

**THIRD PARTY ADMINISTRATIVE SERVICES AGREEMENT BETWEEN
CITIES AND VILLAGES MUTUAL INSURANCE COMPANY
AND
CITY OF WAUWATOSA**

This document constitutes a Third Party Administrative Services Agreement (“Agreement”) between Cities and Villages Mutual Insurance Company, a Wisconsin municipal mutual insurance company (“CVMIC”), and the City of Wauwatosa (“City”), a Wisconsin municipality.

I. TERM OF AGREEMENT

This Agreement shall commence on January 1, 2026 and be in effect until January 1, 2031 unless cancelled by one or both parties to the agreement as outlined in Section VII, Termination of the Agreement.

II. FINANCIAL TERMS

CVMIC will charge an annual flat fee to the City of Wauwatosa per the schedule below:

Program Year	Annual Flat Fee	*Transfer Fee	Total Fees
2026 (1/1/2026 – 12/31/2026)	\$25,000	\$2,200	\$27,200
2027 (1/1/2027 – 12/31/2027)	\$26,250	\$2,200	\$28,450
2028 (1/1/2028 – 12/31/2028)	\$27,500	\$2,200	\$29,700
2029 (1/1/2029 – 12/31/2029)	\$28,750	\$2,200	\$30,950
2030 (1/1/2030 – 12/31/2030)	\$30,000	\$2,200	\$32,200

The annual flat fee is based on estimated claim volume for indemnity claims, medical-only claims and incident-only reports, regardless of the length it takes for the claim to be completed. Indemnity claims are defined as all other-than medical-only claims. The City will promptly report all claims or incidents reasonably likely to give rise to a claim to the CVMIC claim department. The annual flat fee will be billed in the 1st quarter of each program year.

An initial fee of \$11,000 will be charged to transfer the existing claims from the previous TPA. This fee covers the review of claims by the assigned adjuster and integration of the claim data into our RMIS system. *The fee will be charged in annual installments as identified in the table above.

Flat fee pricing claims handling will remain in effect for the life of the file with no termination penalty. The index bureau filing fee is included in the annual flat fee quoted. Where available, CVMIC will obtain PPO discounts. Medical payments will be based on recognized Wisconsin database.

This Agreement applies on a “per claimant” basis, not a “per accident” basis. This Agreement excludes allocated expenses which are outlined in Section V, Conditions of the Agreement.

Amendments to this agreement will be communicated for each calendar year on or around September or October for the following year budget and services.

III. SERVICES TO BE PROVIDED BY CVMIC

The following services will be rendered by CVMIC:

- A. Following completion of Workers’ Compensation First Report of Injury Form by the City through the online claims system, CVMIC will forward first report of injury to the State on all reportable injuries.
- B. CVMIC will provide a customized one-page letter to the injured employee.
- C. CVMIC will review each reported claim for the purpose of determining whether it is legally valid and qualifies for benefits under the Wisconsin Worker’s Compensation Act.
- D. CVMIC will make required payments on behalf of the City for compensation (e.g. TTD) and medical benefits for claims that CVMIC believes are legally valid and qualify for benefits.
- E. CVMIC will provide litigation management services for each claim.
- F. CVMIC will issue subrogation recovery letters to potentially responsible third parties and/or issue reservation of rights letters to claimants.
- G. CVMIC will provide monthly loss runs and loss fund activity reports.
- H. CVMIC will establish reserves for claims and periodically evaluate such reserves and adjust as necessary.
- I. CVMIC will provide services as an Agent under the U.S. Government Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA Section III). The City will be a Responsible Reporting Entity (RRE) as a qualified self-insured entity under the SCHIP Extension Act of 2007.
- J. CVMIC will review bills from service providers, including physicians, hospitals, diagnostic organization and chiropractors for reasonableness, necessity of treatment, accuracy and completeness.

- K. CVMIC will coordinate the appropriate agreed upon Medical Cost Containment Services, Vocational Rehabilitation Services, and other services as necessary. These services are paid as allocated expenses and are not included in the fees paid.
- L. CVMIC will monitor medical treatment of injured employees. To the extent permitted under State law; CVMIC will select providers and assist in medical management, including the selection of independent medical examiners and rehabilitation providers.
- M. CVMIC will provide other reports (e.g. WKC-16s, etc.) to the State as required under the terms of the Wisconsin Worker's Compensation Act.
- N. CVMIC will report claims to the City's excess workers' compensation carrier as required by the City.

IV. THE CITY AGREES AS FOLLOWS:

- A. CVMIC will bill the City for services rendered on an annual basis and payment for services will be made to CVMIC in the 1st Quarter of each Program Year.
- B. The City will promptly refer all claims that are covered by this Agreement to CVMIC.
- C. The City will establish a claims-paying fund (checking account).
- D. The City will maintain a loss fund for the payment of claims and allocated expenses. The City agrees that CVMIC will not be liable for any fines, assessments, fees, judgments or penalties except where caused by the sole negligence or willful misconduct of CVMIC.
- E. The City will endeavor to respond within ten (10) work days to settlement or other action recommended by CVMIC.

V. CONDITIONS

- A. This Agreement excludes payment by CVMIC of "Allocated Expenses" for any claim which are the responsibility of the City and shall include, but not be limited to the following:
 - Attorney & Legal Fees
 - Professional Photographs
 - Medical Records
 - Expert's Rehabilitation Costs
 - Accident Reconstruction
 - Architects, Contractors, Engineers
 - Police, Fire, Coroner, Weather or Other Reports Needed

- Property Damage Appraisals
 - Extraordinary Costs for Witness Statements
 - Official Documents & Transcripts
 - Medical Examinations (Including Second Opinions)
 - Unusual Travel (Made at City's Request)
 - Surveillance
 - Court Reporters
 - Fees for Service of Process
 - Pre- and Post-Judgement Interest Aid
 - Chemists & Other Experts
 - Any other similar cost, fee or expense reasonable chargeable to the investigation, negotiation, settlement or defense of a claim or loss which must have the explicit prior approval of the City
- B. CVMIC's proposal is based on the assumption that the City will be consenting to make payment based on CVMIC's recommendation and CVMIC will not be making payments on the City's behalf. If the City desires CVMIC to make payment, additional cost of bank services will be charged at the City's expense.
- C. This Agreement does not include any charge(s) for the preparation of annual workers' compensation reports or for access to the Origami claims system for claims and reporting information.

VI. DISPUTE RESOLUTION

All disagreements, complaints and alleged improprieties between CVMIC and the City of Wauwatosa will first be addressed by discussions between the Chief Executive Officer of CVMIC and/or his or her designated representation(s) and the City's designated representative(s).

Failing resolution through the above procedure, the parties thereafter agree to arbitrate before three arbitrators any dispute or controversy that may arise between them with respect to the meaning, effect, performance, enforcement or other issue in connection with, arising out of or relating to this Agreement. The City and CVMIC will each select an arbitrator and the selected arbitrators will jointly select a third arbitrator. The City and CVMIC will each pay the expenses, fees, and other costs for their single chosen arbitrator, and the expenses, fees, and costs of the third arbitrator shall be paid equally between the City and CVMIC. The arbitrators shall have the power to grant all legal and equitable remedies and award compensatory damages as provided by applicable law and this Agreement. The arbitrators shall not have the power to award punitive damages. The parties specifically waive any right to seek or collect punitive damages under this Agreement. The arbitrators shall prepare in writing and provide to the parties an award indicating factual findings and the reason on which the decision is based. The award may be vacated or corrected for any errors of law or legal reasoning by the arbitrators. Except as expressly set forth herein, the award of the arbitrators shall be final and binding on both parties and may be entered in a court having jurisdiction thereof over the City and CVMIC.

VII. TERMINATION OF AGREEMENT

This Agreement may be terminated by CVMIC or the City for any reason by giving the other party written notice. The termination shall be effective thirty (30) days after receipt of written notice of termination or at such earlier time as may be mutually agreeable to CVMIC and the City. The charge set forth in Section II shall be paid based on the claims adjusted.

VIII. SUBCONTRACTORS AND VENDORING

CVMIC shall not subcontract any aspect of its responsibilities to any subcontractor without the written approval of the City.

IX. COST OVERRUNS

CVMIC shall not bill the City for any operations/management expenditures and shall only bill the City for those fees stated in Section II and IV of this Agreement.

X. APPLICABLE LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin.

XI. CONSIDERATION

For good and valuable consideration, CVMIC and the City agree to the terms and conditions set forth herein.

XII. HEADINGS, CAPTIONS AND SECTIONS

Headings or captions used herein are included for reference purposes only and are not a part of the Agreement or in any way to define, limit or describe the scope or intent of the particular provision to which they refer.

XIII. AMENDMENT

No addition or modification of any term or provision of this Agreement shall be effective unless set forth in writing and signed by the City and CVMIC.

XIV. ENTIRE AGREEMENT

This Agreement and any other documents attached hereto or incorporated herein by reference, represent the entire agreement of the parties with respect to the subject matter hereof, and all negotiations, correspondence, communications and agreements entered into prior hereto are revoked and suspended by this Agreement, and no representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein.

IN WITNESS WHEREOF, CVMIC has caused this Agreement to be executed in its name by its duly authorized Chief Executive Officer and the City has caused this Agreement to be executed in its name by a duly authorized officer, all effective as of January 1, 2026.

CITY OF WAUWATOSA

Printed Name: _____

Signature: _____

Title: _____

Date: _____

CITIES AND VILLAGES MUTUAL INSURANCE COMPANY

By: _____
Steve Stanczak, Chief Executive Officer

Date: _____