

**SERVICE AGREEMENT BETWEEN
VILLAGE OF OAK PARK AND
LODESTAR CLAIMS & RISK SERVICES, INC.**

THIS SERVICE AGREEMENT ("Agreement") is made and entered into this ____th day of July, 2026 by and between the Village of Oak Park (the "Village"), an Illinois municipal corporation and an authorized self-insured entity, and Lodestar Claims & Risk Services, Inc. ("LODESTAR"), a Pennsylvania corporation authorized to perform work in the State of Illinois.

WHEREAS, the Village intends to have third party administrator services performed by LODESTAR for the Village's self-insured workers' compensation program and other services as set forth herein pursuant to this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

A. CONTRACT DOCUMENTS.

1. This Agreement shall consist of the following documents (the "Contract Documents"):
 - a. The Village's Request for Proposals, a copy of which is attached to and incorporated into this Agreement;
 - b. LODESTAR's Response to the Village's Request for Proposals, a copy of which is attached to and incorporated into this Service Agreement; and
 - c. This Agreement.
2. In case of a conflict between the Contract Documents, the conflict shall be resolved so that the Village's Request for Proposals and/or this Agreement controls over LODESTAR's Proposal.

B. APPOINTMENT OF LODESTAR. For the price and at the terms set out in this Agreement, the Village appoints LODESTAR, and LODESTAR agrees to serve as the Village's Third Party Administrator ("TPA") for the Village's self-insured workers compensation program created and existing under the State of Illinois ("State") Self-Insurance Regulations.

C. FUNCTIONS OF LODESTAR. During the term of this Agreement, LODESTAR shall perform the following functions:

1. Claim Administration.

- (a) Claim Management and Administration. In compliance with its best practices, LODESTAR will manage and administer all workers compensation claims of the Village that occur during the period of this Agreement. All claim payments shall be made with Village funds. LODESTAR will act on behalf of the Village in handling, monitoring, investigating, overseeing and adjusting all such actual and alleged claims.
- (b) Claim Settlement. LODESTAR will settle claims of the Village with Village funds in accordance with guidelines established by the Village.
- (c) Claim Reserves. LODESTAR will recommend reserves for unpaid reported claims and unpaid claim expenses.
- (d) Allocated Claim Expenses. LODESTAR will pay all approved Allocated Claim Expenses with Village Funds. Allocated Claim Expenses are charges for services provided in connection with specific claims by persons or firms which are eligible claim expenses under the Village's program. The Village shall be notified and shall timely approve all Allocated Claim Expenses prior to the expense being incurred. Except as noted further in the Agreement, Nothing in this Agreement shall be construed to prohibit the Village from selecting and using its own vendors for Claim Expenses such as medical care, occupational health services, Independent Medical Examiners, nurse case management, surveillance, attorneys, or other claim expenses listed in this paragraph. Allocated Claim Expenses will include, but not be limited to, charges for:
 - 1) Independent medical examinations of claimants;
 - 2) Managed care expenses, which include the services provided by, LODESTAR's proprietary managed care program. Examples of managed care expenses include but are not limited to PPO networks, utilization review, nurse case management, medical bill audits and medical bill review;
 - 3) Fraud detection expenses, such as surveillance, which include the services provided by LODESTAR's Special Investigation Unit (SIU), and other related expenses associated with the detection, reporting and prosecution of fraudulent claims, including legal fees;
 - 4) Court costs, fees, interest and expenses;
 - 5) Depositions, court reporters and recorded statements;
 - 6) Independent adjusters and appraisers;

- 7) Index bureau and OFAC (Office of Foreign Assets Control) charges;
 - 8) Electronic Data Interchanges, EDI, charges if required by State law;
 - 9) MMSEA/SCHIP compliance charges;
 - 10) LODESTAR personnel, at its customary rate or charge, but only with respect to claims outside the State of Illinois and only if such customary rate is communicated to the Village prior to incurring such cost;
 - 11) Actual reasonable expenses incurred by LODESTAR employees outside the State of Illinois for meals, travel, and lodging in conjunction with claim management;
 - 12) Police, weather and fire report charges that are related to claims being administered under Village's program;
 - 13) Charges associated with accident reconstruction, cause and origin investigations, etc.;
 - 14) Charges for medical records, personnel documents, and other documents necessary for adjudication of claims under Village's program;
 - 15) Charges associated with Medicare Set-Aside Allocations; and
 - 16) Other expenses normally recognized as ALAE by industry standards.
- (e) Subrogation. LODESTAR will monitor claims for subrogation.
- (f) Provision of Reports. LODESTAR agrees to provide reports to the Village as specified in the Schedule of Reports attached hereto as Exhibit A.
- (g) Funding of Claims and Expenses.
- a. LODESTAR will establish a non-interest bearing checking account in LODESTAR's name ("Payment Account") with LODESTAR's bank, which is to be funded by the Village but which LODESTAR will administer for the purposes of paying claims and ALAE, in accordance with the procedures set forth in this Section. LODESTAR will provide the Village with a monthly schedule ("Payment Register") outlining all claim payments, ALAE, and correction items funded by LODESTAR and will contain the name of the payee, date of payment, amount of payment, and claim number for all transactions occurring during the prior month.

- b. The Village agrees to fund its claim and expense obligations by way of electronic transfer, LODESTAR will automatically withdraw funds from the Village's account at Village's bank through the Automated Clearing House System ("ACH Debit") for deposit to the Payment Account. ACH Debit activities will occur on a monthly basis. The Village acknowledges that it has signed an Authorization to Access Account Form prior to the inception of LODESTAR's services.
- c. The Village agrees that the Payment Account will initially be funded by Village in an amount equal to 1.5 months estimated claims payments and ALAE which amount may be revised at LODESTAR's discretion at any time based upon the Village's actual claims and expense payment history. If at any time the Payment Account balance is depleted by 75% or more, LODESTAR will automatically withdraw funds sufficient to replenish the Payment Account.
- d. Should the Village fail at any time to maintain the required funding after receiving notification from LODESTAR, then LODESTAR will stop providing services, including ceasing to pay claims and expenses, until such funding has been restored and any related LODESTAR bank charges, fees, or penalties have been paid by the Village.
- e. LODESTAR is not obligated to pay any claims or expenses on behalf of the Village unless the required funds are made available by the Village to LODESTAR to do so. Should LODESTAR advance funding on the part of the Village, then the Village shall immediately reimburse LODESTAR or LODESTAR will stop providing services, including ceasing to pay claims and expenses, until full reimbursement has been received and any related LODESTAR bank charges, fees, or penalties have been paid by the Village.
- f. This Section of the Agreement shall survive the termination of the Agreement.

(h) Section 111 Reporting

- a. The Village understands and acknowledges that it is a Responsible Reporting Entity ("RRE") as defined by the Centers for Medicare and Medicaid Services ("CMS"), and is responsible for the reporting requirements as set forth in Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007.
- b. The Village authorizes LODESTAR and/or its designee to undertake Village's Section 111 reporting requirements as Village's Account Manager/Reporting

Agent as it relates to the Village's Qualified Claims. The Village further agrees to fully cooperate with LODESTAR, including the execution of any documents necessary for such authorization.

- i. LODESTAR shall not provide any Section 111 reporting services for Village's Record Only Claims.
 - ii. LODESTAR shall not undertake Section 111 reporting activities for Village's claims which were converted from Village's prior TPA to LODESTAR but were never serviced by LODESTAR.
- c. LODESTAR shall charge and the Village shall pay a fee of \$9.50 per claim for any claim LODESTAR needs to query to determine the injured worker's Medicare status.
- d. The Village acknowledges and agrees to provide LODESTAR with complete, accurate, and timely data for Section 111 reporting purposes.
- e. Upon receipt of complete, accurate claim data, LODESTAR shall commence reporting of Village's data to CMS, and shall continue for as long as LODESTAR provides claims handling services for the Village's Qualified Claims.

LODESTAR shall have no liability for any failure of (i) Village to register as a RRE; (ii) the Village to execute any documents necessary to authorize LODESTAR as its Account Manager/Reporting Agent; or (iii) the Village or its prior TPA to report the Village's claims when they were first required to do so.

2. Loss Control Services. LODESTAR will provide the Village loss control services upon mutual agreement of the parties. The Village shall remain fully responsible for the implementation and operation of its own safety programs and for the detection and elimination of any unsafe conditions or practices.

LODESTAR assumes no responsibility for the detection, identification, communication, mitigation, or elimination of any unsafe condition or practice associated with the safety program of any Village. Further, LODESTAR assumes no responsibility for any injury sustained by an employee of the Village. The Schedule of Loss Control Services to be provided is attached hereto as Exhibit B.

D. VILLAGE RESPONSIBILITIES. The Village agrees to:

1. Report all claims, incidents, reports or correspondence relating to potential claims in a timely manner.
2. Reasonably cooperate in the disposition of all claims.
3. Provide adequate funds to pay all claims and expenses in a timely manner.
4. Respond to reasonable information requests in a timely manner.
5. Provide a complete copy of current excess or other insurance policies, including endorsements and audits, applicable to Village's self-insurance program.
6. Promptly pay LODESTAR's fees in accordance with the Illinois Local Government Prompt Payment Act.

E. OPERATING EXPENSES. The Village agrees to be responsible for and pay all of its own operating expenses other than service obligations of LODESTAR. Such operating expenses shall include but not be limited to charges for the following:

1. All costs associated with the Village meeting its State of Illinois security and licensing requirements;
2. Certified Public Accountants;
3. Attorneys;
4. Outside consultants, actuarial services or studies and State of Illinois audits;
5. Independent payroll audits;
6. Allocated Claims Expenses incurred pursuant to Section C. 1. (d) of this Agreement;
7. All applicable regulatory fees and taxes;
8. Educational and/or promotional material, industry-specific loss control material, customized forms and/or stationery, supplies and extraordinary postage, such as bulk mailing, express mail or messenger service.
9. National Council on Compensation Insurance ("NCCI") charges;

10. Excess and other insurance premiums;
11. Costs associated with the development, record keeping and filing of fraud statistics and plans, but only if required by any State or regulatory authority having jurisdiction over Village; and
12. Other operating costs as normally incurred by the Village.

F. BOOKS AND RECORDS.

1. (a) LODESTAR shall maintain all claim information relating specifically to the Village which is necessary for the performance of LODESTAR'S obligations under this Agreement (the "Records"). The Records shall remain at all times the sole property of the Village.

(b) Access to Records: LODESTAR shall maintain claim file data electronically and shall allow the Village access to the electronically stored data for the purpose of viewing and monitoring the status of all Village claims.

(c) The Records shall not include any manuals, forms, files and reports, documents, customer lists, rights to solicit renewals, computer records and tapes, financial and strategic data, or information which documents LODESTAR'S processes, procedures and methods, or which LODESTAR employs to administer programs other than the Village. The items specified in this Paragraph F. 1. (c) shall at all times be and remain the sole and exclusive property of LODESTAR, and the Village shall not have any ownership, interest, right to duplicate or right to utilize these items except for the above documentation or information that relates solely to Village's Program.
2. During the term of this Agreement, LODESTAR shall provide the Village with copies of any Records, whether stored electronically or not, if so requested by the Village. In the event this Agreement is terminated or non-renewed, Village Records will be turned over to the Village or to a successor administrator designated by the Village as long as all claim fees and funding have been paid.
3. LODESTAR shall make the Records available for inspection by any duly authorized representative of the Village, or any governmental or regulatory authority having jurisdiction over LODESTAR or the Village.
4. LODESTAR agrees to provide the Village with reasonable technical support to establish the Village's access to the electronic data. LODESTAR agrees to work cooperatively with the Village to resolve any technical issues that interfere with the Village's access to the software.

G. NON-SOLICITATION OF EMPLOYEES. During the term of the Agreement and for two (2) years thereafter, the Village and LODESTAR mutually agree not to recruit, solicit or hire any employee of the other without written permission.

H. TERM AND TERMINATION.

1. **Term of Agreement.** The first term of this Agreement shall be for five (5) years, beginning on August 1, 2026 and terminating on July 31, 2031. Each August 1 to July 31 during this period shall be a "Contract Year". Thereafter, the parties may renew this Agreement for two (2) one-year terms at fees as outlined within the Proposal.
2. **Termination of Agreement.** This Agreement may be terminated as follows:
 - (a) By mutual agreement of the parties hereto;
 - (b) Upon expiration of the current term of this Agreement if both parties have not agreed at least sixty (60) days prior to the end of the contract term written notice of their intention to renew as set forth in paragraph H. 1.;
 - (c) Upon dissolution of the Village's self-insurance program whether voluntary or due to cessation of Village's authority to self-insure;
 - (d) Upon dissolution of the Village's self-insurance program due to Village insolvency or bankruptcy;
 - (e) Upon thirty (30) days written notice by either party if the other party is in material breach of any term, covenant or condition contained herein; provided, however, that as a condition precedent to termination under this Section the terminating party shall give written notice of breach to the other party, who shall have ten (10) days from the date of the notice to begin to cure or correct the grounds for termination. If the grounds of termination are not corrected or cured within thirty (30) days of the Notice, this Agreement may be terminated on the termination date specified in the notice, but not prior to the expiration of the thirty (30) day period.
 - (f) By either party by providing no less than 90 days prior notice.
3. **Services Following Termination of Agreement.** Should this Agreement be terminated or non-renewed for any reason, LODESTAR will cease providing services, and shall turn over to the Village all Village files in LODESTAR's possession or control, which shall include all open and closed files, at no charge to the Village. In addition, LODESTAR will cooperate with any successor administrator in the orderly transfer of all functions, including providing a runoff listing of open claim files if desired by the Village and the transfer of any other records reasonable and necessary for a successor administrator.

Upon the Village's request and subject to agreement by LODESTAR, LODESTAR will be paid a reasonable negotiated fee to:

- (a) Provide for continued administration of the open claim files; and
- (b) Provide an electronic transfer of data if such is feasible, with the reasonable cost of providing such borne by the Village. The electronic transfer of data will be subject to a flat fee of \$3,5,000.

4)

Upon termination of this Agreement, LODESTAR will provide a final accounting of any amounts due either party. Village shall be responsible for payment of all fees incurred by LODESTAR up to and including the date of termination. Upon final closing of the account, LODESTAR shall return the Claim Files to Village in electronic form. LODESTAR may at its option keep a copy of the Claim Files for LODESTAR's records.

5)

Village and LODESTAR acknowledge that certain approved indemnity, medical and expense payments may still be in process of payment upon the date of termination. Therefore Village agrees that Village will remain responsible for payment of any and all indemnity, medical and expense payments which may be processed by LODESTAR for a Qualified Claim, which shall include, at a minimum, the maintenance of a claim funding mechanism for at least 45 days after the Agreement terminates. In addition, LODESTAR shall return to Village any outstanding checks remaining unpaid after termination. LODESTAR shall not be responsible for Village's escheat obligations with regard to issued but unrepresented checks either before or after the termination of this Agreement.

- I. **SERVICE FEE PAYMENTS.** The Village shall pay to LODESTAR service fees as set forth in the Fee Proposal attached hereto as Exhibit C – Fee and Payment Schedule (including the Other Services Fee Schedule).
- J. **RELATIONSHIP OF THE PARTIES.** With respect to the services provided by LODESTAR in this Agreement, LODESTAR is considered an independent contractor. Nothing in this Agreement shall be construed to create a relationship of employer/employee, partners or joint ventures between the Village and LODESTAR. This Agreement is non-exclusive, and LODESTAR shall have the right to perform services on behalf of other individuals, firms, corporations and entities. LODESTAR retains third party vendors to provide services under this Agreement and LODESTAR's charges to Village may vary from the itemized charge to LODESTAR. Village acknowledges and agrees that LODESTAR may receive allowances or payments from vendors in connection with LODESTAR's utilization of vendor services as consideration for LODESTAR's efforts in the management, administration and integration of the services. If Village requests the use of a vendor not offered by LODESTAR ("Village Vendor"), LODESTAR may disapprove the use of the Village Vendor in its sole discretion. If LODESTAR does not disapprove the Village Vendor and the Village Vendor services Village's Qualified Claims, then Village shall be

responsible for all aspects of managing and monitoring the Village Vendor's performance, including service levels, costs and data security requirements. Village authorizes and directs LODESTAR to share with the Village Vendor information in its possession related to the Qualified Claims being serviced by the Village Vendor. LODESTAR shall have no liability with respect to any act or omission of the Village Vendor and Village shall indemnify, defend and hold harmless LODESTAR from any and all liabilities resulting from LODESTAR's interaction with a Village Vendor. So long as funds are available in the Payment Account, LODESTAR shall pay on behalf of Village all invoices submitted by a Village Vendor to LODESTAR in the amount set forth in such invoice

K. INDEMNIFICATION.

1. Indemnification by Village. The Village agrees that it will indemnify and hold harmless LODESTAR and LODESTAR's directors, officers, employees, agents, shareholders, subsidiaries and other affiliates from and against any and all claims, losses, liability, costs, damages and reasonable attorney's fees incurred by LODESTAR as a result of breach of this Agreement by the Village, or alleged misconduct, error or omissions by the Village, or by any of the Village's trustees, directors, officers, employees, agents, shareholders, subsidiaries, or other affiliates in connection with the performance of this Agreement.
2. Indemnification by LODESTAR. LODESTAR agrees that it will indemnify and hold harmless the Village and the Village's trustees, directors, officers, employees, agents, shareholders, subsidiaries, members, or other affiliates from and against any and all claims, losses, liability, costs, damages and reasonable attorney's fees incurred by the Village as the result of breach of this Agreement by LODESTAR or alleged misconduct, error or omissions by LODESTAR, or by any of LODESTAR's directors, officers, employees, agents, shareholders, subsidiaries or other affiliates in connection with the performance of this Agreement.
3. Village agrees that it will not hold LODESTAR liable for, or reduce the compensation of LODESTAR with respect to, any failure of LODESTAR to deliver any services resulting from (i) any failure to cooperate on the part of Village or the prior administrator, or (ii) any files for Takeover Claims which have not been properly maintained or are not delivered to LODESTAR in good order.
4. Promptly after the receipt by any party seeking indemnification under this section ("Indemnatee") of notice of the commencement of any action or the assertion of any claim against such Indemnatee by a third party, such Indemnatee shall give such indemnifying party written notice thereof and the indemnifying party shall have the right to undertake the defense of such action or claim. If the indemnifying party fails to defend or, after undertaking such defense, fails to prosecute or withdraws from such defense, the Indemnatee shall have the right to undertake the defense and settlement thereof at the indemnifying party's expense. If the indemnifying party is defending such action or claim, the Indemnatee may retain separate counsel at its sole cost and expense and may participate in the defense of such action or claim.

An indemnifying party may only settle an action or claim with the consent of the Indemnitee, which consent shall not be unreasonably withheld or delayed. If the Indemnitee does not consent to a settlement proposed by the indemnifying party that includes a full release of Indemnitee from all claims at issue, the Indemnitee shall be responsible for any settlement, award, judgment or damages incurred above the settlement amount proposed by the indemnifying party, as well as all costs and expenses, including attorneys' fees, incurred in the defense of the claims from the date of the proposal.

5. The indemnification provided in this section represents the sole remedy for actions or claims brought by third parties.

6. Neither party shall be liable to the other party for punitive or consequential damages.

L. CHANGE IN CIRCUMSTANCES. In the event the adoption of any statute, rule or regulation materially changes the nature of the relationship between the parties hereto or the legal or economic premises upon which this Agreement is based, the parties hereto shall undertake good faith negotiations to amend the terms of this Agreement to account for such changes in a reasonable manner.

M. SOFTWARE ACCESS. The Village may be provided with the right to use one or more LODESTAR Applications in connection with the services provided by LODESTAR in this Agreement. LODESTAR Applications include RadiusR. The right to use LODESTAR Applications is non-exclusive, limited to the term of this Agreement per paragraph H.1., non-transferable and is solely for the internal business use of Village.

LODESTAR owns and reserves all rights, title, and interest in and to the LODESTAR Applications. Village has no right to receive a copy of the object code or source code to the LODESTAR Applications. Village may not attempt to:

1. License, sell, lease or otherwise make the LODESTAR Applications available to any other party. Village will not provide any access, passwords or other information regarding the LODESTAR Applications to any third parties and/or competitors of LODESTAR without the prior written consent of LODESTAR;
2. Use the LODESTAR Applications in any way that violates any law, regulation or mandate, or the term of this Agreement; or
3. Take any action that jeopardizes confidential or proprietary information held by LODESTAR.

Village is responsible for any confidential or proprietary information accessed or downloaded by Village from the LODESTAR Applications, including the implementation of appropriate information security controls surrounding such information.

Except as expressly provided in this Agreement, LODESTAR Applications are provided "as-is". LODESTAR disclaims all other warranties, express, implied, or statutory, including the implied warranties or merchantability, satisfactory quality, title, fitness for a particular purpose, non-infringement, compatibility, security, quiet enjoyment, or accuracy. Without limiting the foregoing, LODESTAR does not warrant that access to or use of the LODESTAR Applications will be uninterrupted or error-free. LODESTAR will provide support for the LODESTAR Applications.

N. MISCELLANEOUS.

1. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois without regard to principles of conflicts of law. Venue for any action pursuant to this Agreement shall be in the Circuit Court of Cook County, Illinois.
2. Successors in Interest and Assignment. This Agreement shall be binding upon, and inure to the benefit of the successors in interest and permitted assigns of the parties hereto. This Agreement shall not be assigned by either party without the express written approval of the other party.
3. Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if the invalid or unenforceable provision had been revised to the minimum extent necessary to make it valid and fully enforceable under applicable law.
4. Paragraph Headings. All paragraph headings in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.
5. Waiver. The failure of any party to enforce any provisions of this Agreement shall not constitute a waiver by such party of any provision. A past waiver of a provision by either party shall not constitute a course of conduct or a waiver in the future with respect to that same provision.
6. Notice Provision. All notices, requests and other communications required under this Agreement shall be in writing and delivered by hand or mailed, registered or certified, return receipt requested, postage paid, or sent via a nationally recognized overnight courier to the other party at the following address:

Village: Village Manager
Village of Oak Park
123 Madison St
Oak Park, IL 60302

LODESTAR: President
LODESTAR Claims & Risk Services, Inc..
380 Sentry Parkway
Blue Bell, PA 19422

Copy to: General Counsel
Lodestar Claims & Risk Services, Inc.
380 Sentry Parkway
Blue Bell, PA 19422

7. **File Destruction Policy.** LODESTAR will maintain electronic claim file records or hard copy files (where applicable) on all closed files on behalf of the Village for a period of two (2) years after the month of closure, or for as long as necessary to protect the applicable statute of limitations, whichever is longer. LODESTAR may retain a copy of claim files for regulatory and internal retention policies. LODESTAR will notify the Village prior to the destruction of any file and shall give the Village the option of having the file sent to the Village for storage at its own expense.
8. **Insurance.** LODESTAR will purchase and maintain insurance coverages for its performance of the services contemplated in this Agreement. Minimum policy limits are as follows:

Workers Compensation – Statutory
Professional - \$5,000,000
General Liability - \$1,000,000 / \$2,000,000
Umbrella - \$5,000,000

The Village, its officers, employees, agents and volunteers shall be named as additional insureds on LODESTAR's general liability and umbrella insurance policies set forth herein. LODESTAR shall be responsible for the payment of any deductibles for said insurance policies. The coverage shall contain no special limitations on the scope of protection afforded to the Village, its officers, employees, agents and volunteers. LODESTAR understands and agrees that any insurance protection required by this Agreement or otherwise provided by LODESTAR, shall in no way limit the responsibility to indemnify, keep and save harmless, and defend the Village, its officers, employees, agents and volunteers as herein provided. LODESTAR waives and shall have its insurers waive its right of subrogation against the Village, its officers, employees, agents and volunteers.

9. **Amendment.** This Agreement may be amended only by a written document executed by the Village and LODESTAR.
10. **Confidential Information.** Confidential Information includes nonpublic information that is exchanged between the Village and LODESTAR, including, without limitation, information relating to the business, financials, personnel, customer data and operating

procedures. Confidential Information includes information whether in written, electronic, or oral form created related to services provide under the Agreement. All Confidential Information is proprietary. Village and LODESTAR may use the other party's Confidential Information only for the purpose of this Agreement and will limit its disclosure to only those persons reasonably necessary to perform under the Agreement or as required by law. LODESTAR will maintain the confidentiality of Village employees' health and other information in accordance with applicable law.

11. Information Security. LODESTAR is responsible for the protection of the confidentiality, availability, privacy and integrity of Village information in our custody. LODESTAR has implemented an Information Security Policy that has been developed to comply with applicable federal and state laws or regulations and industry best practices. The Information Security Policy applies to all LODESTAR personnel, including temporary employees, independent contractors and vendors with access to LODESTAR systems.
 12. Binding Authority. The individuals executing this Agreement on behalf of LODESTAR and the Village represent that they have the legal power, right, and actual authority to bind their respective parties to the terms and conditions of this Agreement.
 13. Counterparts. This Agreement may be executed in counterparts, each of which shall be considered an original and together shall be one and the same Agreement. A facsimile or pdf copy of this Agreement and any signature(s) thereon will be considered for all purposes as an original.
 14. Effective Date. This Agreement shall be effective on the date of its execution by the Village Manager for the Village of Oak Park as set forth below
 15. Headings and Titles. The headings and titles of any provisions of this Agreement are for convenience or reference only and are not be considered in construing this Agreement.
16. **MANAGED CARE.**

a. The Village agrees to exclusively utilize the following the Contractor's managed care service with regard to the services set forth in the Agreement:

i. The Contractor's medical bill review and repricing services, which may include but are not limited to:

1. reviewing medical documents for appropriateness, relatedness to the injury or accident, unbundling, and conformity to applicable fee schedule or usual and customary re-pricing; and
2. utilizing Contractor's complex bill review process to review certain medical bills for possible additional savings.

- ii. The Contractor's managed care networks which include:
 - 1. traditional networks (e.g. physicians and medical facilities);
 - 2. specialty networks (e.g. providers of durable medical equipment, diagnostic testing, physical therapy, pain management, home health, and dental services); and
 - 3. out-of-network services from the Contractor and third-party vendors.
- iii. The Contractor's pharmacy benefit management program (e.g. bill repricing, home-delivery, brand-to-generic conversion, customized formularies, narcotic management, drug utilization review).
- iv. Utilization of telephonic or onsite nurse case management services when any of the following criteria are met:
 - 1. loss of bone or loss of soft tissue requiring surgical intervention;
 - 2. spinal cord injury;
 - 3. inpatient surgical procedures;
 - 4. third degree burns;
 - 5. multiple complex fractures;
 - 6. crush injuries requiring poor initial medical outcome;
 - 7. head injuries with cognitive impairment or loss of consciousness;
 - 8. immediate post-injury hospital admission
 - 9. multiple trauma; or
 - 10. adjuster identified assignments.

Continued telephonic or onsite case management will proceed at the discretion of Contractor.

- b. The Contractor shall also provide the Medicare related services set forth in Exhibit A to this Renewal.
- c. The Contractor's medical managers are authorized to provide the Contractor's Point of Sale Nurse Intervention Program on all claims at the Contractor's discretion to assist with seeking improved claim outcomes. The Program will review incoming claimant medications which are outside of Centers for Disease Control and Prevention guidelines, and recommend an intervention strategy which may include potential weaning, drug testing, and peer reviews to attempt to mitigate long term dependency at the point of sale.

- d. The Contractor is authorized to employ utilization review services for evaluation of reasonableness, necessity, duration, and frequency of treatment or medication. These services may include, but are not limited to the following:
 - i. Prospective Review - a review prior to treatment or admission conducted by an experienced registered nurse to validate the necessity, frequency and duration of treatment.
 - ii. Concurrent Review - a review during the course of treatment conducted by an experienced registered nurse to evaluate treatment and planned procedures and establish target completion dates.
 - iii. Retrospective Utilization Review - a review after the completion of treatment conducted by an experienced registered nurse to identify inappropriate treatment utilization.
 - iv. Peer Review or Physician Advisor Review - physician-to-physician review and contact to resolve questions related to treatment and diagnosis.
- e. The Contractor is authorized to employ prospective and concurrent utilization review services may also include the use of physician advisor review such as for cases that are complicated and warrant physician review to resolve treatment or diagnosis questions.
- f. Upon the Village's request, the Contractor will utilize the Contractor Care24 point of injury nurse triage to assist with determining the direction of care when an injury is reported. This service may include but is not limited to a Medical Manager providing self-care recommendations to the claimant, first notice of loss reporting, direction of care into the network or to a panel provider, or a recommendation for use of emergency room care.
- g. The Contractor may retain third party vendors for the purpose of providing specific medical management services.

**[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK –
SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representatives on the day and dates reflected below.

LODESTAR CLAIMS & RISK SERVICES, INC.

By: Michael McAulay

Its: President

Date : 7/6/26

ATTEST:

By: Terri Williams

Its: Support Service Administrator

VILLAGE OF OAK PARK

By: _____

Kevin J. Jackson

Its: Village Manager

Date : _____

ATTEST:

By: _____

Christina M. Waters

Its: Village Clerk

Date: _____

EXHIBIT A

REPORTING

LODESTAR Cinch Risk Management Information System

Workers' Compensation Loss Run

User can limit by location and accident date range.

Loss Run by Policy
Loss Run by Policy/Location
Loss Run by Location
Loss Run by Location/Policy
Open Loss Run by Policy
Open Loss Run by Location
New Claim Loss Run by Policy
New Claim Loss Run by Location
Summary by Policy
Summary by Policy/Location
Summary by Location
Summary by Location/Policy
Policy Summary
Location Summary
Loss Run by Accident State
Loss Run by State/Policy
Supplemental Loss Run by Location
Lost Time Open by Policy
Lost Time Open by Policy/Location
Lost Time Open by Location
Data Summary – for exporting
Claim Level Table – for exporting
Location List

Workers' Compensation Medical Savings

User can limit by payment dates.

Savings by Policy
Savings by Location
Savings by Accident Year
Savings by Payment Year
Savings by State
Preferred Provider Network Results by Policy

Preferred Provider Network Results by Location
Preferred Provider Network Results by Accident Year
Preferred Provider Network Results by Payment Year
Preferred Provider Network Results by State
Savings Chart
Preferred Provider Network Results Chart
Preferred Provider Network Results by Provider
Preferred Provider Network Results by Location/Provider
Preferred Provider Network Results by State/Provider
Repriced Bills – for exporting
Eligible Bills – for exporting

Workers' Compensation NCCI Code Summary

User can limit by location and accident date range.

Cause by Policy
Cause by Location
Cause by Policy/Location
Cause by Location/Policy
Cause Group by Policy
Cause Group by Location
Cause Group by Policy/Location
Cause Group by Location/Policy
Injury by Policy
Injury by Location
Injury by Policy/Location
Injury by Location/Policy
Body Part by Policy
Body Part by Location
Body Part by Policy/Location
Body Part by Location/Policy

Workers' Compensation Payments

Standard payment reports detail payments made in previous month. Additional payment report available where user can select any payment date range

Paid by Policy
Paid by Location
Paid by Location/Claim
Payment Detail
Detail by Policy
Detail by Location
Paid this Period by Amount Paid

Paid this Period by Date

New vs. Existing Claims

Policy Summary

Location Summary

Location/Policy Summary

All Payment Listing – for exporting

Medical Payment Listing – for exporting

Expense Payment Listing – for exporting

Vocational Rehab Payment Listing – for exporting

Indemnity Payment Listing – for exporting

Workers' Compensation Repeaters

User can limit by number of claims and accident date range.

Repeater Report

Repeater Report with Incurred Values

Repeater Table for Exporting

Workers' Compensation Serious Loss

User can limit by total incurred amount and accident date range.

Serious Loss by Policy

Serious Losses by Policy/Location

Serious Losses by Location

Serious Losses by Location/Policy

Open Serious Losses by Policy

Data Summary – for exporting

Claim Level Table – for exporting

Workers' Compensation Timely Reporting

User can limit by location and accident date range

Accident Report Timeliness

Accident Report Timeliness by Location

Policy Summary

Location Summary

Summary by Policy/Location

Summary by Location/Policy

Policy Summary by Claim Type

Location Summary by Claim Type

Workers' Compensation Reserve Change

Policy Year Totals

Account Total

Location Totals

Reserve Changes by Claim

Reserve Changes by Loss Line

Incurred Changes by Claim

Incurred Changes by Loss Line

Accident Year Totals

All Changes by Claim

All Changes by Claim/Location

Workers' Compensation Trending

User can limit by location and accident date range.

Day of Week by Policy

Day of Week by Location

Age at Accident

Years of Experience

Job Description

Claims by Month/Year

Claims by Month/Location

Time of Day

Time of Day by Location

In addition to the standard report suite, users will have access to the following:

Workers' Compensation Analysis Tool

Users can analyze data by manipulating the following criteria

Accident date range

Accident state

Claim status

NCCI injury code

NCCI cause code

NCCI body part code

Location code

Policy year

Job description

Claim type

Day of the week

Employer defined custom fields

Workers' Compensation Executive Dashboard

A high level overview of the program, the last five years of loss data is presented in chart and table format. Users have the ability to apply location, claim type, claims status and accident date range limits.

Incurred by Policy Year

Top Five Locations – Last Five Policy Years

Top Five Open Claims – All Years

Paid by Calendar Year

Policy Year Summary

Claim Status Analysis

Claim Type Summary

Closed Claim Analysis

Top Five Locations

Top Five Open Claims Last Five Years - by Incurred

Top Five Claims Closed this Month

Top Five Accident Cause Group

Top Five Accident Cause

Top Five Nature of Injury

Top Five Body Part

Expenses by Calendar Year

Medical Savings by Calendar Year

Lag Time

Network Penetration

Experience Analysis

Age Group Analysis

EXHIBIT B

SCHEDULE OF LOSS CONTROL SERVICES

EXHIBIT C

FEE AND PAYMENT SCHEDULE

For claim handling services to be rendered under this Agreement, Client shall pay LODESTAR an annual estimated fee, based upon the projected number of new claims to be serviced by LODESTAR during the term of this Agreement. The annual estimated fee due to LODESTAR for Contract Years 1, 2 and 3 is \$28,544 per year, to be paid in four installments. The annual estimated fee due to LODESTAR for Contract Years 4 and 5 is \$29,936 per year, to be paid in four installments. Client shall pay the initial installment at the inception of this Agreement and subsequent installments quarterly thereafter.

At any time during and/or after each term year of this Agreement, LODESTAR may calculate the actual fees for services based upon the number of claims/loss lines multiplied by the following per claim fees:

For Contract Years 1, 2 and 3:

- i. \$929 for each Indemnity Claim;
- ii. \$155 for each Medical Only Claim;
- iii. \$25 for each Record Only Claim.

For Contract Years 4 and 5:

- i. \$975 for each Indemnity Claim;
- ii. \$162 for each Medical Only Claim;
- iii. \$25 for each Record Only Claim.

Fees and rates for any renewal term beyond Contract Year 5 shall be subject to a 5% increase over the fees and rates then in effect.

If LODESTAR determines that additional claim handling fees apply, then LODESTAR may bill such additional claim handling fees as they are incurred or in any other reasonable manner as LODESTAR shall determine. Any reconciliation during a term year shall be duly accounted in the reconciliation after the term year. A Qualified Claim previously classified as a Record Only Claim or a Medical Only Claim may be reclassified during any reconciliation if the claim has evolved in a manner that satisfies the requirements for another type of Qualified Claim. In that case, only the difference between the prior rate and the new rate shall be charged as part of the reconciliation.

Other Services Fee Schedule

All fees are billed as incurred unless specifically agreed otherwise.

<u>Service Type</u>	<u>Amount</u>
<u>Managed Care:</u>	
Medical and pharmacy bill review and repricing	\$9.50 per bill, plus 29% of savings over and above fee schedule and/or usual and customary
Utilization review	\$130 per review
Field Case management services	\$125 per hour plus expenses
Clinical case management services	\$125 per hour plus expenses
Catastrophic Clinical Services	\$185 per hour
Medical consultant Peer review	\$265 per review
PMA Care 24	\$105 per call
PMA Care 24 Enrollment Fee	\$3,000
Care Rx+ Pharmacy Intervention Services	\$75 per review
Care 24 Translation	Prevailing Market Rate
Medical Director	\$250 per hour
<u>Medicare Solutions</u>	
Section 111 Reporting	\$9.50 per claim queried
Medicare Set Aside, Revision and Submission Services: MSA, MSA Submissions to CMS, Revisions or Update to Prior MSA, Future Medical Allocations, Life Care Planning and Review; Medicare or Social Security Verification	Prevailing rate for each service Rush fees apply for MSA completed within 5 business days Complimentary Annuity Quote with MSA Applies to all coverage types
Medicare and Medicaid Secondary Payer Services and Lien Resolution Services: Conditional Payment Research, Canvass, Evaluation, Disputes, Appeals, and Negotiations	Prevailing rate for each service Applies to all coverage types
Medical Cost Projections	\$1,900 each
Demand Package Nurse Review	\$1,900 per review

Update (within 6 months of prior Demand Package Nurse Review)	\$950 per review
Demand Package Medical Bill Analysis	\$400 per review
Update (within 6 months of prior Demand Package Medical Bill Analysis)	\$200 per review
<u>Information Systems:</u>	
RMIS fee	\$7,000 per year for up to 7 users \$500 per year each additional user
Standard Data Conversion	\$13,500
Customized Reporting/Programming	\$200 per hour
Standard Data Feed Set-Up	\$3,500 per year
Standard Data Feed	\$300 per month
<u>Risk Control:</u>	
General	\$160 per hour (AOS), \$175 per hour (CA)
Industrial Hygiene Services	\$180 per hour
Special Projects	To be determined
Websource	Included
Organizational Safety Institute	Included
<u>Claim Adjustment:</u>	
Vocational Rehabilitation	\$105 per hour
Claim Indexing	Prevailing Market Rate
Legal Bill Analyzer	3% of gross billed charges
<u>Other:</u>	
Administrative	\$5,500 annually
Account Implementation	\$5,000 minimum
Claim intake	Internet or Data Fee: included
Non-standard claim intake which includes call in, fax or email	\$15 per claim
Subrogation Specialist Services	20% of gross recovery
Excess Recovery Services	3% of gross recovery
Second Injury Fund Recovery Services	20% of gross recovery
Standard Data Extract (upon termination)	\$6,000

OSHA reporting preparation services	\$20 per incident \$3,000 annual minimum
OSHA Special Projects	To be determined
Each Claim Review in excess of two per year	\$2,500 per review plus PMA Expenses
Onsite claim review	Travel incurred by Lodestar personnel is reimbursed in full by the client
Staff Attendance at Legal Proceedings	Travel and expenses incurred by Lodestar personnel reimbursed in full by client
Physical File Storage	To be determined