

## **CRAWFORD & COMPANY STANDARD BILLING POLICIES (U.S.)**

The following are Crawford & Company's standard billing policies ("Policies") for professional and administrative services provided by Crawford & Company and its U.S. subsidiaries. These Policies are subject to change from time to time, at the discretion of Crawford & Company, and such changes shall be posted at the web address [www.crawfordandcompany.com](http://www.crawfordandcompany.com). These Policies supersede all existing policies for the billing of these services.

### **I. CLIENT SPECIFIC BILLING ARRANGEMENTS FOR PROFESSIONAL AND ADMINISTRATIVE SERVICES**

Most of Crawford's billing rates and procedures are specific to the programs and matters being handled for each client. Typically, a client's specific billing arrangements for professional and administrative services are negotiated and agreed to prior to the handling of any assignment and should be stated in writing. An arrangement may include flat rates, scheduled rates, fixed fees for specific limited assignment tasks from the Limited Assignment Menu of Services (see attachment), fixed fees for certain administrative tasks and agreed upon hourly rates which may vary from the scheduled hourly rate.

Where Crawford has agreed to specific billing arrangements with the client for professional and administrative services that differ from the general billing Policies described below in section II, III and IV, the client specific billing arrangements always take precedence. Client specific billing arrangements must be stated in writing and can be in the client contract pricing section, if applicable, a pricing proposal (if no executed contract), or as a billing arrangement confirmation. The client specific instructions, parameters or billing arrangements, once agreed upon, should be sent to the client at inception of each program or matter.

If Crawford's published Fee Schedules apply to a Property or Vehicle Services assignment, these schedules govern the fees that are billed.

### **II. ASSIGNMENTS WITH NO PRE-ESTABLISHED BILLING ARRANGEMENTS FOR PROFESSIONAL AND ADMINISTRATIVE SERVICES OR WHERE BILLING IS UNDER AN AGREEMENT WHICH SPECIFIES TIME & EXPENSE BILLING METHOD**

Except for standard fees for the administrative tasks listed below, professional time on assignments with no pre-established client specific billing arrangements; or under an agreement where services are provided on the time and expense method of billing, fees are to be billed per task based on the actual time spent by an employee providing these services. Time is billed at the applicable hourly rate at the time such services are performed. Time is recorded for each task in minimum increments of one-tenth of an hour per task, rounded up to the next one-tenth of an hour when the prior one-tenth of an hour is exceeded. Unless otherwise specified in these policies, travel time by vehicle is not billed at actual time and wait time incurred when handling multiple files is not prorated, but are billed in accordance with the policies detailed in Section III.

Administrative tasks not listed below also are billed based on the actual time spent by a professional or administrative person to perform the task. This administrative time is billed at the applicable hourly rate that applies at the time such services are performed. Time is recorded for each task

in minimum increments of one-tenth of an hour per task, rounded up to the next one-tenth of an hour when the prior one-tenth of an hour is exceeded.

### **Standard Administrative Fees**

The administrative tasks listed below are billed at a standard fee. The fixed fee for each task is determined by multiplying the fixed time billing unit for each task by the hourly rate that applies at the time services are performed. Tasks indicated by an asterisk (\*) are billed at 90% of the applicable hourly rate. The fixed time billing unit is not intended to represent only time spent on the task.

| <u>Standard Administrative Tasks</u> | <u>Code</u> | <u>Billing Unit</u> | <u>Comments</u>          |
|--------------------------------------|-------------|---------------------|--------------------------|
| *Data change/correction              | CG          | 0.2                 | Per page corrected       |
| *Clerical                            | CL          | 0.2                 | (1) Per page typed       |
| *Data entry                          | DE          | 0.2                 | Per page entered         |
| *Issue check                         | IC, II, IM  | 0.2                 | Per check issued         |
| *Transcription                       | TR          | 0.2                 | (1) Per page transcribed |
| Draft/check request                  | DR          | 0.2                 | Per check requested      |
| Input or Change                      | SI          | 0.2                 | Per input or change      |
| Prepare Document                     | PRSD        | 0.2                 | Per document             |
| Prepare check/draft                  | PRCK        | 0.2                 | Per check                |
| Prepare index filing                 | PRIX        | 0.3                 | Per filing               |
| Prepare worksheet/form               | PRWF        | 0.2                 | Per worksheet/form       |
| Prepare reserve worksheet            | PRRW        | 0.2                 | Per worksheet            |

(1) The final typed /transcribed page must have at least six (6) lines of type, excluding headers and footers, in order to be charged 0.2 of an hour/standard charge. Single page documents are charged 0.2 of an hour standard charge.

The above standard administrative fees do not include professional time devoted to the review and evaluation of a file for purposes of completing these administrative tasks. Professional time is charged in addition to these standard administrative fees.

Standard charges for administrative tasks are subject to change at any time by senior management and will be posted to the Company's website.

### **Standard Administrative Fee for Indirect Administrative Costs**

A standard administrative fee has a fixed time billing unit not to exceed 1.0 hour and is charged on each file. However, a standard administrative charge is not applied to scheduled vehicle damage appraisals, managed care task assignments billed at a flat rate, or if all services are performed from the Limited Assignment Menu of Services. The standard administrative charge is billed by multiplying 1.0 by the applicable hourly rate when the file is created. The standard administrative charge covers indirect administrative costs associated with non-billable personnel.

Property damage files are charged a standard administrative fee equivalent to 7.5% of fee billings.

### **Minimum Service Fee for After Hours Assignments**

Cases referred to Crawford between the hours of 6:00 pm and 7:00 am local time Monday through Friday, during weekends, or Crawford observed holidays, which require immediate investigation or attention, are subject to a minimum service fee of \$300, plus expenses. In the event that total service fees for the immediate on-scene investigation and the report on that investigation are less than \$300, the minimum service fee of \$300 plus expenses will be charged for the immediate on-scene investigation and the report on that investigation.

## **III. SPECIFIC POLICIES PERTAINING TO ALL BILLINGS**

### **Drive Time and Mileage Charges**

When any vehicular travel is required on a file, and drive time and mileage charges are applicable, an internet mapping tool shall be used to calculate the mileage and drive time charges to be billed to a client. Such calculations shall be based on the fastest round-trip distance between the file destination and the employee's base location, whether or not the employee is departing to the file destination from such base location. If the employee typically works from a Crawford office, this is their base location and the starting point for the drive time and mileage calculations is that Crawford office. If the employee typically works from home, then this is their base location and the starting point is therefore their home. The billable mileage and drive time charged to a client based on an internet mapping tool may not reflect the actual miles driven, nor the actual drive time, and such charged mileage and drive time may be more or less than the actual miles driven and the time spent driving by the Crawford employee, especially if the Crawford employee is handling multiple files on one trip.

When a professional employee is traveling by any means, or waiting in connection with a file, his or her work on another unrelated file may be billed in addition to the travel or waiting time on the first file. Where travel, waiting time, or mileage is incurred for more than one file on behalf of a single client at a single location or multiple locations, the time and any mileage shall be prorated among such files.

Other than the foregoing, no other pro-rations of waiting time, mileage or drive time, shall be made or applied by Crawford.

### **Supervision**

Supervisory activities associated with ensuring adherence to Crawford's Standard Billing Policies (U.S.) or published service standards is not charged directly to a file, but is recovered as a component of Crawford's Standard Administrative Fee for Indirect Administrative Costs. All other activities performed by a supervisor directly related to a file are billable under Crawford's time and expense method of billing.

### **Notification to Client**

For all assignments not subject to a client specific service agreement, an acknowledgement communication to the client, either by mail, fax or email, will be sent within three (3) business days of receipt of the assignment and shall include an acknowledgement of the receipt of the assignment, and a reference to Crawford's Standard Billing Policies (U.S.), located on Crawford's web site at

[www.crawfordandcompany.com](http://www.crawfordandcompany.com), to ensure a clear understanding between Crawford and the client relating to Crawford's billing policies. Crawford should send a hard copy of the Standard Billing Policies (U.S.) to a client if the client does not have internet access or requests a hard copy.

If the client has already been provided with the Billing Policies and requests that acknowledgement communication no longer be sent, this should be confirmed by letter to the client. At that point, an acknowledgement communication need not be sent.

#### **IV. ADMINISTRATIVE FEES**

Crawford offers its customers services through the use of in house staff and preferred vendors. When using preferred vendors, please note Crawford's and/or its preferred vendor's fees and/or expenses may not only include the cost of any access fees that Crawford pays to third party vendors, but may also include an additional amount to compensate Crawford for arranging and administering the third party vendor's service.

#### **V. EXPENSES**

Airfare, lodging, meals, taxi and rental vehicles are billed at cost.

Mileage is charged as follows:

- Continental U.S. \$0.70 cents per mile
- Alaska \$0.75 cents per mile
- Hawaii \$0.73 cents per mile

Where miles are driven in the performance of the Company's services, a fuel surcharge of up to \$5.00 per file, including files handled under the Limited Assignment Menu of Services, may be charged for the cost of fuel associated with any miles included in Crawford's published rates and fee schedules.

Parking and tolls are billed at cost.

Photocopies and incoming faxes are billed at \$0.35 per page.

Outgoing faxes are billed at \$1.15 per page.

Photograph(s) are charged at \$2.00 each.

Phone Charges for all domestic long distance calls and local toll calls are \$3.00 per call. Local cellular calls are \$1.00 per call. International calls are charged at cost.

A standard mailing charge of \$5.00 per file is charged for routine mailings, including electronic communications. However, a standard mailing charge is not applied to medical only workers compensation files, scheduled vehicle damage appraisals, TCM files, managed care task assignments, or for services performed from the Limited Assignment Menu of Services. Special mailings or deliveries (overnight mail, certified mail, courier service, international mail, etc.) are charged at cost.

Expense incurred for miscellaneous items such as police reports, medical reports, cassettes, and other allocated loss adjustment expense, etc., are billed at cost.

Sales Tax is billed as applicable.

Depending on the nature of the assignment, charges for certain vendor expenses are subject to mark-up.

Crawford receives travel volume rebates based, in part, on travel for clients. The price charged to the client is the actual price of the travel and any rebate received by Crawford is not reflected in the amounts billed to a client. Volume rebates are kept by Crawford and used by Crawford to offset the costs of administering its travel program for clients.

Expense item rates are subject to change at any time by senior management and will be posted to the Company's website.