

RESOLUTION NO. 13-232

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

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

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

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

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

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

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

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

Filed with the Clerk September 18, 2013.

  
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CRAIG CATES, MAYOR


ATTEST:

  
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CHERYL SMITH, CITY CLERK



## CITY MANAGER'S OFFICE MEMORANDUM

**To:** Bob Vitas, City Manager

**From:** Mark Z. Finigan, Assistant City Manager 

**Date:** September 9, 2013

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

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### **ACTION STATEMENT:**

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

### **BACKGROUND:**

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

### **2009-2013 Services Provided by EMI**

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

**FINANCIAL IMPACT:**

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

**RECOMMENDATION:**

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

RESOLUTION NO. 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 Cattleridge Drive  
Suite 103  
Sarasota, FL 34232

2. Cannon Cochran 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**

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

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

FOR

**THIRD PARTY CLAIMS ADMINISTRATION**

**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

RFP #09-011

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

Submitted proposal for administering only Workers' Compensation Claims. Proposal deemed to be Non-Responsive. In addition, proposal did not provide information regarding adjusters that would be assigned to the City's account. Nor were examples of loss runs provided.



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

Gallagher Bassett										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med. Only	Total
Average Annual Claim Count	3	7	30	1	11	3	1	40	61	157
Claim Fee	\$ 1,066	\$ 555	\$ 452	\$ 1,164	\$ 1,066	\$ 555	\$ 1,164	\$ 1,232	\$ 170	
Estimated Annual Claim Fees	\$ 3,198	\$ 3,885	\$ 13,560	\$ 1,164	\$ 11,726	\$ 1,665	\$ 1,164	\$ 49,280	\$ 10,370	\$ 96,012
Loss Run Reports										
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 (CCMSI)										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	7	30	1	11	8	1	40	61	157
Claim Fee	\$ 835	\$ 418	\$ 418	\$ 975	\$ 835	\$ 418	\$ 975	\$ 1,250	\$ 150	
Estimated Annual Claim Fees	\$ 2,505	\$ 2,926	\$ 12,540	\$ 975	\$ 9,185	\$ 1,254	\$ 975	\$ 50,000	\$ 9,150	\$ 89,510
Loss Run Reports										
On Line Access										
Program Administration										
Loss Control Services										
Banking Fees										
Claim Reporting										
Set Up Fee										
Claim Assumption Fee										
Bill Reduction Fee (Average of 1,694 bills processed annually)										
Total										
										\$ 241,911

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

**Comments**

1. While proposal indicated that Loss Control Services would be provided, CCMSI did not indicate what fee would be charged.
2. Proposed a fee of \$81 per month until closure for all Public Officials and Police Professional claims that they assume. Annual estimate based on claims being open for 12 months
3. Proposed a fee of \$150 per month until closure for all 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	\$ 795	\$ 495	\$ 495	\$ 1,295	\$ 795	\$ 495	\$ 1,295	\$ 950	\$ 195	
Estimated Annual Claim Fees	\$ 2,385	\$ 3,465	\$ 14,850	\$ 1,295	\$ 8,745	\$ 1,485	\$ 1,295	\$ 38,000	\$ 11,895	\$ 83,415
Loss Run Reports										
On Line Access										
Program Administration										
Loss Control Services (Billed at \$125 per hour and assumed 16 hours of service)										
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  
 1. Proposed a bill reduction fee of \$8.25 per bill

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

Alternative Service Concepts										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	7	30	1	11	3	1	40	61	157
Claim Fee	\$ 575	\$ 450	\$ 450	\$ 575	\$ 575	\$ 450	\$ 575	\$ 950	\$ 140	
Estimated Annual Claim Fees	\$ 1,725	\$ 3,150	\$ 13,500	\$ 575	\$ 6,325	\$ 1,350	\$ 575	\$ 38,000	\$ 8,540	\$ 73,740
Loss Run Reports										
On Line Access										
Program Administration										
Loss Control Services										
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										

Projected Claim Assumption Fee										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3		18	4	17	1	2	58	14	119
Claim Fee										
Estimated Annual Claim Fees										

DUPLICATE



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

Corvel										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	7	30	1	11	3	1	40	61	157
Claim Fee										
Estimated Annual Claim Fees										
Loss Run Reports										
On Line Access										
Program Administration										
Loss Control Services										
Banking Fees										
Claim Reporting										
Set Up Fee										
Claim Assumption										
Bill Reduction										
Total										

Projecte										
	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**

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										
										\$ 25,020
										\$ 7,115
										\$ 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
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.										
Average Annual Claim Count										
Claim Fee										
Estimated Annual Claim Fees										

Comments

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

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

Johns Eastern										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	7	30	1	11	3	1	40	61	157
Claim Fee	\$ 695	\$ 450	\$ 450	\$ 850	\$ 695	\$ 450	\$ 850	\$ 1,125	\$ 149	
Estimated Annual Claim Fees	\$ 2,085	\$ 3,150	\$ 13,500	\$ 850	\$ 7,645	\$ 1,350	\$ 850	\$ 45,000	\$ 9,089	\$ 83,519
Loss Run Reports										
On Line Access										
Data Conversion										
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										
										\$ 7,500
										\$ 48,575
										\$ 10,079
										\$ 160,673

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

Comments

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

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

Employers Mutual										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	7	30	1	11	3	1	40	61	157
Claim Fee	\$ 650	\$ 650	\$ 650	\$ 700	\$ 700	\$ 700	\$ 700	\$ 950	\$ 150	
Estimated Annual Claim Fees	\$ 1,950	\$ 4,550	\$ 19,500	\$ 700	\$ 7,700	\$ 2,100	\$ 700	\$ 38,000	\$ 9,150	\$ 84,350
Loss Run Reports										
On Line Access										
Data Conversion										
Program Administration										
Loss Control Services										
Banking Fees										
Claim Reporting										
Set Up Fee										
Claim Assumption Fee										
Bill Reduction Fee (Average of 1,694 bills processed annually)										
Total										
										\$ 46,600
										\$ 9,317
										\$ 140,267

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

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



# INTEROFFICE MEMORANDUM

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

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

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

# INTEROFFICE MEMORANDUM

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

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

CS/amb

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



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

**Proposal Return Date  
August 25, 2009**

## I. BACKGROUND INFORMATION

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

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

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

<http://www.keywestcity.com>

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

**GENERAL INFORMATION AND COVERAGES REQUESTED**

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

- Third Party Claims Administration

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

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

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

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

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

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

## CURRENT PROGRAM

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

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

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

## DESIRED PROGRAM

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

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

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

## **RATING DATA**

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

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

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

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

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

## **EFFECTIVE DATE OF AGREEMENT**

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

## **REQUEST FOR PROPOSALS SCHEDULE**

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

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

## **SUBMISSION OF PROPOSALS**

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

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

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

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

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

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

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

**PROPOSAL RETURN ADDRESS**

Proposals should be returned to:

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

**VALID DATE OF PROPOSALS**

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

**RIGHT TO REJECT PROPOSALS**

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

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



## **ADHERENCE TO INFORMATION AND PROPOSAL**

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

## **ADMINISTRATOR'S QUALIFICATIONS**

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

## **AUTHORITY OF PROPOSER**

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

## **ADDITIONAL INFORMATION/INSPECTION**

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

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

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

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

## **SAMPLE POLICIES AND CONTRACTS**

All proposals must contain a sample contract for review.

## **RATE CHANGE**

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

#### **TERMINATION/NON-RENEWAL NOTICE**

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

#### **CLAIM REPORTS**

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

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

#### **COORDINATION WITH EXCESS INSURER**

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

#### **SUBROGATION AND SECOND DISABILITY FUND RECOVERIES**

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

#### **USE OF PROPOSAL FORMS**

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

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

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

**GENERAL**

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

**Allocated and Unallocated Fees**

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

**Insurance Requirements**

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

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

**PROPOSAL FORMS**

**GENERAL INFORMATION**

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

Name of Third Party Administrator? \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone Number: \_\_\_\_\_

Are the following services included within the price?  
Quoted?

Initial contact with claimant within 24 hours? Yes \_\_\_\_\_ No \_\_\_\_\_

Recorded statements of the claimant? Yes \_\_\_\_\_ No \_\_\_\_\_

Contact with the treating physician within 24 hours? Yes \_\_\_\_\_ No \_\_\_\_\_

Narrative summaries on major claims? Yes \_\_\_\_\_ No \_\_\_\_\_

Medical bills reduced to State fee schedule? Yes \_\_\_\_\_ No \_\_\_\_\_

Subrogation and Second Injury Fund activities? Yes \_\_\_\_\_ No \_\_\_\_\_

Preparation of all State mandated reports? Yes \_\_\_\_\_ No \_\_\_\_\_

Notification of all potential excess claims to insurer?

Yes \_\_\_\_\_ No \_\_\_\_\_

Quarterly meetings with the City?

Yes \_\_\_\_\_ No \_\_\_\_\_

Provide monthly loss reports to the City?

Yes \_\_\_\_\_ No \_\_\_\_\_

If any of the above responses are no, please explain

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Are Curriculum Vitae's of adjusters attached?

Yes \_\_\_\_\_ No \_\_\_\_\_

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

\_\_\_\_\_

Are services being proposed on:

a Life of Contract Basis?

Yes \_\_\_\_\_ No \_\_\_\_\_

Cradle to Grave Basis?

Yes \_\_\_\_\_ No \_\_\_\_\_

Other Basis?

Yes \_\_\_\_\_ No \_\_\_\_\_

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Will the proposer charge any initial or maintenance fees?

Yes \_\_\_\_\_ No \_\_\_\_\_

If so, please explain

\_\_\_\_\_  
\_\_\_\_\_

Please explain required banking arrangements

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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

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Will a minimum fee apply to the contract?

Yes \_\_\_\_\_ No \_\_\_\_\_

If so, please specify

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Are there any exceptions to the specifications?

Yes \_\_\_\_\_ No \_\_\_\_\_

If so, please specify

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

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

# **PROJECTED PAYROLLS**



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

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

**EXPERIENCE MODIFICATION  
WORK SHEETS**

STATE OF FLORIDA  
DEPARTMENT OF FINANCIAL SERVICES  
DIVISION OF WORKERS COMPENSATION

SELF INSURER EXPERIENCE RATING

STARTING DATE	EMPLOYER NAME	FUND	ACCOUNT	EMPLOYER NO.	
10/01/2008	KEY WEST, CITY OF	993	08500	010444	
ACTUAL LOSSES	PROMULGATION DATE	08/05/2008			PAGE 1
ACCIDENT DATE	CASE NUMBER	TOTAL LOSS	ACTUAL LOSSES	PRIMARY	ACTUAL EXCESS
09/30/2008	261 55 1855 FINAL		48,786	5,000	41,786
11/10/2008	117 42 7838 FINAL		10,256	5,000	5,256
09/02/2008	558 48 5834 FINAL		16,428	5,000	11,428
06/13/2008	263 85 4432 FINAL		5,254	5,000	254
05/31/2008	218 68 8894 FINAL		6,708	5,000	1,708
06/18/2008	267 87 7436 FINAL		9,310	5,000	4,310
01/12/2008	156 56 8842 FINAL		12,738	5,000	7,738
02/07/2008	320 72 8546 FINAL		18,018	5,000	13,018
07/25/2005	588 41 8836 FINAL		15,368	5,000	10,368
01/31/2008	668 85 7971 OPEN		20,000	5,000	15,000
12/28/2004	041 32 4181 FINAL		78,848	5,000	71,848
09/02/2008	266 70 7118 FINAL		13,048	5,000	8,048
07/11/2008	261 71 8879 FINAL		35,120	5,000	30,120
08/18/2008	263 65 2895 OPEN		206,370	5,000	177,890
	EXCESS CASES .....	14	483,331	70,000	393,331
	NON-EXCESS CASES .....	81	36,048	26,048	0
	10/01/2004 - 09/30/2008	95	488,350	100,048	388,331
09/30/2008	266 38 8080 FINAL		18,768	5,000	11,768
05/02/2008	583 62 8143 FINAL		18,728	5,000	14,728
08/18/2008	217 44 0288 OPEN		53,288	5,000	48,288
04/25/2008	257 48 2823 FINAL		7,592	5,000	2,592
LOSS EXCEEDS STATE ACCIDENT LIMITATION OF \$ 100,000. PRIMARY VALUE BASED ON ACTUAL LOSS, ACTUAL EXCESS BASED ON LIMITED LOSS, LIMIT LOSS USED IN TOTALS					

LOSS	RATE	PAYROLL	RATE	EMPLOYER LOSSES	RATIO	PRIMARY	EXCESS
8888	0.1184	64,828	0.0916	2,052	.18	369	1,683
8886	0.0974	494,588	0.0188	7,301	.20	1,400	5,901
7382	0.1182	515,800	0.0287	14,884	.20	2,967	11,917
7580	0.0470	247,890	0.0148	3,615	.18	681	2,934
7880	0.1270	43,409	0.0280	1,085	.20	217	868
7704	0.1118	4,203,024	0.0158	66,828	.18	12,028	54,800
7720	0.0641	8,772,871	0.0126	79,894	.20	14,779	59,115
8980	0.0717	812,370	0.0141	4,404	.18	837	3,567
3382	0.0488	388,766	0.0188	5,277	.22	1,101	4,176
8810	0.0082	4,748,555	0.0014	8,845	.20	1,328	5,318
8820	0.0053	282,838	0.0010	289	.20	57	232
8015	0.1007	845,148	0.0181	8,247	.20	1,348	4,900
8102	0.1037	1,647,778	0.0188	28,788	.20	5,756	23,032
8410	0.1381	1,893,548	0.0152	21,182	.20	4,288	16,894
10/01/2004 - 09/30/2008		20,309,498		242,437		47,099	195,338
5508	0.1151	188,338	0.0318	5,851	.18	1,071	4,780
8217	0.1273	51,307	0.0278	1,415	.18	255	1,160
8898	0.0802	518,819	0.0188	8,625	.20	1,725	6,900
7382	0.1147	937,778	0.0287	28,014	.20	5,383	21,631
7580	0.0477	286,712	0.0148	4,882	.18	780	3,552
7580	0.1046		0.0280	0	.20	0	0
7704	0.0880	4,506,108	0.0158	71,647	.18	12,828	58,819
7720	0.0601	7,128,877	0.0126	81,247	.20	18,288	72,959

EXPERIENCE MODIFICATION			
PRIMARY LOSS	TOTAL EXPERIENCE LOSS	INELIGIBLE FOR RATING**	
VALUE	B VALUE	TOTAL PREMIUMS	EXPERIENCE PREMIUMS
EXCESS	TOTAL B		
EXPECTED			
EXPENSE			
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	KEY WEST, CITY OF	EMPLOYER NAME	FUND	ACCOUNT	EMPLOYEE NO.
10/01/2005			999	09300	040444
ACTUAL LOSSES	PRECALCULATION DATE	TOTAL CASES	ACTUAL LOSSES	PRIMARY	ACTUAL EXCESS
ADJUSTED DATE	CASE NUMBER				
06/11/2006	2 580 04 0093	FINAL	8,211	5,000	3,211
06/09/2006	2 516 08 6769	FINAL	5,823	5,000	823
12/28/2005	2 373 56 5043	FINAL	4,656	5,000	3,656
03/10/2006	2 339 72 8546	OPEN	87,095	5,000	92,095
12/02/2005	2 287 17 0078	OPEN	82,500	5,000	47,600
05/24/2006	2 594 38 0795	OPEN	11,888	5,000	6,888
06/03/2006	2 515 58 8822	FINAL	35,780	5,000	31,780
10/18/2005	2 322 98 4244	FINAL	74,787	5,000	69,787
08/28/2006	2 583 76 8990	FINAL	28,302	5,000	23,302
10/21/2005	2 102 54 5091	FINAL	5,804	5,000	804
03/31/2006	2 102 58 5091	FINAL	5,804	5,000	804
01/20/2006	2 299 88 0853	FINAL	5,884	5,000	884
01/23/2006	2 011 80 4151	OPEN	150,788	5,000	145,788
05/24/2006	2 002 48 9336	OPEN	78,087	5,000	73,087
04/00/2006	2 588 22 4817	OPEN	47,000	5,000	42,000
02/01/2006	2 002 48 9336	OPEN	31,549	5,000	26,549
05/10/2006	2 283 55 0745	OPEN	17,824	5,000	12,824
04/13/2006	2 284 11 7181	OPEN	53,701	5,000	48,701
01/23/2006	2 212 52 4165	FINAL	24,657	5,000	19,657
07/12/2006	2 480 04 8321	FINAL	7,244	5,000	2,244
07/01/2006	2 112 80 3432	FINAL	11,187	5,000	6,187
04/28/2006	2 595 05 5843	FINAL	48,259	5,000	43,259

LOSS	MANUAL RATE	PAYROL.	EL. RATE	REPORTED LOSSES	R. RATIO	PRIMARY	EXPERIEN. EXCESS
8350	0.0873	409,199	0.0141	5,758	.18	1,084	4,674
8892	0.0795	588,349	0.0133	7,855	.13	1,883	5,972
8810	0.0844	8,408,249	0.0014	7,597	.20	1,513	6,084
8820	0.0849	289,349	0.0010	289	.20	88	201
9016	0.0868	341,617	0.0151	5,183	.28	1,237	4,946
9102	0.0876	1,843,777	0.0186	50,574	.20	8,115	24,459
9410	0.1189	1,800,511	0.0152	24,828	.20	4,885	19,943
10/01/2005	08/30/2005	29,878,282		292,887		58,905	235,982
5508	0.1127	242,687	0.0915	7,761	.18	1,386	6,375
8217	0.1112	82,144	0.0278	7,439	.18	258	7,181
5838	0.0841	881,288	0.0168	11,446	.20	2,289	9,157
7382	0.0874	881,408	0.0287	24,436	.20	4,887	19,549
7560	0.0449	311,662	0.0148	4,850	.18	818	3,932
7704	0.0728	4,350,871	0.0138	68,278	.18	12,470	55,808
7720	0.0808	7,036,602	0.0128	90,069	.20	18,014	72,055
8980	0.0588	387,370	0.0141	5,470	.18	1,038	4,432
8392	0.0823	594,263	0.0172	7,804	.22	1,739	6,065
8810	0.0858	5,488,380	0.0014	7,898	.20	1,540	6,358
8820	0.0842	414,967	0.0010	415	.20	83	332
8016	0.0770	683,884	0.0181	7,855	.20	1,571	6,284
9102	0.0878	1,743,701	0.0188	32,433	.20	6,487	25,946
9410	0.0823	1,825,908	0.0152	27,755	.20	5,551	22,204
10/01/2005	08/30/2005	24,833,886		286,440		58,134	240,306

EXPERIENCE MODIFICATION			
PRIMARY	TOTAL	INELIGIBLE FOR RATING**	
ADJUST. LINE	EXCLUDED LINE		
LE	B MAJIC	TOTAL PREMIUMS	
EXPERIEN. EXCESS	TOTAL B	AVERAGE PREMIUMS	
EXPERIEN. EXCESS			
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	FLND	ACCOUNT	EMPLOYER NO.	
10/01/2008	KEY NEST, CITY OF	999	09300	010444	
ACTUAL LOSSES	PROMULGATION DATE	08/08/2008		PAGE 3	
ACCT/EMI DATE	CASE NJ/DCP	TOTAL CASES	ACTUAL LOSSES	PRIMARY	ACTUAL EXCESS
01/26/2008 2	264 27 5336 OPEN		34,795	5,000	29,795
03/18/2008 2	593 14 0389 FINAL		5,843	5,000	843
01/18/2008 2	592 07 5827 OPEN		154,275	5,000	149,275
11/25/2008 2	254 77 4352 FINAL		45,660	5,000	40,660
11/12/2008 2	257 78 0343 OPEN		32,284	5,000	27,284
05/25/2008 2	251 58 1455 OPEN		10,483	5,000	5,483
02/28/2008 2	034 44 8171 OPEN		118,324	5,000	113,324
	EXCESS CASES .....	29	1,272,312	185,000	1,107,312
	NON-EXCESS CASES .....	85	58,818	38,818	0
	10/01/2005 - 09/30/2008	116	1,310,631	200,618	1,107,312
03/02/2007 1	117 42 7388 FINAL		27,403	5,000	22,403
12/18/2008 1	568 13 4516 OPEN		79,836	5,000	74,836
12/12/2008 1	284 11 8783 FINAL		9,045	5,000	4,045
12/14/2008 1	288 85 7899 OPEN		28,820	5,000	23,820
05/08/2007 1	282 82 8985 OPEN		156,121	5,000	151,121
12/12/2008 1	839 17 4282 OPEN		92,822	5,000	87,822
03/01/2007 1	264 87 1020 OPEN		42,438	5,000	37,438
11/22/2008 1	286 38 4359 OPEN		14,486	5,000	9,486
07/03/2007 1	003 04 7355 FINAL		6,875	5,000	1,875
01/30/2007 1	403 17 8080 FINAL		5,544	5,000	544
01/17/2007 1	518 98 8822 FINAL		7,075	5,000	2,075

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

EXPERIENCE MODIFICATION		TOTAL EXPECTED LOSS		ELIGIBLE FOR RATING**	
PRIMARY				TOTAL PREMIUMS	
ACTUAL LOSS		B VALUE		MINIMUM PREMIUMS	
SLUE		TOTAL B			
ACTUAL EXCESS					
EXPECTED EXCESS					
TOTAL A					

TOTAL "A" DIVIDED BY "TOTAL "B"

STATE OF FLORIDA  
DEPARTMENT OF FINANCIAL SERVICES  
DIVISION OF WORKERS COMPENSATION

SELF INSURER EXPERIENCE RATING

EFFEKTIVE DATE	EMPLOYER NAME	FUND	ACCOUNT	EMPLOYER NO.	
10/01/2006	KEY WEST, CITY OF	BBB	BBB00	010000	
ACTUAL LOSSES	PROMULGATION DATE	08/05/2006		RATE	
ADJUSTED DATE	CASE NUMBER	TOTAL CASES	ACTUAL LOSSES	PRIMARY	ACTUAL EXCESS
07/10/2007	1 237 12 6954 FINAL		43,156	5,000	38,156
08/12/2007	1 282 75 3214 OPEN		13,581	5,000	8,581
12/18/2006	1 581 34 3085 OPEN		181,527	5,000	176,527
09/13/2007	1 286 59 3775 OPEN		7,501	5,000	2,501
12/31/2006	1 282 75 3214 OPEN		30,000	5,000	25,000
03/01/2007	1 416 06 0482 OPEN		76,231	5,000	71,231
05/18/2007	1 381 70 7984 OPEN		20,482	5,000	15,482
10/08/2006	1 126 78 6495 OPEN		62,136	5,000	57,136
10/05/2006	1 254 11 0833 OPEN		47,382	5,000	42,382
08/18/2007	1 287 81 7645 OPEN		59,889	5,000	54,889
04/12/2007	1 288 70 4221 OPEN		25,237	5,000	20,237
04/18/2007	1 288 26 8325 OPEN		15,000	5,000	10,000
08/01/2007	1 287 81 7845 OPEN		43,151	5,000	38,151
	1 EXCESS CASES .....	29	1,073,412	120,000	953,412
	1 NON-EXCESS CASES .....	107	44,417		0
	1 10/01/2006 - 09/30/2007	121	1,117,829	164,417	953,412
	EMPLOYER TOTALS .....	344	2,927,140	473,045	2,454,095

CLASS	MEMBER NO.	PERIOD	EFFECTIVE DATE	EXPECTED LOSSES	RATIO	PRIMARY	EXPECTED EXCESS
EMPLOYER	TOTALS...	08/02/07		893,270		162,186	671,192

EXPERIENCE MODIFICATION		PRIMARY	TOTAL EXPECTED LOSS	INELIGIBLE FOR RATING**
PRIMARY ACTUAL LOSS	473,045		893,270	
VALUE	102,200	B VALUE	102,200	TOTAL PREMIUMS AVERAGE PREMIUMS 4,231,281
NON-EXCESS	1,036,783	TOTAL B	893,470	
EXPECTED EXCESS	288,237			
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.

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

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

RESOLUTION NO. 12-140

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

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

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

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

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

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

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

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

Filed with the Clerk May 2, 2012.

  
CRAIG CATES, MAYOR

ATTEST:

  
CHERYL SMITH, CITY CLERK



## CITY MANAGER'S OFFICE MEMORANDUM

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

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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.

---

### ACTION STATEMENT:

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

### BACKGROUND:

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

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

### RECOMMENDATION:

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

## AGREEMENT FOR ADMINISTRATIVE SERVICES

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

### WITNESSETH

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

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

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

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

### I. SERVICES

#### A. CLAIMS ADMINISTRATION SERVICES

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

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

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

## II. RESPONSIBILITIES OF THE CLIENT

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

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

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

### III. ADMINISTRATOR'S RESPONSIBILITY

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

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

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

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

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

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

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

Employer's Liability - \$500,000

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

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

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

#### IV. DEFAULT AND TERMINATION

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

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

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

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

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

#### **V. ADMINISTRATOR FEES AND AGREEMENT PERIOD**

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

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

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

#### **VI. OWNERSHIP AND RETENTION OF CLAIM FILES**

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



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

#### VII. NOTICE

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

##### ADMINISTRATOR

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

##### CLIENT

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

#### VIII. NON-ASSIGNMENT

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

#### IX. NON TRANSFER OF POWERS

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

#### X. ENFORCEMENT

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

#### XI. SEVERABILITY

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

#### XII. NON-WAIVER

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

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

### **XIII. ENTIRE AGREEMENT**

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

### **XIV. THIRD PARTY BENEFICIARIES**

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

### **XV. INDEMNIFICATION**

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

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

CLIENT

J. K. Scholl  
Authorized Signature

J. K. SCHOLL  
Typed or Printed Name

CITY MANAGER  
Title

26 MAR 2010  
Date

[Signature]  
Witness Signature

EMPLOYERS MUTUAL, INC.

[Signature]  
Authorized Signature

Kevin Cothron  
Typed or Printed Name

COO / Executive Vice President  
Title

3-24-10  
Date

[Signature]  
Witness Signature

RESOLUTION NO. 09-246

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

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

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

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

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

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

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

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

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

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

Filed with the Clerk September 16th, 2009.

  
MORGAN MCPHERSON, MAYOR


ATTEST:

  
CHERYL SMITH, CITY CLERK



## CITY MANAGER'S OFFICE MEMORANDUM

TO: Jim Scholl, City Manager

FROM: Mark Z. Finigan, Assistant City Manager 

DATE: September 10, 2009

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

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### **ACTION STATEMENT:**

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

### **BACKGROUND:**

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

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

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

2. Cannon Cochran 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

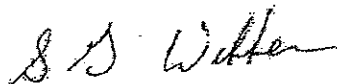
It is also believed that City could receive comparable or improved services being provided by Gallagher Bassett for a lower projected annual cost and therefore it is also being recommended that Arthur J. Gallagher be eliminated from further consideration.

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	\$13,361	\$241,911	\$18,196
Comments				

CITY OF KEY WEST, FLORIDA  
EVALUATION OF PROPOSALS

FOR  
THIRD PARTY CLAIMS ADMINISTRATION

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

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.





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

Gallagher Bassett										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med. Only	Total
Average Annual Claim Count	3	7	30	1	11	3	1	40	51	157
Claim Fee	\$ 1,066	\$ 355	\$ 452	\$ 1,164	\$ 1,066	\$ 588	\$ 1,164	\$ 1,232	\$ 170	
Estimated Annual Claim Fees	\$ 3,198	\$ 3,885	\$ 13,560	\$ 1,164	\$ 11,726	\$ 1,665	\$ 1,164	\$ 49,280	\$ 10,370	\$ 96,012
Loss Run Reports										
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										
										\$ 181,381

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 (CCMSI)										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	7	30	1	11	3	1	40	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										
										\$ 5,000
Loss Control Services										
										\$ -
Banking Fees										
										\$ -
Claim Reporting										
										\$ -
Set Up Fee										
										\$ 7,500
Claim Assumption Fee										
										\$ 122,961
Bill Reduction Fee (Average of 1,694 bills processed annually)										
										\$ 16,940
Total										
										\$ 241,911

Projected Claim Assumption Fee										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	2	18	4	17	11	2	59	14	119
Claim Fee	\$ 417	\$ 209	\$ 209	\$ 972	\$ 417	\$ 209	\$ 972	\$ 1,500	\$ -	
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	\$ 88,416
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	\$ 685	\$ 395	\$ 395	\$ 1,295	\$ 595	\$ 395	\$ 1,295	\$ 795	\$ 195	
Estimated Annual Claim Fees	\$ 1,785	\$ 790	\$ 7,110	\$ 5,180	\$ 10,115	\$ 395	\$ 2,590	\$ 46,110	\$ 2,790	\$ 76,805

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

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

Alternative Service Concepts										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	7	30	1	11	3	1	40	61	157
Claim Fee	\$ 575	\$ 450	\$ 450	\$ 575	\$ 575	\$ 450	\$ 575	\$ 950	\$ 140	
Estimated Annual Claim Fees	\$ 1,725	\$ 3,150	\$ 13,500	\$ 575	\$ 6,325	\$ 1,350	\$ 575	\$ 38,000	\$ 8,540	\$ 73,740
Loss Run Reports										
On Line Access										
Program Administration										
Loss Control Services										
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	31	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	\$ 8,150	\$ 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										
										\$ 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										

Projected Claim Assumption Fee										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	18	4	17	1	2	58	14	119	
Claim Fee										
Estimated Annual Claim Fees										

DRAFT - FOR REVIEW ONLY





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

Conver										
	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	14	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										
Totals										
Police Claim Assumption Fee										
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										

DUPLICATE PREPARED

**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	\$ 155	
Estimated Annual Claim Fees	\$ 1,350	\$ 1,750	\$ 7,500	\$ 650	\$ 4,950	\$ 750	\$ 650	\$ 26,000	\$ 10,055	\$ 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)										\$ 25,020
Total										\$ 7,115
										\$ 115,800

Projected Claim Assumption Fee						
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD
Average Annual Claim Count						
Claim Fee						
Estimated Annual Claim Fees						

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

**Comments**

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

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

Johns 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	\$ 9,089
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										
										\$ 150,676

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	1	3	1	40	61	157
Claim Fee	\$ 650	\$ 650	\$ 650	\$ 700	\$ 700	\$ 700	\$ 700	\$ 950	\$ 150	
Estimated Annual Claim Fees	\$ 1,950	\$ 4,550	\$ 19,500	\$ 700	\$ 7,700	\$ 2,100	\$ 700	\$ 38,000	\$ 9,150	\$ 84,350
Loss Run Reports										
On Line Access										\$ -
Data Conversion										\$ -
Program Administration										\$ -
Loss Control Services										\$ -
Banking Fees										\$ -
Claim Reporting										\$ -
Set Up Fee										\$ -
Claim Assumption Fee										\$ 46,600
Bill Reduction Fee (Average of 1,694 bills processed annually)										\$ 9,817
Total										\$ 140,267

Projected Claim Assumption Fee										
	Auto BI	Auto PD	Auto Phys Damage	Errors & Omissions	Gen. Liab. BI	Gen. Liab. PD	Police Prof.	W/C Lost Time	W/C Med Only	Total
Average Annual Claim Count	3	2	18	4	17	1	2	58	14	118
Claim Fee	\$ 350	\$ 350	\$ 350	\$ 400	\$ 400	\$ 400	\$ 400	\$ 475	\$ 100	
Estimated Annual Claim Fees	\$ 1,050	\$ 700	\$ 6,300	\$ 1,600	\$ 6,800	\$ 400	\$ 800	\$ 27,550	\$ 1,400	\$ 46,600

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

# INTEROFFICE MEMORANDUM

To: Sandy Barroso, Risk Manager

CC: Mark Finigan, Assistant City Manager  
Sue Snider, Purchasing

From: Cheri Smith, City Clerk

Date: August 25, 2009

Subject: **THIRD PARTY CLAIM ADMINISTRATION**  
**RFP 09-011**

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

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

# INTEROFFICE MEMORANDUM

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

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

CS/amb

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



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

**Proposal Return Date  
August 25, 2009**



## I. BACKGROUND INFORMATION

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

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

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

<http://www.keywestcity.com>

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

**GENERAL INFORMATION AND COVERAGES REQUESTED**

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

- Third Party Claims Administration

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

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

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

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

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

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

**CURRENT PROGRAM**

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

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

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

**DESIRED PROGRAM**

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

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

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

## **RATING DATA**

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

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

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

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

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

## **EFFECTIVE DATE OF AGREEMENT**

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

## **REQUEST FOR PROPOSALS SCHEDULE**

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

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

## **SUBMISSION OF PROPOSALS**

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

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

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

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

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

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

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

**PROPOSAL RETURN ADDRESS**

Proposals should be returned to:

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

**VALID DATE OF PROPOSALS**

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

**RIGHT TO REJECT PROPOSALS**

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

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

## **ADHERENCE TO INFORMATION AND PROPOSAL**

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

## **ADMINISTRATOR'S QUALIFICATIONS**

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

## **AUTHORITY OF PROPOSER**

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

## **ADDITIONAL INFORMATION/INSPECTION**

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

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

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

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

## **SAMPLE POLICIES AND CONTRACTS**

All proposals must contain a sample contract for review.

## **RATE CHANGE**

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

#### **TERMINATION/NON-RENEWAL NOTICE**

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

#### **CLAIM REPORTS**

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

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

#### **COORDINATION WITH EXCESS INSURER**

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

#### **SUBROGATION AND SECOND DISABILITY FUND RECOVERIES**

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

#### **USE OF PROPOSAL FORMS**

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

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

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

**GENERAL**

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

**Allocated and Unallocated Fees**

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

**Insurance Requirements**

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



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

**PROPOSAL FORMS**

**GENERAL INFORMATION**

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

Name of Third Party Administrator? \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone Number: \_\_\_\_\_

Are the following services included within the price?  
Quoted?

Initial contact with claimant within 24 hours?      Yes \_\_\_\_\_      No \_\_\_\_\_

Recorded statements of the claimant?      Yes \_\_\_\_\_      No \_\_\_\_\_

Contact with the treating physician within 24 hours?      Yes \_\_\_\_\_      No \_\_\_\_\_

Narrative summaries on major claims?      Yes \_\_\_\_\_      No \_\_\_\_\_

Medical bills reduced to State fee schedule?      Yes \_\_\_\_\_      No \_\_\_\_\_

Subrogation and Second Injury Fund activities?      Yes \_\_\_\_\_      No \_\_\_\_\_

Preparation of all State mandated reports?      Yes \_\_\_\_\_      No \_\_\_\_\_

Notification of all potential excess claims to insurer?

Yes \_\_\_\_\_ No \_\_\_\_\_

Quarterly meetings with the City?

Yes \_\_\_\_\_ No \_\_\_\_\_

Provide monthly loss reports to the City?

Yes \_\_\_\_\_ No \_\_\_\_\_

If any of the above responses are no, please explain

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Are Curriculum Vitae's of adjusters attached?

Yes \_\_\_\_\_ No \_\_\_\_\_

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

\_\_\_\_\_

Are services being proposed on:

a Life of Contract Basis?

Yes \_\_\_\_\_ No \_\_\_\_\_

Cradle to Grave Basis?

Yes \_\_\_\_\_ No \_\_\_\_\_

Other Basis?

Yes \_\_\_\_\_ No \_\_\_\_\_

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Will the proposer charge any initial or maintenance fees?

Yes \_\_\_\_\_ No \_\_\_\_\_

If so, please explain

\_\_\_\_\_  
\_\_\_\_\_

Please explain required banking arrangements

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

Yes \_\_\_\_\_ No \_\_\_\_\_

**Quoted Price:**

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

Is an alternative pricing structure proposed?

Yes \_\_\_\_\_ No \_\_\_\_\_

If so, please specify

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Will a minimum fee apply to the contract?

Yes \_\_\_\_\_ No \_\_\_\_\_

If so, please specify

\_\_\_\_\_

Are there any exceptions to the specifications?

Yes \_\_\_\_\_ No \_\_\_\_\_

If so, please specify

\_\_\_\_\_  
\_\_\_\_\_

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

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

# **PROJECTED PAYROLLS**

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

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

**EXPERIENCE MODIFICATION  
WORK SHEETS**

STATE OF IOWA  
DEPARTMENT OF FINANCIAL SERVICES  
DIVISION OF WORKERS COMPENSATION

SELF EMPLOYED EXPERIENCE RATING

FILING DATE	EMPLOYER NAME	PLWD	ACCOUNT	EMPLOYER ID	
10/01/2004	KEY WEST, CITY OF	0000	00000	010444	
ACCIDENT DATE	BASE NUMBER	STATUS	ACTUAL LOSSES	PRIMARY	ACTUAL EXCESS
09/30/2005	291 56 1856	FINAL	48,788	5,000	41,788
11/10/2004	117 42 7808	FINAL	10,258	5,000	5,258
08/02/2005	858 18 5884	FINAL	16,498	5,000	11,498
05/13/2005	253 26 4432	FINAL	5,254	5,000	254
05/31/2005	218 08 8394	FINAL	6,708	5,000	1,708
04/13/2005	267 87 7436	FINAL	9,710	5,000	4,710
01/12/2005	158 58 8842	FINAL	12,738	5,000	7,738
03/07/2005	390 72 8546	FINAL	18,018	5,000	13,018
07/25/2005	588 41 8530	FINAL	15,368	5,000	10,368
01/31/2005	655 06 7871	OPEN	20,808	5,000	15,808
12/28/2004	041 32 4181	FINAL	78,248	5,000	71,248
04/02/2005	309 70 7118	FINAL	13,648	5,000	8,648
07/11/2005	251 71 8873	FINAL	35,120	5,000	30,120
04/15/2005	267 85 2859	OPEN	305,370	5,000	177,880
	EXCESS DATES		485,381	70,000	393,381
	NON-EXCESS CASES		35,048	25,000	10,048
	10/01/2004 - 09/30/2005		480,380	105,048	398,331
08/30/2006	288 38 8080	FINAL	18,768	5,000	11,768
05/02/2006	593 62 8143	FINAL	18,728	5,000	14,728
08/16/2006	217 44 8288	OPEN	59,288	5,000	54,288
04/25/2006	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

ACCIDENT DATE	ACTUAL LOSSES	EXCESS	PRIMARY	EXCESS
0908	5,1184	84,828	0.0316	2,692
0909	0.0974	494,583	0.0489	7,301
7882	0.1182	518,880	0.0287	14,884
7580	0.0470	247,898	0.0448	3,819
7880	0.1270	43,488	0.0258	1,085
7704	0.1118	4,203,024	0.0158	66,828
7220	0.0641	5,772,871	0.0128	79,894
8980	0.0717	812,870	0.0441	4,404
8882	0.0488	388,788	0.0130	8,277
8818	0.0082	4,740,555	0.0014	8,645
8820	0.0083	282,838	0.0010	284
8015	0.1087	845,148	0.0181	8,247
8102	0.1037	1,647,778	0.0188	28,768
8410	0.1084	1,888,548	0.0182	21,182
10/01/2004 - 09/30/2005		29,308,498		242,487
8908	0.1151	188,338	0.0318	5,851
8217	0.1273	81,307	0.0278	1,418
8858	0.0802	518,818	0.0188	8,625
7382	0.1147	937,778	0.0287	28,814
7588	0.0477	338,712	0.0140	4,382
7580	0.1046		0.0280	0
7704	0.0880	4,508,108	0.0158	71,847
7720	0.0801	7,128,877	0.0128	81,347

EXPERIENCE MODIFICATION	PRIMARY	TOTAL	ELIGIBLE FOR RATING**
BY TYPE LOSS		EXCESS	
LINE		B VALUE	TOTAL
EXCESS		TOTAL B	EXCESS
EXCESS			EXCESS
TOTAL A			

TOTAL "A" DIVIDED BY TOTAL "B"



STATE OF OHIO  
DEPARTMENT OF FINANCIAL SERVICES  
DIVISION OF WORKERS COMPENSATION

SELF INSURER EXPERIENCE RATING

EFFECTIVE DATE		EMPLOYER NAME		FUND	ACCOUNT	EMPLOYEE #
10/01/2008		KEY WEST, CITY OF		800	09300	040444
ACTUAL LOSSES		ACCRUAL DATE		08/05/2008		PAGE 2
LOSS DATE	CASE NUMBER	TOTAL DEDUCT	ACTUAL LOSSES	PRIMARY	ACCRUAL EXCESS	
06/11/2008	580 08 0093	FINAL	8,211	5,000	3,211	
06/08/2008	516 04 6760	FINAL	5,833	5,000	833	
12/28/2003	373 58 5048	FINAL	8,058	5,000	3,058	
03/10/2008	339 72 8546	OPEN	87,005	5,000	82,005	
12/02/2005	287 77 0076	OPEN	82,500	5,000	77,500	
05/24/2008	844 28 0785	OPEN	11,588	5,000	6,588	
08/03/2008	816 38 8822	FINAL	26,780	5,000	21,780	
10/18/2008	522 88 4244	FINAL	74,727	5,000	69,727	
08/28/2008	588 76 8503	FINAL	28,302	5,000	23,302	
10/21/2005	102 54 8061	FINAL	5,808	5,000	808	
03/21/2008	102 58 8081	FINAL	5,804	5,000	804	
04/20/2008	299 88 0853	FINAL	5,884	5,000	884	
01/23/2008	811 88 4151	OPEN	150,788	5,000	145,788	
08/24/2008	002 48 2336	OPEN	78,087	5,000	73,087	
04/00/2008	588 22 4017	OPEN	47,000	5,000	42,000	
02/01/2008	202 48 3338	OPEN	31,549	5,000	26,549	
05/10/2008	283 55 0745	OPEN	17,824	5,000	12,824	
04/13/2008	284 11 7181	OPEN	53,701	5,000	48,701	
01/28/2008	212 52 4185	FINAL	28,657	5,000	23,657	
07/12/2008	480 04 8321	FINAL	7,248	5,000	2,248	
07/01/2008	112 88 8432	FINAL	11,187	5,000	6,187	
01/23/2008	585 85 5843	FINAL	18,289	5,000	13,289	

LOSS DATE	NUMBER	PAYROLL	RATE	ACTUAL LOSSES	RATIO	PR/AMV	EXPERIEN EXCESS
8300	0.0872	489,188	0.0141	5,758	.18	1,084	4,674
8382	0.0792	588,248	0.0133	7,888	.13	1,883	6,005
8810	0.0884	8,408,248	0.0014	7,587	.08	1,583	6,004
8920	0.0849	289,348	0.0010	248	.08	.82	231
9015	0.0868	341,817	0.0121	5,188	.15	1,227	4,041
9102	0.0876	1,843,777	0.0185	50,574	.27	8,115	24,458
9410	0.1188	1,800,611	0.0182	24,828	.14	4,885	19,943
10/01/2008	08/30/2007	28,878,282		252,387		58,905	233,482
5508	0.1123	242,687	0.0915	7,761	.18	1,385	6,376
6217	0.1112	82,144	0.0278	7,438	.18	258	7,180
6828	0.0841	881,288	0.0168	17,445	.20	2,288	15,157
7382	0.0874	881,408	0.0287	24,436	.28	4,887	19,549
7880	0.0840	211,883	0.0188	4,880	.18	2,88	2,002
7706	0.0728	4,758,831	0.0138	68,278	.18	12,470	55,808
7720	0.0898	7,036,602	0.0128	80,288	.20	18,314	61,974
8888	0.0888	887,370	0.0121	5,870	.18	1,088	4,782
8382	0.0823	584,263	0.0122	7,804	.22	1,729	6,075
8810	0.0058	5,888,280	0.0014	7,888	.20	1,588	6,300
8820	0.0042	914,887	0.0010	485	.20	.88	397
8870	0.0170	883,884	0.0181	7,885	.20	1,571	6,314
8102	0.0876	1,743,701	0.0188	32,433	.20	8,487	23,946
8410	0.0850	1,825,888	0.0182	27,755	.20	5,551	22,204
10/01/2008	08/30/2007	24,433,888		286,448		58,134	228,314

EXPERIENCE MODIFICATION		TOTAL EXCESS LOSSES	RELIGIBLE FOR RATING**
PRIMARY			
ACTUAL LOSS			
LE			
ACTUAL EXCESS			
EXPERIEN EXCESS			
TOTAL A			

TOTAL "A" DIVIDED BY TOTAL "B"



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

EFFECTIVE DATE		EMPLOYER NAME		PURSE	ACCOUNT	EMPLOYER NO.	
10/01/2006		KEY WEST, CITY OF		888	09800	010444	
ACTUAL LOSS DATE	PROBATION DATE	CASE NUMBER	STATUS	TOTAL CASES	ACTUAL LOSSES	PRIMARY	EXCESS
07/10/2007	1	227 12 6054	FINAL		43,186	5,000	38,186
08/13/2007	1	252 76 3214	OPEN		13,584	5,000	8,584
12/15/2006	1	331 24 3095	OPEN		188,527	5,000	183,527
09/13/2007	1	286 69 3778	OPEN		7,501	5,000	2,501
12/31/2006	1	282 79 3214	OPEN		30,000	5,000	25,000
02/01/2007	1	418 08 0402	OPEN		76,281	5,000	71,281
05/16/2007	1	331 78 7904	OPEN		20,422	5,000	15,422
10/08/2006	1	194 78 6406	OPEN		62,136	5,000	57,136
10/25/2006	1	264 11 8833	OPEN		47,382	5,000	42,382
03/19/2007	1	227 81 7645	OPEN		69,669	5,000	64,669
04/13/2007	1	338 70 4221	OPEN		28,237	5,000	23,237
04/16/2007	1	228 89 8325	OPEN		16,000	5,000	11,000
08/01/2007	1	227 81 7645	OPEN		43,151	5,000	38,151
	1	EXCESS CASES .....		39	1,073,412	120,000	953,412
	1	NON-EXCESS CASES .....		107	43,417	43,417	0
	1	10/01/2006 - 08/30/2007		121	1,117,829	164,417	953,412
		EMPLOYER TOTALS .....		344	2,927,140	473,035	2,454,085

CLASS	MARKAL RATE	PAYROLL	LOSS RATE	EXPECTED LOSSES	LOSS RATIO	PRIMARY	EXCESS
EMPLOYER TOTALS...		68,822,878		825,270		162,188	671,182

EXPERIENCE MODIFICATION		473,035	TOTAL EXPECTED LOSS	825,270	INCLUSIVE FOR RATING**
PRIMARY	ACTUAL LOSS		B VALUE	162,188	
ACTUAL EXCESS	43	1,036,730	TOTAL B	825,270	
EXCESS	1,000	388,227			
TOTAL A		1,395,245		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.

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

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

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

For more information about how about how Ascension can address your governmental insurance needs, please contact me or visit [www.ascensionfl.com](http://www.ascensionfl.com).

Kevin Cothron  
Chief Operating Officer  
Ascension Benefits & Insurance Solutions of Florida  
772-919-8593 direct  
[kcothron@ascensionins.com](mailto:kcothron@ascensionins.com)

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



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

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- Loss Control Services