

CLAIM SERVICES



As the Administrator, Midlands will typically perform the following claims services in compliance with applicable law, subject to periodic review and audit thereof by the Company throughout the term of an Agreement:

- Maintain a claim file for each reported claim and an activity log.
- Perform reasonable and necessary technical, administrative and clerical work in connection with reported claims, including, without limitation:
 - Investigation of Reported Claims
 - Establishing Appropriate Reserves
 - Adjust, Handle, or Settle to a Conclusion, those claims that are legally obligated to pay
 - Adjust all Claims through a Licensed Adjuster
 - Prepare Information for any Salvage, Subrogation or Contribution Action necessary
 - Appoint Independent Counsel on Approved Basis
 - Request funds, prepare checks, vouchers, and other documents necessary or desirable to close claims.
 - Prepare & Forward Company's required Federal and State 1099 filings and prepare & distribute 1099 Forms to all applicable payees.
 - Continual Review & Monitoring of Reserves
 - Record & report each loss and loss adjustment expense paid using agreed upon terms.
- Periodically review the claims handling procedure with the Company to identify any problems and to arrive at mutually agreeable corrective action.
- Promptly notify and consult with the Company with respect to any loss or claim resulting in a lawsuit being instituted against the Administrator or the Company.
- Diligently prosecute Company's salvage, subrogation and contribution rights relating to any losses sustained under the Policies, and promptly report to the Company and account for any such salvage, subrogation and contribution collections.