00 per review
Peer Review	\$ 230.00 per hour

* Prevailing IRS mileage rate.

CA MPN

Description	Pricing
State Filing of MPN application Contract	Included
Employee notification	\$1.00/employee
Employee enrollment and education material	Pass through cost
MPN posting notices	Pass through cost

(2) Fees During Renewal Terms: CorVel shall increase the Fees associated with the above Services annually on the effective date of the Renewal Term. Such increase shall be equal to the greater of: (i) three percent (3%) or (ii) the percentage increase in "CPI" for the immediately available preceding twelve (12) month period plus two percent (2%). For the purposes of this Agreement, "CPI" means the Consumer Price Index U.S. City Average for Urban Wage Earners and Clerical Workers, All Items, of the United States Bureau of Labor Statistics (1982-1984=100). If the manner in which such CPI as determined by the Bureau of Labor Statistics is substantially revised, an adjustment will be made in such revised index which would produce results equivalent, as nearly as possible, to those which would have been obtained had the CPI not been so revised. If the 1982-1984 average is no longer used as the index of 100, such change shall constitute a substantial revision.

(3) Fees for Additional Professional Services: If Customer requires any additional professional services from CorVel relating to the Services or the CareMC Application, including but not limited to integration of the CareMC Application with EDI or other Customer systems, Customer shall submit a written request to CorVel for such services. CorVel shall, in good faith, consider providing such services at its then-current professional services fee rate and standard terms and conditions.