



Claims Administrative Services, Inc.

Our reputation for excellence is no accident.TM

TEXAS EDUCATIONAL INSURANCE ASSOCIATION

WORKERS' COMPENSATION

Plan Year 2012-2013 Addendum – Part 1 of 2

Plan Sponsor: West Orange Cove CISD

West Orange Cove CISD, a legally constituted political subdivision of the State of Texas, whose mailing address is P. O. Box 1107 Orange, TX 77630-1107 (hereinafter "the Plan Sponsor"), by its governing body, previously adopted a Plan for a Workers' Compensation Self-Insurance Joint Fund (interlocal agreement) and has designated its employee described below as the board designated employee for the district to take all actions to the full extent allowed by law on behalf of the Plan Sponsor with respect to the Plan, including but not limited to electing Trustees and Officers of the Plan; approving or denying claims, benefit payments and disbursements; communicating with the Plan Supervisor; and all other actions necessary or desirable for the administration of the Plan.

The final annual cost for any fiscal year beginning September 1 may be more, or less, than the Guaranteed Cost depending on the results of a recalculation of the Guaranteed Cost based upon the actual payroll figures for the fiscal year ended August 31. The Plan Sponsor shall disregard any references stated in the interlocal agreement referencing Loss Fund, Sharing, or SIR.

Guaranteed Cost paid by the Plan Sponsor includes administration of claims, loss control, record keeping, and the cost of Excess Insurance.

Guaranteed Cost Includes: Claims Administration, Record Keeping, Safety and Loss Control, Excess Insurance, Incurred Claims, Claims Expense Allowance, Allocated Claims Expenses, and Cost Containment, plus...

Initial contact with claimant	Setting IME appointments	Communication with Doctor
Initial contact with insured	Administering benefits timely	Visits by Adjuster
Initial contact with doctor	Annual Reports	Recorded statements
Faxes	Check stock & issuing checks	Filing state forms
Regular Meetings with Client	Subrogation Management	Answering WC legal questions
Photographs	Reports	Supervisor review of claims
Telephone	Litigation Management	Travel expenses
Monitoring medical treatment	Communication with employee	Review of claims with clients
Airfare, except extraordinary	Mileage, except extraordinary	Excess Carrier Reporting
Loss Runs	Express mail, except extraordinary	EDI requirements for Ins Carrier
Filing of 1099's	Obtain Records, except extraordinary	...CAS Service Guarantee, and much more.....

Allocated Expenses:	Cost associated with bank account or its maintenance
Attorney fees	Extraordinary travel expenses incurred by CAS
Medical opinions	Cost associated with Occupational Rehabilitation
Independent Medical Examination	Pre-authorization or Utilization
Peer Review	Medical Bill review (20% Percent of Savings)
Court costs	Subrogation Recovery (Percent of Recovery)
Medical Case Management	Preferred Provider Organizations (Percent of Savings)
Cost of surveillance	Cost for obtaining and copying of public or medical records
Interest paid as result of Litigation	Cost for photography, preparation of maps, diagrams or physical analysis
Witness travel expense	Cost of employing experts' testimony
Witness fees	Cost for property damage appraisal fees

Cost Containment:

CAS does provide cost containment services for our clients. Cost containment services are allocated to the claim and billed at the following rates. Field Case Management, \$88 per hour + mileage; Telephonic Case Management, \$88 per hour; Rehabilitation/Vocational Case Management, \$88 per hour + mileage; Pre-Authorization, \$150 flat rate per request; Out of Network Hospital Bill Review, 25% of savings; Pharmacy Network, 9% of savings; Peer Review, based on physician specialty/with average fee of \$500; Subrogation, no charge if done in-house or at cost if a complicated case that would be better represented by an attorney; Investigation Services, \$35 for initial database research/\$84 per hour for surveillance.

CAS has a proven record in reducing claims cost. CAS adjusters aggressively work with the injured employee and doctors to get the employee back to work and close their file. CAS works closely with their clients to establish a long-term partnership.



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Texas Educational Insurance Association

WORKERS' COMPENSATION

Plan Year 2012-2013

3 Year Plan – Part 2 of 2

Plan Sponsor: West Orange Cove CISD

Your workers' comp rates have declined by the percentages noted below. The one remaining variable will be the payroll for each year which is estimated to be \$16,933,612.00 for 2012-2013. Should your payroll vary from this estimate you may see a greater or lesser decrease in your total dollars spent however the rate applied to the payroll will be reduced by the percentage noted below.

The Guaranteed Cost is subject to change based on actual payroll and final participation on 9/1 of each year.

☐ Begin New 3 Year Plan/ Year 1

Guaranteed Cost Rate Reduction..... 27.42%

☐ DRAFT OUR W/C FUND BANK ACCOUNT ON DUE DATE – Plan Sponsor authorizes payment by draft on the due date for any and all billings. Plan Supervisor will provide copy of Draft Invoice prior to due date.

SHOULD THE DISTRICT NOT CHOOSE THE DRAFT PAYMENT METHOD, INITIAL INVOICE WILL BE ISSUED PRIOR TO 8/1/12, PAYABLE ON 9/1/12 AND EACH SUBSEQUENT 9/1 FOR THE RESPECTIVE COST FOR THE REMAINING YEARS OF THE PLAN.

CERTIFICATE

As its duly designated employee, I acknowledge that **West Orange Cove CISD** wishes to continue the agreement as previously approved by the Board of Trustees, the governing body of such district. As the designated employee of said district, I am exercising the authority conveyed by the Board of Trustees to extend the term of this agreement for an additional three (3) years which must be completed before an exit option is available. I further acknowledge that this agreement guarantees only the Guaranteed Cost Rate. It is understood that the Guaranteed Cost is subject to change each year of the agreement based on the actual payrolls of the district. **Effective start date of this plan addendum is September 1, 2012.**

/ /2012
Date

Signature (Board Designated Employee for the District)

Title

Please return signed Renewal Addendum to CAS by 4/1/2012.

CAS-Claims Administrative Services, Inc.

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