

REQUEST FOR PROPOSALS

RFP #2011-028

Liability Claims Administration



The Town of Stratford

To be effective July 1st, 2011

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INTRODUCTION

The Town of Stratford (Stratford) is interested in obtaining proposals for Liability Claims Administration services. The Town is seeking the services of a qualified Third Party Administrator (TPA) to handle administration of liability claims, effective July 1st, 2011.

At present the Town of Stratford carries an excess liability policy with a self insured retention of \$500,000. The office of the Town Attorney currently administers all claims for the Town, and provides legal defense. The Stratford Board of Education has a separate, fully insured program of insurance.

While administration of claims will be the responsibility of the successful proposer, it is the intent of the Town that the legal defense of claims against the Town remain a responsibility of the Town Attorney's office. The successful proposer will be expected to work closely with the Town Attorney to create policy and procedures for claims reporting, administration, management and tracking.

The Town expects the successful proposer to manage claims within the Town's self insured retentions in a comprehensive manner which results in the lowest achievable cost for the Town's claims, allocated claim costs and total costs for plan administration.

Eligible respondents will be those companies that have a demonstrated track record in providing a complete menu of liability claim administration services and can provide examples of their experience with other self insured employers.

Proposers are urged to review Stratford's website at <http://www.townofstratford.com/> , and the Board of Education at <http://www.stratford.k12.ct.us/> for more information.

To facilitate this process, Stratford has appointed RMI Associates, LLC, an independent risk management and insurance consulting firm, to help manage this proposal process. Contact information:

Roy M. Ivins, CPCU, ARM, CIC
RMI Associates, LLC
172 Center Rd.
Woodbridge, CT 06525
(203) 397-3031
(203) 397-5050 (fax)
rmivins@optonline.net

While we invite the submission of generalized company promotional literature, each respondent must provide original written narrative responses to the individual questions posed in Section III: "Proposal Requirements". Failure to respond explicitly to the questions and referencing your responses to each of the sections may result in disqualification of your proposal.

GENERAL INFORMATION

1. Proposal Due Date and Delivery

Proposals must be received by **3:00 P.M., April 28th, 2011**, in sealed envelopes clearly marked "Stratford RFP 2011-028 Liability Claims Administration". Please **deliver four (4) original copies** of your proposal to:

Michael Bonnar
Purchasing Agent
Town of Stratford
Purchasing Department
Town Hall, 2725 Main St.
Stratford, CT, 06615

Please allow ample time for receipt of proposals. Proposals received after the designated time will not be accepted or recognized. Postmarks do not determine actual receipt. Proposals must remain valid through the anticipated inception date of service. All proposals must be signed by an authorized representative of the proposer.

No unilateral changes or modifications of proposals will be allowed after they have been delivered to the Town. All materials submitted with your proposal will become the property of the Town of Stratford.

2. Requests for Clarification or Additional Information

Questions and requests for clarification or for additional information for this RFP, should be submitted, *in writing*, to Michael Bonnar, Purchasing Agent, Town of Stratford by the deadline indicated in the proposal timetable. Reasonable requests will receive expeditious response. Information concerning questions which, in the opinion of the Town, would be valuable to all proposers will be distributed accordingly.

It is the responsibility of each candidate to advise Mr. Bonnar of the appropriate name and address for the mailing (or electronic or facsimile transmission) of any communication, interpretation, or addendum.

Every effort has been made to supply information necessary for proposers to respond expeditiously and accurately to this RFP. The data may come from multiple sources, and has not been audited or verified; we cannot and do not warrant the accuracy of all the information supplied herein.

3. Finalist Interviews

Finalists will be selected after review of all proposals received. A committee of interested parties within the Town will conduct interviews and hear oral presentations from the selected finalists, after which a final selection of the successful proposer will be made.

Finalists thus selected should plan to have the team members who will handle day to day responsibility for Stratford's account present at these interviews.

4. Term of Engagement

The successful proposer will be expected to begin work effective July 1st, 2011. The term of the initial engagement will be for two years. The Town requires the right to exercise three one year renewal options, for a potential total length of engagement of five years.

5. Subcontractors

If proposals provide for more than one party as part of a team or package of services, one entity must have primary overall responsibility and accountability for management of the entire program. All relationships and responsibilities must be identified in your proposal.

PROPOSAL REQUIREMENTS

Each submission in response to the RFP must contain the following general background information.

I. An Executive Summary on your stationery. Provide a brief overview of the entire proposal with a summary of the key points Stratford should consider.

II. Identification of your firm

Provide a full description of your organization and the key executives making the proposal, in a narrative form that is clear and comprehensive. Your description must include:

- a. Name of Proposer and permanent main office address
- b. Name, title, address and telephone number of the individual who will be primarily responsible for the Stratford account, and to whom all inquiries about this proposal should be addressed.
- c. Description of Firm/Entity (include when organized, legal form of ownership. If a corporation, where incorporated?)
- d. Review the insurance requirements outlined in Appendix A, and indicate if you will be able to comply with them if awarded the engagement.
- e. Describe any pending litigation or other factors, which could affect your organization's ability to perform this contract. Have you ever defaulted on a contract? If so, where and why? Have you ever failed to complete any work awarded to you? If so, where and why?

III. Experience and Technical Competence

Describe your experience in the implementation and management of similar Claims Administration Programs. Provide a detailed statement regarding your experience including:

- a. A description of your Connecticut resources and the specific availability of these resources to the Town.
- b. A discussion of your experience with work similar to that being proposed. Indicate the length of time you have been engaged in the business of providing services similar to those proposed under your present name.
- c. Provide a list of all your Connecticut municipal clients with programs of a similar nature, along with the name of a contact person, phone number, and their liability claims volume. If you have no Connecticut municipal clients, or less than five, provide other similar references; a description of your experience working with municipal clients should be included with your references.
- d. An organizational chart showing workflow and responsibilities.
- e. Resumes, including experience and professional designations, of the personnel that would be assigned to the Town program, and their specific roles and responsibilities. Note that proposers will be evaluated based upon the experience and qualifications of the **entire** team. Therefore, once established, no changes in team compositions will be allowed without prior approval by the Town.
- f. Provide a description of your established Quality Assurance Programs, which you will use to assure the Town that all of your professionals and support resources are operating at optimum levels. Also provide specific examples of how these quality assurance initiatives have operated, been monitored and resulted in improved service or cost savings.
- g. Describe how your firm will proactively address all applicable state and federal laws, ordinances, regulations and requirements applicable to this program.

IV. Partnerships and Subcontractors

For all services described in your response, indicate if they are being provided by your employees, by subcontractors, or by other firms partnering with you in this proposal. If partnering or subcontracting with other firms, include a description of their specific role or responsibility, their experience in that role, the length of time you have used them in that role, and your reasons for using that firm.

Partner firms should be prepared to answer the questions in sections II, and III. above.

V. Implementation

Include as an exhibit a proposed timetable and work plan for implementation of your services should you be selected as the successful proposer.

SCOPE OF SERVICES

Proposals should clearly describe the services that the Proposer intends to provide if awarded the Liability Claims Administration contract.

For the general service areas listed below, please categorize specific services which you would provide. Describe the resources you would dedicate to each area. Include the complete scope of service, from inception to conclusion of a claim. Provide your standards of accountability and how these are measured/audited.

Note that while these general service areas should be addressed in your proposal, they are not intended to limit or constrain the services offered by the successful proposer. Additional information, suggestions, programs or recommendations you can offer regarding your own unique strengths, programs, expertise or resources that might result in a more attractive proposal for the Town or contribute to better attaining the Town's objectives are invited and encouraged. Please be sure to highlight such additions in your proposal.

1. Claims Reporting

Describe:

- Recommended reporting procedures; your suggestions for best practices for claim reporting in Stratford.
- Information required to set up a claim file and respond to a new claim.
- What you do when you set up a file for a new claim.
- Your procedures for claims investigations

2. Investigation Management

Describe:

- Your procedures for claims investigations
- Your policies on the use of experts
- How you identify subrogation or recovery potential

3. Claims Management

Describe:

- Staff responsibilities and supervision protocols
- The information contained in each claim file
- Documentation of claim file changes/development
- Subrogation and recovery management/tracking

4. Claim Reserving

Describe:

- When and how you establish the initial reserve.
- Your reserving philosophy
- When and how you change reserves
- How you communicate reserve changes to Stratford

5. Litigation Management

Summarize your proposed plan to interface with the office of the Town Attorney.
Describe your procedures regarding:

- File preparation
- Litigation management
- Follow up investigation

6. Settlement Development and Disposition

Describe:

- Recommended roles of the Town Attorney, TPA, and the Town Insurance Coordinator.
- Recommendation on threshold levels for settlement activities. What level of claims authority would you recommend for Stratford?

7. Banking Arrangements

Describe the banking options you offer.

8. Management Information System

Describe:

- The capabilities and advantages of your system.
- Remote access capabilities.
- Training and support offered for client users.
- How you ensure data security.
- How will you (can you) transfer historical claim information from the current system to your own system?
- Describe all standard reports available to the Town through your system. Include samples.
- Does your system allow users to design and run their own custom reports? If not, can you produce custom reports? On average, how long does it take to deliver custom reports? Are there additional costs for these reports?

TIMETABLE FOR RFP

All proposals for the Town of Stratford's Liability Claims Administration program must be in the possession of the Town no later than the designated date and time.

The following represents the timeline for the RFP and the final selection of a vendor for the Town of Stratford's Liability Claims Administration program.

Tentative RFP and Selection Timeline

All dates are subject to change

RFP Formally Announced	April 8 th , 2011
Deadline for Questions from Proposers	April 18 th , 2011
Proposals must be received by the Town Purchasing Agent by 3:00 PM	April 28 th , 2011
Finalist Interviews – week of	TBD
Successful Proposer Announced	TBD
Program Installation, Setup, Education	June, 2011
Engagement Commences	July 1 st , 2011

AWARD & REQUIREMENTS FOR SUCCESSFUL PROPOSER

1. Award

Awards will be made on the basis of scope of service, the experience and service capability of the proposer, overall costs, and such other factors as Stratford in its sole judgment considers relevant.

Stratford reserves the right alter or revoke this RFP at any time. It further reserves the right to accept or reject any or all proposals, in whole and in part, to waive any informalities in the proposals received, and to accept only those proposals deemed by the Town to be in the best interests of the Town. It is expected that there may be some further negotiation relative to modification or customization of terms or services after a particular proposal has been accepted based on its general merit.

2. File Transfer

The successful proposer will be expected to establish claim files for all open claims currently administered by the Town Attorney. You will be responsible for arranging secure storage of all closed physical claim files.

3. Loss Information

Please note that itemized loss reports must be furnished with monthly updates of previous policy years for five years or until all cases are closed, whichever is longer.

4. Claim Reviews

The successful proposer will be expected to conduct two annual on-site claim reviews with Stratford, as needed.

5. Annual reports

The successful proposer will be required to furnish one annual IBNR report by September 1st of each year for the Town's auditors.

COST PROPOSAL

All proposers should provide a detailed cost proposal for all services proposed. The proposal should cover the initial contract period, and the additional option years.

All services you propose will be assumed to be included in the basic fees you propose; any services that would involve an additional charge must be identified.

At minimum, the following costs should be identified:

- a. Fees for Claims, itemized by type of claims.
- b. Provide an optional proposal for Open Claims Takeover
- c. Risk Management Information Systems

Describe how you propose to bill the Town for services. Provide details of any other fees, charges or costs that are not included above.

Include a detailed description of your definition of “Allocated Loss Expenses” for services not included in the basic claim fees.

Include with your cost proposal a sample of any service contract you propose for the Town.

Appendix A

Proposers Insurance Requirements

Insurance producers, prior to award and placement of the insurance, will be required to furnish to the Town of Stratford a Certificate of Insurance for the following coverage:

A. General Liability

Occurrence limit \$1,000,000; aggregate limit \$2,000,000. The insurance carried by the producer shall be on form CG 00 01, or equivalent. The Town of Stratford shall be named as an additional insured on the General Liability Insurance Policy.

B. Automobile Liability

Combined single limit of \$1,000,000. Comprehensive automobile policy to cover all automobile or vehicles owned, hired or non-owned.

C. Workers Compensation

The proposer must have workers' compensation and employers liability insurance as required by Connecticut and federal law with statutory limits, plus employers liability limits of \$1,000,000 per accident, 1,000,000 disease each employee and \$1,000,000 disease policy limit.

D. Professional Liability

The proposer must maintain a Claims Adjusters Errors and Omissions Liability policy with minimum limits of \$5,000,000 per claim.

The proposer shall procure and pay for the insurance coverage described above with the minimum limits of liability as stated. All policies shall provide for thirty (30) days written notice prior to cancellation, substantial change or nonrenewal. A current Certificate of Insurance providing evidence of this insurance and a copy of the endorsement or policy wording adding the Town as Additional Insured must be in the Town's possession at all times, as evidence that it has complied with the obligations under this section of the Agreement. In addition, the selected firm shall require its subcontractors, if any, to meet the same insurance requirements and to furnish the Town with similar evidence of compliance with this obligation.

In addition, the proposer shall, at all times, indemnify and save harmless the Town of Stratford, its officers, agents, and servants on account of any and all claims, damages, losses, litigation expense, counsel fees and compensation arising out of injuries (including death) sustained by or alleged to have been sustained by the public, any or all persons affected by the producer's work, or by the producer, any subcontractor, material, personnel or anyone directly or indirectly employed by them or any one of them while engaged in the performance of their duties in connection with this purchase. **The Town of Stratford shall be named as an additional insured on said policy** of public liability insurance to cover all claims against the Town arising out of said contract.

Appendix B

Historical Claim Information

Stratford Summary Claim Count

All Liability Claims (except Employers Liability)

Year	GL BI		GL PD		Auto BI		Auto PD		Law Enf.		Public Off.		Educators LL		Ins. Co.	Val. Date
	Total	Open	Total	Open	Total	Open	Total	Open	Total	Open	Total	Open	Total	Open		
2010	2	2	1	1	5	5	4	4	0	0	0	0	0	0	Lloyds	11/04/10
2009	6	5	36	1	3	3	8	3	0	0	0	0	0	0	McKee/Lloyds	11/04/10
2008	11	10	43	0	1	0	11	0	2	0	2	1	0	0	McKee/Lloyds	11/04/10
2007	15	8	34	0	4	2	26	0	5	4	2	0	0	0	Genesis	11/04/10
2006	8	2	40	1	10	0	8	0	3	0	6	2	0	0	Genesis	11/04/10
2005	9	1	28	1	1	0	10	0	1	0	0	0	0	0	Genesis	11/04/10
2004	8	0	30	0	2	0	17	0	1	0	0	0	0	0	Genesis	11/04/10
2003	18	0	43	0	4	0	14	0	3	0	1	0	0	0	CIRMA	11/04/10
2002	15	0	33	0	2	0	20	0	3	0	5	0	0	0	CIRMA	11/04/10

Average Annual Claims, 05-09

Total Open Claims