

## PERFORMANCE GUARANTEES - San Bernardino County

Measure	Target	Reporting Methodology	Formula	Reporting Frequency	Assessment Frequency	Annual % of Total Funds at Risk	Comments
<b>Initial Decision Turnaround Time</b>							
STD Claims	95% of STD claims will receive a determination to approve, pend, or deny within 5 business days of claim assignment	Via timeliness report	Number of claims determined within 5 business days ÷ Total number of claims determined during the reporting period	Semi-Annual	Annually	7.14%	Measured from the date all information is available to process the claim to the date claim decision is made. Measurement is based upon business days.
<b>Procedural Accuracy</b>							
STD Claims	98.00%	Via audit sampling of STD claim decisions. Audit 100% of STD claims up to a maximum of 30 for any quarter.	Total number of procedures handled correctly ÷ Total number of procedural requirement	Semi-Annual	Annually	7.14%	Procedural accuracy is how accurately the claim was handled. Key claim procedures measured are member's address, Social Security Number, date of birth, division name/administrative unit, diagnosis code, future close date and communication to Employees and Employer within 2 business days of approval or 5 business days of approval for closed period or denial.
<b>Financial Accuracy</b>							
STD Claims	98.00%	Via audit sampling of STD claim decisions. Audit 100% of STD claims up to a maximum of 30 for any quarter.	1- Total dollar amount of payment errors ÷ Total dollars payable	Semi-Annual	Annually	7.14%	Payment accuracy is how accurately the computation of the benefits is for a given claim, including all deductions, taxes, offsets, and adjustments.
<b>Disability Member/Claimant Satisfaction</b>							
Member Satisfaction with Initial Claim Decision	Average score of "Satisfied" (3 or higher) on member surveys	Monthly Transaction Report	Sum of responses to Overall Satisfaction question ÷ Total number of respondents	Semi-Annual	Annually	7.14%	100% of all initial STD claim decisions will be surveyed. Survey instrument rating is on a 1 to 5 scale.
<b>Customer Telephone Service</b>							
Average speed to answer	Average speed <=30 seconds	Via call management system report.	Number of seconds to answer all calls during the reporting period ÷ Total number of calls answered during the reporting period	Semi-Annual	Annually	5.14%	Must have a toll free 800 number to have guarantees around phone service.  If the Calls Abandoned metric fails at the end of the annual assessment period, the amount at risk will be tied to STD and LTD premium.
Calls Abandoned	4% or less (Excludes calls abandoned within 10 seconds.)	Via call management system report.	Number of calls abandoned during the reporting period ÷ Total number of incoming calls during the reporting period	Semi-Annual	Annually	5.14%	Must have a toll free 800 number to have guarantees around phone service.  If the Calls Abandoned metric fails at the end of the annual assessment period, the amount at risk will be tied to STD and LTD premium.
<b>Workplace Possibilities</b>							
Stay-At-Work (SAW)	80% or greater stay at work	Via WPP report	Number of successful SAW cased ÷ Total number of employees engaged in the SAW program	Semi-Annual	Annually	7.14%	Minimum SAW referral volume from <u>County of San Bernardino</u> of at least 2% of Short-Term Disability (STD) annual claim volume on a calendar year basis. Stay at Work referrals are generated by the employer since no claim is filed to alert The Standard of the employee.

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Return-to-Work (RTW) - Behavioral Health	Year 1: 4% average duration reduction Year 2: 3% average duration reduction Year 3-5: 2% average duration reduction	Via WPP report	Annual average duration of STD claims is lower than previous year's average duration	Semi-Annual	Annually	7.14%	Requires the following participation rates of employees who are offered services: Year 1: 65% Year 2: 70% Year 3-5: 75%  This guarantee will apply only to diagnoses that are amenable to case management and consultation services, specifically: • Behavioral health (psychiatric & substance use) conditions* excluding conditions that are not amenable to case management or consultation services, for example: • Exclude mental disorders due to known physiological conditions, such as dementias* • Exclude intellectual disabilities* • Exclude pervasive and specific developmental disorders, such as autism-spectrum disorders*
Return-to-Work (RTW) - Musculoskeletal Conditions	Year 1: 4% average duration reduction Year 2: 3% average duration reduction Year 3-5: 2% average duration reduction	Via WPP report	Annual average duration of STD claims is lower than previous year's average duration	Semi-Annual	Annually	7.14%	Requires the following participation rates of employees who are offered services: Year 1: 65% Year 2: 70% Year 3-5: 75%  This guarantee will apply only to diagnoses that are amenable to case management and consultation services, specifically musculoskeletal conditions and musculoskeletal injuries such as dislocations, fractures, and sprains.**
Workplace Possibilities Employee Management Survey	90% of participating employees indicate Satisfied on after service survey	Monthly Transaction Report	Sum of responses to Overall Satisfaction question rated 3 or higher ÷ Total number of respondents	Semi-Annual	Annually	7.14%	100% of all employees engaged in the Workplace Possibilities program will be offered a survey. Survey instrument rating is on a 1 to 5 scale.
<b>Absence</b>							
Mails FMLA Notification packet timely	98% acknowledgement of initial notice of claim and/or FML Notification packet will be sent out in 2 business days	Via timeliness report	Number of leaves acknowledged within 2 business days ÷ Total number of claims acknowledged during the reporting period	Semi-Annual	Annually	7.14%	
Makes FMLA determinations in a timely manner	95% within 5 business day of receipt of complete information.	Via timeliness report	Number of leaves determined within 5 business days ÷ Total number of claims determined during the reporting period	Semi-Annual	Annually	7.14%	
<b>Implementation</b>							
	Contract will be issued within 30 business days following resolution of all outstanding issues.	Delivery date	Not applicable	Delivery date		\$25,000	One time payment.

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Plan Implementation	Average score of "Satisfied" (5 or higher) on plan implementation surveys.	SBC to evaluate the implementation experience	Sum of responses to <u>Overall Satisfaction question</u> Total number of respondents	One time after implementation	End of 1st contract period	\$25,000	One time payment. Implementation survey will be provided to SBC 90 calendar days after the effective date to mutually agreed upon SBC's representatives. Within 30 business days thereafter, SBC will complete the on-line survey.
	Post Certificate delivery will adhere to the Implementation Schedule/Calendar and will occur within 30 business days following receipt of the "Plan's" approval of Policy and Certificate Drafts.	Delivery date	Not applicable	Delivery date		\$25,000	One time payment.
Account Management							
Account Satisfaction Survey	Average score of "Satisfied" (3 or higher) on account surveys.		Sum of responses to <u>Overall Satisfaction question</u> Total number of respondents	Semi-Annual	Annually	11.14%	If the Account Management metric fails at the end of the annual assessment period, the amount at risk will be tied to STD, premium, LTD premium and Absence Management fees.
<u>Reports -- Financial and Claims</u> • STD Experience report  • Performance Guarantee report  • Claim Detail report   • STD Utilization reports	<=60 days after end of reporting period	Via electronic distribution	Not applicable	Semi-Annual	Annually	7.18%	If due date falls on a vendor holiday or a weekend, reports are due next business day.

\* Conditions are associated with ICD-10 diagnoses F10 through F99 with exclusions associated with ICD-10 codes F00 through F09, F70 through F79, and F80 through F89.

\*\* Conditions are associated with ICD-10 diagnoses M00 through M99 and S02, S03, S12, S13, S22, S23, S32, S33, S42, S43, S52, S53, S62, S63, S72, S73, S82, S83, S92 & S93.

### IMPORTANT NOTES:

**TOTAL FUNDS AT RISK:** For each Policy Period (from July 26 - June 30 for the first year and July 1 - June 30 on annual basis thereafter), the maximum penalty payable in aggregate by The Standard to San Bernardino County as a consequence of failing to meet any or all of the foregoing Performance Guarantees is an amount not to exceed 2% of all insured products annual premium at risk and 10% of all Absence Management annual fees at risk. STD metrics are tied to STD premium/or fees, WPP metrics are tied to STD premium & Absence Management metrics are tied to Absence Management fees.

**ASSESSMENT PERIOD:** All performance guarantee metrics are guaranteed on an annual basis.

Penalties will not apply to any line of coverage that has less than 20 paid claims during the annual assessment period.

**FORMULA:** All performance guarantee metrics are measured and reported on San Bernardino County's own results, not The Standard's book of business.

The Standard shall not be considered to have failed to perform its obligations under the agreement if any delay or nonperformance on its part is due, in whole or in part, to San Bernardino County's failure to discharge its own obligations timely.

The Performance Guarantee will remain in force for the current policy period. At the end of the policy period The Standard and policyholder will review and determine if the Performance Guarantee shall remain in force and if so, what the terms shall be for the new policy period.

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The Standard shall be exempted from the liability for failure to perform the obligations partially or fully under this agreement in cases of force majeure which includes natural disasters, accidents, fires, civil disorders, war, prohibitions of the government, enactments of legislative and executive authorities which impede the fulfillment of the obligations by The Standard under this agreement and other circumstances beyond the control of The Standard. If The Standard cannot perform this agreement due to force majeure, it shall immediately notify the policyholder, and try its best to minimize the possible losses as sustained by the policyholder.

Effective Date: July 1, 2025

**San Bernardino County:**

\_\_\_\_\_  
Signature of authorized representative

\_\_\_\_\_  
Date

Dawn Rowe, Chair, Board of Supervisors

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Print name and title of authorized representative

Standard Insurance Company:

\_\_\_\_\_  
Signature of authorized representative

\_\_\_\_\_  
Date

**Jill Schlofer**

**2nd VP Implementation & Enrollment**

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Print name and title of authorized representative