

## *Clerk's Contract and Agreement Cover Page*

**Year:** 2010

**Legistar File ID#:** 2009-0486

**Multi Year:**

**Amount** \$25,000.00

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**Contract Type:** Professional Services

**Contractor's Name:** CCMSI

**Contractor's AKA:**

**Execution Date:** 1/1/2010

**Termination Date:** 12/31/2010

**Renewal Date:**

**Department:** Finance

**Originating Person:** Annmarie mampe

**Contract Description:** FY2010 Third Party Administrator for Casualty Claims



MAYOR  
Daniel J. McLaughlin

VILLAGE CLERK  
David P. Maher

14700 S. Ravinia Ave.  
Orland Park, IL 60462  
(708) 403-6100

November 17, 2009

Ms. Lori Mittelstaedt  
Cannon Cochran Management Services, Inc.  
3333 Warrenville Road, Suite 550  
Lisle, Illinois 60532

**RE: 2010 Addendum to the Service Agreement for Third Party Administrator**

Dear Ms. Mittelstaedt:

Enclosed is one (1) original signed *2010 Addendum to the Service Agreement for Third Party Administrator of the Village of Orland Park's self-insurance program* in an amount of Twenty Five Thousand and No/100 (\$25,000.00) Dollars to be billed in quarterly installments. This contract is for the twelve (12) month period January 1, 2010 through December 31, 2010.

Your contact regarding this agreement is Annmarie Mampe at (708) 403-6199.

Please return a fully executed contract for my files to

Denise Domalewski  
Village of Orland Park  
14700 S. Ravinia Ave.  
Orland Park, IL 60462

Sincerely,



Denise Domalewski  
Contract Administrator

cc: Stephana Przybylski  
Annmarie Mampe



VILLAGE HALL

TRUSTEES  
Bernard A. Murphy  
Kathleen M. Fenton  
Brad S. O'Halloran  
James V. Dodge  
Edward G. Schussler III  
Patricia Gira

**ADDENDUM TO SERVICE AGREEMENT BETWEEN  
VILLAGE OF ORLAND PARK AND  
 CANNON COCHRAN MANAGEMENT SERVICES, INC.**

**THIS ADDENDUM** is made and entered into this 1st day of October, 2008, by and between the Village of Orland Park (the "Client"), and Cannon Cochran Management Services, Inc., ("CCMSI"), a Delaware corporation. By this Addendum, the October 1, 2007, to September 30, 2008, Service Agreement is automatically continued with the pricing provisions outlined below. This pricing is effective on January 1, 2010, and terminates on December 31, 2010.

Section H. 3. (c) under "Term and Termination" has been amended to read as follows:

(c) Provide an electronic transfer of data if such is feasible, with the cost of providing such borne by the Client. The electronic transfer of data will be subject to a flat fee of \$2,500.

**FEE AND PAYMENT SCHEDULE**

<b>Life of Contract: 12 months – 1/1/10-12/31/10</b>		
<b>Claims Administration (minimum deposit)</b>		<b>\$22,500</b>
<b><u>WORKERS COMPENSATION</u></b>		
Indemnity	\$795	
Medical Only	\$137	
<b><u>AUTO</u></b>		
BI	\$663	
PD	\$382	
<b><u>GENERAL LIABILITY</u></b>		
BI	\$663	
PD	\$408	
POL, EPL, PL OR PLE	\$795	
<p><b>*Note:</b> Claims will be analyzed by the number of claims as well as the type of claim on an on-going basis and priced on a per claim fee as outlined above. Any additional charges over the \$22,500 minimum claim fee will be billed at the expiration of the policy term and quarterly thereafter.</p> <p><b>The flat rate unit prices includes:</b></p> <ul style="list-style-type: none"> <li>• Claims adjudication</li> <li>• Prompt and courteous customer service</li> <li>• Strict adherence to state regulations and statutes</li> <li>• Preparation for, compliance with and response to regulatory audits</li> <li>• Timely payment of all benefits</li> <li>• Fraud detection and prevention</li> <li>• Litigation Management</li> <li>• Hearing office representation</li> </ul> <p><b>These prices do not include those costs typically identified and expense as allocated loss expenses. Please see details below of those typical allocated loss expense items</b></p>		

<p><b>Annual Administrative Fee includes:</b></p> <ul style="list-style-type: none"> <li>• Transition planning, implementation and management</li> <li>• New account set up including establishment of location code structure within our ICE database; loss fund account set and printing of check stock</li> <li>• Account Management</li> <li>• Semi-annual claim reviews</li> <li>• Maintenance of the loss fund account</li> <li>• Monthly loss runs and loss fund activities reports</li> <li>• Filing of all required state forms including state mandated assessments</li> <li>• Filing of 1099s</li> <li>• Reporting to excess carrier</li> </ul>								
<p><b>Annual Risk Management Information Systems Fee (3 Users)</b></p>		<p><b>\$1,000</b></p>						
<p><b>Annual Risk Management Information Fee includes:</b></p> <ul style="list-style-type: none"> <li>• Internet access to the adjuster's electronic claim files</li> <li>• The ability to send email to your adjusters and Account Manager</li> <li>• Access and utilization of templated risk management reports presently available in our ICE library.</li> <li>• Initial training and subsequent user support</li> </ul>								
<p><b>Managed Care Services</b></p>		<p><b>See List of Services</b></p>						
<p style="text-align: center;"><b>Provider Bill Re-pricing</b></p> <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>Service</u></th> <th style="text-align: left;"><u>Fee</u></th> </tr> </thead> <tbody> <tr> <td>Fee schedule re-pricing</td> <td>\$9.00 per bill</td> </tr> <tr> <td>Usual and Customary re-pricing</td> <td>\$9.00 per bill</td> </tr> </tbody> </table> <p style="text-align: center;"><b>PPO Re-pricing</b></p> <p style="text-align: center;">Bills with additional PPO discount opportunities below the Fee Schedule will be billed at 30% of savings.</p> <p style="text-align: center;"><b>Pharmacy Network Services</b></p> <p style="text-align: center;">Pharmacy Network services are priced at 33% of savings.</p> <p style="text-align: center;"><b>Field Case Management</b></p> <p>CCMSI does not offer proprietary field case management or vocational rehabilitation services. These are available from third party providers at market price and the cost of these services would be captured as an allocated loss expense to the referral file.</p>	<u>Service</u>	<u>Fee</u>	Fee schedule re-pricing	\$9.00 per bill	Usual and Customary re-pricing	\$9.00 per bill		
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<p><b>Run-Off Claims</b></p>		<p><b>TBD</b></p>						
<p>Run off claims Workers Comp</p>	<p>\$350 per claim 1<sup>st</sup> 12 months  \$300 per claim 2<sup>nd</sup> 12 months  \$250 all succeeding 12 months</p>							

Village of Orland Park – Addendum to Service Agreement  
 Page 3 of 3

<b>Special System Reports</b>		<b>\$125 an hour</b>
CCMSI will provide special reports, (reports not currently programmed or written) for a fee of \$125 per hour for system programming time. CCMSI will provide an estimate of charges before any work will be done.		
<b>Workers Compensation Subtotal (\$3,383.60 quarterly)</b>	<b>\$14,269</b>	<b>\$25,000.00</b>
<b>Liability/Other Lines Subtotal (\$3,491.40 quarterly)</b>	<b>\$10,731</b>	
<b>GRAND TOTAL</b>		
<b>Fee &amp; Payment Schedule</b>		
The total fee of \$25,000 will be billed in quarterly installments of \$6,250.00 due on the first day of January 2010, April 2010, July 2009 and October 2010.  Run-off claims: As outlined above		

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

CANNON COCHRAN MANAGEMENT SERVICES, INC.

By: \_\_\_\_\_  
 Rodney J. Golden

Its: Chief Operating Officer/Executive Vice President

VILLAGE OF ORLAND PARK

By: \_\_\_\_\_

Its: VILLAGE MANAGER

**ADDENDUM TO SERVICE AGREEMENT BETWEEN  
VILLAGE OF ORLAND PARK AND  
CANNON COCHRAN MANAGEMENT SERVICES, INC.**

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**FEE AND PAYMENT SCHEDULE**

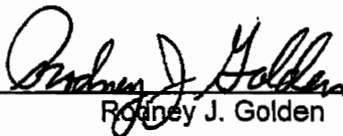
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Executed this 30 day of November, 2009.

CANNON COCHRAN MANAGEMENT SERVICES, INC.

By:   
 Rodney J. Golden

Its: Chief Operating Officer/Executive Vice President

VILLAGE OF ORLAND PARK

By:   
 Its: VILLAGE MANAGER