

CLAIMS SERVICE GUIDELINES

These guidelines have been developed by The Hartford Steam Boiler Inspection and Insurance Company (HSB) and Intergovernmental Risk Management Agency in order to facilitate the handling of claims that arise under the reinsurance treaties between HSB and Intergovernmental Risk Management Agency. These guidelines are a working document and are expected to be modified as dictated by developments in custom and practice over time.

DESIGNATED REPRESENTATIVES

Intergovernmental Risk Management Agency	HSB
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AVAILABILITY OF HARTFORD STEAM BOILER

Intergovernmental Risk Management Agency may report claims to HSB twenty-four (24) hours per day via telephone, facsimile, e-mail or other available portals as they become available and are agreed upon. Such portals may include, but not be limited to, web-based tools and data feeds direct from Intergovernmental Risk Management Agency's claim system. See Notice section below.

The HSB Claims Department is available to respond to inquiries regarding claims from Intergovernmental Risk Management Agency during HSB's normal business hours, which are Monday through Friday, 8:00 a.m. to 5:00 p.m. E.S.T./E.S.D.T. HSB's Customer Solutions Center (1-800-472-1866) is available to take messages Monday through Friday from 8:00 a.m. to 8:00 p.m. E.S.T./E.S.D.T.

For after hour claim emergencies, Intergovernmental Risk Management Agency should call 1-888-472-5677 and leave a voice mail message. HSB proactively monitors the emergency line and will respond within two hours.

NOTICE TO HARTFORD STEAM BOILER

Intergovernmental Risk Management Agency Claims Adjuster should notify HSB at the first indication of a loss involving an HSB Reinsured Coverage.

If the required information is not readily available, it should be relayed as soon as possible following notice.

HSB will accept this information either by phone, fax, e-mail or, when available and agreed upon, other portals. The numbers and email address to be used for notification are

Phone	1-888-HSB-LOSS (472-5677)
Fax	1-888-FAX-LOSS (329-5677)
E-Mail	new_loss@hsb.com

Please note that the general phone reporting number is to be used both during and after normal business hours.

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NOTIFICATION – Initial Insured Contact

Once notified of a qualifying loss by Intergovernmental Risk Management Agency, HSB will acknowledge receipt of the claim to Intergovernmental Risk Management Agency Claims Adjuster. The HSB adjuster shall make every reasonable effort to make same day contact with the Insured or its appointed representative. However, contact shall be made no later than one business day after the reported claim.

If HSB is not able to speak to the Insured, a telephone message stating the name, telephone number(s), purpose and time of call, and any other relevant information, will be considered sufficient to meet the initial contact requirement. Continued contact efforts shall be made after leaving a telephone message. If after three (3) business days contact is not made with the Insured, a letter requesting that the Insured contact HSB must be sent to the Insured with a copy e-mailed to Intergovernmental Risk Management Agency Claims Adjuster. Additionally, the HSB adjuster will call Intergovernmental Risk Management Agency Claims Adjuster to assist with making contact.

RETURN OF PHONE MESSAGES and EMAILS

Reasonable effort shall be made to return phone calls and e-mails relating to specific claims within the same business day but no later than the next business day.

INVESTIGATION

HSB will ascertain during the initial contact with the Insured, among other items, if an on-site inspection of damages is appropriate. HSB will consider the following when evaluating the necessity of an inspection:

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- (i) To determine the scope of liability, HSB will conduct a pre-notification consultation with the insured and service vendor to decide on appropriate services required.
- (ii) Affected covered property might require a forensic investigation by a consultant to appropriately determine the cause of loss or assessment of the damages.
- (iii) HSB will appoint counsel to represent Insured interests where necessary.

MANAGEMENT AND ADJUDICATION OF CLAIMS

With regard to the management and adjudication of the claim, the HSB adjuster will adhere to the following time standards relative to the Initial Claims Assessment and Ongoing Status Report:

HSB Unit	Initial Claims Assessment	Ongoing Status Report
Specialty Claims Unit	Within 7 days Personal Lines Within 14 days Commercial Lines	Every 7 days Personal Lines Every 28 days Commercial Lines

- (i) The initial claims assessment re: status or position will include documentation as follows:
 - a. The actions taken to date and the information that has been gathered;
 - b. Initial coverage assessment and loss estimate, if known;
 - c. The information needed to either confirm a covered occurrence or to finalize the claim adjustment;
 - d. Potential opportunities/complications (i.e. joint loss, ensuing loss, possible fraud, subrogation, need for a reservation of rights letter, full/partial denial, etc);
 - e. The action plan for gathering the needed information (who, how, when, etc);
 - f. When to expect the next communication.

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- (ii) Status updates will include:
 - a. Changes in reserving advice and/or recommended payments;
 - b. Changes in the type/extent of loss being claimed (more extensive property damage, claim of BI or EE, etc);
 - c. Changes in the participation by the insured (hiring of a public adjuster or engaging an attorney);
 - d. The action plan for gathering the needed information (who, how, when, etc);
 - e. When to expect the next communication and/or file closure.

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In addition to the status update requirements above, updates relative to material developments or events in the life of the file may include, but not be limited to, settlement demands and offers, trials, administrative hearing, mediations, settlement conferences, depositions and dispositive rulings. Whenever a claim has the potential of reaching or exceeding the policy limit, HSB will send an e-mail notification immediately to Intergovernmental Risk Management Agency Claims Adjuster outlining all the known details of the claim.

DENIALS

All Claims

If HSB suggests that there is no coverage under the HSB Reinsured forms, the HSB adjuster will directly communicate with the respective Intergovernmental Risk Management Agency Claims Adjuster via telephone prior to the issuance of any written communication. HSB must provide Intergovernmental Risk Management Agency Claims Adjuster with the specific policy and/or reinsurance agreement language and an analysis in support of the denial.

Intergovernmental Risk Management Agency Claims Adjuster will communicate the denial to the Insured or agent using Intergovernmental Risk Management Agency letterhead. The HSB adjuster will not engage with the Insured or make statements (including issuance of a coverage disclaimer or denial letter) to the Insured or agent as to the applicability of coverage under the policy or the Reinsurance Agreements, unless specifically requested to participate by Intergovernmental Risk Management Agency.

All coverage inquiries or issues regarding a denial will be referred to Intergovernmental Risk Management Agency Claims Adjuster to address with the Insured or agent.

The parties agree that the process is particularly important with any claim that might be subject to declination of coverage under the Reinsurance Agreements, in order that Intergovernmental Risk Management Agency Claims Adjuster is allowed to investigate other possible coverage under the policy.

REASSIGNED CLAIMS

All Claims

Reassignment occurs when a claim file is reassigned from one HSB adjuster to another HSB adjuster. When a claim file is reassigned, HSB shall notify Intergovernmental Risk Management Agency Claims Adjuster and Intergovernmental Risk Management Agency's Insured of the reassignment within one business day.

The HSB adjuster will communicate the change by sending a reassignment letter to Intergovernmental Risk Management Agency Claims Adjuster. Additionally, the HSB adjuster will make telephone contact

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with all other involved parties to the claim, including Intergovernmental Risk Management Agency's Insured.

REIMBURSEMENT/CLAIM SETTLEMENT

All Claims

When notifying Intergovernmental Risk Management Agency Claims Adjuster of the amount to be paid to the Insured by Intergovernmental Risk Management Agency, the HSB adjuster will use its Reinsurance Claim Payment Notice or provide authorization in the form of a letter. HSB's payment authorizations will be accompanied by a Statement of Loss that includes a summary of the relevant facts including:

- o Applicable coverage
- o Damages – claimed and allowed
- o Summary of payment

BUSINESS REPORTING

In addition to and in connection with any required reporting under the Reinsurance Agreements, each month, HSB will send to Intergovernmental Risk Management Agency's Reinsurance Accounting Department payment with accompanying documentation, including Intergovernmental Risk Management Agency's policy and claim numbers for all authorized claims occurring during the past payment period.

ASSIGNMENT OF COUNSEL

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HSB will have the right and duty to defend and appoint an attorney to defend any claim or suit brought against any Insured, except for situations contemplated in the Reinsurance Agreement. If the Insured requests the retention of other defense counsel, HSB will have the right to approve or deny that request.

SUIT FILE HANDLING

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Intergovernmental Risk Management Agency will instruct its program administrators to forward any suit papers to Intergovernmental Risk Management Agency's fax or e-mail. Upon receipt, Intergovernmental Risk Management Agency will as promptly as practicable forward the same to HSB's adjuster.

If the first notice of the claim is the filing of a lawsuit, Intergovernmental Risk Management Agency will endeavor to obtain the date the Insured was served and include that date on the loss notice.

DEDUCTIBLE RESOLUTION

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Defense costs and indemnity obligations up to and including the policy and/or endorsement deductible(s) will be billed to the Insured directly. Any and all payments made by the Insured will be applied against the deductible. Should the Insured not pay the defense costs included within the deductible, HSB will confer with Intergovernmental Risk Management Agency Claims Adjuster and will not take any action to collect the deductible from the Insured without prior written notice to Intergovernmental Risk Management Agency Claims adjuster.

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If there is a failure to achieve resolution at the claim adjuster level, the issue will be forwarded to the designated HSB and Intergovernmental Risk Management Agency representatives noted above.

DISPUTE RESOLUTION

All Claims

There may be occasions wherein the HSB and Intergovernmental Risk Management Agency representatives dispute some aspect of the claim investigation or resolution. In the spirit of partnership, both HSB and Intergovernmental Risk Management Agency will work in good faith to amicably resolve the dispute. Relative to dispute resolution:

- (i) Where the dispute extends only to issues of reinsurance applicability and coverage has been established, the claim shall be adjusted and paid to the Insured by Intergovernmental Risk Management Agency Claims Adjuster. Any dispute with regard to the Reinsurance Agreement shall be resolved in accordance with the terms of the Reinsurance Agreement. Escalations should be referred to HSB's Claims Customer and Account Manager (CCAM).
- (ii) Where the dispute affects recoverability of the claim (i.e. applicability of coverage, damage evaluation) by the Insured, the following escalation process should be followed:

Supervisory Level:

- The first attempt at resolution should be at the supervisory level for each carrier. For HSB, the person responsible will be the Claim Unit Leader's front-line leader (i.e. Claims Services Unit – Manager, Field Claims Unit – Director, Large Loss Unit – Executive General Claims Adjuster). If an agreement cannot be reached, the dispute escalated to the next level in the escalation process.

Claim Operations Leadership Level:

- Should any dispute not be resolved at the supervisory level, it will be escalated based upon the adjusting organization assigned to investigate and adjust the claim as set forth in the table below. The CCAM and VP of CCAM will be notified if an issue is escalated to this level.

	Intergovernmental Risk Management Agency	Hartford Steam Boiler
Data Compromise	Embry Nichols	VP – Specialty Claims Unit

Claim Organization Leadership Level:

- If the dispute is not resolved at the operations leadership level described immediately above, it will be escalated to Intergovernmental Risk Management Agency's Senior Vice President of Claims and HSB's Senior Vice President of Claims. Both companies will explore every reasonable possibility of resolution short of arbitration between the two carriers with the understanding that the interests of the customer shall be paramount within the bounds of Intergovernmental Risk Management Agency's contract of insurance.

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Throughout the escalation process, it is expected that each party will act with a sense of urgency and with the existing level of flexibility to amicably resolve the dispute.

ADDITIONAL SERVICES

HSB will provide training on request to Intergovernmental Risk Management Agency. Training will be delivered in a variety of formats: on-site, webinar and teleconference.

Nothing in these Guidelines shall be deemed to supersede the terms and conditions of the Reinsurance Agreement.