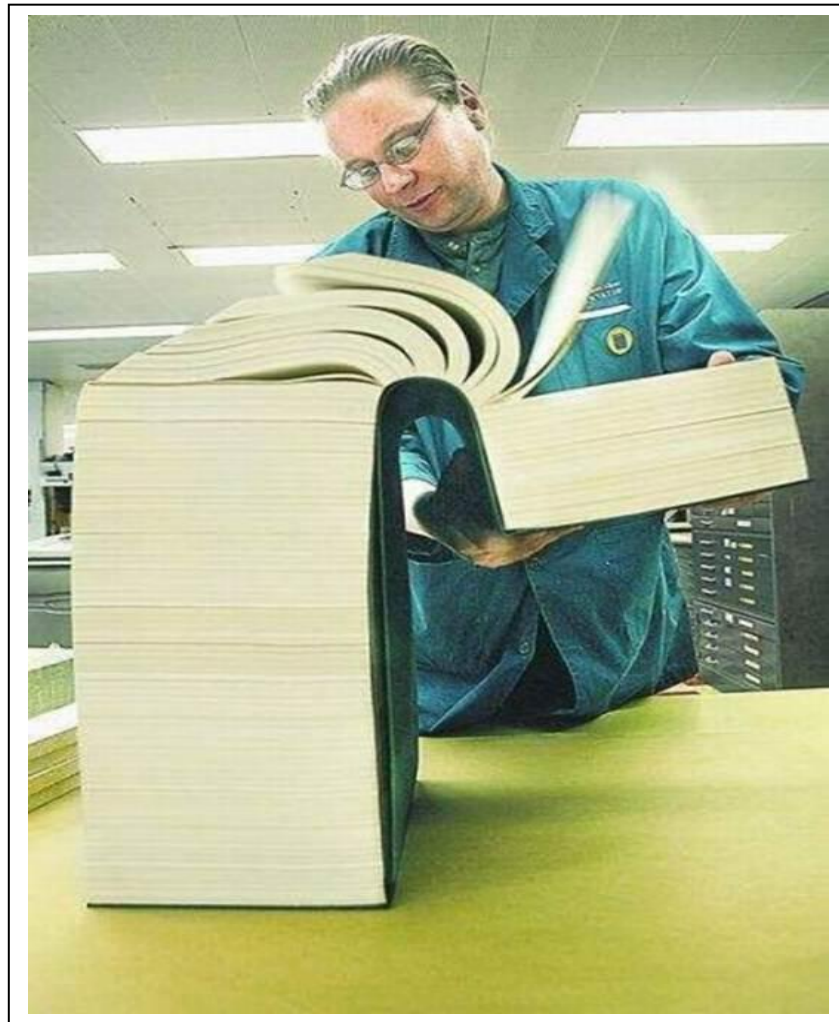


# **WEST COAST** *Casualty Service, Inc.*

*“We speak the Language of Claims”*

## *Third Party Administration Service Overview for the Self-Insured Policyholder*



*Understanding Claims, Litigation and Insurance Coverage  
a National Issue with National Problems and National Solutions*

Dog Bites, *Mandatory Settlement Conferences*, Slip and Fall, **Indemnity Agreements**, Non-Skid Surfaces, Deductibles, UBC, *Duty to Defend*, Appraisal, Crane failure, Policy Endorsements, Medical Payments, Loss Wage Authorization, California Fair Claims Regulations, Jury, Sheriff's Department, **Sliding Scale Settlements**, Elder Care Abuse, Mary Carter Agreements, *Summons and Complaint*, MAIT Team, Demurrer, Preservation of Evidence, *Motion for Summary Judgment*, Accident Reconstruction, **Declaratory Relief Action**, Building and Safety, Bus Accident, *Buss vs. TIG*, Hardscape, American With Disabilities Act, *Additional Insured Endorsement*, Montrose Exclusion, *High-Low Agreements*, Roofing, Cumis Counsel, Umbrella Coverage, *Aerojet*, Superstructure, Total loss, Declaratory Relief, Mudslide, *PUC*, Cost, Canvass for Witnesses, Deep Soils, Water Features, *Partial Payment NICB*, Work

Product  
Coverage  
Plaintiff,  
Omission  
Depositio  
Contract  
of Earni  
Sexual H  
of Cont  
Regulatio  
Exclusio  
Bonds, F

# **WEST COAST** *Casualty Service, Inc.*

*Third Party Administrators, Independent Claims Adjusters  
and Private Investigators*

*Because No Matter What's Being Said . . .*

*"We Speak the Language of Claims"*

Concurrent  
Coverage, ISO, N.R.S. 40.600, 1B Coverage, Deep Pockets, **Construction Defects**, Safety Glass, **Calderon Claim**, Government Entity, Registered Nurse, Disability Coverage, Intentional Acts Pre-judgment Interest, *Primary Coverage*, Non-Delegable duty, Surety, Owned Property Coltran Investigation, **MSC**, Fee Schedule, Hard Water, Civil Code, *Life Expectancy*, Products Liability, Actual Cash Value, Risk Management, Libel, Objective Findings, **Employers Liability**, Court Search, Malpractice, Code Violation, **MRI**, Attorneys Fees, *Classification of Insured*, **Certified Nursing Assistant**, Safety, Preservation of Evidence, Errors and Omissions, *Jury Selection*, AIC, SIU, CG 2009, **Advertising Liability**, Cost of Defense, Target Defendant, Empty Chair, Med Pay, Certificate of Insurance, *Index*, **Reservation of Rights**, Hostile Fire, **Aggregate**, Workers Compensation, Fault, Cause and Origin, CGL, Promissory Note, Wrap Up, Supervision, Physical Evidence, Property Owner, *Punitive*

r Work,  
*Default*,  
ors and  
sdiction,  
General  
ks, Loss  
accident,  
*Breach*  
an, ICC  
m, Soils  
damages,

*You have choices . . .*

*It's your company . . .*

*It's your money . . .*

*It's your reputation . . .*



- **You pick your brokers for their expertise in addressing your specific needs**
- **You pick your coverage and defense counsel for their experience and knowledge in handling claims and insurance matters**
- **Why would you settle for anything less when selecting a third-party claims administrator?**
  - *Who knows and understands your business?*
  - *Who looks out for your company?*
  - *Who understands the particular problems, issues, needs, specific laws and claims of the self-insured community?*

**We have been here proudly serving the self-insured community for over thirty-two (32) years**

*Quality . . . .*

*Experience . . .*

*Professionalism . . . .*

*Technology . . .*

*Your partner in the claims process  
giving you the peace of mind you deserve*

**David Stern, RPA**  
**President and Corporate Secretary**  
*West Coast Casualty Service, Inc.*



Dear Friends and Colleagues,

The world for policyholders has changed greatly over the past few years all across the United States as a result of changes in various state laws involving coverage, liability and damages. Most importantly, how they affect you, the policyholder is our story.

In the past, you would receive a call from someone who was having a problem where they say you were involved. A quick investigation meant a problem was acknowledged and most likely resolved. Everyone ended up happy. The claimant and policyholder were happy because the issue between them was resolved quickly and life moved on.

Today, times are extremely different. Because of changes in law and new claim theories being tested all over the country, not doing something by a specific date can cost a policyholder thousands of dollars, if not tens of thousands of dollars in defense costs and that might be just to get out of the defense of the claim, never mind the potential liability costs of the claim.

At West Coast Casualty, we made a commitment to the national self-insured community of being on top of state laws, timetables, court cases, rules and regulations that directly affect self-insured policyholders so that they will be protected when claims appear.

With a national relationship of experts at our disposal backed up by our own experienced staff, we regularly respond to claims throughout the nation regarding the specific needs of our self-insured clients.

Depending on how the self-insured retention is written, the policyholder may be required to handle the claim similar to the way the insurance company's claim department handled the claims previously. The policyholder would become responsible to investigate the claim, hire defense counsel if the case was in suit, as well as pay the variety of expenses that go along with the claims handling. For our clients, all of that is handled with a phone call to us.

Some carriers require that a policyholder use "certain" third party administrators who the carrier wants to handle the claims, but we believe that since it's your company, it's your money and it's your reputation in each and every claim, you should choose wisely to protect what you worked so hard to build. You should pick the right third-party administrator who works for you. After all, you're paying the bills and you are responsible for the claims handling, why shouldn't the choice be yours?

***We know you have choices . . .***

***It's your company, it's your money, it's your reputation . . .***

***Choose wisely to protect what you worked so hard to build . .***



*A brief word about*  
*Right to Repair/Opportunity to Repair which affect self-insured*  
*contractors and their subcontractors*

Of concern for residential builders, their prime contractors and their subcontractors is that since the mid nineteen nineties, approximately 40 state governments attempted to reduce construction litigation through the creation of what has become commonly known as “*Right to Repair and Opportunity to Repair*” laws which was actually a “*gift*” to both consumers and the construction industry.

The intent of the law is clear and that is to reduce the litigation cost, expense and length of time it takes to resolve these matters associated with these specialized construction defect claims.

In reality, despite what many will tell you, the problem does not exist in the law itself, but in the way *Right to Repair and Opportunity to Repair* laws are truly practiced today. The real incentive of the law was to give the parties an opportunity to meet early and flush out the issues in a timely fashion. The problem is that when you do something in a timely manner, there is a clear chance that you will deny someone the opportunity to profit from it. This is true in most litigation, not necessarily in just construction defect related litigation.

The clear intention of the *Right to Repair and Opportunity to Repair* laws which now exist in over 40 states was to reduce both the cost and the time that traditional litigation took to resolve these cases and to ultimately protect the interest of the consumers who bought the homes and the contractors who built them while reducing those cost and getting repairs done faster to prevent further damage to the consumers homes.

In 1995 California was the first state to enact its own *Right to Repair, Opportunity to Repair* law. Since then, the staff of West Coast Casualty has been working with builders across this country to help them work within their own *Right to Repair and Opportunity to Repair* laws with many successes. This is the prime reason we operate in so many states today. It is also the reason we have the proud distinction of not losing one to a litigation process thus doing what the legislative intent was meant for;

- and that was to save time;
- respond quickly;
- relieve frustration;
- improve customer relations
- get to the “end game” faster, and;
- reduce cost and expense for our clients and their customers.

*Right from the start, we’re with you, every step of the way.*

*That is what you want in a claims partner . . .  
. . . . someone watching out for your interest.*

# **WEST COAST** *Casualty Service, Inc.*

While we are best known for our work in the construction arena representing the self-insured interest of developers, design professionals, general contractors and the variety of specialty subcontractors involved in the construction of industrial, commercial and residential structures, we also known for our successes in the areas of Automobile, Bus and Truck, General Liability, Employers Liability, Environmental, Products Liability and Professional Liability.

We have a long history of representing policyholders who have self insured retentions on their commercial general liability insurance policies, therefore we are fully familiar with all the special needs of this particular clientele and remain sensitive to those needs while complying with their carriers requirements.

As reflected throughout this document, our organization handles the simplest single task assignments as well as multi-party complex claims from inception through final disposition.

We believe that our knowledge and experience allow us to become involved in all aspects of liability and damage issues that face our clients. Due to our familiarity with plaintiff, defense and coverage counsel, we believe that we can “*cut right to the chase*”, thus avoiding needless cost and expenses to complete investigations efficiently and effectively for our clients.

Our approach to claims handling is to treat each case individually and examine the specific facts and circumstances that face our client to produce the most time effective cost-efficient investigation and adjustment for our clients. We believe that keeping pace with current industry trends, new technologies, updated coverage and appellate law, our experienced staff protects the best interest of our clients. It is with that experience in mind that we believe that we are fully prepared to meet the challenges that face insurers, self insurers, defense and coverage counsel in their response to claims handling and litigation that face them.

In addition to the various construction related seminars we are involved with, we proudly sponsors smaller “*Lunch-N-Learn*” sessions throughout the year in various locations as well as provide bulletins on vital issues of importance that face our clients. West Coast Casualty Service is an authorized provider of continuing education for adjusters, agents and brokers in forty (40) states, the Society for Chartered Property Casualty Underwriters (CPCU), the Registered Professional Adjusters (RPA) and we are also providers for MCLE credits for may state Bar Associations and Industry Groups.

***Last, but not least, there is never a set up fee or retainer requirement to establish or maintain an account with us, because right from the start, we’re with you, every step of the way.***

***Because . . . That is what you want in a claims partner, someone watching out for your interest.***

***You should expect . . . demand . . . and settle . . . for nothing less.***



## *Why They Hire Us . . . Why You Should Hire Us*

*West Coast Casualty Service, Inc.* is a nationally and internationally recognized leader in the handling of policies with self-insured retentions as well as the claims that go along with them.

- In-house, we have serviced over 40,000 claims but we have been involved in over 100,000 claims
- Our personnel have worked for many of our clients on-site at the client's locations addressing the specific needs of the clients directly
- At the request of some of our clients, our personnel have managed and supervised the claims of other Third-Party Claims Administrators
- Our personnel have served as auditors of insurance programs
- Our personnel have served as consultants in insurance programs
- Our personnel have served as experts in construction and insurance claims
- Our personnel have served as trainers for insurance, brokers and self-insured companies

*West Coast Casualty Service, Inc.* is a nationally and internationally recognized market leader in quality and value priced products for the communities we serve.

*West Coast Casualty Service, Inc.* is dedicated to providing claims adjusting products and services that provide quality protection with value pricing.

*West Coast Casualty Service, Inc.* has a seasoned and experienced professional claims staff

*West Coast Casualty Service, Inc.* has locations throughout all heavily populated areas

*West Coast Casualty Service, Inc.* has the ability to customize and integrate with most existing computer systems

It is our ultimate goal to establish a successful long term partnership with our clients, staff members as well as all of the members of the insurance and self-insurer community resulting in the mutual interests and goals of the customers we so proudly serve.



*Just some of the Carriers who approve us  
as a TPA for their policyholders;*

ACE/USA-Illinois Union/Chubb

Argonaut Specialty Insurance Company

Axis Insurance Company

Colony Specialty Insurance Company

Cove Programs

Crum and Forster Insurance Company

First Mercury Insurance Company

Gemini Insurance Company

General Star Insurance Company

Investors Underwriting Managers

Ironshore

Lexington Insurance Company

Lexington London

Liberty International Underwriters

Lloyds

Royal Sun Alliance

Sheffield Insurance Company

Steadfast Insurance Company

Zurich Insurance Company



# WEST COAST

*Casualty Service, Inc.*

*“We Speak the Language of Claims. . . ”*

*We proudly highlight some of our distinct advantages:*

- *A seasoned and highly experienced professional claims staff located throughout all heavily populated areas*



© www.ClipProject.info

- *A completely “paperless” system with access to your claims files “On-Line” 24 hours a day, 7 days a week via the Internet from anywhere in the world*
- *An ability to customize our computer system and integrate with your existing systems*
- *Plus . . . many value added services*

*West Coast Casualty Service, Inc.* is a nationally and internationally recognized market leader in quality and value priced products for the community we serve. *West Coast Casualty Service, Inc.* is dedicated to providing claims adjusting products and services that provide quality protection with value pricing. It is our ultimate goal to establish a successful long term partnership with our clients, staff members as well as all of the members of the insurance and self-insurer community resulting in the mutual interests and goals of the customers we so proudly serve.



*Pick Us . . . Because for You . . . We'll always Measure Up*

The plain truth of it is that you cannot go anywhere in the self-insured community and not know the name, *West Coast Casualty Service, Inc.*

*The secret to our self-Insured practice, reputation and success is simple:*

- *It is built on a solid foundation of experience, integrity, knowledge and trust in the community*
- *We only utilize experienced casualty adjusters with a solid expertise in self-insured related claims*
- *We understand the complexities involved with self-insured claims and provide our clients with the expertise and knowledge in order to handle all aspects of the claims process*
- *It all starts with a full and complete understanding and application of law in your state or the state where the loss occurred;*
  - *Once a claim comes in, we will get right on it analyzing and investigating liability*
  - *Then, if liability is established, the correct determination of damages will be determined*
  - *Lastly, the claim is negotiated and concluded*

. . . . and all along the way, you may rest assured and feel confident your claims will be handled swiftly with honesty and integrity. You will always have the confidence of knowing that experienced, hand-picked claims professionals are handling your claims in the manner your company wants them to be handled, with professionalism, style and decorum you will always be proud of.

***The right choice in a TPA can actually add value to your entire operations, enhancing the service experience and reinforcing your good name and reputation with your customer base.***

There remains no question that with the direct access to our management team, our processes, our resources, our adjusting team as well as the benefit of our state of the art Internet based computer systems you'll experience newfound efficiency and customer satisfaction like you have never experienced before.

# WEST COAST

*Casualty Service, Inc.*



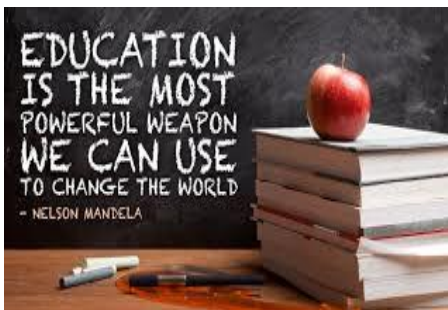
*Investigation Services* are tailored to meet the specific requirements of our clients. We are able to provide a wide range of claims services including, but not limited to the handling of the following types of claims;

- Construction Site Accidents/Construction Delay
- Construction Defect Claims against:
  - Developers
  - General Contractors
  - Design professionals
  - Specialty Subcontractors
- Product Manufacturers and Distributors
- General Liability/ Auto Liability
- Agents and Brokers Errors and Omissions
- Professional Liability
- Public/Municipal Liability
- Mobile/Manufactured Homes

### *Third Party Administration Programs:*

- Casualty Programs
- Class Action Programs
- General TPA Services
- Online Claim Reporting
- Remote e-File Access
- Customized and tailored to meet YOUR needs

*Education and Training* of our staff is encouraged and rewarded. West Coast Casualty Service, Inc., hosts an annual Seminar on Construction Defect Claims, which is the largest of its kind in the United States. Additionally, we provide educational seminars to our clients on Fair Claims Practice Regulations, Fraud Investigations and Construction Defect claims. West Coast Casualty Service, Inc. is the publisher of “*FOR IMMEDIATE RELEASE*”®, our own in-house e-mail news service devoted to national claims related issues. West Coast Casualty Service, Inc., is an approved continuing education (CE) provider in forty (40) states as well as the Registered Professional Adjuster (RPA) and the Society for Chartered Property Casualty Underwriter (CPCU) programs. We are also an approved provider for mandatory continuing legal education (MCLE) for many State Bar Associations as several industry trade associations.



*Our goals and your goals are the same . . .  
we will help you reduce cost, expenses and exposure  
while delivering first class superior claims service*



We are conscious of our customer's needs to control both expenses and exposures, therefore any of the services described in this material can be individually carved out or customized to fit a client's specific needs or budget.

We can also tailor our claims handling to identify areas which are sending "red flags" to the client and determine if these are isolated issues or a small picture of a greater problem.

We can provide input and resources to assist in the revision of the existing claims and/or litigation management guidelines as well as provide information and assistance on underwriting needs.

We will work with you to help you decide on the most advantageous structure for your specific situation and needs.

We can help determine if claims development trends are taking place which could have an impact on the future pricing of insurance premium for your company.

**WEST COAST**  
*Casualty Service, Inc.*

*"that good old fashioned . . . . .  
. . . . .I'll be right over, service"*

While much of this material refers to our construction related business, we also handle claims adjusting of claims involving:

- General Liability • Auto Liability • Commercial Livery including Charter Bus, School Bus, Taxi & Limousine • Construction Defect Claims • Construction Site Accidents • Trucking & Transportation • Restaurant & Hospitality • Automobile Dealers • Employers Liability • Attorney's E&O • Nursing Homes • Labor law • Real Estate E&O • • Entertainment Liability • Public Officials & Police Liability •
- Security Guard • Professional Liability • and a whole lot more . . . .



**What is Product Quality?**  
© kalyan city.blogspot.com  
*"Product quality means to incorporate features that have a capacity to meet consumer needs (wants) and gives customer satisfaction by altering products (goods) to make them free from deficiencies or defects."*



*The above list is not all inclusive of our expertise, but rather is meant to represent the central core of our casualty business*

*When you are looking for a “real” working partner in the claims process and not just “another” adjusting company . . .*

*Whether it is one claim . . .*

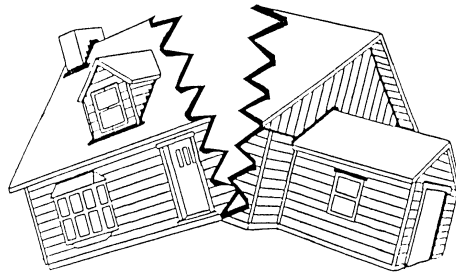
*or a thousand . . .*

*We have been here proudly serving the insurer and self-insurer communities for Thirty-Two (32) years*

***Quality, Professionalism, Peace of Mind,  
not just “another” adjusting company***

*27<sup>th</sup> Anniversary*

*West Coast Casualty's*



**Construction Defect Seminar**

**May 13<sup>th</sup> and 14<sup>th</sup>, 2021**

**The Disneyland Resort Hotel  
Anaheim, California U.S.A.**

*America's Largest . . .*

*America's Favorite . . .*

*America's Best . . .*

*Construction Defect Event*

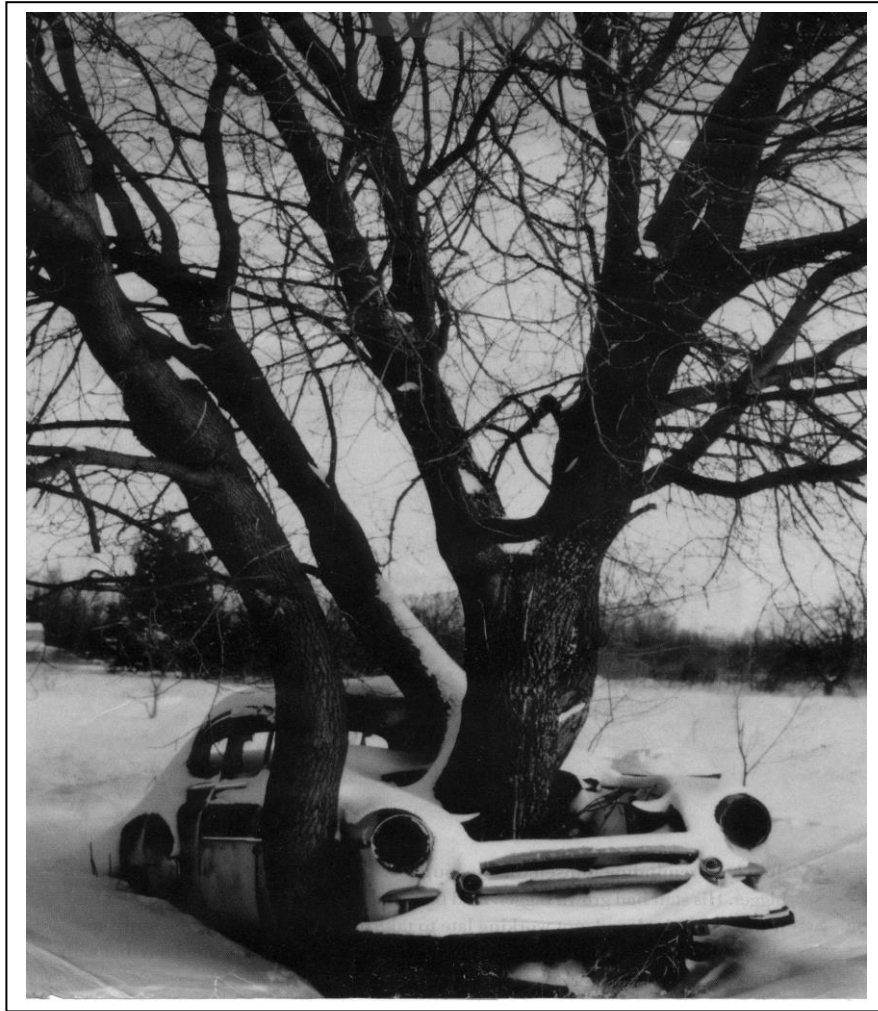
**West Coast Casualty's Construction Defect Seminar is the largest seminar of its kind specifically dedicated to the education of the construction defect community. With attendees averaging over 1500 annually who come from 26 U.S. States and several foreign countries, West Coast Casualty's Construction Defect Seminar has established itself as a national leader in this field of specialized claims and litigation. West Coast Casualty's Construction Defect Seminar is an accredited continuing education event, approved by 40 state insurance departments, 24 state bar associations, the Society of the Chartered Property and Casualty Underwriter (CPCU) as well as the Society of the Registered Professional Adjuster (RPA) and industry trade associations**

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[www.westcoastcasualty.com/seminar/](http://www.westcoastcasualty.com/seminar/)

*Aging Claims Problem? Run-off Issues?  
Long Tail Problem? “Old Dog” Claim Files?  
No Aggressive Closures?  
Cost of Claims Going through the Roof?*



*We want what you want, an effectively and efficiently  
handled file that closes.*

**Call us, we will help you get the job done  
right.**

**THIRD PARTY ADMINISTRATION  
SERVICE AGREEMENT**

West Coast Casualty Service, Inc. (hereinafter referred to as the "TPA"), located at 516 Pennsfield Place, Suite 208, Thousand Oaks, CA 91360 and \_\_\_\_\_ (hereinafter referred to as the "Named Insured") in consideration of such mutual covenants and promises as are contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agrees to provide the services as set forth in this agreement on any claims made against the Named Insured.

The TPA agrees to provide all services set forth herein to the Named Insured in connection with all claims reported to the TPA and made against the Named Insured under the policy issued to the Named Insured by \_\_\_\_\_ Insurance Company (hereinafter referred to as the "Carrier") under policy number \_\_\_\_\_ for the time period of \_\_\_\_/\_\_\_\_/\_\_\_\_ to \_\_\_\_/\_\_\_\_/\_\_\_\_ or until such claims are closed or responsibility for the claim is transferred to Carrier per the terms of the Carrier's policy referenced above unless this agreement is terminated by either party. The Named Insured by its acceptance of the delivery of this agreement agrees to abide by the agreement's terms and conditions hereto.

**I. SERVICES PROVIDED**

Subject to all other terms and conditions of this Service Agreement, the TPA shall provide the following services on any Claim assigned to the TPA by the Named Insured or its authorized agent(s):

1. **CLAIMS ADJUSTMENT:** As set forth and limited in this Service Agreement, the TPA shall:
  - a) establish a Claim Adjustment File with respect to each claim assigned by the Named Insured;
  - b) conduct appropriate investigation of such Claims as deemed necessary by the TPA within acceptable industry standards; and regulations established by the State Insurance Departments having jurisdiction over such claims therein;
  - c) secure necessary claims-related services;
  - d) adjust, settle or resist Claims within the Discretionary Settlement Authority Limit to the extent deemed necessary by the TPA; and
  - e) recommend settlement value to the Named Insured.
2. Any client instructions that are created relating to the claims associated with this Service Agreement can be changed during the performance of this Service Agreement as agreed to in writing between the Named Insured and the TPA. The TPA agrees to exercise its best efforts to provide to the Named Insured the services provided hereunder in such a way and in such a manner as to ensure that every adjuster, claim investigator, appraiser and/or employee used by the TPA or subcontracted to by the TPA will adjust and/or investigate every assigned Claim or matter covered by this Service Agreement in accordance with this Service Agreement and any associated client instructions.
3. **CLOSED CLAIM ADJUSTMENT FILES:** The TPA agrees that it will retain and store closed Claim Adjustment Files for a minimum period of five (5) years, after which the TPA shall forward the closed Claim Adjustment Files to an office designated by the Named Insured, at their request. The Named Insured will pay the associated shipping and handling costs.



## **II. DISCRETIONARY SETTLEMENT AUTHORITY LIMIT**

1. The Discretionary Settlement Authority Limit(s) granted to the TPA under this Service Agreement for the activities set forth throughout this agreement is “Zero” (0) unless it is provided by amendment or specified on any approved Named Insured Client Instructions and may be adjusted from time to time by consent of the Named Insured.
2. The TPA shall have the authority, with the Named Insured’s approval if required by this Agreement and/or applicable Named Insured’s Client Instructions, to bind the Named Insured for Claims related services that are deemed to be Allocated Loss Expenses.

## **III. PROPRIETARY INTEREST**

1. **OWNERSHIP OF SYSTEMS:** All systems created by the TPA in performance of activities under this Service Agreement shall belong to, and remain as property of the TPA and the Named Insured will have no ownership interest therein. “Systems” as used herein shall include but is not limited to, computer programs, computer equipment, formats, risk data report formats, procedures, documentation and internal reports of the TPA, but shall not include Claim Adjustment Files returned to the Named Insured or financial, claim or actuarial data specific to the Named Insured. All systems developed by the Named Insured for the purposes of establishing, maintaining or processing the Named Insured’s financial, claim, actuarial or reinsurance data shall belong to, and remain the exclusive property of the Named Insured and the TPA shall have no ownership interest therein.
2. **OWNERSHIP OF FILES:** All claim file materials gathered by the TPA in the course of investigating or administering any Claim under this Agreement, including electronic file notes, shall be and remain the sole property of the Named Insured.
3. **PROTECTION OF DATA:** The TPA shall use its best efforts to ensure the availability of the computer loss data and the operation of the computer hardware. In the event of damage to or malfunction of the computer hardware, the TPA will use its best efforts to obtain replacement alternative computer hardware to restore the service to an acceptable level in a timely manner, but in no event for a period of more than 7 days; upon the expiration of which, without the TPA’s satisfactory return to an acceptable level, the Named Insured shall have the option to terminate this Service Agreement upon 30 days written notice.
4. **PRIVACY OF DATA:** The TPA will maintain the confidentiality of all data supplied to and used by the TPA in the performance of this Service Agreement. The TPA will not disclose this data or the contents of the data files without the written consent of the Named Insured. The TPA will require every adjuster, claim investigator, appraiser and/or employee used by the TPA or subcontracted to by the TPA to maintain such confidentiality. The TPA’s obligation to maintain the confidentiality of the data supplied to and used by the TPA in the performance of the services under this Service Agreement, shall survive the termination of this Service Agreement.

## **IV. INDEPENDENT CONTRACTOR STATUS**

The TPA at all times shall be an independent contractor, and employees of the TPA shall in no event be considered employees of the Named Insured. No agency relationship between the parties, except as expressly provided for herein, shall exist as a result of the execution of this Service Agreement or performance thereunder.

The TPA reserves the right, in its sole discretion to assign performance of activities under this Service Agreement to any of its personnel and to subcontract to third parties any part or all of the TPA's duties with the Named Insured's approval, provided, however, that any subcontracting by the TPA shall not relieve the TPA of its obligation to the Named Insured under this Service Agreement. The TPA shall exercise reasonable care in the selection of any employee, service company, adjusting company, adjuster, claims investigator, attorney, cost control person or appraiser which it employs or to which it subcontracts its responsibilities hereunder, to ascertain that such subcontractors hold proper licenses for the work to be performed, and to warrant that it and its adjusters, claims investigators and appraisers hold proper licenses for the work to be performed, maintain insurance coverage in amounts acceptable to the Named Insured and are resident in those states requiring residency, in which it renders services hereunder.

## **V. MUTUAL HOLD HARMLESS AND INDEMNITY**

The Named Insured shall defend, indemnify and hold harmless the TPA, its officers, directors, attorneys, employees, agents or other representatives from any and all loss, costs, administrative fines, penalties or expenses (including, without limitation, reasonable attorneys' fees and litigation expenses) to the extent incurred by the TPA, its officers, directors, attorneys, employees, agents or other representatives or subcontractors, as a result of any negligent act, grossly negligent or willful act or omission of the Named Insured, or the Named Insured's officers, directors, attorneys, employees, agents or other representatives, taken or omitted to be taken pursuant to this Agreement.

The Named Insured shall promptly reimburse the TPA for all reasonable costs and expenses that are incurred by the TPA in connection with the investigation of, preparation for or defense of any pending or threatened claim for which the TPA would be entitled to indemnification pursuant to the terms and conditions of this Service Agreement, whether or not the TPA is a party thereto (such claim, action, suit, proceeding or investigation hereafter referred to as "Indemnity Claim").

Promptly upon receipt by the TPA of a notice of its involvement in any such Indemnity Claim, the TPA shall immediately provide the Named Insured with written notice of such Indemnity Claim. Failure by the TPA to provide the Named Insured with written notice will not relieve the Named Insured from its obligations to indemnify the TPA under this Service Agreement, except to the extent that the TPA's failure to notify results in the forfeiture by the Named Insured of any substantive rights or defenses.

The Named Insured shall be entitled to assume the defense of any Indemnity Claim and upon the assumption of the defense of such Indemnity Claim by the Named Insured, the TPA shall be entitled, at its own expense, to associate in the defense of such Indemnity Claim. The TPA shall not be entitled to settle or compromise any Indemnity Claim without the written consent of the Named Insured, which consent shall not be unreasonably delayed or withheld.

The TPA shall defend, indemnify and hold harmless the Named Insured, its officers, directors, attorneys, employees, agents or other representatives from any and all loss, costs, administrative fines, penalties or expenses, (including, without limitation, reasonable attorney fees and litigation expenses) to the extent incurred by the Named Insured, its officers, directors, attorneys, employees, agents or other representatives because of any negligent act or grossly negligent or willful act or omission of the TPA or its officers, directors, attorneys, employees, agents, other representatives or subcontractors, taken or omitted to be taken pursuant to this Agreement.

The TPA shall promptly reimburse the Named Insured for all reasonable costs and expenses that are incurred by the Named Insured in connection with the investigation of, preparation for or defense of any pending or threatened claim for which the Named Insured would be entitled to indemnification pursuant to the terms and conditions of this Service Agreement, whether or not the Named Insured is a party thereto (such claim, action, suit, proceeding or investigation hereafter referred to as "Indemnity Claim").

Promptly upon receipt by the Named Insured of a notice of its involvement in any such Indemnity Claim, the Named Insured shall immediately provide the TPA with written notice of such Indemnity Claim. Failure by the Named Insured to provide the TPA with written notice will not relieve the TPA from its obligations to indemnify the Named Insured under this Service Agreement, except to the extent that the Named Insured's failure to notify results in the forfeiture by the TPA of any substantive rights or defenses.

The TPA shall be entitled to assume the defense of any Indemnity Claim and upon the assumption of the defense of such Indemnity Claim by the TPA, the Named Insured shall be entitled, at its own expense, to associate in the defense of such Indemnity Claim. The Named Insured shall not be entitled to settle or compromise any Indemnity Claim without the written consent of the TPA, which consent shall not be unreasonably delayed or withheld.

## **VI. INSURANCE**

The TPA shall, at all times while obligations under this Service Agreement remain to be performed by the TPA, maintain in force, with an insurance company that has been assigned an AM Best's rating of an A- or higher, such insurance coverage, to the extent of the availability of such coverage, which is normal and customary and/or required by law to protect itself and its clients including Comprehensive General Liability Insurance Coverage, including contractual liability, insurance coverage, Workers Compensation Insurance Coverage and Errors and Omission (Professional Liability Insurance Coverage).

## **VII. COMPENSATION**

Except as otherwise provided in this Service Agreement, the TPA shall be compensated by the Named Insured at the prevailing time and expense rate of TPA and such time and expense is to be invoiced on a monthly basis in a format that is acceptable to the Named Insured. All expenses that are incurred by the TPA in the performance of the services under this Service Agreement are to be billed by the TPA to the Named Insured at their actual cost to the TPA. All undisputed amounts of service invoices shall be paid within thirty (30) days of receipt by the Named Insured.

## **VIII. TERMINATION**

1. This Service Agreement may be terminated by either party, with or without cause upon written notice to the other party, provided such notice specifies an effective date for termination not less than sixty (60) days from the date of such notice. Either party may cancel this Service Agreement for cause by giving sixty (60) days' notice of its intention to do so, except that this Agreement shall be terminable immediately and without prior notice by either party in the event of fraud or insolvency. For purposes of this Service Agreement, the failure of the TPA or of the Named Insured to perform any of its obligations under this Service Agreement, which failure continues for thirty (30) days after notice, shall constitute cause.
2. Should the Named Insured at any time during this Service Agreement or following termination of this Service Agreement elect that any or all Claims shall, thenceforth, be handled by itself or delegated by the Named Insured to some third party, the TPA shall, within thirty (30) days of receiving the Named Insured's notice of such election, make available to the Named Insured at the TPA's place of business for the Named Insured's disposition all Claim Adjustment Files, including electronic file notes, pertaining to such matters. The TPA shall, thereafter, have no responsibility for the property disposition of such Claims. Each party shall have an affirmative obligation to cooperate with the other in effecting an orderly transition in the event of termination.

3. In accordance with California Code of Regulations, Title Ten, Section 5.0 subsection 7.5 specifically section 2695.3 entitled "File and Record Documentation", the TPA is required to maintain claim file data that is accessible, legible and retrievable for examination and this data must be available for all open and closed files for the current year and the four preceding years. Other state insurance departments where the Named Insured and the TPA conducts their business may have the same or similar requirements and as such, the requirement for such maintenance of claim file data in those jurisdictions will also be followed in accordance with applicable law. Therefore, the cost of all copying of the Named Insured's claim files in order for the TPA to comply with this requirement will be borne by the Named Insured.

## **IX. STATUS AS INSURER**

The TPA does not act as an insurer for the Named Insured and this Service Agreement shall not be construed as an insurance policy. The Named Insured and/or its agent shall provide the TPA with copies of all applicable insurance policies referenced herein including such applicable endorsements.

## **X. SELECTION OF OUTSIDE COUNSEL**

The TPA will select and recommend, for the Named Insured's approval, outside counsel for coverage and defense obligations best benefiting the needs of the Named Insured's policyholders and/or the Named Insured itself. Every effort will be made to seek counsel familiar with "like and kind" of activities regularly performed by the Named Insured policyholder's in the defense of third party claims. In the event that coverage counsel is required to defend the Named Insured, the TPA will refer to the Named Insured's Client Instructions regarding such selection.

## **XI. INSPECTION OF RECORDS**

The Named Insured shall be entitled to inspect and audit the records of the TPA regarding any matter covered by this Service Agreement. Any such inspection or audit shall be conducted in a manner so as to not unnecessarily interfere with the business of the TPA. These rights of audit shall survive the termination of this Service Agreement.

## **XII. ASSIGNMENT OF RIGHTS**

Neither this Service Agreement nor any rights or obligations hereunder shall be assigned by either party without the prior written consent of the other party first having been obtained. This provision shall not prohibit the TPA from assigning or subcontracting for any of the claim activities to be performed by the TPA subject to this Service Agreement so long as such assigning or subletting is done in accordance with Section IV of this Service Agreement and in compliance with any applicable Named Insured Client Instructions.

## **XIII. ALTERNATIVE DISPUTE RESOLUTION ("ADR")**

The parties agree to submit to alternative dispute resolution any and all controversies arising between them relating to this Service Agreement. The type of dispute resolution shall be agreed upon by the parties. Either party may invoke this provision by giving written notice to the other of its request for ADR. The other party will have twenty (20) days to give a written response accepting the offer of ADR or proposing an alternative form of ADR.

If the parties are unable to reach agreement as to the form of the ADR amicably, then the parties agree to arbitrate this matter at the American Arbitration Association (hereinafter A.A.A.) in the county where this agreement was originated or the nearest county in which the A.A.A. has its offices under the A.A.A. procedure for mediation of business disputes or in a location that has been mutually agreed upon by the parties.

#### **XIV. CONTROLLING LAW**

The laws of the State of California shall govern the terms of this Service Agreement between the TPA and the Named Insured. Any adjudication by any court or competent jurisdiction which invalidates any part of this agreement shall not act to invalidate any other part thereof.

#### **XV. CONSTRUCTION OF AGREEMENT**

This Service Agreement constitutes the entire understanding and agreement between the parties hereto and supersedes all prior and contemporaneous agreements or understandings, written or oral, of the parties hereto, and the previous agreement is canceled by mutual consent of the parties.

The headings in this Service Agreement are for convenience only and are not to be considered a part hereof. This Service Agreement has been formulated as it was jointly drafted by the parties and shall not be construed as though either party were the primary draft hereof.

#### **XVI. AMENDMENT AND WAIVERS**

This Service Agreement may be amended only in writing executed by both parties. No waiver of one or more provisions of this Service Agreement shall constitute waiver of any other provision hereto. This Service Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legatees, representatives, successors and assigns.

#### **XVII. COMPLIANCE WITH LAW**

The TPA represents and warrants that:

- a) it is qualified to do business in the various states in which it shall perform services and that it will take such action as, from time to time, may be necessary to remain qualified;
- b) it complies with all Federal, State and local laws applicable to its activities and obligations under this Contract; and
- c) it shall obtain, at its expense, all licenses, permits and governmental approvals, if any, necessary to the performance of its obligations under this Service Agreement.

#### **XVIII. REGULATORY CHANGE**

In the event that a regulatory change renders any portion of this Service Agreement invalid or illegal, the parties may renegotiate the terms of this Service Agreement, or upon thirty (30) days written notice, may terminate this Service Agreement in its entirety subject to the notice provisions contained herein.

#### **XIV. STATUTORY STANDARDS**

The TPA represents and warrants that to the best of its knowledge, it is complied with, is currently complying with, and shall continue to comply, in all material respects, with all applicable statutory regulations, licensing and other requirements as may be required by law for so long as this Service Agreement, as renewed from time to time, remains in effect.

## **XX. FORCE MAJEURE AND DISASTER RECOVERY**

No party shall be liable for any failure to perform its obligations in connection with any transaction or any document, where such failure results solely from any act of God or other cause beyond such party's reasonable control (including, without limitation, any mechanical, electronic or communications failure) which prevents such party from transmitting or receiving any documents.

However, the TPA shall employ methods to:

- a) prevent the destruction of records and programs by fire or other similar disaster, loss of data in transit caused by machine or human error, or unauthorized manipulation of data or reports;
- b) maintain a disaster recovery plan that addresses, but is not limited to:
  1. data backup;
  2. continuation of services; and
  3. data recovery.

## **XXI. FUNDING OF BANK ACCOUNT(S) FOR CLAIMS/EXPENSE PAYMENTS**

**(This section is only applicable where required by the Named Insured and/or its Insurers)**

Whereas the Named Insured desires to maintain a fund for payments to third parties for third party loss payments and/or expenses associated with the company's claims, the following shall apply;

1. Any and all funds on deposit for the payment of such claims which fall under this agreement shall be the sole property of the Named Insured.
2. All funds required to satisfy the Named Insured's obligations to third parties for third party loss payments and/or expenses associated with the company's claims must be deposited in a lending institution chartered in accordance with the banking law of the State of California. Such banking institution must be insured by the Federal Depositors Insurance Company (FDIC) for the entire amount of such deposit by the Named Insured. The TPA generally utilizes the services of Wells Fargo Bank NA for such purposes but the final selection of such banking institution can be negotiated with the Named Insured.
3. The drawing upon funds for the payment of such third party claims shall be endorsed, by signature, by an authorized representative of the TPA up to an amount of \$\_\_\_\_\_.00. Such account will require two signatures for the drawing and payment of such funds beyond this amount.
4. In the event of insolvency of the TPA, and upon proof thereof, the Named Insured shall have the right to draw upon such funds to satisfy payment of claims under this agreement and/or remove such funds at the Named Insured's sole discretion.
5. In the event of insolvency or bankruptcy of the Named Insured, the proceeds, if any, of monies on deposit shall become the lawful property of the Named Insured's estate. The TPA, upon lawful direction of any appointed trustee, or court of competent jurisdiction, shall transfer such funds in accordance with the instructions of said trustee and/or court order.
6. Any interest accrued on the monies on deposit shall belong solely to the Named Insured.
7. Any tax liability regarding any interest accrued in 6.above shall belong solely to the Named Insured.

8. Nothing in this agreement shall impose any independent liability upon the banking institution selected to maintain such account with the exception of the banking institutions own independent negligence.
9. The TPA subscribes to GAP accounting principles and as such, wishes to have all related banking statements relating to the Named Insured's accounts sent to the Named Insured at the same time they are sent to the TPA for reconciling basis. Such date of reconciliation shall be the \_\_\_\_ of each month. Specific details regarding accounting of bank statements can be addressed in the Named Insured's client instructions.

## **XXII. MANDATORY REPORTING OF CLAIMS TO MEDICARE/MEDICAID**

Unless other arrangements have been made to the contrary, the TPA is an authorized Responsible Reporting Entity (RRE) under U.S. Federal Law. As an RRE, the TPA is required and mandated to report all claims where a claimant makes a third party claim against the Insured of the Named Insured where the claimant is collecting Medicare or Medicaid benefits. By the execution of this agreement, the Named Insured recognizes this federally mandated obligation and acknowledges that the TPA has the authority to report such applicable claims to Medicare, Medicaid or the authorized representative for same on behalf of the Named Insured and its Insured(s).

## **XXIII. NOTICES**

All notices to be given pursuant to this Service Agreement shall be in writing, and shall be deemed to have been duly given when personally delivered or when mailed by United States First Class Mail, postage prepaid to the following address:

To TPA:  
David Stern, President and Corporate Secretary  
West Coast Casualty Service, Inc.  
516 Pennsfield Place, Suite 208  
Thousand Oaks, CA 91360  
E-mail: [davestern@westcoastcasualty.com](mailto:davestern@westcoastcasualty.com)

To Named Insured: (Company name/address, contact name/email)

\_\_\_\_\_  
\_\_\_\_\_

E-mail: \_\_\_\_\_

This Service Agreement and any rights or obligations herein are not transferable or assignable by either party without the express written consent of the other party.

By executing this Service Agreement, to be effective on \_\_\_\_\_, 20\_\_, the undersigned agrees to the terms and conditions as set forth herein.

The TPA:

\_\_\_\_\_  
West Coast Casualty Service, Inc.

Print \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

The Named Insured:

\_\_\_\_\_  
Print \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_



## PRICING SCHEDULE

### TIME AND EXPENSE SERVICES

Adjuster/Investigator Service Fee: (Inclusive of all Office Expense, Telephone/Communication Expense)	\$	99.00/hour
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Mileage:	\$	IRS Approved Rate
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Miscellaneous Expenses: (Police reports, DMV reports, etc.)		At Cost
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Photocopies (extensive):		\$ .20/page
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