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APPROVED
BY THE CITY COUNCIL

JUN 18 1996

OFFICE OF THE
CITY CLERK
4695-056-1
821 TENTH STREET
ROOM 401
SACRAMENTO, CA
95814-2713

DEPARTMENT OF
HUMAN RESOURCES

DONNA L. GILES
DIRECTOR

CITY OF SACRAMENTO
CALIFORNIA
June 6, 1996

916-264-5270

DIVISION:
ADMINISTRATION
PERSONNEL SERVICES
RISK MANAGEMENT

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: EXTENSION OF AUTO AND GENERAL LIABILITY CLAIMS
THIRD PARTY ADMINISTRATION SERVICES AGREEMENT**

LOCATION AND COUNCIL DISTRICT:

City.

STAFF RECOMMENDATION:

It is recommended that the City Council adopt the attached resolution extending the Auto and General Liability Claims Third Party Administration Services Agreement with Gregory B. Bragg & Associates at the rate of \$18,614.68 per month effective July 1, 1996 to September 30, 1996.

CONTACT PERSON:

Margaret Ann Allen, Risk Manager, 264-5270

FOR COUNCIL MEETING OF:

June 18, 1996

SUMMARY:

This report recommends that the City Council approve the extension of the contract with Gregory B. Bragg & Associates, Inc., to provide the City of Sacramento with auto and general liability claims administration services. This third party administrator has a dedicated unit within the Human Resources Department and has provided claims City administration services to the City for the past six years.

City Council
Extension of Auto and General Liability Claims
Third Party Administration Services Agreement
June 6, 1996

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

Since the integration of all Risk Management functions into the Human Resources Department in 1993, the Risk Management Unit has updated the liability claims program to enable the City to better manage all costs associated with liability claims. Major changes include:

1. The Risk Management Unit now receives claims directly from the City Clerk allowing direct response to the public and City staff regarding the claim. This comprehensive updating of claim procedures was accomplished in conjunction with the City Clerk and the City Attorney.
2. The Risk Management Unit now directs formal responses made by the City on any governmental liability claim. Claims previously were "rejected" automatically, resulting in unnecessary litigation. This change has resulted in substantial savings to the City by drastically reducing the number of pending claim lawsuits.
3. The Office of the City Attorney and the Risk Management Unit have developed formal claims review and settlement procedures. A Tort Claims Committee has been established for the purposes of reviewing and settling claims reserved between \$25,000 and \$50,000. This committee is comprised of the Risk Manager, Liability Claims Manager and City Attorney.

City staff is currently preparing a Request for Proposal for Third Party Administration of our Auto and General Liability claims. This will allow other firms in the area an opportunity to bid on the City account.

FINANCIAL CONSIDERATIONS:

This contract extension will be under the same terms and conditions as the current contract with Gregory B. Bragg & Associates, Inc (**ATTACHMENT A**). Funding is provided with FY 1996-97 budget for the subject services through June 30, 1997.

City Council
Extension of Auto and General Liability Claims
Third Party Administration Services Agreement
June 6, 1996

ENVIRONMENTAL CONSIDERATIONS:

None.

POLICY CONSIDERATIONS:

The current policy is to self-fund City liability programs and purchase excess insurance over \$2,000,000. The City contracts with a third party administrator, housed within City offices, as this is the most efficient method to manage our claims at the present time.

MBE/WBE EFFORTS:

In the area of litigation we are utilizing minority owned defense firms. The Risk Management Unit utilizes MBE/WBE vendors whenever possible.

Respectfully submitted,



Margaret Ann Allen
Risk Manager

RECOMMENDATION APPROVED:



for William H. Edgar
City Manager

APPROVED:



Donna L. Giles
Director of Human Resources

RESOLUTION NO. 96-296

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

APPROVED
BY THE CITY COUNCIL
JUN 18 1996
OFFICE OF THE
CITY CLERK

**RESOLUTION APPROVING EXTENSION OF AUTO AND
GENERAL LIABILITY CLAIMS ADMINISTRATION SERVICES**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. That the City Manager is hereby authorized and directed to contract with Gregory B. Bragg & Associates, Inc. for Auto and General Liability Claims Administration Services, for the period July 1, 1996 through September 30, 1996.
2. The City will continue to provide office space for Gregory B. Bragg & Associates staff within the Department of Human Resources.
3. For claims commencing on July 1, 1996 Gregory B. Bragg & Associates, Inc. is to perform all administrative services offered in this contract. The following fees are proposed on a flat monthly fee of \$18,614.68 50 new claimants per month. New claims over 50 per month will be billed at \$42.00 per hour plus expenses.
4. The Department of Finance is authorized and directed to pay fees for said coverage from the Risk Management and Insurance Program budget.

421-150-1546-4258

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

A695-056-1

APPROVED
BY THE CITY COUNCIL
JUN 18 1996
OFFICE OF THE
CITY CLERK

**CITY OF SACRAMENTO
AMENDMENT TO**

THIRD PARTY CLAIMS ADMINISTRATION AGREEMENT

THIS AMENDMENT is made as of July 1, 1996, by and between the CITY OF SACRAMENTO, a charter municipal corporation (hereinafter referred to as "City") and GREGORY B BRAGG & ASSOCIATES, INC., ONE SIERRA GATE PLAZA, SUITE 250B, ROSEVILLE, CA 95678, a California Corporation, (hereinafter referred to as "Claim Administrator").

Recitals

1. City and Claim Administrator entered into a "Third Party Claims Administration Agreement" on March 27, 1995, whereby City retained the services of Claim Administrator to perform liability claims management services to the City.
2. The term of the "Third Party Claims Administration Agreement" is from March 27, 1995 to June 30, 1996.
3. The City is preparing a Request for Proposal for Third Party Administration of its Auto and General Liability claims, which will enable other firms in the area to bid on the City account currently held by Claim Administrator. The bidding and selection process shall require three months to complete.
4. The City desires a three month extension of the "Third Party Claims Administration Agreement" to complete the bidding and selection process for the third party administration of its auto and general liability claims.

NOW, THEREFORE, City and Claims Administrator mutually agree as follows:

Agreement

1. Section 25 ("Term of Agreement) of the "Third Party Claims Administration Agreement" shall read as follows: "The term of this agreement, as extended by this extension, shall be from March 27, 1995, to and including September 30, 1996."
2. This Amendment is limited as specified and shall not constitute a modification, acceptance or waiver of any other provision of the Agreement.

CITY OF SACRAMENTO
AMENDMENT TO
THIRD PARTY CLAIMS ADMINISTRATION AGREEMENT

CITY OF SACRAMENTO
A Municipal Corporation

William H. Edgar
City: City Manager

ATTEST:

City Clerk

Gregory B. Bragg, President
Gregory B. Bragg & Associates, Inc.,
a California Corporation

APPROVED AS TO FORM:

City Attorney

CITY OF SACRAMENTO

THIRD PARTY CLAIMS ADMINISTRATION AGREEMENT

THIS AGREEMENT is made at Sacramento, California, as of _____
MARCH 27, 1995 , by and between the CITY OF SACRAMENTO, a municipal
corporation ("City") and GREGORY B. BRAGG & ASSOCIATES, INC.

ONE SIERRA GATE PLAZA, SUITE 250B
ROSEVILLE, CA 95678

a California Corporation ("CLAIM ADMINISTRATOR"), and

W I T N E S S E T H

WHEREAS, CITY requires liability claims adjusting and administrative
services, and Claim Administrator is agreeable to performing such services for
CITY,

NOW, THEREFORE, the parties agree as follows:

1. Retainer. City hereby retains Claims Administrator, and Claim
Administrator accepts City's retainer, to perform liability claims management
services.
2. Prompt Handling. Claim Administrator agrees to initiate prompt handling
of all claims presented to the Claim Administrator upon notification in writing,
facsimile transmissions, or by telephone from City. Claim Administrator will not
be responsible for late reporting by City or claims not reported by City.
3. Claims Subject to Agreement. All third party liability claims in excess
of \$500 or those not otherwise handled by City Attorney that are filed with the
City of Sacramento will be forwarded to the Claims Administrator for review and
action.
4. Writings Property of City. All original reports, documents, and claims
data of every kind or description that are prepared in whole or part by or for
Claim Administrator in connection with this Agreement shall be City's property.
Additional copies of original reports, documents, and data requested by City will

City Agreement No. 95-056

be at City's expense in accordance with this Agreement. All such records shall be held in strictest confidence by Claims Administrator.

5. Claims Actions. All claims actions required, such as denial, rejection of claims, etc., will be completed by the Claims Administrator, which is also responsible for the preparation and obtaining of all releases, waivers regarding settlement, and their execution.

6. Present Claims Data. The Claims Administrator will capture existing claims data from the City's claims information reports.

7. Quarterly Reports. The Claims Administrator will provide a quarterly report to the Risk Management Office, no later than the 5th day of the months of April, July, October, and January. The report will be used at a quarterly Risk management Committee meeting with the Claims Administrator. The Claims Administrator must include in its report the claimant's name, date of loss, a summary of facts and legal issues, action taken and the Claims Administrator's recommendations for further action. The quarterly report must include those claims that meet any of the following criteria:

1. Reserve Set at \$25,000 or more
2. A fatality
3. Amputation of a major extremity
4. Serious head injury or any other injury which involves permanent incapacitation

8. Claims Exceeding \$10,000. All claims reserved in excess of \$10,000 must be reported within five (5) days of discovery, in writing, to the Risk Management Office, by way of a report to the claim file.

9. Major Claims. All claims reserved in excess of \$25,000 must be reported within five (5) days of discovery, in writing, to the Risk Management Office and must include a summary of facts, legal issues, action already taken, and recommendations for further action.

10. Excess Carriers. The Claims Administrator will perform all duties imposed by the excess carriers of insurance policies to which the City is a named insured. This responsibility includes, but is not limited to, giving notice of

anticipated or pending claims or litigation. The Claims Administrator, Risk Manager and City Attorney are responsible for conducting all negotiations and other communications with respect to settlements which penetrate excess carrier limits. It is also responsible for contractual commitments with the carriers to pay amounts covered by their policies and commanded by the settlement in consideration of release of the City and those who are required to be indemnified from liability. The Claims Administrator will notify excess carriers of any claims which may fall within their jurisdiction. In respect to this Agreement, the Claims Administrator will notify excess carriers of all claims pursuant to the specific reporting requirements of the carriers.

11. Settlement Authority. The Claims Administrator has express authority for settlement of any single claim up to \$15,000. The Risk Manager may authorize settlement of claims more than \$15,000 up to \$25,000. Settlement of claims more than \$25,000 up to \$50,000 must be approved by the Risk Management Committee, composed of the Risk Manager, Claims Administrator and City Attorney. Settlement authority for all claims exceeding \$50,000 must be approved by the City Council. The Claims Administrator and the attorney retained by the Claims Administrator to represent the City may be present for presentation of settlement proposals over \$50,000 to the City Council.

12. Settlement Report. For any claim on which settlement in excess of \$15,000 is proposed on behalf of the City, the Claims Administrator must forward a report detailing terms of proposed settlement; reasons for proposed settlement including liability analysis, damage and discussion of contribution if appropriate.

13. Defense Evaluation. The Claims Administrator will request that Defense Counsel complete a confidential evaluation within 30 days after each tort liability case in excess of \$10,000 is opened. This report will be provided to the Risk Management Office and contain the following information:

- a. The incident causing injury, and degree of personal injury;

- b. The identity of all named defendants, other than the City of Sacramento, and the policy limits of applicable insurance coverage for each defendant;
- c. The alleged wrongful acts and determined or estimated comparative fault of each individual defendant including the City in relation to the combined total percentage of all defendants;
- d. The alleged negligent acts of the City of Sacramento;
- e. The recommended initial settlement contribution on behalf of the City; and
- f. The amount of contribution by each named defendant toward the total settlement package.

14. Records and Reports.

- a. Claim Files. The Claims Administrator shall at all times maintain complete and detailed claims files and a claims log with regard to work performed under this Agreement. Records will be retained as long as required by statute. City shall have the right to inspect such records at any reasonable time or during normal business hours.
- b. Statistical Reports. The Claims Administrator shall provide its Risk Management Information System at no additional charge to City, ~~for monthly comprehensive claim listing reports. Specific detailed information requests will be billed separately.~~ The Claims Administrator shall furnish to City approximately fifteen (15) days after the end of each month during the term of this contract a report. The reports shall show the status of each open claims assigned to it, including details of payment and outstanding reserves for the month and year covered by the report. Such report shall include a detailed listing of all claims by areas or department, loss payments, open reserves, summary description by type of losses and a detailed listing of

drafts or checks written. The Claims Administrator shall not be responsible for any late reports due to mechanical failure or other circumstances beyond the Claims Administrator's control. The Claims Administrator shall reconstruct prior year loss history into its Risk Management Information System.

- c. Annual Report. Annually the Claims Administrator shall provide City with a list of all claims received for that period.
- d. Property of City. All claims files, documents, computation forms and other data are acknowledged to be the property of the City.

15. Catastrophe. A catastrophe is defined in this Agreement as a major event where multiple losses or claims arise out of a single occurrence, Claims Administrator shall handle the first ten (10) losses without any additional compensation other than that provided in this Agreement. The first ten (10) losses shall be treated as one claim. Work performed in connection with additional claims arising from said catastrophe shall be performed by the Claims Administrator at its normal rates and charges.

16. Costs to be Paid by City. City shall assume and pay all reasonable and necessary defense attorney fees, court costs and all costs for experts required to investigate and adjust claims, such as material damage appraisals, independent medical examinations, and other professional assistance which it is not possible nor feasible for the Claims Administrator to provide with its own personnel. All billings for services performed by persons or entities other than Claims Administrator will be billed to the City in care of Claims Administrator and will be paid by Claims Administrator from the City's trust account. The Claims Administrator shall submit any invoices or request for payment of fees for attorneys, experts and other professional assistance in excess of \$15,000 to City's Risk Manager for payment approval.

17. Loss Fund. A loss fund shall be established by City with the Claims Administrator given authority to issue drafts and/or checks in payment of claims up to \$15,000 without City approval. Any check or payment in excess of \$15,000

must have prior City approval as described in Paragraph 11, prior to issuance. Adjuster shall periodically supply City with copies of such drafts/or checks and City agrees to maintain such loss fund at a level to pay said claims. Any costs in connections with setting up and maintaining such fund will be paid by City.

18. Disbursements. All checks in payment of losses, claims and expenses on behalf of the City will be issued by the Claims Administrator. The Claims Administrator will forward copies of all checks issued, for accounting purposes, at the end of each month.

19. Advances. The Claims Administrator shall not be required to advance funds on behalf of City for expenses not covered herein, but may do so, at the Claims Administrator's option, for convenience and expediency in processing payments.

20. Equipment. The City will provide for the Claims Administrator's use a computer terminal, modem, word processor, and laser printer for the "dedicated unit" described in Paragraph 35. The City will retain ownership of the computer terminal, modem, word processor and printer upon termination of this Agreement.

21. Payment. For services pursuant to this Agreement, City shall pay Claims Administrator an annual fee of ~~\$223,276.16~~, payable monthly in advance at the rate of ~~\$18,614.68~~ per month, starting March 27, ~~1995~~. Claim Administrator's staff expenses for index reports, mileage, photographs, cassettes, parking, pagers and mobile phones will be submitted monthly for reimbursement at the expense rates quoted in Paragraph 22, or at actual cost.

22. Use of Outside Adjusters. Administrator may use outside adjusters if required by any of the following circumstances:

- A) Any claim investigation conducted outside of Sacramento, Placer, or Yolo counties.
- B) Material damage appraisals.
- C) When there are more than fifty (50) claims received in one (1) month, or with the approval of the City Risk Manager.

Time and expense charges are as follows:

a. Adjusting Services	\$42.00	per hour
b. Office overhead	\$ 33%	of services
c. Secretarial	\$ 6.00	per page/form
d. Claim set up	\$18.00	per claim
e. Mileage	\$.40	per mile
f. Photocopies	\$.25	per copy
g. Photographs	\$ 2.00	per photo
h. Audio Cassettes	\$ 3.00	per tape
i. Video Cassettes	\$15.00	per tape

23. Billing. Claim Administrator will submit its bills on a monthly basis. Payment by City shall be made within a reasonable period of time, not to exceed thirty (30) days.

24. Accounting. Claim Administrator upon request, shall provide City a full accounting of all hours and expenses charged as adjuster's fees, and open its books to City for audit. Claim Administrator shall record and tabulate a claims history on all matters referred to Claim Administrator or investigation or adjustment and shall provide "loss runs" in a form approved by City on a monthly basis.

25. Term of Agreement. The term of this agreement, as extended by this extension, shall be from March 27, 1995, to and including June 30, 1996.

26. Termination. This agreement may be terminated by either party at its sole discretion, by giving the other party 60 days notice in writing. Notwithstanding the foregoing, the City may terminate this agreement immediately for good cause. The City shall be the sole judge of what constitutes good cause, and its decision shall be final in the absence of fraud, gross error or abuse of discretion. If the City terminates this agreement immediately, Claims Administrator shall immediately cease rendering services pursuant to this agreement.

In the event City should terminate this Agreement, either with a sixty (60) day notice, or immediately, or upon expiration of this agreement:

A) Claims Administrator shall deliver copies of all writings prepared by it pursuant to this Agreement. The term "writings" shall be construed to mean and include:

handwriting, typewriting, printing, photostating, photographing, and every other means of recording upon any tangible thing any form of communication or representation, including letters, works, pictures, drawings, sounds, or symbols, or combinations thereof.

- B) City shall have full ownership and control of all such writings delivered by Claims Administrator pursuant to this Agreement.
- C) City shall pay Claims Administrator the reasonable value of services rendered by Claims Administrator pursuant to this Agreement; provided, however, City shall not in any manner be liable for lost profits which might have been made by Claims Administrator had Claims Administrator completed the services required by this Agreement. In this regard, Claims Administrator shall furnish to City such financial information as in the judgment of the City Representative is necessary to determine the reasonable value of the services rendered by Claims Administrator. In the event of a dispute as to the reasonable value of the services rendered by Claims Administrator, the decisions of the Director of the City Department administering this Agreement shall be final, ~~in the absence of fraud, gross error or abuse of discretion.~~ The foregoing is cumulative and does not affect any right or remedy which City may have in law or equity.

27. Independent Contractor. At all times during the term of this Contract, Claims Administrator shall be an independent Contractor and shall not be an employee of the City. City shall have the right to control Claims Administrator only insofar as the results of Claims Administrator's services rendered pursuant to this Contract; however, City shall not have the right to control the means by which Claims Administrator accomplishes services rendered pursuant to this Agreement.

28. Claims Administrator Not Agent. Except as City may specify in writing, Claims Administrator shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Claims Administrator shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

29. Licenses; Permits; Etc. Claims Administrator represents and warrants to City that it has all licenses, permits, qualifications and approvals of whatsoever nature which are legally required for Claims Administrator to practice its profession. Claims Administrator represents and warrants to City that Claims Administrator shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement any licenses, permits, and approvals which are legally required for Claims Administrator to practice its profession.

30. Time. Claims Administrator shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary for satisfactory performance of Claims Administrator's obligations under this Agreement. Neither party shall be considered in default of this Agreement to the extent performance is prevented or delayed by any cause, present or future, which is beyond the reasonable control of the party.

31. Assignment Prohibited. No party to this Agreement may assign any right or obligation pursuant to this Agreement. Any attempted or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no effect.

32. Indemnity and Hold Harmless. The Claims Administrator shall assume the defense of, and indemnify and save harmless, the City, its officers, employees, and agents, and each and every one of them, from and against all actions, damages, costs, liability, claims, losses, and expenses of every type and description to which any or all of them may be subjected, by reason of, or resulting from, directly or indirectly, the performance of this contract by Claims Administrator whether within or without the scope of this contract. The foregoing shall include, but not be limited to, any attorney fees reasonably incurred by City.

33. Equal Employment Opportunity. During the performance of this Agreement, Claims Administrator, for itself, its assignees and successors in interest, agrees as follows:

- A) Compliance With Regulations: Claims Administrator shall comply with the Executive Order 11246 entitled "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60), hereinafter referred to as the "Regulations".
- B) Nondiscrimination: Claims Administrator, with regard to the work performed by it after award and prior to completion of the work pursuant to this Agreement, shall not discriminate on the ground of race, color, religion, sex, national origin, age, marital status, physical handicap or sexual preference in the selection and retention of subs, including procurement of materials and leases of equipment. Claims Administrator shall not participate either directly or indirectly in discrimination prohibited by the Regulations.
- C) Solicitations for Subs, Including Procurement of Materials and Equipment: In all solicitations either by competitive bidding or negotiations made by Claims Administrator for work to be performed under any subcontract, including procurement of materials or equipment, each potential subcontractor or supplier shall be notified by Claims Administrator of Claims Administrator's obligation under this Agreement and the Regulations relative to nondiscrimination on the ground of race, color, religion, sex, national origin, age, marital status, physical handicap or sexual preference.
- D) Information and Reports: Claims Administrator shall provide all information and reports required by the Regulations, or orders and instructions issued pursuant thereto, and will permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the City of Sacramento to be pertinent to ascertain compliance with such Regulations, orders and

instructions. Where any information required of Claims Administrator is in the exclusive possession of another who fails or refuses to furnish this information, Claims Administrator shall so certify to the City of Sacramento, and shall set forth what efforts it has made to obtain the information.

E) Sanctions for Noncompliance: In the event of noncompliance by Claims Administrator with the nondiscrimination provisions of this Agreement, the City of Sacramento shall impose such contract sanctions as it may determine to be appropriate including, but not limited to:

(1) Withholding of payments to Claims Administrator under the contract until consultant complies;

(2) Cancellation, termination, or suspension of the Agreement, in whole or in part.

F. Incorporation of Provisions: Claims Administrator shall include the provisions of Paragraphs A through E in every subcontract, including procurement of materials and leases of equipment, unless exempt by Regulations, order, or instructions issued pursuant thereto. Claims Administrator shall take such action with respect to any Regulations, order or instructions issued pursuant thereto. Claims Administrator shall take such action with respect to any subcontract or procurement as the City of Sacramento may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event Claims Administrator becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, Claims Administrator may request City to enter such litigation to protect the interests of City.

34. Insurance Requirements. During the duration of this Agreement Claims Administrator shall maintain Broad Form Comprehensive Liability, Business Auto Liability, Workers' Compensation & Employers', and Professional Liability (Errors and Omissions).

A) Minimum Scope of Insurance

Coverage shall be at least as broad as:

- (1.) Insurance Services Office form number GL 0404 (~~Comprehensive~~ General Liability);
- (2.) Insurance Services Office form number CA 0001 (Ed. 1/78) (Automobile Liability, code 1 "any auto");
- (3.) Workers' Compensation as required by the Labor Code of the State of California, and Employers' Liability insurance.
- (4.) Professional Liability (Errors and Omissions) insurance against loss due to error, omission or malpractice.

B) Minimum Limits of Insurance

Claims Administrator shall maintain limits no less than:

- (1.) ~~Comprehensive~~ General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage.
- (2.) Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
- (3.) Workers' Compensation and Employers' Liability: Workers' compensation limits as required by the Labor Code of the State of California and Employers' Liability limits of \$1,000,000 per accident.
- (4.) Professional Liability (Errors and Omission): \$500,000 combined single limit per occurrence.

C) Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City.

D) Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

- (1.) General Liability and Automobile Liability Coverages
 - a. The City, its officials, employees and volunteers are to be covered as insured as respects: liability

arising out of activities performed by or on behalf of the Claims Administrator; products and completed operations of the Claims Administrator; premises owned, leased or used by the Claims Administrator; or automobiles owned, leased, hired or borrowed by the Claims Administrator. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officials, employees or volunteers.

- b. The Claims Administrator's insurance coverage shall be primary insurance as respects the City, its officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officials, employees or volunteers shall be excess of Claims Administrator's insurance and shall not contribute with it.
- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its officials, employees or volunteers.
- d. Coverage shall state that Claims Administrator's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(2) Workers' Compensation and Employers' Liability Coverages
The insurer shall agree to waive all rights of subrogation against the City, its officials, employees and volunteers for losses arising from work performed by Claims Administrator for the City. This requirement may, however, be waived in individual cases at the discretion of the City.

(3) All Coverages

Each insurance policy required by this Agreement shall be endorsed to state that coverage shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

E) Acceptability of Insurers

Insurance is to be placed with insurers with a Bests' rating of no less than A:VII.

F) Verification of Coverage

Claims Administrator shall furnish the City with certificates of insurance and with original endorsements effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by the insurer to bind coverage on its behalf. The certificates and endorsements are to be on forms provided by the City and are to be forwarded to the City Risk Manager.

G. Payment Withhold

The City will withhold payments to the Claims Administrator, if certificates of insurance and endorsements required in Paragraph F above have not been provided.

35. Dedicated Unit. Claim Administrator agrees to assign a Claims Manager, one adjuster, and one secretary, under the direction of Regional Manager Lee Collins, to perform this Agreement. Use of other persons shall require the prior consent of City. Adjusters assigned to City's account shall not have a case load which exceeds 250 cases. The Claims Manager, adjuster and secretary will work exclusively on the City's account.

36. No Employee Solicitation. During the period of this Agreement, and for a period of one (1) year thereafter, Claim Administrator agrees not to solicit for employment, or employ any City employee contacted during the performance of this Agreement; and City agrees not to solicit for employment or employ during the

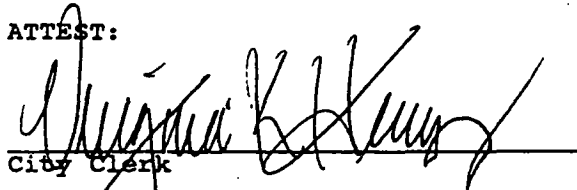
period of this Agreement and for a period of one (1) year thereafter, any employee of Claim Administrator contacted during the performance of this Agreement.

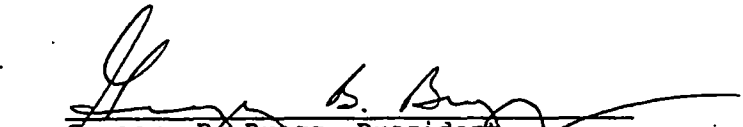
37. Integrated Agreement. This is an integrated Agreement. It contains all of the understandings of the parties, and may be amended only in writing.

CITY OF SACRAMENTO
A Municipal Corporation

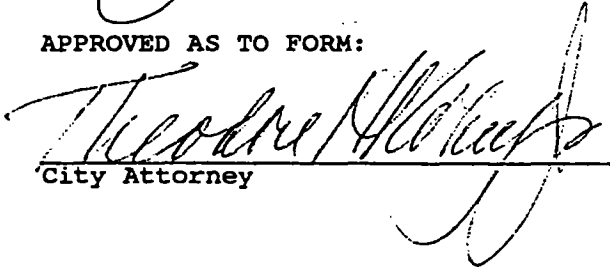

William H. Edgar
City: City Manager

ATTEST:


Assistant City Clerk


Gregory B. Bragg, President
Gregory B. Bragg & Associates, Inc.,
a California Corporation

APPROVED AS TO FORM:


City Attorney

RESOLUTION NO. 95-115

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF MAR 21 1995

RESOLUTION APPROVING EXTENSION OF AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION SERVICES

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. That the City Manager is hereby authorized and directed to contract with Gregory B. Bragg & Associates, Inc. for Auto and General Liability Claims Administration Services, for the period March 27, 1995 through June 30, 1996.
2. The City will continue to provide office space for Gregory B. Bragg & Associates staff within the Department of Human Resources.
3. For claims commencing on March 27, 1995 Gregory B. Bragg & Associates, Inc. is to perform all administrative services offered in this contract. The following fees are proposed on a flat annual fee of \$223,276.16 or \$18,614.68 per month for up to 600 new claimants per year. New claims over 50 per month will be billed at \$42.00 per hour plus expenses.
4. The Department of Finance is authorized and directed to pay fees for said coverage from the Risk Management and Insurance Program budget.

421-150-1546-4258

JOE SERNA, JR.

MAYOR

ATTEST:

VALERIE BURROWES

CITY CLERK

CERTIFIED AS TRUE COPY
of Resolution No. 95-115

MAR 24 1995

DATE CERTIFIED

Valerie Burrowes
CITY CLERK CITY OF SACRAMENTO

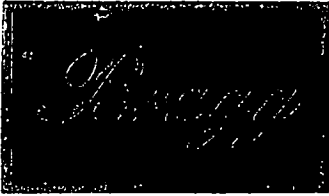
FOR CITY CLERK USE ONLY

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95-115

RESOLUTION NO.: _____

DATE ADOPTED: MAR 21 1995

City Agreement No. 95-056



ATTACHMENT A
Gregory B. Bragg & Associates, Inc.

Claims and Risk Management Services
One Sierra Gate Plaza, Suite 250B, Roseville, CA 95678
(916) 783-0100 FAX (916) 783-0338

May 23, 1996

Margaret Allen
Risk Manager
City of Sacramento
921 10th Street, 4th Floor
Sacramento, CA 95814

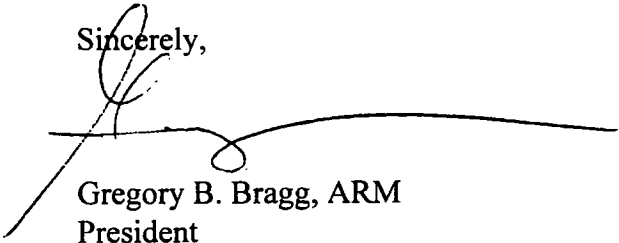
RE: Liability Claims Administration Agreement

Dear Margaret,

This will confirm our verbal commitment to extend our current agreement from June 30, 1996 to September 30, 1996, with the same terms and conditions currently in affect.

If you have any questions, please give me a call. We appreciate the opportunity to provide these services to the City of Sacramento.

Sincerely,



Gregory B. Bragg, ARM
President

cc: Tom Baber
Lee Collins
City of Sacramento Contract File

A:ALLEN.LTR