

**PROPOSED CONTRACT**

THIS “Contract” for the Provision of Long Term Disability Insurance Plan, and Administration of Short Term Disability Insurance, and Disability Income Protection plans hereinafter referred to as (“Contract”) is effective January 1, 2016, by and between the County of Orange, a political subdivision of the State of California, hereinafter referred to as “County” and ~~Standard Insurance Company, with a place of business at 920 SW 6<sup>th</sup> Ave, Portland OR 97204,~~ hereinafter referred to as “Contractor”, which are sometimes individually referred to as “Party,” or collectively referred to as “Parties.”

**RECITALS**

WHEREAS, Contractor responded to a Request for Proposal (“RFP”) for the Provision of Long Term Disability Insurance and Administration of Short Term Disability ~~Insurance Plan and Reserve Deputy Sheriff Accidental Death & Dismemberment and~~ Disability Income Protection plans; and

WHEREAS, the Contractor represents that its services shall meet or exceed the requirements and specifications of the RFP; and

WHEREAS, the County Board of Supervisors has authorized the Purchasing Agent or his designee to enter into this Contract with Contractor for the Provision of Long Term Disability Insurance ~~Plan, and Administration of the Short Term Disability Insurance Plan and Reserve Deputy Sheriff Accidental Death & Dismemberment and~~ Disability Income Protection plans.

NOW, THEREFORE, the Parties mutually agree as follows:

**ARTICLES**

1. **Scope of Work:** The Scope of Work for this Contract is attached hereto as Attachment A.
2. **Pricing:** The Contract ~~price,~~ as specified in Attachment B hereto, includes full compensation for providing all services to be provided under this Contract.
3. **Invoicing/Payment:** All invoicing and payment for services performed under this Contract shall be as specified in Attachment B, hereto.
4. **Contract Term:** ~~The initial term of this Contract is for This Contract shall commence on January 1, 2011 upon execution of all necessary signatures and approval by the County Board of Supervisors, and shall continue in effect for a period of three (3) years effective January 1, 2016, continuing for three (3) years from that date, unless terminated by County. The Contract may be renewed thereafter for up to two (2) additional one (1) year terms, periods upon mutual agreement of both the Parties. Renewal of the Contract may require and approval by of the County Board of Supervisors if necessary. The County does not have to provide a reason if it elects not to renew this Contract.~~
5. **Entire Agreement:** This Contract, including its Attachments, contains the entire contract between the Parties with respect to the matters herein and there are no exceptions, alternatives, substitutions, revisions, understandings, agreements, restrictions, promises, warranties or undertakings, whether oral or written, other than those set forth herein or referred to herein.
6. **Amendments:** No alteration or variation of the terms of this Contract shall be valid unless made in writing and signed by the Parties.
7. **Governing Law and Venue:** This Contract has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California, without reference to conflict of laws provisions. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and

the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure section 394. Furthermore, the Parties specifically agree to waive any and all rights to request that an action be transferred for trial to another venue. ~~Provided, however, this provision shall not be construed to apply to litigation that may arise as a result of Contractor's decisions on claims under its group insurance policy attached as Exhibit 1.~~

8. **Appropriation/Contingency of Funds:** This Contract is subject to and contingent upon applicable budgetary appropriations being approved by the County of Orange Board of Supervisors for each fiscal year during the Term of this Contract. If such appropriations are not approved, this Contract will be immediately terminated without penalty to the County.
9. **Taxes:** Unless otherwise provided herein or by law, price quoted does not include California state sales or use tax.
10. **Delivery:** Time of delivery of services is of the essence in this Contract. County reserves the right to refuse any services and to cancel all or any part of the services that do not conform to the prescribed Scope of Work.
11. **Independent Contractor:** Contractor shall be considered an independent contractor and neither Contractor, its employees, nor anyone working under Contractor shall be considered an agent or an employee of County. Neither Contractor, its employees nor anyone working under Contractor, shall qualify for workers' compensation or other fringe benefits of any kind through County.
- ~~12.~~ **Assignment or Sub-contracting:** The terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators and assigns of the Parties. Furthermore, neither the performance of this Contract nor any portion thereof may be assigned or sub-contracted by Contractor without the express written consent of County. Any attempt by Contractor to assign or sub-contract the performance or any portion thereof of this Contract without the express written consent of County shall be invalid and shall constitute a breach of this Contract. **Notwithstanding the foregoing, the County consents to the subcontractors listed in Attachment D.3.** Notwithstanding this paragraph or any other terms or provisions set forth in this Contract or its attachments, none of the work done for the County, its employees, agents, directors, elected officials or their dependents, **as relates to this Contract call center or direct participant interaction** may be performed outside the United States of America. Further no participant specific data including but not limited to name, personal health information, social security numbers, addresses, information regarding dependents, or date of birth may be accessed outside the United States of America by Contractor, its affiliates, or their employees, directors, or subcontractors. ~~In no case may participant specific data be sent, stored, or accessed outside the United States of America.~~
13. **Non-Discrimination:** In the performance of this Contract, Contractor agrees that it will comply with the requirements of Section 1735 of the California Labor Code and not engage nor permit any sub-contractors to engage in discrimination in employment of persons because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex of such persons. Contractor acknowledges that a violation of this provision shall subject Contractor to all the penalties imposed for a violation of anti-discrimination laws or regulations including but not limited to Section 1720 *et seq.*, of the California Labor Code.
14. **Performance:** Contractor shall perform all work under this Contract, taking necessary steps and precautions to perform the work to County's satisfaction. Contractor shall be responsible for the professional quality, technical assurance, timely completion and coordination of all documentation and other services performed by the Contractor under this Contract. Contractor shall perform all work diligently, carefully, and in a good and workman-like manner; shall furnish all labor, supervision, machinery, equipment, materials, and supplies necessary therefore; shall at its sole expense obtain and maintain all permits and licenses required by public authorities, including those of County required in its

governmental capacity, in connection with performance of the services; and, if permitted to sub-contract, shall be fully responsible for all work performed by sub-contractors.

15. **Errors and Omissions:** All reports, files and other documents prepared and submitted by Contractor shall be complete and shall be carefully checked by the professional(s) identified by Contractor as ~~Project~~ **Account** Manager and key personnel, prior to submission to the County. Contractor agrees that County review is discretionary and Contractor shall not assume that the County will discover errors and/or omissions. If the County discovers any errors or omissions prior to approving Contractor's reports, files and other written documents, the reports, files or documents will be returned to Contractor for correction. Should the County or others discover errors or omissions in the reports, files or other written documents submitted by Contractor after County approval thereof, County approval of Contractor's reports, files or documents shall not be used as a defense by Contractor in any action between the County and Contractor, and the reports, files or documents will be returned to Contractor for correction at no charge to County.
16. **Warranty:** Contractor expressly warrants that the services covered by this Contract are: 1) merchantable and good for the ordinary purposes for which they are used; and 2) fit for the particular purpose for which they are intended. Acceptance of this Contract shall constitute an agreement upon Contractor's part to indemnify, defend and hold County and its indemnitees, as identified in paragraph 19 below and as more fully described in paragraph 19, harmless from liability, loss, damage and expense, including reasonable counsel fees, incurred or sustained by County by reason of the failure of the services to conform to such warranties, faulty work performance, negligent or unlawful acts, and non-compliance with any applicable state or federal codes, regulations, ordinances, orders, or statutes, including the Occupational Safety and Health Act (OSHA) and the California Industrial Safety Act. Such remedies shall be in addition to any other remedies provided by law.
17. **Patent/Copyright Materials/Proprietary Infringement:** Contractor shall be solely responsible for clearing the right to use any patented or copyrighted materials in the performance of this Contract. Contractor warrants that any software as modified through services provided hereunder will not infringe upon or violate any patent, proprietary right or trade secret right of any third party. Contractor agrees that, in accordance with the more specific requirement contained in paragraph 19 below, it shall indemnify, defend and hold County and County Indemnitees harmless from any and all such claims and be responsible for payment of all costs, damages, penalties and expenses related to or arising from such claim(s), including, but not limited to, attorney's fees, costs and expenses.
18. **Compliance with Laws:** Contractor represents and warrants that services to be provided under this Contract shall fully comply, at Contractor's expense, with all standards, laws, statutes, restrictions, ordinances, requirements, and regulations (collectively "laws"), including, but not limited to those issued by County in its governmental capacity and all other laws applicable to the services at the time services are provided to and accepted by County. Contractor acknowledges that County is relying on Contractor to ensure such compliance, and pursuant to the requirements of paragraph 19 below, Contractor agrees that it shall defend, indemnify and hold County and County Indemnitees harmless from all liability, damages, costs and expenses arising from or related to a violation of such laws.
19. **Indemnification and Insurance:** Contractor agrees to indemnify, defend with counsel approved in writing by County, and hold harmless County, its elected and appointed officials, officers, employees, agents and those special districts and agencies which County's Board of Supervisors acts as the governing Board ("County Indemnitees") from any claims, demands or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided by Contractor pursuant to this Contract. If judgment is entered against Contractor and County by a court of competent jurisdiction because of the concurrent active negligence of County or County Indemnitees, Contractor and County agree that liability will be apportioned as determined by the court. Neither Party shall request a jury apportionment.

#### **INSURANCE PROVISIONS**

20. **Insurance:** Prior to the provision of services under this Contract, the Contractor agrees to purchase all required insurance at Contractor’s expense and to deposit with the County Certificates of Insurance, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this Contract have been complied with and to keep such insurance coverage and the certificates therefore on deposit with the County during the entire term of this Contract. In addition, all subcontractors performing work on behalf of Contractor pursuant to this Contract shall obtain insurance subject to the same terms and conditions as set forth herein for Contractor.

All self-insured retentions (SIRs) or deductibles shall be clearly stated on the Certificate of Insurance. If no SIRs or deductibles apply, indicate this on the Certificate of Insurance with a 0 by the appropriate line of coverage. Any self-insured retention (SIR) or deductible in an amount in excess of \$25,000 (\$5,000 for automobile liability), shall specifically be approved by the County Executive Office (CEO)/Office of Risk Management. ~~All insurance policies required by this Contract shall declare any deductible or self-insured retention (SIR) in an amount in excess of \$25,000 (\$5,000 for automobile liability), which shall specifically be approved by the County Executive Office (CEO)/Office of Risk Management. Contractor shall be responsible for reimbursement of any deductible to the insurer. Any self-insured retentions (SIRs) or deductibles shall be clearly stated on the Certificate of Insurance.~~

If the Contractor fails to maintain insurance acceptable to the County for the full term of this Contract, the County may terminate this Contract.

**Qualified Insurers**

Minimum insurance company ratings as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com** shall be A- (Secure A.M. Best's Rating) and VIII (Financial Size Category).

The policy or policies of insurance must be issued by an insurer licensed to do business in the State of California (California Admitted Carrier).

~~Minimum insurance company ratings as determined by the most current edition of the Best's Key Rating Guide/Property Casualty/United States or ambest.com shall be A (Secure Best's Rating) and VIII (Financial Size Category).~~

If the carrier is a non-admitted carrier in the State of California, and does not exceed an A.M. Best rating of A-/VIII, the County CEO/Office of Risk Management retains the right to approve or reject carrier after a review of the company’s performance and financial ratings.

The policy or policies of insurance maintained by the Contractor shall provide the minimum limits and coverage as set forth below:

<b><u>Coverage</u></b>	<b><u>Minimum Limits</u></b>
Commercial General Liability with broad form property damage and contractual liability	\$1,000,000 <del>combined single</del> limit per occurrence \$2,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 combined single limit per occurrence
Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per occurrence
Professional Liability Insurance	\$1,000,000 per claims made

**Required Coverage Forms**

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

**Required Endorsements**

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of insurance:

- 1) An Additional Insured endorsement using ISO form CG 2010 or CG 2033 or a form at least as broad naming the County of Orange, its elected and appointed officials, officers, employees, agents as Additional Insureds.
- 2) A primary non-contributing endorsement evidencing that the contractor's insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

All insurance policies required by this Contract shall waive all rights of subrogation against the County of Orange and members of the Board of Supervisors, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the County of Orange, and members of the Board of Supervisors, its elected and appointed officials, officers, agents and employees.

Contractor shall notify County in writing within thirty (30) days of any policy cancellation and ten (10) days for non-payment of premium and provide a copy of the cancellation notice to County. Failure to provide written notice of cancellation may constitute a material breach of the Contract, upon which the County may suspend or terminate this Contract.

If contractor's Professional Liability policy is a "claims made" policy, contractor shall agree to maintain professional liability coverage for two years following completion of Contract.

The Commercial General Liability policy shall contain a severability of interests clause also known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the Contractor fails to provide the insurance certificates and endorsements within seven days of notification by CEO/Purchasing or the agency/department purchasing division, award may be made to the next qualified vendor.

County expressly retains the right to require Contractor to increase or decrease insurance of any of the above insurance types throughout the term of this Contract. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.

County shall notify Contractor in writing of changes in the insurance requirements. If Contractor does not deposit copies of acceptable certificates of insurance and endorsements with County incorporating such changes within thirty days of receipt of such notice, this Contract may be in

breach without further notice to Contractor, and County shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of this Contract, nor act in any way to reduce the policy coverage and limits available from the insurer

~~All liability insurance, except Professional Liability, required by this Contract shall be at least \$1,000,000 combined single limit per occurrence. Professional Liability may also be provided on a "Claims Made" basis. The minimum aggregate limit for the Commercial General Liability policy shall be \$2,000,000.~~

~~The County shall be added as an additional insured on all insurance policies required by this Contract with respect to work done by the Contractor under the terms of this Contract (except Workers' Compensation/Employers' Liability and Professional Liability). An additional insured endorsement evidencing that the County of Orange is an additional insured shall accompany the Certificate of Insurance.~~

~~All insurance policies required by this Contract shall be primary insurance, and any insurance maintained by the County shall be excess and non-contributing with insurance provided by these policies. An endorsement evidencing that the Contractor's insurance is primary and non-contributing shall specifically accompany the Certificate of Insurance for the Commercial General Liability.~~

~~All insurance policies required by this Contract shall give the County 30 days notice in the event of cancellation. This shall be evidenced by an endorsement separate from the Certificate of Insurance. In addition, the cancellation clause must include language as follows, which edits the pre-printed ACORD certificate:~~

~~SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENT OR REPRESENTATIVE.~~

~~All insurance policies required by this Contract shall waive all rights of subrogation against the County and members of the Board of Supervisors, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.~~

~~If Contractor's Professional Liability policy is a "claims made" policy, Contractor shall agree to maintain professional liability coverage for two years following completion of this Contract.~~

~~The Commercial General Liability policy shall contain a severability of interest's clause.~~

~~The Contractor is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Workers' Compensation or be self-insured in accordance with provisions of that code. The Contractor will comply with such provisions and shall furnish the County satisfactory evidence that the Contractor has secured, for the period of this Contract, statutory Workers' Compensation insurance and Employers' Liability insurance with minimum limits of \$1,000,000 per occurrence.~~

~~Insurance certificates should be forwarded to the agency/department address listed on the solicitation. If the Contractor fails to provide the insurance certificates and endorsements within seven days of notification by CEO/Purchasing or the agency/department purchasing division, award may be made to the next qualified contractor.~~

~~County expressly retains the right to require Contractor to increase or decrease insurance of any of the above insurance types throughout the term of this Contract. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.~~

~~County shall notify Contractor in writing of changes in the insurance requirements. If Contractor does not deposit copies of acceptable certificates of insurance and endorsements with County incorporating such changes within thirty days of receipt of such notice, this Contract may be in breach without further notice to Contractor, and County shall be entitled to all legal remedies.~~

~~The procuring of such required policy or policies of insurance shall not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of this Contract.~~

~~The County of Orange Certificate of Insurance and the Special Endorsement for the County of Orange can be utilized to verify compliance with the above mentioned insurance requirements in place of commercial insurance certificates and endorsements.~~

21. **Confidentiality:** Contractor agrees to maintain the confidentiality of all County and County-related records and information pursuant to all applicable statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this Contract. All such records and information shall be considered confidential and kept confidential by Contractor and Contractor's staff, agents and employees.
22. **Contractor Personnel:** Contractor warrants that all Contractor personnel engaged in the performance of work under this Contract shall possess sufficient experience and/or education and the required licenses set forth herein in good standing to perform the services requested by the County. County expressly retains the right to have any of the Contractor personnel removed from performing services under this Contract to the County. Contractor shall effectuate the removal of the specified Contractor personnel from providing any services to the County under this Contract within one business day of notification by County. County shall submit the request in writing to the Contractor's Project Account Manager. The County is not required to provide any reason, rationale or additional factual information if it elects to request any specific Contractor personnel be removed from performing services under this Contract.
23. **County and Contractor's Account Project Manager and Key Personnel:** ~~The County shall appoint a project manager to act as liaison between the County and the Contractor during the term of this Contract ("County's Project Manager"). The County's Project Manager shall coordinate the activities of the County staff assigned to work with the Contractor. Contractor shall appoint an Account Manager to direct the Contractor's efforts in fulfilling Contractor's obligations under this Contract. This Account Manager shall be subject to approval by the County and shall not be changed without the written consent of the County's project manager, which consent shall not be unreasonably withheld.~~

The Contractor's Account Manager and key personnel shall be assigned to this project for the duration of this Contract and shall diligently pursue all work and services to meet the project time lines. Key personnel are those individuals who report directly to the Contractor's Account Manager.

24. **Project Manager:** Contractor shall appoint a project manager to act as liaison between the County and the Contractor during the term of this Contract. The County's project manager shall coordinate the activities of the County staff assigned to work with the Contractor. The County's project manager shall have the right to require the removal and replacement of the Contractor's Account Manager from providing services to County under this Contract. The County's Project Manager shall notify the Contractor in writing of such request for removal of Contractor's Account Manager. The Contractor shall accomplish the removal within one (1) day after written notice by the County's project manager. The County's project manager shall review and approve the appointment of the replacement for the Contractor's Account Manager. The County is not required to provide any additional information, reason

or rationale for the request for removal of Contractor's Account Manager from providing services to County under this Contract. ~~direct the Contractor's efforts in fulfilling Contractor's obligations under this Contract ("Contractor's Project Manager"). Contractor's Project Manager shall be subject to approval by the County and shall not be changed without the written consent of the County's Project Manager, which consent shall not be unreasonably withheld. The County's Project Manager shall have the right to require the removal and replacement of the Contractor's Project Manager from providing services to the County under this Contract. The County's Project Manager shall notify the Contractor in writing of such action. The Contractor shall accomplish the removal within 1 calendar day after written notice by the County's Project Manager. The County is not required to provide any reason, rationale or factual information in the event it elects to request the removal of Contractor's Project Manager from providing services to the County under this Contract.~~

25. **Reports/Meetings:** The Contractor shall develop reports and any other relevant documents necessary to complete the services and requirements as set forth in this Contract. The County's Project Manager and the Contractor's ~~Project~~ **Account** Manager will meet on reasonable notice to discuss the Contractor's performance and progress under this Contract. If requested, the Contractor's **Account** ~~Project~~ Manager and other project personnel shall attend all meetings. The Contractor shall provide such information that is requested by the County for the purpose of monitoring progress under this Contract.
26. **Ownership of Documents:** The County has permanent ownership of all directly connected and derivative materials produced under this Contract by the Contractor. All documents, reports and other incidental or derivative work or materials furnished hereunder shall become and remain the sole properties of the County and may be used by the County as it may require without additional cost to the County. None of the documents, reports and other incidental or derivative work or furnished materials shall be used by the Contractor without the express written consent of the County. ~~Provided, however, this section shall not apply to Contractor's business records created in the ordinary course of its business including, but not limited to sales files, contract files, underwriting files, claim files and marketing files.~~
27. **Title to Data:** All materials, documents, data or information obtained from the County data files or any County medium furnished to the Contractor in the performance of this Contract will at all times remain the property of the County. Such data or information may not be used or copied for direct or indirect use by the Contractor after completion or termination of this Contract without the express written consent of the County. ~~Subject to applicable law, a~~ **All** materials, documents, data or information, including copies, must be returned to the County at the end of this Contract. ~~Provided, however, this section shall not apply Contractor's records created in the ordinary course of its business including, but not limited to, sales files, contract files, claim files and underwriting files.~~
28. **Records:** The Contractor shall keep an accurate record of time expended by Contractor and the sub-contractors working for Contractor in the performance of this Contract. Such record shall be available for periodic inspection by the County at reasonable times. ~~Subject to applicable tracking methods used by the Contractor. The County may audit according to the Audits/Inspections provision which follows.~~
29. **Audits/Inspections:** ~~Subject to applicable privacy laws and regulations,~~ Contractor agrees to permit the County's Auditor-Controller or the Auditor-Controller's authorized representative (including auditors from a private auditing firm hired by the County) access during normal working hours to all books, accounts, records, reports, files, financial records, supporting documentation, including payroll and accounts payable/receivable records, and other papers or property of Contractor for the purpose of auditing or inspecting any aspect of performance under this Contract. The inspection and/or audit will be confined to those matters connected with the performance of the Contract including, but not limited to, the costs of administering the Contract. The County will provide reasonable notice of such an audit or inspection. ~~Provided, however any third party auditor must be mutually agreed upon by County and Contractor. Contractor shall not unreasonably withhold its approval of a third party auditor. The County reserves the right to audit and verify the Contractor's records before final payment is made.~~



Contractor agrees to maintain such records for possible audit for a minimum of three years after final payment, unless a longer period of records retention is stipulated under this Contract or by law. Contractor agrees to allow interviews of any employees or others who might reasonably have information related to such records. Further, Contractor agrees to include a similar right to the County to audit records and interview staff of any sub-contractor related to performance of this Contract.

Should the Contractor cease to exist as a legal entity, the Contractor's records pertaining to this Contract shall be forwarded to the surviving entity in a merger or acquisition or, in the event of liquidation, to the County's Project Manager. ~~Provided, however, any transfer of records to County's Project Manager will be subject to applicable law.~~

30. **Publication:** No copies of schedules, written documents, and computer based data, photographs, maps or graphs, resulting from performance or prepared in connection with this Contract, are to be released by Contractor and/or anyone acting under the supervision of Contractor to any person, partnership, company, corporation, or agency, without prior written approval by the County, except as necessary for the performance of the services of this Contract. All press releases, including graphic display information to be published in newspapers, magazines, etc., are to be administered only by the County unless otherwise agreed to by both Parties.
31. **Conflict of Interest:** The Contractor shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with the best interests of the County. This obligation shall apply to the Contractor; the Contractor's employees, agents, and relatives; sub-tier Contractor's and third parties associated with accomplishing services hereunder. The Contractor's efforts shall include, but not be limited to establishing precautions to prevent its employees or agents from making, receiving, providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to appear to influence individuals to act contrary to the best interests of the County. The County Board of Supervisors policy prohibits its employees from engaging in activities involving a conflict of interest. The Contractor shall not, during the period of this Contract, employ any County employee for any purpose.
32. **Termination:** In addition to any other remedies or rights it may have by law, County has the right to terminate this Contract without penalty immediately with cause or after 30 days' written notice without cause, unless otherwise specified. Cause shall be defined as any breach of this Contract, any misrepresentation or fraud on the part of the Contractor. Exercise by County of its right to terminate the Contract shall relieve County of all further obligations.
33. **Breach of Contract:** The failure of the Contractor to comply with any of the terms, provisions, covenants or conditions of this Contract shall constitute a material breach of this Contract. In such event the County may, and in addition to any other remedies available at law, in equity, or otherwise specified in this Contract:
  - a. Afford the Contractor written notice of the breach and ten (10) calendar days or such shorter time that may be specified in this Contract within which to cure the breach; and/or
  - b. Discontinue payment to the Contractor for and during the period in which the Contractor is in breach; and offset against any monies billed by the Contractor but yet unpaid by the County those monies disallowed pursuant to the above; and/or
  - c. Terminate this Contract immediately, without penalty to the County.
34. **Disputes:** The Parties shall deal in good faith and attempt to resolve potential disputes informally. If a dispute concerning a question of fact arising under the terms of this Contract is not disposed of in a reasonable period of time by the Contractor's ~~Project~~ **Account** Manager and the County's Project Manager, such matter shall be brought to the attention of the Purchasing Agent by way of the following process:

- a. The Contractor shall submit to the Deputy Purchasing Agent a written demand for a final decision regarding the disposition of any dispute between the Parties arising under, related to, or involving this Contract, unless the County, on its own initiative, has already rendered such a final decision.
- b. The Contractor's written demand shall be fully supported by factual information, and, if such demand involves a cost adjustment to this Contract, the Contractor shall include with the demand a written statement signed by a senior official indicating that the demand is made in good faith, that the supporting data are accurate and complete, and that the amount requested accurately reflects the amount for which the Contractor believes the County is liable.
- c. Pending the final resolution of any dispute arising under, related to, or involving this Contract, the Contractor agrees to diligently proceed with the performance of his Contract, including the provision of services. The Contractor's failure to diligently proceed shall be considered a material breach of this Contract. Any final decision of the County shall be expressly identified as such, shall be in writing, and shall be signed by the County's Purchasing Agent or his designee. If the County fails to render a decision within 90 days after receipt of the Contractor's demand, it shall be deemed a final decision adverse to the Contractor's contentions.
- ~~d. This section shall not preclude Contractor's recourse to seek judicial resolution of any dispute subject to applicable law.~~

35. **Orderly Termination:** Upon termination or other expiration of this Contract, each Party shall promptly return to the other Party all papers, materials, and other properties of the other held by each for purposes of execution of the Contract. In addition, each Party will assist the other Party in orderly termination of this Contract and the transfer of all aspects, tangible and intangible, as may be necessary for the orderly, non-disruptive business continuation of each Party.

At the end of the term of this Contract or in the event of termination of this Contract by either party, the Contractor agrees to provide County with a computer history tape (in a form and format reasonable acceptable to the County) with information necessary to transfer the records of each member's history of Claims within thirty (30) days of the effective date of the termination of this Contract. County may request copies of individual files necessary to reconstruct individual histories on specified members for up to five (5) years after termination of this Contract.

At the end of the term of this Contract or in the event of termination of the Contract by either Party and upon the request of County Contractor agrees to continue the administration of claims incurred prior to the effective ending date of this Contract for a period of six months after the termination date.

36. **Force Majeure:** Contractor shall not be in breach of this Contract during any delay beyond the time named for the performance of this Contract caused by any act of God, war, civil disorder, employment strike or other cause beyond its reasonable control, provided Contractor gives written notice of the cause of the delay to County within 36 hours of the start of the delay and Contractor avails himself of any available remedies.
37. **Consent to Breach Not Waiver:** No term or provision of this Contract shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the Party claimed to have waived or consented. Any consent by any Party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.
38. **Remedies Not Exclusive:** The remedies for breach set forth in this Contract are cumulative as to one another and as to any other provided by law, rather than exclusive; and the expression of certain remedies in this Contract does not preclude resort by either Party to any other remedies provided by law.

39. **Notices:** Any and all notices, requests demands and other communications contemplated, called for, permitted, or required to be given herein shall be in writing, except through the course of the County’s Project Manager and Contractor’s ~~Project Account~~ Manager routine exchange of information and cooperation during the terms of the work and services. Any written communications shall be deemed to have been duly given upon actual in-person delivery, if delivery is by direct hand or upon delivery on the actual day of receipt or no greater than four calendar days after being mailed by US certified or registered mail, return receipt requested, postage prepaid, whichever occurs first. The date of mailing shall count as the first day. All communications shall be addressed to the appropriate Party at the address stated herein or such other address as the Parties hereto may designate by written notice from time to time in the manner aforesaid.

County: ~~Program Manager, Diana Banzet~~  
Human Resources ~~Services~~/Employee Benefits  
Attn: Diana Banzet, Program Manager  
333 W. Santa Ana Blvd., ~~2<sup>nd</sup> Floor~~ Room 137  
Santa Ana, Ca 92701

Contractor: ~~TBD~~The Standard Insurance Company  
Attn: Eva Malloy  
500 N State College Blvd, Suite 1000  
Orange, CA 92868

40. **County Child Support Enforcement:** Contractor is required to comply with the child support enforcement requirements of the County. Failure of the Contractor to comply with all federal, state, and local reporting requirements for child support enforcement or to comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment shall constitute a material breach of the Contract. Failure to cure such breach within 60 calendar days of notice from the County shall constitute grounds for termination of this Contract ~~In order to comply with the County child support enforcement requirements, Contractor has provided to the Program Manager a fully completed and executed certification in the form of Exhibit 1 and upon request of the County, Contractor agrees to also furnish to the Program Manager a fully completed and executed certification in the form of Exhibit 2. Failure of the Contractor to comply with all federal, state, and local reporting requirements for child support enforcement or to comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment shall constitute a material breach of the Contract. Failure to cure such breach within 60 calendar days of notice from the County shall constitute grounds for termination of this Contract.~~

41. **Change Of Ownership:** Contractor agrees that if there is a change or transfer in ownership of Contractor’s business prior to completion of this Contract, the new owners shall be required under terms of sale or other transfer to assume Contractor’s duties and obligations contained in this Contract and complete them to the satisfaction of County.

42. **Precedence:** The documents herein consist of this Contract and its Attachments. In the event of a conflict between or among the Contract documents, the order of precedence shall be the provisions of the main body of this Contract, i.e., those provisions set forth in the articles of this Contract, and then the Attachments and Exhibits. ~~Provided, however, Contractor’s long term disability group insurance policy, set forth in Exhibit 1, shall govern eligibility for insurance and benefits there under.~~

43. **Headings:** The various headings and numbers herein, the grouping of provisions of this Contract into separate clauses and paragraphs, and the organization hereof are for the purpose of convenience only and shall not limit or otherwise affect the meaning hereof.

44. **Severability:** If any term, covenant, condition or provision of this Contract is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

45. **Calendar Days:** Any reference to the word “day” or “days” herein shall mean calendar day or calendar days, respectively, unless otherwise expressly provided.
46. **Attorney Fees:** In any action or proceeding to enforce or interpret any provision of this Contract, or where any provision hereof is validly asserted as a defense, each Party shall bear its own attorney’s fees, costs and expenses.
47. **Waiver Of Jury Trial:** Each Party acknowledges that it is aware of and has had the opportunity to seek advise of counsel of its choice with respect to its rights to trial by jury, and each Party, for itself and its successors, creditors, and assigns, does hereby expressly and knowingly waive and release all such rights to trial by jury in any action, proceeding or counterclaim brought by any Party hereto against the other (and/or against its officers, directors, employees, agents, or subsidiary or affiliated entities) on or with regard to any matters whatsoever arising out of or in any way connected with this Contract and /or any other claim of injury or damage.
48. **Interpretation:** This Contract has been negotiated at arm’s length and between persons sophisticated and knowledgeable in the matters dealt with in this Contract. In addition, each Party has been represented by experienced and knowledgeable independent legal counsel of their own choosing, or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each Party further acknowledges that they have not been influenced to any extent whatsoever in executing this Contract by any other Party hereto or by any person representing them, or both. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Contract against the Party that has drafted it is not applicable and is waived. The provisions of this Contract shall be interpreted in a reasonable manner to affect the purpose of the Parties and this Contract.
49. **Authority:** The Parties to this Contract represent and warrant that this Contract has been duly authorized and executed and constitutes the legally binding obligation of their respective organization or entity, enforceable in accordance with its terms.
50. **Health Insurance Portability and Accountability Act (HIPAA):** Contractor understands and agrees that the disclosure of PHI by a health care component of a covered entity is subject to the HIPAA Privacy Rule, Contractor understands and agrees that it is a Business Associate of County for the purposes of the HIPAA Privacy Rule. Therefore, the provisions set forth in Attachment O hereto shall be operative and control the Business Associate relationship of the parties. Nothing in Attachment O shall be considered a waiver of the limitation on subcontracting as set forth in this Contract.
51. **Survival:** Notwithstanding any provision to the contrary herein, the provisions of paragraphs 15, 16, 17, 18, ~~and 19,~~ 20 and 21 shall survive the termination of this Contract.
52. **Employee Eligibility Verification:** The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirement set forth in Federal statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal or State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, 8 U.S.C. §1324 et seq., as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by the law. The Contractor shall indemnify, defend with counsel approved in writing by County, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

50. **Bills and Liens** Contractor shall pay promptly all indebtedness for labor, materials, and equipment used in performance of the work. Contractor shall not permit any lien or charge to attach to the work or the premises, but if any does so attach, Contractor shall promptly procure its release and, in accordance with the requirements of paragraph 19 above, indemnify, defend, and hold County harmless and be responsible for payment of all costs, damages, penalties and expenses related to or arising from or related thereto.
51. **Changes:** Contractor shall make no changes in the work or perform any additional work without County's specific written approval.
52. **Terms and Conditions:** Contractor acknowledges that it has read and agrees to all terms and conditions included in this Contract.
53. **Incorporation:** This Contract and its Attachments A through ~~F~~ ~~C~~ and ~~O~~ ~~Exhibits 1 through 4~~ are attached hereto and incorporated by reference and made a part of this Contract.

**PROPOSED CONTRACT SIGNATURE PAGE**

The Parties hereto have executed this Contract on the dates shown opposite their respective signatures below.

**CONTRACTOR\***

\_\_\_\_\_  
Print Name Title

\*  
\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Print Name Title

\*  
\_\_\_\_\_  
Signature Date

**\* If the Contractor is a corporation, signatures of two specific corporate officers are required as further set forth.**

**The first corporate officer signature must be one of the following: 1) the Chairman of the Board; 2) the President; 3) any Vice President.**

**The second corporate officer signature must be one of the following: a) Secretary; b) Assistant Secretary; c) Chief Financial Officer; d) Assistant Treasurer.**

**In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution demonstrating the legal authority of the signature to bind the company.**

\*\*\*\*\*  
**County of Orange, a political subdivision of the State of California**

\_\_\_\_\_  
Print Name Title

\_\_\_\_\_  
Signature Date

\*\*\*\*\*

Approved by Board of Supervisors on: Date \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Deputy, Office of County Counsel  
Orange County, California

**ATTACHMENT A**

**SCOPE OF WORK**

Contractor agrees to administer the County's self insured Short Term Disability Plan, and the Reserve Deputy Sheriff Accidental Death and Dismemberment and Disability Income Protection Plan in accordance with the Plan Documents attached hereto as Exhibit 2 and 3, including subsequent amendments, provided by the County for each employee unit that is to receive Short Term Disability Plan benefits or Reserve Deputy Sheriff Accidental Death & Dismemberment and/or Disability Income Protection benefits, and to act as the representative of the County in matters related to the above referenced plans, and agrees further to provide the County during the terms of this Contract all the services detailed below.

**I. Short Term Disability (STD)**

The Short Term Disability Plan is provided to covered full-time employees within the Administrative Management, Executive Management, Law Management, Attorney, and Craft & Plant Units and part-time employees in the Attorney Unit. The plan provides covered employees with up to 60% of covered earnings when they become disabled. The maximum benefit period is 26 bi-weekly pay periods (1 year). The Short Term Disability Plan Administrator coordinates the transition of the Short Term Disability claim to Long Term Disability if applicable.

**II. Reserve Deputy Sheriff Accidental Death & Dismemberment and Disability Income Protection Plan**

The self-insured Reserve Deputy Sheriff Accidental Death & Dismemberment and Disability Income Protection Plan is provided to individuals appointed as Reserve Deputy Sheriffs in the event an injury is sustained while performing assigned duties as a Reserve Deputy Sheriff, and injury results in a total or partial disability. Administration is only required if/when a claim is filed.

**III. Long Term Disability (LTD)**

Contractor agrees to provide Long Term Disability Insurance and administer Long Term disability benefits for covered employees in accordance with the Long Term Disability Policy attached hereto as Exhibit 1. Covered employees include full-time employees within the Administrative Management, Executive Management, Law Management, Attorney, and Craft & Plant Units and part-time employees in the Attorney Unit. Long Term Disability benefits provide covered employees up to 60% of covered earnings after the maximum benefit period under the Short Term Disability Plan is exhausted.

**IV. Administrative Services**

- A. Provision of fully insured Long Term Disability insurance and the administration of self-funded Short Term Disability Plan, and Reserve Deputy Sheriff Accidental Death & Dismemberment and Disability Income Protection Plan in accordance with the Plan Documents, including subsequent amendments, provided by the County for the unit that is eligible to receive benefits, and to act as the representative of the County in matters related to the County's LTD, STD and Reserve Deputy Sheriff Accidental Death & Dismemberment and Disability Income Protection Plan.
- B. Maintain experienced staff (i.e., account management, claims, customer service) for provision of the County's LTD insurance, and the administration of STD and Reserve Deputy Sheriff Accidental Death & Dismemberment and Disability Income Protection Plan. At minimum, County designated

~~Account Management staff should have at least a Bachelors Degree with a minimum of five years experience working with plans similar to the County plans. Other staff members should have at least three years experience working in their field of expertise. Important Note: The County reserves (1) the right to be notified, in advance, of any changes in staff assigned to the Contract, and (2) the right to request reassignment or removal of staff members that, in the County's opinion, do not adequately perform required services to effectively administer the Plan. Maintain customer services hour Monday through Friday, 8 a.m. — 5 p.m. (Pacific Time).~~

- ~~C. Take reasonable and effective precautions to prevent payment of fraudulent claims.~~
- ~~D. Maintain sound and accepted professional practices for the control of claims.~~
- ~~E. Provide professional review of claims to determine disability, the initial and continuing benefit eligibility, the appropriateness of treatment, and the appropriateness of an employee's return to work. This review should be performed by a medical doctor and the decision to involve such professionals in a claim review will be determined by the Contractor. On an as needed basis the professional review shall also include assistance to the County in determining appropriate alternatives of rehabilitation, rehabilitative employment job structuring and ability to perform modified tasks or assignments.~~
- ~~F. Coordinate with the County's Risk Management Department to verify eligibility of workers' compensation benefits when a claimant indicates that injury and/or illness resulted from a work related incident.~~
- ~~G. Coordinate with the Orange County Employees Retirement System or other non-County agency from which claimant receives income while eligible for a Short Term Disability benefit.~~
- ~~H. Notify claimants of ineligible claims and the reason for ineligibility within 10 working days of receipt of claim or within a timeframe mutually agreed upon by the County and the Plan Administrator.~~
- ~~I. Assist the County in establishing procedures for making adjustments for underpayments and requesting reimbursements for overpayments. Once procedures are established, provide the designated services for making the adjustment or requesting for reimbursement, within a timeframe mutually agreed upon by the County and the Plan Administrator. Notify the claimant of the underpayment or overpayment and forward a copy of the notification to the County at the same time the notice is sent to the claimant.~~
- ~~J. Communicate, in appropriate instances, with physicians, hospitals, or other persons or institutions supplying medical and/or dental services, in order to clarify or verify disability and claims submitted by employees. Properly document when this action is required to research a claim. Documentation should be made available to the County upon request.~~
- ~~K. Respond to each claim with either:
  - ~~a) A payment from funds provided by the County by the dates consistent with County pay dates; or~~
  - ~~b) An explanation of delay or denial within 10 working days of receipt of claim or timeframe mutually agreed upon by the County and the Plan Administrator. Provide the County with a copy of the correspondence on the same day it is sent to the claimant.~~~~
- ~~L. Compute tax withholding on benefit payments and reporting to the appropriate government agencies.~~
- ~~M. Maintain records and accounts of the operation of the Plan and to provide periodic reports to the County. Specifically, the following is required:~~



- ~~1. An itemized list of benefits paid, showing type of claim, amount paid, date of occurrence, duration of claim, number of benefit days paid, monthly and year to date payments, claim status and payroll designation of claimant. Such designation to be itemized by the specific representation unit and fund unit of each claimant. This is due on each County pay date.~~
  - ~~2. A check or draft register listing, by number, all disbursements prepared by the Plan Administrator and forwarded to the County during the month including deposits for tax payments. This is due on each County pay date.~~
  - ~~3. A reconciliation of the fund bank account based upon statements and cancelled checks forwarded to the Plan Administrator by the banking institution providing services. This is due by the 15th of each month after the end of the activity month (preceding month).~~
- ~~N. Track duration of Short Term Disability and coordinate the transition of Short Term Disability to Long Term Disability by providing the Standard Long Term Disability claim form to claimants at the thirty-second (32nd) week of Short Term Disability benefits. Provide a copy of the cover letter sent with the Long Term Disability claim form to the County of Orange at the same time the Long Term Disability claim form is sent to the claimant. This process would involve coordination with the County's Long Term Disability claims administrator/vendor.~~
- ~~O. Annually prepare and distribute W-2 forms to claimants who received disbursements that were made under the terms of the County's Short Term Disability Plan and Reserve Deputy Sheriff Disability Income Protection Plan within the federally mandated timeframes. Prepare and include a personalized benefits statement detailing benefits paid and withholding for tax purposes. This personalized benefits statement should be included with the W-2. Annually provide to the County copies of each benefits statement along with a report detailing all W-2 distributions within 10 working days of the W-2 distribution to claimants.~~
- ~~P. Have proper systems in place to track and maintain all claimant information, claims activity and fund activity.~~
- ~~Q. Must be able to provide Short Term Disability forms and Long Term Disability forms including W-4 in PDF format.~~
- ~~R. Must be able to provide "read only" access to the County's Benefits Administrator (currently ACS) to view approved and denied Short Term Disability and Long Term Disability claims in order to coordinate with the billing service.~~
- ~~S. Coordinate Short Term Disability and Catastrophic leave benefits for eligible employees.~~
- ~~T. Accept the County's AD&D beneficiary form.~~
- ~~U. As required by the County, and within the timeframe agreed upon by the County and Plan Administrator at the time of the request, prepare and provide the County with periodic projections of cash flow and budget requirements.~~
- ~~V. Store and maintain claims records safely and for a minimum, of five (5) years beyond the end of the fiscal year in which claim is made, or a longer period of time as necessary in the case of litigated claims.~~
- ~~W. Assists the County in the revision of the Plan Document and to incorporate revisions, additions or amendments to the Plan administration.~~
- ~~X. Recommend legal counsel for any legally disputed claims and assist legal counsel in the preparation of any litigated cases.~~
- ~~Y. Assist the County with information necessary to perform periodic audits of fiscal procedures and claims processing and respond to all audit recommendations as requested by the County within the~~

- ~~timeframe mutually agreed upon by the County and the Plan Administrator at the time of the request.~~
- ~~Z. Ensure administrative fees are not used to make benefit payments.~~
- ~~AA Provide the County with information on claims upon request to assist the County in resolving problems that claimants have with the processing or payment of their claims.~~
- ~~BB Provide the County with monthly group activities detail payment report online for the Short Term Disability and Long Term Disability.~~
- ~~CC Provide an annual management report to the County each year during the term of the Contract, summarizing the Plan's activity during the preceding year and providing cost estimates and deposit guidelines for the ensuing year. Report must also include the following information:~~
- ~~1. number of new claims in Plan year~~
  - ~~2. average open claims per month~~
  - ~~3. average claims pay out per month~~
  - ~~4. average length of a claim~~
  - ~~5. average number of checks per checks~~
  - ~~6. average number of claims that required Long Term Disability information~~
  - ~~7. top 3 diagnosis/prognosis~~
- ~~DD Provide all necessary assistance and advice to the County in the assumption of administrative responsibilities of the Short Term Disability Plan and Reserve Deputy Sheriff Accidental Death & Dismemberment and Disability Income Protection Plan.~~
- ~~EE Provide services to County employees who are eligible under the Short Term Disability Plan, the Reserve Disability Income Protection Plan and Long Term Disability benefits within the state of California or outside the state of California.~~
- ~~FF In the event of the termination of the Contract, provide copies of all files necessary to transfer records of each member's history of claims at a cost of computer time within 30 days of the termination of the Contract. Deliver all records, accounts of operation and claimant claim files to the County.~~
- ~~GG Furnish, at Contractor's expense, professional claims review and investigation services as deemed necessary by the Contractor and the Plan Administrator or the County. Professional claims review and investigative services requested solely by the County will be paid for by the County.~~
- ~~HH Furnish, at Contractor's expense, actuarial services and consultation to assist the County with Plan Document revisions(s) and determination of funding requirements.~~
- ~~II Adjudicate 100% of STD claims through ProClaim, claims adjudication and payment system, to provide online real time processing of transactions and immediate response to participant inquiries.~~
- ~~JJ Survey at random 10% of all newly decided claims, including denials.~~
- ~~KK Periodically review and audit claims at random for compliance of policies and procedures, and quality and regulatory compliance.~~
- ~~LL Submit Contractor's system back up, security and disaster recovery procedures, excluding confidential or proprietary information, to County's Project Manager.~~
- ~~MM Submit proposed audit procedures, excluding confidential or proprietary information, to the County's Project Manager.~~

**I. Background**

The County of Orange is soliciting proposals for the provision and/or administration of its fully-insured Long Term Disability and self-insured Short Term Disability Insurance Plan and the Reserve Deputy Sheriff Disability Income Protection Plan. The County is requesting three separate pricing proposals for the administration of the three separate plans. The County has had contracts with our current Plan Administrator for the past 8 years. This action to solicit proposals is not a result of dissatisfaction with services being provided by the current Plan Administrator but rather an opportunity to allow other vendors to present proposals in order to ensure that the County is receiving optimum service for a cost effective price. The existing contracts will be ending December 31, 2015. The effective date for the new Contract will be January 1, 2016. There will be an approximate six (6) to eight (8) week implementation period if a new Plan Administrator is selected. The County will include performance guarantees in the Contract.

**STD/LTD**

The Disability Salary Continuance Plan is the formal name for what is commonly referred to as a short-term and long-term disability plan. The County provides self-insured Short Term Disability (STD) benefits and fully-insured Long Term Disability (LTD) benefits to approximately 2,086 covered employees. Covered employees include full-time employees within the Administrative Management, Executive Management, Law Management, Attorney, and Craft & Plant Units. The Plan Documents that have been adopted by the County's Board of Supervisors are attached. The Disability Salary Continuance Plan provides covered employees with up to 60% of covered earnings when they become disabled. The maximum benefit period is 26 bi-weekly pay periods (1 year). After the maximum benefit period under the Disability Salary Continuance Plan, covered employees may also be eligible for long-term disability benefits. The Disability Salary Continuance Plan Administrator will coordinate the transition of the Disability Salary Continuance claim to Long Term Disability.

The Disability Salary Continuance Plan provisions for each unit are essentially the same except for the maximum monthly benefit amount. The minimum benefit for all units is \$50.00.

In summary, Disability Salary Continuance Plan administration includes claims processing (i.e., receive claim, verify eligibility, review claim for completion, obtain clarification from provider or claimant as required, and determine benefits), issuing benefit checks, issuing W-2s, providing customer service to eligible employees and providing claim activity reports, fund activity reports and analysis data as required by the County. Administrative services shall be performed within the timeframes agreed upon by the County and the Plan Administrator. Claims are paid through an imprest account at a bank mutually determined by the Administrator and the County of Orange. Benefit checks are issued weekly.

**Reserve Deputy Sheriff Disability Income Protection Plan**

The County provides a self-insured Disability Income Protection Plan to individuals appointed as Reserve Deputy Sheriffs if injuries, which are sustained while performing assigned duties as a Reserve Deputy Sheriff, result in a total or partial disability. Although this benefit has been in effect since March 1984, there has only been one claim filed since the inception of this Disability Income Protection Plan. The Plan document that has been adopted by the County's Board of Supervisors for the Disability Income Protection Plan is attached.

For a total disability, the Disability Income Protection benefit is \$250 per week and may not exceed 67% of the gross income normally received as the result of regular employment. For a partial disability, the Disability Income Protection benefit is \$125 per week. Disability Income Protection benefits are combined with Workers' Compensation and any other sources of income. The maximum benefit is 104 weeks following the three-day elimination period.

In summary, the Disability Income Protection Plan administration also includes claims processing (i.e., receive claim, verify eligibility, review claim for completion, obtain clarification from provider or claimant as required, determine benefits), issuing benefit checks, issuing W-2s, providing customer service to eligible

employees with questions and providing claim activity reports, fund activity reports and analysis data as required by the County. However, this will only take place when a claim is filed. Administrative services shall be performed within the timeframes agreed upon by the County and the Plan Administrator. Claims are paid through an imprest account at a bank mutually determined by the Administrator and the County of Orange. Benefit checks are issued weekly. The above administration is only required if/when a claim is filed. As a reminder, only one claim has been filed since inception of the Plans.

## **II. Definitions**

- a. *The Board.* The Board of Supervisors for the County of Orange is the legislative and policy making body of the County and is responsible for the review and approval of all service agreements and/or contracts with the County.
- b. *Employee Benefits Division.* A division of Human Resource Services of the County responsible for the design, implementation and on-going administration of the County's various employee benefit plans and programs.
- c. *Human Resource Services.* (HRS) The County's HRS department is comprised of various divisions and sections that provide a wide array of personnel and employee services to County departments and agencies. The Chief Human Resource Officer reports directly to the County Executive Officer (CEO).

## **III. Scope of Services**

### **a. Claims Filing Procedure**

1. Disabled employees can obtain claim form and W-4 forms through the County of Orange Benefits Center web site or by contacting the County's Benefits Resource line.
2. Employee is instructed to complete the appropriate sections, have his/her physician complete the certification of the disability section and return all forms to the County of Orange Employee Benefits Office.
  - d.
3. Upon receipt of completed claim form, County of Orange Employee Benefits will verify eligibility, last day worked and the last day employee was paid sick (192 hours of annual leave). (\*sick/\*\*annual leave applies to Disability Salary Continuance Plan only. \*Sick leave applies to Craft and Plant Unit, Court Executive Management, Court Management, Outside District Management. \*\*192 hours Annual leave applies to Administrative Management, Executive Management, Law Enforcement Management and Attorneys.)
4. County of Orange Employee Benefits will forward claim form and W-4 to Plan Administrator for benefit determination and further processing.

### **b. Administrative Services (Submit as Response to Offeror's Proposal Questionnaire, Proposal Description, page 19, A)**

Contractor shall:

1. Provide the fully-insured Long Term Disability (LTD) Plan and the administration of self-insured Short Term Disability (STD) Plan, and Reserve Deputy Sheriff Disability Income Protection Plan in accordance with the Plan documents, including subsequent amendments, provided by the County for the unit that is eligible to receive benefits, and act as the representative of the County in matters related to the County's LTD, STD and Reserve Deputy Sheriff Disability Income Protection Plan.

2. Maintain experienced staff (i.e., account management, claims, customer service) for provision of the County's LTD, and the administration of STD and Reserve Deputy Sheriff Disability Income Protection Plan. At minimum, County designated Account Management staff should have at least a Bachelor's Degree with a minimum of five years' experience working with plans similar to the County plans. Other staff members should have at least three years' experience working in their field of expertise. Important Note: The County reserves (1) the right to be notified, in advance, of any changes in staff assigned to the Contract, and (2) the right to request reassignment or removal of staff members that, in the County's opinion, do not adequately perform required services to effectively administer the plan.
3. Maintain customer service hours with a toll-free number Monday through Friday, 8 a.m. – 5 p.m. (Pacific Time).
4. Take reasonable and effective precautions to prevent payment of fraudulent claims.
5. Maintain sound and accepted professional practices for the control of claims.
6. Provide professional review of claims to determine disability, the initial and continuing benefit eligibility, the appropriateness of treatment, and the appropriateness of an employee's return to work. This review should be performed by a medical doctor and should take place within 10 working days of receipt of claim or, another timeframe mutually agreed upon by the County and the Plan Administrator. On an as needed basis, the professional review shall also include assistance to the County in determining appropriate alternatives of rehabilitation, rehabilitative employment job structuring and ability to perform modified tasks or assignments.
7. Coordinate with the County's Risk Management Department to verify eligibility of workers' compensation benefits when a claimant indicates that injury and/or illness resulted from a work related incident. File a lien when verification is received from Risk Management that claimant has submitted a workers' compensation claim.
8. Coordinate with the Orange County Employees Retirement System, or other non-County and County agencies from which claimant receives income while eligible for a Disability Salary Continuance benefit.
9. Notify claimants of ineligible claims and the reason for ineligibility within 10 working days of receipt of claim or within a timeframe mutually agreed upon by the County and the Plan Administrator.
10. Assist the County in establishing procedures for making adjustments for underpayments and requesting recoupment for overpayments. Once procedures are established, provide the designated services for making the adjustment or requesting recoupment, within a timeframe mutually agreed upon by the County and the Plan Administrator. Notify the claimant of the underpayment or overpayment and forward a copy of the notification to the County at the same time the notice is sent to the claimant.
11. Communicate, in appropriate instances, with physicians, hospitals, or other persons or institutions supplying medical and/or dental services, in order to clarify or verify disability and claims submitted by employees. Properly document when this action is required to research a claim. Documentation should be made available to the County upon request.
12. Respond to each claim with either:
  - a) A payment from funds provided by the County by the dates consistent with County pay dates; or
  - b) An explanation of delay or denial within 10 working days of receipt of claim or timeframe mutually agreed upon by the County and the Plan Administrator. Provide the County with a copy of the correspondence on the same day it is sent to the claimant.

13. Compute tax withholding on benefit payments issuing separate checks to the County of Orange for deposit of withholding with government agencies.
14. Maintain records and accounts of the operation of the Plan and to provide periodic reports to the County. Specifically, the following is required:
  - a) An itemized list of benefits paid, showing type of claim, amount paid, date of occurrence, duration of claim, number of benefit days paid, monthly and year to date payments, claim status and payroll designation of claimant. Such designation to be itemized by the specific representation unit and fund unit of each claimant. This is due on each County pay date.
  - b) A check or draft register listing, by number, all disbursements prepared by the Plan Administrator and forwarded to the County during the month including deposits for tax payments. This is due on each County pay date.
  - c) A reconciliation of the fund bank account based upon statements and cancelled checks forwarded to the Plan Administrator by the banking institution providing services. This is due by the 15th of each month after the end of the activity month (preceding month).
15. Track duration of Disability Salary Continuance and coordinate the transition of Disability Salary Continuance to LTD by providing the LTD claim form to claimants at the thirty-second (32nd) week of Disability Salary Continuance benefits. Provide a copy of the cover letter sent with the LTD claim form to the County of Orange at the same time the LTD claim form is sent to the claimant. This process would involve coordination with the County's LTD claims administrator/vendor.
16. Annually prepare and distribute W-2 forms using Contractor's EIN to claimants who received disbursements that were made under the terms of the County's Salary Continuation Plan within the federally mandated timeframes. Prepare and include a personalized benefits statement detailing benefits paid and withholding for tax purposes. This personalized benefits statement should be included with the W-2. Annually provide to the County copies of each benefits statement along with a report detailing all W-2 distributions within 10 working days of the W-2 distribution to claimants.
17. Have proper systems in place to track and maintain all claimant information, claims activity and fund activity.
18. Provide LTD forms including W-4 in PDF format.
19. Provide "read only" access to the County's Program Manager to view approved and denied STD and LTD claims.
20. Coordinate STD, LTD and Catastrophic leave benefits for eligible employees.
21. Store and maintain claims records safely and for a minimum, of five (5) years beyond the end of the fiscal year in which claim is made, or a longer period of time as necessary in the case of litigated claims.
22. Assist the County in the revision of the Plan Document and to incorporate revisions, additions or amendments to the Plan administration.
23. Recommend legal counsel for any legally disputed claims and assist legal counsel in the preparation of any litigated cases.
24. Assist the County with information necessary to perform periodic audits of fiscal procedures and claims processing and respond to all audit recommendations as requested by the County within the timeframe mutually agreed upon by the County and the Plan Administrator at the time of the request.

25. Ensure administrative fees are not used to make benefit payments.
  26. Provide the County with information on claims upon request to assist the County in resolving problems that claimants have with the processing or payment of their claims.
  27. Provide an annual management report to the County each year during the term of the Contract, summarizing the Plan's activity during the preceding year and providing cost estimates for the ensuing year. Report should also include the following information:
    8. Number of new claims in Plan year
    9. Average open claims per month
    10. Average claims pay out per month
    11. Average length of a claim
    12. Average number of checks per checks
    13. Average number of claims that required Long Term Disability information
    14. Top 3 diagnosis/prognosis
- The annual management report will be available 45 days after close of plan year.
28. Provide all necessary assistance and advice to the County in the assumption of administrative responsibilities of the Disability Salary Continuance Plan and Reserve Deputy Sheriff Disability Income Protection Plan.
  29. Provide services to County employees who are eligible under the Disability Salary Continuance Plan and the Reserve Disability Income Protection Plan benefits within the state of California or outside the state of California.
  30. In the event of the termination of the Contract, provide copies of all files necessary to transfer records of each member's history of claims at a cost of computer time within 30 days of the termination of the Contract. Deliver all records, accounts of operation and claimant claim files to the County.
  31. Furnish, at Contractor's expense, professional claims review and investigation services as deemed necessary by the Plan Administrator or the County.
  32. Furnish, at Contractor's expense, actuarial services and consultation to assist the County with Plan Document revisions(s) and determination of funding requirements.

**ATTACHMENT B**

**COST/COMPENSATION/PAYMENT**

(Complete and submit as Response to Offeror’s Proposal Questionnaire, Cost/Compensation, page 19, B)

**1. Compensation:** This is a fixed price Contract between the County and Contractor for the Provision of the Long Term Disability Insurance Plan, and Administration of the Short Term Disability Insurance Plan and the Reserve Deputy Sheriff Disability Income Protection plans as provided in Attachment A, Scope of Work. ~~The Contractor agrees to accept the specified compensation as set forth in this Contract as full remuneration for performing all services and furnishing all staffing and materials required, for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the services until acceptance, for risks connected with the services, and for performance by the Contractor of all its duties and obligations hereunder. The County shall have no obligation to pay any sum in excess of total Contract amount specified below unless authorized by amendment.~~ The County agrees to compensate the Contractor per firm fixed price contract as set forth below. Contractor agrees to accept the same as full compensation for performing all services and furnishings all staffing and materials called for; and for risks connected with the services; and for performance by Contractor of all its duties and obligations hereunder.

Provide proposed cost for a, b and c below

**A. Long Term Disability Insurance:**

Class	Premium(% of monthly insured earning)
Administrative Management	0.181
Attorneys	0.108
Craft & Plant	0.935
Law Management	0.229
Executive Management	0.178

	Assumed Volume	Proposed Vendor Rates
Class 1 - Administrative Management		
Class 2 - Attorneys		
Class 3 - Craft And Plant		
Class 4 - Law Management		
Class 5 - Executive Management		

**B. Short Term Disability – Administrative Service Only Fee:** \_\_\_\_\_

~~**C. Reserve Deputy Sheriff Disability Income Protection Plan – Administrative Service Only Fee:** \_\_\_\_\_~~

~~**D. Reserve Deputy Sheriff Accidental Death and Dismemberment Plan – Administrative Service Only Fee:** \_\_\_\_\_~~

~~1. Premiums and Administrative Fees are guaranteed to remain fixed for the first three (3) years of the Contract.~~



- ~~2. Premiums may increase for years four (4) and five (5) (if applicable). If at the end of the rate guarantee period, the incurred claim loss ratio is .80 or better, the rate will be extended for an additional two (2) years.~~
- ~~3. Administrative Fees may increase for years four (4) and five (5) (if applicable) at a rate not to exceed CPI, capped at 10%. Published CPI as posted by the U.S. Department of Labor, Bureau of Labor Statistics, for most recent twelve months prior to calculations, for LA, Riverside, and Orange County region.~~

~~2. **Payment Schedule:** Payment for LTD premiums and STD administrative service only fees identified herein will be issued by the County based on the covered volume for LTD and the number of eligible employees for STD as provided by the County to the Contractor on the monthly premium report. Payment will be made on or before the end of each month, representing payment for services provided in the current month.~~

~~Monthly invoices for cost of claim transactions for Reserve Deputy Sheriff Disability Income Protection Plan and other charges (if any) are to be submitted in arrears. Contractor shall reference Group Service Agreement number on invoice. Payment will be net 30 days after receipt and approval by County of an invoice in a format acceptable to the County and verified and approved by the agency/department and subject to routine processing requirements.~~

~~Invoices shall cover services not previously invoiced. The Contractor shall reimburse the County of Orange for any monies paid to the Contractor for services not provided or when services do not meet the Contract requirements.~~

~~Payments made by the County shall not preclude the right of the County from thereafter disputing any items or services involved or billed under this Contract and shall not be construed as acceptance of any part of the services.~~

~~3. **Firm Discount and Pricing Structure:** Contractor guarantees that prices quoted are equal to or less than prices quoted to any other local, State or Federal government entity for services of equal or lesser scope. Contractor agrees that no price increases shall be passed along to the County during the term of this Contract not otherwise specified and provided for within this Contract.~~

~~2. **Contractor's Expense:** The Contractor will be responsible for all costs related to photo copying, telephone communications, fax communications, and parking while on County sites during the performance of work and services under this Contract. The County will not provide free parking for any service in the County Civic Center.~~

~~3. **Firm Pricing Structure:** Contractor guarantees that prices quoted are equal to or less than prices quoted to any other local, State or Federal government entity for services of equal or lesser scope. Contractor agrees that no price increases shall be passed along to the County during the term of this Contract not otherwise specified and provided for within this Contract.~~

~~4. **Payment Terms:** Payment for Long-term disability premium and Short-term Disability administrative service fees will be based upon number of employees and associated rates as provided by the County to Contractor on the monthly Premium Report. Payment for the month will be made on or before the 30<sup>th</sup> day of each month, representing payment for the services provided in the current month (i.e. payment for the month of January will be paid by January 30<sup>th</sup>).~~

~~Invoices for Reserve Deputy Sheriff Accidental Death and Dismemberment Plan administrative services fees are to be submitted in arrears to the County Program Manager, unless otherwise directed in this Contract. Contractor shall reference contract number on invoice. Payment will be net 30 days after receipt of an invoice in a format acceptable to the County of Orange and verified and approved by the~~

agency/department and subject to routine processing requirements. The responsibility for providing an acceptable invoice rests with the Contractor. Billing shall cover services and/or goods not previously invoiced. The Contractor shall reimburse the County of Orange for any monies paid to the Contractor for goods or services not provided or when goods or services do not meet the Contract requirements.

Payments made by the County shall not preclude the right of the County from thereafter disputing any items or services involved or billed under this Contract and shall not be construed as acceptance of any part of the goods or services.

**5. Payment – Invoicing Instructions:** The Contractor will provide an invoice on the Contractor’s letterhead for services rendered. Each invoice will have a number and will include the following information:

1. Contractor’s name and address
2. Contractor’s remittance address, if different from 1 above
3. Name of County agency/department
4. Delivery/service address
5. Contractor/Subordinate contract (PG) or Purchase Order (PC) number
- ~~6. Date of order~~
7. Type of fees/service
8. Sales tax, if applicable
9. Dates of fees/service
10. Brief description of fees/service
11. Contractor’s Federal I.D. Number

The Contractor shall be fully responsible for providing an acceptable invoice to the County. Incomplete or incorrect invoices are not acceptable and will be returned to the Contractor for correction.

The County’s Project Manager, or designee, is responsible for approval of invoices and subsequent submittal of invoices to the Auditor-Controller for processing of payment. The responsibility for providing an acceptable invoice to the County for payment rests with the Contractor. Incomplete or incorrect invoices are not acceptable and will be returned to the Contractor for correction.

Invoices and support documentation are to be forwarded to:

~~Nancy Garafalo, Accounting~~ Diana Banzet, Program Manager  
Human Resources/Services/Employee Benefits  
Hall of Administration  
333 W. Santa Ana Blvd., ~~2<sup>nd</sup> Floor~~ Room 137  
Santa Ana, CA 92701

~~The County’s Accounting Manager at HR/Employee Benefits is responsible for approval of invoices and subsequent submittal of invoices to the County Auditor-Controller for payment processing.~~

**Attachment C**

**Proposed Project Schedule/Implementation Plan**

(Complete and submit as Response to Offeror's Proposal Questionnaire, Implementation, page 19, C)

The Offeror's Proposal must contain a project schedule with time frames for Provision of Long Term Disability Insurance Plan, and Administration of Short Term Disability Insurance, and Disability Income Protection plans with a start date of January 1, 2016. The Offeror shall demonstrate how the required services as outlined in Attachment A, Scope of Work, shall be accomplished. The Offeror's plan shall be in terms of elapsed days or weeks from issuance of the notice to proceed and shall minimally identify the task, the number and level of personnel required and an estimate of time for completion. The Offeror's schedule must be approved by the County and may be subject to revision in accordance with the terms of the final Contract.

The approved Implementation Plan and Project Schedule shall be incorporated into the Contract.

**ATTACHMENT € D**

**STAFFING PLAN**

(Complete and submit as Response to Offeror’s Proposal Questionnaire, Staffing Plan, page 19, D)

**1. Primary Staff to perform Contract duties**

<b>Name</b>	<b>Classification/Title</b>
Eva Malloy	Account Manager
Kari Dobson	Employee Benefits Consultant
Karen Gracey	National Account Consultant

**2. Alternate staff** (for use only if primary staff are not available)

<b>Name</b>	<b>Classification/Title</b>
Debbie Angleton	Supervisor LTD, National Accounts
Samantha Jaurequi	Supervisor STD, Disability Benefits
Ruth Sweeney	Team Leader – Policy Administrative Service
Geoff Clarkson	Senior Underwriter National Accounts

Substitution or addition of Contractor’s key personnel in any given category or classification shall be allowed only with prior written approval of the County’s Project Manager.

The Contractor may reserve the right to involve other personnel, as their services are required. The specific individuals will be assigned based on the need and timing of the service/class required. Assignment of additional key personnel shall be subject to County’s Project Manager approval. County reserves the right to have any of Contractor personnel removed from providing services to County under this Contract. County is not required to provide any reason for the request for removal of any Contractor personnel.

**3. Sub-contractor(s)**

In accordance with Article 12 “Assignment or Sub-Contracting”, listed below are Sub-contractor(s) anticipated by Contractor to perform services specified in Attachment A, Scope of Work.

<b>Company Name</b>	<b>Staff Name</b>

**Attachment E**

**Performance Guarantees**

(Complete and submit as Response to Offeror's Proposal Questionnaire, Performance Guarantees page 20,  
F)

Contractor shall report to the County quarterly or upon other frequency if noted below, within 45 days after close of the reporting period, on its satisfaction of each of the performance standards on the following page.

Contractor will place an amount/percentage at risk if the stated standard(s) are not met.

Attachment E. Redline Current Contract to Model Contract

Guarantee	Target	Reporting Methodology	Formula	Reporting Frequency	Assessment Period	Annual Dollars at Risk	Comments
<b>Short Term Disability</b>							
Initial Decision / Turnaround Time	95% of clean STD claims will receive a determination to approve, deny or pend within 5 business days of receiving a clean claim	<i>Vendor to identify reporting methodology</i>	Number of claims determined within 5 business days/total number of claims determined during the reporting period	Annually	Annually		Measured from the date all information is available to process the claim to the date claim decision is made. Measurement is based upon business days.
Procedural Accuracy	98%	Via audit of 100% of STD claim decisions in reporting period	Total number of procedures handled correctly / Total number of procedural requirements	Annually	Annually		Procedural accuracy is how accurately the claim was handled. Key claim procedures measured are verification of coverage, correct benefit waiting period served, return to work services, diagnosis code, future close date/maximum benefit period accurate and writes communication to employee and employer within 2 business days of approval or 5 business days of denial.
Financial Accuracy	98%	Via audit of 100% of STD claim decisions in reporting period	Total dollar amount of payment errors / Total dollars payable	Annually	Annually		Payment accuracy is how accurately the computation of the benefits is for a given claim including all deductions, taxes, offsets, duration-control and adjustments.
<b>Implementation</b>							
Implementation shall be effective on the date agreed to by the County and Contractor, and shall not be delayed due to circumstances which are under the Contractors control.	Score of "satisfied" or above on implementation survey completed by County	Implementation Survey					
<b>Member Services</b>							
STD Customer Survey - Member Satisfaction with Initial Claim Decision	Average score of "satisfied" on member surveys	<i>Vendor to identify reporting methodology</i>	Sum of response to Overall Satisfaction questions / Total number of respondents	Annually	Annually		100% of all initial STD claim decisions will be surveyed. Survey instrument rating is on a 1 to 5 scale. This metric will be included in the Annual Report but not part of the financial penalty calculation, as the number of surveys returned is not projected to be credible.
LTD Customer Survey - Member Satisfaction with Initial Claim Decision	Average score of "satisfied" on member surveys	<i>Vendor to identify reporting methodology</i>	Sum of response to Overall Satisfaction questions / Total number of questions	Annually	Annually		100% of all initial LTD claim decisions will be surveyed. Survey instrument rating is on a 1 to 5 scale. This metric will be included in the Annual Report but not part of the financial penalty calculation, as the number of surveys returned is not projected to be credible.
Speed to Answer	95% of calls will be answered within 30 seconds.	<i>Vendor to identify reporting methodology</i>	Calls answered within 30 seconds / Total number of calls	Annually	Monthly		
Abandonment rate	Less than 3%	<i>Vendor to identify reporting methodology</i>	Abandoned calls / Total number of calls	Annually	Monthly		
<b>Account Management</b>							
Delivery of Reports: - LTD Experience Report -Performance Guarantee Report - Claim Detail Report -STD and LTD Utilization	90 days after end of reporting period	<i>Vendor to identify reporting methodology</i>	Electronic delivery of reports and/or meeting date	Annually	Annually		
Conduct account management meetings on a quarterly basis at the direction of the County of Orange	2 meetings during the plan year	<i>Vendor to identify reporting methodology</i>	Dates of meetings	Annually	Annually		
County satisfaction with account management	Composite Score (all categories) of 3.0 or better on the Account Management Report Card based on four (4) quarterly assessments.	<i>Standard scorecard provided by County</i>	Addition of each quarterly score for each measurable need (per quarter) / total measurable needs	Quarterly	Annually		

**Attachment F**

**Account Management Report Card**

**Rating Methodology:**

- 5 = Completely Satisfied
- 4 = Very Satisfied
- 3 = Satisfied
- 2 = Somewhat Satisfied
- 1 = Dissatisfied

Client/Company Name: \_\_\_\_\_  
 Completed By (please print): \_\_\_\_\_  
 Client Signature \_\_\_\_\_  
 Date completed: \_\_\_\_\_  
 Telephone #: \_\_\_\_\_

County will complete the box with the score that most closely reflects the level of satisfaction with the local account management team with respect to the following service categories. A separate quarterly report card will be completed, signed and dated each quarter.

Measurable Need	1 <sup>st</sup> Q	2 <sup>nd</sup> Q	3 <sup>rd</sup> Q	4 <sup>th</sup> Q	Composite Score
1. Provides County with timely notification of issues impacting plan and/or participants					
2. Responds to participant issues & questions in a timely, comprehensive manner.					
3. Develops, follows through on action plans; effective coordination to resolve open issues.					
4. Is accessible and attends scheduled meetings.					
5. Delivers agreed upon reports and communication of Contractor results on time.					
Account Management Composite Score (All Categories)	N/A	N/A	N/A	N/A	

Fill in for each quarterly period:

Date Sent to Client: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_    \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
 Date Returned by Client: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_    \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

At the end of each quarterly period, Contractor will forward Account Management Report Card to County for completion.

Following the end of the Term and receipt of the fourth (4<sup>th</sup>) quarterly survey from the County, Contractor will calculate the composite score in each performance assessment category by averaging the scores for the four (4) quarters of the term. The assessments of each of the performance assessment categories will be weighed equally. The Account Management Commitment will be deemed as fulfilled if the average of the composite scores in each category (“Account Management Composite Score”) is equal to or greater than the Account Management Composite Score indicated on Attachment E.

**Attachment G**

(Complete and submit as Response to Offeror’s Proposal Questionnaire, page 20, G)

**Disability RFP Questionnaire**

Respond to each of the statements below (with comments as appropriate)

General	Yes/No	Comments
1 The rates / fees / premiums quoted are final and considered firm, regardless of experience or actual enrollment as of the January 1, 2016 effective date		
2 The current and proposed plan designs can and will be duplicated without exception.		
3 Contractor agrees to send copies of all employee correspondence to County of Orange.		
4 Any planned change in the designated team personnel will be communicated to County of Orange by phone and in writing at least 14 calendar days prior to the effective date, including reason for the personnel change. New team members are expected to undergo the same level of training.		
5 The supplier’s dedicated intake team will be fully trained in both customer service skills and the nuances of the County of Orange plans, policies, and programs. Training may be conducted with the County of Orange personnel oversight.		



6	<p>Contractor will have responsibility for obtaining the following STD information from the attending physician telephonically during the initial contact and telephonically or by written documentation throughout the duration of the claim.</p> <ul style="list-style-type: none"> <li>a. Diagnosis</li> <li>b. Objective medical findings supporting diagnosis</li> <li>c. Prognosis</li> <li>d. Treatment plan</li> <li>e. Functional abilities</li> <li>f. Expected Return to Work date</li> <li>g. Written claim documentation including physician notes</li> </ul>		
7	<p>e. Please include your current ratings from the following organizations:</p> <ul style="list-style-type: none"> <li>· Fitch (formerly Duff &amp; Phelps)</li> <li>· Moody's</li> <li>· A. M. Best's</li> <li>· Standard &amp; Poor's</li> </ul>		
8	<p>Are any of the benefits included in this proposal reinsured with another insurance company? If so, please provide the name of the reinsurer, a description of the reinsurance arrangement, the next renewal date for that arrangement, and the current ratings for the reinsurer from the following organizations:</p> <ul style="list-style-type: none"> <li>· Fitch (formerly Duff &amp; Phelps)</li> <li>· Moody's</li> <li>· A. M. Best's</li> <li>· Standard &amp; Poor's</li> </ul>		
<b>Client Management/Partnership</b>		<b>Yes/No</b>	<b>Comments</b>
9.	<p>Contractor agrees to Performance Standards as described in Attachment E.</p>		
10	<p>Contractor is responsible for monitoring phone statistics and caseloads on a daily basis to ensure that minimum standards are met. Unit supervisor is responsible for ensuring that adequate staffing levels are maintained.</p>		

Attachment E. Redline Current Contract to Model Contract

11	Contractor will provide assistance in training the County of Orange representatives from the benefits area and Employee Benefits. This training may include on line report access, invoicing, etc.		
12	Contractor will provide the County of Orange and its designee unrestricted access to all claim files, notes, systems, and dedicated personnel for annual onsite audit purposes.		
<b>LTD &amp; STD Payment</b>		<b>Yes/No</b>	<b>Comments</b>
13	Contractor will calculate benefit rates by Contract, plan or policy for LTD and STD and issue checks. In addition, the Contractor will verify salary with County of Orange prior to the calculation of benefit rates.		
14	Contractor will calculate retroactive adjustments as permitted by statutes, contract, plans and policies based upon offset information.		
15	Contractor must have the capability to change benefit deductions during the life of the claim.		
16	Contractor will have an automated process for recurring benefit calculations.		
17	Contractor will coordinate offsets and overpayment recovery activities. Contractor will have an overpayment recovery process.		
18	Contractor will maintain all benefit calculation records and file documentation (hard copy and electronic) for a period of minimally eight years for disability.		
19	Contractor will issue W-2s to all claimants under Contractor EIN.		
<b>Quality Management (QM)</b>		<b>Yes/No</b>	<b>Comments</b>
20	Contractor will electronically store information on all calls, received or initiated. The information captured should include a date/time stamp, the parties involved in the call and a classification type.		

Attachment E. Redline Current Contract to Model Contract

21	Contractor will electronically store all disability management and claims information in its claims management system.		
22	Contractor will perform periodic internal audits, using statistically based selection criteria.		
<b>Reporting / Program Measurement Tools</b>		<b>Yes/No</b>	<b>Comments</b>
23	Contractor will provide standard reports and analysis on a monthly/quarterly/annual basis.		
<b>Technology Systems — General</b>		<b>Yes/No</b>	<b>Comments</b>
24	Contractor has a backup system capable of supporting disaster recovery efforts. The plan is written and has been tested.		
25	Contractor will accept, maintain, and utilize demographic information from The County of Orange and/or its other benefits administrators electronically.		
26	Which claim office location will be used to service the County of Orange?		
27	Describe the methods in which you can accept claims from employees: a) Telephonically via toll free number b) Electronically via internet c) For incapacitated employees, describe the other individuals who can file a claim		
28	Can you provide “warm” transfers to other County programs, such as workers compensation, employee benefits or the benefits center?		
29	Explain how your organization tracks caseloads and how caseload standards are maintained.		
30	Explain your back-up plan to service clients in the event of staff absence, promotion or termination and identify in what situation there is notification to the client. Do you have any time in position agreements in place with any current clients?		
31	What percentage of trainees' claims are reviewed prior to release and or how long		

	does this review occur?	
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<b>A. Products and Services</b>	
32	For 2014, provide the following information regarding your disability business: a) # of contracts for STD b) # of covered employees for STD c) # of contracts for LTD d) # of covered employees for LTD
<b>B. Interface Experience</b>	
33	How do you interface with the case management efforts of the medical vendor?
<b>C. Initial Reporting / Claims Notification</b>	
34	Describe your IVR capabilities supporting claim intake and customer service. Your response should address both information available through your IVR (e.g., payment status) and system prompts
35	What approach do you use to obtain a release of medical information from claimants and does this approach differ with various claim intake models? Provide a sample of the medical release forms you use.
36	What approach do you use to handle and track re-occurring LTD claims? Is there coordination between open and closed claims?
37	What approach do you use to handle and track re-occurring STD claims? Is there coordination between open and closed claims?
<b>D. Benefit Determination (Initial &amp; Ongoing)</b>	
38	What criteria are used by the nurses/case managers to make disability determination decisions?
39	Describe, step-by-step, how STD/LTD cases are monitored, tracked and reported once approved.
40	What is your time standard for making a disability determination for both STD and LTD (specify calendar or workdays)?
41	How is compliance with this standard tracked?

		<b>2012</b>	<b>2013</b>	<b>2014</b>
42.	What were your LTD benefit determination turn-around time results for 2012 to 2014 for the claim office to which the County of Orange would be assigned (specify calendar or work days)?			
	From the first notification of claim:			
	From the time that all required information was received			
43.	What were your STD benefit determination turn-around time results for 2012 to 2014 for the claim office to which the County of Orange would be assigned (specify calendar or work days)?			
	From the first notification of claim:			
	From the time that all required information was received:			
<b>E. Clinical Case Management</b>				
44.	For each of the following questions, describe your organization's general handling procedures and acknowledge any differences that will be required for the County of Orange:			
	a. How is the clinical case management process initiated?			
	b. What percent of disability cases typically fall under active clinical case management?			
	c. What checks and balances are in place to ensure the cases that meet referral criteria will in fact be referred?			
45.	Will claim management and clinical management be administered at the same location?			
<b>F. Behavioral Health and Disability Integration</b>				
46.	Do you have any special processes and/or staffing in place for handling behavioral health disability claims? Please describe in detail. Are there designated case managers who are responsible for monitoring behavioral health disability cases? Are they co-located with other staff?			

47.	Please describe your process of identifying a behavioral health issue when a claim is presented initially as a physical health disability claim, and the process for linking this information to the behavioral health vendor and/or internal behavioral health specialty unit.	
48.	What criteria are used for behavioral health IMEs?	
<b>G. Claim Management</b>		
49.	Describe the procedures and edits that are applied when claims are pended or denied.	
50.	How is the clinical case management process initiated?	
51.	Who screens cases for clinical case management? What criteria are applied? Are these written criteria? Are there system edits?	
52.	How are cases assigned to individual Nurse Case Managers?	
53.	What checks and balances are in place to ensure that the cases that meet referral criteria are, in fact, referred?	
54.	Who makes the decision to refer a case for physician review? What specific criteria trigger a case for physician review? What percent of claims are referred for physician review (not an IME)?	
	a. STD	
	b. LTD	
55.	Who provides the physician review services? Explain data interfaces between physician and case manager. What is the expected turnaround time for a review?	
56.	Describe your organization's capabilities and resources utilized to identify and refer potential fraud and abuse cases?	
57.	Describe any situations in which employees of your company or a contracted vendor would need to visit a disabled employee at their residence?	

H. Change in the Definition of Disability			
58.	What additional information is requested when the file changes from an STD to an LTD claim?		
59.	What additional information is requested when the LTD claim moves from own occupation to any occupation?		
60.	What tools (e.g., IMEs, FECs, Dictionary of Occupational Titles) are used in the test change determination?		
I. Claim Denial / Appeal Procedures		Reviewed by Another Party?	Who Reviews?
61.	Are all claims automatically reviewed by another party prior to release of the denial decision? If so, when and who is responsible for the review?		
	a) Administrative reasons? (e.g., employee does not meet eligibility requirements)		
	b) Clinical reason? (e.g., medical evidence does not support continuing disability)		
62.	Describe your standard appeal procedure for each benefit type, including turnaround time standards and actual 2014 performance measures.		
63.	How will claim denials, requests for reconsideration, appeals and review decisions be communicated to County of Orange?		
J. Return to Work Coordination			
64.	Describe how your staff will coordinate Return To Work with County of Orange for the following:		
	a. Identifying residual work capacity		
	b. Identifying transitional work opportunities with County of Orange.		
	c. Discussing opportunities with the treating provider.		
	d. Communicating with the employee regarding transitional work		
	e. Following up with all involved parties regarding status upgrades.		



<b>K. Offsets / Subrogation</b>	
65.	What procedures are in place to assure timely and accurate coordination of supplements and offsets (e.g., Workers' Compensation, Catastrophic Leave Donations)?
66.	Does your organization actively pursue subrogation opportunities? What criteria are used for exploring cases with potential subrogation? What resources are used to pursue these dollars?
<b>L. Information Systems</b>	
67.	Describe on-line systems available to County of Orange to run ad-hoc reports. Are there any additional charges for this service?
68.	How long has the claim management office recommended for County of Orange been in operation?
69.	Do you anticipate any changes to the claims system over the next two years? If so, how will they affect the claims system used for County of Orange?
<b>M. Customer Service / Quality Assurance</b>	
70.	What types of measurement tools are used (e.g. satisfaction surveys) to assess customer satisfaction and quality assurance? What have your satisfaction rates been for the last two years? How often are surveys conducted? Are they done by internal or external sources? How are clients notified of their results?
71.	What policies, procedures, or protocols, if any, exist to identify deficiencies in the case management process? For example, would repeat disabilities for the same individual trigger a referral to a senior person in the case management area? Please describe.
72.	What performance standards are required by staff function (e.g., clerical, clinical) in terms of productivity, accuracy, timeliness, and customer relations? How is compensation tied to performance?
73.	What percentage of each reviewer's workload is audited?

<b>N. Independent Medical Examinations</b>				
74.	Are specific time frames contractually required for the following:		<b>Yes / No</b>	<b>If Yes, Required Timing</b>
		Scheduling the exam?		
		Obtaining telephonic notice of result?		
		Obtaining written result?		
75.	What steps are taken if the IME provider disagrees with the attending physician regarding the employee's disability?			
76.	Are IME physicians required to have any special accreditation? If so, what type?			
<b>O. Technology/Systems</b>				
77.	Describe the system that supports your integrated disability management services, including:  Intake/customer service LTD Administration LTD Claim Payment LTD Clinical Case Management STD Administration STD Claim Payment STD Clinical Case Management			

Other Information

a. Are there areas of services that were not designated in Section III, Attachment A, Scope of Work, that you would recommend be added to the services your firm would provide to the County?

b. Describe additional value added services, not captured in the RFP, your firm would provide to the County?

**Attachment H**

(Complete and submit as Response to Offeror's Proposal Questionnaire, page 20, H)

**Current/Proposed Plan Design****Long Term Disability Plan Design**

Complete plan design tables and clearly indicate any deviations to the current plans.

	Current The Standard	Proposed
<b>LTD</b>		
<b>Benefit Percentage</b>	60%	
<b>Maximum Monthly Benefit</b>		
Class 1 - Administrative Management	\$12,000	
Class 2 - Attorneys	\$7,200	
Class 3 - Craft And Plant	\$2,000	
Class 4 - Law Management	\$12,000	
Class 5 - Executive Management	\$12,000	
<b>Minimum Monthly Benefit</b>	\$50	
<b>Elimination Period</b>	1 Year	
	61 or younger: To age 65, or 3 years 6 months, if longer.	
	62: 3 years 6 months	
	63: 3 years	
	64: 2 years 6 months	
	65: 2 years	
	66: 1 year 9 months	
	67: 1 year 6 months	
	68: 1 year 3 months	
	69 or older: 1 year	
<b>Benefit Duration</b>		
<b>Pre-existing Condition Limitation</b>	3/12 Months	
<b>Prudent Person Definition</b>		
<b>Own Occupation</b>	24 Months	
<b>Partial Disability</b>	80%	
<b>Recurrent Disability</b>	6 months	
<b>Return to Work</b>	Included, up to \$25,000 reasonable accomodation expense benefit	
<b>Family Care Expense Benefits</b>	Included, up to \$250 per month reduction in work earnings up to 30 months for loss of 2 or more eyes, hands or feet	
<b>Special Dismemberment Benefit</b>	up to 6 months for loss of an eye, hand or foot	
<b>Mental Health Limitation</b>	2 Years	
<b>Substance Abuse Limitation Lifetime</b>	18 months	
<b>Survivor Benefit</b>	3 Months	

**Short Term Disability Plan Design**

	<b>Current The Standard</b>	<b>Proposed</b>
<b>STD</b>		
<b>Benefit Percentage</b>	60%	
<b>Elimination Period</b>	7 days plus use of leave which varies by Class	
<b>Minimum Monthly Benefit</b>	\$50	
<b>Maximum Benefit Period</b>	periods	
<b>Pre-existing Condition Limitation</b>	3/12 Months	
<b>Partial Disability</b>	Included up to 180 days	
<b>Special Dismemberment Benefit</b>	Included	
<b>Substance Abuse Limitation Lifetime</b>	12 months	
<b>Survivor Benefit</b>	3 Months (or 6 biweekly payperiods)	

**Attachment I****Information as of January 2015**

<b>LTD Current Plan</b>	<b>Lives</b>	<b>Volume</b>	<b>Rates</b>	<b>January Premium</b>
Class 1 – Executive Management, Superior Court Commissioners, Court Administrators, Superior Court Executive Officers	131	1902428	.178	3386.32
Class 2 and 3 – Court Management and Administrative Management	1212	10178044	.181	18422.26
Class 4 - Law Management	80	937171	.229	2146.12
Class 5 – Attorneys	562	5791381	.108	6254.69
Class 6 – Craft and Plant	121	410000	.935	3833.50
Short Term Disability	Administrative Service Only Fee		\$1.57 per enrollee/per month	
Reserve Deputy Sheriff Disability Income Protection Plan	Administrative Service Only Fee		\$135 per claim	

**Attachment J**

**LTD/STD Census Data**

See separate attachment

**Attachment K**

**Claims Experience and Enrollment**

See separate attachment

**Attachment L**

**Current Short Term Disability Plan Document**

See separate attachment



**Attachment M**

**Current Reserve Deputy Sheriff Disability  
Income Protection Plan Document**

See separate attachment

**Attachment N**

**Current Long Term Disability Policy**

See separate attachment

**Attachment O**

**BUSINESS ASSOCIATE CONTRACT**

**A. GENERAL PROVISIONS AND RECITALS**

1. The Parties agree that the terms used, but not otherwise defined below in Paragraph B, shall have the same meaning given to such terms under the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (“HIPAA”), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (“the HITECH Act”), and their implementing regulations at 45 CFR Parts 160 and 164 (“the HIPAA regulations”) as they may exist now or be hereafter amended.

2. The Parties agree that a business associate relationship under HIPAA, the HITECH Act, and the HIPAA regulations between the Contractor and County arises to the extent that Contractor performs, or delegates to subcontractors to perform, functions or activities on behalf of County pursuant to, and as set forth in, the Contract MA-XXX that are described in the definition of “Business Associate” in 45 CFR § 160.103.

3. The County wishes to disclose to Contractor certain information pursuant to the terms of the Contract MA-XXX, some of which may constitute Protected Health Information (“PHI”), as defined below in Subparagraph B.10, to be used or disclosed in the course of providing services and activities pursuant to, and as set forth, in the Contract MA-XXX.

4. The Parties intend to protect the privacy and provide for the security of PHI that may be created, received, maintained, transmitted, used, or disclosed pursuant to the Contract MA-XXX in compliance with the applicable standards, implementation specifications, and requirements of HIPAA, the HITECH Act, and the HIPAA regulations as they may exist now or be hereafter amended.

5. The Parties understand and acknowledge that HIPAA, the HITECH Act, and the HIPAA regulations do not pre-empt any state statutes, rules, or regulations that are not otherwise pre-empted by other Federal law(s) and impose more stringent requirements with respect to privacy of PHI.

6. The Parties understand that the HIPAA Privacy and Security rules, as defined below in Subparagraphs B.9 and B.14, apply to the Contractor in the same manner as they apply to a covered entity (County). Contractor agrees therefore to be in compliance at all times with the terms of this Business Associate Contract and the applicable standards, implementation specifications, and requirements of the Privacy and the Security rules, as they may exist now or be hereafter amended, with respect to PHI and electronic PHI created, received, maintained, transmitted, used, or disclosed pursuant to the Contract MA-XXX.

**B. DEFINITIONS**

1. “Administrative Safeguards” are administrative actions, and policies and procedures, to manage the selection, development, implementation, and maintenance of security measures to protect electronic PHI and to manage the conduct of Contractor’s workforce in relation to the protection of that information.

2. “Breach” means the acquisition, access, use, or disclosure of PHI in a manner not permitted under the HIPAA Privacy Rule which compromises the security or privacy of the PHI.

a. Breach excludes:

i. Any unintentional acquisition, access, or use of PHI by a workforce member or person acting

under the authority of Contractor or County , if such acquisition, access, or use was made in good faith and within the scope of authority and does not result in further use or disclosure in a manner not permitted under the Privacy Rule.

ii. Any inadvertent disclosure by a person who is authorized to access PHI at Contractor to another person authorized to access PHI at the Contractor, or organized health care arrangement in which County participates, and the information received as a result of such disclosure is not further used or disclosed in a manner not permitted under the HIPAA Privacy Rule.

iii. A disclosure of PHI where Contractor or County has a good faith belief that an unauthorized person to whom the disclosure was made would not reasonably have been able to retain such information.

b. Except as provided in paragraph (a) of this definition, an acquisition, access, use, or disclosure of PHI in a manner not permitted under the HIPAA Privacy Rule is presumed to be a breach unless Contractor demonstrates that there is a low probability that the PHI has been compromised based on a risk assessment of at least the following factors:

i. The nature and extent of the PHI involved, including the types of identifiers and the likelihood of re-identification;

ii. The unauthorized person who used the PHI or to whom the disclosure was made;

iii. Whether the PHI was actually acquired or viewed; and

iv. The extent to which the risk to the PHI has been mitigated.

3. “Data Aggregation” shall have the meaning given to such term under the HIPAA Privacy Rule in 45 CFR § 164.501.

4. “Designated Record Set” shall have the meaning given to such term under the HIPAA Privacy Rule in 45 CFR § 164.501.

5. “Disclosure” shall have the meaning given to such term under the HIPAA regulations in 45 CFR § 160.103.

6. “Health Care Operations” shall have the meaning given to such term under the HIPAA Privacy Rule in 45 CFR § 164.501.

7. “Individual” shall have the meaning given to such term under the HIPAA Privacy Rule in 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).

8. “Physical Safeguards” are physical measures, policies, and procedures to protect CONTRACTOR’s electronic information systems and related buildings and equipment, from natural and environmental hazards, and unauthorized intrusion.

9. “The HIPAA Privacy Rule” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E.

10. “Protected Health Information” or “PHI” shall have the meaning given to such term under the HIPAA regulations in 45 CFR § 160.103.

11. “Required by Law” shall have the meaning given to such term under the HIPAA Privacy Rule in 45 CFR § 164.103.

12. “Secretary” shall mean the Secretary of the Department of Health and Human Services or his or her designee.

13. “Security Incident” means attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system. “Security incident” does not include trivial incidents that occur on a daily basis, such as scans, “pings”, or unsuccessful attempts to penetrate computer networks or servers maintained by Contractor.

14. “The HIPAA Security Rule” shall mean the Security Standards for the Protection of electronic PHI at 45 CFR Part 160, Part 162, and Part 164, Subparts A and C.

15. “Subcontractor” shall have the meaning given to such term under the HIPAA regulations in 45 CFR § 160.103.

16. “Technical safeguards” means the technology and the policy and procedures for its use that protect electronic PHI and control access to it.

17. “Unsecured PHI” or “PHI that is unsecured” means PHI that is not rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of a technology or methodology specified by the Secretary of Health and Human Services in the guidance issued on the HHS Web site.

18. “Use” shall have the meaning given to such term under the HIPAA regulations in 45 CFR § 160.103.

#### C. OBLIGATIONS AND ACTIVITIES OF CONTRACTOR AS BUSINESS ASSOCIATE:

1. Contractor agrees not to use or further disclose PHI County discloses to Contractor other than as permitted or required by this Business Associate Contract or as required by law.

2. Contractor agrees to use appropriate safeguards, as provided for in this Business Associate Contract and the Contract MA-XXX, to prevent use or disclosure of PHI County discloses to Contractor or Contractor creates, receives, maintains, or transmits on behalf of County other than as provided for by this Business Associate Contract.

3. Contractor agrees to comply with the HIPAA Security Rule at Subpart C of 45 CFR Part 164 with respect to electronic PHI County discloses to Contractor or Contractor creates, receives, maintains, or transmits on behalf of County.

4. Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Contractor of a Use or Disclosure of PHI by Contractor in violation of the requirements of this Business Associate Contract.

5. Contractor agrees to report to County immediately any Use or Disclosure of PHI not provided for by this Business Associate Contract of which Contractor becomes aware. Contractor must report Breaches of Unsecured PHI in accordance with Paragraph E below and as required by 45 CFR § 164.410.

6. Contractor agrees to ensure that any Subcontractors that create, receive, maintain, or transmit PHI on behalf of Contractor agree to the same restrictions and conditions that apply through this Business Associate Contract to Contractor with respect to such information.

7. Contractor agrees to provide access, within fifteen (15) calendar days of receipt of a written request by County, to PHI in a Designated Record Set, to County or, as directed by County, to an Individual in order to meet the requirements under 45 CFR § 164.524.

8. Contractor agrees to make any amendment(s) to PHI in a Designated Record Set that County directs or agrees to pursuant to 45 CFR § 164.526 at the request of County or an Individual, within thirty (30) calendar days of receipt of said request by County. Contractor agrees to notify County in writing no later than ten (10) calendar days after said amendment is completed.

9. Contractor agrees to make internal practices, books, and records, including policies and procedures, relating to the use and disclosure of PHI received from, or created or received by Contractor on behalf of, County available to County and the Secretary in a time and manner as determined by County or as designated by the Secretary for purposes of the Secretary determining County's compliance with the HIPAA Privacy Rule.

10. Contractor agrees to document any Disclosures of PHI County discloses to Contractor or Contractor creates, receives, maintains, or transmits on behalf of County, and to make information related to such Disclosures available as would be required for County to respond to a request by an Individual for an accounting of Disclosures of PHI in accordance with 45 CFR § 164.528.

11. Contractor agrees to provide County or an Individual, as directed by County, in a time and manner to be determined by County, that information collected in accordance with the Contract MA-XXX, in order to permit County to respond to a request by an Individual for an accounting of Disclosures of PHI in accordance with 45 CFR § 164.528.

12. Contractor agrees that to the extent Contractor carries out County's obligation under the HIPAA Privacy and/or Security rules Contractor will comply with the requirements of 45 CFR Part 164 that apply to County in the performance of such obligation.

13. Contractor shall work with County upon notification by Contractor to County of a Breach to properly determine if any Breach exclusions exist as defined in Subparagraph B.2.a above.

#### D. SECURITY RULE

1. Contractor shall comply with the requirements of 45 CFR § 164.306 and establish and maintain appropriate Administrative, Physical and Technical Safeguards in accordance with 45 CFR § 164.308, § 164.310, § 164.312, and § 164.316 with respect to electronic PHI County discloses to Contractor or Contractor creates, receives, maintains, or transmits on behalf of County. Contractor shall follow generally accepted system security principles and the requirements of the HIPAA Security Rule pertaining to the security of electronic PHI.

2. Contractor shall ensure that any subcontractors that create, receive, maintain, or transmit electronic PHI on behalf of Contractor agree through a contract with Contractor to the same restrictions and requirements contained in this Paragraph D of this Business Associate Contract.

3. Contractor shall report to County immediately any Security Incident of which it becomes aware. Contractor shall report Breaches of Unsecured PHI in accordance with Paragraph E below and as required by 45 CFR § 164.410.

#### E. BREACH DISCOVERY AND NOTIFICATION

1. Following the discovery of a Breach of Unsecured PHI, Contractor shall notify County of such Breach, however both Parties agree to a delay in the notification if so advised by a law enforcement official pursuant to 45 CFR § 164.412.

a. A Breach shall be treated as discovered by Contractor as of the first day on which such Breach is known to Contractor or, by exercising reasonable diligence, would have been known to Contractor.

b. Contractor shall be deemed to have knowledge of a Breach, if the Breach is known, or by exercising reasonable diligence would have known, to any person who is an employee, officer, or other agent of

Contractor, as determined by federal common law of agency.

2. Contractor shall provide the notification of the Breach immediately to the County Privacy Officer at

<p>Thea Bullock, County Privacy Officer  405 W. 5<sup>th</sup> Street  Santa Ana, CA 92701  (714) 834-3154  <a href="mailto:tbullock@ochca.com">tbullock@ochca.com</a>  <a href="mailto:privacyofficer@ocgov.com">privacyofficer@ocgov.com</a></p>	<p>Or Linda Le, Deputy County Privacy Officer  405 W. 5<sup>th</sup> Street  Santa Ana, CA 92701  (714) 834-4082  <a href="mailto:lile@ochca.com">lile@ochca.com</a>  <a href="mailto:HIPAA@ochca.com">HIPAA@ochca.com</a></p>
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a. Contractor’s notification may be oral, but shall be followed by written notification within 24 hours of the oral notification.

3. Contractor’s notification shall include, to the extent possible:

a. The identification of each Individual whose Unsecured PHI has been, or is reasonably believed by Contractor to have been, accessed, acquired, used, or disclosed during the Breach;

b. Any other information that County is required to include in the notification to Individual under 45 CFR §164.404 (c) at the time Contractor is required to notify County or promptly thereafter as this information becomes available, even after the regulatory sixty (60) day period set forth in 45 CFR § 164.410 (b) has elapsed, including:

(1) A brief description of what happened, including the date of the Breach and the date of the discovery of the Breach, if known;

(2) A description of the types of Unsecured PHI that were involved in the Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);

(3) Any steps Individuals should take to protect themselves from potential harm resulting from the Breach;

(4) A brief description of what Contractor is doing to investigate the Breach, to mitigate harm to Individuals, and to protect against any future Breaches; and

(5) Contact procedures for Individuals to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, Web site, or postal address.

4. County may require Contractor to provide notice to the Individual as required in 45 CFR § 164.404, if it is reasonable to do so under the circumstances, at the sole discretion of the County.

5. In the event that Contractor is responsible for a Breach of Unsecured PHI in violation of the HIPAA Privacy Rule, Contractor shall have the burden of demonstrating that Contractor made all notifications to County consistent with this Paragraph E and as required by the Breach notification regulations, or, in the alternative, that the acquisition, access, use, or disclosure of PHI did not constitute a Breach.

6. Contractor shall maintain documentation of all required notifications of a Breach or its risk assessment under 45 CFR § 164.402 to demonstrate that a Breach did not occur.

7. Contractor shall provide to County all specific and pertinent information about the Breach, including the information listed in Section E.3.b. (1)-(5) above, if not yet provided, to permit County to meet its notification obligations under Subpart D of 45 CFR Part 164 as soon as practicable, but in no event later than fifteen (15) calendar days after Contractor's initial report of the Breach to County pursuant to Subparagraph E.2 above.

8. Contractor shall continue to provide all additional pertinent information about the Breach to County as it may become available, in reporting increments of five (5) business days after the last report to County. Contractor shall also respond in good faith to any reasonable requests for further information, or follow-up information after report to County, when such request is made by County.

9. Contractor shall bear all expense or other costs associated with the Breach and shall reimburse County for all expenses County incurs in addressing the Breach and consequences thereof, including costs of investigation, notification, remediation, documentation or other costs associated with addressing the Breach.

#### F. PERMITTED USES AND DISCLOSURES BY CONTRACTOR

1. Contractor may use or further disclose PHI County discloses to Contractor as necessary to perform functions, activities, or services for, or on behalf of, County as specified in the Contract MA-XXX, provided that such use or Disclosure would not violate the HIPAA Privacy Rule if done by COUNTY except for the specific Uses and Disclosures set forth below.

a. Contractor may use PHI County discloses to Contractor, if necessary, for the proper management and administration of Contractor.

b. Contractor may disclose PHI County discloses to Contractor for the proper management and administration of Contractor or to carry out the legal responsibilities of Contractor, if:

i. The Disclosure is required by law; or

ii. Contractor obtains reasonable assurances from the person to whom the PHI is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person and the person immediately notifies Contractor of any instance of which it is aware in which the confidentiality of the information has been breached.

c. Contractor may use or further disclose PHI County discloses to Contractor to provide Data Aggregation services relating to the Health Care Operations of Contractor.

2. Contractor may use PHI County discloses to Contractor, if necessary, to carry out legal responsibilities of Contractor.

3. Contractor may use and disclose PHI County discloses to Contractor consistent with the minimum necessary policies and procedures of County.

4. Contractor may use or disclose PHI County discloses to Contractor as required by law.

#### G. OBLIGATIONS OF COUNTY

1. County shall notify Contractor of any limitation(s) in County's notice of privacy practices in accordance with 45 CFR § 164.520, to the extent that such limitation may affect Contractor's Use or Disclosure of PHI.

2. County shall notify Contractor of any changes in, or revocation of, the permission by an Individual to



use or disclose his or her PHI, to the extent that such changes may affect Contractor's Use or Disclosure of PHI.

3. County shall notify Contractor of any restriction to the Use or Disclosure of PHI that County has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Contractor's Use or Disclosure of PHI.

4. County shall not request Contractor to use or disclose PHI in any manner that would not be permissible under the HIPAA Privacy Rule if done by County.

#### H. BUSINESS ASSOCIATE TERMINATION

1. Upon County's knowledge of a material breach or violation by Contractor of the requirements of this Business Associate Contract, County shall:

a. Provide an opportunity for Contractor to cure the material breach or end the violation within thirty (30) business days; or

b. Immediately terminate the Contract MA-XXX, if Contractor is unwilling or unable to cure the material breach or end the violation within (30) days, provided termination of the Contract MA-XXX is feasible.

2. Upon termination of the Contract MA-XXX, Contractor shall either destroy or return to County all PHI Contractor received from County or Contractor created, maintained, or received on behalf of County in conformity with the HIPAA Privacy Rule.

a. This provision shall apply to all PHI that is in the possession of Subcontractors or agents of Contractor.

b. Contractor shall retain no copies of the PHI.

c. In the event that Contractor determines that returning or destroying the PHI is not feasible, Contractor shall provide to County notification of the conditions that make return or destruction infeasible. Upon determination by County that return or destruction of PHI is infeasible, Contractor shall extend the protections of this Business Associate Contract to such PHI and limit further Uses and Disclosures of such PHI to those purposes that make the return or destruction infeasible, for as long as Contractor maintains such PHI.

3. The obligations of this Business Associate Contract shall survive the termination of the Contract MA-XXX.

**Exhibit 1**

**County of Orange Child Support Enforcement  
Certifications Requirements**

A. In the case of an individual Contractor, his/her name, date of birth, Social Security number, and residence address:

Name: \_\_\_\_\_  
D.O.B: \_\_\_\_\_  
Social Security No: \_\_\_\_\_  
Residence Address: \_\_\_\_\_  
\_\_\_\_\_

B. In the case of a Contractor doing business in a form other than as an individual, the name, date of birth, Social Security number, and residence address of each individual who owns an interest of 10 percent or more in the contracting entity:

Name: \_\_\_\_\_  
D.O.B: \_\_\_\_\_  
Social Security No: \_\_\_\_\_  
Residence Address: \_\_\_\_\_  
\_\_\_\_\_

Name: \_\_\_\_\_  
D.O.B: \_\_\_\_\_  
Social Security No: \_\_\_\_\_  
Residence Address: \_\_\_\_\_  
\_\_\_\_\_

(Additional sheets may be used if necessary)

*"I certify that \_\_\_\_\_ Company name is in full compliance with all applicable federal and state reporting requirements regarding its employees and with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments and will continue to be in compliance throughout the term of the Contract with the County of Orange. I understand that failure to comply shall constitute a material breach of the contract and that failure to cure such breach within 60 calendar days of notice from the County shall constitute grounds for termination of the contract.*

Authorized Signature	Name	Title	Date
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**Exhibit 2**

**EDD Independent Contractor Reporting Requirements**

Effective January 1, 2001, the County of Orange is required to file federal Form 1099-Misc for services received from a “service provider” to whom the County pays \$600 or more or with whom the County enters into a contract for \$600 or more within a single calendar year. The purpose of this reporting requirement is to increase child support collection by helping to locate parents who are delinquent in their child support obligations.

The term “service provider” is defined in California Unemployment Insurance Code Section 1088.8, subparagraph B.2 as “an individual who is not an employee of the service recipient for California purposes and who received compensation or executes a contract for services performed for that service recipient within or without the state.” The term is further defined by the California Employment Development Department to refer specifically to independent Offerors. An independent contractor is defined as “an individual who is not an employee of the ... government entity for California purposes and who receives compensation or executes a contract for services performed for that...government entity either in or outside of California.”

The reporting requirement does not apply to corporations, general partnerships, limited liability partnerships, and limited liability companies.

Additional information on this reporting requirement can be found at the California Employment Development Department web site located at [www.edd.ca.gov/txicr.htm](http://www.edd.ca.gov/txicr.htm).

To comply with the reporting requirements, County procedures for contracting with independent Offerors mandate that the following information be completed and forwarded to the contracting agency/department immediately upon request:

- First name, middle initial and last name
- Social Security Number
- Address
- Start and expiration dates of contract
- Amount of contract

_____		
First Name	Middle Initial	Last Name
SSN _____		
Contract Number _____	Dollar value of contract _____	
Start Date _____	Expiration Date _____	

**EXHIBIT 1**

~~Long Term Disability Policy~~

**EXHIBIT 2**

**COUNTY OF ORANGE**

**SHORT TERM DISABILITY PLAN**

**EXECUTIVE MANAGEMENT  
ADMINISTRATIVE MANAGEMENT  
LAW ENFORCEMENT MANAGEMENT  
ATTORNEYS  
CRAFT AND PLANT UNIT**

**Effective: January 1, 1982**

**Amended: January 1, 1986**

**Amended: January 1, 2011**

~~The County of Orange agrees to pay the benefits provided in this plan in accordance with provisions described in this document.~~

~~Claims for benefits are to be submitted on forms obtained from the County of Orange, Human Resources Department, Employee Benefits Division.~~

~~Inquiries regarding the plan, its benefits or interpretation of provisions in this document shall be directed to Human Resources, Employee Benefits Division. Administration of the benefits including the issue of claims payment may be delegated by the County to an Administrative Services Agent.~~

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~~Section One—Coverage Provisions~~

**~~Outline Of Your Short Term Disability Benefit~~**

~~Type Of Benefit—Short Term Disability Benefit provides you with income protection if you become Totally Disabled from a covered Sickness, Accidental Bodily Injury, or Pregnancy. This Benefit will provide you with income while you are Totally Disabled equal to (A) 60% of your Covered Earning, reduced by (B) your Income From Other Sources. The minimum Benefit is \$50.00.~~

~~Your Covered Earnings are defined in Part 8.D.; your Income From Other Sources is defined in Part 8.E.~~

- ~~• For Craft and Plant Unit, under this Plan your Elimination Period includes the period during which you must use all available sick leave, and a disability prevents you from working an additional seven (7) days. If your disability is caused by an accident or you are hospitalized, the use of sick leave and the seven (7) day Elimination Period are waived and your disability BENEFITS begin immediately.~~
- ~~• For Part Time Attorneys, under this Plan your Elimination Period includes the period during which you must use all of your available sick leave (if applicable) or 96 hours of annual leave, and a disability prevents you from working an additional seven (7) days. If your disability is caused by an accident or you are hospitalized, the use of sick leave or annual leave and the seven (7) day Elimination Period are waived and your disability BENEFITS begin immediately.~~
- ~~• For all other Members, under this Plan your Elimination Period includes the period during which you must use all your available sick leave (if applicable) or 192 hours of annual leave, and a disability prevents you from working an additional seven (7) days. If your disability is caused by an accident or you are hospitalized, the use of sick leave or annual leave and the seven (7) day Elimination Period are waived and your disability BENEFITS begin immediately.~~

~~Your Maximum Benefit Period is one year beginning at the end of the Elimination Period.~~

~~Total Disability is defined in Part 5. You are considered Totally Disabled if you are unable to work at your own occupation.~~

~~Exclusions And Limitations—This Benefit does not cover any disability resulting from the following: (1) War; (2) Self inflicted Injury; (3) Violent or Criminal Conduct of the Insured; and (4) Pre-existing Condition. This Coverage is also subject to limitations described under the following headings; (1) Elimination Period; (2) Maximum Benefit Period; (3) Treatment by a Physician; (4) Imprisonment; (5) Alcoholism or Drug Use; (6) Mental Disorder; and (7) Residing In A Foreign Country. A detailed explanation of these exclusions and limitations is found in Part 7.~~

~~Becoming Covered—Parts 2 and 3 explain when you become Covered and when the Benefit ends.~~

~~THIS OUTLINE IS INTENDED FOR USE WITH THIS PLAN DOCUMENT AND CANNOT BE USED SEPARATELY AS A DESCRIPTION OF YOUR COVERAGE. OTHER PROVISIONS ARE FOUND IN THIS PLAN DOCUMENT. PLEASE READ IT CAREFULLY.~~



**Short Term Disability Plan**

**Part 1. General Definitions**

**County** means ~~County of Orange and/or its Administrative Services Agent.~~

**Employer** means ~~County of Orange and any subdivision governed by the Board of Supervisors.~~

**Coverage** means ~~you are eligible to receive the benefits of the short term disability plan.~~

**Benefit** means ~~the Biweekly short term disability benefit payable to you according to the terms of the Plan.~~

**Sickness** means ~~your sickness, illness or disease.~~

**Physician** shall mean ~~a person acting within the scope of his license and holding the degree of Doctor of Medicine (M.D.), Doctor of Osteopathy (D.O.), Doctor of Dental Surgery (D.D.S.), Doctor of Podiatry (D.P.M.), Doctor of Optometry (D.O.) Psychologist (Ph.D.), or Doctor of Chiropractic (D.C.), Dentist (D.M.D.)~~

**Plan** means ~~the short term disability plan described in this document.~~

**Pregnancy** means ~~your pregnancy, childbirth or related medical conditions.~~

**Accidental Bodily Injury** means ~~an injury to your body caused by an accident on or off the job.~~

**Part 2. Requirements For Becoming Covered**

A. ~~To become Covered, you must meet each of the following requirements and the Active Work requirement:~~

- ~~1. You must be employed in the representation unit for which this Benefit is provided.
  - ~~a. You must be an active regular or regular limited term employee of the Employer.~~
  - ~~b. Regularly scheduled to work at least 30 hours each week as a full time employee, (employees in the Attorney Unit must be scheduled to work at least 20 hours each week as a part time employee);~~
  - ~~c. Under age 65 for Craft and Plant Unit and under age 70 for all other members; and~~
  - ~~d. A citizen or resident of the United States.~~~~
- ~~2. Active Work Requirement
  - ~~Active Work and Actively At Work means performing the usual duties of your job at the County's usual place of operation.~~~~

~~Your Benefit will become effective as scheduled only if you are Actively At Work all day on your last regular work day before the scheduled effective date. Otherwise, your Benefit will become effective on the first day after your next full day of Active Work.~~

~~If absent from work because of Sickness, Accidental Bodily Injury, or Pregnancy, your Benefit will not become effective until after recovery and one full day of Active Work is completed. Your Benefit will become effective on your regular day off, a holiday or a paid vacation day if the scheduled effective date falls on that day and you were Actively At Work on your last regular work day before that date.~~

~~B. Eligibility For Benefit~~

~~You are eligible for the Benefit on the effective date of the Plan if you meet the requirements to be Covered on that date. Otherwise, you will become eligible for the Benefit on the first day after 30 consecutive calendar days in which you meet the Covered requirements and the Active Work requirements.~~

~~C. Effective Date Of Benefit~~

~~If you meet each of the requirements in A and B, your Benefit will become effective the date you become eligible for the Benefit if you meet the Active Work requirements on that date.~~

**Part 3. WHEN COVERAGE ENDS**

~~Your BENEFIT will end automatically on the earliest of the following dates:~~

- ~~(1) The date you cease to be Covered as defined in Part 2.A.~~
- ~~(2) The date you become a full time member of the armed forces of any country.~~
- ~~(3) The date the Plan terminates.~~
- ~~(4) The date you cease to be Actively At Work for the Employer on your regular work days for any other reason except:
  - ~~(a) While you are receiving full salary (including sick leave or 192 hours of Annual Leave) from the EMPLOYER: (Vacation pay/Annual Leave and pay for compensatory time is excluded)~~
  - ~~(b) During the Elimination Period and while Benefits are payable; and~~
  - ~~(c) During a leave of absence approved by a department/agency of the Employer, and scheduled to last for 15 days or less.~~~~

**Part 4. ~~Becoming Covered Again After Coverage Ends~~**

~~You will become Covered effective again on the date determined from Part 2. and will not be retroactive to the date your Coverage ended. Your Benefit will be subject to the Preexisting Condition exclusion in Part 7. as follows:~~

- ~~———— (1) ——— If you become Covered again more than 91 days after your prior Coverage ends, the Preexisting Condition exclusion will apply to any condition which is a Preexisting Condition on the date you become Covered again.~~
  
- ~~———— (2) ——— If you become Covered again within 91 days after your prior Coverage ends, the Preexisting Condition exclusion will apply to any condition which was a Preexisting Condition at the start of the prior period of Benefit. For this purpose only, the two periods of Coverage will be treated as one period of continuous Coverage and the period when you were not Coverage will be ignored. (The same principles will apply if your Coverage ends two or more times and each time you become covered again within 91 days. The three or more periods of Coverage will be added together for purposes of the Preexisting Condition exclusion.)~~

~~Note: After your Benefit for a period of Total Disability ends, your Coverage will continue without any interruption if you immediately return to Active Work for your Employer. This Part 4. will not apply since your Coverage continues while you are receiving Benefits.~~

**Part 5. ~~Definition Of Total Disability~~**

~~During the Elimination Period and the next 12 months of each period of continuous disability, Total Disability means your complete inability, as a result of Sickness, Accidental Bodily Injury or Pregnancy, to work at your own occupation.~~

~~Under this definition it is not necessary that a job opening exist of that you would be selected for the job if there was an opening. It is your inability to work in an occupation that determines whether you are Totally Disabled.~~

**Part 6. ~~Short Term Disability Clause~~**

~~Subject to all the terms of the Plan, County will pay the Benefit described in Part 8. upon receipt of satisfactory written proof that you have become Totally Disabled while covered under the Plan.~~

**Part 7. ~~Exclusions And Limitations Short Term Disability Benefit~~**

~~A. ——— Risks Not Covered~~

- ~~———— 1. ——— War: You are not covered for a disability caused or contributed to by war or any act of war. War means declared or undeclared war, whether civil or international and any substantial armed conflict between organized forces of a military nature.~~
  
- ~~———— 2. ——— Self Inflicted Injury: You are not covered for a disability caused or contributed to by an intentionally self inflicted injury or by a self inflicted injury occurring while you are unable to form the intent to harm yourself.~~
  
- ~~———— 3. ——— Violent Or Criminal Conduct: You are not covered for a disability caused or contributed to by your committing or attempting to commit an assault or a felony or by your active participation in a violent disorder or riot. "Active participation" does not include being at the scene of a violent disorder or riot in the performance of your official duties.~~

- ~~4. Preexisting Condition: Means a mental or physical condition for which you have done any of the following at any time during the 90 day period just before the effective date of your Benefit:~~
- ~~a. Consulted a Physician.~~
  - ~~b. Received medical treatment or services.~~
  - ~~c. Taken prescribed drugs or medications.~~

~~Preexisting Condition: You are not covered for a disability caused or contributed to by a Preexisting Condition or medical or surgical treatment of a Preexisting Condition unless, on the date you become Totally Disabled, your Benefit has been in effect for at least 12 consecutive months during which fewer than 60 days were missed for any reason.~~

~~Preexisting Condition Exclusions will not apply to persons eligible as Covered by the plan on the plan effective date for the employee unit.~~

~~B. Limitations~~

- ~~1. Elimination Period: No Benefits are payable during the Elimination Period.~~
- ~~2. Maximum Benefit Period: No Benefits are payable after the end of the Maximum Benefit Period which is 12 months from the date of incurred claim, i.e., first day for which were calculated.~~
- ~~3. Treatment By A Physician: No Benefits will be paid for any period of Total Disability when you have not been regularly seen and treated by a Physician.~~

~~Physician means the following licensed medical professionals, other than yourself, diagnosing and treating you within the scope of the license of a:~~

- ~~a. Medical Doctor (M.D.)~~
- ~~b. Osteopath (D.O.)~~
- ~~c. Podiatrist (D.P.M.) or Chiropodist (D.S.C.)~~
- ~~d. Chiropractor (D.C.)~~
- ~~e. Optometrist (O.D.)~~
- ~~f. Psychologist (Ph.D.)~~
- ~~g. Dentist (D.M.D. or D.D.S)~~

- ~~4. Imprisonment: No Benefit will be paid for any period when you are confined for any reason in a penal or correctional institution.~~
- ~~5. Alcoholism Or Drug Use: Payment of Benefits is limited to 12 months during your entire lifetime for Total Disability caused or contributed to by your alcoholism, drug addiction or use of any hallucinogen.~~

**Part 8. SCHEDULE OF DISABILITY BENEFIT**

This schedule of Short Term Disability Benefit has five sections:

- ~~\_\_\_\_\_~~ A. ~~\_\_\_\_\_~~ Elimination Period
- ~~\_\_\_\_\_~~ B. ~~\_\_\_\_\_~~ Maximum Benefit Period
- ~~\_\_\_\_\_~~ C. ~~\_\_\_\_\_~~ Amount Of Benefit
- ~~\_\_\_\_\_~~ D. ~~\_\_\_\_\_~~ Covered Earnings
- ~~\_\_\_\_\_~~ E. ~~\_\_\_\_\_~~ Income From Other Sources

You must read each section to understand when Benefits are payable and how Benefits are calculated.

~~A. \_\_\_\_\_~~ Elimination Period

~~\_\_\_\_\_~~ Your Elimination Period is the length of time you must be continuously Totally Disabled before Benefits become payable.

~~\_\_\_\_\_~~ Your Elimination Period begins on the date you become Totally Disabled. No Benefits are ever payable for the Elimination Period.

For Craft and Plant Unit, under this Plan your Elimination Period includes the period during which you must use all available sick leave, and a disability prevents you from working an additional seven (7) days. If your disability is caused by an accident or you are hospitalized, the use of sick leave and the seven (7) day Elimination Period are waived and your disability Benefits begin immediately.

For Part Time Attorneys, under this Plan your Elimination Period includes the period during which you must use all of your available sick leave (if applicable) or 96 hours of annual leave, and a disability prevents you from working an additional seven (7) days. If your disability is caused by an accident or you are hospitalized, the use of sick leave or annual leave and the seven (7) day Elimination Period are waived and your disability Benefits begin immediately.

For all other Members, under this Plan your Elimination Period includes the period during which you must use all your available sick leave (if applicable) or 192 hours of annual leave, and a disability prevents you from working an additional seven (7) days. If your disability is caused by an accident or you are hospitalized, the seven (7) day Elimination Period is waived and your disability Benefits begin immediately.

~~\_\_\_\_\_~~ You must be seen regularly and treated by a Physician during the Elimination Period.

~~\_\_\_\_\_~~ Temporary Recovery During The Elimination Period:

~~\_\_\_\_\_~~ Temporary recovery from your Total Disability during the Elimination Period will have the following effect: For purposes of serving the Elimination Period, all separate periods of Total Disability from the same cause or causes will be added together and treated as one period of continuous Total Disability. However, you must serve the full Elimination Period within a period of 30 consecutive days.

~~B. \_\_\_\_\_~~ Maximum Benefit Period

~~\_\_\_\_\_~~ Maximum Period is 26 biweekly periods for any one period of continuous Total Disability, whether from one or more causes.

~~Your Maximum Benefit Period begins at the end of the Elimination Period. During the Maximum Benefit Period, Benefits are paid at the end of each biweekly period for which you qualify for Benefits. Benefits will stop at your death or at any time during the Maximum Benefit Period when you no longer qualify for Benefits. Benefits will stop at the end of the Maximum Benefit Period even if you are still Totally Disabled.~~

~~Temporary Recovery During The Maximum Benefit Periods:~~

~~After Benefits become payable, temporary recovery from your Total Disability will have the following effect: For purposes of continuing Benefits during the Maximum Benefit Period, any two periods of Total Disability from the same cause or causes will be added together and treated as one period of continuous Total Disability if they are separated by a period of recovery of less than 180 days. Thus, a new Elimination Period will not be required, the Insured Earnings used to compute your Benefit will not change and the Maximum Benefit Period will be the balance of the Maximum Benefit Period remaining unused before the period of recovery.~~

~~No Benefits will be payable under this provision after Benefits become payable to you under any other employer paid short term disability benefit. This rule prevents double coverage if you become insured under another policy while you are working during a period of temporary recovery.~~

#### C. ~~Amount Of Benefit~~

~~For Craft and Plant Unit, under this Plan your Benefit equals (a) 60% of your Covered Earnings, reduced by (b) your Income From Other Sources, with a maximum benefit of two thousand (2,000) dollars per month.~~

~~For Attorneys, under this Plan your Benefit equals (a) 60% of your Covered Earnings, reduced by (b) your Income From Other Sources, with a maximum benefit of seven thousand two hundred (7,200) dollars per month.~~

~~For all other Members, under this Plan your Benefit equals (a) 60% of your Covered Earnings, reduced by (b) your Income From Other Sources.~~

~~The minimum Benefit is one full day of Benefit.~~

~~Covered Earnings is defined in Part 8.D.~~

~~Income From Other Sources is defined in Part 8.E.~~

#### D. ~~Covered Earnings~~

~~Covered Earnings means your biweekly rate of earnings from your Employer including deferred or voluntarily reduced compensation but excluding bonuses, overtime pay and any extra compensation. The following rules apply to the computation of your rate of earnings:~~

~~Hourly Pay: Your hourly pay rate is multiplied by the number of hours you are regularly scheduled to work per biweekly period (but not more than 80) to find your rate of earnings or by averaging the number of hours worked during the 26 biweekly periods preceding the period in which you become Totally Disabled. Each day of benefit is calculated at 1/10 (one-tenth) of your biweekly rate of earnings for each normally scheduled work day you are disabled, not to exceed ten (10) work days in a biweekly period. Holidays falling on normally scheduled work days will be counted as work days.~~

~~Effective Date Of Changes In Covered Earnings:~~

~~If you become Totally Disabled, your Benefit will be based on your Covered Earnings in effect on your last full day of Active Work before you become Totally Disabled. Any change in the amount of your~~

~~rate of earnings which is approved or becomes effective after that last full day of Active Work will have no effect on the amount of your Benefit for that period of Total Disability.~~

~~Note: Two or more separate periods of Total Disability resulting from the same cause or causes may qualify for treatment as one continuous period of Total Disability. If so, the Covered Earnings used to compute the amount of your Benefit for each separate period of Total Disability will be the same amount of Covered Earnings as for the initial period of Total Disability.~~

~~E. Income From Other Sources~~

~~Income From Other Sources is used to reduce your Benefit and is explained in the following definition, exceptions and rules.~~

~~1. Definition Of Income From Other Sources~~

~~Income From Other Sources means:~~

~~a. Any sick pay or other salary continuation paid to you by your Employer, but not including vacation pay or pay for compensatory time.~~

~~b. Any earnings you receive from work activity while you are Totally Disabled, including earnings from your Employer, any other employer or self employment. Note: If your work activity is approved as Rehabilitative Employment, then only one half of your earnings from that work activity will be used to reduce your Benefit. See the Rehabilitation Provision in Part 9.A.~~

~~c. The amount you, your dependents or any other person receive or are eligible to receive because of your disability or retirement under:~~

~~1. A Workers' Compensation Act or similar law, including amounts for partial or total disability, whether permanent or temporary.~~

~~2. The Federal Social Security Act. (If that amount is reduced by the amount of Supplemental Security Income received for the same period, your Income From Other Sources will be the amount that would have been received if there were no reduction because of Supplemental Security Income.)~~

~~3. Any other local, state or Federal government disability or retirement plan (including but not limited to a public employee retirement system, state teacher retirement system, a state unemployment compensation disability plan or a railroad retirement plan).~~

~~4. Any individual insurance policy to which your Employer made a contribution.~~

~~d. Any periodic disability benefits you receive or are eligible to receive as a result of your disability (or disability retirement) under any retirement plan to which any employer made a contribution.~~

~~e. Any periodic retirement benefits you actually receive as a result of your retirement or early retirement under any retirement plan to which your Employer made a contribution. This item does not include any amount you could have received upon termination of employment without retiring under your Employer's retirement plan.~~

~~f. Any benefits you receive under a state unemployment compensation law.~~

~~g. Any benefits you receive under a motor vehicle liability policy for loss of income due to disability, but only if:~~

~~1. Applicable state law requires that those benefits be provided under the motor vehicle liability policy; and~~

~~2. Benefits under the motor vehicle liability policy are determined without any reduction because of Benefits paid or payable to you.~~

~~h. Any amount received by compromise, settlement or other method as a result of a claim for any of a. through g., above.~~

~~2. Exceptions To Income From Other Sources~~

~~The following Income From Other Sources will not be used to reduce the amount of your Benefit:~~

~~a. Any cost of living increase in any Income From Other Sources, provided that the increase becomes effective while you are Totally Disabled and while you are eligible to receive the Income From Other Sources. (This exception does not apply to any increase in your earnings from any work.)~~

~~b. Vacation pay or pay for compensatory time.~~

~~c. Any Social Security benefits received by, or on behalf of, your dependent child age 18 or over.~~

~~d. The amount of any retirement or partial disability benefits you were receiving when you became insured under the PLAN and which continue without interruption through the date you become Totally Disabled.~~

~~e. Any reimbursement for hospital, medical or surgical expense.~~

~~f. Any portion of a settlement or award of Income From Other Sources which represents reasonable attorney's fees incurred in connection with the claim for Income From Other Sources.~~

~~3. Rules For Income From Other Sources~~

~~Each biweekly period your Benefit will be reduced by the Income From Other Sources for the same period, even if you actually receive the Income From Other Sources at vacation time. This general rule is explained in the following rules:~~

~~a. With respect to any Income From Other Sources which you receive in a lump sum or periodically other than monthly, the monthly equivalent will be used to reduce your biweekly benefit.~~

~~b. With respect to benefits from any governmental disability or retirement plan with two or more payment options, your Benefit will be reduced by the amount of the plan option which provides or comes closest to providing, a monthly income to you for life with no survivors benefit. This will be true even if you select a different option.~~

~~c. With respect to Income From Other Sources you have a claim for but have not yet received, County will offer you the following options:~~



~~Option 1. County will reduce your Benefit each pay period by the amount of the Income From Other Sources you expect to receive for that period. You will be reimbursed if this results in an underpayment of your claim for Benefits. You must repay the County if this results in an overpayment of your claim for Benefits.~~

~~Option 2. County will pay you Benefits without any reduction on account of that Income From Other Sources until your claim for that Income From Other Sources is approved. You must repay the County for any resulting overpayment of your claim for Benefits.~~

~~Option 3. becomes effective automatically if you fail to make a choice.~~

~~You must notify County of the amount of the Income From Other Sources when it is approved. If it is approved for a period when the County has already paid a Benefit, the County will recompute the amount of the Benefit which was payable to you for that period. If you have been underpaid, the County will pay you the amount of any such underpayment with five percent (5%) simple interest. If you have been overpaid, the County will notify you of the amount of the overpayment. You must immediately reimburse the County for the amount of the overpayment. You will not receive any payments from the County until the County has been reimbursed in full. In the meantime, any Benefits becoming payable will be applied to reduce the amount of the overpayment of your claim for Benefits.~~

~~4. Coordination with Income From Other Sources when coordinated with income from retirement with the County Of Orange the benefit will be modified to provide a combined benefit not greater than 70% of your Covered Earnings.~~

## **Part 9. Other Short Term Disability Benefits And Provisions**

### **A. Rehabilitation Provision**

~~Rehabilitative Employment means work approved by the County under this provision.~~

~~If you work while you are Totally Disabled, the County may, at its sole discretion, approve your work as Rehabilitative Employment. The County will determine the duration of the approval and any extensions. The County may withdraw its approval at any time by written notice to you.~~

~~The entire amount of your earnings from work while you are Totally Disabled is Income From Other Sources and will be used to reduce the amount of your Benefit unless the work is approved as Rehabilitative Employment. While your work is approved as Rehabilitative Employment, only one half the amount of your earnings from that work will be used to reduce the amount of your Benefit. The combined Benefit and earnings from Rehabilitative Employment shall not exceed 100% of your Covered Earnings.~~

### **B. Survivors Benefits**

~~If you die while Benefits are payable to you, the County will pay a biweekly benefit, called the Survivors Benefit, for a maximum of six (6) full biweekly periods after the date of death. The following rules shall apply:~~

~~1. A Survivors Benefit will be paid only if you are survived by a spouse or an unmarried child under age 21.~~

- ~~2. The Survivors Benefit will be the amount of your Benefit without any reduction by Income From Other Sources.~~
- ~~3. Any Survivors Benefit payable will first be applied to reduce the amount of any outstanding overpayment of your claim for Benefits.~~
- ~~4. The Survivors Benefit will be paid to any one or more of the following at the option of the County:
  - ~~a. Your spouse;~~
  - ~~b. One or more of your unmarried children under age 21; or~~
  - ~~c. Any person providing the care and support of either 4a or 4b through legal guardianship.~~~~
- ~~5. Survivors Benefits are paid until the earlier of:
  - ~~a. Six (6) full biweekly periods after death; or~~
  - ~~b. The death of your last surviving spouse or unmarried child under age 21.~~~~
- ~~6. Dismemberment Benefit— If, while covered under the plan you sustain the loss of a hand, a foot or the sight of an eye (or any combination thereof) as a direct result of accidental bodily injuries, independently of all other causes and within 90 days of the date of such accident, the County will consider you to be totally disabled even though you may not be totally disabled as defined in Part 5. and benefits, if any, will be payable accordingly.~~

~~Loss shall mean, with regard to hands and feet, actual severance through or above wrist or ankle joints; with regard to eyes, entire and irrecoverable loss of sight.~~

~~This Special dismemberment Benefit shall be subject to the following provisions:~~

  - ~~a. Income from other sources will not be deducted from the plan benefits.~~
  - ~~b. Benefits will begin at the end of the Elimination Period and continue until the end of the Maximum Benefit Period or the death of the Member, whichever is earlier.~~
  - ~~c. Benefits under this Special Dismemberment Benefit shall be in lieu of benefits otherwise provided under the plan.~~
  - ~~d. Even though a loss results from accidental bodily injury, no Special Dismemberment Benefits will be paid if the accident is caused directly or indirectly by any of the following:
    - ~~1. Any insurrection, war, or act of war. War includes declared or undeclared war, whether civil or international, any substantial armed conflict with organized forces of a military nature.~~
    - ~~2. Injuries intentionally inflicted by you, while sane or insane.~~
    - ~~3. Committing or attempting to commit an assault or felony, or participating in a violent disorder.~~
    - ~~4. Any self administered drug, poison or chemical compound, bodily or mental infirmity, sickness, disease or infection existing at the time of the accident, or medical or surgical treatment for any of the foregoing.~~~~

~~C. Benefits After Coverage Ends Or Is Changed~~

~~Your right to receive Benefits for a period of continuous Total Disability which begins while you are covered under the Plan will not be affected by:~~

- ~~a. The termination of the Plan after the date you become Totally Disabled;~~
- ~~b. The termination of your Coverage while the Plan remains in force; or~~
- ~~c. Any amendment to the Plan approved after the date you become Totally Disabled.~~

~~D. Waiver Of Life Insurance Premium~~

~~During the period you are paid Benefits under this plan, your premiums for group term life insurance provided by County or made available to you by County through payroll deductions will be paid by this plan.~~

~~E. Waiver Of Premiums (Amended January 1, 1986)~~

~~Upon approval of Official Leave of Absence or retirement for disability and during the period you are paid Benefits under the Plan, the Plan will provide for payment of the normal County share of your health plan premium, family dental plan premium and life insurance premium. The waiver of premiums applies only to the normal County share of premiums. You will be responsible for normal employee contribution under employer rules governing dependent enrollment in health plans.~~

**Part 10. Claims Provisions And Procedures For Benefits**

~~A. Payment Of Benefits~~

~~Benefits will be paid to you. Any Benefit remaining unpaid at your death will be paid to the person or persons receiving the Survivors Benefit. If no Survivors Benefit is paid, the unpaid Benefit will be paid to your estate.~~

~~B. Time Limits For Filing A Claim~~

~~You must claim Benefits within 30 days after the end of the Elimination Period or as soon thereafter as reasonably possible and, in any case, within one year after the end of that 30 day period. Claims not filed within these time limits will be denied and no Benefits will be paid. These limits will not apply during any period when you lacked the legal capacity to file a claim.~~

~~C. Filing A Claim~~

~~All claims for Benefits should be submitted on County Claim Forms. You may obtain claim forms from the County Group Insurance Office.~~

~~D. Proof Of Loss~~

~~Proof of each of the following elements of proof of loss must be provided at your expense. No Benefits will be paid until County receives satisfactory written proof:~~

- ~~1. That you became Totally Disabled while covered under the Plan.~~
- ~~2. That you were Totally Disabled throughout the Elimination Period and the period for which Benefits are claimed.~~

~~3. That your Total Disability results from a cause not excluded in Part 7.~~

~~4. That you are being seen regularly and treated by a Physician.~~

~~5. Of such additional information as County may reasonably require in connection with your claim for Benefits.~~

~~If your claim is approved, no Benefits will be continued beyond the end of the period for which you have provided the County with satisfactory written proof of loss.~~

~~E. Documentation Of Claim~~

~~You must submit the following documents at your expense:~~

~~1. A completed claim statement signed by you.~~

~~2. A completed claim statement signed by your treating Physician.~~

~~3. Your written authorization for County or Plan Administrator to obtain the records and information needed to determine your eligibility for Benefits.~~

~~4. Such other documents as County or Plan Administrator may reasonably require.~~

~~County may require you to submit additional documentation of your claim at your expense at reasonable intervals while you are receiving Benefits.~~

~~F. Documentation Of Income From Other Sources~~

~~Documentation of Income From Other Sources must be provided County at your expense.~~

~~If County reasonably believes that you are receiving or are eligible to receive Income From Other Sources, County has the right to require satisfactory written documentation:~~

~~a. That you have made timely claim for the Income From Other Sources;~~

~~b. That you have properly pursued each claim; and~~

~~c. Of the amount of the Income From Other Sources.~~

~~County will send you a written request for any required documentation. You must provide such documentation within 60 days after the written request is mailed to you. Otherwise, the County, at its sole discretion, may elect to reduce your Benefits by the amount the County reasonably believes you are receiving or would have been eligible to receive upon timely and proper pursuit of a claim for the Income from other sources. If your claim for Benefits has been overpaid, the County will notify you of the amount of overpayment. You must immediately reimburse the County for the amount of overpayment. You will not receive any Benefit payments from the County until the County has been reimbursed in full. In the meantime, any Benefits becoming payable will be applied to reduce the amount of the overpayment of your claim for Benefits.~~

~~If you later provide the required documentation with evidence of why it could not have been obtained earlier, the County will recompute the amount of Benefits which were payable. If you have been overpaid, County will notify you of the amount of overpayment and the overpayment will be handled as above. If you have been underpaid, the County will pay you the amount of the underpayment with 5% simple interest.~~

~~G. Investigation Of Your Claim~~

~~The County has the right at any time to conduct an investigation of your claim.~~

~~H. Independent Examination~~

~~The County has the right to have you examined at the County's expense while you are claiming Benefits. Any such examination will be conducted by one or more Physicians or vocational specialists of the County's choice.~~

~~The County has the right to defer or suspend payment of Benefits if you fail to attend an examination or fail to cooperate with the person conducting the examination. In such a case Benefits may be resumed, provided you agree to and attend the required examination after the second notice. The expense for the second scheduling of the examination will be deducted from Benefits if they are determined to be payable.~~

~~I. Notice Of Decision On Claim~~

~~You will receive a written notice of the status of your claim within 15 days after the County receives your claim.~~

~~If the County denies all or any part of your claim, you will receive a written notice of denial containing:~~

- ~~1. The reasons for denial;~~
- ~~2. Reference to the provisions of the Plan on which the denial is based;~~
- ~~3. A description of any additional information or documentation you must submit to obtain benefits and an explanation of why such information or documentation is required;~~
- ~~4. Notice of your right to a review of the denial; and~~
- ~~5. A description of the review procedure.~~

~~J. Review Procedure~~

~~You have the right to a review of any denial by the County of all or any part of your claim. To obtain a review, you should send a written request for review to the County within 30 days after you receive notice of the denial. No special form is required.~~

~~As a part of your request for review, you may submit issues and comments in writing and provide additional documentation in support of your claim. You may review pertinent documents related to your request for review.~~

~~The County will review your claim promptly after receiving your request for review. You will receive written notice of the County's decision within 30 days after your request for review is received. The written decision you receive will include the reasons for the decision and reference to the provisions of the Plan on which the decision is based.~~

~~You may authorize another person to act for you under this review procedure.~~

**Part 11. Time Limits On Legal Actions and Certain Defenses**

~~No action at law or in equity may be brought to recover under the Plan until 60 days after written proof of loss has been provided to the County. No such action may be brought more than three years after the time within which proof of loss is required to be furnished.~~

~~Any statement you make to obtain Benefits will be a representation and not a warranty. No misrepresentation by you will be used to reduce or deny your claim or to deny the validity of your benefits unless:~~

- ~~\_\_\_\_\_ a. \_\_\_\_\_ Your Benefit would not have been approved except for your misrepresentation;~~
- ~~\_\_\_\_\_ b. \_\_\_\_\_ Your misrepresentation is contained in a written instrument signed by you; and~~
- ~~\_\_\_\_\_ c. \_\_\_\_\_ You have been given a copy of the written instrument containing your misrepresentation.~~

~~After your Benefit has been in effect for one year, no misrepresentation by you, except a fraudulent misrepresentation, will be used to reduce or deny your claim or to deny the validity of your Benefit.~~

**~~Part 12. Assignment Not Permitted~~**

~~The Benefit provided and benefits payable are not assignable.~~

**~~Part 13. Effect On Workers' Compensation~~**

~~The coverage provided under the Plan is not a substitute for workers' compensation benefits and does not relieve the Employer of any obligation to provide workers' compensation benefits. This plan does not apply if illness or injury is eligible to be compensated under worker's compensation provisions.~~

**~~Part 14. Tax Withholdings~~**

~~Federal regulations require withholding of taxes on benefits paid under this plan. You must complete a W-4 tax withholding statement as part of your claim.~~

**~~Part 15. Issue of Separability~~**

~~Any section found invalid by statute or court of law shall not invalidate all other sections.~~

~~SIGNATURE PAGE~~

~~The effective date of benefits, as described in this Plan Document is January 1, 2011.~~

~~It is agreed by the County of Orange that the provisions contained in this Plan Document are acceptable and will be the basis for the administration of said County Short Term Disability Plan described herein.~~

~~IN WITNESS WHEREOF, the County of Orange has executed this Plan Document this \_\_\_\_ day of \_\_\_\_\_, 2010.~~

~~COUNTY OF ORANGE~~

~~By:~~

~~Title: Patricia M. Gilbert, Assistant Director of Human Resources~~

**EXHIBIT 3**

~~County Of Orange  
Reserve Deputy Sheriff  
Accidental Death And Dismemberment  
And  
Disability Income Protection Plan  
Effective March 1, 1984~~

~~The County of Orange provides the benefits described in this plan to a Reserve Deputy Sheriff for injuries sustained in the line of duty.~~

~~Claims for benefits are to be submitted on forms obtained from the County of Orange, Human Resources Department, Employee Benefits Division or the Office of the Orange County Sheriff Coroner.~~

~~Inquiries regarding the plan, its benefits or interpretation of provisions in this document shall be directed to Human Resources, Employee Benefits Division. Administration of the benefits including the issue of claims payment may be delegated by the County to Administrative Service Agent.~~



~~I. Accidental Death And Dismemberment Benefits~~

~~A. Benefit~~

~~When an on duty injury results in any of the following losses within 365 days of the onset of the injury. County will pay as defined:~~

<del>Loss of Life</del>	<del>\$5,000</del>
<del>Loss of both hands, both feet or sight of both eyes</del>	<del>5,000</del>
<del>Loss of one hand and one foot</del>	<del>5,000</del>
<del>Loss of one hand or one foot and sight of one eye</del>	<del>5,000</del>
<del>Loss of one hand or one foot or sight of one eye</del>	<del>2,500</del>
<del>Loss of hearing in both ears</del>	<del>2,500</del>
<del>Loss of two or more digits on either hand</del>	<del>1,250</del>
<del>Maximum payable benefit</del>	<del>5,000</del>

~~B. Definition Of Loss~~

~~The term "loss" as used above means total paralysis of or actual severance through or above the wrist or ankle joints for hands or feet and entire irrecoverable loss of sight in regard to eyes. With regard to digits, loss shall mean complete severance through or above metacarpophalangeal joint. Hearing loss must be total and irrecoverable in both ears.~~

~~C. Exposure~~

~~If by reason of an on duty accident, the covered person is exposed to the elements or sustains prolonged submission in water and as the result of such exposure suffers a loss for which the above benefits are otherwise payable, the loss will be covered by the terms of this plan.~~

~~D. Disappearance~~

~~If the body of a covered person has not been found within one year following the date of disappearance as the result of line of duty involvement with the sinking of a boat or downing of an aircraft or as the result of assigned duty as a member of a search and rescue party, the loss of life will be presumed under this plan.~~

~~E. Limitations~~

~~Injuries as defined in the plan must be as result of duties assigned by the Sheriff Coroner to a person performing as a Reserve Deputy Sheriff. Activities engaged voluntarily when not on assigned duty or in the employ of other parties will not be deemed as "assigned" and are not defined as "on duty" under the terms of this plan.~~

~~The plan does not cover any loss contributed to or resulting from:~~

- ~~(1) suicide, while sane or insane, or intentionally inflicted injury;~~
- ~~(2) sickness, disease or bacterial infection of any kind except pyrogenic infection occurring as a result of accidental cut or wound, or loss resulting from exposure as defined above.~~

~~F. Coordination With Other Benefits~~

~~This benefit will pay regardless of payments for similar benefits from other insurances. Workers Compensation or accidental death and dismemberment plans.~~

~~G. Claims~~

~~Written notice of claim must be filed with the County within fifteen days of the occurrence of the event of injury. In the event that loss is a result of disappearance, claim must be filed within ninety days of the one year anniversary of the date of disappearance.~~

~~The benefit for loss of life will be payable to the beneficiary of record. In the absence of a designated beneficiary, the benefit shall be payable to the estate of the covered person.~~

~~The County reserves the right and opportunity at its own expense to examine the covered person whose injury is the basis of the claim as often as may be reasonably required during the pending period of the claim and may order an autopsy in the event of death.~~

## ~~II. Disability Income Protection Benefit~~

### ~~A. Benefit~~

~~Disability Income Benefit shall be payable for disability as a result of injury sustained while performing assigned duties as a Reserve Deputy Sheriff.~~

~~The benefit for total disability shall be \$250 per week paid biweekly but combined with Workers' Compensation Benefit or other forms of income shall not exceed 67 percent of the gross income normally received as the result of regular employment. The benefit for partial disability shall be \$125 per week but combined with Workers' Compensation Benefits and income received from partial employment or employment in a restricted or limited capacity, shall not exceed the total gross pay received as the result of regular employment.~~

### ~~B. On Duty Requirement~~

~~The benefit will be paid only if the injury is incurred while actively assigned duties by the Orange County Sheriff-Coroner and performed as a Reserve Deputy Sheriff.~~

### ~~C. Definition Of Disability~~

~~Total disability as defined means complete and continuous inability to perform each and every duty of the person's regular occupation or an occupation for which the person's education training and experience can reasonably qualify for gainful employment.~~

~~Partial disability means the complete inability of a covered person to perform one important daily duty of his regular occupation. Disability shall be deemed to be partial if the person's education, training and experience can be reasonably utilized for gainful employment performing duties other than the person's regular occupation. The availability of such employment or the wages paid shall not be considered in determining partial disability.~~

~~The County reserves the right and opportunity to reassess the "total" or "partial" status of disability at any time during the period of benefits.~~

### ~~D. Elimination Period~~

~~The elimination period from the date of injury until benefits are payable shall be three (3) days. Temporary recovery during the elimination period shall not affect the total period of three days of disability required before benefits begin. Interrupted periods of disability from the same cause shall be added together to satisfy the elimination period.~~

### ~~E. Maximum Benefit Period~~

~~The maximum benefit shall be for 104 weeks following the elimination period. For purposes of determining length of period, a week shall be seven days. In the event of death during the maximum period of benefits, benefits shall continue for four weeks after death but not to exceed the maximum period.~~

### ~~F. Temporary Recovery During The Maximum Benefit Periods~~

~~After benefits become payable, temporary recovery from your total disability will have the following effect: For purposes of continuing benefits during the maximum benefit period, any two periods of total disability from the same cause or causes will be added together and treated as one period of continuous total disability if they are separated by a period of recovery of less than 180 days. Thus, a new elimination period will not be required, the insured earnings used to compute your benefit will not~~

~~change and the maximum benefit period will be the balance of the maximum benefit period remaining unused before the period of recovery.~~

~~G. Definition Of Injury~~

~~Injury means bodily harm or functional impairment of the physical body such as lacerations, breaks, bruises, strains, burns, scalds and penetration by foreign objects. It shall also include physical conditions resulting from exposure to the elements, immersion in water, suffocation, asphyxiation and exposure to toxic substances. Psychological conditions or emotional stress will not be included as injuries for purposes of this plan.~~

~~H. Exclusion And Limitations~~

~~The plan will not pay benefits for injuries resulting from the following:~~

- ~~1. Self Inflicted Injury: You are not covered for a disability caused or contributed to by an intentionally self inflicted injury or by a self inflicted injury occurring while you are unable to form the intent to harm yourself.~~
- ~~2. Violent or Criminal Conduct: You are not covered for a disability caused or contributed to by your committing or attempting to commit an assault or a felony or by your active participation in a violent disorder or riot. "Active participation" does not include being at the scene of a violent disorder or riot in the performance of your official duties.~~
- ~~3. Treatment by a Physician: No benefits will be paid for any period of total disability when you have not been regularly seen and treated by a physician.~~

~~Physician means the following licensed medical professionals other than yourself, diagnosing and treating you within the scope of the license of a:~~

- ~~a. Medical Doctor (M.D.)~~
- ~~b. Osteopath (D.O.)~~
- ~~c. Podiatrist (D.P.M.) or Chiropodist (D.S.C.)~~
- ~~d. Chiropractor (D.C.)~~
- ~~e. Optometrist (O.D.)~~
- ~~f. Psychologist (Ph.D.)~~
- ~~g. Dentist (D.M.D. or D.D.S.)~~

- ~~4. Imprisonment: No benefit will be paid for any period when you are confined for any reason in a penal or correctional institution.~~
- ~~5. Off Duty Injury: You are not covered for a disability incurred in any activity that is not an assigned duty as a Reserve Deputy Sheriff.~~

~~I. Income From Other Sources~~

~~Income from other sources is used to reduce your benefit and is explained in the following definition, exceptions and rules.~~

~~1. Definition of Income from Other Sources~~

~~Income from other sources means:~~

- ~~a. Any sick pay or other salary continuation paid to you (not including vacation pay) which would, combined with the benefit, exceed 67 percent of your regular pay.~~
- ~~b. Any earnings you receive from work activity while you are totally disabled, including earnings from any employer, or self employment. Note: If your work activity is approved as rehabilitative employment, then only one half of your earnings from that work activity will be used to reduce your benefit.~~

~~e. The amount you, your dependents or any other person receive or are eligible to receive because of your disability or retirement under:~~

~~1. The Federal Social Security Act. (If that amount is reduced by the amount of Supplemental Security income received for the same period, your income from other sources will be the amount that would have been received if there were no reduction because of Supplemental Security Income.)~~

~~2. Any other local, state or federal government disability or retirement plan (including but not limited to a public employee retirement system, state teacher retirement system, a state unemployment compensation disability plan or a railroad retirement plan).~~

~~d. Any periodic disability benefits you receive or are eligible to receive as a result of your disability (or disability retirement) under any retirement plan to which any employer made a contribution.~~

~~e. Any periodic retirement benefits you actually receive as a result of your employer having made a contribution.~~

~~f. Any benefits you receive under a governmental unemployment compensation program.~~

~~g. Any benefits you receive under a motor vehicle liability policy for loss of income due to disability.~~

~~h. Any amount received by compromise, settlement or other method as a result of a claim for any of a. through g. above.~~

## ~~2. Rules for Income from Other Sources~~

~~Each biweekly period your benefit will be reduced by the Income from other sources for the same period, even if you actually receive the income from other sources as vacation time. This general rule is explained in the following rules:~~

~~a. With respect to any income from other sources which you receive in lump sum or periodically other than monthly, the monthly equivalent will be used to reduce your benefit.~~

~~b. With respect to benefits from any governmental disability or retirement plan with two or more payment options, your benefit will be reduced by the amount of the plan option which provides or comes closest to providing a monthly income to you for life with no survivors benefit. This will be true even if you select a different retirement option.~~

## ~~J. Payment Of Benefits~~

~~Benefits will be paid to you. Any benefit remaining unpaid at your death will be paid to the person or persons receiving the survivors benefit. If no survivors benefit is paid, the unpaid benefit will be paid to your estate.~~

## ~~K. Time Limits For Filing A Claim~~

~~You must claim benefits within 30 days after the end of the elimination period or as soon thereafter as reasonably possible and, in any case, within one year after the end of that 30 day period. Claims not filed within these time limits will be denied and no benefit will be paid. These limits will not apply during any period when you lacked the legal capacity to file a claim.~~

## ~~L. Filing A Claim~~

~~All claims for benefits should be submitted on County claim forms. You may obtain claim forms from Human Resources, Employee Benefits Division or the Sheriff's Department.~~

~~M. Proof Of Loss~~

~~Proof of each of the following must be provided at your expense. No benefits will be paid until the County receives satisfactory written proof.~~

- ~~1. That you became disabled while covered under the plan.~~
- ~~2. That you were disabled throughout the elimination period and the period for which benefits are claimed.~~
- ~~3. That you are being seen regularly and treated by a physician.~~
- ~~4. Of such additional information as County may reasonable require in connection with your claim for benefits.~~

~~N. Documentation Of Claim~~

~~You must submit the following documents at your expense:~~

- ~~1. A completed claim statement signed by you.~~
- ~~2. A completed claim statement signed by your treating physician.~~
- ~~3. Your written authorization for County or plan administrator to obtain the records and Information needed to determine your eligibility for benefits.~~
- ~~4. Such other documents as County or plan administrator may reasonably require.~~

~~The County may require you to submit additional documentation of your claim at your expense at reasonable intervals while you are receiving benefits.~~

~~O. Documentation Of Income From Other Sources~~

~~Documentation of income from other sources must be provided to the County at your expense.~~

~~If the County reasonably believes that you are receiving or are eligible to receive income from other sources, the County has the right to require satisfactory written documentation:~~

- ~~a. That you have made timely claim for the income from other source;~~
- ~~b. That you have properly pursued each claim; and~~
- ~~c. Of the amount of the income from other source.~~

~~The County will send you a written request for any required documentation. You must provide such documentation within 60 days after the written request is mailed to you. Otherwise, the County, at its sole discretion, may elect to reduce your benefits by the amount the County reasonably believes you are receiving or would have been eligible to receive upon timely and proper pursuit of a claim for the income from other sources. If your claim for benefits has been overpaid, the County will notify you of the amount of overpayment.~~

~~You must immediately reimburse the County for the amount of overpayment. You will not receive any benefit payments from the County until the County has been reimbursed in full. In the meantime, any benefits becoming payable will be applied to reduce the amount of the overpayment of your claim for benefits.~~

~~If you later provide the required documentation with evidence of why it could not have been obtained earlier, the County will recompute the amount of benefits which were payable. If you have been overpaid, County will notify you of the amount of overpayment and the overpayment will be handled as above. If you have been underpaid, the County will pay you the amount of the underpayment with 5 percent simple interest.~~

~~P. Investigation Of Your Claim~~

~~The County has the right at any time to conduct an investigation of your claim.~~

~~Q. Independent Examination~~

~~The County has the right to have you examined at the County's expense while you are claiming benefits. Any such examination will be conducted by one or more physicians or vocational specialists of the County's choice.~~

~~The County has the right to defer or suspend payment of benefits if you fail to attend an examination or fail to cooperate with the person conducting the examination. In such a case benefits may be resumed provided you agree to and attend the required examination after the second notice. The expense for the second scheduling of the examination will be deducted from benefits if they are determined to be payable.~~

~~R. Notice Of Decision On Claim~~

~~You will receive a written notice of the status of your claim within 15 days after Human Resources, Employee Benefits Division receives your claim.~~

~~If the County denies all or any part of your claim, you will receive a written notice of denial containing:~~

- ~~1. The reasons for denial;~~
- ~~2. Reference to the provisions of the plan on which the denial is based;~~
- ~~3. A description of any additional information or documentation you must submit to obtain benefits and an explanation of why such information or documentation is required;~~
- ~~4. Notice of your right to a review of the denial; and~~
- ~~5. A description of the review procedure.~~

~~S. Review Procedure~~

~~You have the right to a review of any denial by the County of all or any part of your claim. To obtain a review, you must send a written request for review to the County within 30 days after you receive notice of the denial. No special form is required.~~

~~As part of your request for review, you may submit issues and comments in writing and provide additional documentation in support of your claim. You may review pertinent documents related to your request for review. The County will review your claim promptly after receiving your request for review. You will receive written notice of the County's decision within 30 days after your request for review is received. The written decision you receive will include the reasons for the decision and reference to the provisions of the plan on which the decision is based.~~

~~You may authorize another person to act for you under this review procedure.~~

~~T. Time Limits On Legal Actions And Certain Defenses~~

~~No action at law or in equity may be brought to recover under the plan until 60 days after written proof of loss has been provided to the County. No such action may be brought more than three years after the time within which proof of loss is required to be furnished.~~

~~U. Assignment Not Permitted~~

~~The benefit provided and benefits payable are not assignable.~~

~~V. Effect On Workers' Compensation~~

~~The coverage provided under the plan is not a substitute for Workers' Compensation benefits and does not relieve the employer of any obligation to provide Workers' Compensation benefits. Benefits will be paid in addition to Workers' Compensation benefits paid as a Reserve Deputy Sheriff.~~

~~W.~~ Tax Deduction

~~Federal regulations require withholding of taxes on benefits paid under this plan. You must complete a W-4 tax withholding statement as part of your claim.~~

~~X.~~ Issue Of Separability

~~Any section found invalid by statute or court of law shall not invalidate all other sections.~~

**EXHIBIT 4**

**County of Orange Child Support Enforcement  
Certifications Requirements**

C. ~~In the case of an individual Contractor, his/her name, date of birth, Social Security number, and residence address:~~

Name: \_\_\_\_\_  
D.O.B: \_\_\_\_\_  
Social Security No: \_\_\_\_\_  
Residence Address: \_\_\_\_\_  
\_\_\_\_\_

D. ~~In the case of a Contractor doing business in a form other than as an individual, the name, date of birth, Social Security number, and residence address of each individual who owns an interest of 10 percent or more in the contracting entity:~~

Name: \_\_\_\_\_  
D.O.B: \_\_\_\_\_  
Social Security No: \_\_\_\_\_  
Residence Address: \_\_\_\_\_  
\_\_\_\_\_  
  
Name: \_\_\_\_\_  
D.O.B: \_\_\_\_\_  
Social Security No: \_\_\_\_\_  
Residence Address: \_\_\_\_\_  
\_\_\_\_\_

(Additional sheets may be used if necessary)

*"I certify that Company name is in full compliance with all applicable federal and state reporting requirements regarding its employees and with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments and will continue to be in compliance throughout the term of the Contract with the County of Orange. I understand that failure to comply shall constitute a material breach of the contract and that failure to cure such breach within 60 calendar days of notice from the County shall constitute grounds for termination of the contract.*

\_\_\_\_\_  
Authorized Signature                      Name                      Title                      Date