Exhibit to Agenda Item #1

Approve Contract Change No. 2 to Contract No. 4500099793 for Workers’ Compensation & Short Term / Long Term Disability Third Party Claims Administration Services with Intercare Holdings Insurance Services, Inc. to extend the contract expiration date by two years from December 31, 2022, to December 31, 2024, and increase the contract not-to-exceed amount by $1 million, from $2.12 million to $3.12 million.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting

Tuesday, November 15, 2022, scheduled to begin at 5:30 p.m.
Virtual Meeting (online)
SMUD is self-insured for Workers Compensation, Short-Term Disability (STD) and Long-Term Disability (LTD) Programs, providing benefits to employees that are injured on the job and partial salary replacement for those unable to work due to non-work-related illness or injury.

**Intercare Holdings**

2013 solicitation (RFP) with nine proposers
- Intercare was the highest technical rated proposer (10% higher than all others)
- Awarded contract

2017 solicitation (RFP) with three proposers
- Intercare was the highest rated proposer by 20%
- Modified program to be able to administer STD/LTD programs for SMUD
Contract Extension Allows

Maintain continuity of programs while SMUD’s People Services & Strategies (PS&S) department explores options to enhance STD/LTD benefits to continue to support our diverse workforce. Analysis to include:

- Plan designs
- Benchmarking
- Employee contributions
- Additional offerings (paid family leave)
- Financials
- Launch RFP for services needed based on completed analysis
Pricing Environment

• Current monthly rate
  • $30,840.75 per month

• Proposed rates
  • Year 1 - $32,471.07 per month
  • Year 2 - $33,607.56 per month

• Rates proposed are in line with contracted escalation of 3% which is significantly lower than the current inflation rate of approximately 9% per Consumer Price Index for All Urban Consumers
Intercare experience and qualifications

• Has been a strategic partner with SMUD for the last nine years providing STD, LTD and Workers Compensation claims administration services to the organization and its employees
• Has been the successful bidder in the past two RFPs
• Locally based and headquartered in Rocklin, California
• Experienced with California regulatory requirements for Workers' Compensation services
• Worked to modify their services to meet SMUD's need for a claim administrator for STD/LTD
Board Action Request

Approve Contract Change No. 2 to Contract No. 4500099793 for Workers’ Compensation & Short Term / Long Term Disability Third Party Claims Administration Services with **Intercare Holdings Insurance Services, Inc.** to extend the contract expiration date by two years from December 31, 2022, to December 31, 2024, and increase the contract not-to-exceed amount by $1 million, from $2.12 million to $3.12 million.