

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

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### **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 Cohran 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, 5<sup>th</sup> 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 ASC'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+\$3,500+\$10,079). 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+\$3,500+\$10,079).

#### **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**

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

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

**RFP #09-011**

	<b>Alternative Service Concepts</b>	<b>York Claim Solutions</b>	<b>Engle Martin &amp; Assoc.</b>	<b>Integrated Claim Solutions</b>
<b>Type of Program</b>	Life of Contract	Life of Contract	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.
<b>Location of Services</b>	Sarasota	Tallahassee/Orlando		
<b>Average Case Load of Adjuster</b>	110	Lost Time – 150 Med Only – 300		
<b>Experience of Adjusters</b>	Extensive	Unknown		
<b>Quality of Loss Reports</b>	Fair	Fair		
<b>Initial contact with claimant within 24 hours</b>	Yes	Yes		
<b>Recorded statements of claimant</b>	Yes	Yes		
<b>Contact with treating physician within 24 hours</b>	Yes	Yes		
<b>Narrative Summaries of major claims</b>	Yes	Yes		
<b>Medical bills reduced to State Fee Schedule</b>	Additional Charge	Additional Charge		
<b>Pursue Subrogation and Second Injury Fund claims</b>	Yes	Yes		
<b>Prepare State mandated reports</b>	Yes	Yes		
<b>Report and pursue Excess claims</b>	Yes	Yes		
<b>Quarterly claim reviews</b>	Yes	Yes		
<b>Monthly loss runs</b>	Yes	Yes		
<b>Projected Annual Cost</b>	\$143,239	Life of Contract - \$147,643 Life of Claim - \$156,748		
<b>Comments</b>	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		

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

**RFP #09-011**

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

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

Current										
	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	\$ 1,066	\$ 555	\$ 452	\$ 1,164	\$ 1,066	\$ 555	\$ 1,164	\$ 1,232	\$ 170	
Estimated Annual Claim Fees	\$ 3,198	\$ 3,885	\$ 13,560	\$ 1,164	\$ 11,726	\$ 1,665	\$ 1,164	\$ 49,280	\$ 10,370	\$ 96,012
										Loss Run Reports
										\$ 3,506
										ON Line Access
										\$ 2,098
										Program Administration
										\$ 11,132
										Loss Control Services
										\$ 7,080
										Banking Fees
										\$ 2,463
										Claim Reporting
										\$ 1,570
										Set Up Fee
										\$ -
										Claim Assumption Fee
										\$ -
										Bill Reduction Fee (Average of 1,694 bills processed annually)
										\$ 4,404
										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 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	\$ 1,066	\$ 555	\$ 452	\$ 1,164	\$ 1,066	\$ 555	\$ 1,164	\$ 1,232	\$ 170	
Estimated Annual Claim Fees	\$ 3,198	\$ 3,885	\$ 13,560	\$ 1,164	\$ 11,726	\$ 1,665	\$ 1,164	\$ 49,280	\$ 10,370	\$ 96,012
Loss Run Reports										\$ 3,506
On Line Access										\$ 2,098
Program Administration										\$ 11,132
Loss Control Services										\$ 7,080
Banking Fees										\$ 2,463
Claim Reporting										\$ 1,570
Set Up Fee										\$ -
Claim Assumption Fee										\$ -
Bill Reduction Fee (Average of 1,694 bills processed annually)										\$ 7,500
Total										\$ 131,361

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 Mangement 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	\$ 835	\$ 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										\$ 5,000
Loss Control Services										\$ -
Banking Fees										\$ -
Claim Reporting										\$ -
Set Up Fee										\$ 7,500
Claim Assumption Fee										\$ 122,961
Bill Reduction Fee (Average of 1,694 bills processed annually)										\$ 16,940
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 Lost Time W/C claims that they assume. Annual estimate based on claims being open for 12 months.
4. Proposed a Bill Reductin 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	\$ 795	\$ 495	\$ 495	\$ 1,295	\$ 795	\$ 495	\$ 1,295	\$ 950	\$ 195	
Estimated Annual Claim Fees	\$ 2,385	\$ 3,465	\$ 14,850	\$ 1,295	\$ 8,745	\$ 1,485	\$ 1,295	\$ 38,000	\$ 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)										\$ 2,000
Banking Fees										\$ -
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	\$ 2,730	\$ 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										\$ 9,000
Loss Control Services										\$ -
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 1,694 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

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

York Claim Serives - 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										\$ 41,100
Bill Reduction Fee (Average of 1,694 bills processed annually)										\$ 15,246
Total										\$ 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	Total
Average Annual Claim Count	3	7	30	1	11	3	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	\$ 12,840	\$ 1,059	\$ 11,649	\$ 2,163	\$ 1,059	\$ 55,880	\$ 9,150	\$ 100,402
Loss Run Reports										\$ -
On Line Access										\$ -
Program Administration										\$ -
Loss Control Services										\$ -
Banking Fees										\$ -
Claim Reporting										\$ -
Set Up Fee										\$ -
Claim Assumption Fee										\$ 41,100
Bill Reduction Fee (Based on 1,694 bills annually and fee of \$9.00 per bill)										\$ 15,246
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	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. 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

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

Engle Martin & Associates										
	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										
Estimated Annual Claim Fees										
Loss Run Reports										
On Line Access										
Program Administration										
Loss Control Services										
Banking Fees										
Claim Reporting										
Set Up Fee										
Claim Assumption Fee										
Bill Reduction										

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		18	4	17	1	2	58	14	119
Claim Fee										
Estimated Annual Claim Fees										

NON RESPONSIVE



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

Corvel										
	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										
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										

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		18	4	17	1	2	58	14	119
Claim Fee										
Estimated Annual Claim Fees										

Non Responsive

**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										\$ 30,000
Loss Control Services										\$ -
Banking Fees										\$ -
Claim Reporting										\$ -
Set Up Fee										\$ -
Claim Assumption Fee										\$ 25,020
Bill Reduction Fee (Average of 1,694 bills processed annually)										\$ 7,115
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	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.									
Claim Fee										
Estimated Annual Claim Fees										

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	\$ 850	\$ 1,125	\$ 149	
Estimated Annual Claim Fees	\$ 2,085	\$ 3,150	\$ 13,500	\$ 850	\$ 7,645	\$ 1,350	\$ 850	\$ 45,000	\$ 9,089	\$ 83,519
Loss Run Reports										\$ -
On Line Access										\$ -
Data Conversion										\$ 7,500
Program Administration										\$ 3,500
Loss Control Services										\$ -
Banking Fees										\$ -
Claim Reporting										\$ -
Set Up Fee										\$ 7,500
Claim Assumption Fee										\$ 48,575
Bill Reduction Fee (Average of 1,694 bills processed annually)										\$ 10,079
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	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  
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	Total
Average Annual Claim Count	3	7	30	1	11	3	1	40	61	157
Claim Fee	\$ 650	\$ 650	\$ 650	\$ 700	\$ 700	\$ 700	\$ 700	\$ 950	\$ 150	
Estimated Annual Claim Fees	\$ 1,950	\$ 4,550	\$ 19,500	\$ 700	\$ 7,700	\$ 2,100	\$ 700	\$ 38,000	\$ 9,150	\$ 84,350
Loss Run Reports										\$ -
On Line Access										\$ -
Data Conversion										\$ -
Program Administration										\$ -
Loss Control Services										\$ -
Banking Fees										\$ -
Claim Reporting										\$ -
Set Up Fee										\$ -
Claim Assumption Fee										\$ 46,600
Bill Reduction Fee (Average of 1,694 bills processed annually)										\$ 9,317
Total										\$ 140,267

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 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**

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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 Cohran 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, 5<sup>th</sup> 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**

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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

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.

<b>Activity</b>	<b>Deadline</b>
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
<b>General Liability</b>		
Bodily Injury		
Property Damage		
<b>Automobile Liability</b>		
Bodily Injury		
Property Damage		
<b>Public Officials Liability</b>		
<b>Police Professional Liability</b>		
<b>Workers Compensation</b>		
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**

STATE OF FLORIDA  
DEPARTMENT OF FINANCIAL SERVICES  
DIVISION OF WORKERS COMPENSATION

SELF INSURER EXPERIENCE RATING

EFFECTIVE DATE	EMPLOYER NAME	FUND	ACCOUNT	EMPLOYER NO.	
10/01/2008	KEY WEST, CITY OF	999	09000	010444	
ACTUAL LOSSES	PROMULGATION DATE	08/05/2009			
ACTUAL DATE	CASE NUMBER	TOTAL CASES	ACTUAL LOSSES	PRIMARY	ACTUAL EXCESS
08/30/2008	261 66 1866 FINAL		48,786	5,000	41,786
11/10/2008	117 42 7888 FINAL		10,256	5,000	5,256
09/02/2008	988 48 9884 FINAL		16,498	5,000	11,498
06/13/2008	263 86 4432 FINAL		5,254	5,000	254
05/31/2008	218 88 8884 FINAL		6,708	5,000	1,708
06/12/2008	267 87 7436 FINAL		9,310	5,000	4,310
01/12/2008	198 58 8842 FINAL		12,738	5,000	7,738
02/07/2008	330 72 8646 FINAL		18,818	5,000	13,818
07/25/2005	588 41 8638 FINAL		18,368	5,000	13,368
01/21/2008	658 96 7971 OPEN		20,000	5,000	15,000
12/28/2008	041 32 4181 FINAL		78,848	5,000	71,848
08/02/2008	386 70 7118 FINAL		12,848	5,000	8,048
07/11/2008	261 71 8879 FINAL		35,120	5,000	30,120
08/19/2008	263 65 2885 OPEN		206,270	5,000	177,600
	EXCESS CASES .....	14	483,321	70,000	393,321
	NON-EXCESS CASES .....	81	96,048	26,048	0
	10/01/2008 - 08/30/2008	95	488,369	105,048	393,321
08/30/2008	286 28 8080 FINAL		18,768	5,000	11,768
08/02/2008	993 62 8143 FINAL		18,728	5,000	14,728
08/18/2008	217 44 0288 DPCN		58,288	5,000	54,288
08/25/2008	257 48 2823 FINAL		7,568	5,000	2,568

LOSS EXCEEDS STATE ACCIDENT LIMITATION OF \$ 182,500.00. PRIMARY VALUE BASED ON ACTUAL LOSS. ACTUAL EXCESS BASED ON LIMITED LOSS. LIMITED LOSS USED IN TOTALS

LOSS	MANUAL RATE	PAYROLL	RATE	EMPLOYED LOSSES	RATIO	PRIMARY	ACTUAL EXCESS
8508	0.1184	64,828	0.0816	2,052	.18	389	1,683
8686	0.0974	484,588	0.0188	7,301	.20	1,480	5,821
7362	0.1182	315,880	0.0287	14,834	.20	2,887	11,947
7580	0.0470	247,898	0.0148	3,615	.18	891	2,724
7880	0.1270	43,408	0.0250	1,085	.20	217	868
7704	0.1118	4,203,024	0.0158	66,828	.18	12,028	54,788
7720	0.0641	8,772,871	0.0128	73,894	.20	14,779	59,115
8980	0.0717	212,370	0.0141	4,404	.18	837	3,567
8382	0.0438	288,786	0.0133	5,277	.22	1,181	4,116
8810	0.0882	4,748,555	0.0014	8,645	.20	1,328	5,318
8820	0.0882	282,828	0.0010	259	.20	57	227
9015	0.1087	946,148	0.0181	8,247	.20	1,248	4,988
8102	0.1037	1,647,778	0.0188	26,789	.20	5,758	23,031
8410	0.1381	1,898,548	0.0152	21,182	.20	4,238	16,948
10/01/2008 - 08/30/2008		20,308,498		242,437		47,088	185,338
5508	0.1151	184,338	0.0318	5,851	.18	1,071	4,880
8217	0.1272	51,207	0.0278	1,418	.18	256	1,161
8898	0.0807	518,818	0.0188	8,625	.20	1,735	6,890
7382	0.1147	937,778	0.0287	26,814	.20	5,383	21,431
7580	0.0477	286,712	0.0148	4,332	.18	789	3,542
7580	0.1048		0.0250	0	.20	0	0
7704	0.0880	4,508,108	0.0158	71,647	.18	12,898	58,751
7720	0.0801	7,128,677	0.0128	81,247	.20	18,248	72,998

EXPERIENCE MODIFICATION			
PRIMARY LOSS	TOTAL EXCLUDED LOSS	INELIGIBLE FOR RATING**	
LINE	B VALUE	TOTAL PREMIUMS	
EXCESS	TOTAL B	EXCESS PREMIUMS	
EXCESS			
TOTAL A			

TOTAL "A" DIVIDED BY TOTAL "B"

STATE OF FLORIDA  
DEPARTMENT OF FINANCIAL SERVICES  
DIVISION OF WORKERS COMPENSATION

SELF INSURER EXPERIENCE RATING

EFFECTIVE DATE		EMPLOYER NAME		FUND	ACCOINT	EMPLOYER NO.
10/01/2008		KEY WEST, CITY OF		990	09000	010444
ANNUAL LOSSES		RENEWAL DATE		09/30/2008		PAGE 2
ACCTN DATE	CASE NUMBER	TOTAL CASES	ACTUAL LOSSES	PRIMARY	ANNUAL EXCESS	
09/11/2008	2 580 08 0083 FINAL		8,211	5,000	3,211	
09/09/2008	2 816 08 6759 FINAL		5,899	5,000	899	
12/28/2005	2 373 58 5043 FINAL		4,058	5,000	2,882	
03/10/2008	2 339 72 8546 OPEN		87,095	5,000	92,095	
12/02/2005	2 287 17 0078 OPEN		92,900	5,000	47,600	
08/24/2008	2 894 28 0795 OPEN		11,288	5,000	6,288	
08/08/2006	2 516 88 8822 FINAL		28,780	5,000	21,780	
10/18/2005	2 522 88 4248 FINAL		74,787	5,000	69,787	
08/28/2006	2 583 76 8800 FINAL		28,302	5,000	23,302	
10/21/2005	2 102 54 5091 FINAL		5,508	5,000	508	
03/21/2006	2 182 58 5091 FINAL		5,904	5,000	904	
01/20/2008	2 299 88 0852 FINAL		5,884	5,000	884	
01/22/2006	2 011 80 4161 OPEN		150,788	5,000	145,788	
09/24/2008	2 002 48 8338 OPEN		78,087	5,000	73,087	
04/00/2006	2 588 22 4817 OPEN		47,000	5,000	42,000	
02/01/2008	2 002 48 8338 OPEN		31,543	5,000	26,543	
05/19/2008	2 283 55 0745 OPEN		17,828	5,000	12,828	
04/13/2008	2 284 11 7181 OPEN		93,701	5,000	48,701	
01/28/2006	2 212 52 4165 FINAL		28,657	5,000	18,657	
07/12/2008	2 480 04 8321 FINAL		7,248	5,000	2,248	
07/01/2006	2 112 80 9432 FINAL		11,187	5,000	6,187	
01/23/2006	2 595 05 5843 FINAL		18,289	5,000	11,289	

TOTAL LOSSES							
ACCTN DATE	MONTHLY RATE	PAYROLL	EL. RATE	EMPHYED LOSSES	IF RATIO	PRIMARY	ANNUAL EXCESS
8380	0.0872	408,195	0.0141	5,758	.18	1,084	4,674
8382	0.0785	588,248	0.0139	7,858	.22	1,883	6,005
8810	0.0084	8,408,243	0.0014	7,587	.20	1,512	6,075
8920	0.0048	289,348	0.0010	289	.20	88	201
9015	0.0864	841,617	0.0181	6,183	.20	1,237	4,946
9102	0.0876	1,843,777	0.0185	30,574	.20	8,115	24,689
9410	0.1188	1,800,511	0.0152	24,828	.20	4,885	19,462
10/01/2005	09/30/2008	29,878,282		292,887		58,905	235,492
5509	0.1123	243,607	0.0515	7,701	.18	1,888	8,315
8217	0.1112	52,144	0.0275	1,439	.18	258	1,180
8828	0.0841	881,288	0.0168	11,446	.20	2,289	9,157
7382	0.0874	881,408	0.0287	24,426	.20	4,887	19,539
7680	0.0440	211,863	0.0148	4,880	.18	818	3,061
7704	0.0718	4,558,831	0.0158	68,278	.18	12,470	58,808
7720	0.0508	7,036,602	0.0128	80,069	.20	18,014	72,056
8380	0.0588	887,970	0.0141	5,470	.18	1,038	4,431
8382	0.0823	584,282	0.0122	7,804	.22	1,729	6,075
8810	0.0058	5,888,380	0.0014	7,888	.20	1,540	6,348
8820	0.0042	914,967	0.0010	415	.20	83	332
8015	0.0778	883,884	0.0181	7,855	.20	1,571	6,284
8102	0.0878	1,743,701	0.0188	32,433	.20	8,427	28,948
9410	0.0823	1,825,868	0.0152	27,755	.20	5,551	22,204
10/01/2009	09/30/2007	24,433,888		288,440		58,134	240,312

EXPERIENCE MODIFICATION			
PRIMARY ADJUST LINES	TOTAL EMPLOYER LINES	IF VALUE	INELIGIBLE FOR RATING**
ANNUAL EXCESS	TOTAL B	TOTAL PREMIUMS	AVERAGE PREMIUMS
EXCESS			
TOTAL A			

\*TOTAL "A" DIVIDED BY TOTAL "B"

STATE OF FLORIDA  
 DEPARTMENT OF FINANCIAL SERVICES  
 DIVISION OF WORKERS COMPENSATION  
 SELF INSURER EXPERIENCE RATING

EFFECTIVE DATE	EMPLOYER NAME	FLND	ACCOUNT	EMPLOYER NO.	
10/01/2008	KEY WEST, CITY OF	999	09300	010444	
ACTUAL LOSSES	PROMULGATION DATE	08/08/2008			PAGE 3
ACCIDENT DATE	CASE NUMBER	TOTAL CASES	ACTUAL LOSSES	PRIMARY	ACTUAL EXCESS
01/24/2008	264 27 8438 OPEN		34,795	5,000	29,795
03/18/2008	595 14 0588 FINAL		5,843	5,000	843
01/18/2008	592 07 5827 OPEN		154,275	5,000	149,275
11/29/2005	264 77 4952 FINAL		48,668	5,000	43,668
11/12/2005	257 78 0348 OPEN		32,284	5,000	27,284
08/29/2005	251 55 1855 OPEN		10,483	5,000	5,483
02/28/2000	594 44 8171 OPEN		118,524	5,000	113,524
	EXCESS CASES .....	39	1,272,312	195,000	1,077,312
	NON-EXCESS CASES .....	85	38,818	38,818	0
	10/01/2005 - 08/30/2008	114	1,310,931	203,618	1,107,312
03/02/2007	117 42 7888 FINAL		27,403	5,000	22,403
12/18/2008	565 13 4515 OPEN		79,836	5,000	74,836
12/12/2008	264 11 8783 FINAL		9,045	5,000	4,045
12/14/2008	266 05 7800 OPEN		28,820	5,000	23,820
05/08/2007	282 92 8885 OPEN		156,121	5,000	151,121
12/12/2008	888 17 4282 OPEN		92,822	5,000	87,822
03/01/2007	264 87 1020 OPEN		42,438	5,000	37,438
13/22/2006	268 38 8388 OPEN		14,486	5,000	9,486
07/03/2007	065 04 7365 FINAL		6,675	5,000	1,675
01/30/2007	403 17 8080 FINAL		5,844	5,000	844
01/17/2007	518 39 8822 FINAL		7,075	5,000	2,075

EXPECTED LOSSES							
CLASS	MANUAL RATE	PAYROLL	EL RATE	EXPECTED LOSSES	EL RATIO	PRIMARY	EXPECTED EXCESS

EXPERIENCE MODIFICATION			
PRIMARY ACTUAL LOSS	TOTAL EXPECTED LOSS	BELIGIBLE FOR RATING==	
VALUE	B VALUE	TOTAL PREMIUMS	
EXCESS	TOTAL B	AND LOSS PREMIUMS	
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		PUNC	ACCOUNT	EMPLOYER NO.
10/01/2008		KEY WEST, CITY OF		888	09800	010844
ACTUAL LOSSES		PROMULGATION DATE		08/05/2008		PAGE
EVENT DATE	CASE NUMBER	TOTAL CASES	ACTUAL LOSSES	PRIMARY	ACTUAL EXCESS	A
07/10/2007	1 227 12 6954 FINAL		43,136	5,000	38,136	
08/13/2007	1 252 75 3214 OPEN		13,581	5,000	8,581	
12/18/2006	1 551 24 9095 OPEN		162,527	5,000	157,527	
09/13/2007	1 285 58 2775 OPEN		7,501	5,000	2,501	
12/31/2006	1 282 75 3214 OPEN		30,000	5,000	25,000	
02/01/2007	1 418 98 0482 OPEN		75,201	5,000	70,201	
05/18/2007	1 381 78 7384 OPEN		20,482	5,000	15,482	
10/04/2006	1 198 78 6495 OPEN		62,138	5,000	57,138	
10/05/2008	1 294 11 8833 OPEN		47,352	5,000	42,352	
05/18/2007	1 287 81 7645 OPEN		59,859	5,000	54,859	
04/13/2007	1 288 70 4221 OPEN		26,237	5,000	21,237	
04/18/2007	1 288 85 8325 OPEN		15,000	5,000	10,000	
06/01/2007	1 257 81 7845 OPEN		43,151	5,000	38,151	
1	EXCESS CASES .....	29	1,072,412	120,000	952,412	
1	NON-EXCESS CASES .....	107	48,417	44,417	0	
	10/01/2006 - 08/30/2007	131	1,117,829	164,417	953,412	
	EMPLOYER TOTALS .....	344	2,927,140	473,085	2,454,055	

EXPECTED LOSSES							
CLASS	MANUAL RATE	PAYROLL	EL RATE	EXPECTED LOSSES	DU RATID	PRIMARY	EXPECTED EXCESS
EMPLOYER TOTALS...		68,822,678		893,270		162,168	671,102

EXPERIENCE MODIFICATION					
PRIMARY ACTUAL LOSS	473,085	TOTAL EXPECTED LOSS	893,270	INE. GIB.E FOR RATING**	
VALUE	102,200	B VALUE	102,200	TOTAL PREMIUMS	4,234,284
ACTUAL EXCESS	42	TOTAL B	835,870	AVERAGE PREMIUMS	1,410,427
EXPECTED EXCESS	88				
TOTAL A	1,905,245		2.13		

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.

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

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.

# 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

June 2, 2009

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

Subject: Remarketing of the City's Property and Casualty Insurance Program

Dear Mark:

The City's current Property and Casualty Insurance Program is scheduled to expire on September 30, 2009. It is believed that the City has not formally remarketed its program in a number of years. If the City desires to receive competitive proposals for its 2009/10 Property and Casualty Insurance program, Interisk is available to assist the City in the re-marketing of its program. It is believed that Interisk is the most qualified firm to assist the City with such a project for the following reasons:

- 1) Interisk is an independent consulting firm that has no financial or managerial relationship with any aspect of the insurance industry. This will ensure that the City will receive unbiased opinions regarding which proposal(s) will offer the City with the most comprehensive program at the most cost effective price.
- 2) Interisk has had the pleasure of working with the City in the past which has allowed us to have a working understanding of the City's operations, the exposures they face and a broad understanding of the insurance they are currently purchasing.
- 3) Interisk has developed a highly professional relationship with the major agents/brokers and insurers within the State. Such relationship will directly benefit the City.
- 4) It is understood that the City is partially self-insured and utilizes the services of a third party claim administrator to administrate the claims that are within the City's self-insured retention. Interisk is extremely familiar with most, if not all, of the claim administrators in the State. This will enable Interisk to recommend a claims administrator that can satisfy the needs of the City.
- 5) All of the consultants at Interisk have obtained the highest professional designations available in the insurance industry and remain current with the insurers that have the ability and desire to offer the types and amounts of insurance required by the City.

If the City elects to engage the services of Interisk to assist in the remarketing of its insurance program, the following services are proposed.

- Perform a detail review of all insurance policies currently being purchased by the City.
- Prepare detailed bid specifications that can be incorporated in the City's RFP that will ensure the City will receive insurance proposals that will respond to the exposures created by their operations.



- Coordinate the RFP process to include, but not limited to:
  - Market Assignments – Since insurance companies will normally work with only one agent at a time on any given account, assigning of markets is a critical activity to ensure the City receives proposals from those insurers with the ability and desire to provide the insurance coverages desired by the City.
  - Prepare an addendum to the RFP that responds to questions raised by the agents/brokers participating in the RFP process.
  - Respond to other questions and issues that arise during the RFP process.
- Review and evaluate all proposals received in response to the RFP.
- Prepare a side-by-side comparison of the major features contained in each proposal
- Review the side-by-side comparison with the City.
- Prepare a narrative report with specific recommendations on which proposal(s) offer the City with the most comprehensive program at the most cost effective price.
- If desired, make a formal presentation to the City Council regarding which proposal(s) best serves the City and the reasons why.
- Assist the City in notifying the successful proposers to ensure the coverages approved by the City Council are properly communicated to the proposer.
- Perform a detailed review of the actual policies, when issued, to ensure they comply with the proposals submitted.

It is anticipated that the services will incorporate the following insurance coverages;

- a) All Risk Property
- b) General Liability
- c) Vehicle Liability
- d) Workers' Compensation
- e) Crime
- f) Public Officials
- g) Marine Coverages associated with the City's sea port operations

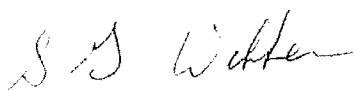
In addition, the RFP will contain a section for third party claims administration or at the City's desire a separate RFP will be produced for such services. All third party claims administration services will be evaluated and Interisk will provide the City with a recommendation of which proposal best serves the City.

Based on our long term relationship with the City, Interisk is able to offer the above services at our preferred client rate of \$150.00 per consulting hour. All clerical costs are included in the consulting rate. Out of Pocket expenses, such as travel, will be billed at cost with no markup. All such expenses will be approved by the City before they are incurred. To assist the City with their budgetary process, Interisk is agreeable to establishing a maximum not to exceed cost of \$19,500 for the project.

The above proposal applies to the remarketing of the City's Property and Casualty insurance program and does not include assisting the City in the remarketing of its Employee Benefit insurance program.

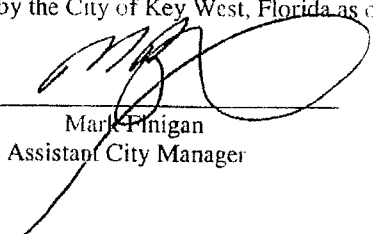
Cordially,

INTERISK CORPORATION



Sidney G. Webber  
CPCU, ARM

Accepted by the City of Key West, Florida as outlined above.

  
\_\_\_\_\_  
Mark Pinigan  
Assistant City Manager

6.2.09  
\_\_\_\_\_  
Date