

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.

  
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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

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### **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>
<b><u>Prior TPA Claim Set-Up Fees:</u></b>			
▪ 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
<b><u>EMI Claim Set-Up Fees:</u></b>			
▪ 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.

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### 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, 2010.

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

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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 Catteridge 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 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+\$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

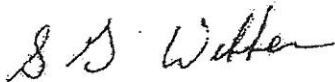
It is also believed that City could receive comparable or improved services being provided by Gallagher Bassett for a lower projected annual cost and therefore it is also being recommended that Arthur J. Gallagher be eliminated from further consideration.

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

Type of Program	Current Program (Gallagher Bassett)	Gallagher Bassett	CCMSI	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 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	Yes
Comments				\$181,196

**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 - 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 - \$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 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

REF #09-011

Type of Program	PGCS	Johns Eastern	EMI
Location of Services	Life of Contract	Life of Contract	Life of Contract
Average Case Load of Adjuster	Lake Mary	Sarasota	Stuart
Experience of Adjusters	Lost Time - 130	Lost Time - 115	Lost Time - 125
Quality of Loss Reports	Med Only - 350	Med Only - 163	Med Only - 300
Initial contact with claimant within 24 hours	Extensive	Extensive	Extensive
Recorded statements of claimant	Good	Good	Good
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			
<p>Corvel</p> <p>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.</p>			



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

Gallagher Bassett										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. Bj	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	\$ 1,292	\$ 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										
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										
										\$ 3,506
										\$ 2,098
										\$ 11,132
										\$ 7,080
										\$ 2,463
										\$ 1,570
										\$ -
										\$ 7,500
										\$ 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 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	\$ 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										
Billing 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 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	W/C Med Only	Total
Average Annual Claim Count	3	7	30	1	11	3	1	40	61	157
Claim Fee	\$ 785	\$ 495	\$ 485	\$ 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	\$ 88,415
Loss Run Reports										
On Line Access										
Program Administration										
Loss Control Services (Billed at \$125 per hour and assumed 16 hours of service)										
Banking Fees										
Claim Reporting										
Set Up Fee (Proposal 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	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

- 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										
Banking Fees										
Claim Reporting										
Set Up Fee (Proposal reflects estimate of \$5,000)										
Claim Assumption Fee										
Bill Reduction Fee (Average of 1,694 bills processed annually)										
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 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										
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	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										
Bill Reduction										
Printed 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										

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

Carvel										
	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										

Projects 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	68	14	119	
Claim Fee										
Estimated Annual Claim Fees										

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**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										
Banking 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.										
										\$ 25,020
										\$ 7,115
										\$ 115,800

**Comments**

- Proposed a bill reduction fee of \$1.40 per line with a \$ 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										
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										
										\$ 160,573

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	\$ 8,350
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										
Bill Reduction Fee (Average of 1,694 bills processed annually)										
Total										
										\$ 46,600
										\$ 9,817
										\$ 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	\$ 2,725
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 Professional	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 PENNSYLVANIA  
DEPARTMENT OF FINANCIAL SERVICES  
DIVISION OF WORKERS COMPENSATION  
SELF INSURER EXPERIENCE RATING

REPORTING DATE	EMPLOYER NAME			FUND	ACCOUNT	EMPLOYER'S SEL
10/01/2004	KEY WEST, CITY OF			098	04000	018444
ACTUAL LOSSES	PROMULGATION DATE			08/05/2003		PAGE 1
ACCIDENT DATE	CASE NUMBER	TYPE CASE	ACTUAL LOSSES	PRIMARY	ACTUAL EXCESS	
08/30/2003	291 56 1866	FINAL	48,786	5,000	41,786	
11/10/2004	117 42 7888	FINAL	10,250	5,000	5,250	
08/02/2003	588 48 5884	FINAL	16,498	5,000	11,498	
05/12/2003	253 25 4032	FINAL	5,254	5,000	254	
05/31/2003	218 08 8894	FINAL	5,708	5,000	708	
08/12/2003	257 17 7436	FINAL	9,310	5,000	4,310	
01/12/2003	188 58 8842	FINAL	12,738	5,000	7,738	
03/07/2003	329 72 8548	FINAL	13,818	5,000	8,818	
07/25/2003	588 41 8830	FINAL	15,369	5,000	10,369	
01/31/2003	555 85 7971	OPEN	20,000	5,000	15,000	
12/28/2003	041 32 4181	FINAL	78,848	5,000	71,848	
08/02/2003	386 70 7115	FINAL	13,848	5,000	8,848	
07/11/2003	251 71 8879	FINAL	32,120	5,000	27,120	
08/18/2003	263 65 2855	OPEN	206,370	5,000	177,500	
	EXCESS CASES	14	483,331	70,000	383,331	
	NON-EXCESS CASES	81	36,048	25,000	11,048	
	10/01/2004 - 08/30/2003	55	488,380	105,000	393,380	
08/30/2003	286 28 8080	FINAL	18,766	5,000	11,766	
05/02/2003	593 82 6143	FINAL	18,738	5,000	14,722	
08/18/2003	217 44 8288	OPEN	59,288	5,000	54,288	
04/29/2003	257 48 2523	FINAL	7,592	5,000	2,592	

\*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

DATE'S	ANNUAL RATE	PAYROLL	LOSS RATE	EMPLOYED LOSSES	RATIO	PRIMARY	EXCESS
5508	0.1184	54,828	0.0316	2,852	.18	363	1,880
5685	0.0974	484,588	0.0188	7,301	.20	1,480	5,821
7042	0.1182	516,880	0.0227	14,884	.20	2,987	11,897
7580	0.0470	247,836	0.0148	3,615	.18	691	2,924
7690	0.1270	43,409	0.0250	1,085	.20	217	868
7704	0.1118	4,203,024	0.0158	66,326	.18	12,028	54,298
7720	0.0641	5,772,871	0.0128	73,894	.20	14,773	59,121
8380	0.0713	212,376	0.0141	4,404	.19	837	3,567
8382	0.0888	388,785	0.0133	5,277	.22	1,181	4,116
8810	0.0882	4,748,555	0.0014	8,845	.20	1,328	5,518
8820	0.0883	223,838	0.0010	389	.20	57	227
8815	0.1087	845,148	0.0181	8,247	.20	1,248	4,998
8812	0.1037	1,547,779	0.0188	28,788	.20	5,758	23,031
8410	0.1334	1,258,548	0.0182	21,182	.20	4,088	17,094
10/01/2004 - 08/30/2003		20,308,498	0.0182	242,437		47,088	195,348
5505	0.1151	154,335	0.0318	5,151	.18	1,071	4,080
6217	0.1272	51,207	0.0278	1,418	.18	255	1,163
6836	0.0802	513,818	0.0186	8,525	.20	1,725	6,800
7382	0.1147	837,776	0.0227	28,614	.20	5,383	21,231
7580	0.0477	388,712	0.0140	4,332	.18	780	3,552
7590	0.1048		0.0250	0	.20	0	0
7704	0.0883	4,508,108	0.0158	71,647	.18	12,828	58,819
7720	0.0801	7,128,877	0.0128	81,247	.20	18,248	72,999

EXPERIENCE MODIFICATION	TOTAL EMPLOYED LOSSES	INELIGIBLE FOR RATING**
PRIMARY	B VALUE	TOTAL PREMIUMS
EXCESS	TOTAL B	EXCESS PREMIUMS
TOTAL A		

TOTAL "A" DIVIDED BY TOTAL "B"

STATE OF ILLINOIS  
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		899	08900	040444	
ARRIVAL DATE	LOSS/LOSS DATE	CASE NO./SET	STATUS	TOTAL CASES	ACTUAL LOSSES	PRIMARY	EXCESS
00/11/2008	2	580 08 0093	FINAL		8,211	5,000	3,211
09/09/2008	2	516 08 5768	FINAL		5,893	5,000	893
12/23/2008	2	373 58 5043	FINAL		4,858	5,000	2,858
03/19/2008	2	939 72 8546	OPEN		87,005	5,000	82,005
12/02/2005	2	287 17 0078	OPEN		82,300	5,000	77,300
08/24/2008	2	894 38 0785	OPEN		11,288	5,000	6,288
06/01/2008	2	516 88 8922	FINAL		26,780	5,000	21,780
10/18/2008	2	522 98 4241	FINAL		74,787	5,000	69,787
08/26/2008	2	583 76 8900	FINAL		28,302	5,000	23,302
10/21/2008	2	102 84 5081	FINAL		5,508	5,000	508
03/21/2008	2	102 58 5081	FINAL		5,804	5,000	804
01/20/2008	2	289 88 0883	FINAL		5,884	5,000	884
01/22/2008	2	211 88 4951	OPEN		150,788	5,000	145,788
09/24/2008	2	002 48 9336	OPEN		78,087	5,000	73,087
04/00/2008	2	588 22 4017	OPEN		47,000	5,000	42,000
02/01/2008	2	002 48 9336	OPEN		21,549	5,000	16,549
05/19/2008	2	283 55 0745	OPEN		17,824	5,000	12,824
04/13/2008	2	284 11 7181	OPEN		53,701	5,000	48,701
01/28/2008	2	212 52 4185	FINAL		28,657	5,000	23,657
07/12/2008	2	480 04 8321	FINAL		7,244	5,000	2,244
07/01/2008	2	112 80 9432	FINAL		11,187	5,000	6,187
01/23/2008	2	585 05 5845	FINAL		18,289	5,000	13,289

LOSS	ANNUAL RATE	PAYROLL	RATE	ACTUAL LOSSES	D RATIO	PRIMARY	EXCESS
8280	0.0873	408,138	0.0141	5,758	.18	1,084	4,674
8992	0.0795	588,249	0.0133	7,858	.12	1,883	5,975
8810	0.0884	8,408,243	0.0014	7,587	.28	1,542	6,045
8920	0.0048	289,348	0.0010	249	.10	88	161
9015	0.0888	341,617	0.0118	5,183	.15	1,227	3,956
9102	0.0876	1,843,777	0.0185	50,574	.27	5,115	45,459
9410	0.1188	1,800,611	0.0152	24,828	.28	4,885	19,943
10/01/2008	08/30/2007	28,978,282		292,887		58,905	233,982
5508	0.1123	242,687	0.0815	7,761	.18	1,288	6,473
8217	0.1112	82,164	0.0275	1,439	.18	258	1,181
8838	0.0841	881,288	0.0168	11,446	.28	2,288	9,158
7382	0.0874	881,409	0.0287	24,436	.28	4,887	19,549
7880	0.0840	211,883	0.0168	4,880	.18	888	3,992
7704	0.0718	4,788,831	0.0158	88,278	.18	12,478	75,800
7720	0.0898	7,026,602	0.0128	88,088	.28	18,014	69,074
4880	0.0888	887,370	0.0141	5,470	.18	1,088	4,382
8382	0.0823	884,283	0.0122	7,804	.22	1,728	6,076
8410	0.0054	5,488,280	0.0014	7,888	.20	1,540	6,348
8420	0.0042	914,887	0.0010	415	.30	88	327
8010	0.0778	883,886	0.0181	7,885	.20	1,571	6,314
9102	0.0876	1,743,701	0.0188	32,433	.20	6,487	25,946
9410	0.0823	1,825,888	0.0152	27,755	.28	5,551	22,204
10/01/2008	08/30/2007	24,433,888		288,446		58,134	230,312

EXPERIENCE MODIFICATION			
PRIMARY	TOTAL	ELIGIBLE FOR RATING**	
ACTUAL LOSS	EMERGENCY LOSS	TOTAL PREMIUMS	
IE	D VALUE	AVERAGE PREMIUMS	
EXCESS	TOTAL B		
EXCESS			
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		PUNCD	ACCOUNT	EMPLOYER NO.
10/01/2006		KEY WEST, CITY OF		888	09800	010844
ACTUAL LOSSES		PROBATION DATE		08/06/2006		PAGE 1
ANNUAL RATE	CASE NUMBER	TOTAL CASES	ACTUAL LOSSES	PRIMARY	ACTUAL EXCESS	
07/10/2007	237 12 6964 FINAL		49,136	5,000	38,136	
08/13/2007	252 75 8214 OPEN		19,584	5,000	8,584	
12/18/2006	251 34 3035 OPEN		162,527	5,000	162,527	
09/13/2007	286 59 3775 OPEN		7,501	5,000	2,501	
12/31/2006	282 73 3214 OPEN		30,000	5,000	25,000	
02/01/2007	418 92 0482 OPEN		75,251	5,000	71,251	
05/18/2007	381 78 7984 OPEN		20,482	5,000	15,482	
10/04/2006	126 78 6485 OPEN		62,135	5,000	47,135	
10/05/2006	204 11 8833 OPEN		47,382	5,000	42,382	
05/18/2007	287 11 7645 OPEN		69,869	5,000	64,869	
04/12/2007	288 70 4221 OPEN		29,237	5,000	21,237	
04/10/2007	288 95 8225 OPEN		15,000	5,000	10,000	
05/01/2007	257 11 7845 OPEN		43,151	5,000	38,151	
	EXCESS CASES .....	39	1,073,412	120,000	953,412	
	NON-EXCESS CASES .....	107	44,417	44,417	0	
	10/01/2006 - 09/30/2007	131	1,117,829	164,417	953,412	
	EMPLOYER TOTALS .....	344	2,927,140	473,025	2,454,085	

TOTAL LOSSES							
EMPLOYER	ANNUAL RATE	PAYROLL	ELI DATE	EXPERIENCED LOSSES	RATD	PRIMARY	EXPERIENCED EXCESS
EMPLOYER TOTALS...		88,822,078		835,270		162,186	671,182

EXPERIENCE MODIFICATION					
PRIMARY	TOTAL LOSS	TOTAL EXPERIENCED LOSS	TOTAL B VALUE	TOTAL B	INE. GIB. E FOR RATING**
473,025	2,454,085	835,270	102,200	835,270	4,201,281
162,186	953,412	835,270	102,200	835,270	1,890,427
TOTAL A	1,995,245			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.