

REQUEST FOR PROPOSALS

FOR

**THIRD PARTY CLAIMS
ADMINISTRATION SERVICES**

BID# 6727RFP



INFORMATION

Third Party Claims Administration Services
Bid #6727RFP

PROJECT MANAGER

Lisa Michaud
Risk Manager

ALL QUESTIONS TO

Tammy Bradley
Sr. Buyer

All questions must be submitted in writing and mailed to the Purchasing Office emailed to Tammyb@westhartfordCT.gov or faxed to 860-561-7507 at least seven calendar days prior to the date established for the opening of bids.

Purpose

The Town of West Hartford ("Town") is soliciting proposals from qualified firms to administer its self-insured Municipal and Board of Education Property Casualty, Workers' Compensation and Heart and Hypertension Programs effective July 1, 2020. It is intended that the term of the contract will be for three (3) years with one (1) two year option to renew subject to a satisfactory annual review. In addition, it is preferred that the Firm be capable of providing other value-added services, including but not limited to, those outlined in the Scope of Services.

Background

General

The Town of West Hartford and West Hartford Board of Education includes approximately 934 general government employees and 1,917 educational employees.

You can find more detailed background information in these documents available on our website, www.westhartfordct.gov

- Adopted Budgets –
- Comprehensive Annual Financial Reports -

Workers' Compensation and Heart and Hypertension

The Town has been self-insured for its workers' compensation and heart and hypertension program since 1982 and 1977 respectively. The Town has contracted with PMA Management of New England and its predecessor entities (Webster Insurance and Mathog & Moniello) as the third party administrator (TPA) of workers compensation and heart and hypertension claims since 2001. The current contract with PMA ends on June 30, 2020.

The Town uses Safety National as its Excess Workers Compensation carrier for coverage on individual claims over the self-insured retention of \$500,000 with a \$1M policy limit.

At this time the Town does not participate in a managed care or PPO network, however this recommendation and suggestions are welcome in your response.

The Town's claims management philosophy is as follows:

- Process all claims in compliance with all federal, state or West Hartford municipal laws, rules, regulations, as well as reporting and other claim handling requirements mandated by the Town's excess policies and in accordance with reasonable service standards and policies which may, from time to time, be promulgated by the Town, and shall act as a representative of the Town in all matters related to such services
- Provide the highest professional level of responsive claims handling, including regular on-going communication with injured employees from inception to disposition of a claim.
- Ensure that employees are contacted within 24 hours of notice of claim and are advised of their workers' compensation benefits in a timely fashion.
- Provide prompt attention to all claims in an attempt to discourage unnecessary litigation.
- Encourage early recovery from injury and early return to work in either a light or modified position
- Identify and aggressively defend fraudulent or accelerated claims.
- Keep open communication between TPA, the Town's Risk Management Division, claimants, medical providers, legal counsel, and safety and health consultants employed by the Town.
- Actively pursue all possibilities of subrogation
- Provide immediate attention and response to counsel handling claims.

Self-Insured Liability (GL, AL, LEL, PEL, SEL)

The Town has been self-insured for its liability program (including commercial automobile liability, general liability, law enforcement liability, public officials' liability and school leader liability) since 1992. The Town has contracted with PMA Management of New England as the third party administrator (TPA) of the liability program since 2017. The current contract with PMA ends on June 30, 2020. Prior to PMA's contract in 2017, the Town's self-insured liability program was administered in house for ten years.

The Town uses Berkley-Gemini as its excess carrier for coverage on individual claims over the self-insured retention of \$250,000 with a \$5M coverage limit. The Town also purchases an additional \$15M in umbrella liability coverage excess of primary.

The Town's claims management philosophy is as follows:

- Process all claims in compliance with all federal, state or West Hartford municipal laws, rules, regulations, as well as reporting and other claim handling requirements mandated by the Town's excess policies and in accordance with reasonable service standards and policies which may, from time to time, be promulgated by the Town, and shall act as a representative of the Town in all matters related to such services.
- Provide the highest professional level of responsive claims handling, including regular on-going communication with claimants and employees from inception to disposition of a claim.
- Ensure that claimants are contacted within 24 hours of notice of claim.
- Provide prompt attention to all claims in an attempt to discourage unnecessary litigation.
- Encourage early intervention from internal departments to minimize the Town's exposure.
- Identify and aggressively defend fraudulent or accelerated claims.
- Keep open communication between TPA, the Town's Risk Management Division, claimants, medical providers, and legal counsel.
- Actively pursue all possibilities of subrogation.
- Provide immediate attention and response to counsel handling claims.

Other Risk Management

The Town utilizes Pinnacle Actuarial Services to prepare bi-annual reporting on liability and funding indications for the Towns' self-insured programs. Upon request, a copy of the June 30, 2019 report will be provided.

The Town contracts with USI Insurance Services as its insurance broker, FM Global for property coverage, Illinois National for cyber coverage, Philadelphia Indemnity for sports accident coverage, and Great American for environmental coverage.

Scope of Services

Please see **Exhibit A** identified as Scope of Services attached to this RFP.

Proposed Selection Schedule

The following table is the estimated schedule for this project:

| Description | Date & Time | Location |
|--------------------------------|---|--|
| RFP Issued | October 7, 2019 | www.westhartfordct.gov |
| Requests for Information (RFI) | October 22, 2019 at 4:00 pm | tammyb@westhartfordct.gov |
| Responses to RFI Posted | October 25, 2019 | |
| RFP Due Date/ Opening | November 4, 2019 at 2:00 pm EST | Town Hall Purchasing Room 223 |
| Finalist Presentations | Tentatively scheduled week of November 18, 2019 | Town Hall |

**Award recommendation submitted
to Town Manager**

Tentatively scheduled for November
29, 2019

Requests for Information

All questions or requests for information or clarification must be submitted via email to Tammy Bradley at tammyb@westhartfordct.gov, no later than 4:00 pm on October 22, 2019. No oral interpretation will be made to any proposer as to the meaning of the proposal specifications or any part thereof.

A summary of all questions and answers will be made available by addendum to this RFP and will be posted to the bid list on our website.

Addenda

If it becomes necessary to revise any part of this request or if additional data is necessary to enable interpretation of provisions of this document, revisions or addenda will be provided to all prospective firms that receive this document. Such revisions or addenda will additionally be posted on the Town's website.

Respondents are responsible for checking the Town's procurement web site for all addenda distributed in response to questions and requests for additional information. Under no circumstances may any Respondent contact any employee or representative of the Town of West Hartford prior to the RFP submission deadline other than as provided in this section. Any violation of this condition may result in Respondent being considered non-compliant and ineligible for award.

Instructions for Submission

Responses must be submitted in sealed envelopes and clearly marked with the RFP reference title, number, due date, and time. The Proposer's name and address must appear on the envelope.

Please submit one original (clearly marked) and (5) five copies of your proposal, along with one electronic copy on either a CD or flash drive.

Your proposal must be submitted in a sealed envelope as instructed above and must be received no later than November 8, 2019 at 2:00 pm EST at the offices of:

Peter Privitera, Purchasing Agent
Town of West Hartford
50 South Main Street, Room 223
West Hartford, CT 06107

Format of Proposal

Submittals shall consist of the following:

1. A transmittal letter signed by the appropriate officer of the firm which, at a minimum, includes:
 - a. Shall identify the designate contact person for all communication regarding this RFP process and include phone and email contact information.
 - b. Letter shall also include a statement by the respondent accepting all terms, conditions, and requirements contained in this RFP.

- c. Offering the proposal and certifying that the proposal and any cost projection included will remain in effect for 120 days after the due date
 - d. That the firm will comply with all of the Contract Considerations of RFP#6727RFP
2. Fee Proposal Form
 3. Insurance Requirements
 4. Completed Questionnaire
 - 5.

Firm Interviews

Interviews will be scheduled for the week of November 18th in Town Hall, 50 South Main Street, West Hartford, CT 06107. Selected finalists will be given as much advance notice as possible, and should be available to attend on the above date.

Selection Criteria

The Committee will evaluate proposals based on the following criteria to determine each firm's qualifications. The order does not indicate relative ranking.

- A. Demonstration of competence, technical expertise, experience in municipal workers' compensation, heart and hypertension and self-insured liability program administration.
- B. Demonstrated record of responsiveness and quality of customer service on this type of account.
- C. Both the firm's capabilities and the experience of individual team members assigned to the Town account.
- D. Availability to travel as needed to Town's work locations.
- E. Rates, fees or charges including the level of detail provided in the firm's fee information.
- F. Firm's awareness and ability to provide timely, accurate communication of emerging trends, opportunities, regulatory updates and liabilities to clients.
- G. Responsiveness of the firm's proposal to the RFP, including clarity and organization of response, clear presentation of firm's experience and approach to meeting the needs of the Town.

Contract Considerations

Equal Opportunity – Affirmative Action

The Proposer in performing under this agreement shall not discriminate against any workers, employee or applicant or any member of the public because of race, creed, color, religion, age, sex, marital status, national origin, mental retardation or physical disability, including but not limited to blindness, unless it is shown by Proposer that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or the State of Connecticut, nor otherwise commit an unfair employment practice. Proposer will take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, creed, color, religion, age, sex, marital status, national origin mental retardation or physical disability, including but not limited to blindness, unless it is shown by Proposer that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or the State of Connecticut, nor otherwise commit an unfair employment practice. Proposer agrees that this non-discrimination clause will be incorporated in all contracts entered into by it with suppliers of services or materials, contractors and sub-contractors and all labor organizations furnishing skilled, unskilled and craft unions skilled labor or whom may perform any such labor or services in connection with this agreement.

The Firm shall comply with all aspects of the Equal Employment Opportunity Act.

A firm with 15 or more employees shall be required to have an Affirmative Action Plan which declares that the firm does not discriminate on the basis of race, color, religion, gender, national origin, age or gender stereotyping, and which specifies goals and target dates to ensure the implementation of equal employment.

A firm with fewer than 15 employees shall be required to have a written equal employment opportunity policy statement declaring that it does not discriminate on the basis of race, color, religion, gender, national origin, age or gender stereotyping.

Findings of noncompliance with State and/or Federal equal employment opportunity laws and regulations could be sufficient cause for revocation or cancellation of any contract that results from this RFP.

Contract for Services

The Town and Proposer expressly agree that this is an agreement for the provision of the specific services herein described; that Proposer is to perform those services for the term set forth herein and pursuant to the provisions of this agreement; that the Proposer(s) are independent contractors, not employees of the Town, for these purposes and as such neither they nor their employees are entitled to any Town employment benefits, including without limitation, life and health insurance, vacation and sick leave, pension rights or workers compensation.

Non-collusion

Neither the said Proposer nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including the affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly with any other Proposer, firm or person to submit a collusive or sham bid, in connection with the contract for which the attached Proposal has been submitted or to refrain from bidding in connection with such contract, or has in any manner directly or indirectly, sought by agreement or collusion or communications or conference with any other Proposer, firm or person to fix the price or prices in the attached Proposal or of any Proposer, or to fix any overhead, profit or cost element of the Proposal price or the Proposal price of any other Proposer, or to secure through any collusion, conspiracy, connivance or unlawful agreement any advantage against the Town of West Hartford, CT or any person interested in the proposed contract; and

Indemnification and Insurance

The Firm shall comply with the attached indemnification and insurance requirements identified as **Exhibit B** to this document.

Certificate of Insurance

As evidence of the insurance coverage required by this Contract, the Firm shall furnish Certificate(s) of Insurance to Purchasing Agent's office prior to the award of the Contract if required by the RFP document, but in all events prior to Firm's commencement of work under this Contract. **The Certificate(s) will specify all parties who are endorsed on the policy as Additional Insureds (or Loss Payees).** The certificates and endorsements for each insurance policy are to be signed by a person authorized by the insurer to bind coverage on its behalf. Renewals of expiring certificates shall be filed 30 days prior to expiration. The Town reserves the right to require complete, certified copies of all required policies at any time. The Town reserves the right to require complete, certified copies of all required policies at any time.

All insurance documents required should be mailed to Purchasing Agent, Town of West Hartford, 50 South Main Street, Room 223, West Hartford, CT 06107

Invoicing and Payment

Invoices shall be paid promptly by the Town unless any invoiced items are questioned, in which case payment will be withheld pending verification of the amount claimed and the validity of the claim. The Town's standard payment terms are Net 30 days from receipt of properly executed invoice(s).

Award Consideration

The Town reserves the right to accept or reject any and all responses, in whole or in part, to waive technical defects, irregularities and omissions, if, in its judgment, the best interests of the Town will be served. The Town also reserves the right to negotiate further with one or more of the firms as to any features of their qualifications and submittals and to accept modifications of the work and price when such negotiations will be in the best interest of the Town.

Work performed under this contract shall be authorized by with a contract signed by both a designated authority from the awarded firm, the Town Manager and/or his designee.

The individual signing this submittal hereby declares that no person or persons other than members of his/her organization are interested in this project or in the contract proposed to be taken; that it is made without any connection with any person or persons making a submission for the same work and is in all respects fair and without collusion or fraud; that no person acting for or employed by the Town is directly or indirectly interested therein, or in the supplies or works to which it relates or will receive any part of the profit or any commission therefrom in any manner which is unethical or contrary to the best interests of the Town.

Unless otherwise noted within a submission received in response to this RFP, the proposed fees are assumed to be valid for 120 days from the date of the RFP opening. If an award is not made within such time, the submission can be considered no longer valid, or can be extended with mutual consent of the Town and the firm making the submission. Any documents, reports, and data generated as a result of the work under this contract shall become the property of the Town.

Termination

Subject to the provision below, the contract may be terminated by either party upon 30 days' advance notice to the other party. If any work or services hereunder are in progress, but not completed as of the date of termination, the contract may be extended upon written approval by the Town until said work is completed and accepted.

Termination for Convenience

In the event that the contract is terminated or canceled upon request and for the convenience of the Town without the required 30 days' advance written notice, then the Town shall negotiate reasonable termination costs, if applicable.

Termination for Cause

Termination by the Town for cause, default or negligence on the part of the contractor shall be excluded from the foregoing provision; termination costs, if any, shall not apply. The 30 days' advance notification requirement is waived in the event of termination for cause.

Availability of Funds

Any contract executed by the Town is subject to the appropriation funds.

Fee Proposal Form

Proposal to:
 Peter Privitera, Purchasing Agent
 Town of West Hartford
 50 South Main Street, Room 223
 West Hartford, CT 06107

I, _____, have received the following contract documents:

1. Request for Proposal number - __,
2. Addenda ___ through ___, posted at

and have included their provisions in my fee proposal.

Mandatory

Provide the fees for providing the items included in the Scope of Services. If your firm does not make separate charges for any of these items listed below, please indicate that they are included in another item. If your firm has other charges, please add them to the table.

| Description | Unit | FY2020-21 | FY2021-22 | FY2022-23 | FY2023-24 | FY2024-25 |
|-------------------------------------|---|-----------|-----------|-----------|-----------|-----------|
| Annual Management Fee | Annual Fee | | | | | |
| Data Conversion/ Account Set Up Fee | One-time fee | | | | | |
| Managed Care Fee | \$ Per Bill | | | | | |
| New Claims | | | | | | |
| Lost Time (LT) | \$ Per Claim | | | | | |
| Medical Only (MO) | \$ Per Claim | | | | | |
| Record Only (RO) | \$ Per Claim | | | | | |
| Utilization Review | \$ Per Review | | | | | |
| Nurse Case Management | \$ Per Hour | | | | | |
| Medical Bill Review | \$ Per Bill | | | | | |
| PPO Fee | As a % of Savings below Fee Schedule or Usual, Customary & Reasonable (UCR) | | | | | |
| Loss Control Services | \$ for up to 100 hours | | | | | |
| Loss Control Services | \$ Per Hour beyond 100 hours | | | | | |
| Telephone Reports | \$ Per Claim | | | | | |
| Web-Based Reports | \$ Per Claim | | | | | |
| Claim investigation services | \$ Per Hour | | | | | |
| Respondent Medical Exams (RME) | \$ Fee in addition to physicians charge | | | | | |

Optional

As an alternative, the firm may also propose a single, flat, all-inclusive annual fee for all of the services described in the Scope of Services for each of the five years.

Name of Business: _____

Address: _____

Authorized Representative (Print Name & Title): _____

Signature: _____ Date: _____

Questionnaire

In order for your proposal to be considered and accepted, your organization must provide answers to the questions presented in this section. When answering the questions contained in the Questionnaire Section of this Request for Proposal, please repeat the questions and provide your answers numbered to correspond to the question as indicated in the RFP. All questions must be answered in a concise manner. Reference should not be made to a prior response. Be sure to refer to the earlier sections of this RFP before responding to any of the questions so that you have a complete understanding of all of the Town's requirements with respect to the proposal.

1. Name of the proposed firm and name of the representative submitting the proposal. Include all contact information.
2. Provide an overview of your firm and its ownership/organizational structure, philosophy/culture and number of employees.
3. Identify members of your staff that would be assigned to this contract and provide a summary of their qualifications, percentage of their time you anticipate would be dedicating to this contract and their availability to travel to our locations.
4. Describe your view of what differentiates your firm from other firms.
5. Identify a minimum of three other accounts similar in size and scope for which you are presently serving as TPA which can serve as a reference for your service.
6. Describe all services your firm/agency will offer the Town of West Hartford.
7. Are you able to administer claims if a client has a self-insured (LAP) liability, auto liability, property liability program?
8. What type of performance measures would your firm use to evaluate customer service and Town employee satisfaction? Are you willing to provide performance guarantees to the Town ?
9. Describe your procedure for dealing with employee inquiries.
10. Describe the action that would be taken, the support provided, and the personnel who would be involved in investigating and settling a disputed claim.
11. Describe the process for payment of claim and allocated expenses. Would you utilize a trust account? If so, which banks would be available to the Town? Please list any fees related to payment processing in the Fee Proposal Form.
12. Thoroughly describe your process for all claims:
 - a. Setting initial reserve levels
 - b. Frequency of evaluation of reserve levels
 - c. Changing reserve levels
13. Identify the average number of open cases per adjuster for Workers' Compensation (both medical only and lost time), Heart & Hypertension, General Liability, Automobile Liability, Public Officials, Law Enforcement and School Leaders.
14. What is your staff turnover rate for the past two years.

15. Will the Town have complete access to claim files?
16. Please describe your claims management system and how data would be shared with the Town.
17. Describe the steps you anticipate will be needed to ensure a smooth transition if your firm is selected as the new TPA.
18. Provide the Town with various options regarding the handling of open claims at the termination or expiration of the contract. If we select your firm for TPA services, how do you propose to handle the transition of files and data and at what cost at termination?
19. Please submit samples of each standard report generated.
20. Identify any outside firms used by your firm for investigations, rehabilitation, independent medical exams, legal services, etc. Please include the fee charged by these agencies in the Fee Proposal Form.
21. Do you retain in-house or external legal counsel for legal services?
22. Does your firm agree to the following:

| | | |
|------------------------------|-----------------------------|--|
| YES <input type="checkbox"/> | NO <input type="checkbox"/> | Comply with regulations and procedures established by the State regulatory authority and the client |
| YES <input type="checkbox"/> | NO <input type="checkbox"/> | Assist in preparing all claims, reports and documentation required by State Regulators which is normally performed by an insurance carrier |
| YES <input type="checkbox"/> | NO <input type="checkbox"/> | Assure that medical bills comply with state medical fee schedules and/or discounted fee arrangements negotiated by the client |
| YES <input type="checkbox"/> | NO <input type="checkbox"/> | Promptly and accurately investigate, reserve and adjust claims |
| YES <input type="checkbox"/> | NO <input type="checkbox"/> | Advise the client of any material changes in the reserves of individual claims and of any settlement offers received from the claimant or their attorney |
| YES <input type="checkbox"/> | NO <input type="checkbox"/> | Prepare and maintain files in an organized, neat and accurate fashion |
| YES <input type="checkbox"/> | NO <input type="checkbox"/> | Works collaboratively with clients internal departments for claim management and investigation |
| YES <input type="checkbox"/> | NO <input type="checkbox"/> | Maintains frequent contact with medical providers for disability status reports and return to work ability |
| YES <input type="checkbox"/> | NO <input type="checkbox"/> | Identify, investigate and pursue prior claims for second injury claims |
| YES <input type="checkbox"/> | NO <input type="checkbox"/> | Identify, investigate and pursue subrogation on all claims which may allow recovery from a third party |

**EXHIBIT A – SCOPE OF SERVICES
THIRD PARTY CLAIMS ADMINISTRATION SERVICES**

CLAIMS ADMINISTRATION

Vendor shall provide customary and appropriate claims handling services from the date of first report of injury or first notice of claim through the resolution of each claim for all Qualified Claims under the self-insured programs described below:

Self-Insured Workers' Compensation and Heart & Hypertension program for claims that occurred on or after July 1, 1982 and July 1, 1977 respectively; and

Self-Insured Liability program claims (including commercial automobile liability, general liability, law enforcement liability, public official liability and school leader liability including Takeover claims) that occurred on or after October 1, 1992.

Definitions:

***ALAE** shall mean any cost or expense incurred by Vendor in connection with the administration, investigation, adjustment or defense of claims on behalf of Client.*

***Claim File** shall mean the file, either electronic or paper, for any open or closed claim which is provided to Vendor at the inception of this Agreement or created during this Agreement.*

***Discretionary Authority Limit** shall mean the maximum amount Vendor is authorized to pay on Client's behalf on any Qualified Claim without first obtaining prior approval from Client.*

***Qualified Claims** shall mean any (1) workers' compensation claim; (2) heart and hypertension claim; (3) commercial automobile liability claim; (4) general liability claim; (5) law enforcement liability claim (6) public official liability claim (7) school leader liability claim (8) any Takeover claim that Vendor agrees to service under this Agreement. **Multiple Qualified Claims** may exist as a result of a single occurrence (e.g. both bodily injury and property damage claims can result from a single occurrence or a claim by multiple claimants).*

***Takeover Claim** shall mean any open claim which has been: (1) administered by Client or Client's third party administrator prior to the inception of this Agreement; and (2) subsequently transferred to Vendor for servicing on or after the inception of this Agreement. Closed claims with accident dates prior to the Effective Date (as defined below) and subsequently reopened during the term of this Agreement will be considered Takeover Claims.*

Staffing: Vendor will provide a dedicated claims manager, claim adjuster(s) and support staff who are properly licensed, experienced and capable of providing quality claims administration services.

Investigation: After receipt of the claim notice, the Vendor must contact the claimant within two (2) days of receiving report of claim. An investigation will be completed and liability/compensability be determined within two (2) weeks of receipt of the notice of claim and when appropriate, the Vendor will perform on-site investigations. The Vendor will follow-up with the claimant as necessary. All phone calls will be returned within twenty-four (24) hours. The Vendor will not engage independent experts without specific approval of the Risk Manager, or his/her designee.

Claim Files: Vendor will establish a claim file in the claims management system during the first business day the claim is received and maintain the file for the lifetime of the claim. Reserves will be established upon receipt of the claim, revised in ninety (90) days and yearly thereafter. All payments (checks/vouchers) will be recorded with the related claim file. Vendor will ensure that the claims manager, claim adjuster(s) and support staff document all details of the claim in the system's "note file". All data will be kept up-to-date, accurate and complete.

Medical Release Forms: Vendor will obtain all necessary medical release forms and record with the related claim file.

Reserve Advisory Report: Vendor shall provide a written report to the Risk Manager, or his/her designee, describing the basis for the establishment of a **\$10,000 reserve or more**, or any change of the reserve by \$10,000 or more. The report to include facts of the accident, the nature and extent of the injuries, and pertinent investigation details.

Pre-Settlement Review: All pre-settlement letters will outline the description of the injury/loss and theory of compensability/liability including any mitigating factors, percentage of comparative or contributory negligence, economic and medical damages, diagnosis, prognosis, and justification for settlement including the demand, negotiation strategy and action plan if the settlement is not achieved. No settlements can be made without the appropriate approval by Risk Manager, Town Council and/or the Town's Carrier(s).

Legal Services: In the event a claim managed by Vendor pursuant to this Agreement enters into litigation or is a potential third-party subrogation/contribution claim, Vendor will recommend outside counsel from Town's legal panel and in compliance with the Town's Carrier(s)' policy provisions. Vendor will coordinate with the Town to manage such claims litigation in accordance the Town's Carrier(s) and Vendor's Litigation Management Guidelines. Vendor will make settlement recommendations to Town, but the final decision regarding the disposition of any claim, suit or proceeding will be made solely by Town.

File Access and Retention: At all times, Vendor shall allow the Town access to and furnish copies upon request of all records, books, claim files and computer media related Qualified Claims under this Agreement. Vendor shall retain all such records in accordance with all applicable state and federal laws and regulation and keep secure and protected from damage and destruction. Upon termination of contract, delivery of claim files to a destination determined by the Risk Manager.

Claim Audits: Vendor agrees to four (4) claim audits annually, to be held at the Vendor's place of business, at the discretion of the Risk Manager, or his/her designee, and coordinated with the Town staff and/or designated claims auditor. The Vendor's staff assigned to the Town's account will be available during the scheduled audit period. The Town staff and/or the designated claim auditor shall have access to and be furnished copies upon request of all claims files, related records and computer media.

Monthly Reporting: Vendor will provide monthly voucher and check registers, in electronic format, as required by the Risk Manager and Town's Finance Department.

Meetings: Vendor will meet with the Risk Manager, or his/her designee, designated claims auditor, and/or defense counsel, on an as needed basis, to discuss the status of active claims and general claims handling procedures.

IRS Reporting: Vendor will be responsible for issuing 1099's for checks issued checks through the Vendor's Claim and Expense Account.

Self-Insured Workers' Compensation and Heart & Hypertension claims:

- **Lost Time Claim:** Vendor will record the Lost Time claim and associated data; file required forms and notices pursuant to applicable state and federal statute and regulations, judicial procedures, and excess insurance policies; determine compensability; review and pay the appropriate level of medical benefits, indemnity benefits and related expenses; and attempt to achieve a return to work in some capacity for the affected employee. Lost Time Claim means any reported claim where the employee will likely be entitled to benefits for lost time from work in addition to medical benefits. Vendor will identify the claim as a Lost Time Claim when investigation is initiated to resolve issues regarding compensability without regard to: (1) whether or not the injured worker has actually lost time from work or (2) whether the claim is ultimately approved or denied. Lost Time Claims will also include a claim previously classified as a Medical Only Claim which required Vendor to perform additional claim handling services.
- **Medical Only Claim:** Vendor will record the Medical Only claim and associated data, file required forms and notices, determine compensability, review and pay appropriate medical benefits and related expenses. Medical Only Claim means any reported claim where the employee is or may be entitled to medical benefits, but is not likely to lose time from work.
- **Record Only Claims:** Vendor will record the claims and associated data to memorialize a notice of an occurrence or incident. Record Only Claims means a claim which is specifically reported as Record Only and not otherwise classified as Lost Time or Medical Only.
- **Vouchers:** Vendor will use vouchers to account for each employee's statutory workers' compensation indemnity benefits paid to the employee through their payroll check issued by the Town for the time period they are eligible for these benefits
- **Statutory Forms:** Vendor will be responsible for accurately completing and filing of all required statutory forms by certified mail with the proper parties and within the required time frames. All certified mail receipt cards will be kept with the related claim file.
- **Notice to Contest Liability:** Prior to denying any claim, Vendor will provide a draft copy of the Notice to Contest Liability (WCC Form 43) for approval by the Risk Manager, or his/her designee. Once approved, form will be issued as required by statute (Section 31-321) with a final copy forwarded to the Risk Manager, or his/her designee.
- **Second Injury Fund:** Vendor shall determine which claims are eligible for transfer to the Second Injury Fund and file the appropriate forms as required by statute.

- **Medical Management:** Vendor agrees to provide medical management services (i.e. hospital pre-certification, second opinions, in-hospital utilization review, discharge planning, chiropractic review, dental review, physician bill review/audit and hospital bill review/audit).
- **Informal / Formal Hearings:** Vendor will ensure the Risk Manager, or his/her designee, receives copies of all hearing notices they receive. Prior to the hearing, Vendor shall send to the Risk Manager, or his/her designee, and defense counsel a written summary of the issues to be discussed. Immediately following the hearing (within five (5) working days), Vendor will send or direct defense counsel to send written report describing the conclusions drawn at the hearing.
- **Medical Case Manager (CM) or a Disability Management Coordinator (DMC):** Vendor may provide Registered Nurses, to provide on-site case management services in connection with severe or catastrophic claims or who telephonically manage claims respectively, as requested by Town. CM and DMC, in conjunction with Vendor claim professionals, will provide the following services, including but not limited to: monitor the treatment programs recommended for each claimant by the relevant health care providers; coordinate necessary services; recommend utilization review; review pertinent medical reports; perform all investigative activities as may be appropriate.
- **Cost Containment Programs:** Vendor shall review medical bills and bills for other services performed in connection with each claim for appropriateness, relatedness to the injury or accident, unbundling, and for conformity to any applicable fee schedule or usual and customary repricing (UCR).
 - Vendor shall provide access to its Preferred Provider Network (PPN) Vendor for health care services which may include hospitals, physicians, and ancillary care providers from which Town and its employees may obtain medical services. In addition, Vendor shall provide Town access to its Out of Network (OON) Vendor.
 - Vendor shall provide Town access to its Pharmacy Benefit Management program. The pharmacy benefit management program provides prescription drugs and durable medical equipment at discounted prices.

Self-Insured Liability claims:

- **Liability Claims:** Vendor will record the claim and associated data; obtain and file required forms and notices pursuant to applicable state and federal statute and regulations, judicial procedures and excess insurance policies; initiate an investigation and determine liability; recommend course of action required for resolution of the claim; assign defense counsel and manage litigation process; secure experts; pay claims and related claims expenses as customary and appropriate; and maintain all related records and files for the same.
- **Record Only Claims:** Vendor will record the claims and associated data to memorialize a notice of an occurrence or incident. Record Only Claims means a claim which is specifically reported as Record Only and not otherwise classified.
- **Notice to Deny Liability:** Vendor will provide a copy of the letter notifying the claimant(s) of Vendor's intent to deny liability for their claim against the Town. Denial letter shall include the theory and/or statutory basis for the denial.
- **Authority Level:** Vendor agrees to review and seek approval from the Town with respect to a recommended course of action regarding a Qualified Claim valued in excess of the Discretionary Authority Level.
- **Liability Assessment:** Vendor will ensure the Risk Manager receives an initial assessment of the Qualified claim over the Discretionary Authority Level that includes a description of the injury/loss; theory of liability including any mitigating factors; economic and medical damages; diagnosis; prognosis; and negotiation strategy and action plan. When case is assigned to outside defense counsel, Vendor will direct defense counsel to prepare liability assessments to be distributed to the Risk Manager, Corporation Counsel and Town's Carrier(s) as necessary until resolution of the claim.

EXCESS REPORTING SERVICES

Vendor shall be responsible for notice to the Town's excess Carrier(s) in compliance with the Carrier(s) insurance policies for all claims administered by Vendor. Immediately upon determination that a claim is reportable, Vendor shall prepare and direct a detailed narrative report, in a form acceptable to the Carrier(s) with a copy to the Risk Manager. These reporting requirements are subject to change based on a change of the excess insurer, or a change in the excess insurer's reporting requirement endorsement any time during the contract period.

If requested by Vendor, the Town shall deliver to Vendor copies of all applicable excess policies and contact information, as well as amended or modified policies, endorsements, and any excess claim reporting thresholds or standards agreed upon between the Town and Carrier(s).

Vendor shall direct Carrier(s) to provide copies of all claim notice confirmations, claim reports and any similar reports provided by the Carrier(s) for the claim file. The Town agrees to provide copies of the Carrier(s) claim notice confirmations, claim reports and any similar reports received by the Risk Manager to Vendor upon receipt.

Vendor shall instruct its attorneys to advise Vendor when in the attorney's professional opinion one of Town's claims meets those thresholds. Upon receipt of the attorney's advisory of a potential excess claim, Vendor shall send written advisory to the Town's Carrier(s) and the Town of the same.

Vendor shall provide the Town with a cumulative listing of all claims which have been reported by Vendor to Carrier(s) at least annually. Within ninety (90) days of its receipt of said listing, Town shall notify Vendor of any claims which the Town knew or should have known met the reporting thresholds and which are not included on the listing.

Town's failure to meet the requirements set forth above shall relieve Vendor of its obligation to report excess claims to Carrier(s). Vendor shall not be obligated to report any claims not serviced by Vendor.

RISK MANAGEMENT INFORMATION SYSTEM (RMIS)

Vendor agrees to maintain and provide a claims management system that meets the following minimum requirements:

- Internet based with upgrades and training for Town personnel
- client copy of system manual and upgrades, record layout, coding and description listings
- support services available during normal working hours
- adequate data fields including optional fields solely for Town use
- client on-line access, inquiry, printing, reporting and e-mail capabilities
- client access to CMS non-financial data to edit as necessary
- capacity to download data in a record format adaptable to the Town's computer system
- immediate disclosure when revising or updating the system including the proposed system structure
- upon termination of contract and for a fee to be agreed upon, continued client on-line access, inquiry, printing, reporting and email capabilities and release of computer claim files in a universal format to the Town or the Town's representative

Vendor shall provide access to Vendor's RMIS and Town agrees to the terms and conditions of the License Agreement, applicable when first accessing Vendor's RMIS. Vendor will remove Town's password from the list of authorized users promptly upon termination or expiration of the Agreement

Town shall adhere to state and federal law with regard to protecting the privacy of any claimant whose information may appear in the RMIS. Town agrees to limit access to Vendor's RMIS to those persons who perform the essential functions of claim and risk management, including protecting security access passwords to hardware and communications, except that this provision is not intended to limit Town from generating and using reports and statistics for legitimate business purposes.

Town agrees to use all available security features and to notify Vendor promptly of all potential and actual breaches of the security system. Town agrees that no information recorded in Vendor's RMIS will be used as a pretext for retaliatory or other illegal or unfair discriminatory employment practices in violation of any federal or state statute or regulation.

THE WARRANTIES STATED IN THIS SECTION ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL VENDOR BE LIABLE FOR ANY LOSS OR DAMAGE TO REVENUES, PROFITS, OR GOODWILL OR OTHER DIRECT, SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND RESULTING FROM ITS PERFORMANCE OR FAILURE TO PERFORM UNDER THIS SECTION, INCLUDING WITHOUT LIMITATION ANY INTERRUPTION OF BUSINESS, EVEN IF VENDOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE. THIS SECTION OF THE AGREEMENT SHALL SURVIVE THE TERMINATION OF THE AGREEMENT.

SECTION 111 REPORTING

Town understands and acknowledges that it is a Responsible Reporting Entity (RRE) as defined by the Centers for Medicare and Medicaid Services (CMS), and primarily responsible for the reporting requirements as set forth in Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007. Town authorizes and Vendor agrees to undertake Town's Section 111 reporting requirements as Town's Account Manager/Reporting Agent as it relates to Town's non-record only claims being administered pursuant to the Agreement. Vendor shall commence reporting of Town's data as directed by CMS, and shall continue for as long as Vendor is contractually obligated to administer Town's claims.

Town acknowledges and agrees to provide Vendor with complete, accurate, and timely data for Section 111 reporting purposes. Vendor shall not provide any Section 111 reporting services for Town's Record Only Claims.

Vendor shall have no liability for any failure of (i) Town to register as a RRE; (ii) Town to execute any documents necessary to authorize Vendor as its Account Manager/Reporting Agent.

FUNDING of CLAIMS and EXPENSES

Vendor will establish a non-interest bearing checking account in Vendor's name (" Payment Account") with Vendor's bank, which is to be funded by Town, but, which Vendor will administer for the purposes of paying claims and Allocated Loss Adjustment Expenses (ALAE) in accordance with the procedures set forth in this Section. Allocated Loss Adjustment Expense (ALAE) means any cost or expense incurred in connection with the administration, investigation, adjustment or defense of claims on behalf of Town. ALAE includes but are not limited to: any and all legal fees, court costs and legal expenses; fees and expenses billed by attorneys for legal services; court reporters, fees for service of process; pre and post judgment interest paid; professional photographs; medical records; any and all costs associated with Medicare §111 reporting; the cost to retain experts; cost containment fees; rehabilitation costs; accident reconstruction; architects; chemist; contractors; engineers, police, fire, coroner, weather or other such reports; extraordinary costs for witness statements; the cost to obtain official documents and transcripts; sub rosa investigations; medical examinations; extraordinary travel made by Town's request; collection costs payable to third parties on subrogation; or, any other similar cost, fee or expense reasonably chargeable to the investigation, negotiation, settlement or defense of a claim; or, the protection of subrogation, contribution, indemnification rights of the Town.

Vendor will provide Town with a monthly Payment Register outlining all claims payments, ALAE and correction items funded by Vendor. The Payment Register will contain the name of the payee, date of payment, amount of payment, and claim number for all funding transactions occurring during the prior month. Vendor will automatically withdraw funds from Town's account at Town's bank through the Automated Clearing House System ("ACH Debit") for deposit to the Payment Account. ACH Debit activities will occur on a daily basis. The amount of the automatic withdrawal shall equal the total amount of payments made during that business day. Town shall not be required to maintain a minimum balance in the Payment Account.

Should Town fail at any time to maintain the required funding after receiving written notification from Vendor to the Town's Finance Director, Vendor will stop providing services, including ceasing to pay claims and expenses, until such funding has been restored and any related Vendor bank charges, fees, or penalties have been paid by Town.

Vendor is not obligated to pay any claims or expenses on behalf of Town unless the required funds are made available by Town to Vendor to do so. Should Vendor advance funding on the part of Town, then Town shall immediately reimburse Vendor or Vendor will stop providing services, including ceasing to pay claims and expenses, until full reimbursement has been received and any related Vendor bank charges, fees, or penalties have been paid by Town.

This Section of the Agreement shall survive the termination of the Agreement.

RISK CONTROL SERVICES

At Town's request, Vendor will provide any or all the following Risk Control Services (RCS) solely to assist Town in reducing Town's exposure to risk of loss. Evaluations concern only such conditions and practices as may be evident at the time of Vendor's visits

- **Industrial Hygiene Assessment:** including identification of dangerous occupational exposures to noise, chemicals, air contaminants, heat stress, and other environmental hazards.
- **Ergonomic Risk Assessment:** including evaluations for cumulative trauma disorders for an entire operation or selected tasks, jobs, workstations or worksites.
- **Risk Control Program Consultation Services** including the following:

Strategic Risk Control Plan Facilitation
Management Development Programs
Supervisor Development Programs

Employee Development Programs
Employee Communication Initiatives
Occupational Health Services Programs

THE SERVICES PERFORMED UNDER THIS AGREEMENT BY VENDOR SHALL NOT BE CONSTRUED AS APPROVAL BY VENDOR OF TOWN'S OPERATIONS, PROCESSES, SERVICES, PRODUCT DESIGN OR PRODUCT FUNCTION. THE PARTIES AGREE THAT, WHILE VENDOR WILL PERFORM RISK CONTROL SERVICES WITHIN INDUSTRY STANDARDS, NO GUARANTEES OR OTHER SIMILAR ASSURANCES CAN BE MADE BY VENDOR THAT IT HAS DISCOVERED ALL OF TOWN'S PAST, CURRENT, OR FUTURE RISKS OR HAZARDS. THE PARTIES FURTHER AGREE THAT BY PROVIDING

THE SERVICES SPECIFIED HEREUNDER, VENDOR IS NOT MAKING ANY WARRANTY, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY OR FITNESS OF CLIENT'S PRODUCTS OR PROCESSES FOR A PARTICULAR PURPOSE, COMPLIANCE WITH ANY LAW OR REGULATION, OR ANY OTHER WARRANTY, AND ANY LIABILITY OF VENDOR, ITS AFFILIATES OR AGENTS, FOR DIRECT, SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS, FROM ANY CAUSE WHATSOEVER, IS EXPRESSLY DISCLAIMED, EVEN IF VENDOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THIS SECTION OF THE AGREEMENT SHALL SURVIVE THE TERMINATION OF THE AGREEMENT.

**EXHIBIT B - INSURANCE
THIRD PARTY CLAIMS ADMINISTRATION SERVICES**

For purpose of this Exhibit, the term "Contractor" shall also include their respective agents, representatives, employees, contractors of any tier; and the term "Town of West Hartford and West Hartford Board of Education" (hereinafter called the "Town") shall include their respective boards, commissions, officers, officials, employees, agents, representatives and volunteers.

A. Insurance Requirements

1. The Contractor shall obtain and maintain at its own cost and expense all the insurance described below continuously for the duration of the Contract, including any and all extensions, except as defined otherwise in this Exhibit.
2. Contractor's policies shall be written by insurance companies authorized to do business in the State of Connecticut, with a Best's rating of no less than A:VII, or otherwise approved by the Town.
3. All policies (with the exception of Worker's Compensation and Professional Liability) shall be endorsed to include the Town of West Hartford, West Hartford Board of Education, and their respective boards, commissions, officers, officials, employees, agents, representatives, and volunteers as an Additional Insured. The coverage shall include, but not be limited to, investigation, defense, settlement, judgment or payment of any legal liability. Blanket Additional Insured Endorsements are acceptable. Any Insured vs. Insured language shall be amended to eliminate any conflicts or coverage restrictions between the respective Insureds.
4. When the Town or the Contractor is damaged by failure of the Contractor to purchase or maintain insurance required under this Exhibit, the Contractor shall bear all reasonable costs including, but not limited to, attorney's fees and costs of litigation properly attributable thereto.

B. Required Insurance Coverages:

1. **Commercial General Liability:** \$1,000,000 each occurrence / \$2,000,000 aggregate for premises/operations, products/ completed operations, contractual liability, independent contractors, personal injury and broad form property damage.
2. **Automobile Liability and Physical Damage Coverage:** \$1,000,000 each accident for any auto, including uninsured/underinsured motorist coverage and medical payments. Policy shall include collision and comprehensive physical damage coverage.
3. **Professional Liability (claims-made):** \$1,000,000 each claim / \$2,000,000 aggregate. Retroactive date under the policy shall precede the effective date of this Contract. The Contractor shall maintain continuous coverage or obtain an extended reporting period in which to report claims for two (2) years after completion of the work to be performed under this Contract.
4. **Valuable Papers and Records Coverage.** \$250,000 limit to reestablish, recreate or restore any and all records, papers, maps, statistics, survey notes and other data, if made unavailable by fire, theft, flood, or any other cause, regardless of the physical location of these insured items.
5. **Umbrella Liability:** \$1,000,000 each occurrence / \$2,000,000 aggregate, following form.
6. **Workers' Compensation and Employer's Liability:** Statutory coverage in compliance with the Workers' Compensation laws of the State of Connecticut. Policy shall include Employer's Liability with minimum limits of \$100,000 each accident, \$500,000 disease/policy limit, \$100,000 disease/each employee.

The Contractor represents that they are currently in compliance with all requirements of the State of Connecticut Workers' Compensation Act and that it shall remain in compliance for the duration of the Contract. The Contractor agrees that Workers' Compensation is their sole remedy and shall indemnify and hold harmless the Town from all suits, claims, and actions arising from personal injuries to the Contractor, however caused. This indemnity shall not be affected by a lapse of Workers' Compensation coverage and/or if the Contractor failed, neglected, refused or is unable to obtain Workers' Compensation insurance.

7. **Personal Property:** All personal property of the Contractor are the sole risk of the Contractor. The Contractor agrees to indemnify, defend and hold harmless the Town from any and all losses or damages, however caused, to any and all personal property belonging to the Contractor.

C. Additional Terms

1. Minimum Scope and Limits: The required insurance shall meet the minimum scope and limits of insurance specified in this Exhibit, or required by applicable federal, state and/or municipal law, regulation or requirement, whichever coverage is greater. Providing proof of compliance with the insurance requirements described in this Exhibit is not intended, and shall not be construed to exclude the Town from additional limits and coverage available to the Contractor.

Acceptance by the Town of insurance submitted by the Contractor does not relieve or decrease in any manner the liability of the Contractor arising out of or in connection with this Contract. The Contractor is responsible for any losses, claims and costs of any kind which exceed the Contractor's limits of liability, or which may be outside the coverage scope of the policies, or a result of non-compliance with any laws including, but not limited to, environmental laws. The requirements herein are not intended, and shall not be construed to limit or eliminate the liability of the Contractor that arises from the Contract.

2. Certificates of Insurance: The Contractor shall provide certificates of insurance, policy endorsements, declaration page(s) or provisions acceptable to the Town confirming compliance with this Exhibit and thereafter upon renewal or replacement of each required policy of insurance. Upon request, the Contractor agrees to furnish complete copies of the required policies.
3. Subcontractors: Contractor shall cause all contractors of any tier, acting on its behalf, to comply with this Exhibit. The Contractor shall either include its contractors as an Insured under its insurance policies or furnish separate certificates of insurance and endorsements for each subcontractor.
4. Premiums, Deductibles and Other Liabilities: Any and all related costs, including but not limited to, deductibles, retentions, losses, claim expenses, premiums, taxes, and audit charges earned are the sole responsibility of the Contractor.
5. Occurrence Form, Primary and Non-Contributory: All required insurance coverage shall be written on an occurrence basis, except as defined otherwise in this Exhibit. Each required policy of insurance shall be primary and non-contributory with respect to any insurance or self-insurance maintained by the Town.
6. Claims-made Form: Insurance coverage written on a claims-made basis shall have a retroactive date that precedes the effective date of this Contract. The Contractor shall maintain continuous coverage or obtain an extended reporting period in which to report claims following end of the Contract, for a minimum of two (2) years, except as defined otherwise in this Exhibit.
7. Waiver of Rights of Recovery: Both the Contractor and Contractor's insurers shall waive their rights of recovery or subrogation against the Town.
8. Claim Reporting: Any failure of the Contractor to comply with the claim reporting provisions of the required insurance policies shall not relieve the Contractor of any liability or indemnification in favor of the Town for losses which otherwise would have been covered by said policies.
9. Cancellation Notice: Each required insurance policy shall not be suspended, voided, cancelled or reduced except after thirty (30) days prior written notice has been given to the Town, ten (10) days for non-payment of premium.
10. Compliance: Failure to comply with any of the indemnification or insurance requirements may be held a willful violation and basis for immediate termination of the Contract