

CITY COUNCIL MEETING
JANUARY 19, 1983

APPROVAL OF
CONTRACT WITH
ESIS FOR
ADMINISTRATION
OF THE CITY'S
WORKERS
COMPENSATION
PROGRAM
(1/1/83-7/1/83)

Following introduction of the matter by Staff, Council, on motion of Councilman Pinkerton, Snider second, approved the renewal of the Contract with ESIS for the administration of the City's Workers Compensation Program from 1/1/83 to 7/1/83 and authorized the Mayor and City Clerk to execute the Agreement on behalf of the City.

ESIS

One Embarcadero Center
Suite 810
San Francisco CA 94111
(415) 954 4376

January 10, 1983

Mr. Jerry Glenn
Assistant City Manager
City of Lodi
PO Box 320
Lodi, CA. 95241

Dear Mr. Glenn:

This will confirm our telephone conversations in which acceptance of a six month contract with ESIS was finalized.

I am sending for signature two copies of the ESIS contract for the first six months of 1983. Please return one copy of the signed contract to me retaining, the other for your own records.

ESIS is looking forward to providing you with excellent service during the next contract period. Should there be any problems with the contract please do not hesitate to call me at (415) 954-4378.

Very truly yours,


Jim Dyson
Account Manager

JD/jf

ESIS, INC
CLAIMS SERVICE CONTRACT
OCCURRENCE
(NOT AN INSURANCE POLICY)

SERVICE CONTRACT NO. 569
Specific Conditions

CONTRACT PERIOD:

This Agreement is effective on the 1st day of January, 19 83,
and terminates on the 1st day of July, 19 83.
City of Lodi

(Client)

221 West Pine Street

(Address)

Lodi, California 95240

hereinafter called the "CLIENT" and ESIS, INC. a California Corporation, with an office at 11 Embarcadero Center,
Suite 810, San Francisco, CA. 94111

hereinafter called "ESIS," do hereby agree to the following terms and conditions:

1. This contract covers operations of the CLIENT in the State(s) of: California
2. This contract applies to the following type(s) of claims:
Workers' Compensation
3. (a) Except in the limited circumstances described in 3 (b) below, you agree that for claims reported to ESIS under this contract, you will pay ESIS the **greater** of:

(i) Claim Transaction Fees on a per claim basis as follows:

Medical Only

\$ 25 per claim for each of the first 23 claims and

\$ 25 per claim for each claim in excess of the first 23 claims.

Statutory

\$ 336 per claim for each of the first 11 claims and

\$ 343 per claim for each claim in excess of the first 11 claims.

or (ii) a Minimum Contract Fee of \$ 4,271

- (b) In the event that prior to the end of the contract period stated above you cancel this contract with cause or we cancel this contract without cause, then you agree that for claims reported to ESIS under this contract you will pay ESIS Claims Transaction Fees on a per claim basis as follows:

Medical Only

\$ 25 per claim for each of the first 23 claims and

\$ 25 per claim for each claim in excess of the first 23 claims.

Statutory

\$ 336 per claim for each of the first 11 claims and

\$ 346 per claim for each claim in excess of the first 11 claims.

- (c) The entire Minimum Contract Fee must be deposited with ESIS no later than 1/1/83. When the number of claims reported to ESIS multiplied by the Claim Transaction Fees described above exceeds the Minimum Contract Fee, ESIS will commence billing you for additional Claims Transaction Fees on a per claim basis. Such additional fees must be paid to ESIS within 10 days after the billing date.

- (d) In actions or disputes involving multiple parties claiming a right to recovery from the CLIENT, for purposes of calculating total Claims Transaction Fees, a Claim Transaction Fee shall be charged for each individual claim, except that the additional assertion by individuals of their rights as dependents or as the legal representative of the same injured or deceased individual shall not be deemed to constitute an additional claim for purposes of determining total Claim Transaction Fees.

4. CLIENT will make funds available to ESIS for allocated loss expenses and claim payments and claim settlements as follows: To maintain a \$21,500 claim fund deposit balance
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5. Failure by you to pay ESIS Claims Transaction Fees or the Minimum Contract Fee as required or to maintain the required claim fund or any other breach of this contract by you shall give ESIS the right to refuse to handle pending claims to conclusion and to refuse to handle any new claims including but not limited to late reported claims. If ESIS elects to exercise its rights under this paragraph 5, in addition to all other legal remedies, we will have the right to charge a full claim transaction fee for each pending claim and any excess monies in your claim fund may be retained by ESIS and set off against your indebtedness to ESIS so long as the amount of the excess retained does not exceed the total amount of your indebtedness to ESIS.
6. CLIENT hereby gives ESIS Discretionary Settlement Authority up to and including: \$ Statutory limits and \$5,000 lump sum authority
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7. ESIS will provide statistical reporting or processing services as follows: Claim fund recap loss detail and loss summary reports monthly
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Notwithstanding the provision of such services by ESIS, it shall be solely your responsibility to determine whether and when claims handled on your behalf and allocated loss expenses incurred on your behalf under this contract amount to or exceed or are likely to amount to or exceed any aggregate limitation with which you are concerned or interested or by which you are bound.

8. Your claim files will be destroyed according to the following procedure: See attached schedule
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9. The General Conditions (ESIS Form No. EI-18371) are made a part hereof as though fully set out herein.
10. (a) This contract is for a period commencing January 1, 19 83 and ending July 1, 19 83.

(b) ESIS and CLIENT agree, however, that unless one of them gives notice to the other in writing received at least 60 days in advance of the end of the contract period or unless the contract is cancelled by ESIS or CLIENT as provided for in Section IV of the General Conditions, then this contract will be automatically renewed for a new contract period equal in duration to the contract period described in (a) above, commencing on the last day of the contract period set forth in (a) above.

11. No handwritten or typed amendments to this contract are enforceable unless initialed by all parties to the contract.

ADDITIONAL CONDITIONS AND AGREEMENTS

IN WITNESS WHEREOF, the parties have caused this contract to be executed in their behalf by the undersigned duly authorized persons.

Signed this _____ day of _____, 19 _____ in the County of _____, State of _____.

(CLIENT)

By _____
 Fred M. Reid
 Mayor
 (Title)

ESIS, INC.

By Zore Poyan
 Account Manager
 (Title)

Attest: Alice M. Reimche
 City Clerk

CITY COUNCIL

FRED M. REID, Mayor
ROBERT C. MURPHY,
Mayor Pro Tempore
EVELYN M. OLSON
JAMES W. PINKERTON, Jr.
JOHN R. (Randy) SNIDER



CITY OF LODI

CITY HALL, 221 WEST PINE STREET
POST OFFICE BOX 320
LODI, CALIFORNIA 95241
(209) 334-5634

Fu 1/19/83
HENRY A. GLAVES, Jr.
City Manager

ALICE M. REIMCHE
City Clerk

RONALD M. STEIN
City Attorney

January 25, 1983

Mr. Jim Dyson
Account Manager
ESIS
One Embarcadero Center
Suite 810
San Francisco, CA 94111

Dear Mr. Dyson:

Pursuant to your January 10, 1983 letter enclosed herewith, please find a fully executed copy of Service Contract No. 569 covering the first 6 months of 1983, which contract was approved by the Lodi City Council at its regular meeting of January 19, 1983.

Should you have any questions regarding this matter, please do not hesitate to call this office.

Very truly yours,

Alice M. Reimche
Alice M. Reimche
City Clerk

AMR:jj
Enc.