



CONTRACT

BETWEEN

COUNTY OF ORANGE

AND

STANDARD INSURANCE COMPANY

FOR

**PROVISION OF LONG TERM DISABILITY INSURANCE
PLAN AND ADMINISTRATION OF SHORT TERM
DISABILITY INSURANCE PLAN AND RESERVE DEPUTY
SHERIFF DISABILITY INCOME PROTECTION PLAN**

Contract
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CONTRACT

THIS AGREEMENT for the Provision of Provision of Long Term Disability Insurance Policy, and Administration of Short Term Disability Insurance and Disability Income Protection plans (hereinafter referred to as “Contract”), is effective 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 1100 SW 6th Ave, Portland OR 97204, (hereinafter referred to as “Contractor”), which are sometimes individually referred to as “Party” or collectively as “Parties”.

RECITALS

WHEREAS, Contractor responded to a Request for Proposal (“RFP”) for the provision of Long Term Disability Insurance Policy and administration of Short Term Disability Insurance and Disability Income Protection plans as defined herein; and

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

WHEREAS, the County’s Board of Supervisors has authorized the Purchasing Agent or authorized Deputy Purchasing Agent to enter into this Contract with Contractor for the Provision of Long Term Disability Insurance Policy, and Administration of the Short Term Disability Insurance and Reserve Deputy Sheriff Disability Income Protection plans;

NOW, THEREFORE, the Parties mutually agree as follows:

ARTICLES

General Terms and Conditions:

1. **Scope of Contract:** This Contract, including any Attachments and Exhibits, specifies the contractual terms and conditions by which the County will procure the provision of Long Term Disability Insurance Policy, and administration of Short Term Disability Insurance and Disability Income Protection plans from Contractor as further detailed in the Scope of Work, identified and incorporated herein by this reference as “Attachment A”.
2. **Compensation:** The Contractor agrees to accept the specified compensation as set forth in this Contract as full payment 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.
3. **Term of Contract:** The initial term of this Contract is for three (3) years, effective January 1, 2023, continuing for three (3) years from that date, unless earlier terminated by the County. The Contract Term may be renewed for two (2) additional consecutive one (1) year terms, upon the mutual written agreement of the Parties. Renewal of the Contract may require approval by the County Board of Supervisors. Permitted renewals of the Contract provided in this paragraph 3 shall not result in any change in any other term, condition or provision of this Contract.
4. **Entire Contract:** This Contract contains the entire Contract between the parties with respect to the matters herein, and there are no restrictions, promises, warranties or undertakings other than those set forth herein or referred to herein. No exceptions, alternatives, substitutes or revisions are valid or binding on County unless authorized by County in writing. Electronic acceptance of any additional terms, conditions or supplemental Contracts by any County employee or agent, including but not limited to installers of software, shall not be valid or binding on County unless accepted in writing by County’s Purchasing Agent or designee.

5. **Amendments:** No alteration or variation of the terms of this Contract shall be valid unless made in writing and signed by the Parties; no oral understanding or agreement not incorporated herein shall be binding on either of the Parties; and no exceptions, alternatives, substitutes, or revisions are valid or binding on the County unless authorized by the County in writing. Changes in the Long Term Disability Insurance policy are subject to the terms of the policy and Contractor's normal underwriting practices.
6. **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. 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 adjudication to another county.
7. **Contingency of Funds:** Contractor acknowledges that funding or portions of funding for this Contract may be contingent upon state budget approval; receipt of funds from, and/or obligation of funds by, the state of California to County; and inclusion of sufficient funding for the services hereunder in the budget approved by County's Board of Supervisors for each fiscal year covered by this Contract. If such approval, funding or appropriations are not forthcoming, or are otherwise limited, County may immediately terminate or modify this Contract without penalty. County will be responsible for all premiums or fees due and payable up to the date of termination.
8. **Taxes:** Unless otherwise provided herein or by law, price quoted does not include California state sales or use tax. Out-of-state Contractors shall indicate California Board of Equalization permit number and sales permit number on invoices, if California sales tax is added and collectable. If no permit numbers are shown, sales tax will be deducted from payment. The Auditor-Controller will then pay use tax directly to the State of California in lieu of payment of sales tax to the Contractor.
9. **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. Over shipments and under shipments of goods shall be only as agreed to in writing by County. Delivery shall not be deemed to be complete until all goods or services have actually been received by County.
10. **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.
11. **County of Orange Local Small Business (OCLSB) Preference Requirements:** Contractor certifies it is in compliance with County of Orange Local Small Business Preference requirements at the time this Contract is executed.
12. **County of Orange Disabled Veteran Business Enterprise (DVBE) Preference Requirements:** Contractor certifies it is in compliance with County of Orange Disabled Veteran Business Enterprise Preference requirements at the time this Contract is executed.
13. **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 Program Manager, as identified below. 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 Program Manager shall be invalid and shall constitute a breach of this Contract. Subcontracting shall mean a subcontract to perform services solely in connection with the group insurance coverage or administrative services it provides to County.

14. **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 1741 of the California Labor Code.
15. **Performance Warranty:** Contractor shall warrant 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.
16. **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 manager and key personnel attached hereto, 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 the 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.
17. **Warranty:** Contractor expressly warrants that the goods covered by this Contract are 1) free of liens or encumbrances, 2) merchantable and good for the ordinary purposes for which they are used, and 3) fit for the particular purpose for which they are intended. Acceptance of this order 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 goods/services to conform to such warranties, faulty work performance, negligent or unlawful acts, and non-compliance with any applicable state or federal codes, 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.
18. **Patent/Copyright Materials/Proprietary Infringement:** Unless otherwise expressly provided in this Contract, 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, costs and expenses but not including attorney's fees.
19. **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.

20. **Indemnification:** Contractor agrees to indemnify, defend with counsel approved in writing by County, and hold 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") harmless 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.
21. **Emergency/Declared Disaster Requirements:** In the event of an emergency or if Orange County is declared a disaster area by the County, state or federal government, this Contract may be subjected to unusual usage. The Contractor shall service the County during such an emergency or declared disaster under the same terms and conditions that apply during non-emergency/disaster conditions. The pricing quoted by the Contractor shall apply to serving the County's needs regardless of the circumstances. If the Contractor is unable to supply the goods/services under the terms of the Contract, then the Contractor shall provide proof of such disruption and a copy of the invoice for the goods/services from the Contractor's supplier(s). Additional profit margin as a result of supplying goods/services during an emergency or a declared disaster shall not be permitted. In the event of an emergency or declared disaster, emergency purchase order numbers will be assigned. All applicable invoices from the Contractor shall show both the emergency purchase order number and the Contract number.
22. **Insurance Provisions:** Prior to the provision of services under this Contract, the Contractor agrees to purchase all required insurance at Contractor's expense, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this Contract have been complied with. Contractor agrees to keep such insurance coverage, Certificates of Insurance, and endorsements 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.

Contractor shall ensure that all subcontractors performing work on behalf of Contractor pursuant to this Contract shall be covered under Contractor's insurance as an Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for Contractor. Contractor shall not allow subcontractors to work if subcontractors have less than the level of coverage required by County from Contractor under this Contract. It is the obligation of Contractor to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by Contractor through the entirety of this Contract for inspection by County representative(s) at any reasonable time.

All self-insured retentions (SIRs) shall be clearly stated on the Certificate of Insurance. Any self-insured retention (SIR) in an amount in excess of Fifty Thousand Dollars (\$50,000) shall specifically be approved by the County's Risk Manager, or designee, upon review of Contractor's current audited financial report. If Contractor's SIR is approved, Contractor, in addition to, and without limitation of, any other indemnity provision(s) in this Contract, agrees to all of the following:

- 1) In addition to the duty to indemnify and hold the County harmless against any and all liability, claim, demand or suit resulting from Contractor's, its agents, employee's or subcontractor's performance of this Contract, Contractor shall defend the County at its sole cost and expense with counsel approved by Board of Supervisors against same; and
- 2) Contractor's duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and
- 3) The provisions of California Civil Code Section 2860 shall apply to any and all actions to which

the duty to defend stated above applies, and the Contractor's SIR provision shall be interpreted as though the Contractor was an insurer and the County was the insured.

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 Insurer

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com**). It is preferred, but not mandatory, that the insurer be licensed to do business in the State of California (California Admitted Carrier).

If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a 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:

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 per occurrence
Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per occurrence
Professional Liability Insurance	\$1,000,000 per claims made or per occurrence
Network Security & Privacy Liability	\$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 20 26 04 13 or a form at least as broad naming the ***County of Orange its elected and appointed officials, officers, agents and employees*** as Additional Insureds, or provide blanket coverage, which will state ***AS REQUIRED BY WRITTEN CONTRACT***.
- 2) A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad 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.

The Network Security and Privacy Liability policy shall contain the following endorsements which shall accompany the Certificate of Insurance:

- 1) An Additional Insured endorsement naming the *County of Orange, its elected and appointed officials, officers, agents and employees* as Additional Insureds for its vicarious liability.
- 2) A primary and 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.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the *County of Orange, its elected and appointed officials, officers, agents and employees* or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN CONTRACT**.

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

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 and Network Security and Privacy Liability are "Claims-Made" policies, Contractor shall agree to maintain coverage for two (2) years following completion of the 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 (7) 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 (30) 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.

23. **Confidentiality:** Contractor agrees to maintain the confidentiality of all County and County-related records and information pursuant to all 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.

24. **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 request any Contractor personnel be removed from performing services under this Contract to the County. Contractor reserves the right to make final decisions regarding the staff servicing County.
25. **Contractor's Account Manager and Key Personnel:** Contractor shall appoint an Account Manager to direct the Contractor's efforts in fulfilling Contractor's obligations under this Contract. Contractor shall notify County in writing if the Account Manager is changed and shall not be changed without the written consent of County's Program Manager, which consent shall not be unreasonably withheld. Contractor reserves the right to make final decisions regarding the staff servicing County.

An Account Manager shall be assigned to this project for the duration of the Contract and shall diligently pursue all work and services to meet the project time lines. The County's Program Manager shall have the right to request the removal and replacement of any of the Contractor's Key Personnel from providing services to County under this Contract. The County's Program Manager shall notify the Contractor in writing of such request for removal of Contractor's Key Personnel including the reasons for request. The Contractor shall work in good faith to resolve all of the County's stated concerns. Within thirty (30) days will develop and implement a mutually agreed upon plan for resolving the County's concerns.

26. **Program Manager:** The County shall appoint a Program Manager to act as liaison between the County and the Contractor during the Term of this Contract. The County's Program Manager shall coordinate the activities of the County staff assigned to work with the Contractor.

The County's Program Manager shall have the right to request the removal and replacement of any of the Contractor's Key Personnel from providing services to County under this Contract. The County's Program Manager shall notify the Contractor in writing of such request for removal of Contractor's Key Personnel including the reasons for request. The Contractor shall work in good faith to resolve all of the County's stated concerns. Within thirty (30) days will develop and implement a mutually agreed upon plan for resolving the County's concerns.

27. **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 program manager and the Contractor's Account Manager will meet on reasonable notice to discuss the Contractor's performance and progress under this contract. If requested, the Contractor's Account 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.
28. **Ownership of Documents:** County owns the self-funded Short Term Disability and Disability Income Protection plan claim files ("County Owned Documents"). Contractor owns all proprietary business records created in the course of administering fully-insured group insurance policies, including but not limited to, underwriting, sales and claim files ("Contractor Owned Documents").
29. **Title to Data:** All County Owned Documents, 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. will at all times remain the property of the County, unless said data becomes part of Contractor Owned Documents. All County Owned Documents, must be returned to the County at the end of this Contract, although Contractor shall maintain at its principal offices, copies of records under this Contract for the term of this Contract and for seven years thereafter, or longer if required by applicable law so that Contractor can comply with its record retention policies and in order to fulfill any remaining contractual obligations to County, respond to an audit or other any other legal obligations. These records shall be maintained in accordance with prudent standards of insurance and business record keeping and all applicable laws, rules and regulations. County shall have access to County Owned Documents upon reasonable notice and during normal business hours for review, inspection examination and reproduction.

30. **Contractor's Records:** The Contractor shall keep true and accurate accounts, records, books and data which shall correctly reflect the business transacted by the Contractor in accordance with generally accepted accounting principles. Contractor agrees to retain claims records for seven years after the claim closes and to make County Owned Documents available to County upon written request.
31. **Audits/Inspections:** 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.

Access to claim records of fully- insured claims requires written authorization from the insured; this only applies to Long Term Disability Policy.

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, the County's program manager (excluding Contractor Owned Documents).

32. **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 or as required by law. 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. This section shall apply to Contractor Owned Documents only.
33. **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 subcontractors associated with accomplishing work and services hereunder. The Contractor's efforts shall include, but not be limited to establishing precautions to prevent its employees, agents and subcontractors from providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to influence or appear to influence County staff or elected officers from acting in the best interests of the County.
34. **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 or 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. County will be responsible for all premiums or fees due and payable up to the date of termination.
35. **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. Terminate this Contract immediately, pursuant to paragraph 34 herein; or
 - b. 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.
 - c. Discontinue payment to the Contractor for and during the period in which the Contractor is in breach; and
 - d. Offset against any monies billed by the Contractor but yet unpaid by the County those monies disallowed pursuant to the above.
 - e. Neither C nor D above are applicable to the fully insured policy.
36. **Disputes - Contract:** The parties shall deal in good faith and attempt to resolve potential disputes informally. If the 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 Account Manager and the County's Program Manager, such matter shall be brought to the attention of the County Deputy Purchasing Agent by way of the following process:
- a. The Contractor shall submit to the agency/department assigned 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 the 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 Contract adjustment 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 this Contract, including the delivery of goods and/or 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 Deputy 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. Nothing in this section shall be construed as affecting the County's right to terminate the Contract for cause or termination for convenience as stated in paragraph 34 herein. Nothing in this section shall change the termination provisions of the group insurance policies. Further, Contractor will agree to the requirement to exhaust administrative remedies but will not agree to any dispute resolution process that waives any right to pursue remedies in litigation under applicable law.
37. **Orderly Termination:** Upon termination County agrees to pay the Contractor for all services performed prior to termination which meet the requirements of the Contract, provided, however, that such compensation combined with previously paid compensation shall not exceed the total compensation set forth in the Contract. Upon termination or other expiration of this Contract, Contractor shall return to County all County Owned Documents and County shall return to Contractor all Contractor Owned Documents, unless otherwise noted in this Contract or required by law.
38. **Force Majeure:** Contractor shall not be assessed with liquidated damages or unsatisfactory performance penalties 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.
39. **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.

40. **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.

41. **Notices:** Any and all notices, requests demands and other communications contemplated, called for, permitted, or required to be given herein shall be in writing with a copy provided to the assigned Deputy Purchasing Agent (DPA), except through the course of the County's Program Manager and Contractor's 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 (4) 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, Katy Nguyen
Human Resource Services/Employee Benefits
333 W. Santa Ana Blvd., 1st Floor, Room 137
Santa Ana, CA 92701

Assigned DPA: Human Resource Services/Employee Benefits
Attn: Melvin Chua, Deputy Purchasing Agent
333 W. Santa Ana Blvd., 1st Floor, Room 137
Santa Ana, CA 92701

Contractor: TBD

42. **EDD Independent Contractor Reporting Requirements:** Effective January 1, 2001, the County of Orange is required to file in accordance with subdivision (a) of Section 6041A of the Internal Revenue Code 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 Contractors. 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 http://www.edd.ca.gov/Employer_Services.htm.

43. **Change of Ownership/Name, Litigation Status, Conflicts with County Interests:** Contractor agrees that if there is a change or transfer in ownership of Contractor's business prior to completion of this Contract, and the County agrees to an assignment of the Contract, the new owners shall be required under the terms of sale

or other instruments of transfer to assume Contractor's duties and obligations contained in this Contract and complete them to the satisfaction of the County.

County reserves the right to immediately terminate the Contract in the event the County determines that the assignee is not qualified or is otherwise unacceptable to the County for the provision of services under the Contract.

In addition, Contractor has the duty to notify the County in writing of any change in the Contractor's status with respect to name changes that do not require an assignment of the Contract. The Contractor is also obligated to notify the County in writing if the Contractor becomes a party to any litigation against the County, or a party to litigation that may reasonably affect the Contractor's performance under the Contract, as well as any potential conflicts of interest between Contractor and County that may arise prior to or during the period of Contract performance. While Contractor will be required to provide this information without prompting from the County any time there is a change in Contractor's name, conflict of interest or litigation status, Contractor must also provide an update to the County of its status in these areas whenever requested by the County.

The Contractor shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with County interests. In addition to the Contractor, this obligation shall apply to the Contractor's employees, agents, and subcontractors associated with the provision of goods and services provided under this Contract. The Contractor's efforts shall include, but not be limited to establishing rules and procedures preventing its employees, agents, and subcontractors from providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to influence or appear to influence County staff or elected officers in the performance of their duties.

44. **Precedence:** The Contract documents consist of this Contract and its exhibits and 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 recitals and articles of this Contract, and then the exhibits and attachments. Notwithstanding anything else in this section, the terms and conditions of Contractor's group insurance policies shall govern eligibility for insurance and benefits and Contractor's right to underwrite and terminate its group insurance policies. Contractor shall interpret its own group insurance policies.
45. **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.
46. **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.
47. **Calendar Days:** Any reference to the word "day" or "days" herein shall mean calendar day or calendar days, respectively, unless otherwise expressly provided.
48. **Attorney Fees:** In any action or proceeding to enforce or interpret any provision of this Contract, each party shall bear their own attorney's fees, costs and expenses.
49. **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 effect the purpose of the Parties and this Contract.

50. **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.
51. **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 Exhibit 4 hereto shall be operative and control the Business Associate relationship of the parties. Nothing in Exhibit 4 shall be considered a waiver of the limitation on subcontracting as set forth in this Contract.
52. **Civil Rights:** Contractor attests that services provided shall be in accordance with the provisions of Title VI and Title VII of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975 as amended; Title II of the Americans with Disabilities Act of 1990, and other applicable State and federal laws and regulations prohibiting discrimination on the basis of race, color, national origin, ethnic group identification, age, religion, marital status, sex or disability.
53. **Lobbying:** On the best information and belief, Contractor certifies no federal appropriated funds have been paid or will be paid by, or on behalf of, the Contractor to any person influencing or attempting to influence an officer or employee of Congress; or an employee of a member of Congress in connection with the awarding of any federal contract, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative contract.
54. **Debarment:** Contractor shall certify that neither Contractor nor its principles are presently debarred, proposed for debarment, declared ineligible or voluntarily excluded from participation in the transaction by any Federal department or agency. Where Contractor as the recipient of federal funds, is unable to certify to any of the statements in the certification, Contractor must include an explanation with the bid/proposal. Debarment pending debarment, declared ineligibility or voluntary exclusion from participation by any Federal department or agency may result in the bid/proposal being deemed non-responsible.
55. **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.
56. **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 20 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.
57. **Changes:** Contractor shall make no changes in the work or perform any additional work without County's specific written approval.
58. **Terms and Conditions:** Contractor acknowledges that it has read and agrees to all terms and conditions included in this Contract.

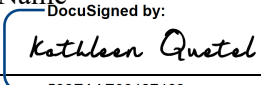
59. **Incorporation:** This Contract and its Attachments A through F and Exhibits 1 through 4 are attached hereto and incorporated herein by this reference and made a part of this Contract.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

CONTRACT SIGNATURE PAGE

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

CONTRACTOR*:

Kathleen Quetel	2nd VP Underwriting
Print Name	Title
	5/17/2022
Signature 593EAAE08427463...	Date

Print Name	Title
Signature	Date

**If the contracting party is a corporation, two (2) signatures are required: one (1) signature by the Chairman of the Board, the President or any Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer. The signature of one person alone is sufficient to bind a corporation, as long as he or she holds corporate offices in each of the two categories described above. For County purposes, proof of such dual office holding will be satisfied by having the individual sign the instrument twice, each time indicating his or her office that qualifies under the above described provision.*

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.

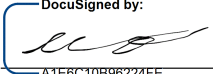
COUNTY of ORANGE

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 self-insured Reserve Deputy Sheriff Accidental Death and Dismemberment and Disability Income Protection Plan in accordance with the Plan Documents attached hereto as Exhibits 1 and 2 including subsequent amendments provided by the County for each employee unit that is to receive the Plan benefits, and to act as the representative of the County in matters related to the above referenced Plan, and agrees further to provide the County during the terms of this Contract all the services detailed below. Contractor also agrees to provide Long Term Disability Insurance in accordance with the Policy attached hereto as Exhibit 3.

I. Short Term Disability (STD)

The self-insured 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 1 year. The Short Term Disability Contractor coordinates the transition of the Short Term Disability claim to Long Term Disability if applicable.

II. Reserve Deputy Sheriff Accidental Death and 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 result in a total or partial disability. Administration is only required if/when a claim is filed.

III. Long Term Disability (LTD)

The fully insured Long Term Disability Policy 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. Long Term Disability benefits provide covered employees up to 60% of covered earnings after the maximum benefit period under the Long Term Disability Policy once the Short Term Disability Plan is exhausted.

IV. Definitions

For purposes of this Contract, including all Attachments and Exhibits, the parties agree to the following 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. *"Benefits Administrator"* shall be defined as the County's Benefits Center for employees and retirees, which provides full Benefits administration such as benefits eligibility and enrollment.
- c. *"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 plan and programs.
- d. *"Human Resource Services (HRS)"* The County's HRS is comprised of various divisions and sections that provide a wide array of personnel and employee services to County departments and agencies. The HRS Director reports directly to the County Executive Officer (CEO).

ATTACHMENT A

- e. “Plan” means the STD , Reserve Deputy Sheriff Disability Income Protection Plan, and the fully-insured LTD policy provided by County for certain employees.
- f. “Plan Administrator” is the County Human Resource Services Director or his or her designee

V. Contractor Responsibilities

Contractor shall:

Facilities and Staffing

1. 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.
2. Maintain adequate number of staff for effective administration of the Plan claims processing and payments. The staffing shall include a designated team for the County account. The designated team will be supplemented as needed to meet the performance requirements of the contract.
3. Conduct prepayment audits of new claim team members ensuring that 100% of new claim team member’s work is audited for 30 days after training.
4. Maintain customer service hours with a toll-free number Monday through Friday, 8 a.m. – 5 p.m. (Pacific Time) except for the following holidays: New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, day after Thanksgiving and Christmas Day.
5. Provide toll-free number designated for the County and offer 24 hours a day/7days a week/365days a year (excluding scheduled downtime) claim intake capability via IVR and web.
6. Ensure that participants with limited English proficiency and those who are deaf or hearing impaired have access to communication services that enable participants to utilize the phone lines
7. Provide online claims filing capabilities.
8. Service County employees who are eligible under the Plan benefits within the state of California or outside the state of California.
9. Should Contractor be merged with, acquired by or acquire another entity during the Contract Term; Contractor shall pay for all of the County’s transition costs if there is a need to migrate the County Plan, including, but not limited to, reimbursement of County programming and communications costs and pre and post implementation audit costs if a change in claims processing and/or eligibility systems occurs.

Claims Processing

1. Supervise and administer the payment of claims in accordance with the Plan Documents and act as the representative of the County with regard to claims administration and review.

ATTACHMENT A

2. Provide all necessary forms to claimants such as application for disability benefits and W-4.
3. Assist and counsel claimants on filing the employee portion of Plan claims and the necessary documents to submit to Contractor.
4. Verify the eligibility of all claimants for benefits under the County's Plan from eligibility information provided by the Benefits Administrator.
5. 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 health care professional, which may include a nurse case manager or 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 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.
6. Coordinate with County to verify last day worked and last day claimant receives any paid leave.
7. In accordance with the Plan Documents, adjudicate Plan claims and respond to each claim with determination letter(s) within 5 business days of receiving a completed STD claims and within 10 business days of receiving a completed LTD claim:
 - a) An explanation of benefits approved including effective dates and amounts,
 - b) An explanation of delay, or
 - c) An explanation of denial.
8. Provide the County with copies of all determination letters at the same time that they are sent to the claimant.
9. Notify claimants of ineligible claims and the reason for ineligibility within 5 business days of receipt of claim or within a timeframe mutually agreed upon by the County and the Contractor.
10. 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 as long as in compliance with any privacy regulations. For fully insured products, authorization from employee is required before they can be provided.
11. Compute and pay claims in accordance with the Plan documents established and/or amended by the County.
12. Coordinate STD, LTD and Catastrophic leave (e.g. donated leave) benefits for eligible employees when County gives Contractor adequate information about the Catastrophic leave benefits provided.
13. Furnish, at Contractor's expense, professional claims review and investigation services as deemed necessary by Contractor.
14. For eligible claims only, track duration of STD and coordinate the transition of STD to LTD by providing the LTD claim form to claimants at the thirty-second (32nd) week of STD 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. The requirements of this section do not apply to claims with anticipated recovery dates that are prior to the LTD start date and they do not apply to claims denied based on Workers' Compensation.
15. Print and pay the cost of all necessary Plan claim forms, including Plan benefit account checks

ATTACHMENT A**Vendor Coordination**

1. Coordinate with Benefits Administrator to develop and follow standard interface requirements. Ensure quality of inbound and outbound files by validating the data via control tools and communicating with the Benefits Administrator and the County to work through errors
2. Accept and load eligibility information weekly, within 48 hours of receipt from the Benefits Administrator.
3. Notify the Benefits Administrator and the County if inbound files are not received by the due date provided in interface requirements.
4. Generate and send outbound file reflecting status of processed claims within the last 90 days to Benefits Administrator.
5. 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.
6. 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.

Management Information Reporting

1. Maintain records and accounts of the operation of the Plan and to provide monthly 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, and monthly and year to date payments. Such designation to be itemized by the specific representation unit and fund unit of each claimant.
 - b. A report showing all disbursements prepared by the Contractor and forwarded to the County during the month including deposits for tax payments.
 - c. Provide monthly report of outstanding overpayments.
2. Provide an annual comprehensive 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:
 - a. Number of new claims in Plan year by month with year over year comparison for trending
 - b. Average open claims per month and year over year comparison for trending
 - c. Average per claim benefit payment and average claims paid per month
 - d. Average claim duration and year over year comparison for trending
 - e. Average number of checks per claim
 - f. Average number of claims per month that are evaluated for Long Term Disability transition
 - g. Top 5 diagnosis/prognosis by frequency and by duration

The annual management report will be available 45 days after close of plan year.

3. Provide quarterly dashboards reports to the County each year during the term of the Contract, summarizing the Plan's activity during the preceding quarter. Report should also include the following information:
 - a. Number of new claims in quarter by month with comparison to rolling four prior quarters
 - b. Average open claims in quarter by month with comparison to rolling four prior quarters

ATTACHMENT A

- c. Average per claim benefit payment in quarter with comparison to rolling four prior quarters
- d. Average claim duration in quarter with comparison to rolling four prior quarters
- e. Top 5 diagnosis/ by frequency and by duration for the quarter with comparison to rolling four prior quarters

The quarterly dashboard will be available 45 days after close of the prior quarter.

- 4. Provide quarterly reports on Contractor's performance against mutually agreed upon performance guarantees.
- 5. Handle ad hoc reporting requests by the County.
- 6. Provide the County access to on-line reporting tools that provides comprehensive set of reports and updates in real time.
- 7. Provide "read only" access to the County's Program Manager to view approved and denied STD and LTD claims.

Quality Controls

- 1. Take reasonable and effective precautions to prevent payment of invalid, duplicate and fraudulent claims.
- 2. Maintain sound and accepted professional practices for the control and efficient payment of claims.
- 3. Have proper systems in place to track and maintain all claimant information, claims activity and fund activity.
- 4. Ensure administrative fees are not used to make benefit payments.
- 5. Maintain proper controls to avoid overpayments with respect to the Plan
- 6. Develop and enact system quality edit and exception reports to validate the participant data.

Rules and Processing Guidelines Documentation

- 1. Provide the County with a custom Administrative Manual consisting of policies and procedures used by Contractor to administer the Plan within thirty (30) days of the effective date of the Contract. Update the Administrative Manual and provide updates to County within thirty (30) days of any changes in policies and/or procedures.
- 2. Coordinate with 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 Contractor. Notify the claimant of any underpayment or overpayment identified by County or by Contractor via normal auditing process. Notify the County when an underpayment or overpayment is identified by the Contractor.
- 3. Coordinate with the County in creating claims processing and administration procedures for the Reserve Deputy Sheriff Accidental Death & Dismemberment and Disability Income Protection Plan as mutually agreed upon by the County and Contractor.
- 4. Assist the County in the modification or amendment of the Plan Documents and to incorporate revisions, additions or amendments to the Plan administration.

ATTACHMENT A**Ongoing Services**

1. 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.
2. 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.
3. Respond to telephone and written inquiries from the Employee Benefits Division staff regarding claim inquiries and administration within one (1) business day.
4. Reimburse the County and/or the Participant directly where the Contractor made an error resulting in an adverse financial impact to the County and/or its Participants. This applies to all sections of the contract.
5. Maintain back-up and disaster recovery plans for database and administration of the Plan. Maintain and routinely test security protocols.
6. Compute tax withholdings on benefit payments and file withholdings with government agencies.

Retention

1. Store and maintain claims records safely for a minimum of five (5) years beyond the end of the calendar year in which claim is closed or longer period of time as required by applicable law, and necessary in the case of litigated claims.
2. Store and tie all correspondence to and from the claimant to the claimant's record, including a time and date stamp.

Contract Administration and Account Management

1. Meet with the County on a quarterly basis to discuss Plan benefit performance and servicing of the County's contract
2. Meet with the County on a mutually agreed upon continuous basis to discuss current issues, new procedures, etc. Contractor attendees shall include (or equivalent title): Claims Manager, Lead Disability Analyst, and Account Manager.
3. Provide an account management team that is experienced in services similar to County's, trained in the County's Plan issues, accessible to the County geographically and with sufficient capacity and authority to respond to the County's issues in a timely manner.
4. Provide an Account Manager as primary point-of-contact for day-to-day communications with the County and have an Account Assistant Manager and back-up plan when the primary person is unavailable.
5. Provide an escalation process to assist in matters that are unable to be resolved at the account team level.
6. Provide County administration at least 30 days advance notice, where possible, of any planned change in the primary account manager.

ATTACHMENT A

7. Provide documentation of a process for prompt issue resolution in the event of a failure to perform a required service.
8. Annually provide County with detailed back-up documentation on a County-selected sampling of Contractor's self-reported Performance Guarantee results for the purposes of County's validation.

Administration Consulting

1. 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.
2. Assist the County or a County designated third party 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 Contractor at the time of the request.
3. Provide to the County information necessary for defense of any litigated STD claims.
4. Subject to applicable law, provide the County or a County designated third party with information on claims upon request to assist the County in resolving problems that claimants have with the processing or payment of their claims. Claim files for fully insured products cannot be provided without authorization from the employee.
5. Furnish, at Contractor's expense, actuarial services and consultation to assist the County with Plan Document revisions(s) and determination of funding requirements.
6. Recommend and implement process improvements on an ongoing basis throughout the term of the Contract.
7. Present information about new legislation impacting the services provided under this Contract and consult with the County about possible changes to the administration of services. This includes providing best practices from comparable customers and interim solutions.
8. Include legally required updates as part of base solution at no cost to County.

Runout Processing

1. 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 and/or to the designated vendor. This provision does not apply to Contractor Owned Documents.
2. If at the end of the final year, the Contract is to be transitioned to another vendor, Contractor will ensure the smooth transition to the new vendor and continue to provide all ongoing services through the termination date of the Agreement.
3. Coordinate with previous administrator to complete processing of initiated claims that do not have a determination by time of transition.

ATTACHMENT B**COST AND COMPENSATION**

1. **Compensation:** This is a fixed price Contract between the County of Orange 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. 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.

Rates:**Long Term Disability Insurance –**

Classes	Monthly Rates per \$1 of monthly covered payroll
Class A Administrative Management & Court Attorneys	0.00138
Class B County Attorneys	0.00082
Class C Craft & Plant	0.00708
Class D Law Management	0.00173
Class E Executive Management	0.00135

Short Term Disability – Administrative Service Only Fee: \$1.57 per member per month

Reserve Deputy Sheriff Disability Income Protection Plan – Administrative Service Only Fee: \$350 per claim

Reserve Deputy Sheriff Accidental Death and Dismemberment Plan – Administrative Service Only Fee: \$135 per claim

2. **Contractor's Expense:** The Contractor will be responsible for all costs related to photo copying, telephone communications, fax communications, and parking 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 eligible employees per month 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 30th 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 30th).

Contractor shall submit invoices for Short-term Disability claims monthly, in arrears, to the County's Program Manager. Invoices shall be submitted by the second business day of the following month. Payments will be released within thirty (30) calendar days after receipt of a correctly completed invoice submitted in accordance with the terms set forth herein and accompanied by all required supporting documents. The Parties acknowledge that the invoices must be verified and approved by the County's Program Manager and is subject to routine processing requirements of the County. County may withhold or delay payment if Contractor fails to comply with any provision of the Contract.

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:
- a. Contractor's name and address
 - b. Contractor's remittance address, if different from a above
 - c. Name of County agency/department
 - d. Delivery/service address
 - e. Contractor/Subordinate contract or number
 - f. Date of order
 - g. Type of fees/service
 - h. Sales tax, if applicable
 - i. Dates of fees/service
 - j. Brief description of fees/service
 - k. Contractor's Federal I.D. Number

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:

Katy Nguyen, Project Manager
Human Resource Services/Employee Benefits
Hall of Administration
333 W. Santa Ana Blvd., Rm. 137
Santa Ana, CA 92701

STAFFING PLAN

1. Primary Staff to perform Contract duties

Name	Classification/Title
Teresa Lollar	Account Manager *
Brent Snyder	Senior Employee Benefits Consultant
Heather Dugas	STD Manager *
Phyllis Rifkin	STD Specialist
Tony Childress	LTD Manager *
Garrick Zakovics	LTD Analyst
Catrina Hua	Premium Billing Analyst
Geoff Clarkson	National Account Senior Underwriter

Key Personnel titles are designated by an asterisk (*).

Articles 24 and 25 of this Contract govern any changes to Contractor's key personnel

2. Alternative Staff (for use only of primary staff are not available)

Email Aliases	Purpose
ST3_leaders@standard.com	Claims Management Issues
quickresponse@standard.com	Account Management Issues

3. Sub-contractor(s)

In accordance with Article 13 "Assignment or Sub-Contracting," listed below are Sub-contractor(s) anticipated by Contractor to perform services specified in Attachment A, Scope of Work.

Company Name	Staff Name
N/A	

PERFORMANCE GUARANTEES

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 the following amount/percentage at risk if the stated standard(s) are not met.

TOTAL FUNDS AT RISK: For each Policy Period, the maximum penalty payable in aggregate by The Standard to The County of Orange as a consequence of failing to meet any or all of the foregoing. STD metrics are tied to STD premium/or fees, LTD metrics are tied to LTD premium.

ASSESSMENT PERIOD: All performance guarantee metrics are guaranteed on an annual basis. At the end of the annual assessment period, The Standard will not payout any penalties if The County of Orange's overall satisfaction is met.

FORMULA: All performance guarantee metrics are measured and reported on The County of Orange's own results, not The Standard's book of business.

The Standard shall not be considered to have failed to perform its obligations under the agreement if any delay or nonperformance on its part is due, in whole or in part, to The County of Orange's failure to discharge its own ligations timely

Contractor shall pay performance guarantee penalties to County within 30 calendar days after the penalty is calculated. All performance guarantee penalties will be paid by Contractor to County by check made out to "County of Orange".

Guarantee	Target	Reporting Methodology	Formula	Reporting Frequency	Assessment Period	Annual Dollars at Risk	Comments
Short Term Disability							
Initial Decision / Turnaround Time	95% of STD claims will receive a determination to approve, deny or pend within 5 business days of claim assignment	Vendor to identify reporting methodology	Number of claims determined within 5 business days/total number of claims determined during the reporting period	Quarterly	Annually	\$900	Measured from the date all information is available to process the claim (claim assignment) to the date claim decision is made. Measurement is based upon business days. Within 5 business days of claim assignment
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	Quarterly	Annually	\$900	Procedural accuracy is how accurately the claim was handled. Key claim procedures measured are member's address, Social Security Number, date of birth, division name/administrative unit, diagnosis code, future close date and communication to Employees and Employer within 2 business days of approval or 5 business days of approval for closed period or denial. The Standard audits new claim decisions at a single point in time.

							Claims are not subsequently audited again throughout the quarter or at any point in the future.
Financial Accuracy	98%	Via audit of 100% of STD claim decisions in reporting period.	Total dollar amount of payment errors / Total dollars payable.	Quarterly	Annually	\$900	<p>Payment accuracy is how accurately the computation of the benefits is for a given claim including Benefits Waiting Period, all deductions, taxes, offsets, and adjustments.</p> <p>The Standard audits new claim decisions at a single point in time. Claims are not subsequently audited again throughout the quarter or at any point in the future.</p>
Implementation							
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.	Implementation Survey completed by County.	Total number of actual points from survey responses divided by the total number of possible points	One Time	Annually	N/A As the inforce carrier, this metric is not applicable	<p>As the inforce carrier, this metric is not applicable.</p> <p>Any Plan Document changes since previous contract will be updated in Job Aids for claims processing. Benefit examiners and analyst will be trained with the updates as well.</p>
Member Services							
STD Customer Survey - Member Satisfaction with Initial Claim Decision	Average score of "satisfied" (3 or higher) on member surveys	Vendor to identify reporting methodology	Sum of each survey's average score / Total number of respondents	Quarterly	Annually	\$900	<p>100% of all initial STD claim decisions will be surveyed. Survey instrument rating is on a 1 to 5 scale.</p> <p>Note: County requests that survey be sent during the life of a claim (e.g., claim reporting, claim decision, and claim closure). The County reserves the right to review survey language. As part of the script, case managers must remind employee about the survey *The survey is sent one time after the claim decision is made.</p>
LTD Customer Survey - Member Satisfaction with Initial Claim Decision	Average score of "satisfied" (3 or higher) on member surveys	Vendor to identify reporting methodology	Sum of each survey's average score / Total number of respondents	Quarterly	Annually	\$900	<p>100% of all initial LTD claim decisions will be surveyed. Survey instrument rating is on a 1 to 5 scale.</p> <p>Note: County requests that survey be sent during the life of a claim (e.g. claim reporting, claim decision, and claim closure). The County</p>

							reserves the right to reviews survey language. As part of the script, case managers must remind employee about the survey *The survey is sent one time after the claim decision is made.
Speed to Answer	Average Speed To Answer <=30 seconds	Vendor to identify reporting methodology	Number of seconds to answer all calls during the reporting period/ Total number of calls answered during the reporting period	Quarterly	Annually	\$900	is Average Speed To Answer <=30 seconds.
Abandonment rate	Less than 4% (excludes calls abandoned within 10 seconds).	Vendor to identify reporting methodology	Abandoned calls / Total number of calls	Quarterly	Annually	\$900	Less than 4% (excludes calls abandoned within 10 seconds). The timer for the 10 seconds begins once the call is received/picked up by The Standard.
Account Management							
Delivery of Reports: - LTD Experience Report - Performance Guarantee Report - Claim Detail Report - STD and LTD Utilization	45 days from the end of the prior quarter	Vendor to identify reporting methodology	Electronic delivery of reports and/or meeting date	Quarterly	Annually	\$900	
Conduct account management meetings on a quarterly basis at the direction of the County of Orange	4 meetings during the plan year	Vendor to identify reporting methodology	Dates of meetings	Quarterly	Annually	\$900	
County satisfaction with account management team	Overall Account Team performance is a composite score of 3 or better on the Account Management Scorecard	Standard scorecard provided by County	Total number of actual points from survey responses/ Total number of possible points	Quarterly	Annually	\$900	Survey instrument rating is on a 1 to 5 scale.

ACCOUNT MANAGEMENT SCORE CARD

Rating Methodology:

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

Client Manager: _____
 Completed By (please print): _____
 Signature _____
 Date completed: _____
 Telephone #: _____

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

Measurable Need	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	Composite Score
1. Provides County with timely notification of issues impacting plan and/or participants and provides a plan for resolution.					
2. Responds in a timely and comprehensive manner to inquiries, issues and questions from the County, County members, and third-party representatives.					
3. Develops effective action plans to resolve open issues and follows through on plans to ensure issues are resolved.					
4. Responds to County inquiries within (one) County business days of inquiry					
5. Team members follow plan documents and policies to administer Scope of Work with minimal errors.					
6. Account Management: Delivers agreed upon reports and communication of Contractor results within 45 days from the end of the reporting period Attends scheduled meetings and provides follow-up details and action items in a timely manner					
Account Management Composite Score (All Categories)					
Date sent filled out					

Comments:

CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT ("Agreement") is made and entered into on January 1, 2023 by and between County of Orange ("Policy Holder") and Standard Insurance Company ("The Standard").

1. Obligations of The Standard

The Standard agrees to:

- a.) Not use or disclose health information other than as permitted or required by the Agreement or as permitted or required by law;
- b.) Use and follow appropriate data safeguarding requirements as required by law;
- c.) Comply with applicable security incident or breach laws, including meeting breach notification requirements;
- d.) Ensure that any subcontractors that create, receive, maintain, or transmit health information on behalf of The Standard agree to comply with applicable privacy and data safeguarding laws and regulations, and to notify The Standard of suspected or known security incidents or breaches related to the data;
- e.) Add additional health information to The Standard's records upon request; however, deletions will not be agreed to; and
- f.) Provide an accounting to individuals or their legal representation upon request (after confirmation of appropriate legal status), of disclosures made by The Standard of health information, when required by applicable laws.

2. Permitted Uses and Disclosures by The Standard

The Standard agrees to:

- a.) Use or disclose health information only as required or allowed by law;
- b.) Use, disclose, and request for health information consistent with its business need-to-know policy;
- c.) Not use or disclose health information in a manner that would violate applicable privacy or data safeguarding laws; and
- d.) Use health information for the proper management and administration of its business and to carry out its legal responsibilities.

3. Notice of Privacy Practices

The Standard shall provide Policyholder with a Privacy Notice as required by the Graham-Leach-Bliley Act (GLBA), including changes in the Privacy Notice. This notice identifies information that The Standard may gather and may disclose.

4. Termination

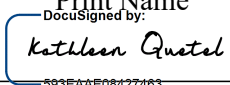
The term of this Agreement shall be effective as of the date below, and shall terminate immediately upon request by the Policyholder, or when the group policies, insurance contracts, are terminated by the Policyholder or by The Standard, consistent with the insurance contracts.

Upon termination of this Agreement, The Standard shall:

- a.) Retain health information which is necessary to continue its business functions or to carry out its legal responsibilities, including meeting record retention requirements; and
- b.) Continue to use appropriate safeguards over health information retained.

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed in The Standard's name as of the date below.

CONTRACTOR*:

Kathleen Quetel	2nd VP Underwriting
Print Name	Title
 Kathleen Quetel	5/17/2022
Signature	Date

SHORT TERM DISABILITY PLAN DOCUMENT

See separate attachment.

**RESERVE DEPUTY SHERIFF ACCIDENTAL DEATH AND DISMEMBERMENT AND DISABILITY
INCOME PROTECTION PLAN DOCUMENT**

See separate attachment.

LONG TERM DISABILITY POLICY

See separate attachment.