

RESOLUTION NO. 14-085

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AUTHORIZING A ONE-YEAR EXTENSION OF THE "AGREEMENT FOR ADMINISTRATIVE SERVICES" WITH EMPLOYERS MUTUAL, INC. (EMI), AS THE CITY'S INSURANCE PROGRAM THIRD PARTY CLAIMS ADMINISTRATOR FOR THE POLICY PERIOD OF 10/01/2014 - 9/30/2015, PURSUANT TO SECTION 2-797(4)(b), BEST INTERESTS OF THE CITY; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, in Resolution No. 10-113, the City Commission ratified an "Agreement for Administrative Services" for policy period 2009/2010 with EMI, Inc., including an option for up to four annual renewals; and

WHEREAS, in Resolution No. 13-232, the City Commission approved the last of four one-year renewals contemplated in the original Agreement; and

WHEREAS, the City Commission finds that pursuant to section 2-797(4)(b) of the Code of Ordinances, it is in the best interests of the City to approve an additional one-year extension for policy year 10/01-2014 - 9/30/2015.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That the "Agreement for Administrative Services" between the City and EMI, is hereby extended for the policy

period of 10/1/2014 - 9/30/2015, pursuant to section 2-797(4)(b), best interests of the City.

Section 2: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this 18th day of March, 2014.

Authenticated by the presiding officer and Clerk of the Commission on March 20, 2014.

Filed with the Clerk March 20, 2014.

Mayor Craig Cates	<u>Yes</u>
Vice Mayor Mark Rossi	<u>Yes</u>
Commissioner Teri Johnston	<u>Yes</u>
Commissioner Clayton Lopez	<u>Yes</u>
Commissioner Billy Wardlow	<u>Yes</u>
Commissioner Jimmy Weekley	<u>Yes</u>
Commissioner Tony Yaniz	<u>Yes</u>


CRAIG CATES, MAYOR

ATTEST:


CHERYL SMITH, CITY CLERK



CITY MANAGER'S OFFICE MEMORANDUM

To: Mayor and City Commission

From: Bob Vitas, City Manager

Date: February 24, 2014

Subject: Extension of Third Party Administrator (TPA) Services (Property, Casualty and Workers Compensation Program) for Policy Period FY 2014-15 with Employers Mutual, Inc. (EMI)

ACTION STATEMENT:

Pursuant to City of Key West Code of Ordinances 2-797 Exemptions, (4)(b), Best Interests of the City, request the City Commission approve and extend Third Party Administrator (TPA) services for the administration of the City's property, casualty and workers compensation claims program with Employers Mutual, Inc. (EMI) for the policy period of 10/01/2014 – 10/01/2015.

BACKGROUND:

On September 15, 2009 the City Commission adopted Resolution No. 09-246 authorizing the acceptance of Employers Mutual, Inc. (EMI's) proposal to serve as the City's insurance (property, casualty and workers compensation) program Third Party Administrator for policy year 2009/2010 with four (4) additional years. The intent of the RFP was to provide the City the opportunity to annually re-evaluate the services provided by EMI and to exercise its option for renewal in subsequent policy periods based on their performance. Policy Year 2013-14 represented the final one year period that could be exercised by the City pursuant to Resolution No. 09-246 and RFP 09-011. With the recent resignation/retirement of the two primary City administrators who provided oversight for such services and the challenge their departure would create with respect to the construction a solicitation, releasing the solicitation and making an award for similar third party services, it is my strong recommendation the City retain for one additional policy period the services of EMI.

2009- Current Services Provided by EMI

Throughout their tenure with the City EMI has proved to be a responsive and readily available service partner in providing the City with its expertise in claim's management, timely and active interaction with claimants and working closely with both the Legal and Risk Management staff. Employers Mutual, Inc. (EMI) has assisted Risk Management in implementing a more aggressive litigation defense program on all claims which include those claims made under the Heart and Lung Act. Adjusters work hand in hand with City Attorneys to pursue claims closure as quickly as possible.

FINANCIAL IMPACT:

Employers Mutual, Inc. (EMI) charges a flat fee for each claim administered, dependent on the type of claim. Such fees were established during the Request for Proposal process and were one of the factors considered in the award determination. The fee charged for the administration of each claim is still considered fair and reasonable and consistent with fees proposed under the RFP and additionally consistent with those fees charged by Employers Mutual, Inc. (EMI) of Florida's contemporaries. The FY 2014-15 proposed insurance budget, when approved, will contain amounts sufficient to cover the number of claims projected to be administered in the FY 2015 operating period.

RECOMMENDATION:

Request the City Commission extend the City's agreement with Employers Mutual, Inc. (EMI) for the renewal period of 2014-2015 as allowed for in the RFP No. 09-011.

RESOLUTION NO. 13-232

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, RENEWING THE "AGREEMENT FOR ADMINISTRATIVE SERVICES" WITH EMPLOYERS MUTUAL, INC. (EMI), AS THE CITY'S INSURANCE PROGRAM THIRD PARTY CLAIMS ADMINISTRATOR FOR THE POLICY PERIOD OF 10/01/2013 - 10/01/2014; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, in Resolution No. 09-246, the City approved the proposal of EMI, Inc. in response to #09-011 requesting proposals for "third party claim administration"; and

WHEREAS, in Resolution No. 10-113, the City Commission ratified an "Agreement for Administrative Services" with EMI, Inc., including an option for up to four annual renewals; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That the "Agreement for Administrative Services" between the City and Employers Mutual Inc. (IMA), is hereby renewed for the policy period of 10/01/2013 - 10/01-2014.

Section 2: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

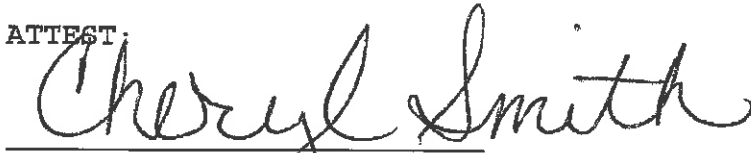
Passed and adopted by the City Commission at a meeting held this 17 day of September, 2013.

Authenticated by the presiding officer and Clerk of the Commission on September 18, 2013.

Filed with the Clerk September 18, 2013.


CRAIG CATES, MAYOR

ATTEST:


CHERYL SMITH, CITY CLERK



CITY MANAGER'S OFFICE MEMORANDUM

To: Bob Vitas, City Manager

From: Mark Z. Finigan, Assistant City Manager 

Date: September 9, 2013

Subject: Renewal of 2013-2014 Third Party Administrator (TPA) Services
(Property, Casualty and Workers Compensation Program)

ACTION STATEMENT:

Request the City Commission approve and extend the Third Party Administrator (TPA) services for the administration of City's property, casualty and workers compensation claims program with Employers Mutual, Inc. (EMI) for the policy period of 10/01/2013 – 10/01/2014 in accordance with the Request for Proposal (RFP #09-011) published in April 2009: *"It is the intent of the City to agree to a one (1) year term with rights to renew with the successful proposer for four (4) additional one-year term at the sole option of the City."*

BACKGROUND:

On September 15, 2009 the City Commission adopted Resolution No. 09-246 authorizing the acceptance of Employers Mutual, Inc. (EMI's) proposal to serve as the City's insurance (property, casualty and workers compensation) program Third Party Administrator for policy year 2009/2010 with four (4) additional years. The intent of the RFP was to provide the City the opportunity to annually re-evaluate the services provided by EMI and to exercise its option for renewal in subsequent policy periods based on their performance. Policy Year 2013-14 represents the final one year period that can be exercised by the City pursuant to Resolution No. 09-246 and RFP 09-011. It is the intent of the City to rebid Third Party Administrator services for Fiscal Year 2014-15 and possibly beyond.

2009-2013 Services Provided by EMI

Throughout their tenure with the City EMI has proved to be a responsive and readily available service partner in providing the City with its expertise in claim's management, timely and active interaction with claimants and working closely with both the Legal and Risk Management staff. Employers Mutual, Inc. (EMI) has assisted Risk Management in implementing a more aggressive litigation defense program on all claims which include those claims made under the Heart and Lung Act. Adjusters work hand in hand with City Attorneys to pursue claims closure as quickly as possible.

FINANCIAL IMPACT:

Employers Mutual, Inc. (EMI) charges a flat fee for each claim administered, dependent on the type of claim. Such fees were established during the Request for Proposal process and were one of the factors considered in the award determination. The fee charged for the administration of each claim is still considered fair and reasonable and consistent with fees proposed under the RFP and additionally consistent with those fees charged by Employers Mutual, Inc. (EMI) of Florida's contemporaries. The FY 2013-14 proposed budget contains amounts sufficient to cover the number of claims projected to be administered in the FY 2014 operating period.

RECOMMENDATION:

Request the City Commission extend the City's agreement with Employers Mutual, Inc. (EMI) for the renewal period of 2013-2014 as allowed for in the RFP No. 09-011.

RESOLUTION NO. 12-140

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, RENEWING THE "AGREEMENT FOR ADMINISTRATIVE SERVICES" WITH EMPLOYERS MUTUAL, INC. (EMI), AS THE CITY'S INSURANCE PROGRAM THIRD PARTY CLAIMS ADMINISTRATOR FOR THE POLICY PERIOD OF 10/01/2012 - 10/01/2013; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, in Resolution No. 09-246, the City approved the proposal of EMI, Inc. in response to #09-011 requesting proposals for "third party claim administration"; and

WHEREAS, in Resolution No. 10-113, the City Commission ratified an "Agreement for Administrative Services" with EMI, Inc., including an option for up to four annual renewals; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That the "Agreement for Administrative Services" between the City and Employers Mutual Inc. (IMA), is hereby renewed for the policy period of 10/01/2012 - 10/01-2013.

Section 2: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this 1st day of May, 2012.

Authenticated by the presiding officer and Clerk of the Commission on May 2, 2012.

Filed with the Clerk May 2, 2012.


CRAIG CATES, MAYOR

ATTEST:


CHERYL SMITH CITY CLERK



CITY MANAGER'S OFFICE MEMORANDUM

To: Jim Scholl, City Manager
From: Mark Z. Finigan, Assistant City Manager
Date: April 9, 2012
Subject: Renewal of FY 2012-2013 Third Party Administrator (TPA) Services

ACTION STATEMENT:

Request City Commission approve and extend the Third Party Administrator services of existing TPA servicing agent, Employers Mutual, Inc (EMI) for the policy period of 10/01/2012 – 10/01/2013 in accordance with the Request for Proposal (RFP #09-011) published in April 2009: *"It is the intent of the City to agree to a one (1) year term with rights to renew with the successful proposer for four (4) additional one-year term at the sole option of the City. Consideration may be given to longer-term agreements based on price, terms and conditions."*

BACKGROUND:

At the September 15, 2009 City Commission meeting the City Commission adopted Resolution No. 09-246 authorizing the acceptance of Employers Mutual, Inc. (EMI's) proposal to serve as the City's insurance (property, casualty and workers compensation) program Third Party Administrator for policy year 2009/2010 with the provision for four (4) additional years. The intent of the RFP was to provide the City the opportunity to annually re-evaluate the services provided by EMI and to exercise its option for renewal in subsequent policy periods based on their performance.

2009-2012 Services Provided by EMI

Throughout their tenure with the City EMI has proved to be a responsive and readily available service partner in providing the City with its expertise in claim's management, timely and active interaction with claimants and working closely with both the Legal and Risk Management staff. EMI has assisted Risk Management in implementing a more aggressive litigation defense program on all type claims. EMI's adjusters work hand in hand with City Attorneys to pursue claims closure as quickly as possible and in the best financial interest of the City.

FINANCIAL IMPACT:

In 2009-2010 Fiscal Period EMI began providing the City with Third Party Claims Administration (TPA) Services for all new claims as well as assuming the service for all open and existing claims. Within the initial take over period EMI changed the classification of 40 or more indemnity claims to medical only claims to more closely conform to Florida 440 Statutory law. This re-classification resulted in an immediate cost savings by reducing the amount of monetary reserves

which had been posted against those claims. They also took an aggressive approach in reviewing and closing dozens of inactive claims yielding a return of allocated reserves back to the City.

TPA Services - Claim Set-up Fees

EMI's services are provided on a flat fee basis. For example: once a claim is reported to EMI their charge is based on a one time set-up cost per type of claim and no further adjusting services are paid. By comparison, claim count and costs for the period of FY2007, FY2008 and FY2009 (Prior TPA) and FY2010 and FY2011 (EMI) are as follows:

	<u>Liability</u>	<u>Workers' Comp</u>	<u>Totals</u>
<u>Prior TPA Claim Set-Up Fees:</u>			
▪ FY 2007 - Claim Count:	37	127	164
Set-Up Fees:	\$23,285	\$63,902	\$87,187
▪ FY 2008 - Claim Count:	51	110	161
Set-Up Fees:	\$39,731	\$68,000	\$107,740
▪ FY 2009 - Claim Count:	28	98	126
Set-Up Fees:	\$24,836	\$60,202	\$85,038
<u>EMI Claim Set-Up Fees:</u>			
▪ FY 2010 - Claim Count:	23	75	98
Set-Up Fees:	\$15,700	\$28,950	\$44,650
▪ FY 2011 - Claim Count:	26	78	104
Set-Up Fees:	\$18,385	\$26,419	\$44,805

EMI has also pursued an aggressive recovery for excess reimbursements due from Excess Carriers once a claim has exceeded the City's SIR. To date, EMI has recovered \$253,750.

RECOMMENDATION:

Request the City Commission to extend the City's agreement with Employers Mutual, Inc. (EMI) for the renewal period of Fiscal Year 2012-2013 as allowed for in the RFP No. 09-011.

RESOLUTION NO. 10-113

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, RATIFYING THE ATTACHED AGREEMENT FOR ADMINISTRATIVE SERVICES BETWEEN THE CITY OF KEY WEST AND EMPLOYERS MUTUAL, INC. (EMI) FOR SERVICES AS THE CITY'S INSURANCE PROGRAM THIRD PARTY ADMINISTRATOR (TPA); PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in Resolution No. 09-246, the City Commission authorized the City Manager to negotiate an agreement with EMI for services as a third party administrator;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA AS FOLLOWS:

Section 1: That the attached Agreement for Administrative Services is hereby ratified.

Section 2: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the Presiding Officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this 6th day of April, 2010.

Authenticated by the Presiding Officer and Clerk of the Commission on 7th day of April, 2010.

Filed with the Clerk on April 7, 2010


CRAIG CATES, MAYOR

ATTEST:


CHERYL SMITH, CITY CLERK



CITY MANAGER'S OFFICE MEMORANDUM

TO: Jim Scholl, City Manager

FROM: Mark Z. Finigan, Assistant City Manager

DATE: March 7, 2010

SUBJECT: Ratification of Agreement with Employer Mutual, Inc.

ACTION STATEMENT:

This purpose of this resolution is to request ratification by the City Commission of the attached fully executed Agreement between the City of Key West and Employer Mutual, Inc. (EMI), for services rendered as the City's Insurance Program Third Party Claims Administrator (TPA).

BACKGROUND:

City Commission approved via Resolution 09-246 the recommended ranking of the Evaluation Committee for the engagement of Employer Mutual, Inc. (EMI). Pursuant to said resolution the City Manager was authorized to enter into negotiations with Employer Mutual, Inc. (EMI) and if successful in negotiating an agreement, execute said agreement and bring back before the City Commission for ratification. The resulting agreement is attached and presented to the City Commission for ratification. The agreement was reviewed and approved by the City's Legal Department before execution by the City Manager.

Employer Mutual, Inc. (EMI) has been providing services since October 1, 2009 as the third party administrator for all City insurance claims. To date, their service has been excellent. The delay in executing an agreement acceptable to both parties was centered on a protracted discussion/negotiation of certain terms and conditions which did not impact performance. Employer Mutual, Inc. (EMI) services from October 1, 2009 have been pursuant to the City's Request for Proposal and the proposal submitted by Employer Mutual, Inc. (EMI).

RECOMMENDATION:

Ratify the attached fully executed Agreement For Services between the City of Key West and Employer Mutual, Inc. (EMI), for services rendered as the City's Insurance Program Third Party Administrator (TPA).

AGREEMENT FOR ADMINISTRATIVE SERVICES

THIS AGREEMENT, made and entered into by and between the City of Key West hereinafter referred to as the Client, and Employers Mutual Inc. (EMI), 700 Central Parkway, Stuart, FL 34994, a Florida Corporation, hereinafter referred to as Administrator.

WITNESSETH

WHEREAS, the Client desires to engage the services of Administrator to provide claim adjusting services for workers compensation and liability claims as described herein on behalf of the Client;

WHEREAS, Administrator is qualified and desires to provide the aforementioned services on behalf of the Client in accordance with this Agreement; and

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein, the parties hereto do mutually agree as follows:

The above recitals are incorporated herein as if set forth here below.

I. SERVICES

A. CLAIMS ADMINISTRATION SERVICES

Client engages Administrator to provide the following and such other services as may be considered necessary and which are mutually acceptable to both parties:

- (i) Supervise and administer the open claims in compliance with applicable laws, rules and regulations governing the administration of self-insurance programs and imposed by the State of Florida. Claims will be timely adjusted and Administrator will be responsible for penalties if the penalty arises from the neglect of the Administrator.
- (ii) Provide qualified and experienced personnel capable of servicing the open claims of the Client. Administrator will maintain an office with toll-free telephone services and experienced employees.
- (iii) Complete processing of loss adjustments, investigations and settlements falling within the self-insured retention level. Submissions of all investigation reports, legal actions, court orders, or awards shall be provided to the Client together with recommendations to be taken in the event claims exceed the limits of authority of Administrator. Administrator must obtain prior approval from the Client, for all settlements.
- (iv) Coordinate investigations of and manage litigated claims with defense attorneys.

- (v) Develop subrogation possibilities and assist in the collection of same. Submit claims to reinsurance/excess carriers and assist in the recovery of such benefits (if any) on behalf of Client.
- (vi) In the event of termination of the contract, Administrator shall not have any responsibility or obligation to handle any claims beyond sixty (90) days after the termination date.
- (vii) Administrator shall comply with all notification and reporting requirements of the Client's excess insurers and shall pursue all Excess Recoveries in a timely fashion.
- (viii) Administrator shall pursue all available Second Disability Trust Fund recoveries from the State of Florida.
- (ix) Administrator shall complete and file on behalf of the Client, all State mandated reports.
- (x) Those Services described in the Client's Request for Proposal # 09-011 (Exhibit "A") and the ADMINISTRATOR Proposal (Exhibit B), dated August 24, 2009.

II. RESPONSIBILITIES OF THE CLIENT

The Client shall have and perform the following duties, obligations, and responsibilities to Administrator.

- (i) **Obligation & Responsibility for Payment.** The Client has the sole obligation and responsibility for funding the payment of claims made against the Client. Administrator assumes no duty to fund any such claims at any time and shall have no obligation to advance funds for such payment.
- (ii) **Deposit Account.** Prior to the commencement of the Agreement, the Client shall establish a bank account at a bank of the Client's choosing and this account will be used to process claim checks. The Client will be responsible for the proper funding of this account as well as all banking fees, bank interfaces and the bank reconciliations. Administrator shall use the funds deposited by the Client into the account to pay claim settlements within the discretionary settlement authority limit or as otherwise authorized by the Client, and to pay interim claim payments, indemnity payments, medical expenses and allocated expenses.
- (iii) **Management of Account.** It is the Client's responsibility to establish and replenish the bank account with funds sufficient to cover all claim payments. The Client may, at its discretion, increase or decrease the minimum funding levels based on actual claim activity. The bank account shall remain in effect until all claims activity ceases under this Agreement.

- (iv) Allocated Loss Adjustment Expense. Coverage costs shall include but not be limited to: cost of medical and/or indemnity payments, outside investigation of claims, surveillance, vocational rehabilitation, on-site case management, legal fees, court or hearing costs, depositions, documents and exhibits, witness fees, photography and other incidental and special costs, as approved by Client. Coverage costs shall be borne by the Client as normal claims related expenditures and shall be charged against the Deposit Account.
- (v) Instructions from Client. Administrator shall duly consider all written notices and recommendations made by Client relative to the administration of claims, including medical and litigation services with the understanding that the final authority rests with the Client. Administrator shall not be responsible or liable for any action or inaction of the Client, which is contrary to a lawful written recommendation or instruction by Administrator, applicable by law, and/or workers compensation law that causes any claim to not be properly adjusted, administered, and/or processed. Administrator will handle claims in accordance with the written handling procedures as produced by the Client.
- (vi) Audits. Client has the right to independently or via outside auditors review the Administrator's performance to insure compliance with the contract requirements and to insure the financial integrity of the program.

III. ADMINISTRATOR'S RESPONSIBILITY

Administrator shall have no responsibility, risk, liability or obligation for the funding of claims, losses, or liabilities. The responsibility and obligation for funding the program exposures shall be solely and totally the responsibility of the Client.

Administrator shall be liable for the recovery of claim processing errors arising from Administrator's performance pursuant to the terms of this Agreement. Administrator shall use diligent efforts toward the recovery of any loss therefrom. Administrator's liability, if any, shall be limited to the amount in excess of the claim amount(s) payable under the terms of the Agreement.

It is understood and agreed that Administrator is and shall remain an independent ADMINISTRATOR with respect to the services being performed by the Administrator pursuant to this Agreement and shall not for any purpose be deemed an employee of the Client, nor shall the relationship of the parties be deemed that of partners or joint ventures. Administrator does not assume any responsibility, risk, liability, or obligation for the general policy direction of the program, the adequacy of the funding thereof, or any act or omission or breach of duty by parties other than Administrator. Administrator shall not be deemed an insurer, underwriter or guarantor with respect to any expenses payable under the program. Administrator agrees to maintain the insurance requirements as set forth in the Client's RFP throughout the entirety of the life of this contract, including naming the Client as an additional insured in their general liability contract.

Insurance. ADMINISTRATOR shall maintain on file with the Client a certificate of the insurance of the carriers showing that the following insurance coverage's are in effect. The following coverage's shall be provided:

Worker's Compensation – statutory – in compliance with the compensation law of the State of Florida.

Commercial General Liability Insurance with minimum limits of \$1 million per occurrence for bodily injury, personal injury and property damage.

Comprehensive Auto Liability Insurance with minimum limits of \$1 million combined single limit per occurrence.

Employer's Liability - \$500,000

Professional Liability / Errors & Omissions insurance with a minimum limit of one million (\$1,000,000) dollars. Must be specific for claims adjusting services.

The Client shall be named as additional insured, except for workers compensation. The policies shall provide no less than 30 days notice of cancellation, non-renewal or reduction of coverage.

Licensing - ADMINISTRATOR warrants that it shall have, prior to commencement of work under this Agreement and at all times during said work, all required licenses whether federal, state, County or City.

IV. DEFAULT AND TERMINATION

- (i) **Default.** The failure of either party to comply with any provision of this Agreement will place that party in default. Prior to terminating the Agreement, the non-defaulting party will notify the defaulting party in writing. This notification will make specific reference to the provision(s) the defaulting party failed to comply with, the exact nature of the default, and the action that needs to occur to correct the default. The non-defaulting party will give the defaulting party a minimum of ten (10) business days to correct the default. If the default is not corrected within the allotted time, the non-defaulting party shall be permitted to terminate this Agreement, effective upon the receipt by the defaulting party of a written termination notice.
- (ii) **Bankruptcy.** If either party files a petition for bankruptcy or a petition or answer seeking reorganization, becomes or is insolvent or bankrupt, has a receiver appointed for its benefit, admits in writing its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors, the other party may immediately terminate this Agreement.
- (iii) **Termination.** It is understood and agreed that either party shall have the right to terminate this Agreement on any date by:

- (a) the Client giving Administrator not less than thirty (90) days advance written notice of termination.
- (b) Administrator giving the Client not less than thirty (90) days advance written notice of termination.

Administrator may, at its sole discretion, terminate this Agreement in the event that Client fails to properly fund the program within fifteen (15) days of receiving a written request to do so from Administrator.

Upon termination by either party, Administrator shall, upon the request and at the expense of the Client, provide computer runs detailing various aspects of the Client's program.

It is understood that at termination of the Agreement, Administrator shall not have any responsibility or obligation to handle any incurred claims beyond the termination date except as set forth in paragraph I. A. (vi), above.

V. ADMINISTRATOR FEES AND AGREEMENT PERIOD

Agreement Period - The duration of the agreement shall be one (1) year commencing from October 1, 2009, with an option, at the sole discretion of the Client, to renew the agreement on an annual basis for up to four (4) years.

Client shall pay Administrator a fee as outlined in Exhibit "C". The amount will be paid in monthly installment payments due at the beginning of each month. Fees as outlined in Exhibit "C" will be increased by three (3) percent at the commencement of years two, three, four and five should the City exercise its right to extend the Agreement pursuant to the terms stated in this section.

If the Client, for any reason whatsoever, fails to make a required fee payment or necessary contribution for claim payment as requested by Administrator on a timely basis, Administrator may suspend the performance of its services to the Client until such time as the Client makes the proper remittance.

VI. OWNERSHIP AND RETENTION OF CLAIM FILES

Administrator will retain all claim files during the time the Agreement is in effect. Subject to the foregoing, Administrator will make available to the Client for copying, at Client's expense, or inspection any records relating to any claim files serviced pursuant to this Agreement upon written request of the Client. Administrator will also make claim files available to any other third party as required by and in accordance with applicable law. All claim files created pursuant to this Agreement are the sole property of Client.

Upon termination of the Agreement, Administrator will be responsible for the retention and storage of all claim files. Client is also responsible for all shipping costs, if any, associated with transporting of claim files.

VII. NOTICE

Whenever written notice is required under the terms of this Agreement, it shall be delivered either in person or by registered mail to the appropriate party. Notice by registered mail shall be addressed as follows:

ADMINISTRATOR

Employers Mutual, Inc.
700 Central Parkway
Stuart, FL 34994
ATTN: President

CLIENT

City of Key West
525 Angela Street
Key West, FL 33040
Attn: City Manager

VIII. NON-ASSIGNMENT

The provisions of this Agreement supersede any prior Agreements or understandings to the contrary. No party hereto shall have the right to assign this agreement without the written consent of the other party, which will not be unreasonably withheld.

IX. NON TRANSFER OF POWERS

Nothing contained in this Agreement shall be construed to constitute a Transfer of Powers in any way whatsoever. This Agreement is solely an Agreement for provision of services.

X. ENFORCEMENT

In the event that it becomes necessary for either party to employ counsel to collect his obligation or to enforce this Agreement, whether or not suit be brought, the prevailing party shall recover a reasonable attorney's fee, including fees on appeal. For all enforcement actions, jurisdiction will be in Monroe County, Florida.

XI. SEVERABILITY

Should any provision of this Agreement be declared invalid by a Court of competent jurisdiction, same shall be deemed stricken herefrom and all other terms and conditions of this Agreement shall continue in full force and effect as if the invalid provision had never been made a part hereof.

XII. NON-WAIVER

No delay by either party in enforcing any covenant or right hereunder shall be deemed a waiver of such covenant or right, and no waiver of any particular provision hereof shall be deemed as

waiver of any other provision or a continuing waiver of such particular provision, and except as so expressly waived, all provisions hereof shall continue in full force and effect.

XIII. ENTIRE AGREEMENT

Client's Request for Proposal # 09-011 (Exhibit "A") and the ADMINISTRATOR Proposal (Exhibit B), dated August 24, 2009 and amendments (if any) are hereby incorporated into this agreement. This Agreement constitutes the entire understanding of the parties with respect to provision of services. It may not be modified nor any of its provisions waived unless such modifications and/or waiver is in writing and is agreed to and signed by both parties.

XIV. THIRD PARTY BENEFICIARIES

There are no third party beneficiaries of this Agreement, either intended or implied.

XV. INDEMNIFICATION

- A. The ADMINISTRATOR shall indemnify and hold harmless the CLIENT, its officers and employees, from liabilities, property damage, losses, personal injuries, and costs, including, but not limited to reasonable attorney's fees, to the extent caused by the negligence, recklessness or intentional wrongful misconduct of ADMINISTRATOR, its employees or agents, in the performance of this Agreement.
- B. This indemnification shall survive the expiration or termination of this Agreement. In the event that any action or proceeding is brought against the CLIENT by reason of such claim or demand, ADMINISTRATOR shall, upon written notice from the CLIENT, resist and defend such action or proceeding by counsel satisfactory to the CLIENT. The ADMINISTRATOR shall defend at its own expense to and through appellate, supplemental or bankruptcy proceeding, or to provide for such defense, at the CLIENT's option, any and all claims of liability and all suits and actions of every name and description covered above which may be brought against the CLIENT whether performed by ADMINISTRATOR, or by persons employed or used by ADMINISTRATOR.
- C. Without waiving the provisions of Florida Statute section 768.28, CLIENT agrees to indemnify and hold the ADMINISTRATOR harmless from any claims resulting in litigation against the ADMINISTRATOR based upon the sole negligence or willful misconduct of the CLIENT. In no event shall any amount payable hereunder exceed the statutory limit of \$100,000.00 irrespective of the applicability section 768.28.

IN WITNESSES WHEREOF, the parties hereunto set their hands and seals this 26th day of March, 20 10.

CLIENT

J. K. Scholl
Authorized Signature

J. K. Scholl
Typed or Printed Name

CITY MANAGER
Title

26 MAR 2010
Date

[Signature]
Witness Signature

EMPLOYERS MUTUAL, INC.

[Signature]
Authorized Signature

Kevin Cothron
Typed or Printed Name

COO / Executive Vice President
Title

3-24-10
Date

[Signature]
Witness Signature

RESOLUTION NO. 10-113

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, RATIFYING THE ATTACHED AGREEMENT FOR ADMINISTRATIVE SERVICES BETWEEN THE CITY OF KEY WEST AND EMPLOYERS MUTUAL, INC. (EMI) FOR SERVICES AS THE CITY'S INSURANCE PROGRAM THIRD PARTY ADMINISTRATOR (TPA); PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in Resolution No. 09-246, the City Commission authorized the City Manager to negotiate an agreement with EMI for services as a third party administrator;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA AS FOLLOWS:

Section 1: That the attached Agreement for Administrative Services is hereby ratified.

Section 2: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the Presiding Officer and the Clerk of the Commission.

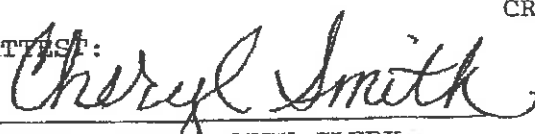
Passed and adopted by the City Commission at a meeting held this 6th day of April, 2010.

Authenticated by the Presiding Officer and Clerk of the Commission on 7th day of April, 2010.

Filed with the Clerk on April 7, 2010


CRAIG CATES, MAYOR

ATTEST:


CHERYL SMITH, CITY CLERK



CITY MANAGER'S OFFICE MEMORANDUM

TO: Jim Scholl, City Manager

FROM: Mark Z. Finigan, Assistant City Manager 

DATE: March 7, 2010

SUBJECT: Ratification of Agreement with Employer Mutual, Inc.

ACTION STATEMENT:

This purpose of this resolution is to request ratification by the City Commission of the attached fully executed Agreement between the City of Key West and Employer Mutual, Inc. (EMI), for services rendered as the City's Insurance Program Third Party Claims Administrator (TPA).

BACKGROUND:

City Commission approved via Resolution 09-246 the recommended ranking of the Evaluation Committee for the engagement of Employer Mutual, Inc. (EMI). Pursuant to said resolution the City Manager was authorized to enter into negotiations with Employer Mutual, Inc. (EMI) and if successful in negotiating an agreement, execute said agreement and bring back before the City Commission for ratification. The resulting agreement is attached and presented to the City Commission for ratification. The agreement was reviewed and approved by the City's Legal Department before execution by the City Manager.

Employer Mutual, Inc. (EMI) has been providing services since October 1, 2009 as the third party administrator for all City insurance claims. To date, their service has been excellent. The delay in executing an agreement acceptable to both parties was centered on a protracted discussion/negotiation of certain terms and conditions which did not impact performance. Employer Mutual, Inc. (EMI) services from October 1, 2009 have been pursuant to the City's Request for Proposal and the proposal submitted by Employer Mutual, Inc. (EMI).

RECOMMENDATION:

Ratify the attached fully executed Agreement For Services between the City of Key West and Employer Mutual, Inc. (EMI), for services rendered as the City's Insurance Program Third Party Administrator (TPA).

AGREEMENT FOR ADMINISTRATIVE SERVICES

THIS AGREEMENT, made and entered into by and between the City of Key West hereinafter referred to as the Client, and Employers Mutual Inc. (EMI), 700 Central Parkway, Stuart, FL 34994, a Florida Corporation, hereinafter referred to as Administrator.

WITNESSETH

WHEREAS, the Client desires to engage the services of Administrator to provide claim adjusting services for workers compensation and liability claims as described herein on behalf of the Client;

WHEREAS, Administrator is qualified and desires to provide the aforementioned services on behalf of the Client in accordance with this Agreement; and

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein, the parties hereto do mutually agree as follows:

The above recitals are incorporated herein as if set forth here below.

I. SERVICES

A. CLAIMS ADMINISTRATION SERVICES

Client engages Administrator to provide the following and such other services as may be considered necessary and which are mutually acceptable to both parties:

- (i) Supervise and administer the open claims in compliance with applicable laws, rules and regulations governing the administration of self-insurance programs and imposed by the State of Florida. Claims will be timely adjusted and Administrator will be responsible for penalties if the penalty arises from the neglect of the Administrator.
- (ii) Provide qualified and experienced personnel capable of servicing the open claims of the Client. Administrator will maintain an office with toll-free telephone services and experienced employees.
- (iii) Complete processing of loss adjustments, investigations and settlements falling within the self-insured retention level. Submissions of all investigation reports, legal actions, court orders, or awards shall be provided to the Client together with recommendations to be taken in the event claims exceed the limits of authority of Administrator. Administrator must obtain prior approval from the Client, for all settlements.
- (iv) Coordinate investigations of and manage litigated claims with defense attorneys.

- (v) Develop subrogation possibilities and assist in the collection of same. Submit claims to reinsurance/excess carriers and assist in the recovery of such benefits (if any) on behalf of Client.
- (vi) In the event of termination of the contract, Administrator shall not have any responsibility or obligation to handle any claims beyond sixty (90) days after the termination date.
- (vii) Administrator shall comply with all notification and reporting requirements of the Client's excess insurers and shall pursue all Excess Recoveries in a timely fashion.
- (viii) Administrator shall pursue all available Second Disability Trust Fund recoveries from the State of Florida.
- (ix) Administrator shall complete and file on behalf of the Client, all State mandated reports.
- (x) Those Services described in the Client's Request for Proposal # 09-011 (Exhibit "A") and the ADMINISTRATOR Proposal (Exhibit B), dated August 24, 2009.

II. RESPONSIBILITIES OF THE CLIENT

The Client shall have and perform the following duties, obligations, and responsibilities to Administrator.

- (i) **Obligation & Responsibility for Payment.** The Client has the sole obligation and responsibility for funding the payment of claims made against the Client. Administrator assumes no duty to fund any such claims at any time and shall have no obligation to advance funds for such payment.
- (ii) **Deposit Account.** Prior to the commencement of the Agreement, the Client shall establish a bank account at a bank of the Client's choosing and this account will be used to process claim checks. The Client will be responsible for the proper funding of this account as well as all banking fees, bank interfaces and the bank reconciliations. Administrator shall use the funds deposited by the Client into the account to pay claim settlements within the discretionary settlement authority limit or as otherwise authorized by the Client, and to pay interim claim payments, indemnity payments, medical expenses and allocated expenses.
- (iii) **Management of Account.** It is the Client's responsibility to establish and replenish the bank account with funds sufficient to cover all claim payments. The Client may, at its discretion, increase or decrease the minimum funding levels based on actual claim activity. The bank account shall remain in effect until all claims activity ceases under this Agreement.

- (iv) **Allocated Loss Adjustment Expense.** Coverage costs shall include but not be limited to: cost of medical and/or indemnity payments, outside investigation of claims, surveillance, vocational rehabilitation, on-site case management, legal fees, court or hearing costs, depositions, documents and exhibits, witness fees, photography and other incidental and special costs, as approved by Client. Coverage costs shall be borne by the Client as normal claims related expenditures and shall be charged against the Deposit Account.
- (v) **Instructions from Client.** Administrator shall duly consider all written notices and recommendations made by Client relative to the administration of claims, including medical and litigation services with the understanding that the final authority rests with the Client. Administrator shall not be responsible or liable for any action or inaction of the Client, which is contrary to a lawful written recommendation or instruction by Administrator, applicable by law, and/or workers compensation law that causes any claim to not be properly adjusted, administered, and/or processed. Administrator will handle claims in accordance with the written handling procedures as produced by the Client.
- (vi) **Audits.** Client has the right to independently or via outside auditors review the Administrator's performance to insure compliance with the contract requirements and to insure the financial integrity of the program.

III. ADMINISTRATOR'S RESPONSIBILITY

Administrator shall have no responsibility, risk, liability or obligation for the funding of claims, losses, or liabilities. The responsibility and obligation for funding the program exposures shall be solely and totally the responsibility of the Client.

Administrator shall be liable for the recovery of claim processing errors arising from Administrator's performance pursuant to the terms of this Agreement. Administrator shall use diligent efforts toward the recovery of any loss therefrom. Administrator's liability, if any, shall be limited to the amount in excess of the claim amount(s) payable under the terms of the Agreement.

It is understood and agreed that Administrator is and shall remain an independent ADMINISTRATOR with respect to the services being performed by the Administrator pursuant to this Agreement and shall not for any purpose be deemed an employee of the Client, nor shall the relationship of the parties be deemed that of partners or joint ventures. Administrator does not assume any responsibility, risk, liability, or obligation for the general policy direction of the program, the adequacy of the funding thereof, or any act or omission or breach of duty by parties other than Administrator. Administrator shall not be deemed an insurer, underwriter or guarantor with respect to any expenses payable under the program. Administrator agrees to maintain the insurance requirements as set forth in the Client's RFP throughout the entirety of the life of this contract, including naming the Client as an additional insured in their general liability contract.

Insurance. ADMINISTRATOR shall maintain on file with the Client a certificate of the insurance of the carriers showing that the following insurance coverage's are in effect. The following coverage's shall be provided:

Worker's Compensation – statutory – in compliance with the compensation law of the State of Florida.

Commercial General Liability Insurance with minimum limits of \$1 million per occurrence for bodily injury, personal injury and property damage.

Comprehensive Auto Liability Insurance with minimum limits of \$1 million combined single limit per occurrence.

Employer's Liability - \$500,000

Professional Liability / Errors & Omissions insurance with a minimum limit of one million (\$1,000,000) dollars. Must be specific for claims adjusting services.

The Client shall be named as additional insured, except for workers compensation. The policies shall provide no less than 30 days notice of cancellation, non-renewal or reduction of coverage.

Licensing - ADMINISTRATOR warrants that it shall have, prior to commencement of work under this Agreement and at all times during said work, all required licenses whether federal, state, County or City.

IV. DEFAULT AND TERMINATION

- (i) **Default.** The failure of either party to comply with any provision of this Agreement will place that party in default. Prior to terminating the Agreement, the non-defaulting party will notify the defaulting party in writing. This notification will make specific reference to the provision(s) the defaulting party failed to comply with, the exact nature of the default, and the action that needs to occur to correct the default. The non-defaulting party will give the defaulting party a minimum of ten (10) business days to correct the default. If the default is not corrected within the allotted time, the non-defaulting party shall be permitted to terminate this Agreement, effective upon the receipt by the defaulting party of a written termination notice.
- (ii) **Bankruptcy.** If either party files a petition for bankruptcy or a petition or answer seeking reorganization, becomes or is insolvent or bankrupt, has a receiver appointed for its benefit, admits in writing its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors, the other party may immediately terminate this Agreement.
- (iii) **Termination.** It is understood and agreed that either party shall have the right to terminate this Agreement on any date by:

(a) the Client giving Administrator not less than thirty (90) days advance written notice of termination.

(b) Administrator giving the Client not less than thirty (90) days advance written notice of termination.

Administrator may, at its sole discretion, terminate this Agreement in the event that Client fails to properly fund the program within fifteen (15) days of receiving a written request to do so from Administrator.

Upon termination by either party, Administrator shall, upon the request and at the expense of the Client, provide computer runs detailing various aspects of the Client's program.

It is understood that at termination of the Agreement, Administrator shall not have any responsibility or obligation to handle any incurred claims beyond the termination date except as set forth in paragraph I. A. (vi), above.

V. ADMINISTRATOR FEES AND AGREEMENT PERIOD

Agreement Period - The duration of the agreement shall be one (1) year commencing from October 1, 2009, with an option, at the sole discretion of the Client, to renew the agreement on an annual basis for up to four (4) years

Client shall pay Administrator a fee as outlined in Exhibit "C". The amount will be paid in monthly installment payments due at the beginning of each month. Fees as outlined in Exhibit "C" will be increased by three (3) percent at the commencement of years two, three, four and five should the City exercise its right to extend the Agreement pursuant to the terms stated in this section.

If the Client, for any reason whatsoever, fails to make a required fee payment or necessary contribution for claim payment as requested by Administrator on a timely basis, Administrator may suspend the performance of its services to the Client until such time as the Client makes the proper remittance.

VI. OWNERSHIP AND RETENTION OF CLAIM FILES

Administrator will retain all claim files during the time the Agreement is in effect. Subject to the foregoing, Administrator will make available to the Client for copying, at Client's expense, or inspection any records relating to any claim files serviced pursuant to this Agreement upon written request of the Client. Administrator will also make claim files available to any other third party as required by and in accordance with applicable law. All claim files created pursuant to this Agreement are the sole property of Client.

Upon termination of the Agreement, Administrator will be responsible for the retention and storage of all claim files. Client is also responsible for all shipping costs, if any, associated with transporting of claim files.

VII. NOTICE

Whenever written notice is required under the terms of this Agreement, it shall be delivered either in person or by registered mail to the appropriate party. Notice by registered mail shall be addressed as follows:

ADMINISTRATOR

Employers Mutual, Inc.
700 Central Parkway
Stuart, FL 34994
ATTN: President

CLIENT

City of Key West
525 Angela Street
Key West, FL 33040
Attn: City Manager

VIII. NON-ASSIGNMENT

The provisions of this Agreement supersede any prior Agreements or understandings to the contrary. No party hereto shall have the right to assign this agreement without the written consent of the other party, which will not be unreasonably withheld.

IX. NON TRANSFER OF POWERS

Nothing contained in this Agreement shall be construed to constitute a Transfer of Powers in any way whatsoever. This Agreement is solely an Agreement for provision of services.

X. ENFORCEMENT

In the event that it becomes necessary for either party to employ counsel to collect his obligation or to enforce this Agreement, whether or not suit be brought, the prevailing party shall recover a reasonable attorney's fee, including fees on appeal. For all enforcement actions, jurisdiction will be in Monroe County, Florida.

XI. SEVERABILITY

Should any provision of this Agreement be declared invalid by a Court of competent jurisdiction, same shall be deemed stricken herefrom and all other terms and conditions of this Agreement shall continue in full force and effect as if the invalid provision had never been made a part hereof.

XII. NON-WAIVER

No delay by either party in enforcing any covenant or right hereunder shall be deemed a waiver of such covenant or right, and no waiver of any particular provision hereof shall be deemed as

waiver of any other provision or a continuing waiver of such particular provision, and except as so expressly waived, all provisions hereof shall continue in full force and effect.

XIII. ENTIRE AGREEMENT

Client's Request for Proposal # 09-011 (Exhibit "A") and the ADMINISTRATOR Proposal (Exhibit B), dated August 24, 2009 and amendments (if any) are hereby incorporated into this agreement. This Agreement constitutes the entire understanding of the parties with respect to provision of services. It may not be modified nor any of its provisions waived unless such modifications and/or waiver is in writing and is agreed to and signed by both parties.

XIV. THIRD PARTY BENEFICIARIES

There are no third party beneficiaries of this Agreement, either intended or implied.

XV. INDEMNIFICATION

- A. The ADMINISTRATOR shall indemnify and hold harmless the CLIENT, its officers and employees, from liabilities, property damage, losses, personal injuries, and costs, including, but not limited to reasonable attorney's fees, to the extent caused by the negligence, recklessness or intentional wrongful misconduct of ADMINISTRATOR, its employees or agents, in the performance of this Agreement.
- B. This indemnification shall survive the expiration or termination of this Agreement. In the event that any action or proceeding is brought against the CLIENT by reason of such claim or demand, ADMINISTRATOR shall, upon written notice from the CLIENT, resist and defend such action or proceeding by counsel satisfactory to the CLIENT. The ADMINISTRATOR shall defend at its own expense to and through appellate, supplemental or bankruptcy proceeding, or to provide for such defense, at the CLIENT's option, any and all claims of liability and all suits and actions of every name and description covered above which may be brought against the CLIENT whether performed by ADMINISTRATOR, or by persons employed or used by ADMINISTRATOR.
- C. Without waiving the provisions of Florida Statute section 768.28, CLIENT agrees to indemnify and hold the ADMINISTRATOR harmless from any claims resulting in litigation against the ADMINISTRATOR based upon the sole negligence or willful misconduct of the CLIENT. In no event shall any amount payable hereunder exceed the statutory limit of \$100,000.00 irrespective of the applicability section 768.28.

IN WITNESSES WHEREOF, the parties hereunto set their hands and seals this 26th day of March, 20 10.

CLIENT

J. K. Scholl
Authorized Signature

J. K. SCHOLL
Typed or Printed Name

CITY MANAGER
Title

26 MAR 2010
Date

[Signature]
Witness Signature

EMPLOYERS MUTUAL, INC.

[Signature]
Authorized Signature

Kevin Cothron
Typed or Printed Name

COO / Executive Vice President
Title

3-24-10
Date

[Signature]
Witness Signature

RESOLUTION NO. 09-246

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AUTHORIZING ACCEPTANCE OF THE PROPOSAL FROM EMPLOYER MUTUAL, INC. (EMI) IN THE AMOUNT OF \$140,267.00 FOR SERVICES TO BE RENDERED AS THE CITY'S INSURANCE PROGRAM THIRD PARTY CLAIMS ADMINISTRATOR; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH EMI FOR THE POLICY YEAR 2009/2010 WITH FOUR (4) ADDITIONAL POLICY YEARS SUBJECT TO RATIFICATION BY CITY COMMISSION; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the City issued RFP #09-011 requesting proposals for "third party claim administration", which was opened on August 25, 2009; and

WHEREAS, the City received eleven responses to the RFP; and

WHEREAS, the City Commission desires to award the proposal to the top firm and permit the City Manager or his designee, with the advice and consent of the City Attorney, to negotiate and execute an agreement with the top firm in accordance with that firm's proposal.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That the proposal from Employers Mutual, Inc., in the amount of \$140,267.00 to serve as the City's insurance program third party claims administrator for policy year 2009/2010 with four (4) additional policy years is hereby accepted.

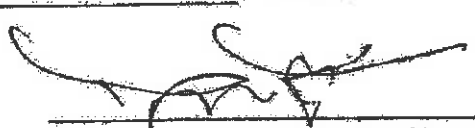
Section 2: That the City Manager or his designee, with the advice and consent of the city Attorney, is authorized to negotiate and execute an agreement with Employers Mutual, Inc., in compliance with the RFP and the response thereto, which shall be subject to ratification by the City Commission.

Section 3: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this 15th day of September, 2009.

Authenticated by the presiding officer and Clerk of the Commission on September 16th, 2009.

Filed with the Clerk September 16th, 2009.


MORGAN MCPHERSON, MAYOR

ATTEST:


CHERYL SMITH, CITY CLERK



CITY MANAGER'S OFFICE MEMORANDUM

TO: Jim Scholl, City Manager

FROM: Mark Z. Finigan, Assistant City Manager 

DATE: September 10, 2009

SUBJECT: RFP 09-011
City of Key West Insurance Program—Third Party Claims Administration

ACTION STATEMENT:

Request the City Commission award the proposal of Employers Mutual, Inc. (EMI) in an amount of \$140,267 for policy year 2009/2010 for services to be rendered as the City of Key West Insurance Program Third Party Claim's Administrator. Additionally, authorizing the City Manager or designee to negotiate and execute an agreement with EMI for the policy year 2009/2010 with four (4) additional policy years; however City shall maintain the right to terminate the agreement upon each anniversary date without penalty.

BACKGROUND:

On June 2, 2009 the City of Key West engaged Interisk Corporation, an independent insurance consultant, to assist the City in the development of a Request for Proposal (RFP) to receive competitive proposals for the Third Party Administration of the City's Property and Casualty claims (to include Workers Compensation) for the 2009/2010 policy year. The last policy year the City's Third Party Claim's Administration for the Property and Casualty Insurance Program was marketed was 2002/2003. In addition to preparing the RFP, Interisk Corporation was required to evaluate proposals and make a recommendation to the City. A copy of Interisk's evaluation and recommendation, dated September 10, 2009, is attached.

On August 25, 2009, sealed proposals were received and were publicly opened by the City Clerk. Eleven prospective service providers responded to the RFP:

1. Alternative Service Concepts, LLC
6010 Cattleridge Drive
Suite 103
Sarasota, FL 34232

2. Cannon Cohan Management Services, Inc. (CCMSI)
2600 Lake Lucien Drive
Suite 225
Maitland, FL 32751
3. Corvel Enterprises Corp, Inc.
210 North University Drive, #501
Coral Springs, FL 33071
4. EMCAS
12466 West Atlantic Blvd.
Coral Springs, FL 33071
5. Employers Mutual, Inc. (EMI)
700 Central Parkway
Stuart, FL 34994
6. Gallagher Bassett Services, Inc.
2 Pierce Place, 5th Floor
Itasca, IL 60143
7. Intergrated Claim Solutions, Inc.
668 Maitland Avenue
Altamonte Springs, FL 32701
8. Johns Eastern Company, Inc.
P.O. Box 110259
Lakewood Ranch, FL 34211-0004
9. Preferred Governmental Claim Solutions, Inc.(PGCS)
P.O. Box 958456
Lake Mary, FL 32795-8456
10. PMA Management Corp. (PMAMC)
2701 North Rocky Point Drive
Suite 250
Tampa, FL 33607
11. York Claims Services, Inc.
1117 Perimeter Center West
Atlanta, GA 30338

After full consideration of all factors (to include long term costs savings, references checks with current clients and the recommendation offered by Interisk Corporation) I recommend the selection of Employers Mutual, Inc. (EMI).

FINANCIAL IMPACT:

Selection of EMI over the incumbent, Gallagher Bassett Services, Inc. will result in a higher "Year 1" cost of approximately \$9,000. The projected cost for Year 1 for EMI is \$140,267 and includes a one time claim assumption fee of \$46,600. Gallagher Bassett Services, Inc. proposed fee for year one was \$131,361, however, as the incumbent there would be no claim assumption fee. Assuming the City continued after Year One with EMI there would be an annual savings of approximately \$38,000 -- \$131,361 (Gallagher Bassett Services, Inc.) as opposed to \$93,667 for EMI. Please note this is a relative savings since all TPA providers escalate their annual fees by some COLA factor.

RECOMMENDATION:

Request the City Commission award the proposal of Employers Mutual, Inc. (EMI) in an amount of \$140,267 for policy year 2009/2010 for services rendered as the City of Key West's Third Party Insurance Claims Administrator. Additionally, authorizing the City Manager or designee to negotiate and execute an agreement with EMI for the policy year 2009/2010 with four (4) additional policy years; however City shall maintain the right to terminate the agreement upon each anniversary date without penalty

INTERISK CORPORATION

Consultants

Risk Management
Employee Benefits

1111 North Westshore Boulevard
Suite 208
Tampa, FL 33607-4711
Phone (813) 287-1040
Facsimile (813) 287-1041

September 10, 2009

Mr. Mark Finigan
Assistant City Manager - Administrator
City of Key West
525 Angela St.
Key West, Florida 33040

Subject: Evaluation of Third Party Claims Administration Services - RFP #09-011

Dear Mark:

The City of Key West's Property and Casualty Insurance program includes various self-insured retentions and deductibles that require the City to engage the services of a third party claims administrator to adjust the claims and portions of the claims that fall within these retentions and deductibles. Gallagher Bassett Services Inc. has provided these services for the City for a number of years. The estimated annual cost of these services is estimated to be approximately \$128,265.

In conjunction with the City's Request for Proposals (RFP) for its 2009/10 Property and Casualty Insurance program a separate RFP (#09-011) was issued seeking competitive proposals for the City's Claims Administration Services. The RFP specified that the successful proposer would be required to adjust the City's Liability, Workers' Compensation and Property claims. The RFP also specified specific services that the successful proposer would be required to provide based on industry standards for claim administration services.

A total of eleven (11) firms submitted proposals in response to the City's RFP. They included:

- > Gallagher Bassett Services, Inc.
- > Cannon Cochran Management Services
- > PMA Management Corp.
- > Alternative Service Concepts
- > York Claim Services
- > Engle Martin & Associates
- > Integrated Claims Solutions
- > Corvel Corporation
- > Preferred Governmental Claim Solutions
- > Johns Eastern Company
- > Employers Mutual, Inc.

Engle Martin & Associates' proposal only included the adjusting of the City's Liability claims. Engle Martin submitted no evidence that they have the resources or desire to adjust the City's Workers' Compensation claims. For this reason Engle Martin & Associates was eliminated from further consideration.

Corvel's proposal only included the adjusting of the City's Workers' Compensation claims. Corvel submitted no evidence that they have the resources or desire to adjust the City's Liability claims. For this reason Corvel Corporation was eliminated from further consideration.

Integrated Claims Solutions' primary business is providing claims administration services for Liability claims and only has one Workers' Compensation adjuster with only one Workers' Compensation client. It was also believed that Integrated Claims Solutions lacked the appropriate infrastructure to properly adjust Workers' Compensation claims. Therefore Integrated Claims Solutions was also eliminated from further consideration.

It is believed that the remaining firms that submitted a proposal demonstrated that they have sufficient resources and abilities to provide the services that the City is seeking. The attached schedules reflect the major features of each proposal and are incorporated as part of this report. Each proposal will be discussed under separate caption. Prior to addressing the individual proposals, several issues should be discussed.

The current contract with Gallagher Bassett was issued on what is referred to as a "Life of Contract" basis. The contract obligates Gallagher Bassett to administer claims for a single per claim fee for the life of the claim as long as a contractual relationship exists with the City. If the City were to select a different firm, the City would be required to pay Gallagher additional fees to continue handling the active claims or transfer the active claims to the newly selected administrator. It is believed that if the City were to select a new administrator, it would be in their best interest to transfer all active claims to the new administrator. This would require the City to pay the new administrator additional fees to assume the administration of the existing claims. Such fees are normally expressed in one of three different manners.

- 1) Charge a single one time fee for each claim being assumed based on the type of claim.
- 2) Charge a flat one time fee for assuming all of the City's active claims regardless of the number and type of claim.
- 3) Charge an annual fee based on the number and types of claims still remaining active.

In addition, some firms will charge an initial setup fee for transferring the City's historical claim information to their system. Maintaining the City's historical claim information is critical because the information will be required for subsequent renewals of the City's Property and Casualty Insurance program. The information that will be transferred includes activity notes from the previous administrator which will be critical for future handling of the claims.

Some firms charge an "Administration Fee" designed to cover the costs of administering the program. Some firms include all administration costs in the "Per Claim" fee that they charge.

The State of Florida has established a "Fee Schedule" that reflects the maximum amount that can be paid to a health care provider for services provided to a Workers' Compensation claimant. Normally health care providers issue their invoices based on their internal pricing structure and claims administrators adjust these fees to coincide with the State's Fee Schedule. Most claims administrators will make a separate charge for each medical bill reduced to this Fee Schedule.

Gallagher Bassett Services, Inc.

Gallagher Bassett is the City's current claims administrator. Gallagher Bassett is one of the largest third party claim administrators in the Country and is believed to have sufficient resources to continue to provide the needs of the City. Gallagher proposed to continue administering the City's claims for specific fees based on the types of claims involved. Based on the City's historical claim experience these fees would amount to approximately \$96,012 annually. In addition, Gallagher would charge an annual administration fee of \$27,849 and medical bill reduction fees of approximately \$7,500. This results in an annual projected cost for Gallagher Bassett's services of \$131,361 (\$96,012+\$27,849+\$7,500).

Cannon Cochran Management Services, Inc (CCMSI)

Little is known about CCMSI with the exception of the information contained in their proposals. It is believed CCMSI has sufficient resources to provide the needs of the City. CCMSI proposed to assume the administration of the City's claims for specific fees based on the types of claims involved. Based on the City's historical claim experience these fees would amount to approximately \$89,510 annually. In addition, CCMSI would charge an initial one time fee of \$7,500 for converting the City's historical claim history to their computer system. They would also charge the City a one time fee of approximately \$122,961 to assume the administration of the City's claims that are active as of October 1, 2009. Other administration fees proposed by CCMSI would amount to approximately \$21,940 annually. This results in a projected first year cost of approximately \$241,911 (\$89,510+\$7,500+\$122,961+\$21,940). Since CCMSI's claim assumption fee would be a one time charge, the projected cost for CCMSI's services in subsequent years would be approximately \$111,450.

PMA Management Corp.

While I have limited personal experience with PMA, they have a reputation of being a quality claims administrator. It is believed that PMA has sufficient resources to provide the needs of the City. PMA proposed to assume the administration of the City's claims for specific fees based on the types of claims involved. Based on the City's historical claim experience these fees would amount to approximately \$83,415 annually. In addition, PMA would charge an initial one time fee of \$5,000 for converting the City's historical claim history to their computer system. They would also charge the City a one time fee of approximately \$76,805 to assume the administration of the City's claims that are active as of October 1, 2009. Other administration fees proposed by PMA would amount to approximately \$15,976 annually. This results in a projected first year cost of approximately \$181,196 (\$83,415+\$5,000+\$76,805+\$15,976). Since PMA's claim assumption fee would be a one time charge, the projected cost for PMA's services in subsequent years would be approximately \$99,391.

Alternative Service Concepts (ASC)

ASC began providing claims administration services in Florida approximately 3 years ago when they acquired a company by the name of Unisource Claims Administrator. While I have limited personal experience with ASC, I have considerable experience with Unisource and viewed them as a quality claims administrator. It is understood that ASC retained the employees of Unisource which would lead to the conclusion that ASC remains as a quality claims administrator and has sufficient resources to provide the needs of the City. ASC proposed to assume the administration of the City's claims for specific fees based on the types of claims involved. Based on the City's historical claim experience these fees would amount to approximately \$73,740 annually. In addition, ASC would charge an initial one time fee of \$5,000 for converting the City's historical claim history to their computer system. They would also charge the City a one time fee of approximately \$41,100 to assume the administration of the City's claims that are active as of October 1, 2009. Other administration fees proposed by ASC would amount to approximately \$23,399 annually. This results in a projected first year cost of approximately \$143,239 (\$73,740+\$5,000+\$41,100+\$23,399). Since ASC's claim assumption fee would be a one time charge, the projected cost for PMA's services in subsequent years would be approximately \$97,139 (\$73,740+\$23,399).

York Claim Services, Inc.

While I have limited personal experience with York, they have a reputation of being a quality claims administrator. It is believed that York has sufficient resources to provide the needs of the City. York offered two options for the City to consider. The first option would obligate York to administer the City's claims to conclusion as long as a contractual relationship between the City and York exists. Under this option York would assume the administration of the City's claims for specific fees based on the types of claims involved. Based on the City's historical claim experience these fees for this option would amount to approximately \$91,297 annually. York would not charge an initial fee for converting the City's historical

claim history to their computer system or an annual administration fee. They would charge the City a fee of approximately \$41,100 to assume the administration of the City's claims that are active as of October 1, 2009. This amount was determined based on the number of active claims the City currently has. York would also charge other annual administrative fees of approximately \$15,246. This results in a projected first year cost for this option of approximately \$147,643 (\$91,297+\$41,100+\$15,246). Since York's claim assumption fee only provides services for one year, their claim assumption fee would be based on the number of claims open in subsequent years (post 10/1/09) and can not be determined at this time.

The second option would obligate York to adjust the City's claims until conclusion regardless of the contractual relationship that exists between the City and York. Under this option York would assume the administration of the City's claims for specific fees based on the types of claims involved. Based on the City's historical claim experience these fees for this option would amount to approximately \$100,402 annually. York would not charge an initial fee for converting the City's historical claim history to their computer system or an annual administration fee. They would charge the City a fee of approximately \$41,100 to assume the administration of the City's claims that are active as of October 1, 2009. This amount was determined based on the number of active claims the City currently has. York would also charge other annual administrative fees of approximately \$15,246. This results in a projected first year cost for this option of approximately \$156,748 (\$100,402+\$41,100+\$15,246). Since York's claim assumption fee only provides services for one year, their claim assumption fee would be based on the number of claims open in subsequent years (post 10/1/09) and can not be determined at this time.

Preferred Governmental Claim Solutions (PGCS)

I have had numerous opportunities to evaluate the services provided by PGCS and it is believed they are a quality claims administrator. It is believed that PGCS has sufficient resources to provide the needs of the City. PGCS proposed to assume the administration of the City's claims for specific fees based on the types of claims involved. Based on the City's historical claim experience these fees would amount to approximately \$53,665 annually. PGCS would not charge a fee to convert the City's historical claim history to their computer system. They would charge the City a one time fee of approximately \$25,020 to assume the administration of the City's claims that are active as of October 1, 2009. Other administration fees proposed by PGCS would amount to approximately \$37,115 annually. This results in a projected first year cost of approximately \$115,800 (\$53,665+\$25,020+\$37,115). Since PGCS's claim assumption fee would be a one time charge, the projected cost for PGCS's services in subsequent years would be approximately \$90,780 (\$53,665+\$37,115).

Johns Eastern Company

I have had numerous opportunities to evaluate the services provided by Johns Eastern and it is believed they are a quality claims administrator. It is believed that Johns Eastern has sufficient resources to provide the needs of the City. Johns Eastern proposed to assume the administration of the City's claims for specific fees based on the types of claims involved. Based on the City's historical claim experience these fees would amount to approximately \$83,519 annually. Johns Eastern would charge a fee of \$15,000 to convert the City's historical claim history to their computer system. They would charge the City a one time fee of approximately \$48,575 to assume the administration of the City's claims that are active as of October 1, 2009. Other administration fees proposed by PGCS would amount to approximately \$13,579 annually. This results in a projected first year cost of approximately \$160,673 (\$83,519+\$48,575+\$15,000+\$13,579). Since John Eastern's claim assumption fee would be a one time charge, the projected cost for Johns Eastern's services in subsequent years would be approximately \$97,098 (\$83,519+\$13,579).

Employers Mutual, Inc. (EMI)

I have had numerous opportunities to evaluate the services provided by EMI and it is believed they are a quality claims administrator. It is believed that EMI has sufficient resources to provide the needs of the City. EMI proposed to assume the administration of the City's claims for specific fees based on the types

of claims involved. Based on the City's historical claim experience these fees would amount to approximately \$84,350 annually. EMI would not charge a fee to convert the City's historical claim history to their computer system. They would charge the City a one time fee of approximately \$46,600 to assume the administration of the City's claims that are active as of October 1, 2009. Other administration fees proposed by EMI would amount to approximately \$9,317 annually. This results in a projected first year cost of approximately \$140,267 (\$84,350+\$46,600+\$9,317). Since PGCS's claim assumption fee would be a one time charge, the projected cost for EMI's services in subsequent years would be approximately \$93,667 (\$84,350+\$9,317).

Summary and Recommendations

Based on the projected and estimated annual cost for their services, it is believed that the City has more cost effective options to choose from and it is recommended that the following firms be eliminated from further consideration:

- Cannon Cochran Management Services
- PMA Management Corp.
- Alternative Service Concepts
- York Claim Services
- Johns Eastern Company

It is also believed that City could receive comparable or improved services being provided by Gallagher Bassett for a lower projected annual cost and therefore it is also being recommended that Arthur J. Gallagher be eliminated from further consideration.

It is believed that the Preferred Governmental Claims Solution (PGCS) and Employers Mutual, Inc. (EMI) offered the most competitive proposals while still providing quality claim services. While EMI's projected annual cost for the first year is approximately \$24,467 higher than the fee proposed by PGCS and their projected fee for subsequent years is approximately \$2,887 higher than PGCS' projected fees, it is believed that quality of EMI's adjusters is slightly better than those of PGCS which will result in lower claim costs that will more than offset the differences in their administration fees. It is therefore recommended that the City of Key West select Employers Mutual, Inc. as their new claims administrator effective October 1, 2009.

I will make myself available to review the above analysis and recommendations with you at your convenience.

Cordially,

INTERISK CORPORATION



Sidney G. Webber
CPCU, ARM

CITY OF KEY WEST, FLORIDA
EVALUATION OF PROPOSALS
FOR
THIRD PARTY CLAIMS ADMINISTRATION
RFP #09-011

Type of Program	Current Program (Gallagher Bassett)	Gallagher Bassett	CCMSI	PMA
Location of Services	Life of Contract	Life of Contract	Life of Contract	Life of Contract
Average Case Load of Adjuster	Miramar Lost Time - 202 Med Only - 263 Liability - Unknown	Miramar Lost Time - 202 Med Only - 263 Liability - Unknown	Miramar Lost Time - 130 Med Only - 130 Liability - 134	Tampa/Key West 120 - 130
Experience of Adjusters	Extensive	Extensive	Moderate	Extensive
Quality of Loss Reports	Good	Good	Did not provide sample	Good
Initial contact with claimant within 24 hours	Yes	Yes	Yes	Yes
Recorded statements of claimant	Yes	Yes	Yes	Yes
Contact with treating physician within 24 hours	Yes	Yes	Yes	Yes
Narrative Summaries of major claims	Yes	Yes	Yes	Yes
Medical bills reduced to State Fee Schedule	Additional Charge	Additional Charge	Additional Charge	Additional Charge
Pursue Subrogation and Second Injury Fund claims	Yes	Yes	Yes	Yes
Prepare State mandated reports	Yes	Yes	Yes	Yes
Report and pursue Excess claims	Yes	Yes	Yes	Yes
Quarterly claim reviews	Yes	Yes	Yes	Yes
Monthly loss runs	Yes	Yes	Yes	Yes
Projected Annual Cost	\$128,265	\$131,361	\$241,911	\$181,196
Comments				

CITY OF KEY WEST, FLORIDA
EVALUATION OF PROPOSALS
FOR
THIRD PARTY CLAIMS ADMINISTRATION

REF #09-011

	Alternative Service Concepts	York Claim Solutions	Engle Martin & Assoc.	Integrated Claim Solutions
Type of Program	Life of Contract	Life of Contract		
Location of Services	Sarasota	Tallahassee/Orlando		
Average Case Load of Adjuster	110	Lost Time - 150 Med Only - 300		
Experience of Adjusters	Extensive	Unknown		
Quality of Loss Reports	Fair	Fair		
Initial contact with claimant within 24 hours	Yes	Yes		
Recorded statements of claimant	Yes	Yes		
Contact with treating physician within 24 hours	Yes	Yes		
Narrative Summaries of major claims	Yes	Yes		
Medical bills reduced to State Fee Schedule	Additional Charge	Additional Charge		
Pursue Subrogation and Second Injury Fund claims	Yes	Yes		
Prepare State mandated reports	Yes	Yes		
Report and pursue Excess claims	Yes	Yes		
Quarterly claim reviews	Yes	Yes		
Monthly loss runs	Yes	Yes		
Projected Annual Cost	\$143,239	Life of Contract - \$147,643 Life of Claim - \$155,748		
Comments	Did not address Loss Control Proposed annual fees for all assumed claims	Services will be fragmented between Tallahassee, Orlando and New York. Proposed Claim Assumption Fee provides services for only 1 year	Non-Responsive Unable to provide claim administration services for Workers' Compensation Claims	Insufficient size to provide services the City requires, ICS only has 1 Workers' Compensation adjuster and only 1 WC account. In addition, firm does not have the infrastructure (IT, etc) to properly service the account.

**CITY OF KEY WEST, FLORIDA
EVALUATION OF PROPOSALS**

**FOR
THIRD PARTY CLAIMS ADMINISTRATION**

RFP #09-011

Type of Program Location of Services Average Case Load of Adjuster Experience of Adjusters Quality of Loss Reports Initial contact with claimant within 24 hours Recorded statements of claimant Contact with treating physician within 24 hours Narrative Summaries of major claims Medical bills reduced to State Fee Schedule Pursue Subrogation and Second Injury Fund claims Prepare State mandated reports Report and pursue Excess claims Quarterly claim reviews Monthly loss runs Projected Annual Cost Comments	Corvel	PGCS		Johns Eastern		EMI	
		Life of Contract	Life of Contract	Life of Contract	Life of Contract	Life of Contract	Life of Contract
		Lake Mary	Sarasota			Stuart	
		Lost Time -- 130	Lost Time -- 115			Lost Time -- 125	
		Med Only -- 350	Med Only -- 163			Med Only -- 300	
		Extensive	Extensive			Extensive	
		Good	Good			Good	
		Yes	Yes			Yes	
		Yes	Yes			Yes	
		Yes	Yes			Yes	
		Yes	Yes			Yes	
		Additional Charge	Additional Charge			Additional Charge	
		Yes	Yes			Yes	
		Yes	Yes			Yes	
		Yes	Yes			Yes	
		Yes	Yes			Yes	
		\$115,800	\$160,673			\$140,267	

[illegible]

[illegible]

1. Proposal did not specify fees for Ancillary Services (Loss Runs, On line Access, Administration, Loss Control Services, Banking, Claim Reporting and Set Up Fees. Used current fees for analysis.

2. Proposed bill reduction fee of 20% of savings. Used estimate of \$7,500 for annual fee.

City of Key West, Florida
Projected Annual Cost of Claims Administration

Cannon Cochran Management Services (CCMSI)										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	7	30	1	11	3	1	40	61	157
Claim Fee	\$ 935	\$ 418	\$ 418	\$ 975	\$ 835	\$ 418	\$ 975	\$ 1,250	\$ 150	
Estimated Annual Claim Fees	\$ 2,505	\$ 2,926	\$ 12,540	\$ 975	\$ 9,185	\$ 1,254	\$ 975	\$ 50,000	\$ 9,150	\$ 89,510
Loss Run Reports										
On Line Access										
Program Administration										
Loss Control Services										
Banking Fees										
Claim Reporting										
Set Up Fee										
Claim Assumption Fee										
Bill Reduction Fee (Average of 1,694 bills processed annually)										
Total										
										\$ 241,911

Projected Claim Assumption Fee										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	2	18	4	17	1	2	58	14	119
Claim Fee	\$ 417	\$ 209	\$ 209	\$ 972	\$ 417	\$ 209	\$ 972	\$ 1,800	\$ -	
Estimated Annual Claim Fees	\$ 1,251	\$ 418	\$ 3,762	\$ 3,888	\$ 7,089	\$ 209	\$ 1,944	\$ 104,400	\$ -	\$ 122,961

Comments

1. While proposal indicated that Loss Control Services would be provided, CCMSI did not indicate what fee would be charged.
2. Proposed a fee of \$81 per month until closure for all Public Officials and Police Professional claims that they assume. Annual estimate based on claims being open for 12 months
3. Proposed a fee of \$150 per month until closure for all Last Time W/C claims that they assume. Annual estimate based on claims being open for 12 months.
4. Proposed a Bill Reduction Fee of \$10 per bill

City of Key West, Florida
Projected Annual Cost of Claims Administration

PMA										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	7	30	1	11	3	1	40	61	157
Claim Fee	\$ 785	\$ 495	\$ 495	\$ 1,295	\$ 795	\$ 495	\$ 1,295	\$ 950	\$ 195	
Estimated Annual Claim Fees	\$ 2,355	\$ 3,465	\$ 14,850	\$ 1,295	\$ 8,745	\$ 1,485	\$ 1,295	\$ 88,000	\$ 11,895	\$ 83,415
Loss Run Reports										\$ -
On Line Access										\$ -
Program Administration										\$ -
Loss Control Services (Billed at \$125 per hour and assumed 16 hours of service)										\$ -
Banking Fees										\$ 2,000
Claim Reporting										\$ -
Set Up Fee (Proposal reflects estimate of \$5,000)										\$ 5,000
Claim Assumption Fee										\$ 76,805
Bill Reduction Fee (Average of 1,694 bills processed annually)										\$ 13,976
Total										\$ 181,196

Projected Claim Assumption Fee										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	2	18	4	17	1	2	58	14	119
Claim Fee	\$ 595	\$ 395	\$ 395	\$ 1,295	\$ 595	\$ 395	\$ 1,295	\$ 795	\$ 195	
Estimated Annual Claim Fees	\$ 1,785	\$ 790	\$ 7,110	\$ 5,180	\$ 10,115	\$ 395	\$ 2,590	\$ 46,110	\$ 2,790	\$ 76,805

Comments

1. Proposed a bill reduction fee of \$8.25 per bill

City of Key West, Florida
Projected Annual Cost of Claims Administration

Alternative Service Concepts										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	7	30	1	11	3	1	40	61	157
Claim Fee	\$ 575	\$ 450	\$ 450	\$ 575	\$ 575	\$ 450	\$ 575	\$ 950	\$ 140	
Estimated Annual Claim Fees	\$ 1,725	\$ 3,150	\$ 13,500	\$ 575	\$ 6,325	\$ 1,350	\$ 575	\$ 38,000	\$ 8,540	\$ 73,740
Loss Run Reports										
On Line Access										
Program Administration										
Loss Control Services										\$ 9,000
Banking Fees										\$ -
Claim Reporting										\$ -
Set Up Fee (Proposal reflects estimate of \$5,000)										\$ 5,000
Claim Assumption Fee										\$ 41,100
Bill Reduction Fee (Average of 1,894 bills processed annually)										\$ 14,399
Total										\$ 143,239

Projected Claim Assumption Fee										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	2	18	4	17	1	2	58	14	119
Claim Fee	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 425	\$ -	
Estimated Annual Claim Fees	\$ 1,050	\$ 700	\$ 6,300	\$ 1,400	\$ 5,950	\$ 350	\$ 700	\$ 24,650	\$ -	\$ 41,100

Comments

1. Provided an annual fee of \$425 for all assumed Lost Time Claims
2. Provided an annual fee of \$350 for all assumed Liability Claims
3. Proposed a bill reduction fee of \$8.50 per bill

York Claim Services - Life of Contract										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	7	30	1	11	3	1	40	61	157
Claim Fee	\$ 1,082	\$ 385	\$ 385	\$ 953	\$ 953	\$ 649	\$ 953	\$ 1,258	\$ 150	
Estimated Annual Claim Fees	\$ 3,246	\$ 2,695	\$ 11,550	\$ 953	\$ 10,483	\$ 1,947	\$ 953	\$ 50,320	\$ 9,150	\$ 91,297
Loss Run Reports										\$ -
On Line Access										\$ -
Program Administration										\$ -
Loss Control Services										\$ -
Banking Fees										\$ -
Claim Reporting										\$ -
Set Up Fee										\$ -
Claim Assumption Fee										\$ -
Bill Reduction Fee (Average of 1,694 bills processed annually)										\$ 41,100
Total										\$ 15,246
										\$ 147,643

York Claim Services - Life of Claim									
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only
Average Annual Claim Count	3	7	30	1	11	3	1	40	61
Claim Fee	\$ 1,202	\$ 428	\$ 428	\$ 1,059	\$ 1,059	\$ 721	\$ 1,059	\$ 1,397	\$ 150
Estimated Annual Claim Fees	\$ 3,606	\$ 2,996	\$ 12,840	\$ 1,059	\$ 11,649	\$ 2,163	\$ 1,059	\$ 55,880	\$ 9,150
Loss Run Reports									
On Line Access									
Program Administration									
Loss Control Services									
Banking Fees									
Claim Reporting									
Set Up Fee									
Claim Assumption Fee									
Bill Reduction Fee (Based on 1,694 bills annually and fee of \$9.00 per bill)									
Total									
									\$ 41,100
									\$ 15,246
									\$ 156,748

Projected Claim Assumption Fee									
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only
Average Annual Claim Count	3	2	18	4	17	1	2	58	14
Claim Fee	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 425	\$ -
Estimated Annual Claim Fees	\$ 1,050	\$ 700	\$ 6,300	\$ 1,400	\$ 5,950	\$ 350	\$ 700	\$ 24,650	\$ -
Total									
									\$ 41,100

Comments

1. Proposal did not address available loss control services
2. Proposal indicates that no Data Conversion Fee will apply unless unforeseen problems exist with data provided by current TPA
3. Proposal indicates that Claim Assumption Fee will be an annual charge based on number and types of claims currently open.
4. Proposed a bill reduction fee of \$9.00 per bill

[illegible]

City of Key West, Florida
Projected Annual Cost of Claims Administration

Preferred Governmental Claim Solutions										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	7	30	1	11	3	1	40	61	157
Claim Fee	\$ 450	\$ 250	\$ 250	\$ 650	\$ 450	\$ 250	\$ 650	\$ 650	\$ 165	
Estimated Annual Claim Fees	\$ 1,350	\$ 1,750	\$ 7,500	\$ 650	\$ 4,950	\$ 750	\$ 650	\$ 26,000	\$ 10,065	\$ 53,665
Loss Run Reports										
On Line Access										
Program Administration										
Loss Control Services										
Billing Fees										
Claim Reporting										
Set Up Fee										
Claim Assumption Fee										
Bill Reduction Fee (Average of 1,694 bills processed annually)										
Total										
										\$ 115,800

Projected Claim Assumption Fee										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count										
Claim Fee										
Estimated Annual Claim Fees										
Proposed a flat fee of \$25,020 to assume all existing claims. City will be able to pay assumption fee in 36 equal monthly installments of \$695.										

Comments

1. Proposed a bill reduction fee of \$1.40 per line with a 3 line minimum

City of Key West, Florida
Projected Annual Cost of Claims Administration

Johns Eastern										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	7	30	1	11	3	1	40	61	157
Claim Fee	\$ 695	\$ 450	\$ 450	\$ 850	\$ 695	\$ 450	\$ 350	\$ 1,125	\$ 149	
Estimated Annual Claim Fees	\$ 2,085	\$ 3,150	\$ 13,500	\$ 850	\$ 7,845	\$ 1,350	\$ 350	\$ 45,000	\$ 9,089	\$ 83,519
Loss Run Reports										
On Line Access										
Data Conversion										
Program Administration										
Loss Control Services										
Banking Fees										
Claim Reporting										
Set Up Fee										
Claim Assumption Fee										
Bill Reduction Fee (Average of 1,894 bills processed annually)										
Total										
										\$ 150,673

Projected Claim Assumption Fee										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	2	18	4	17	1	2	58	14	119
Claim Fee	\$ 325	\$ 225	\$ 225	\$ 425	\$ 325	\$ 225	\$ 425	\$ 600	\$ -	
Estimated Annual Claim Fees	\$ 975	\$ 450	\$ 4,050	\$ 1,700	\$ 5,525	\$ 225	\$ 850	\$ 34,800	\$ -	\$ 48,575

Comments

1. Loss Control Services will be provided at a cost of \$95.00 per hour
2. Proposed a bill reduction fee of \$5.95 per bill

City of Key West, Florida

[illegible]

Projected Claim Assumption Fee										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	2	18	4	17	1	2	58	14	119
Claim Fee	\$ 350	\$ 350	\$ 350	\$ 400	\$ 400	\$ 400	\$ 400	\$ 475	\$ 100	
Estimated Annual Claim Fees	\$ 1,050	\$ 700	\$ 6,300	\$ 1,600	\$ 6,800	\$ 400	\$ 800	\$ 27,550	\$ 1,400	\$ 46,600

Comments

1. Proposed a bill reduction fee of \$5.50 per biller \$1.50 per line with no minimum

INTEROFFICE MEMORANDUM

To: Sandy Barroso, Risk Manager
CC: Mark Finigan, Assistant City Manager
Sue Snider, Purchasing
From: Cheri Smith, City Clerk
Date: August 25, 2009
Subject: **THIRD PARTY CLAIM ADMINISTRATION**
RFP 09-011

Attached for your review are copies of the proposals opened Tuesday, August 25, 2009 at 3:30 p.m. in response to the above referenced project.

1. Alternative Service Concepts, LLC
6010 Cattleridge Drive
Suite 103
Sarasota, FL 34232
2. Cannon Cooran Management Services, Inc. (CCMSI)
2600 Lake Lucien Drive
Suite 225
Maitland, FL 32751
3. Corvel Enterprises Comp, Inc.
210 North University Drive, #501
Coral Springs, FL 33071
4. EMCAS
12466 West Atlantic Blvd.
Coral Springs, FL 33071
5. Employers Mutual, Inc. (EMI)
700 Central Parkway
Stuart, FL 34994
6. Gallagher Bassett Services, Inc.
2 Pierce Place, 5th Floor
Itasca, IL 60143

INTEROFFICE MEMORANDUM

To: Sandy Barroso, Risk Manager
CC: Mark Finigan, Assistant City Manager
Sue Snider, Purchasing
From: Cheri Smith, City Clerk
Date: August 25, 2009
Subject: **THIRD PARTY CLAIM ADMINISTRATION**
RFP 09-011

7. Integrated Claim Solutions, Inc.
668 Maitland Avenue
Altamonte Springs, FL 32701
8. Johns Eastern Company, Inc.
P.O. Box 110259
Lakewood Ranch, FL 34211-0004
9. Preferred Governmental Claims Solutions, Inc. (PGCS)
P.O. Box 958456
Lake Mary, FL 32795-8456
10. PMA Management Corp. (PMAMC)
2701 North Rocky Point Drive
Suite 250
Tampa, FL 33607
11. York Claims Services, Inc.
1117 Perimeter Center West
Atlanta, GA 30338

CS/amb

**THE CITY OF KEY WEST, FLORIDA
REQUEST FOR PROPOSALS
RFP #09-011**



**THIRD PARTY CLAIM ADMINISTRATION
EFFECTIVE DATE OCTOBER 1, 2009**

**Proposal Return Date
August 25, 2009**

I. BACKGROUND INFORMATION

Key West lies near the end of the chain of islands known as the Florida Keys, and is the southern-most city in the continental United States. The island-community is located about 90 miles north of Cuba and 150 miles southwest of Miami at a latitude of 24 degrees, 33 minutes, 5 seconds North and at a longitude of 81 degrees, 48 minutes, 14 seconds West. The island has an area of 4.2 square miles, while the City-incorporating the northern part of neighboring Stock Island-has an area of 5.79 square miles. The City initially developed because of its proximity to the Florida Straits, the abutting Florida Reef, strong offshore ocean currents (the Gulf Stream), and the area's unpredictable winds, combined with a large natural deep-water harbor and deep channels into the harbor. The Florida Straits are the northern-most sea passage from the Gulf of Mexico to the Atlantic Ocean. For three centuries this passage formed part of the great nautical trade route that carried ships from Caribbean and South American ports to their European homelands. The location of Key West serves as a gateway both to the Caribbean and between the Atlantic Ocean and the Gulf of Mexico was recognized by the military at an early date. Another important regional factor in the development of the City has been its proximity to Cuba, 90 miles to the south.

Key West's long and colorful past begins with its European discovery in 1513 by Ponce de Leon. The island was first known as Cayo Hueso (Isle of Bones) because it was littered with remains from an Indian battlefield or burial ground. The name "Key West" is the English version of the Spanish term. The first permanent occupancy in the City occurred in 1822, complete with a small naval depot, whose purpose was to rid the area of pirates. The presence of the U.S. Navy has been a major factor in the growth and development of Key West ever since. The settlement was incorporated in 1828, four years after becoming the county seat of Monroe County. The City grew and prospered, based first on fishing and salvaging ships wrecked on the nearby reefs, and later on cigar manufacturing with Cuban refugees and imported Cuban tobacco. Other economic activities included sponging and related commercial functions. By 1890, Key West was the largest and richest city in Florida. However, after the turn of the century its major industries were in decline. Little construction was undertaken between the First and Second World Wars and the City saw a steady decline in population between 1919 and 1935. World War II brought prosperity back to Key West. Population more than doubled between 1940 and 1960. Nation-wide military base closings and personnel reductions beginning in the 1960s were major contributors to the City's second major cycle of population decline. After recording the highest number of residents in its history in 1960, Key West experienced over a 25 percent loss in population by 1980. The 1990 Census showed a slight increase.

Further information may be obtained from the City's website at:
<http://www.keywestcity.com>

THE CITY OF KEY WEST, FLORIDA
REQUEST FOR PROPOSALS
FOR
THIRD PARTY CLAIMS ADMINISTRATION

GENERAL INFORMATION AND COVERAGES REQUESTED

The City of Key West, Florida is requesting proposals for the following:

➤ Third Party Claims Administration

The City's current insurance program is structured on a "Multi-Peril" basis that contains various self-insured retentions. It is the desire of the City for the selected administrator to adjust all claims that fall within its retentions. Following displays the City's current retention levels.

Property	\$50,000 except 5% for wind related losses and \$1.5 million for flood related losses
General Liability	\$100,000
Automobile Liability	\$100,000
Public Officials Liability	\$100,000
Workers' Compensation	\$325,000
Police Professional	\$100,000

The target effective date of the programs will be October 1, 2009 however, may be delayed depending on the amount of time a new claims administrator may require to convert the City's historical claim information so it is compatible with their claim system. It is the intent of the City to agree to a one (1) year term with rights to renew with the successful proposer(s) for four (4) additional one-year terms at the sole option of the City. Consideration may be given to longer-term agreements based on price, terms and conditions.

In conjunction with this RFP, the City is seeking proposals for its Property and Casualty Insurance Program. Based on the proposals received, it is possible that a Large Deductible or Fully Insured program will be selected. The selection of a third party claims administrator will be contingent upon the City maintaining a Self Insured program.

As a prerequisite of being selected, the Third Party Administrator must be acceptable to the Insurers selected by the City.

Items contained in this Request For Proposals (RFP) are considered to be an integral part of the proposed programs. Adherence to the items listed here is intended by the City unless specifically otherwise accepted by both the Proposer and the City. Acceptance of modification of any portion of the items contained herein will not serve to waive or modify any other portion of the proposed program.

CURRENT PROGRAM

Gallagher Bassett Services Inc. currently administers all claims that fall within the City's self-insured retention. The agreement with Gallagher Bassett requires them to administer the claims for a single fee as long as a contractual relation exists between the two organizations. Depending on the cost, the successful proposer may be requested to assume the administration of all open claims. Proposers will be requested to provide separate pricing for the assumption of all open claims.

As of May 31, 2009 the City has the following number of claims currently active.

Policy Year	Workers' Compensation		Police Professionals	Auto Liability	General Liability	Public Officials	Total
	Lost Time	Medical Only					
1981/83	1						1
1983/85	1						1
1988/89	1						1
1989/90	1						1
1990/91	1						1
1991/92	1						1
1998/99	2						2
1999/00	2						2
2000/01	4						4
2001/02	7						7
2002/03	9		1				10
2003/04	7		1	1	1		10
2004/05	1				1	1	3
2005/06	9				4		13
2006/07	14		1		2	1	18
2007/08	17	1	1	1	5	1	26
2008/09	17	13		5	7	1	43
Total	95	14	4	7	20	4	144

DESIRED PROGRAM

The City prefers the successful Proposer to provide its services on a "Life of Contract" basis and to agree to administer all claims until they are concluded as long as a contractual relationship exists between the City and the Proposer. Alternatives, such as "Cradle to Grave" will be considered.

The City utilizes the current claims administrator to reduce all medical bills to the State Fee Schedule. Proposers are therefore requested to include this service in their pricing structure. If a separate charge is required for this service, it should be clearly stated within the proposal.

It is anticipated that the successful proposer will assume the administration for all prior year claims. All proposals should clearly state the cost associated with the assumption of all claims.

RATING DATA

The following information has been included as attachments to assist in the underwriting of the account:

- Projected payrolls by workers' compensation classification codes;
- The City's most recent Experience Modification worksheets.

Currently valued loss runs and narrative description of losses in excess of \$50,000 will be provided upon request. Please direct your requests to:

**Mr. Sid Webber
Interisk Corporation
1111 N. Westshore Blvd.
Suite 208
Tampa, Florida 33607
Ph: (813) 287-1040
Fax: (813) 287-1041**

All interested proposers are solely responsible to ensure requests for loss runs and narrative description of major are properly received. The City of Key West nor Interisk assumes responsibility for the timely receipt of such requests.

EFFECTIVE DATE OF AGREEMENT

The effective date of the Agreement will be October 1, 2009 to October 1, 2010. It is anticipated that the agreement will be renewed with the successful proposer for a minimum of four (4) additional years, however City maintains the right to terminate the agreement upon each anniversary date without penalty.

REQUEST FOR PROPOSALS SCHEDULE

The following schedule will be strictly adhered to. No extension of deadlines will be granted.

Activity	Deadline
Distribution of RFP	6/23/09
Deadline for Agents to Submit Requests for Additional Information	7/29/09
Issue Addendum to RFP	8/4/09
Proposal Return Date	8/25/09
Finalize Recommendation Report	9/8/09
Presentation of Recommendations to City Commission	9/15/09
Effective Date of Coverage	10/1/09

SUBMISSION OF PROPOSALS

All proposal forms must be executed and submitted in a sealed envelope. The face of the envelope shall contain, in addition to the below address, the date and time of the bid opening. Bids not submitted on attached bid forms may be rejected. All bids are subject to the conditions specified herein and on the attached sheets.

Sealed Proposals should be submitted with two (2) signed originals and four (4) complete copies of the originals clearly marked on the outside of the sealed envelope with:

The City of Key West, Florida
Proposal for 2009/2010 Claims Administration Program

Hand delivered Proposals may request a receipt. Proposals received after the deadline will be returned unopened. The deadline for the submission of all proposals is 3:30 PM, August 25, 2009. Proposers should be aware that certain "express mail" services do not guarantee specific time delivery to Key West, Florida. It is the sole responsibility of each proposer to ensure its proposal is received in a timely fashion.

All proposers are required to complete the following forms that are attached to this RFP.

REQUIRED FORMS TO BE COMPLETED BY ALL PROPOSERS

All proposers shall complete the "Anti-Kickback Affidavit and the Public Entity Crime Form that is attached and made part of this RFP.

PROPOSAL RETURN ADDRESS

Proposals should be returned to:

City Clerk
City of Key West
525 Angela St.
Key West, FL 33040
(305) 809-3831

VALID DATE OF PROPOSALS

Proposals shall remain valid until November 1, 2009 to provide additional time for clarification in the event that an extension of the current program(s) is undertaken.

RIGHT TO REJECT PROPOSALS

The City reserves the right to reject any or all proposals, to waive irregularities and informalities in any or all proposals, and to re-advertise for proposals.

The City specifically reserves the right to separately accept or reject any item and/or items of a proposal and to award and/or negotiate a contract in the best interest of the City.

ADHERENCE TO INFORMATION AND PROPOSAL

Information presented in this Request for Proposal and all statements contained in the written proposals received are intended to be relied upon by the City. All coverages and services must be issued as proposed unless the City authorizes individual changes. Any changes authorized by the City will not alter any other items contained in this Request for Proposal.

ADMINISTRATOR'S QUALIFICATIONS

All Proposers must be currently licensed in Florida as a Third Party Administrator in accordance with Florida Statute §626.88 – 626.894.

AUTHORITY OF PROPOSER

Proposals should be signed by an authorized representative of the Third Party Administrator providing the service.

ADDITIONAL INFORMATION/INSPECTION

Every attempt has been made to furnish complete and accurate information to the best of City's knowledge. Proposers are encouraged to determine, at their sole expense, additional information required to develop their proposals including any inspections and loss control surveys.

If additional information is required, requests must be submitted in writing to:

**Mr. Sid Webber
Interisk Corporation
1111 N. Westshore Blvd.
Suite 208
Tampa, Florida 33607
Ph: (813) 287-1040
Fax: (813) 287-1041**

All requests for additional information must be received no later than **3:00 PM, July 29, 2009**. Based on the requests received, an addendum to the specifications will be issued to all Proposers.

SAMPLE POLICIES AND CONTRACTS

All proposals must contain a sample contract for review.

RATE CHANGE

All proposers must ensure that the rates proposed will apply for a minimum of 1 year. Proposers will be required to provide Ninety (90) days written notice of the rates that will be charged for subsequent contract years.

TERMINATION/NON-RENEWAL NOTICE

Proposer will be required to provide a ninety (90) days written notice prior to the termination or non-renewal of the agreement.

CLAIM REPORTS

Claim reports shall be furnished monthly. Reports should be completed in plain English and received by the City within twenty (20) days following the end of each month. The reports should include a detailed description of individual claims and the amount paid for each claim and any open reserves that are assigned. Individual allocations by operating location may be necessary.

Claim reports must continue to be furnished without charge until the last open claim is closed, or until the Proposer is no longer providing a service to the City.

COORDINATION WITH EXCESS INSURER

The Proposer will adhere to any and all reporting requirements of the City's Insurers and to coordinate all specific and aggregate recoveries.

SUBROGATION AND SECOND DISABILITY FUND RECOVERIES

The Proposer will coordinate all subrogation and Second Disability Fund recoveries for all claims being administered by the Administrator even if such a claims are no longer active.

USE OF PROPOSAL FORMS

Proposers must submit their proposals on the forms included in this Request. Additional information regarding the Proposer's organization may be submitted in addition to the Proposal Forms.

In addition, if an addendum to this request is issued, the Proposer must acknowledge receipt of such addendum by completing and returning with their proposals the acknowledgment form, which will accompany the addendum.

**THE CITY OF KEY WEST, FLORIDA
REQUEST FOR PROPOSALS
FOR
THIRD PARTY CLAIMS ADMINISTRATION**

GENERAL

The City is seeking competitive proposals from organizations that have the ability to administer the claims that are within the self-insured retentions of the City's insurance programs. Concurrent with this effort, the City is seeking competitive proposals for its Property and Casualty insurance. Proposers participating in the RFP for the City's insurance programs are being encouraged to submit alternative programs to include "Large Deductibles" and other more traditional programs. This may result in the successful insurer being unwilling to unbundle the claims service. In addition, the Proposer must be acceptable to the insurers if such a program is maintained.

Allocated and Unallocated Fees

All proposals must clearly and completely explain all charges that are not included in the Proposer's base fee. The amount of such fees should be clearly presented.

Insurance Requirements

The successful proposer will be required to maintain throughout the life of the contract, insurance protection as specified in the attached forms.

THE CITY OF KEY WEST, FLORIDA
REQUEST FOR PROPOSALS
FOR
THIRD PARTY CLAIMS ADMINISTRATION

PROPOSAL FORMS

GENERAL INFORMATION

Use of the proposal forms will enable a faster more complete analysis of the Proposal(s) submitted. Please complete this general proposal form in addition to a separate proposal for each coverage proposed. Additional information can be attached to the forms.

Name of Third Party Administrator? _____

Address: _____

Telephone Number: _____

Are the following services included within the price?
Quoted?

Initial contact with claimant within 24 hours? Yes _____ No _____

Recorded statements of the claimant? Yes _____ No _____

Contact with the treating physician within 24 hours? Yes _____ No _____

Narrative summaries on major claims? Yes _____ No _____

Medical bills reduced to State fee schedule? Yes _____ No _____

Subrogation and Second Injury Fund activities? Yes _____ No _____

Preparation of all State mandated reports? Yes _____ No _____

Notification of all potential excess claims
to insurer?

Yes _____ No _____

Quarterly meetings with the City?

Yes _____ No _____

Provide monthly loss reports to the City?

Yes _____ No _____

If any of the above responses are no, please explain

Are Curriculum Vitae's of adjusters attached?

Yes _____ No _____

What is the current caseload for the adjusters
who will be assigned to the City's account?

Are services being proposed on:

a Life of Contract Basis?

Yes _____ No _____

Cradle to Grave Basis?

Yes _____ No _____

Other Basis?

Yes _____ No _____

If services being proposed is not on
either a Life of Contract Basis or
Cradle to Grave Basis provide full
explanation on how the fee will be
applied.

Will the proposer charge any initial or maintenance
fees?

Yes _____ No _____

If so, please explain

Please explain required banking arrangements

Does the proposer have an approved safety program
filed with the State of Florida?

Yes _____ No _____

Quoted Price:

	Cost Per Claim	Cost Per Run-Off Claim
General Liability		
Bodily Injury		
Property Damage		
Automobile Liability		
Bodily Injury		
Property Damage		
Public Officials Liability		
Police Professional Liability		
Workers Compensation		
Medical Only Claims		
Indemnity Claims		

Is an alternative pricing structure proposed?

Yes _____ No _____

If so, please specify

Will a minimum fee apply to the contract?

Yes _____ No _____

If so, please specify

Are there any exceptions to the specifications?

Yes _____ No _____

If so, please specify

The Proposer stated below is the authorized agent of the company or companies proposed, and is authorized to commit the proposing company to the terms and conditions stated above.

Signature of Authorized Representative

Date

PROJECTED PAYROLLS

CITY OF KEY WEST, FLORIDA
PROJECTION OF PAYROLLS
BY
WORKERS' COMPENSATION CLASSIFICATION

PROJECTED PAYROLLS		
CLASS CODE	DESCRIPTION	PROJECTED PAYROLL
5508	STREET OR ROAD PAVING	\$263,286
6836	MARINA & DRIVERS	681,399
7382	BUS COMPANY & DRIVERS	992,260
7580	SEWAGE DISPOSAL PLANT OPERATIONS AND DRIVERS	221,246
7590	GARBAGE WORKS	197,132
7704	FIREFIGHTERS & DRIVERS	4,166,694
7720	POLICE OFFICERS & DRIVERS	5,628,140
8380	AUTOMOBILE SERVICE OR REPAIR CENTERS & DRIVERS	314,130
8392	AUTOMOBILE STORAGE GARAGE/ PARKING LOT	422,326
8810	CLERICAL	5,737,821
8820	ATTORNEY	392,510
9015	BUILDINGS – OPERATIONS BY OWNER	341,940
9102	PARK – NOC	1,549,901
9410	MUNICIPAL EMPLOYEES	1,288,684
TOTAL		\$22,197,469

EXPERIENCE MODIFICATION WORK SHEETS

TFM 35 - 19 REV. 08/2012

STATE OF FLORIDA
DEPARTMENT OF FINANCIAL SERVICES
DIVISION OF WORKERS COMPENSATION

SELF INSURER EXPERIENCE RATING

EFFECTIVE DATE		EMPLOYER NAME		FUND	ACCOUNT	EMPLOYER NO.
10/01/2004		KEY WEST, CITY OF		000	00000	010444
ACTUAL LOSSES		PROMULGATION DATE		08/05/2008		
DATE	CASE NUMBER	TOTAL CASES	ACTUAL LOSSES	PRIMARY	ACTUAL EXCESS	
06/30/2005	281 55 1855 FINAL		48,785	5,000	41,785	
11/10/2004	117 42 7888 FINAL		10,250	5,000	5,250	
09/02/2005	588 48 5884 FINAL		15,498	5,000	11,498	
06/13/2005	253 35 4832 FINAL		5,254	5,000	254	
06/31/2005	216 68 3884 FINAL		5,703	5,000	703	
06/13/2005	257 37 7435 FINAL		9,310	5,000	4,310	
01/12/2005	195 55 6942 FINAL		12,738	5,000	7,738	
02/07/2005	320 72 8546 FINAL		15,038	5,000	10,038	
07/25/2005	588 41 8538 FINAL		19,369	5,000	14,369	
01/31/2005	865 85 7971 OPEN		20,000	5,000	15,000	
12/28/2004	041 32 4161 FINAL		78,845	5,000	71,845	
06/02/2005	366 70 7115 FINAL		12,048	5,000	7,048	
07/11/2005	251 71 8875 FINAL		35,120	5,000	30,120	
08/19/2005	263 83 2835 OPEN		205,370	5,000	177,370	
	EXCESS CASES	14	483,331	70,000	393,331	
	NON-EXCESS CASES	81	36,048	25,000	11,048	
	10/01/2004 - 09/30/2005	95	499,380	100,000	399,380	
06/30/2006	285 38 8080 FINAL		18,768	5,000	11,768	
05/02/2006	583 62 6143 FINAL		19,229	5,000	14,229	
06/15/2006	217 44 0288 OPEN		53,283	5,000	48,283	
04/29/2006	257 48 2523 FINAL		7,592	5,000	2,592	

*LOSS EXCESS STATE ACCIDENT LIMITATION OF \$ 102,500.00. PRIMARY VALUE BASED ON ACTUAL LOSS, ACTUAL EXCESS BASED ON LIMITED LOSS, LIMIT LOSS USED IN TOTALS

TED LOSSES							
LOSS	ANNUAL RATE	PAYROLL	EL RATE	EMPLOYER LOSSES	Q RATIO	PR RATIO	EXCESS
5806	0.1184	54,525	0.0315	2,052	.18	360	1,692
5808	0.0874	494,589	0.0485	7,501	.20	1,480	6,021
7342	0.1182	515,860	0.0237	14,834	.20	2,987	11,847
7544	0.0470	247,636	0.0146	3,615	.18	881	2,734
7580	0.1270	43,409	0.0250	1,065	.20	217	848
7704	0.1118	4,203,024	0.0159	98,828	.18	12,038	86,790
7720	0.0641	5,772,871	0.0125	73,894	.20	14,773	59,121
8980	0.0917	912,370	0.0441	4,404	.18	837	3,567
8982	0.0639	395,785	0.0139	5,277	.22	1,881	4,396
8816	0.0682	4,748,555	0.0614	8,645	.20	1,328	5,318
8820	0.0053	223,838	0.0010	289	.20	57	232
9015	0.1007	945,148	0.0181	8,247	.20	1,248	4,999
9102	0.1037	1,547,779	0.0188	28,788	.20	5,756	23,032
8440	0.1284	1,888,588	0.0152	21,152	.20	4,235	16,917
10/01/2004 - 09/30/2005		20,709,498		242,437		47,089	195,348
3508	0.1151	184,358	0.0318	5,351	.28	1,071	4,280
8217	0.1272	81,307	0.0278	1,415	.28	255	1,160
8136	0.0402	512,618	0.0188	8,625	.20	1,725	6,900
7382	0.1147	937,776	0.0287	25,814	.20	5,383	21,431
7585	0.0477	285,712	0.0140	4,882	.18	780	3,552
7590	0.1048		0.0250	0	.20	0	0
7704	0.0880	4,506,908	0.0159	71,647	.18	12,828	58,819
7720	0.0801	7,128,577	0.0125	81,247	.20	18,248	63,000

EXPERIENCE MODIFICATION

PRIMARY ACTUAL LOSS	TOTAL EMPLOYER LOSSES	EL VALUE	INELIGIBLE FOR RATING**
100			
EXCESS	TOTAL B		
EXCESS			
TOTAL A			

TOTAL "A" DIVIDED BY TOTAL "B"

FORM 10-1-10 (2/1992)

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL SERVICES
DIVISION OF WORKERS COMPENSATION

SELF INSURED EXPERIENCE RATING

EFFECTIVE DATE		EMPLOYER NAME		FUND	ACCOUNT	EMPLOYER R.T.
10/01/2008		KEY WEST, CITY OF		550	08300	040444
ACTUAL LOSSES		PREMODIFICATION DATE		08/05/2008		PAGE 2
DATE	CASE NUMBER	TOTAL CASES	ACTUAL LOSSES	PRIMARY	ADJUSTED LOSS	
08/11/2008	2 550 04 0083	FINAL	4,311	5,000	5,000	
08/08/2008	2 516 04 6769	FINAL	5,893	5,000	5,000	
12/28/2008	2 073 58 5043	FINAL	4,658	5,000	5,000	
03/10/2008	2 338 72 2646	OPEN	87,085	5,000	5,000	
12/02/2008	2 287 77 0076	OPEN	52,500	5,000	5,000	
04/24/2008	2 594 34 0795	OPEN	11,848	5,000	5,000	
08/03/2008	2 510 38 8322	FINAL	28,780	5,000	5,000	
10/18/2008	2 532 98 4244	FINAL	74,787	5,000	5,000	
08/28/2008	2 583 76 8880	FINAL	28,302	5,000	5,000	
10/21/2008	2 102 54 5081	FINAL	5,608	5,000	5,000	
03/21/2008	2 102 58 5081	FINAL	5,804	5,000	5,000	
01/20/2008	2 289 89 0883	FINAL	5,884	5,000	5,000	
01/23/2008	2 011 50 4151	OPEN	150,788	5,000	5,000	
08/24/2008	2 002 48 8136	OPEN	78,067	5,000	5,000	
04/03/2008	2 588 22 4017	OPEN	47,000	5,000	5,000	
02/01/2008	2 002 48 8136	OPEN	31,649	5,000	5,000	
05/10/2008	2 283 55 0745	OPEN	17,824	5,000	5,000	
04/13/2008	2 284 11 7181	OPEN	53,701	5,000	5,000	
01/28/2008	2 212 52 4185	FINAL	24,657	5,000	5,000	
07/12/2008	2 490 04 8321	FINAL	7,344	5,000	5,000	
07/01/2008	2 112 60 3482	FINAL	11,187	5,000	5,000	
01/20/2008	2 585 05 5843	FINAL	18,285	5,000	5,000	

E TTD LOSSES							
DATE	MANUAL DATE	PAYROLL	EL RATE	CHARGED LOSSES	U RATIO	PRIMARY	ADJUSTED LOSS
8350	0.0872	400,188	0.0141	5,758	.18	1,084	4,592
8882	0.0795	588,248	0.0133	7,886	.12	1,882	5,886
8810	0.0884	8,408,243	0.0014	7,587	.20	1,512	5,084
8820	0.0048	288,348	0.0010	288	.30	88	231
9015	0.0854	341,817	0.0181	5,180	.38	1,237	4,545
8102	0.0876	1,848,777	0.0186	50,574	.20	8,115	24,488
9410	0.1188	1,800,511	0.0152	24,328	.25	4,885	18,422
10/01/2008	08/30/2008	28,878,282		282,887		58,905	235,482
5508	0.1123	242,687	0.0815	7,701	.18	1,886	8,310
8217	0.1112	82,144	0.0275	1,438	.18	288	1,180
8808	0.0841	881,288	0.0168	11,446	.25	2,382	9,157
7382	0.0874	881,408	0.0287	24,426	.30	4,887	19,544
7880	0.0448	211,882	0.0148	4,880	.18	818	3,781
7704	0.0718	4,358,831	0.0158	68,278	.18	12,470	58,805
7720	0.0808	7,026,902	0.0128	80,888	.20	13,014	72,086
8888	0.0888	887,870	0.0141	5,870	.18	1,038	4,431
8382	0.0822	584,253	0.0122	7,804	.22	1,728	8,165
8810	0.0858	5,888,380	0.0014	7,888	.20	1,540	6,158
8820	0.0041	814,867	0.0010	814	.30	81	232
8015	0.0770	888,284	0.0181	7,885	.38	1,571	5,284
8102	0.0876	1,743,791	0.0186	32,439	.20	8,487	28,848
9410	0.0823	1,825,888	0.0152	27,755	.20	5,551	22,204
10/01/2008	08/30/2008	24,833,886		286,440		58,134	240,312

EXPERIENCE MODIFICATION			
PRIMARY	TOTAL	INELIGIBLE FOR RATING**	
ADJUSTED LOSS	EXPERIENCE LOSS		
IG	B MAJIC		
EXCESS	TOTAL B		
EXPERIENCE			
TOTAL A			

TOTAL "A" DIVIDED BY TOTAL "B"

STATE OF FLORIDA
DEPARTMENT OF FINANCIAL SERVICES
DIVISION OF WORKERS COMPENSATION

EMPLOYEE NAME _____

[illegible]

EXPERIENCE MODIFICATION		TOTAL EXPERIENCE LOSS		INELIGIBLE FOR RATING	
ADJUSTED LOSS		5 VALUE		TOTAL	
LOSS				PREVIOUS	
TOTAL		TOTAL		AND NEW	
EXPERIENCE				PREVIOUS	
TOTAL A					

TOTAL "A" DIVIDED BY TOTAL "B"

STATE OF FLORIDA
DEPARTMENT OF FINANCIAL SERVICES
DIVISION OF WORKERS COMPENSATION

SELF INSURED EXPERIENCE RATING

EFFECTIVE DATE		EMPLOYER NAME		FUND	ACCOUNT	EMPLOYER NO.
10/01/2006		KEY WEST, CITY OF		BEK	DBSOC	010002
ACTUAL LOSSES		PROMULGATION DATE		09/05/2009		PAGE 4
ADJUSTMENT RATIO	CASE NUMBER	TOTAL CASES	ACTUAL LOSSES	PRIMARY	ACTUAL EXCESS	
07/10/2007	237 12 8984 FINAL		63,186	5,000	38,186	
08/12/2007	252 75 3214 OPEN		13,594	5,000	8,594	
12/15/2006	551 34 5095 OPEN		162,527	5,000	162,527	
09/13/2007	285 59 3775 OPEN		7,501	5,000	2,501	
12/31/2006	252 75 3214 OPEN		30,000	5,000	25,000	
03/01/2007	416 66 0482 OPEN		75,251	5,000	71,251	
05/16/2007	551 70 7584 OPEN		20,482	5,000	15,482	
10/08/2006	128 76 6499 OPEN		65,136	5,000	67,136	
10/05/2008	254 11 8833 OPEN		47,362	5,000	42,362	
03/19/2007	257 81 7648 OPEN		59,669	5,000	54,669	
04/12/2007	388 70 4221 OPEN		25,237	5,000	21,237	
04/18/2007	258 96 8325 OPEN		16,000	5,000	10,000	
09/01/2007	257 81 7645 OPEN		43,151	5,000	38,151	
	EXCESS CASES	34	1,073,412	130,000	952,412	
	NON-EXCESS CASES	107	44,417	44,417	0	
	10/01/2006 - 09/30/2007	121	1,117,829	164,417	953,412	
	EMPLOYER TOTALS	344	2,927,160	473,045	2,454,085	

CLASS	MAJOR TYPE	PRIMARY	ELI TYPE	EXCESS LOSSES	RATIO	PRIMARY	EXCESS LOSSES
EMPLOYER	TOTALS...	28,822,878		283,270		162,136	871,182

EXPERIENCE MODIFICATION		TOTAL		INELIGIBLE FOR RATING**	
PRIMARY	473,045	EXCESS LOSSES	153,270	TOTAL	
ACTUAL LOSS	162,200	B VALUE	162,200	PREMIUMS	4,234,284
ACTUAL EXCESS	1,030,705	TOTAL B	355,820	AVERAGE	3,829,827
EXCESS	355,827				
TOTAL A	1,395,345		3.13		

TOTAL "A" DIVIDED BY TOTAL "B"

**REQUIRED FORMS TO BE COMPLETED BY
ALL PROPOSERS**

ANTI-KICKBACK AFFIDAVIT

STATE OF FLORIDA

SS

COUNTY OF MONROE

I, the undersigned, hereby duly sworn, depose and say that no portion of the sum herein bid will be paid to any employee of the City of Key West as a commission, kickback, reward or gift, directly or indirectly by me or any member of my firm or by an officer of the corporation.

BY: _____

sworn and prescribed before me this _____ day of _____, 2009

NOTARY PUBLIC, State of Florida

My commission expires: _____

SWORN STATEMENT PURSUANT TO SECTION 287.133(3)(A)
FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY
PUBLIC OR OTHER OFFICIAL AUTHORIZED TO ADMINISTER OATHS,

1. This sworn statement is submitted to _____
by _____
(Print individual's name and title)
for _____
(print name of entity submitting sworn statement)

whose business address is _____
and (if applicable) its Federal Employer Identification Number (FEIN) is _____
(If the entity has no FEIN, include the Social security Number of the individual signing
this sworn statement: _____)

2. I understand that a "public entity crime" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or of the United States, including, but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.
3. I understand that "conviction" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment of information after July 01, 1989, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.
4. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means:
1. A predecessor or successor of a person convicted of a public entity crime;
or

2. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. the term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment of income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.
5. I understand that a "person" as defined in Paragraph 287.133(1)(e), Florida Statutes, means any natural person or entity organized under the laws of any state of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.
6. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement (indicate which statement applies).

☐ Neither the entity submitting this sworn statement, or any of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, nor any affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July, 1989.

☐ The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 01, 1989.

☐ The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 01, 1989. However, there has been a subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative Hearings and the Final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. (attach a copy of the final order).

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH ONE (1) ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND, THAT THIS FORM IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE PUBLIC ENTITY PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.017, FLORIDA STATUTES, FOR THE CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

(SIGNATURE)

(DATE)

STATE OF _____

COUNTY OF _____

PERSONALLY APPEARED BEFORE ME, the undersigned
authority _____ who, after first being sworn by me,
(name of individual)
affixed his/her signature in the space provided above of this
_____ day of _____, 2009

NOTARY PUBLIC

My commission expires: _____

**REQUIRED INSURANCE TO BE MAINTAINED
BY SUCCESSFUL PROPOSER**

Prior to execution of the final contract, the successful proposer will be required to provide evidence that the following insurance is in place.

Type of Insurance	Limits
Workers' Compensation	Statutory
Employers' Liability	\$500,000
General Liability	\$1 million
Vehicle Liability	\$1 million
Professional Liability	\$1 million

The successful proposer will be required to maintain the above insurance during the entire term and any extensions of the contract. All coverages must be provided by insurers licensed to conduct business within the State of Florida and acceptable to the City.

RESOLUTION NO. 09-246

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AUTHORIZING ACCEPTANCE OF THE PROPOSAL FROM EMPLOYER MUTUAL, INC. (EMI) IN THE AMOUNT OF \$140,267.00 FOR SERVICES TO BE RENDERED AS THE CITY'S INSURANCE PROGRAM THIRD PARTY CLAIMS ADMINISTRATOR; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH EMI FOR THE POLICY YEAR 2009/2010 WITH FOUR (4) ADDITIONAL POLICY YEARS SUBJECT TO RATIFICATION BY CITY COMMISSION; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the City issued RFP #09-011 requesting proposals for "third party claim administration", which was opened on August 25, 2009; and

WHEREAS, the City received eleven responses to the RFP; and

WHEREAS, the City Commission desires to award the proposal to the top firm and permit the City Manager or his designee, with the advice and consent of the City Attorney, to negotiate and execute an agreement with the top firm in accordance with that firm's proposal.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That the proposal from Employers Mutual, Inc., in the amount of \$140,267.00 to serve as the City's insurance program third party claims administrator for policy year 2009/2010 with four (4) additional policy years is hereby accepted.

Section 2: That the City Manager or his designee, with the advice and consent of the city Attorney, is authorized to negotiate and execute an agreement with Employers Mutual, Inc., in compliance with the RFP and the response thereto, which shall be subject to ratification by the City Commission.

Section 3: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this 15th day of September, 2009.

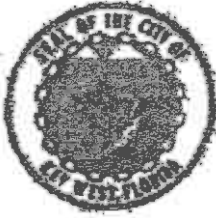
Authenticated by the presiding officer and Clerk of the Commission on September 16th, 2009.

Filed with the Clerk September 16th, 2009.


MORGAN MCPHERSON, MAYOR

ATTEST:


CHERYL SMITH, CITY CLERK



CITY MANAGER'S OFFICE MEMORANDUM

TO: Jim Scholl, City Manager

FROM: Mark Z. Finigan, Assistant City Manager 

DATE: September 10, 2009

SUBJECT: RFP 09-011
City of Key West Insurance Program—Third Party Claims Administration

ACTION STATEMENT:

Request the City Commission award the proposal of Employers Mutual, Inc. (EMI) in an amount of \$140,267 for policy year 2009/2010 for services to be rendered as the City of Key West Insurance Program Third Party Claim's Administrator. Additionally, authorizing the City Manager or designee to negotiate and execute an agreement with EMI for the policy year 2009/2010 with four (4) additional policy years; however City shall maintain the right to terminate the agreement upon each anniversary date without penalty.

BACKGROUND:

On June 2, 2009 the City of Key West engaged Interisk Corporation, an independent insurance consultant, to assist the City in the development of a Request for Proposal (RFP) to receive competitive proposals for the Third Party Administration of the City's Property and Casualty claims (to include Workers Compensation) for the 2009/2010 policy year. The last policy year the City's Third Party Claim's Administration for the Property and Casualty Insurance Program was marketed was 2002/2003. In addition to preparing the RFP, Interisk Corporation was required to evaluate proposals and make a recommendation to the City. A copy of Interisk's evaluation and recommendation, dated September 10, 2009, is attached.

On August 25, 2009, sealed proposals were received and were publicly opened by the City Clerk. Eleven prospective service providers responded to the RFP:

1. Alternative Service Concepts, LLC
6010 Cattleridge Drive
Suite 103
Sarasota, FL 34232

2. Cannon Cochrane Management Services, Inc. (CCMSI)
2600 Lake Lucien Drive
Suite 225
Maitland, FL 32751
3. Corvel Enterprises Corp, Inc.
210 North University Drive, #501
Coral Springs, FL 33071
4. EMCAS
12466 West Atlantic Blvd.
Coral Springs, FL 33071
5. Employers Mutual, Inc. (EMI)
700 Central Parkway
Stuart, FL 34994
6. Gallagher Bassett Services, Inc.
2 Pierce Place, 5th Floor
Evanston, IL 60143
7. Integrated Claim Solutions, Inc.
668 Maitland Avenue
Altamonte Springs, FL 32701
8. Johns Eastern Company, Inc.
P.O. Box 110259
Lakewood Ranch, FL 34211-0004
9. Preferred Governmental Claim Solutions, Inc. (PGCS)
P.O. Box 958456
Lake Mary, FL 32795-8456
10. PMA Management Corp. (PMAMC)
2701 North Rocky Point Drive
Suite 250
Tampa, FL 33607
11. York Claims Services, Inc.
1117 Perimeter Center West
Atlanta, GA 30338

After full consideration of all factors (to include long term costs savings, references checks with current clients and the recommendation offered by Interisk Corporation) I recommend the selection of Employers Mutual, Inc. (EMI).

FINANCIAL IMPACT:

Selection of EMI over the incumbent, Gallagher Bassett Services, Inc. will result in a higher "Year 1" cost of approximately \$9,000. The projected cost for Year 1 for EMI is \$140,267 and includes a one time claim assumption fee of \$46,600. Gallagher Bassett Services, Inc. proposed fee for year one was \$131,361, however, as the incumbent there would be no claim assumption fee. Assuming the City continued after Year One with EMI there would be an annual savings of approximately \$38,000 -- \$131,361 (Gallagher Bassett Services, Inc.) as opposed to \$93,667 for EMI. Please note this is a relative savings since all TPA providers escalate their annual fees by some COLA factor.

RECOMMENDATION:

Request the City Commission award the proposal of Employers Mutual, Inc. (EMI) in an amount of \$140,267 for policy year 2009/2010 for services rendered as the City of Key West's Third Party Insurance Claims Administrator. Additionally, authorizing the City Manager or designee to negotiate and execute an agreement with EMI for the policy year 2009/2010 with four (4) additional policy years; however City shall maintain the right to terminate the agreement upon each anniversary date without penalty

INTERISK CORPORATION

Consultants

Risk Management
Employee Benefits

111 North Westshore Boulevard
Suite 208
Tampa, FL 33607-4711
Phone (813) 287-1040
Facsimile (813) 287-1041

September 10, 2009

Mr. Mark Finigan
Assistant City Manager - Administrator
City of Key West
525 Angela St.
Key West, Florida 33040

Subject: Evaluation of Third Party Claims Administration Services - RFP #09-011

Dear Mark:

The City of Key West's Property and Casualty Insurance program includes various self-insured retentions and deductibles that require the City to engage the services of a third party claims administrator to adjust the claims and portions of the claims that fall within these retentions and deductibles. Gallagher Bassett Services Inc. has provided these services for the City for a number of years. The estimated annual cost of these services is estimated to be approximately \$128,265.

In conjunction with the City's Request for Proposal (RFP) for its 2009/10 Property and Casualty Insurance program a separate RFP (#09-011) was issued seeking competitive proposals for the City's Claims Administration Services. The RFP specified that the successful proposer would be required to adjust the City's Liability, Workers' Compensation and Property claims. The RFP also specified specific services that the successful proposer would be required to provide based on industry standards for claim administration services.

A total of eleven (11) firms submitted proposals in response to the City's RFP. They included:

- Gallagher Bassett Services, Inc.
- Cannon Cochran Management Services
- PMA Management Corp.
- Alternative Service Concepts
- York Claim Services
- Engle Martin & Associates
- Integrated Claims Solutions
- Corvel Corporation
- Preferred Governmental Claim Solutions
- Johns Eastern Company
- Employers Mutual, Inc.

Engle Martin & Associates' proposal only included the adjusting of the City's Liability claims. Engle Martin submitted no evidence that they have the resources or desire to adjust the City's Workers' Compensation claims. For this reason Engle Martin & Associates was eliminated from further consideration.

Corvel's proposal only included the adjusting of the City's Workers' Compensation claims. Corvel submitted no evidence that they have the resources or desire to adjust the City's Liability claims. For this reason Corvel Corporation was eliminated from further consideration.

Integrated Claims Solutions' primary business is providing claims administration services for Liability claims and only has one Workers' Compensation adjuster with only one Workers' Compensation client. It was also believed that Integrated Claims Solutions lacked the appropriate infrastructure to properly adjust Workers' Compensation claims. Therefore Integrated Claims Solutions was also eliminated from further consideration.

It is believed that the remaining firms that submitted a proposal demonstrated that they have sufficient resources and abilities to provide the services that the City is seeking. The attached schedules reflect the major features of each proposal and are incorporated as part of this report. Each proposal will be discussed under separate caption. Prior to addressing the individual proposals, several issues should be discussed.

The current contract with Gallagher Bassett was issued on what is referred to as a "Life of Contract" basis. The contract obligates Gallagher Bassett to administer claims for a single per claim fee for the life of the claim as long as a contractual relationship exists with the City. If the City were to select a different firm, the City would be required to pay Gallagher additional fees to continue handling the active claims or transfer the active claims to the newly selected administrator. It is believed that if the City were to select a new administrator, it would be in their best interest to transfer all active claims to the new administrator. This would require the City to pay the new administrator additional fees to assume the administration of the existing claims. Such fees are normally expressed in one of three different manners.

- 1) Charge a single one time fee for each claim being assumed based on the type of claim.
- 2) Charge a flat one time fee for assuming all of the City's active claims regardless of the number and type of claim.
- 3) Charge an annual fee based on the number and types of claims still remaining active.

In addition, some firms will charge an initial setup fee for transferring the City's historical claim information to their system. Maintaining the City's historical claim information is critical because the information will be required for subsequent renewals of the City's Property and Casualty Insurance program. The information that will be transferred includes activity notes from the previous administrator which will be critical for future handling of the claims.

Some firms charge an "Administration Fee" designed to cover the costs of administering the program. Some firms include all administration costs in the "Per Claim" fee that they charge.

The State of Florida has established a "Fee Schedule" that reflects the maximum amount that can be paid to a health care provider for services provided to a Workers' Compensation claimant. Normally health care providers issue their invoices based on their internal pricing structure and claims administrators adjust these fees to coincide with the State's Fee Schedule. Most claims administrators will make a separate charge for each medical bill reduced to this Fee Schedule.

Gallagher Bassett Services, Inc.

Gallagher Bassett is the City's current claims administrator. Gallagher Bassett is one of the largest third party claim administrators in the Country and is believed to have sufficient resources to continue to provide the needs of the City. Gallagher proposed to continue administering the City's claims for specific fees based on the types of claims involved. Based on the City's historical claim experience these fees would amount to approximately \$96,012 annually. In addition, Gallagher would charge an annual administration fee of \$27,849 and medical bill reduction fees of approximately \$7,500. This results in an annual projected cost for Gallagher Bassett's services of \$131,361 (\$96,012+\$27,849+\$7,500).

Cannon Cochran Management Services, Inc (CCMSI).

Little is known about CCMSI with the exception of the information contained in their proposals. It is believed CCMSI has sufficient resources to provide the needs of the City. CCMSI proposed to assume the administration of the City's claims for specific fees based on the types of claims involved. Based on the City's historical claim experience these fees would amount to approximately \$89,510 annually. In addition, CCMSI would charge an initial one time fee of \$1,500 for converting the City's historical claim history to their computer system. They would also charge the City a one time fee of approximately \$122,961 to assume the administration of the City's claims that are active as of October 1, 2009. Other administration fees proposed by CCMSI would amount to approximately \$21,940 annually. This results in a projected first year cost of approximately \$241,911 (\$89,510+\$1,500+\$122,961+\$21,940). Since CCMSI's claim assumption fee would be a one time charge, the projected cost for CCMSI's services in subsequent years would be approximately \$111,450.

PMA Management Corp.

While I have limited personal experience with PMA, they have a reputation of being a quality claims administrator. It is believed that PMA has sufficient resources to provide the needs of the City. PMA proposed to assume the administration of the City's claims for specific fees based on the types of claims involved. Based on the City's historical claim experience these fees would amount to approximately \$83,415 annually. In addition, PMA would charge an initial one time fee of \$5,000 for converting the City's historical claim history to their computer system. They would also charge the City a one time fee of approximately \$76,805 to assume the administration of the City's claims that are active as of October 1, 2009. Other administration fees proposed by PMA would amount to approximately \$15,976 annually. This results in a projected first year cost of approximately \$181,196 (\$83,415+\$5,000+\$76,805+\$15,976). Since PMA's claim assumption fee would be a one time charge, the projected cost for PMA's services in subsequent years would be approximately \$99,391.

Alternative Service Concepts (ASC)

ASC began providing claims administration services in Florida approximately 3 years ago when the acquired a company by the name of Unisource Claims Administrator. While I have limited personal experience with ASC, I have considerable experience with Unisource and viewed them as a quality claims administrator. It is understood that ASC retained the employees of Unisource which would lead to the conclusion that ASC remains as a quality claims administrator and has sufficient resources to provide the needs of the City. ASC proposed to assume the administration of the City's claims for specific fees based on the types of claims involved. Based on the City's historical claim experience these fees would amount to approximately \$73,740 annually. In addition, ASC would charge an initial one time fee of \$5,000 for converting the City's historical claim history to their computer system. They would also charge the City a one time fee of approximately \$41,100 to assume the administration of the City's claims that are active as of October 1, 2009. Other administration fees proposed by ASC would amount to approximately \$23,399 annually. This results in a projected first year cost of approximately \$143,239 (\$73,740+\$5,000+\$41,100+\$23,399). Since ASC's claim assumption fee would be a one time charge, the projected cost for PMA's services in subsequent years would be approximately \$97,139 (\$73,740+\$23,399).

York Claim Services, Inc.

While I have limited personal experience with York, they have a reputation of being a quality claims administrator. It is believed that York has sufficient resources to provide the needs of the City. York offered two options for the City to consider. The first option would obligate York to administer the City's claims to conclusion as long as a contractual relationship between the City and York exists. Under this option York would assume the administration of the City's claims for specific fees based on the types of claims involved. Based on the City's historical claim experience these fees for this option would amount to approximately \$91,297 annually. York would not charge an initial fee for converting the City's historical

claim history to their computer system or an annual administration fee. They would charge the City a fee of approximately \$41,100 to assume the administration of the City's claims that are active as of October 1, 2009. This amount was determined based on the number of active claims the City currently has. York would also charge other annual administrative fees of approximately \$15,246. This results in a projected first year cost for this option of approximately \$147,643 (\$91,297 + \$41,100 + \$15,246). Since York's claim assumption fee only provides services for one year, their claim assumption fee would be based on the number of claims open in subsequent years (post 10/1/09) and can not be determined at this time.

The second option would obligate York to adjust the City's claims until conclusion regardless of the contractual relationship that exists between the City and York. Under this option York would assume the administration of the City's claims for specific fees based on the types of claims involved. Based on the City's historical claim experience these fees for this option would amount to approximately \$100,402 annually. York would not charge an initial fee for converting the City's historical claim history to their computer system or an annual administration fee. They would charge the City a fee of approximately \$41,100 to assume the administration of the City's claims that are active as of October 1, 2009. This amount was determined based on the number of active claims the City currently has. York would also charge other annual administrative fees of approximately \$15,246. This results in a projected first year cost for this option of approximately \$156,748 (\$100,402 + \$41,100 + \$15,246). Since York's claim assumption fee only provides services for one year, their claim assumption fee would be based on the number of claims open in subsequent years (post 10/1/09) and can not be determined at this time.

Preferred Governmental Claims Solutions (PGCS)

I have had numerous opportunities to evaluate the services provided by PGCS and it is believed they are a quality claims administrator. It is believed that PGCS has sufficient resources to provide the needs of the City. PGCS proposed to assume the administration of the City's claims for specific fees based on the types of claims involved. Based on the City's historical claim experience these fees would amount to approximately \$53,665 annually. PGCS would not charge a fee to convert the City's historical claim history to their computer system. They would charge the City a one time fee of approximately \$25,020 to assume the administration of the City's claims that are active as of October 1, 2009. Other administration fees proposed by PGCS would amount to approximately \$37,115 annually. This results in a projected first year cost of approximately \$115,800 (\$53,665 + \$25,020 + \$37,115). Since PGCS's claim assumption fee would be a one time charge, the projected cost for PGCS's services in subsequent years would be approximately \$90,780 (\$53,665 + \$37,115).

Johns Eastern Company

I have had numerous opportunities to evaluate the services provided by Johns Eastern and it is believed they are a quality claims administrator. It is believed that Johns Eastern has sufficient resources to provide the needs of the City. Johns Eastern proposed to assume the administration of the City's claims for specific fees based on the types of claims involved. Based on the City's historical claim experience these fees would amount to approximately \$83,519 annually. Johns Eastern would charge a fee of \$15,000 to convert the City's historical claim history to their computer system. They would charge the City a one time fee of approximately \$48,575 to assume the administration of the City's claims that are active as of October 1, 2009. Other administration fees proposed by PGCS would amount to approximately \$13,579 annually. This results in a projected first year cost of approximately \$160,673 (\$83,519 + \$48,575 + \$15,000 + \$13,579). Since Johns Eastern's claim assumption fee would be a one time charge, the projected cost for Johns Eastern's services in subsequent years would be approximately \$97,098 (\$83,519 + \$13,579).

Employers Mutual, Inc. (EMI)

I have had numerous opportunities to evaluate the services provided by EMI and it is believed they are a quality claims administrator. It is believed that EMI has sufficient resources to provide the needs of the City. EMI proposed to assume the administration of the City's claims for specific fees based on the types

of claims involved. Based on the City's historical claim experience these fees would amount to approximately \$84,350 annually. EMI would not charge a fee to convert the City's historical claim history to their computer system. They would charge the City a one time fee of approximately \$46,600 to assume the administration of the City's claims that are active as of October 1, 2009. Other administration fees proposed by EMI would amount to approximately \$9,317 annually. This results in a projected first year cost of approximately \$140,267 (\$84,350+\$46,600+\$9,317). Since PGCS's claim assumption fee would be a one time charge, the projected cost for EMI's services in subsequent years would be approximately \$93,667 (\$84,350+\$9,317).

Summary and Recommendations

Based on the projected and estimated annual cost for their services, it is believed that the City has more cost effective options to choose from and it is recommended that the following firms be eliminated from further consideration:

- Cannon Cochran Management Services
- PMA Management Corp.
- Alternative Service Concepts
- York Claim Services
- John Barker Company

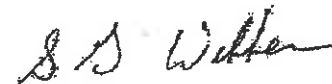
It is also believed that City could receive comparable or improved services being provided by Gallagher Bassett for a lower projected annual cost and therefore it is also being recommended that Arthur L. Gallagher be eliminated from further consideration.

It is believed that the Preferred Governmental Claims Solution (PGCS) and Employers Mutual, Inc. (EMI) offered the most competitive proposals while still providing quality claim services. While EMI's projected annual cost for the first year is approximately \$24,467 higher than the fee proposed by PGCS and their projected fee for subsequent years is approximately \$2,887 higher than PGCS' projected fees, it is believed that quality of EMI's adjusters is slightly better than those of PGCS which will result in lower claim costs that will more than offset the differences in their administration fees. It is therefore recommended that the City of Key West select Employers Mutual, Inc. as their new claims administrator effective October 1, 2009.

I will make myself available to review the above analysis and recommendations with you at your convenience.

Cordially,

INTERISK CORPORATION



Sidney G. Webber
CFCU, ARM

**CITY OF KEY WEST, FLORIDA
EVALUATION OF PROPOSALS**

FOR

THIRD PARTY CLAIMS ADMINISTRATION

RFP #09-011

Type of Program	Current Program (Gallagher Bassett)	Gallagher Bassett	CCMGI	PMA
Location of Services	Life of Contract Miramar	Life of Contract Miramar	Life of Contract Miramar	Life of Contract Tampa/Key West
Average Case Load of Adjuster	Lost Time - 202 Med Only - 263 Liability - Unknown	Lost Time - 202 Med Only - 263 Liability - Unknown	Lost Time - 130 Med Only - 130 Liability - 134	120 - 130
Experience of Adjusters	Extensive	Extensive	Moderate	Extensive
Quality of Loss Reports	Good	Good	Did not provide sample	Good
Initial contact with claimant within 24 hours	Yes	Yes	Yes	Yes
Recorded statements of claimant	Yes	Yes	Yes	Yes
Contact with treating physician within 24 hours	Yes	Yes	Yes	Yes
Narrative Summaries of major claims	Yes	Yes	Yes	Yes
Medical bills reduced to State Fee Schedule	Additional Charge	Additional Charge	Additional Charge	Additional Charge
Pursue Subrogation and Second Injury Fund claims	Yes	Yes	Yes	Yes
Prepare Stats mandated reports	Yes	Yes	Yes	Yes
Report and pursue Excess claims	Yes	Yes	Yes	Yes
Quarterly claim reviews	Yes	Yes	Yes	Yes
Monthly loss runs	Yes	Yes	Yes	Yes
Projected Annual Cost	\$128,265	\$13,361	\$241,911	\$18,196
Comments				

CITY OF KEY WEST, FLORIDA
EVALUATION OF PROPOSALS
FOR
THIRD PARTY CLAIMS ADMINISTRATION

RFP #09-011

	Alternative Service Concepts	York Claim Solutions	Engle Martin & Assoc.	Integrated Claim Solutions
Type of Program	Life of Contract	Life of Contract		
Location of Services	Sarasota	Tallahassee/Orlando		
Average Case Load of Adjuster	110	Lost Time - 180 Med Only - 300		
Experience of Adjusters	Extensive	Unknown		
Quality of Loss Reports	Fair	Fair		
Initial contact with claimant within 24 hours	Yes	Yes		
Recorded statements of claimant	Yes	Yes		
Contact with treating physician within 24 hours	Yes	Yes		
Narrative Summaries of major claims	Yes	Yes		
Medical bills reduced to State Fee Schedule	Additional Charge	Additional Charge		
Pursue Subrogation and Second Injury Fund claims	Yes	Yes		
Prepare State mandated reports	Yes	Yes		
Report and pursue Excess claims	Yes	Yes		
Quarterly claim reviews	Yes	Yes		
Monthly loss runs	Yes	Yes		
Projected Annual Cost	\$143,239	Life of Contract - \$147,643 Life of Claim - \$156,748		
Comments	Did not address Loss Control Proposed annual fees for all assumed claims	Services will be fragmented between Tallahassee, Orlando and New York Proposed Claim Assumption Fee provides services for only 1 year	Non Responsive Unable to provide claim administration services for Workers' Compensation Claims	Insufficient size to provide services the City requires. ICS only has 1 Workers' Compensation adjuster and only 1 W/S account. In addition, firm does not have the infrastructure (IT, etc) to properly service the account.

**CITY OF KEY WEST, FLORIDA
EVALUATION OF PROPOSALS**

**FOR
THIRD PARTY CLAIMS ADMINISTRATION**

REF #09-011

Corvel		PGCS	Johns Eastern	EMI
Type of Program		Life of Contract	Life of Contract	Life of Contract
Location of Services		Lake Mary	Sarasota	Stuart
Average Case Load of Adjuster		Lost Time - 130 Med Only - 350	Lost Time - 115 Med Only - 163	Lost Time - 125 Med Only - 300
Experience of Adjusters		Extensive	Extensive	Extensive
Quality of Loss Reports		Good	Good	Good
Initial contact with claimant within 24 hours		Yes	Yes	Yes
Recorded statements of claimant		Yes	Yes	Yes
Contact with treating physician within 24 hours		Yes	Yes	Yes
Narrative Summaries of major claims		Yes	Yes	Yes
Medical bills reduced to State Fee Schedule		Yes	Yes	Yes
Pursue Subrogation and Second Injury Fund claims		Additional Charge	Additional Charge	Additional Charge
Prepare State mandated reports		Yes	Yes	Yes
Report and pursue Excess claims		Yes	Yes	Yes
Quarterly claim reviews		Yes	Yes	Yes
Monthly loss runs		Yes	Yes	Yes
Projected Annual Cost		\$115,800	\$160,673	\$140,267
Comments	Submitted proposal for administering only Workers' Compensation Claims. Proposal deemed to be Non-Responsive. In addition, proposal did not provide information regarding adjusters that would be assigned to the City's account. Nor were examples of loss runs provided.			

Current									
	Auto Bl	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. Bl	Gen. Liab. PD	Police Prof.	W/G Last Time Med Only	Total
Average Annual Claim Count	3	7	30	1	11	3	1	40	167
Claim Fee	\$ 1,068	\$ 555	\$ 452	\$ 1,164	\$ 1,098	\$ 655	\$ 1,164	\$ 1,232	\$ 61
Estimated Annual Claim Fees	\$ 3,198	\$ 3,895	\$ 13,560	\$ 1,164	\$ 11,728	\$ 1,965	\$ 1,164	\$ 49,250	\$ 10,870
Loss Run Reports									
ON Line Access									
Program Administration									
Loss Control Services									
Banking Fees									
Claim Reporting									
Set Up Fee									
Claim Assumption Fee									
Bill Reduction Fee (Average of 1,694 bills processed annually)									
Total									\$ 128,265

City of Key West, Florida
Projected Annual Cost of Claims Administration

Gallagher Bassett										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prot.	W/C Lost Time	W/C Med. Only	Total
Average Annual Claim Count	3	7	30	1	17	3	1	40	51	157
Claim Fee	\$ 1,066	\$ 355	\$ 452	\$ 1,184	\$ 1,066	\$ 536	\$ 1,164	\$ 1,232	\$ 170	
Estimated Annual Claim Fee	\$ 3,198	\$ 3,885	\$ 13,560	\$ 1,184	\$ 11,726	\$ 1,695	\$ 1,164	\$ 49,280	\$ 10,370	\$ 96,012
Loss Run Reports										
On Line Access										\$ 3,508
Program Administration										\$ 2,098
Loss Control Services										\$ 11,182
Banking Fees										\$ 7,080
Claim Reporting										\$ 2,463
Set Up Fee										\$ 1,570
Claim Assumption Fee										\$ -
Bill Reduction Fee (Average of 1,694 bills processed annually)										\$ 7,500
Total										\$ 181,361

Comments:

1. Proposal did not specify fees for Ancillary Services (Loss Runs, On line Access, Administration, Loss Control Services, Banking, Claim Reporting and Set Up Fees. Used current fees for analysis.
2. Proposed bill reduction fee of 20% of savings. Used estimate of \$7,500 for annual fee.

City of Key West, Florida
Projected Annual Cost of Claims Administration

Cannon Cochran Management Services (CCMS)										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	7	30	1	11	3	1	40	51	157
Claim Fee	\$ 835	\$ 418	\$ 418	\$ 975	\$ 855	\$ 418	\$ 975	\$ 1,250	\$ 150	
Estimated Annual Claim Fees	\$ 2,505	\$ 2,926	\$ 12,540	\$ 975	\$ 9,385	\$ 1,254	\$ 975	\$ 50,000	\$ 9,150	\$ 89,510
Loss Run Reports										
Online Access										
Program Administration										
Loss Control Services										
Billing Fees										
Claim Reporting										
Set Up Fee										
Claim Assumption Fee										
Bill Reduction Fee (Average of 1,694 bills processed annually)										
Total										
										\$ 241,811

Projected Claim Assumption Fee										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	2	18	4	17	1	2	58	14	119
Claim Fee	\$ 417	\$ 209	\$ 209	\$ 972	\$ 417	\$ 209	\$ 972	\$ 1,800	\$ -	
Estimated Annual Claim Fees	\$ 1,251	\$ 418	\$ 3,762	\$ 3,888	\$ 7,089	\$ 209	\$ 1,944	\$ 106,400	\$ -	\$ 122,961

Comments

1. While proposal indicated that Loss Control Services would be provided, CCMSI did not indicate what fee would be charged.
2. Proposed a fee of \$81 per month until closure for all Public Officials and Police Professional claims that they assume. Annual estimate based on claims being open for 12 months
3. Proposed a fee of \$150 per month until closure for all Lost Time W/C claims that they assume. Annual estimate based on claims being open for 12 months.
4. Proposed a Bill Reduction Fee of \$10 per bill

City of Key West, Florida
Projected Annual Cost of Claims Administration

PMA									
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	Total
Average Annual Claim Count	3	7	30	1	11	3	1	40	157
Claim Fee	\$ 795	\$ 495	\$ 485	\$ 1,295	\$ 795	\$ 495	\$ 1,295	\$ 950	\$ 195
Estimated Annual Claim Fees	\$ 2,385	\$ 3,465	\$ 14,350	\$ 1,295	\$ 8,745	\$ 1,485	\$ 1,295	\$ 38,000	\$ 53,415
Loss Run Repairs									
On Line Access									
Program Administration									
Loss Control Services (Billed at \$125 per hour and assumed 16 hours of service)									
Banking Fees									
Claim Reporting									
Set Up Fee (Proposed reflects estimate of \$5,000)									
Claim Assumption Fee									
Bill Reduction Fee (Average of 1,694 bills processed annually)									
Total									\$ 181,196

Projected Claim Assumption Fee									
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	Total
Average Annual Claim Count	3	2	18	4	17	1	2	58	119
Claim Fee	\$ 585	\$ 395	\$ 385	\$ 1,295	\$ 595	\$ 395	\$ 1,295	\$ 795	\$ 195
Estimated Annual Claim Fees	\$ 1,755	\$ 790	\$ 7,110	\$ 5,180	\$ 10,115	\$ 395	\$ 2,590	\$ 46,110	\$ 76,805

Comments

1. Proposed a bill reduction fee of \$8.25 per bill

City of Key West, Florida
Projected Annual Cost of Claims Administration

Alternative Service Concepts										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	8	7	30	1	11	3	1	40	61	157
Claim Fee	\$ 575	\$ 450	\$ 450	\$ 375	\$ 375	\$ 450	\$ 575	\$ 350	\$ 140	
Estimated Annual Claim Fees	\$ 1,725	\$ 8,150	\$ 13,500	\$ 375	\$ 5,825	\$ 1,350	\$ 575	\$ 38,000	\$ 8,540	\$ 73,740
Loss Run Reports										
On Line Access										
Program Administration										
Loss Control Services										
Banking Fees										
Claim Reporting										
Sat Up Fee (Proposal reflects estimate of \$5,000)										
Claim Assumption Fee										
Bill Reduction Fee (Average of 1,694 bills processed annually)										
Total										

Projected Claim Assumption Fee										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	2	18	4	17	1	2	58	14	119
Claim Fee	\$ 350	\$ 350	\$ 250	\$ 350	\$ 350	\$ 350	\$ 350	\$ 425	\$ -	
Estimated Annual Claim Fees	\$ 1,050	\$ 700	\$ 8,300	\$ 1,400	\$ 5,850	\$ 350	\$ 700	\$ 24,650	\$ -	\$ 41,100

Comments

1. Provided an annual fee of \$425 for all assumed Lost Time Claims
2. Provided an annual fee of \$350 for all assumed Liability Claims
3. Proposed a bill reduction fee of \$8.50 per bill

**City of Key West, Florida
Projected Annual Cost of Claims Administration**

York Claim Services - Life of Contract									
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. (BI)	Gen. Liab. (PD)	Police Prof.	W/C Lost Time	W/C Med Only
Average Annual Claim Count		7	30	1	11	3	1	40	61
Claim Fee	\$ 1,082	\$ 385	\$ 385	\$ 953	\$ 953	\$ 849	\$ 953	\$ 1,258	\$ 160
Estimated Annual Claim Fees	\$ 3,246	\$ 2,695	\$ 11,550	\$ 953	\$ 10,483	\$ 1,847	\$ 953	\$ 30,920	\$ 9,150
Loss Run Reports									
On Line Access									
Program Administration									
Loss Control Services									
Banking Fees									
Claim Reporting									
Set Up Fee									
Claim Assumption Fee									
Bill Reduction Fee (Average of 1,894 bills processed annually)									
Total									

\$ 41,100
\$ 15,248
\$ 147,843

York Claim Services - Life of Claim										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	7	80	1	11	1	1	40	61	157
Claim Fee	\$ 1,202	\$ 428	\$ 428	\$ 1,059	\$ 1,059	\$ 721	\$ 1,059	\$ 1,397	\$ 150	
Estimated Annual Claim Fees	\$ 3,606	\$ 2,996	\$ 12,800	\$ 1,059	\$ 11,849	\$ 2,163	\$ 1,059	\$ 55,880	\$ 9,150	\$ 100,402
Loss Run Reports										
On Line Access										
Program Administration										
Loss Control Services										
Blanking Fees										
Claim Reporting										
Set Up Fee										
Claim Assumption Fee										
Bill Reduction Fee (Based on 1,894 bills annually and fee of \$9.00 per bill)										\$ 41,100
Total										\$ 156,748

Projected Claim Assumption Fee										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	2	18	4	17	1	2	68	14	119
Claim Fee	\$ 280	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 428	\$ -	
Estimated Annual Claim Fees	\$ 1,050	\$ 700	\$ 6,300	\$ 1,400	\$ 5,950	\$ 350	\$ 700	\$ 24,650	\$ -	\$ 41,100

Comments

1. Proposal did not address available loss control services
2. Proposal indicates that no Data Conversion Fee will apply unless unforeseen problems exist with data provided by current TPA
3. Proposal indicates that Claim Assumption Fee will be an annual charge based on number and types of claims currently open.
4. Proposed a bill reduction fee of \$9.00 per bill

Engle Martin & Associates										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Polices Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	7	30	1	1.1	3	1	40	61	157
Claim Fee										
Estimated Annual Claim Fees										
Loss Run Reports										
On Line Access										
Program Administration										
Loss Control Services										
Banking Fees										
Claim Reporting										
Set Up Fee										
Claim Assumplo										
Bill Reduction										

Paved Claim Assumption Fee							
	Auto BI	Errors & Omissions	Gen. Liab.	Prof.	W/G Lost Time	W/G Med Only	Total
Average Annual Claim Count:	3	18	4	17	1	2	58
Claim Fee							14
Estimated Annual Claim Fees							119

[illegible]

Convel										
	Auto BI	Auto PD	Auto Phys. Damage	Errors & Omissions	Gen. Lab. BI	Gen. Lab. PD	Police Prof.	W/Q Lost Time	W/Q Med Only	Total
Average Annual Claim Count	3	2	30	1	11	3	1	40	54	157
Claim Fee										
Estimated Annual Claim Fees										
Loss Run Reports										
On Line Access										
Program Administration										
Loss Control Services										
Banking Fees										
Claim Reporting										
Set Up Fee										
Claim Assumption										
Bill Reduction										
Total										

[illegible]

City of Key West, Florida
Projected Annual Cost of Claims Administration

Preferred Governmental Claim Solutions										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	7	30	1	11	3	1	40	61	157
Claim Fee	\$ 450	\$ 250	\$ 250	\$ 550	\$ 450	\$ 250	\$ 650	\$ 350	\$ 155	
Estimated Annual Claim Fees	\$ 1,350	\$ 1,750	\$ 7,500	\$ 550	\$ 4,950	\$ 750	\$ 650	\$ 28,000	\$ 10,055	\$ 53,665
Loss Run Reports										
On Line Address										
Program Administration										
Loss Control Services										
Banking Fees										
Claim Reporting										
Set Up Fee										
Claim Assumption Fee										
Bill Reduction Fee (Average of 1,894 bills processed annually)										
										\$ 25,020
										\$ 7,113
										\$ 115,890

Protected Claim Assumption Fee										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count										
Claim Fee										
Estimated Annual Claim Fees										

Proposed a flat fee of \$25,020 to assume all existing claims. City will be able to pay assumption fee in 36 equal monthly installments of \$695.

Comments

1. Proposed a bill reduction fee of \$1.40 per line with a \$ line minimum

City of Key West, Florida
Projected Annual Cost of Claims Administration

Johns Blalock										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	7	30	1	11	3		40	61	157
Claim Fee	\$ 625	\$ 450	\$ 450	\$ 850	\$ 695	\$ 450	\$ 350	\$ 1,125	\$ 149	
Estimated Annual Claim Fees	\$ 2,085	\$ 3,150	\$ 13,500	\$ 850	\$ 7,645	\$ 1,350	\$ 350	\$ 45,000	\$ 9,059	\$ 83,519
Loss Run Reports										
On Line Access										
Data Conversion										
Program Administration										
Loss Control Services										
Banking Fees										
Claim Reporting										
Set Up Fee										
Claim Assumption Fee										
Bill Reduction Fee (Average of 1,694 bills processed annually)										
Total										\$ 160,673

Projected Claim Assumption Fee										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	2	18	4	17	1		58	14	119
Claim Fee	\$ 325	\$ 225	\$ 225	\$ 425	\$ 325	\$ 225	\$ 425	\$ 600	\$ -	
Estimated Annual Claim Fees	\$ 975	\$ 450	\$ 4,050	\$ 1,700	\$ 5,525	\$ 225	\$ 850	\$ 34,800	\$ -	\$ 48,575

Comments

1. Loss Control Services will be provided at a cost of \$95.00 per hour
2. Proposed a bill reduction fee of \$5.95 per bill

City of Key West, Florida
Projected Annual Cost of Claims Administration

Employers Mutual									
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only
Average Annual Claim Count	3	7	30	1	14	3	1	40	61
Claim Fee	\$ 650	\$ 650	\$ 850	\$ 700	\$ 700	\$ 700	\$ 700	\$ 950	\$ 150
Estimated Annual Claim Fees	\$ 1,950	\$ 4,550	\$ 25,500	\$ 700	\$ 9,800	\$ 2,100	\$ 700	\$ 38,000	\$ 9,150
Loss Run Reports									
On Line Access									
Data Conversion									
Program Administration									
Loss Control Services									
Banking Fees									
Claim Reporting									
Set Up Fee									
Claim Assumption Fee									
Bill Reduction Fee (Average of 1,694 bills processed annually)									
Total									

Protected Claim Assumption Fee									
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only
Average Annual Claim Count	3	2	18	4	12	1	2	58	14
Claim Fee	\$ 350	\$ 350	\$ 350	\$ 400	\$ 400	\$ 400	\$ 400	\$ 475	\$ 100
Estimated Annual Claim Fees	\$ 1,050	\$ 700	\$ 6,300	\$ 1,600	\$ 4,800	\$ 400	\$ 800	\$ 27,550	\$ 1,400
Total									

Comments:
1. Proposed a bill reduction fee of \$5.50 per bill or \$1.50 per line with no minimum

INTEROFFICE MEMORANDUM

To: Sandy Barroso, Risk Manager
CC: Mark Finigan, Assistant City Manager
Sue Snider, Purchasing
From: Cheri Smith, City Clerk
Date: August 25, 2009
Subject: **THIRD PARTY CLAIM ADMINISTRATION**
RFP 09-011

Attached for your review are copies of the proposals opened Tuesday, August 25, 2009 at 3:30 p.m. in response to the above referenced project.

1. Alternative Service Concepts, LLC
6010 Cattleridge Drive
Suite 103
Sarasota, FL 34232
2. Cannon Colman Management Services, Inc. (COMSI)
2600 Lake Lucien Drive
Suite 225
Maitland, FL 32751
3. Corvel Enterprises Corp, Inc.
210 North University Drive, #501
Coral Springs, FL 33071
4. EMCAS
12466 West Atlantic Blvd.
Coral Springs, FL 33071
5. Employers Mutual, Inc. (EMI)
700 Central Parkway
Stuart, FL 34994
6. Gallagher Bassett Services, Inc.
2 Pierce Place, 5th Floor
Itasca, IL 60143

INTEROFFICE MEMORANDUM

To: Sandy Barroso, Risk Manager
CC: Mark Finigan, Assistant City Manager
Sue Snider, Purchasing
From: Cheri Smith, City Clerk
Date: August 25, 2009
Subject: **THIRD PARTY CLAIM ADMINISTRATION**
RFP 09-011

7. Integrated Claim Solutions, Inc.
668 Matland Avenue
Allamonte Springs, FL 32701
8. Johns Eastern Company, Inc.
P.O. Box 110259
Lakewood Ranch, FL 34211-0004
9. Preferred Governmental Claims Solutions, Inc. (PGCS)
P.O. Box 958456
Lake Mary, FL 32795-8456
10. PMA Management Corp. (PMAMC)
2701 North Rocky Point Drive
Suite 250
Tampa, FL 33607
11. York Claims Services, Inc.
1117 Perimeter Center West
Atlanta, GA 30338

ES/asm

**THE CITY OF KEY WEST, FLORIDA
REQUEST FOR PROPOSALS
RFP #09-011**



**THIRD PARTY CLAIM ADMINISTRATION
EFFECTIVE DATE OCTOBER 1, 2009**

**Proposal Return Date
August 25, 2009**

I. BACKGROUND INFORMATION

Key West lies near the end of the chain of islands known as the Florida Keys, and is the southern-most city in the continental United States. The island-community is located about 90 miles north of Cuba and 150 miles southwest of Miami at a latitude of 24 degrees, 33 minutes, 5 seconds North and at a longitude of 81 degrees, 48 minutes, 14 seconds West. The island has an area of 4.2 square miles, while the City-incorporating the northern part of neighboring Stock Island-has an area of 5.79 square miles. The City initially developed because of its proximity to the Florida Straits, the abutting Florida Reef, strong offshore ocean currents (the Gulf Stream), and the area's unpredictable winds, combined with a large natural deep-water harbor and deep channels into the harbor. The Florida Straits are the northern-most sea passage from the Gulf of Mexico to the Atlantic Ocean. For three centuries this passage formed part of the great nautical trade route that carried ships from Caribbean and South American ports to their European homelands. The location of Key West serves as a gateway both to the Caribbean and between the Atlantic Ocean and the Gulf of Mexico was recognized by the military at an early date. Another important regional factor in the development of the City has been its proximity to Cuba, 90 miles to the south.

Key West's long and colorful past begins with its European discovery in 1513 by Ponce de Leon. The island was first known as Cayo Hueso (Isle of Bones) because it was littered with remains from an Indian battlefield or burial ground. The name "Key West" is the English version of the Spanish term. The first permanent occupancy in the City occurred in 1822, complete with a small naval depot, whose purpose was to rid the area of pirates. The presence of the U.S. Navy has been a major factor in the growth and development of Key West ever since. The settlement was incorporated in 1828, four years after becoming the county seat of Monroe County. The City grew and prospered, based first on fishing and salvaging ships wrecked on the nearby reefs, and later on cigar manufacturing with Cuban refugees and imported Cuban tobacco. Other economic activities included sponging and related commercial functions. By 1890, Key West was the largest and richest city in Florida. However, after the turn of the century its major industries were in decline. Little construction was undertaken between the First and Second World Wars and the City saw a steady decline in population between 1919 and 1935. World War II brought prosperity back to Key West. Population more than doubled between 1940 and 1960. Nation-wide military base closings and personnel reductions beginning in the 1960s were major contributors to the City's second major cycle of population decline. After recording the highest number of residents in its history in 1960, Key West experienced over a 25 percent loss in population by 1980. The 1990 Census showed a slight increase.

Further information may be obtained from the City's website at:

<http://www.keywestcity.com>

THE CITY OF KEY WEST, FLORIDA
REQUEST FOR PROPOSALS
FOR
THIRD PARTY CLAIMS ADMINISTRATION

GENERAL INFORMATION AND COVERAGES REQUESTED

The City of Key West, Florida is requesting proposals for the following:

➤ **Third Party Claims Administration**

The City's current insurance program is structured on a "Multi-Peril" basis that contains various self-insured retentions. It is the desire of the City for the selected administrator to adjust all claims that fall within its retentions. Following displays the City's current retention levels.

Property	\$50,000 except 5% for wind related losses and \$1.5 million for flood related losses
General Liability	\$100,000
Automobile Liability	\$100,000
Public Officials Liability	\$100,000
Workers' Compensation	\$325,000
Police Professional	\$100,000

The target effective date of the programs will be October 1, 2009 however, may be delayed depending on the amount of time a new claims administrator may require to convert the City's historical claim information so it is compatible with their claim system. It is the intent of the City to agree to a one (1) year term with rights to renew with the successful proposer(s) for four (4) additional one-year terms at the sole option of the City. Consideration may be given to longer-term agreements based on price, terms and conditions.

In conjunction with this RFP, the City is seeking proposals for its Property and Casualty Insurance Program. Based on the proposals received, it is possible that a Large Deductible or Fully Insured program will be selected. The selection of a third party claims administrator will be contingent upon the City maintaining a Self Insured program.

As a prerequisite of being selected, the Third Party Administrator must be acceptable to the Insurers selected by the City.

Items contained in this Request For Proposals (RFP) are considered to be an integral part of the proposed programs. Adherence to the items listed here is intended by the City unless specifically otherwise accepted by both the Proposer and the City. Acceptance of modification of any portion of the items contained herein will not serve to waive or modify any other portion of the proposed program.

CURRENT PROGRAM

Gallagher Bassett Services Inc. currently administers all claims that fall within the City's self-insured retention. The agreement with Gallagher Bassett requires them to administer the claims for a single fee as long as a contractual relation exists between the two organizations. Depending on the cost, the successful proposer may be requested to assume the administration of all open claims. Proposers will be requested to provide separate pricing for the assumption of all open claims.

As of May 31, 2009 the City has the following number of claims currently active.

Policy Year	Workers' Compensation		Police Professionals	Auto Liability	General Liability	Public Officials	Total
	Lost Time	Medical Only					
1981/83	1						1
1983/85	1						1
1988/89	1						1
1989/90	1						1
1990/91	1						1
1991/92	1						1
1998/99	2						2
1999/00	2						2
2000/01	4						4
2001/02	7						7
2002/03	9		1				10
2003/04	7		1	1	1		10
2004/05	1				1	1	3
2005/06	9				4		13
2006/07	14		1		2	1	18
2007/08	17	1	1	1	5	1	26
2008/09	17	13		5	7	1	43
Total	95	14	4	7	20	4	144

DESIRED PROGRAM

The City prefers the successful Proposer to provide its services on a "Life of Contract" basis and to agree to administer all claims until they are concluded as long as a contractual relationship exists between the City and the Proposer. Alternatives, such as "Cradle to Grave" will be considered.

The City utilizes the current claims administrator to reduce all medical bills to the State Fee Schedule. Proposers are therefore requested to include this service in their pricing structure. If a separate charge is required for this service, it should be clearly stated within the proposal.

It is anticipated that the successful proposer will assume the administration for all prior year claims. All proposals should clearly state the cost associated with the assumption of all claims.

RATING DATA

The following information has been included as attachments to assist in the underwriting of the account:

- Projected payrolls by workers' compensation classification codes;
- The City's most recent Experience Modification worksheets.

Currently valued loss runs and narrative description of losses in excess of \$50,000 will be provided upon request. Please direct your requests to:

Mr. Sid Webber
Interisk Corporation
1111 N. Westshore Blvd.
Suite 208
Tampa, Florida 33607
Ph: (813) 287-1040
Fax: (813) 287-1041

All interested proposers are solely responsible to ensure requests for loss runs and narrative description of major are properly received. The City of Key West nor Interisk assumes responsibility for the timely receipt of such requests.

EFFECTIVE DATE OF AGREEMENT

The effective date of the Agreement will be October 1, 2009 to October 1, 2010. It is anticipated that the agreement will be renewed with the successful proposer for a minimum of four (4) additional years, however City maintains the right to terminate the agreement upon each anniversary date without penalty.

REQUEST FOR PROPOSALS SCHEDULE

The following schedule will be strictly adhered to. No extension of deadlines will be granted.

Activity	Deadline
Distribution of RFP	6/23/09
Deadline for Agents to Submit Requests for Additional Information	7/29/09
Issue Addendum to RFP	8/4/09
Proposal Return Date	8/25/09
Finalize Recommendation Report	9/8/09
Presentation of Recommendations to City Commission	9/15/09
Effective Date of Coverage	10/1/09

SUBMISSION OF PROPOSALS

All proposal forms must be executed and submitted in a sealed envelope. The face of the envelope shall contain, in addition to the below address, the date and time of the bid opening. Bids not submitted on attached bid forms may be rejected. All bids are subject to the conditions specified herein and on the attached sheets.

Sealed Proposals should be submitted with two (2) signed originals and four (4) complete copies of the originals clearly marked on the outside of the sealed envelope with:

The City of Key West, Florida
Proposal for 2009/2010 Claims Administration Program

Hand delivered Proposals may request a receipt. Proposals received after the deadline will be returned unopened. The deadline for the submission of all proposals is 3:30 PM, August 25, 2009. Proposers should be aware that certain "express mail" services do not guarantee specific time delivery to Key West, Florida. It is the sole responsibility of each proposer to ensure its proposal is received in a timely fashion.

All proposers are required to complete the following forms that are attached to this RFP.

REQUIRED FORMS TO BE COMPLETED BY ALL PROPOSERS

All proposers shall complete the "Anti-Kickback Affidavit and the Public Entity Crime Form that is attached and made part of this RFP.

PROPOSAL RETURN ADDRESS

Proposals should be returned to:

City Clerk
City of Key West
525 Angela St.
Key West, FL 33040
(305) 809-3831

VALID DATE OF PROPOSALS

Proposals shall remain valid until November 1, 2009 to provide additional time for clarification in the event that an extension of the current program(s) is undertaken.

RIGHT TO REJECT PROPOSALS

The City reserves the right to reject any or all proposals, to waive irregularities and informalities in any or all proposals, and to re-advertise for proposals.

The City specifically reserves the right to separately accept or reject any item and/or items of a proposal and to award and/or negotiate a contract in the best interest of the City.

ADHERENCE TO INFORMATION AND PROPOSAL

Information presented in this Request for Proposal and all statements contained in the written proposals received are intended to be relied upon by the City. All coverages and services must be issued as proposed unless the City authorizes individual changes. Any changes authorized by the City will not alter any other items contained in this Request for Proposal.

ADMINISTRATOR'S QUALIFICATIONS

All Proposers must be currently licensed in Florida as a Third Party Administrator in accordance with Florida Statute §626.88 – 626.894.

AUTHORITY OF PROPOSER

Proposals should be signed by an authorized representative of the Third Party Administrator providing the service.

ADDITIONAL INFORMATION/INSPECTION

Every attempt has been made to furnish complete and accurate information to the best of City's knowledge. Proposers are encouraged to determine, at their sole expense, additional information required to develop their proposals including any inspections and loss control surveys.

If additional information is required, requests must be submitted in writing to:

**Mr. Sid Webber
Interisk Corporation
1111 N. Westshore Blvd.
Suite 208
Tampa, Florida 33607
Ph: (813) 287-1040
Fax: (813) 287-1041**

All requests for additional information must be received no later than **3:00 PM, July 29, 2009**. Based on the requests received, an addendum to the specifications will be issued to all Proposers.

SAMPLE POLICIES AND CONTRACTS

All proposals must contain a sample contract for review.

RATE CHANGE

All proposers must ensure that the rates proposed will apply for a minimum of 1 year. Proposers will be required to provide Ninety (90) days written notice of the rates that will be charged for subsequent contract years.

TERMINATION/NON-RENEWAL NOTICE

Proposer will be required to provide a ninety (90) days written notice prior to the termination or non-renewal of the agreement.

CLAIM REPORTS

Claim reports shall be furnished monthly. Reports should be completed in plain English and received by the City within twenty (20) days following the end of each month. The reports should include a detailed description of individual claims and the amount paid for each claim and any open reserves that are assigned. Individual allocations by operating location may be necessary.

Claim reports must continue to be furnished without charge until the last open claim is closed, or until the Proposer is no longer providing a service to the City.

COORDINATION WITH EXCESS INSURER

The Proposer will adhere to any and all reporting requirements of the City's Insurers and to coordinate all specific and aggregate recoveries.

SUBROGATION AND SECOND DISABILITY FUND RECOVERIES

The Proposer will coordinate all subrogation and Second Disability Fund recoveries for all claims being administered by the Administrator even if such a claims are no longer active.

USE OF PROPOSAL FORMS

Proposers must submit their proposals on the forms included in this Request. Additional information regarding the Proposer's organization may be submitted in addition to the Proposal Forms.

In addition, if an addendum to this request is issued, the Proposer must acknowledge receipt of such addendum by completing and returning with their proposals the acknowledgment form, which will accompany the addendum.

**THE CITY OF KEY WEST, FLORIDA
REQUEST FOR PROPOSALS
FOR
THIRD PARTY CLAIMS ADMINISTRATION**

GENERAL

The City is seeking competitive proposals from organizations that have the ability to administer the claims that are within the self-insured retentions of the City's insurance programs. Concurrent with this effort, the City is seeking competitive proposals for its Property and Casualty insurance. Proposers participating in the RFP for the City's insurance programs are being encouraged to submit alternative programs to include "Large Deductibles" and other more traditional programs. This may result in the successful insurer being unwilling to unbundle the claims service. In addition, the Proposer must be acceptable to the insurers if such a program is maintained.

Allocated and Unallocated Fees

All proposals must clearly and completely explain all charges that are not included in the Proposer's base fee. The amount of such fees should be clearly presented.

Insurance Requirements

The successful proposer will be required to maintain throughout the life of the contract, insurance protection as specified in the attached forms.

**THE CITY OF KEY WEST, FLORIDA
REQUEST FOR PROPOSALS
FOR
THIRD PARTY CLAIMS ADMINISTRATION**

PROPOSAL FORMS

GENERAL INFORMATION

Use of the proposal forms will enable a faster more complete analysis of the Proposal(s) submitted. Please complete this general proposal form in addition to a separate proposal for each coverage proposed. Additional information can be attached to the forms.

Name of Third Party Administrator? _____

Address: _____

Telephone Number: _____

Are the following services included within the price?
Quoted?

Initial contact with claimant within 24 hours? Yes _____ No _____

Recorded statements of the claimant? Yes _____ No _____

Contact with the treating physician within 24 hours? Yes _____ No _____

Narrative summaries on major claims? Yes _____ No _____

Medical bills reduced to State fee schedule? Yes _____ No _____

Subrogation and Second Injury Fund activities? Yes _____ No _____

Preparation of all State mandated reports? Yes _____ No _____

Notification of all potential excess claims
to insurer?

Yes _____ No _____

Quarterly meetings with the City?

Yes _____ No _____

Provide monthly loss reports to the City?

Yes _____ No _____

If any of the above responses are no, please explain

Are Curriculum Vitae's of adjusters attached?

Yes _____ No _____

What is the current caseload for the adjusters
who will be assigned to the City's account?

Are services being proposed on:

a Life of Contract Basis?

Yes _____ No _____

Cradle to Grave Basis?

Yes _____ No _____

Other Basis?

Yes _____ No _____

If services being proposed is not on
either a Life of Contract Basis or
Cradle to Grave Basis provide full
explanation on how the fee will be
applied.

Will the proposer charge any initial or maintenance
fees?

Yes _____ No _____

If so, please explain

Please explain required banking arrangements

Does the proposer have an approved safety program
filed with the State of Florida?

Yes _____ No _____

Quoted Price:

	Cost Per Claim	Cost Per Run-Off Claim
General Liability		
Bodily Injury		
Property Damage		
Automobile Liability		
Bodily Injury		
Property Damage		
Public Officials Liability		
Police Professional Liability		
Workers Compensation		
Medical Only Claims		
Indemnity Claims		

Is an alternative pricing structure proposed?

Yes _____ No _____

If so, please specify

Will a minimum fee apply to the contract?

Yes _____ No _____

If so, please specify

Are there any exceptions to the specifications?

Yes _____ No _____

If so, please specify

The Proposer stated below is the authorized agent of the company or companies proposed, and is authorized to commit the proposing company to the terms and conditions stated above.

Signature of Authorized Representative

Date

PROJECTED PAYROLLS

CITY OF KEY WEST, FLORIDA
PROJECTION OF PAYROLLS
BY
WORKERS' COMPENSATION CLASSIFICATION

PROJECTED PAYROLLS		
CLASS CODE	DESCRIPTION	PROJECTED PAYROLL
5508	STREET OR ROAD PAVING	\$263,286
6836	MARINA & DRIVERS	681,399
7382	BUS COMPANY & DRIVERS	992,260
7580	SEWAGE DISPOSAL PLANT OPERATIONS AND DRIVERS	221,246
7590	GARBAGE WORKS	197,132
7704	FIREFIGHTERS & DRIVERS	4,166,694
7720	POLICE OFFICERS & DRIVERS	5,628,140
8380	AUTOMOBILE SERVICE OR REPAIR CENTERS & DRIVERS	314,130
8392	AUTOMOBILE STORAGE GARAGE/ PARKING LOT	422,326
8810	CLERICAL	5,737,821
8820	ATTORNEY	392,510
9015	BUILDINGS - OPERATIONS BY OWNER	341,940
9102	PARK - NOC	1,549,901
9410	MUNICIPAL EMPLOYEES	1,288,684
TOTAL		\$22,197,469

EXPERIENCE MODIFICATION WORK SHEETS

ITEM 35 - 17 FEB 08/2008

STATE OF TEXAS
DEPARTMENT OF FINANCIAL SERVICES
DIVISION OF WORKERS' COMPENSATION

SELF INSURED EXPERIENCE RATING

ATTENTION MAY	EMPLOYER NAME	PERIOD	ACCOUNT	EMPLOYER'S NO.
02/01/2008	KEY WEST, CITY OF	0100	00000	010444
ACTUAL LOSSES	PROVISOIN DATE	TOTAL LOSSES	ACTUAL LOSSES	PROVISOIN
DATE	BASE NUMBER	DATE	DATE	DATE
04/30/2008	261 55 1856	FINAL	48,785	5,000
11/30/2008	117 42 7848	FINAL	10,250	5,000
09/01/2008	262 38 2814	FINAL	15,438	5,000
06/13/2008	263 38 4832	FINAL	5,254	5,000
06/21/2008	264 38 4834	FINAL	5,708	5,000
06/18/2008	265 17 7438	FINAL	9,710	5,000
01/12/2008	198 58 2342	FINAL	12,738	5,000
01/07/2008	328 72 2646	FINAL	18,813	5,000
01/25/2008	328 41 2638	FINAL	19,363	5,000
01/21/2008	328 41 2638	FINAL	21,200	5,000
12/24/2008	041 32 4181	FINAL	70,243	5,000
08/02/2008	309 70 7118	FINAL	12,846	5,000
07/11/2008	251 71 2873	FINAL	35,120	5,000
04/19/2008	267 45 2855	FINAL	205,370	5,000
	EXCESS CASES		485,331	70,000
	NON-EXCESS CASES		95,048	25,000
	10/01/2008 - 09/30/2008		485,330	105,048
08/30/2008	268 38 6038	FINAL	18,756	5,000
08/02/2008	303 62 0143	FINAL	18,238	5,000
08/16/2008	217 44 2236	FINAL	53,283	5,000
04/25/2008	257 48 2233	FINAL	7,592	5,000
ALERT EXCESS STATE ACCIDENT LIMITATION OF \$ 182,500.00. PRIMARY VALUE BASED ON ACTUAL LOSS. ACTUAL EXCESS BASED ON LIMITED LOSS. LIMITED LOSS USED IN TOTALS				

ACTUAL LOSSES	PROVISOIN DATE	TOTAL LOSSES	ACTUAL LOSSES	PROVISOIN
DATE	BASE NUMBER	DATE	DATE	DATE
0500	0.1134	84,828	0.0316	2,622
0505	0.0974	434,583	0.0408	7,301
7382	0.1123	315,280	0.0357	16,884
7540	0.0470	247,038	0.0148	3,819
7591	0.1273	43,803	0.0233	1,085
7594	0.1114	4,303,024	0.0158	68,428
7720	0.1114	8,772,871	0.0128	73,334
0500	0.0917	912,570	0.0141	2,404
0502	0.0883	388,785	0.0133	3,277
0510	0.0883	4,740,525	0.0014	8,648
0515	0.0883	252,038	0.0010	284
0518	0.1057	845,148	0.0181	8,247
0519	0.1057	1,547,778	0.0188	28,789
0520	0.1057	1,833,548	0.0182	21,182
10/01/2008	05/30/2008	20,308,458		242,437
0505	0.1151	188,335	0.0318	5,851
0517	0.1273	51,307	0.0276	1,418
0520	0.0807	518,818	0.0188	8,625
7382	0.1147	437,778	0.0287	88,814
7591	0.0477	238,712	0.0140	4,308
7594	0.1048	4,588,108	0.0280	0
7704	0.0883	7,128,877	0.0128	71,647
7720	0.0883			18,283

REFERENCE MODIFICATION	TOTAL	ELIGIBLE FOR RATING**
BASE	BASE	BASE
LINE	LINE	LINE
EXCESS	EXCESS	EXCESS
TOTAL A	TOTAL B	TOTAL C

TOTAL "A" DEDUCT BY TOTAL "B"

Q174 R- - 1:475 C21:304

MAIL ROOM
DEPARTMENT OF FINANCIAL SERVICES
BUREAU OF WORKERS COMPENSATION

THE BOSTON PUBLIC LIBRARY

INVOICE BAL		APLDR NAME		FUND	ACCOUNT	SEQUENCE NO
10/01/2008		KEY WEST, CITY OF		0000	00000	010444
ACCTG PERIOD		RECONCILIATION DATE		09/15/2008		PAGE
ENTRY DATE		CASE NUMBER	INITIAL	OPEN	PRORATE	ACCTG PERIOD
09/11/2008	2	580 00 0003	FINAL	8,213	K, 0000	8,213
09/09/2008	2	576 00 0750	FINAL	5,350	5,350	5,350
12/29/2008	2	023 00 5043	FINAL	4,055	4,055	2,898
03/10/2009	2	339 72 5046	OPEN	57,000	5,000	52,000
12/02/2008	2	077 77 0070	OPEN	52,500	5,000	47,500
04/24/2009	2	084 38 0746	OPEN	11,848	0,000	0,000
06/03/2008	2	575 38 0043	FINAL	28,740	5,000	21,740
10/12/2008	2	522 00 0244	FINAL	24,727	K, 0000	24,727
05/09/2008	2	583 76 0000	FINAL	28,302	5,000	23,302
10/21/2008	2	102 94 5061	FINAL	5,508	5,508	508
03/21/2009	2	102 98 5064	FINAL	5,504	5,000	504
01/20/2009	2	294 00 0053	FINAL	5,000	5,000	500
01/01/2009	2	511 00 0057	OPEN	150,706	5,000	145,706
05/24/2008	2	003 00 0336	OPEN	78,087	5,000	73,087
04/06/2008	2	583 22 0017	OPEN	47,000	5,000	42,000
02/01/2008	2	002 46 0336	OPEN	51,540	6,000	45,540
05/10/2008	2	263 55 0745	OPEN	17,824	5,000	12,824
04/15/2008	2	294 11 7181	OPEN	53,701	5,000	48,701
01/28/2009	2	212 52 4355	FINAL	28,657	5,000	18,657
07/12/2008	2	440 04 0321	FINAL	7,344	5,000	2,344
03/30/2009	2	112 00 0422	FINAL	11,187	5,000	6,187
04/09/2009	2	585 05 5043	FINAL	18,289	5,000	11,289

TOD LINES		PAYROLL		EL	RECORD	RATIO	FRANCHISE	PERCENT
DATE	AMOUNT	DATE	AMOUNT	DATE	RECORD	RATIO	FRANCHISE	PERCENT
4-28-50	0.0072	408,185	0.0141	5,758	.18	1,084	4,552	
5-2-50	0.0792	589,249	0.0193	7,887	.22	1,883	5,885	
5-18-50	0.0084	8,408,248	0.0014	7,887	.28	1,532	8,954	
5-22-50	0.0049	189,348	0.0010	249	.25	82	271	
5-25-50	0.0055	541,817	0.0151	8,183	.20	1,237	4,845	
6-1-50	0.0876	1,845,777	0.0486	30,574	.20	4,115	24,498	
6-1-50	0.1885	1,898,511	0.0752	24,228	.28	4,885	19,452	
6-1-50	0.1885	29,979,262	292,887			53,905	235,442	
10-31-1950	28,730,800							
5-28-50	0.1125	245,687	0.0315	7,701	.18	1,265	8,345	
6-1-50	0.1112	82,144	0.0278	7,439	.18	854	1,189	
6-2-50	0.0844	483,238	0.0458	12,445	.28	2,823	5,187	
7-2-50	0.0874	881,408	0.0287	24,426	.20	4,887	18,544	
7-2-50	0.0840	211,682	0.0146	4,880	.18	836	2,734	
7-2-50	0.0778	4,783,831	0.0158	68,278	.18	12,470	88,528	
7-2-50	0.0898	7,036,502	0.0128	80,260	.20	12,014	72,088	
8-28-50	0.0588	887,270	0.0181	5,970	.19	1,038	4,481	
8-2-50	0.0823	584,263	0.0123	7,804	.22	1,729	6,166	
8-1-50	0.0058	5,489,330	0.0014	7,889	.20	1,540	6,158	
8-1-50	0.0042	914,887	0.0010	475	.30	87	232	
8-2-50	0.0770	682,886	0.0121	7,885	.20	1,571	5,264	
9-2-50	0.0876	1,743,701	0.0488	32,433	.20	8,487	23,048	
9-1-50	0.0823	1,825,888	0.0752	27,755	.20	5,551	22,204	
10-31-1950	28,730,800	24,433,886		286,440		58,134	240,712	

EXPENSE MODIFICATION		TOTAL MODIFIED LINE		REASON FOR RATE	
PR. MAINT.					
ADJ. LINE					
IE					
TOTAL					
EXCESS					
ENCL.					
TOTAL					

TOTAL "A" DIVIDED BY TOTAL "B"

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL SERVICES
DIVISION OF WORKERS COMPENSATION
SELF INSURERS EXPENSURE RATING

[illegible]

EXPENSE MONITORING		TOTAL		SUBJECTS PER RATING	
PRIMARY	SECONDARY	EXPOSED	LOST	1-2	3-4
NAME	NAME	VALUE	VALUE	PERCENT	PERCENT
1-2	3-4	TOTAL	0	PERCENT	PERCENT
TOTAL A					

- 19 -

STATE OF MICHIGAN
 DEPARTMENT OF FINANCIAL SERVICES
 DIVISION OF WORKERS COMPENSATION

SELF INSURER EXPERIENCE RATING

EFFECTIVE DATE		EMPLOYER NAME		FUND	ACCOUNT	EMPLOYER NO.
06/01/2006		KEY WEST, CAYMAN		GEN	UNSPEC	846666
ACTUAL LOSS	PROMULGATED RATE	NET AT RISK	ACTUAL LOSSES	PRIMARY	AT RISK EXCESS	RATE A
07/10/2007	1	227 12 6064 FORMAL	43,135	5,000	38,135	
08/12/2007	1	222 75 3214 OPEN	13,594	5,000	8,594	
12/18/2006	1	224 24 3008 OPEN	165,527	5,000	160,527	
02/12/2007	1	225 52 3778 OPEN	7,501	5,000	2,501	
02/12/2007	1	222 75 3214 OPEN	30,000	5,000	25,000	
12/31/2006	1	210 68 1742 OPEN	76,351	5,000	71,351	
02/01/2007	1	221 75 3204 OPEN	20,422	5,000	15,422	
04/16/2007	1	221 75 3204 OPEN	22,126	5,000	17,126	
10/08/2006	1	224 11 3833 OPEN	47,322	5,000	42,322	
10/05/2006	1	227 51 7545 OPEN	53,659	5,000	48,659	
03/19/2007	1	228 70 4221 OPEN	28,237	5,000	23,237	
04/12/2007	1	224 24 3008 OPEN	15,000	5,000	10,000	
04/16/2007	1	227 51 7545 OPEN	43,151	5,000	38,151	
05/01/2007	1	EXCESS CASES	39	120,000	152,412	
	1	NON-EXCESS LOSSES	107	44,417	0	
	1	10/01/2006 - 05/30/2007	121	1,117,329	154,417	
	1	EMPLOYER TOTALS	344	2,327,140	473,085	2,424,085

LOSS	MAJOR LOSS	PAYROLL	NET AT RISK	EXCESS LOSS	NET AT RISK	EXCESS LOSS
EMPLOYER TOTALS...		28,022,078		235,270	162,484	271,132

EXPERIENCE MODIFICATION		TOTAL EXCESS LOSS		INE-GOLF FOR RATING**	
PRIMARY LOSS	473,085	EXCESS LOSS	235,270	INE-GOLF FOR RATING**	
VALUE	102,300	EXCESS LOSS	102,300	INE-GOLF FOR RATING**	4,234,234
ACTUAL LOSS	1,036,333	TOTAL E	235,270	INE-GOLF FOR RATING**	1,036,333
EXCESS LOSS	235,270				
TOTAL A	1,036,333		2,43		

TOTAL "A" DIVIDED BY TOTAL "B"

**REQUIRED FORMS TO BE COMPLETED BY
ALL PROPOSERS**

ANTI-KICKBACK AFFIDAVIT

STATE OF FLORIDA

SS

COUNTY OF MONROE

I, the undersigned, hereby duly sworn, depose and say that no portion of the sum herein bid will be paid to any employee of the City of Key West as a commission, kickback, reward or gift, directly or indirectly by me or any member of my firm or by an officer of the corporation.

BY: _____

sworn and prescribed before me this _____ day of _____, 2009

NOTARY PUBLIC, State of Florida

My commission expires: _____

SWORN STATEMENT PURSUANT TO SECTION 287.133(3)(A)
FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY
PUBLIC OR OTHER OFFICIAL AUTHORIZED TO ADMINISTER OATHS,

1. This sworn statement is submitted to _____
by _____
(Print individual's name and title)
for _____
(print name of entity submitting sworn statement)

whose business address is _____
and (if applicable) its Federal Employer Identification Number (FEIN) is _____
(If the entity has no FEIN, include the Social security Number of the individual signing
this sworn statement: _____)

2. I understand that a "public entity crime" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or of the United States, including, but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.
3. I understand that "conviction" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment of information after July 01, 1989, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.
4. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means:
1. A predecessor or successor of a person convicted of a public entity crime;
or

2. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. the term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment of income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.
5. I understand that a "person" as defined in Paragraph 287.133(1)(c), Florida Statutes, means any natural person or entity organized under the laws of any state of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.
6. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement (indicate which statement applies).

 Neither the entity submitting this sworn statement, or any of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, nor any affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July, 1989.

 The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 01, 1989.

 The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 01, 1989. However, there has been a subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative Hearings and the Final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. (attach a copy of the final order).

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH ONE (1) ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND, THAT THIS FORM IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE PUBLIC ENTITY PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.017, FLORIDA STATUTES, FOR THE CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

(SIGNATURE)

(DATE)

STATE OF _____

COUNTY OF _____

PERSONALLY APPEARED BEFORE ME, the undersigned
authority _____ who, after first being sworn by me,
(name of individual)
affixed his/her signature in the space provided above of this
_____ day of _____, 2009

NOTARY PUBLIC

My commission expires: _____

**REQUIRED INSURANCE TO BE MAINTAINED
BY SUCCESSFUL PROPOSER**

Prior to execution of the final contract, the successful proposer will be required to provide evidence that the following insurance is in place.

Type of Insurance	Limits
Workers' Compensation	Statutory
Employers' Liability	\$500,000
General Liability	\$1 million
Vehicle Liability	\$1 million
Professional Liability	\$1 million

The successful proposer will be required to maintain the above insurance during the entire term and any extensions of the contract. All coverages must be provided by insurers licensed to conduct business within the State of Florida and acceptable to the City.

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Insurance Solutions**



We've changed our name, but you can count on the same dedicated, local team of professionals to provide the consultative approach, attention to detail and high quality services you've come to expect from EMI. Now, as part of Ascension's nationwide network, we can offer even greater access to specialized expertise, resources and best practices to meet your specific goals.

For more information about how about how Ascension can address your governmental insurance needs, please contact me or visit www.ascensionfl.com.

**Kevin Cothron
Chief Operating Officer
Ascension Benefits & Insurance Solutions of Florida
772-919-8593 direct
kcothron@ascensionins.com**

Our name change is effective October 22, 2012. You can still reach us through our current email addresses, or the address noted here.



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Public Entity Solutions

For over 30 years, our consultants have been trusted advisors to municipalities in Florida and throughout the Southeast. Our comprehensive services include:

- General Liability
- Umbrella Liability
- Employee Benefits Liability
- Directors & Officers Liability
- Liquor Liability
- Property & Casualty
- Employee Benefits
- Auto Liability
- Workers Compensation
- Third Party Claims Administration
- Loss Control Services