

**FUNDING AGREEMENT BETWEEN
TEXAS MUTUAL INSURANCE COMPANY
AND THE OFFICE OF THE TRAVIS COUNTY
DISTRICT ATTORNEY**

This Agreement is entered into between the Office of the District Attorney of Travis County, Texas ("Prosecutor") and Texas Mutual Insurance Company ("the Company.")

RECITALS

Prosecutor receives complaints and engages in the investigation and prosecution of alleged criminal violations of the laws of the State of Texas.

Prosecutor and the Company wish to provide for the receiving of complaints and the investigation and prosecution of criminal offenses against the Company relating to workers' compensation insurance cooperatively under certain terms and conditions.

Both Prosecutor and the Company wish to enter into a funding agreement for the prosecution of offenses against the Company pursuant to Texas Insurance Code Art. 5.76-3, § 9(c).

AGREEMENT

NOW, THEREFORE, Prosecutor and the Company mutually agree to the following terms and conditions:

1.0 Term of Agreement

1.01. Term and Renewal. This Agreement is effective October 1, 2004, and will automatically renew for one-year periods on October 1 of each year.

1.02. Wind-down Period. If the Agreement is not renewed, the Agreement may be extended by either party by written notice to the other for a period not to exceed six months from the date of the last indictment returned pursuant to this Agreement.

1.03. Termination. This Agreement may be terminated at any time by either party upon thirty days' advance written notice.

2.0 Scope of Agreement

2.01. Services Provided by Prosecutor. Prosecutor will:

(a) Investigate and prosecute when warranted any alleged criminal violation of the Texas Insurance Code; Subtitle A, Title 5, Texas Labor Code; or other penal laws of the state relating to crimes committed against the Company. Special emphasis will be given to major fraud, i.e., large premium and healthcare fraud cases.

(b) Receive complaints of violations of state penal laws relating to workers' compensation insurance from the Company, any person designated by the Company, or any law enforcement agency or person, and prosecute when warranted any alleged criminal violations revealed by such complaints within the jurisdiction of the Prosecutor.

(c) Provide investigative and other assistance to the extent that resources will allow to the Company or to the prosecuting attorney of another county in Texas for any of the aforementioned violations if such violation occurs outside the jurisdiction of the Prosecutor.

(d) Study the present law and suggest to the Company and the Legislature any changes that might make detection and prosecution of workers' compensation insurance fraud more effective.

2.02. Payment of Services. The Company will pay monthly the monthly salary (including associated benefits) and expenses of two assistant district attorneys and one support person, as well as incidental expenses, such as witness expenses and temporary help, as needed. The annual amount paid under this Agreement may not exceed \$290,000. The Agreement will be amended to include increases in the amount paid if necessary to fund additional renewals.

3.0 Express Warranties and Acknowledgments

3.01. Prosecutor is charged by the Texas Constitution and Texas statutes with the sole responsibility for decisions relating to the prosecution of offenses within his jurisdiction, and nothing in this Agreement can or is intended to delegate or abrogate that responsibility and authority.

3.02. The services above are necessary and essential for activities that are properly within the statutory functions and programs of the parties.

3.03. The proposed arrangements serve the interest of efficient and economical administration of state government.

3.04. The services, supplies or materials contracted for are not required by Section 21 of Article 16 of the Constitution of Texas to be supplied under contract given to the lowest bidder.

3.05. The Company has the authority to contract for the above services by authority granted in Texas Insurance Code, Art. 5.76-3, § 9(c).

3.06. The Prosecutor has the authority to perform the services contracted for by authority in Article 2.01, Texas Code of Criminal Procedure, and the Texas Constitution.

4.0 Compliance with Law

Prosecutor and Company will comply with all laws applicable to performance of this Agreement.

5.0 Amendments

Any change to the provisions of this Agreement or any attachments to it will be made in writing and signed by both parties. Each party will submit all requests for changes to this Agreement or any attachment to it to the other party.

6.0 Non-Waiver and Reservation of Remedies

6.01. Non-Waiver. Any act of forbearance by either party to enforce any provision of this Agreement is not a modification of this Agreement or a waiver of any breach or default of the other party that then exists or may later exist. The failure of either party to exercise any right or privilege granted in this Agreement does not waive that right or privilege.

6.02. Reservation of Rights and Remedies. All rights of both parties under this Agreement are specifically reserved. Any payment, act or omission by a party will not impair or prejudice any remedy or right of that party under this Agreement. Any right or remedy stated in this Agreement does not preclude the exercise of any other right or remedy under this Agreement, the law or at equity. No action taken in the exercise of any right or remedy waives any other rights or remedies.

7.0 Law and Venue

This Agreement is governed by the laws of the State of Texas and all obligations under this Agreement are performable in Travis County, Texas.

8.0 Entire Agreement

Agreement All Inclusive. All oral and written agreements between the parties of this Agreement relating to the subject matter of this Agreement that were made before the

execution of this Agreement have been reduced to writing and are contained in this Agreement.

9.0 Severability

If any portion of this Agreement is ruled invalid by a court of competent jurisdiction, the remainder of the Agreement will remain valid and binding.

10.0 Assignability

Neither party may assign any of the rights or duties created by this Agreement without the prior written approval of the other party.

11.0 Legal Authority

11.01. The Company Signors. The person signing this Agreement on behalf of the Company, or representing himself as signing this Agreement on behalf of the Company, does hereby warrant and guarantee that he has been duly authorized by the Company to sign this Agreement on behalf of the Company and to bind the Company validly and legally to all terms, performances and provisions in this Agreement.

11.02. Prosecutor Signors. The person signing this Agreement on behalf of Prosecutor, or representing himself as signing this Agreement on behalf of Prosecutor, does hereby warrant and guarantee that he has been duly authorized by Prosecutor to sign this Agreement on behalf of Performing Agency and to bind validly and legally to all terms, performances and provisions in this Agreement.

The undersigned parties bind themselves to the faithful performance of this Agreement.

EXECUTED in duplicate originals this the 7th day of Sept., 2004.

THE COMPANY:

BY: 

Russell R. Oliver
President

PROSECUTOR:

BY: 

Ronald Earle
Travis County District Attorney



Funding Agreement Between Texas Mutual Insurance Company and The Office of the Travis County District Attorney

Modification No. 1

Texas Mutual Insurance Company is issuing this contract Modification No. 1 to the Agreement between Texas Mutual Insurance Company ("the Company") and Office of the District Attorney of Travis County, Texas ("the Prosecutor") to make the following changes:

- 1. Amend Paragraph 2.02 Payment of Services to read as follows: The Company will pay monthly the monthly salary (including associated benefits) and expenses of two assistant district attorneys and one support person, as well as operating and other incidental expenses, as needed. The annual amount paid under this Agreement may not exceed \$307,000. The Agreement will be amended to include increases in the amount paid if necessary to fund additional renewals.

All other terms and conditions of the Agreement remain the same. Please return a signed original of this Agreement modification to the Company, to the attention of Dorothy Caston, at the below referenced address.

THE COMPANY:

PROSECUTOR:

By: [Signature]
Russell R. Oliver
President

By: [Signature]
Ronald Earle
Travis County District Attorney

11-27-05
Date

11-15-05
Date



Funding Agreement Between Texas Mutual Insurance Company and The Office of the Travis County District Attorney

Modification No. 2

Texas Mutual Insurance Company is issuing this contract Modification No. 2 to the Agreement between Texas Mutual Insurance Company ("the Company") and Office of the District Attorney of Travis County, Texas ("the Prosecutor") to make the following changes effective October 1, 2007:

- 1. Amend Paragraph 2.02 Payment of Services to read as follows: The Company will pay monthly the monthly salary (including associated benefits) and expenses of two assistant district attorneys and three support personnel, as well as incidental expenses, such as witness expenses and temporary help, as needed. The annual amount paid under this Agreement may not exceed \$367,000. The Agreement will be amended to include increases in the amount paid if necessary to fund additional renewals.

All other terms and conditions of the Agreement remain the same. Please return a signed original of this Agreement modification to the Company, to the attention of Dorothy Caston, at the below referenced address.

Texas Mutual Insurance Company:

District Attorney:

By: [Signature]
Russell R. Oliver
President

By: [Signature]
Ronald Earle
Travis County District Attorney
10-29-07
1st Asst D.A.

[Signature]
Date

10-29-07
Date



Funding Agreement Between Texas Mutual Insurance Company and The Office of the Travis County District Attorney

Modification No. 3

Texas Mutual Insurance Company is issuing this contract Modification No. 3 to the Agreement between Texas Mutual Insurance Company ("the Company") and Office of the District Attorney of Travis County, Texas ("the Prosecutor") to make the following changes effective October 1, 2008:

- 1. Amend Paragraph 2.02 Payment of Services to read as follows: The Company will pay monthly the monthly salary (including associated benefits) and expenses of two assistant district attorneys and three support personnel, as well as incidental expenses, such as witness expenses and temporary help, as needed. The annual amount paid under this Agreement may not exceed \$370,400. The Agreement will be amended to include increases in the amount paid if necessary to fund additional renewals.

All other terms and conditions of the Agreement remain the same. Please return a signed original of this Agreement modification to the Company, to the attention of Dorothy Caston, at the below referenced address.

Texas Mutual Insurance Company:

District Attorney:

By: [Signature]
Russell R. Oliver
President

By: [Signature]
Ronald Earle
Travis County District Attorney

11-10-08
Date

11-12-08
Date



Funding Agreement Between Texas Mutual Insurance Company and The Office of the Travis County District Attorney

Modification No. 4

Texas Mutual Insurance Company is issuing this contract Modification No. 4 to the Agreement between Texas Mutual Insurance Company ("the Company") and Office of the District Attorney of Travis County, Texas to make the following changes effective October 1, 2009:

- 1. Amend Paragraph 2.02 Payment of Services to read as follows: The Company will pay monthly the monthly salary (including associated benefits) and expenses of two assistant district attorneys and three support personnel, as well as incidental expenses, such as witness expenses and temporary help, as needed. The annual amount paid under this Agreement may not exceed \$393,000. The Agreement will be amended to include increases in the amount paid if necessary to fund additional renewals.

All other terms and conditions of the Agreement remain the same. Please return a signed original of this Agreement modification to the Company, to the attention of Dorothy Caston, at the below referenced address.

Texas Mutual Insurance Company:

By: Ron Wright
Ron Wright
President

Date: 9/17/09

District Attorney:

Rosemary Lehmburg
Rosemary Lehmburg
Travis County District Attorney

Date: 9-29-09

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Funding Agreement Between Texas Mutual Insurance Company and The Office of the Travis County District Attorney

Modification No. 5

Texas Mutual Insurance Company ("the Company") is issuing this contract Modification No. 5 to the above referenced agreement ("Agreement") between the Company and the Office of the District Attorney of Travis County, Texas to make the following changes effective October 1, 2010:

- 1. Amend Paragraph 2.02 Payment of Services to read as follows: The Company will pay monthly the monthly salary (including associated benefits) and expenses of two assistant district attorneys and three support personnel, as well as incidental expenses, such as witness expenses and temporary help, as needed. The annual amount paid under this Agreement may not exceed \$394,250. The Agreement will be amended to include increases in the amount paid if necessary to fund additional renewals.

All other terms and conditions of the Agreement remain the same. Please return a signed original of this Modification to the Company, to the attention of Dorothy Caston, at the below referenced address.

Texas Mutual Insurance Company:

By: Ron Wright
Ron Wright
President

Date: 9/8/10

District Attorney: Rosemary Lehmburg
By: Rosemary Lehmburg
Travis County District Attorney

Date: 9-27-10

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RECEIVED
BY ADMIN DIVISION

**Funding Agreement Between Texas Mutual Insurance Company
and The Office of the Travis County District Attorney**

Modification No. 6

Texas Mutual Insurance Company ("the Company") is issuing this contract Modification No. 6 to the above referenced agreement ("Agreement") between the Company and the Office of the District Attorney of Travis County, Texas to make the following changes effective October 1, 2012:

1. Amend Paragraph 2.02 Payment of Services to read as follows: The Company will pay monthly the monthly salary (including associated benefits) and expenses of two assistant district attorneys and three support personnel, as well as incidental expenses, such as witness expenses and temporary help, as needed. The annual amount paid under this Agreement may not exceed \$404,950. The Agreement will be amended to include increases in the amount paid if necessary to fund additional renewals.

All other terms and conditions of the Agreement remain the same. Please return a signed original of this Modification to the Company, to the attention of Contract Administration, at the below referenced address.

**Texas Mutual Insurance
Company:**

By: Ron Wright
Ron Wright
President

Date 9/28/12

District Attorney:
By: Rosemary Lehmburg
Rosemary Lehmburg
Travis County District Attorney

Date 9-19-12

Texas MutualSM

Insurance Company

Funding Agreement Between Texas Mutual Insurance Company and The Office of the Travis County District Attorney


Modification No. 7

Texas Mutual Insurance Company ("Texas Mutual") is issuing this contract Modification No. 7 to the above-referenced agreement ("Agreement") between Texas Mutual and the Office of the District Attorney of Travis County, Texas to make the following changes effective October 1, 2013:

1. Amend Paragraph 2.02 Payment of Services to read as follows: Texas Mutual will pay monthly the monthly salary (including associated benefits) and expenses of two assistant district attorneys and three support personnel, as well as incidental expenses, such as witness expenses and temporary help, as needed. The annual amount paid under this Agreement may not exceed \$412,000.

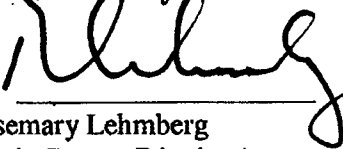
All other terms and conditions of the Agreement remain the same. Please return a signed original of this Modification to Texas Mutual, to the attention of Contract Administration, at the below-referenced address.

**Texas Mutual Insurance
Company:**

By: 
Mike Barron
SVP / CFO

9-10-13
Date

District Attorney:

By: 
Rosemary Lehmborg
Travis County District Attorney

9-19-13
Date



**Funding Agreement Between Texas Mutual Insurance Company
and The Office of the Travis County District Attorney**


Modification No. 8

Texas Mutual Insurance Company ("Texas Mutual") is issuing this contract Modification No. 8 to the above-referenced agreement ("Agreement") to make the following changes effective October 1, 2014:

- 1. Amend Paragraph 2.02 Payment of Services to read as follows: Texas Mutual will pay monthly the monthly salary (including associated benefits) and expenses of two assistant district attorneys and three support personnel, as well as incidental expenses, such as witness expenses and temporary help, as needed. The annual amount paid under this Agreement may not exceed \$430,266.

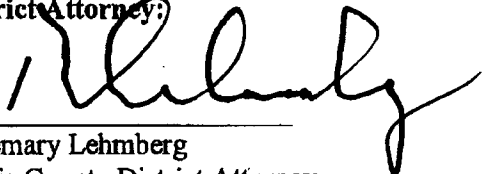
All other terms and conditions of the Agreement remain the same. Please return a signed original of this Modification to Texas Mutual, to the attention of Contract Administration, at the below-referenced address.

**Texas Mutual Insurance
Company:**

By: 
Mike Barron
SVP and CFO

10-1-14
Date

District Attorney:

By: 
Rosemary Lehmborg
Travis County District Attorney

10-6-14
Date