

August 29, 2012

City of West Allis
Attn: Paul Ziehler
7525 W. Greenfield Avenue
West Allis, WI 53214

RE: Third Party Administrative Services Agreement Amendment

Dear Paul:

We have done a review of the Workers' Compensation Self Insured Program and are amending Item II of the agreement to document and update the minimum and maximum charges for the services provided by Cities and Villages Mutual Insurance Company (CVMIC). This letter will serve as an amendment to the Third Party Administrative Service Agreement between CVMIC and City of West Allis effective 1/1/2006 and amends the May 13, 2010 letter stating financial changes to the original agreement.

Item II, titled "Financial Terms" shall be amended as follows:

II. FINANCIAL TERMS

CVMIC will charge as follows: \$550 per indemnity claim and \$92 per medical-only claim, regardless of the length of time it takes for the claim to be completed. Incident reports will be charged at \$23 per file. CVMIC guarantees these rates for 2013, 2014 and 2015. Moreover, we guarantee that the rate will not increase by more than 7.5% per year thereafter unless amended in writing. A minimum charge of \$11,800 and a maximum charge of \$23,500 will protect the City from costs higher than expected in any given year.

This agreement is on a "per claimant" basis. Any accident or occurrence resulting in ten or more injured employees shall be capped at that level. Indemnity claims are defined as all "other than" medical-only claims and incident reports. This Agreement excludes allocated expenses which are outlined in Section V, Conditions of the Agreement.

This amendment has not increased the minimum or maximum charges that were in place for 2009, 2010, 2011 and 2012. This change will be effective January 1, 2013 and will be reflected in future invoices. The actual claims processed per rate defined above will be reviewed annually and any services provided above the minimum will be invoiced separately upon completion of the previous year's compilation of claims which is typically after June 30th.

Signatures of both parties to the agreement shows understanding of the terms listed above and will complete the records of each party.

Michael L. DeMoss, Executive Director
CITIES AND VILLAGES MUTUAL INSURANCE COMPANY

Paul Ziehler, City Administrator
CITY OF WEST ALLIS