

CONSULTANT AGREEMENT

THIS AGREEMENT is made this ____ day of _____, 2020, by the CITY OF GARDEN GROVE, a municipal corporation, ("CITY"), and Carl Warren & Company, a California Corporation ("CONSULTANT").

RECITALS

The following recitals are a substantive part of this Agreement:

1. This Agreement is entered into pursuant to Garden Grove COUNCIL AUTHORIZATION, DATED _____.
2. CITY desires to utilize the services of CONSULTANT to Provide Third Party Liability Claims Administration for the City of Garden Grove.
3. CONSULTANT is qualified by virtue of experience, training, education and expertise to accomplish services.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Term of Agreement:** The term of the agreement shall be for period of three (3) beginning on May 1, 2020, with an option to extend said agreement additional two (2) years, for a total performance period of five (5) years. Option years shall be exercised one (1) year at a time, at the sole option of the CITY. This agreement may be terminated by the CITY without cause. In such event, the CITY will compensate CONSULTANT for work performed to date in accordance with Scope of Work which is attached as Attachment "A" and is hereby incorporated by reference. CONSULTANT is required to present evidence to support performed work.
2. **Services to be Provided:** The services to be performed by CONSULTANT shall consist of the services as further specified in CONSULTANT'S proposal attached hereto as ATTACHMENT "C" and incorporated herein by reference. CONSULTANT agrees that provision of Services under this agreement shall be within accepted accordance with customary and usual practices in CONSULTANT'S profession. By executing this Agreement, CONSULTANT warrants that it has carefully considered how the work should be performed and fully understands the facilities, difficulties, and restrictions attending performance of the work under this agreement.
3. **Compensation.** CONSULTANT shall be compensated as follows:
 - 3.1 **Amount.** CONSULTANT shall be compensated in accordance with the rate schedule set forth in the Compensation Schedule which is attached as Attachment "B".

- 3.2 **Not to Exceed.** Total Compensation for this agreement shall not exceed an amount of Three Hundred Sixty Five Thousand Sixty Dollars (\$365,060.00), for the first three years, in arrears and in accordance with Scope of Services and RFP No. S-1264, which is attached as Attachment "A," and is hereby incorporated by reference. CONSULTANT warrants that all services will be performed in a competent, professional and satisfactory manner in accordance with the standards prevalent in the industry for such services. CONSULTANT shall not be compensated for any services rendered in connection with its performance of this Agreement, which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager. The Proposal and this Agreement do not guarantee any specific amount of work.
- 3.3 **Payment.** For work under this Agreement, payment shall be made per invoice for work completed. Within 45 day of delivery of goods or completion of performance of services, CONTRACTOR must promptly render an invoice to CITY or payment may be significantly delayed. For extra work not a part of this Agreement, a written authorization by CITY will be required, and payment shall be based on the Compensation Schedule, Attachment "B".
- 3.4 **Records of Expenses.** CONSULTANT shall keep complete and accurate records of payroll costs, travel and incidental expenses. These records will be made available at reasonable times to CITY.
- 3.5 **Termination.** CITY and CONSULTANT shall each have the right to terminate this Agreement, without cause, by giving thirty (30) days written notice of termination to the other party. If CITY terminates the project, then the provisions of paragraph 3 shall apply to that portion of the work completed.

4. Insurance Requirements

- 4.1 **Commencement of Work** CONSULTANT and all subcontractors shall not commence work under this Agreement until all certificates and endorsements have been received and approved by the CITY. All insurance required by this Agreement shall contain a Statement of Obligation on the part of the carrier to notify the CITY of any material change, cancellation, or termination at least thirty (30) days in advance. All subcontractors shall provide the same insurance as required herein of CONSULTANT. CONSULTANT shall be responsible to collect and maintain all insurance for all subcontractors.

- 4.2 Workers Compensation Insurance For the duration of this Agreement, CONSULTANT shall maintain Workers Compensation Insurance in the amount and type required by California Law, if applicable. The insurer shall waive its rights of subrogation against the CITY, its officers, officials, agents, employees, and volunteers.
- 4.3 Insurance Amounts CONSULTANT shall maintain the following insurance for the duration of this Agreement:
- a. Commercial general liability an amount not less than \$1,000,000 per occurrence; (Claims made and modified occurrence policies are not acceptable.); Insurance companies must be admitted and licensed in California and have an AM Best's Guide Rating of A-, Class VII or better, as approved by the CITY;
 - b. Automobile liability in an amount not less than \$1,000,000 combined single limit; (Claims made and modified occurrence policies are not acceptable.) Insurance companies must be admitted and licensed in California and have an AM Best's Guide Rating of A-, Class VII or better, as approved by the CITY.
 - c. Cyber liability, including cyber security, in an amount not less than \$1,000,000. Insurance companies must be acceptable to CITY and have AM Best's Guide Rating of A-, Class VII or better, as approved by the CITY
 - d. Commercial crime liability, including employee theft, in an amount not less than \$2,000,000 per occurrence. Insurance companies must be acceptable to CITY and have AM Best's Guide Rating of A-, Class VII or better, as approved by the CITY

An Additional Insured Endorsement, **ongoing and completed operations**, for the policy under section 4.3 (a) shall designate CITY, its officers, officials, employees, agents, and volunteers as additional insureds for liability arising out of work or operations performed by or on behalf of the CONSULTANT. CONSULTANT shall provide to CITY proof of insurance and endorsement forms that conform to CITY's requirements, as approved by the CITY.

An Additional Insured Endorsement for the policy under section 4.3 (b) shall designate CITY, its officers, officials, employees, agents, and volunteers as additional insureds for automobiles owned, lease, hired, or borrowed by CONSULTANT. CONSULTANT shall provide to CITY proof of insurance and endorsement forms that conform to CITY's requirements, as approved by the CITY.

Loss Payee Endorsement under the policy under section 4.3 (d) shall designate CITY, as Loss Payee. CONSULTANT shall provide to CITY proof of insurance and endorsement forms that confirm to the City's requirements, as approved by the CITY.

For any claims related to this Agreement, CONSULTANT's insurance coverage shall be primary insurance as respects to CITY, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the CITY, its officers, officials, employees, agents, or volunteers shall be excess of the CONSULTANT's insurance and shall not contribute with it.

If CONSULTANT maintains higher insurance limits than the minimums shown above, CONSULTANT shall provide coverage for the higher insurance limits otherwise maintained by the CONSULTANT.

5. **Non-Liability of Officials and Employees of the CITY.** No official or employee of CITY shall be personally liable to CONSULTANT in the event of any default or breach by CITY, or for any amount, which may become due to CONSULTANT.
6. **Non-Discrimination.** CONSULTANT covenants there shall be no discrimination against any person or group due to race, color, creed, religion, sex, marital status, age, handicap, national origin or ancestry, in any activity pursuant to this Agreement.
7. **Independent Contractor.** It is understood and agreed that CONSULTANT, including CONSULTANT's employees, shall act and be independent contractor(s) and not agent(s) or employee(s) of CITY, and that no relationship of employer-employee exists between the parties. CONSULTANT's assigned personnel shall not obtain or be entitled to any rights or benefits that accrue to, or are payable to, CITY employees, and CONSULTANT shall so inform each employee organization and each employee who is hired or retained under this Agreement. CITY is not required to make any deductions or withholdings from the compensation payable to CONSULTANT under the provisions of this Agreement, and is not required to issue W-2 Forms for income and employment tax purposes for any of CONSULTANT's assigned personnel. CONSULTANT hereby expressly assumes all responsibility and liability for the payment of wages and benefits to its assigned personnel, and all related reporting and withholding obligations. CONSULTANT hereby agrees to indemnify and hold CITY harmless from any and all claims or liabilities that CITY may incur arising from any contention by any third party, including, but not limited to, any employee of CONSULTANT or any federal or state agency or other entity, that an employer-employee relationship exists by reason of this Agreement, including, without limitation, claims that CITY is responsible for retirement or other benefits allegedly accruing to CONSULTANT's assigned personnel.
8. **Compliance With Law.** CONSULTANT shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government. CONSULTANT shall comply with, and shall be responsible for causing all contractors and subcontractors performing any of the work pursuant to this Agreement, if any, to comply with, all applicable federal and state labor

standards, including, to the extent applicable, the prevailing wage requirements promulgated by the Director of Industrial Relations of the State of California Department of Labor. The City makes no warranty or representation concerning whether any of the work performed pursuant to this Agreement constitutes public works subject to the prevailing wage requirements.

9. **Disclosure of Documents.** All documents or other information developed or received by CONSULTANT are confidential and shall not be disclosed without authorization by CITY, unless disclosure is required by law.
10. **Ownership of Work Product.** All documents or other information developed or received by CONSULTANT shall be the property of CITY. CONSULTANT shall provide CITY with copies of these items upon demand or upon termination of this Agreement.
11. **Conflict of Interest and Reporting.** CONSULTANT shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.
12. **Notices.** All notices shall be personally delivered or mailed to the below listed addresses, or to such other addresses as may be designated by written notice. These addresses shall be used for delivery of service of process.
 - (a) Address of CONSULTANT is as follows:
Carl Warren & Company
Attention: Richard McAbee, Chief Marketing Officer
11209 N. Tatum Blvd., Suite 130
Phoenix, AZ 85028
 - (b) Address of CITY is as follows (with a copy to):

City of Garden Grove:	City Attorney
P.O. Box 3070	City of Garden Grove
Garden Grove, CA 92842	P.O. Box 3070
	Garden Grove, CA 92842
13. **CONSULTANT'S Proposal.** This Agreement shall include CONSULTANT'S proposal, Attachment "C" hereto, which shall be incorporated herein. In the event of any inconsistency between the terms of the proposal and this Agreement, this Agreement shall govern.
14. **Licenses, Permits and Fees.** At its sole expense, CONSULTANT shall obtain a Garden Grove Business License, all permits and licenses as may be required by this Agreement.
15. **Familiarity With Work.** By executing this Agreement, CONSULTANT warrants that: (1) it has investigated the work to be performed; (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands

the facilities, difficulties and restrictions of the work under this Agreement. Should CONSULTANT discover any latent or unknown conditions materially differing from those inherent in the work or as represented by CITY, it shall immediately inform CITY of this and shall not proceed, except at CONSULTANT'S risk, until written instructions are received from CITY.

16. **Time of Essence.** Time is of the essence in the performance of this Agreement.
17. **Limitations Upon Subcontracting and Assignment.** The experience, knowledge, capability and reputation of CONSULTANT, its principals and employees were a substantial inducement for CITY to enter into this Agreement. CONSULTANT shall not contract with any other entity to perform the services required without written approval of the CITY. This Agreement may not be assigned voluntarily or by operation of law, without the prior written approval of CITY. If CONSULTANT is permitted to subcontract any part of this Agreement, CONSULTANT shall be responsible to CITY for the acts and omissions of its subcontractor as it is for persons directly employed. Nothing contained in this Agreement shall create any contractual relationship between any subcontractor and CITY. All persons engaged in the work will be considered employees of CONSULTANT. CITY will deal directly with and will make all payments to CONSULTANT.
18. **Authority to Execute.** The persons executing this Agreement on behalf of the parties warrant that they are duly authorized to execute this Agreement and that by executing this Agreement, the parties are formally bound.
19. **Indemnification.** To the fullest extent permitted by law, CONSULTANT agrees to protect, defend, and hold harmless CITY and its elective or appointive boards, officers, agents, and employees from any and all claims, liabilities, expenses, or damages of any nature, including attorneys' fees, for injury or death of any person, or damages of any nature, including interference with use of property, arising out of, or in any way connected with the negligence, recklessness and/or intentional wrongful conduct of CONSULTANT, CONSULTANT'S agents, officers, employees, subcontractors, or independent contractors hired by CONSULTANT in the performance of the Agreement. The only exception to CONSULTANT'S responsibility to protect, defend, and hold harmless CITY, is due to the negligence, recklessness and/or wrongful conduct of CITY, or any of its elective or appointive boards, officers, agents, or employees.

This hold harmless agreement shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by CONSULTANT.

20. **Modification.** This Agreement constitutes the entire agreement between the parties and supersedes any previous agreements, oral or written. This Agreement may be modified only by subsequent mutual written agreement executed by CITY and CONSULTANT.
21. **Waiver.** All waivers of the provisions of this Agreement must be in writing by the appropriate authorities of the CITY and CONSULTANT.
22. **California Law.** This Agreement shall be construed in accordance with the laws of the State of California. Any action commenced about this Agreement shall be filed in the central branch of the Orange County Superior Court.
23. **Interpretation.** This Agreement shall be interpreted as though prepared by both parties.
24. **Preservation of Agreement.** Should any provision of this Agreement be found invalid or unenforceable, the decision shall affect only the provision interpreted, and all remaining provisions shall remain enforceable.
25. **Appropriations.** This Agreement is subject to and contingent upon funds being appropriated therefor by the Garden Grove City Council for each fiscal year covered by the term of this Agreement. If such appropriations are not made, this Agreement shall automatically terminate without penalty to the CITY.

[SIGNATURES ON FOLLOWING PAGE]

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IN WITNESS THEREOF, these parties have executed this Agreement on the day and year shown below.

Date: _____

"CITY"
CITY OF GARDEN GROVE

By: _____
City Manager

ATTESTED:

City Clerk

Date: _____

"CONSULTANT"
Carl Warren & Company

By: *Richard McAbee*

Name: Richard McAbee

Title: Chief Marketing Officer

Date: March 10, 2020

Tax ID No. 95-2917562

If CONSULTANT is a corporation, a Corporate Resolution and/or Corporate Seal is required. If a partnership, Statement of Partnership must be submitted to CITY.

APPROVED AS TO FORM:

Anna Sandoval
Garden Grove City Attorney

3-16-2020
Date

ATTACHMENT "A"
RFP No. S-1264
Provide all Services Related to Third Party Liability Claims
Administration

SCOPE OF SERVICES

The City of Garden Grove is accepting proposals from qualified firms to provide third party liability claims administration services as outlined in the Scope of Services below.

The CONSULTANT shall administer the City's Self-Insurance Liability Program and act as the City's representative in all matters related to the investigation, adjustment, processing, and resolution of claims for money damages asserted by third parties against the City.

1. **ASSIGNED PERSONNEL:** Assign a Principal Account Adjuster to the City to act as the primary contact for the City. The City must approve the Principal Account Adjuster and any other personnel assigned to perform services for the City. If for any reason, in the City's sole discretion, the service provided by any assigned personnel is unsatisfactory, the contractor will agree to assign replacement personnel that must also be approved by the City. Adjusters assigned to the City must have a minimum five (5) years full time experience as a general liability adjuster and a minimum of three (3) years' experience with public agency liability claims adjusting. An Associate In Claims Designation is preferred.
2. **CLAIMS ADJUSTMENT SERVICES:** The contractor will provide complete claims adjustment services on each accident or incident, which is, or may be the subject of a liability claim against the City. Such services shall include, but are not limited to:
 - a. Open and maintain a claim file on each potential or actual claim assigned to the contractor.
 - b. Review all new claims for liability and provide an assessment of liability to the City no later than twenty-one (21) days from receipt of claim from the City.
 - c. Review status of claims and adequacy of reserves on all active cases at least every sixty (60) days.
 - d. Provide narrative reports to the City when recommending disposition of a claim or any other significant events that have or will occur. Reports must be clear and concise and be provided within format approved by the City.
 - e. Diary all files at appropriate intervals to allow for timely completion of required activity.
 - f. Files will clearly and concisely document each action taken on a claim.

- g. Identify and notify possible co-defendants.**
 - h. Identify liability and potential defenses, including use of governmental immunities, comparative negligence, joint tortfeasors and joint and several liability.**
 - i. Tender claims to other potentially responsible parties.**
 - j. Determine subrogation potential and assist the CITY in effecting recovery in the least costly manner and with the most advantageous disposition. Such disposition must be approved by the City.**
 - k. Make a written recommendation to the City once the investigation is complete, including identification of potential defenses and recommending action on the claim, with alternatives, when appropriate. All notices pertaining to claim insufficiency, returning late claims, and claim rejections, shall be timely and in accordance with the relevant provisions of the Government Code.**
 - l. Contact claimant, or their attorney, within five (5) days of receipt of claim and maintain appropriate contact until the claim is closed.**
 - m. Telephone calls from City staff, claimants, or claimant's attorneys shall be returned within one (1) business day. If the contractor's appropriate staff member called is not available to return the call within this time frame, another designated staff member must return the call.**
 - n. Have translators available to assist with non-English speaking claimants.**
 - o. Whenever its investigation results in a determination that the City has sustained a liability to a third party, the contractor will process such claim or potential claim for settlement in accordance with instructions and policies established by the City for settlement.**
 - p. Notify the City's excess carriers of all claims that exceed, or may exceed, the City's self-insurance retention or as required by the excess carriers' liability claim reporting procedures.**
 - q. Act as liaison between the insurance carriers and the City on matters affecting the adjustment of claims.**
 - r. Seek reimbursement from the excess insurance carrier for any losses in excess of the City's self-insured retention.**
 - s. Obtain settlement agreements and releases upon settlement of claims or potential claims.**
 - t. In addition to claims cases actually assigned to the contractor for claims adjusting, certain other claims may be opened, adjusted, settled and closed**
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by City staff. The contractor will issue claim numbers, and will update and maintain a loss database for such claims on behalf of the City.

- u. Maintain and store all hardcopy files for seven (7) years after the claim file is closed.
3. **INVESTIGATIVE SERVICES**: The contractor will provide complete investigative services, which will include, but are not limited to:
- a. Prompt receipt, acknowledgement and examination of all reports of accidents, incidents, claims or cases which are or may be the subject of liability claims, and will do so in not more than two (2) business days after receipt of the report at the contractor's office.
 - b. Provide immediate investigation of accidents, incidents, claims or other cases as requested by the City; investigation will include on-site investigation, photographs, interviewing of witnesses, determination of losses and other such investigate services necessary to determine liability and losses.
 - c. Maintain service on a 24-hour, seven (7) days per week basis, to receive telephone reports of any incident or accident, which may be the subject of a liability claim, and provide immediate investigative services to the extent necessary to provide a complete investigation. The contractor will provide the City and will maintain current a roster of the contractor's staff that are available for emergency and after-hours contact or call out.
 - d. Arrange, with prior City approval, for expert services including to but not limited to professional photography, independent medical examinations, professional engineering services, and laboratory services.
 - e. Report all bodily injury claims to the Index Bureau. Conduct Index Bureau searches for repeat claimants. Conduct additional Index Bureau searches at request of the City.
 - f. Recommend and, upon City approval, coordinate third-party special investigations (e.g., Social Media).
4. **LEGAL SUPPORT SERVICES**: The contractor will provide the following legal support services on each claim where the claimant has commenced litigation:
- a. Upon notification by the City that litigation has been filed on an open claim, the contractor will contact the City's trial attorney office and provide all information and files concerning the claim.
 - b. Maintain a liaison with the City's trial attorney and provide such investigation services as are required by such attorney during pre-trial and trial stages.

- c. Assist the City's trial attorney in answering any interrogatories or requests for admissions filed by the claimant.
 - d. At the request of the City, attend settlement conferences on behalf of the City.
 - e. Assist City staff in Small Claims Court actions filed by and against the City, including but not limited to, obtaining witness information, evidence, assistance in preparing the case for trial, and appear on behalf of the City.
 - f. Review, evaluate, and monitor special counsel statements of services.
 - g. Regularly and reasonably discuss and review investigation issues, discovery, and case strategy with the City's trial attorney.
5. **ADMINISTRATION SERVICES:** The contractor will provide the following administration services:
- a. Attend meetings and prepare status reports at the request of the City.
 - b. Provide tabulated status reports on all reported claims, indicating the status of each reported claim, details of such claim, the outstanding reserves for each claim and details of all claim payments, at the request of the City.
 - c. Maintain computer database of all reported claims in a Risk Management Information System with an online platform, and provide the City access to such database. At a minimum, such database will provide fields acceptable to the City, file notes, reserves, and expenses incurred on each claim, and allow City staff to produce loss run reports. Past claims experience must be importable and current data must be exportable. Ideally, the online system would accommodate some level of customization of its fields and report features, and would allow the City to upload large media files. The contractor will provide appropriate training and personnel for support services.
 - d. Provide the City with up to three (3) special loss runs per fiscal year as requested by the City.
 - e. Inform the City of changes or proposed changes in statutes, rules and regulations and case law affecting the general liability program.
 - f. Assist in the development of policies and procedures relating to the general liability program.
 - g. Conduct risk management related seminars for City staff at the request of the City.
 - h. Comply with the mandatory reporting requirements of Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA).
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6. **TRUST ACCOUNT SERVICES:** The contractor will provide the following trust account services:
- a. The City will establish a trust account and will deposit into the account the sum of Seventy Five Thousand Dollars (\$75,000), which the contractor will use for the settlement of claims and/or payment of claim expenses.
 - b. The contractor will not issue any check or claim settlement or expense payment until authorization has been secured from the City. In no event will the contractor be authorized by the City to issue any single check greater than Seventy Thousand Dollars (\$70,000).
 - c. Expenses authorized by City will be paid within fourteen (14) days of receipt of the invoice.
 - d. Checks issued by the contractor shall require two (2) authorized signatures. The contractor will mail numbered copies of the checks immediately to the City upon check issuance.
 - e. The contractor will maintain a detailed check register, which accounts for every check in the trust account number series. The register must include the date issued/mailed. The contractor will provide a copy of the check register to the City at the end of each month.
 - f. All employees of the contractor who have access to the trust account will be bonded.
7. **AUDITS:** CONSULTANT will cooperate with the City and will make available any and all claim files and records available for audits. Audits of claims will be conducted by either City staff or a contracted claims auditor at a frequency and duration as specified by the City. The City or contracted claims auditor will have reasonable access to the necessary portions of the contractor's facilities, records and files for review or audit purposes.



Compensation Schedule

Flat Rate Per Claim

We have provided Flat Rate Per Claim Pricing for one (1) year of services. We will use the Bureau of Labor Statistics Consumer Price Index (CPI) data for Los Angeles - Riverside - Orange County, CA for Years 2 and 3.

CLAIMS ADMINISTRATION SERVICES	FLAT FEE PER CLAIM PRICING		
	YEAR 1 2020 - 2021	YEAR 2 2021-2022	YEAR 3 2022-2023
General Liability Bodily Injury (GLBI)	\$850 per suffix *	CPI	CPI
General Liability Property Damage (GLPD)	\$425 per suffix * (plus appraisal cost, if any)	CPI	CPI
Auto Liability Bodily Injury (ALBI)	\$ 850 per suffix *	CPI	CPI
Auto Liability Property Damage (ALPD)	\$425 per suffix * (plus appraisal cost, if any)	CPI	CPI
Auto Physical Damage (APD)	\$425 per suffix * (plus appraisal cost, if any)	CPI	CPI
Police Liability (PL)	\$950 per suffix *	CPI	CPI
Notes: * Claims above that enter litigation or is open for 24 months or more will incur a 50% Litigation Surcharge of the Flat Rate Fee.			
Incident Report/Record Only	\$50 per report	\$50 per report	\$50 per report
Take Over Claims	\$20,300	-	-
Telephone	Included	Included	Included
Copy Work	Included	Included	Included
Stenographs	Included	Included	Included
Postage	Included	Included	Included
Office Expense	Included	Included	Included
Claims Set-Up Fee	Included	Included	Included
Data Processing	Included	Included	Included
Index Bureau (ISO Claims Search and OFAC)	Included	Included	Included
MMSEA Filing Fee (liability claims)	Included	Included	Included



Miscellaneous/Allocated Loss Adjustment Expenses (i.e. police reports, medical records, etc.)	At Cost	At Cost	At Cost
Field Work Services			
Mileage	IRS rate	IRS rate	IRS rate
Photographs/Duplicate Photographs	Included	Included	Included
Ancillary Services			
Subrogation Setup Fee (one-time charge)	Included	Included	Included
Subrogation	21% of net recovery	21% of net recovery	21% of net recovery
Outside Investigations	At Cost	At Cost	At Cost
Appraisals	At Cost	At Cost	At Cost
Surveillance/Fraud Unit	At Cost	At Cost	At Cost
Annual Administration Services			
<ul style="list-style-type: none"> • Data Management • Account Management • Annual Stewardship • Quarterly Claims Review 	\$6,000	CPI	CPI
Risk Management Information System Services			
<ul style="list-style-type: none"> • RMIS Training/Technical Support • Set-Up (one-time charge) • Data Conversion(s) • 3 Users RMIS Access • Standard Monthly Loss Runs • Report Programming • Carrier TPA Oversight (Data Extract, Feeds, Audits, Compliance & Reporting) 	Included	Included	Included
Data Intake of Existing Claims (one-time charge in the 1 st year)	-	-	-
Additional Users	\$250/user per year	\$250/user per year	\$250/user per year
Custom Report Development	\$250 per hour	\$250 per hour	\$250 per hour
Exit IT Services (Final Termination Report)	\$250 per hour	\$250 per hour	\$250 per hour
Banking/Trust Account Services			
Trust Account Maintenance	Included	Included	Included
Check Issuance and Reconciliations	Included	Included	Included
1099 Reporting, Including IRS File	Included	Included	Included



March 6, 2020

City of Garden Grove
11222 Acacia Parkway
Garden Grove, California 92840

Attention: Sandra Segawa, Purchasing Division Manager
Regarding: Best and Final Offer (BAFO) to RFP No. S-1264
Provide Third Party Liability Claims Administration Services

Dear Ms. Segawa;

Carl Warren & Company is pleased to respond to the City of Garden Grove ("the City")'s request for a BAFO to RFP No. S-1264 to Provide Third Party Liability Claims Administration Services.

We have provided the Flat Rate per Claim Compensation Schedule with the included takeover charges after this page. The takeover amount is lessened by \$6,000 as we have listed the Administration/RMIS Fee below on page 3. This will drop the takeover fee to \$20,300 which should be satisfactory for a 5/1/2020 start date. Our BAFO is attached below. A printed copy of this letter and the BAFO, can be sent to the City is requested.

If I may clarify or provide any additional information, please do not hesitate to contact me directly with the contact information below. We look forward to your response.

King Regards,

Richard McAbee
Chief Marketing Officer
Carl Warren & Company
11209 N Tatum Blvd., Suite 130
Phoenix, Arizona 85028
T: 602-485-8228 | C: 602-723-5610
rmcabee@carlwarren.com



Overview & Approach

a) **Proposers must include in this section their understanding of managing a municipal liability claims program.**

Our Public Sector Specialization...

TPA Partner of
choice for



200+

Client's liability
programs



45+

Years of public
sector experience;
36 years on the
City's program



first

Municipal TPA in
the State of CA

Our current and
largest public entity
client joined the
Carl Warren family
in **1975**

Each entity requires services specific to their and their excess carriers'/pool needs and guidelines. We service public entities of all sizes and needs and handle all claim types ranging from employment practices liability, property damage, premises liability, sexual misconduct, professional, police, errors and omission claims to slip/trip falls, and automobile claims throughout California.

We have successfully worked with our public sector clients, new and existing, to improve efficiency, reliability, and cost containment. Examples include state compliance, reserve philosophy, notice of rejection processes, on-call processes, and data.

Carl Warren is an approved AM Best 2018 & 2019 Third-Party Administrator and is active within the public entity community throughout California and the rest of the nation. We are a member of PARMA, PRIMA (local and national chapters), Combined Claims Conference, AGRIP, RIMS (local and national chapters), CLM, as well as client forum conferences.

Our role as your TPA partner is to act swiftly in order to control claim exposure and minimize settlement payments by the City. In the 2 examples below:

We handled a claim in which the claimant alleged missing items upon release from jail including a bike that he states was taken. The claimant is homeless and threatened to sleep in City Hall until the matter was resolved. The adjuster met with the claimant on 3 occasions, he also met with the police department to review where the personal items were held. The claimant appeared to have mental issues and some of the City employees were concerned. The adjuster was able to resolve the claim for \$300 and



obtained an abandoned bike from the City as part of the settlement. The claim was resolved within 30 days.

On another claim our team recently handled, it was a trip and fall accident in which claimant was overheard bragging that she was going to get a huge sum from settlement from the City. She was represented by an attorney. Due to a thorough investigation and scene inspection claim was able to be resolved for \$4,000. Demand was \$15,000 and authority was \$5,000. Claim was resolved within 60 days of receipt.

- b) Proposers must include their approach to providing efficient and effective third-party claims administration services. Include your proposed administrative procedures, areas of responsibility, and service delivery time frame. Additionally, identify the proposed staffing and describe the transition plan and implementation of the contract.**

We proactively investigate claims by identifying tenders or third parties to transfer risk, evaluate and make recommendations to resolve or deny in a timely and cost-effective manner. Our claim process starts with communication and ends with our team's knowledge, experience, creative solutions, and aggressive approach. Our reserves are initially set at \$7, after 7 days, a fixed reserve is set when most information is secured. At the 30-day mark or sooner, we prepare a report complete with a Theory of Liability, Plan of Action, and Resolution Plan. We have excellent litigation management skills and do not abandon the file to defense counsel in order to control defense costs. We are constantly looking at ways to decrease the amount of time a file is open as well as the cost of settlements.

We have an in-house department of certified subrogation paralegals that recovers most revenue within the first 30-45 days. All files are investigated to identify third-party tenders or recoveries. If desired, we can provide the City with this service.

We have an open-line of communication with the City and CSAC-EIA, and as a result, it is the reason we've worked together for the past 36 years. There is no transition as we are the incumbent on your program.

Delivering Results

We have produced the following results for your liability program for the contract year 2015-2020, YTD.



11%
Litigation Rate YTD

\$6,681.83
**Average Cost per
Claim (Closed)**

In a recent claim that we handled for the City, we demonstrated great triparty involvement with the City, the Defense Counsel and Carl Warren. Through litigation management, background knowledge of police officer regulations, along with great negotiation skills, we resolved a claim for alleged police brutality for \$250K through mediation, when the demand was \$2.5 million.

The Plaintiff's alleges that on October 17, 2016, he arrived at his place of business, to begin his workday. Plaintiff alleges that he had a new employee beginning her first day of work also on October 17, 2016. Plaintiff alleges that unknown to him, the new employee arrived before him and while she was waiting for him to arrive had placed a call to 911 stating that she was the victim of a crime. Officers responded to the call that Plaintiff's employee made. Plaintiff alleges that upon arrival at the business, the Officers made entry into the building with their guns drawn. As the Officers approached Suite 114, the door to the suite was opened by Plaintiff. Plaintiff alleges that Officer pointed his gun at Plaintiff and ordered Plaintiff to show his hands. Plaintiff asked Officer what was happening, and Officer asked if Plaintiff had been robbed. Plaintiff told Officer that he had not been robbed and Officer ordered Plaintiff to close the door which he did. Plaintiff alleges that Officers then moved on to clear the rest of the building without relaying to the other Officers that Plaintiff was told to stay in Suite 114. Plaintiff alleges that Officer then approached Suite 114 after Officers had already cleared it and ordered Plaintiff to close the door and remain in the suite. Plaintiff alleges that Officer saw Plaintiff inside the suite, walk up to the door and then stop and turn around and walk away from the door. Plaintiff alleges that Officer then began shouting commands at Plaintiff while Plaintiff was sitting at his desk inside the business. Plaintiff alleges that he then walked towards the door and opened it up as commanded by Officer. Officer then pointed his gun at Plaintiff and threw him to the ground where Plaintiff was face down on his stomach. Plaintiff alleges that Officer then used his knee to strike Plaintiff multiple times in the head and neck area with great force.

Plaintiff alleged violation of his civil rights and injuries along with post traumatic injuries.

Notable Achievements

- We **continue to bring consistency and stability** and have a thorough understanding of the City's expectations and protocols.
- We **act as an extension of the City** in dealing with claimants, serving as a buffer at times to prevent acrimony.



- Our team **gets to the heart of the matter quickly** and resolves claims before they escalate. Our early intervention during the claim process avoids representation of counsel.
- We attempt to resolve claims so that they **do not reach the MMSEA threshold (if they do, we assure MMSEA compliance)**.
- Primary Adjuster, Steve Rolon, a former police officer, is **on-call with the City Police Department**.
- We received a **100% on our external audit quality with CSAC-EIA** in 2019.
- We have an **excellent working relationship** with the City Attorney, broker – Alliant Insurance Services, and the excess carrier CSAC-EIA.

As the incumbent TPA of the City's program, continuing our partnership will eliminate any personnel changes, program disruption, or transition/takeover fees that typically occurs when transitioned to another TPA. Our claims team and leadership have 36 years of working knowledge with the City and is an approved partner with your excess pool, CSAC-EIA.

- c) **Proposers must reference all corresponding itemized numbers as listed in the Scope of Services and must note any services not provided by the proposing entity. Proposers must also list any resources, assistance from the City, or other items expected to be provided by the City.**

Carl Warren has read and acknowledge the specifications outlined in the Scope of Services of this RFP and have no exceptions to the content contained herein. We provide all services requested by the City. We will continue to handle all claims in conjunction with both the City's and Carl Warren's Best Practices as well as the reporting procedures of your excess pool, CSAC-EIA.

We will continue to work with long-standing best-in-class partners, for Field investigations (if our examiner is unavailable), SIU/Fraud Investigations, Auto Property Damage Appraisals, and Outside Defense Counsel, on an as-needed basis, all approved by the City prior to work commencing.

Below is our approach to claims administration and statistical reporting.

1. Assigned Personnel

As the incumbent TPA of the City's program, we propose to continue with the current designated claims team, whom are assigned by jurisdiction, experience, and knowledge of the venue and plaintiff attorney. The assigned personnel all under the Carl Warren Corporate License for the State of California and are well-versed in public sector general liability. They



have a thorough understanding of your carrier's (CSAC-EIA) guidelines. All staff will be approved by the City prior to the commencement of work.

Should the need arise for us to add another adjuster to the City's account; we are willing to do so. It is Carl Warren's policy not to remove an adjuster from a client who is happy with their staffing situation unless the individual is offered a promotion or relocates. If the City is unsatisfied with the assigned claims team, we would provide recommended candidates for the account and welcome the City to be a part of the decision process. The new candidate will go through training with one of our tenured adjusters to ensure they are quickly brought up to speed on the City's and your excess pools Best Practices and procedures.

Please refer to the Qualifications of Personnel & Resumes section of our RFP response for the proposed team's resumes.

2. Claims Adjustment Services

Claims Reporting & Setup

New claims will continue to be reported by phone or email. We have a dedicated email address for the City (cityofgardengroveclaims@carlwarren.com) to expedite claim assignment and setup. The notice is reviewed by the supervisor and assigned to the adjuster, typically within 2-4 hours. Via email, we confirm receipt of the claim and provide a claim number to the City.

TIMEFRAME	SERVICE	EMPLOYEE
< 24 hours	Acknowledgement of claim. Contact with claimant, witness and the County.	Claim Adjuster
24-48 hours of receipt of claim	Review of new matter and assignment of file	Supervisor
< 48 hours	Enter claims information into the RMIS database	Claim Adjuster
< 7 days	Plan of Action entered the Claim Notes in RMIS	Claim Adjuster
< 7 days	File reserves are established	Claim Adjuster
< 7 days	Maintain diary for initial handling completion	Claim Adjuster
< 7 days	ISO/MMSEA Indexing	Claim Adjuster/ Claim Assistant
< 14 days	Initial investigation findings reported to the client if warranted, otherwise inserted in claim notes	Claim Adjuster
< 15 days	Excess notification	Claim Adjuster
30 days	Initial Preliminary Report: Complete investigation and act on claim	Claim Adjuster
< 30 days	Maintain diary – investigation update (every 30-60 days thereafter)	Claim Adjuster
Every 30 days	Interim Report: Updated Plan of Action and reserves are reviewed	Supervisor
Every 30 days	5 Files audited per Adjuster	Supervisor



As applicable	MMSEA Filings	Claim Adjuster
At resolution	Final Report	Claim Adjuster

File Documentation & Management

Within twenty-four (24) hours of receipt of the first report, a file is created, initial reserves established and assigned the proper code numbers, and the necessary data is entered to our RMIS platform.

The adjuster documents all correspondence, investigation and discussions on each file in the File Notes section of the system. Files are documented by retaining all correspondence received from the claimant or their representative and scanned into the system. Summaries of all telephone conversations are also clearly documented in the file. All loss payments and expense payments are separated making the financial information easy to review and audit.

Diary Review

Our files are on strict diary and are reviewed at pre-established intervals, to ensure the timely investigation and completion of work as well as the adequacy of the established reserves. The system is customized per the client. Supervisor diaries are set to review files every 10 days and will also audit at least 5 files per adjuster monthly. The adjuster's diary is for 7, 45, and then 90 days. The Supervisor receives weekly reports as to late diaries. Any trends or problems found are addressed internally. The supervisor approves all reserve changes, payments and ensures the files are on diary. They can review files as often as they or the City feels necessary.

Reserve Adequacy & Accuracy

The initial reserve takes into consideration all potential payments related to the loss including liability, codefendants and allocated expenses to arrive at an ultimate net loss figure. Case reserves are established no later than seven (7) days of receipt of the claim. They are established on a case-by-case basis. The liability exposure, expense, venue and anticipated life of the claim are all factors taken into consideration when reserving a file. The first element of proper reserving is a timely and professional investigation into liability and damages.

Our experience with public sector clients allows us to adequately evaluate and reserve the claim as they differ in scope from most other types of claims. We do not use average case reserving and avoid stair-stepping the reserves on any claim. Reserves are reviewed every 30 days to ensure accuracy to continually monitor new information and reserves that



accurately reflect the potential exposure. Any reserve revisions will be clearly explained in the file notes.

Subrogation Recovery Services (if utilized)



All file investigations include determination if subrogation or tenders exist. We have a dedicated in-house recovery team of certified subrogation paralegals that can identify, pursue and collect subrogation on the City's behalf on a contingent basis, should the City request to add this service to the current program.

They handle recovery on a wide range of matters from pre-suit and small damage to larger loss litigation matters (floods or fires), which requires attorney involvement along with multi-state litigation work. Once file materials are complete, the demand is prepared and sent to begin the recovery process, and regular follow up is maintained to ensure a timely recovery. Over 90% of funds were recovered within 60 days of the file being assigned for recovery pursuit

Customer Service/On-Call Service Response

There is no additional cost to contact Carl Warren or have us respond to a claim on a 24/7 basis. The City will be given an updated Team Directory with the assigned staff's contact information to include cell phone number(s) in the event they need to be contacted after hours. In-house staff is used during business hours and Harmon Solutions Group (HSG) is used for on-call services after hours. Adjusters are not allowed to take direct claim assignments other than for emergency claims after hours. If calls are received after business hours, HSG forwards calls to our team. If the call is an emergency, our team will assign it an after-hours emergency response vendor if a staff adjuster is not available. We have various emergency vendor options available to the City.

We believe that the work we do in the first 24 hours after a claim is reported to us is extremely important to the ultimate outcome. We will make two- or three- point contact within 24 hours of receipt of the claim. Property damage claims are made within a few hours.

Translation Services

In the event translation services is needed, Carl Warren provides bilingual adjusters at no additional cost. We employ bilingual adjusters, supervisors and support staff and have ready access to other translation services, if necessary. We also have letters and releases in Spanish.



Settlement Authority

Settlement Authority requires complete accord between Carl Warren and the City. The threshold depends on the level of trust through the credibility Carl Warren has built throughout our partnership, and your needs and desires.

Upon award of contract, our Client Services Team and your Supervisor will meet with the City to update our current CSI's/Client Profile that serves as the instructions for consistent claim handling. Should the City request the authority amount be raised, we will come to a recommended settlement authority amount at this time.

Excess Carrier Reporting

When it is determined that a claim meets the excess reporting guidelines of the City's excess pool CSAC-EIA, the City will be advised and CSAC-EIA will be placed on notice with all available information by telephone and followed up with a hardcopy mailed or sent electronically via email. The City will also be sent a copy of each report and Carl Warren will pursue, when appropriate, excess reimbursements from the excess pool.

File Records/Closure

All paper file records are property of the City and are stored on-site for a maximum of 6 months before being sent to an off-site storage facility. Paper files are only destroyed in accordance with the client record retention policy, usually 7-10 years from the date of file closing, excluding claims involving minors. We are paperless at this point so this would only relate to prior paper files.

We use cloud technology to store files. Cloud technology will allow the City to continue to view claim documents collaboratively online. We do not purge electronic files.

3. Investigative Services

Where the City determines that an investigation is necessary, the focus of our investigation is on the timely gathering of critical information and preservation of potential evidence. The results of the investigation are analyzed, and a liability determination is made, taking into consideration the possible comparative fault of the claimant, any applicable contractual indemnity provisions, tenders City ordinances and State Statutes. Within two (2) business days of receipt of a new claim, the adjuster enters the claim information into RMIS. The initial investigation findings are reported to the City no later than five (5) days with a complete investigative report



provided within 20 days. The goal is to complete a comprehensive investigation and evaluation expeditiously and advise the City of their liability exposure. We then act on the City's authority to deny or resolve the claim as quickly, fairly and efficiently as possible.

Scene Investigations

When our adjusters conduct a scene investigation on a claim, they can help identify the cause of the loss and provide recommendation to the City for the applicable department to facilitate action or solution (maintenance, repairs, etc.).

Fraud Investigations/SIU

If fraud is suspected, the City's claim team will promptly notify and work directly with key contacts to discuss a plan of action. We recommend a SIU/Fraud partner, CoventBridge Group, for compliance purposes when there is a need for surveillance or statements to be taken.

eSubRosa Services

All avenues are employed to identify and combat red flags that can impact the severity of a loss. Electronic Fraud investigation areas of focus:

- Social Media
- Social Contacts Search
- Continuous Monitoring Filter through duration of claim resolution
- Background Investigation
- Digital Skip Trace
- Asset/Financial Search
- Photo and Video Scrapping

4. Legal Support Services

It is the philosophy of Carl Warren to manage litigation from a two-prong approach – strategy and cost containment. We will continue to work with the City's Risk Management Department and Trial Attorney Office to meet these goals. A strong working relationship between the adjuster and counsel is important since both bring different skillsets to claim resolution.

When a lawsuit comes in, we will refer it to the City's Risk Management Department and Trial Attorney Office. Once the defense firm has been identified, a complete copy of the investigative file is transmitted to the defense counsel. We will then secure a Litigation Budget, theory of liability, timeline and plan of action and work with the City's Trial Attorney



throughout the litigation process pursuant to the City's and the excess pools, CSAC-EIA, guidelines.

On litigated claims, we keep the City's Trial Attorney and Risk Management Department informed in writing of settlement conferences, hearings, arbitrations, mediations, and trials. When requested by the client or the carrier, we will attend trials, hearings, arbitrations, mediations, settlement conferences and any other legal proceedings.

5. Administration Services

Claim Review Meetings

Our leadership team, AVP of Claims, Angelique King, Client Services Manager, Suzie Spencer, along with the City's claim team will continue to be available to attend any meetings and/or quarterly claim reviews either in-person or via phone. The last claim review was held on February 6, 2020.

As partners in the claims process, it is important to have regular meetings and discussions that allow for open dialogue and discussion so that everyone agrees with the corrective measures that will be used to improve our service. Status reports can be prepared at the request of the City.

Annual Stewardship Report

Carl Warren provides an Annual Stewardship Report at the end of each policy year. The report focuses on past year goals and objectives, the year in review (results, successes, challenges, and opportunities), financials (savings, benchmarking, total cost of claims), and our approach and recommendations for the upcoming year to help reduce the City's loss exposure. With new Executive Leadership and Management, we are redesigning our processes to improve this report that will provide more meaningful data to include metrics and analytics.

Risk Management Information System

The City will continue to receive claims data through our proprietary online RMIS platform. We are upgrading our RMIS platform to FileHandler Enterprise, powered by JW Software. This upgrade will provide the City with an easy-to-use system to customize dashboards for metrics and analytics that will present graphs and charts when viewing each claim.

No software installation is required – only access to the internet and a standard Internet browser (Internet Explorer, Edge, Chrome, Safari, or Firefox) is necessary. FileHandler Enterprise can also be accessed through the System Login button on our website. From here, the City can login



through our secure portal to access the application at any time – 24/7/365 – via a desktop, laptop, tablet, Smartphone, etc. and functions in real-time with updates every few hours.

The City will continue to have customized direct read-only access to real-time financial and claim information (adjuster's file notes, all claimant information, and financial data, to include financial summary and payment detail). The system is structured as a risk management tool in addition to providing claims data, in addition easy-to-use access to records. Approved City Users can perform intuitive reporting and ad-hoc analyses on claims and loss prevention data.

RMIS Access/Training & Support

We will continue to provide the City with 3 users. Approved City users can access the system to view and sort data, generate graphs, print reports, and export information to a variety of formats including, but not limited to, Excel, PDF and TXT.

Support and training will continue to be available to the City at any time throughout the contract, at no additional cost. Training and refresher courses can be provided to new and existing users. They are typically an hour and can be conducted on-site at the City or a Carl Warren office. We can also conduct the training via teleconference/webinar. If the City decides to add new staff users or require training, this can be completed by contacting Mary Paydar, Claim Supervisor, or Suzie Spencer, Client Services Manager.

In an August meeting with the City's Risk Management and our Executive Leadership, it was expressed that RMIS training was needed. We have provided training on our current system. Upon award of contract, our IT Department will schedule a new systems demo with the City users on our new FileHandler Enterprise powered by JW Software.

Statistical Reports

Carl Warren will continue to provide the City with reports, ad hoc reporting, subscription services for emailed reports, and event-based alerting. There are 50+ standard report templates available to our clients online and can also be scheduled for email delivery to unlimited subscribers. Frequency options for delivery include daily, weekly, monthly and quarterly. The City is currently receiving the following reports via subscription services:

- Quarterly City of Garden Grove AMNL Security National (AmTrust) Report from 07-01-11 thru current date



- Quarterly City of Garden Grove AMNL Security National (AmTrust) Report from 07-01-11 thru current date
- Monthly City of Garden Grove OPEN DENIED Claims
- Weekly City of Garden Grove Pending Payment Report

Please refer to **Exhibit 1** for a sample copy of our JW Software RMIS snapshot and a sample copy of the City's reports. Below are our most popular and frequently requested reports.

- **Snapshot**: This report provides a graphical overview of the account. It quickly identifies the 5 cause codes that generate the most claims as well as the most severe claims. This report also includes a Claim Count graph for the previous 12 months and a list of the Top 10 Occurrences based on Total Incurred. This report will help the client by identifying area's that need further investigation.
- **Frequency Report**: This report identifies which location codes (or departments) generate the most claims. It specifies the percentage of the account that these claims make up. This report helps determine which departments need help in reducing the number of claims submitted.
- **Severity Report**: This report identifies which location codes (or departments) generate the most severe claims. It specifies the percentage of the account these claims make up.
- **Cause Profile**: This report lists all cause codes utilized in the account and how many claims have been recorded with each cause code. It also indicates the Total Incurred for each cause code.
- **Reserve Trends**: This report lists all open claims and what their total incurred amounts were at different ages, starting at 1 month up to 60 months.

Continuing Education & Training Seminars

We are committed to investing in our employees with required continuing education and career advancement opportunities. Every year, our claims staff participates in the California Fair Claims Practices renewal process even though it does not directly apply to self-insured entities. As we work with over 200 self-insured entities and the attorneys that defend them, we continually keep our staff apprised on the latest changes and are informed by our partner law firms who provide information regulatory updates to us.



We bring in outside speakers, trainers and lawyers to present seminars to supervisors and adjusters.

Additionally, we roundtable problematic files, share court judgment information or defense challenges with other claim experts.

Our claims staff are required to take 1-2 continuing education courses per year, receive internal training, and speak or attend seminars or conference sessions. Throughout California and across the nation, we host Lunch and Learn seminars for our technical staff and for our clients. A few of the courses that our technical staff attended last year were:

- Bodily Injury Negotiation and Mediation Training
- Comparative Negligence and Liability Analysis Training
- Combating Reptilian Theory
- Social Media Searches for Claims and Utilization of Technology Today

We stay current with all Claims and Risk Management advances through continued education, conferences, and seminars. Our claims personnel Performance Evaluations encompasses continuing education and professional growth. Our adjusters attend association, public entity, CCC, CLM, conferences for continuing education.

- Topic Specific Seminars/Training (Emerging Risks, Legal Strategies, etc.)
- Employment Practices Liability
- Medical Records
- Subpoena and Records Requests
- Litigation Management
- MMSEA Reporting
- Fraud Training
- Case Law Updates
- Risk Management Information System (RMIS)
- Coverage Analysis and Administration
- Annual Certification
- Classes for Claim-Related Degrees
- Sexual Harassment

Medicare Secondary Payer Reporting (MMSEA)

Carl Warren is compliant with Medicare/Medicaid Ship Extension Act (MMSEA), Secondary reporting requirements. We partner with Insurance Service Organization (ISO) using the Universal Format for reporting purposes. Each claim where a bodily injury is alleged will be indexed with the ISO for



prior incidents. If a "hit" comes back, it is pursued by the handling adjuster. In addition, claimants are indexed for Medicare beneficiary status, to comply with all requirements of MMSEA. If a claimant/plaintiff is found to be a beneficiary, all steps are taken to protect the City's requirements under MMSEA prior to any settlement, verdict, or judgment.

6. Trust Account Services

Carl Warren will continue to provide a full range of Trust Account services to ensure that all funds entrusted to Carl Warren is managed in accordance with generally recognized banking practices and the City's procedures. Trust accounts are all created with Payee Positive Pay and Cleared Check processing as security measures for fraud protection. A monthly payment log is distributed to the City that lists balance, issue checks, and check register.

The City currently has a Client-Owned Trust Account in which Carl Warren keeps a balance of \$75,000 and send replenishment monthly, or when needed. Kristin Miller's contact has been provided to the City in the event there are specific questions regarding the account.

7. Audits

Third Party Audits

Carl Warren will continue to comply with any external auditor that the City chooses. We also submit to scheduled excess carrier and pool audits to ensure we are compliant with their guidelines and meeting the expectations set forth. Carl Warren maintains a library of carrier/pool forms and guidelines that is accessible to all claim personnel. This is to ensure that they have all the information they need to administer claims to your excess carrier, CSAC-EIAs', specifications. ***In 2019, the City's claim team received a 100% on their external audit, from the excess carrier, CSAC-EIA!*** The auditors highlighted the following about the City's claim team upon their review:

"The handling adjusters and supervision are professional, competent, and well experienced."

"The solid investigations set up a good foundation for future handling."

"Reserves appear well thought out and analysis is evident in the files."



"Litigation strategy is evident in all files reviewed."

"Adjuster, supervisor and assigned defense counsel are pro-active on case handling, often suggesting ways for early resolution."

Quality Assurance & Compliance

Our in-house Quality Assurance (QA) team completes audits on a continual basis on our claims process and staff. These audits can be completed by client, adjuster, or location. The QA team pulls monthly management reports that identify claims which might fall outside of agreed upon handling guidelines. This approach allows us to take corrective action before an issue becomes a problem. Our staff are constantly evaluated for internal metrics and subpar performance that require a formal action plan, including corrective action, as needed.

We have a contract with Marsh ClearSight, also known as the STARS auditing system, wherein we complete, log, track, and score all audits completed companywide in their auditing system. We also have random audits performed for our SSAE 18/SOC 1 audit report and our RMIS platform.

Our QA department ensures that we are current and compliant with the guidelines and requirements of CSAC-EIA. Our QA team also keeps our claim professionals apprised of pertinent regulatory and legislative developments. Most of our claims staff are members of various professional organizations and industry groups that also provide legislative and regulatory updates. In 2018, we averaged 92.4% on our audits and are awaiting final confirmation of our 2019 audit scores.

- d) Proposers must itemize those services which are further required in the servicing of the contract but that are not noted in the aforementioned paragraphs as requirements and will entitle this section as Additional Services.**

We currently utilize Material Damage Appraisers (MDA) for auto appraisals and with the City's authorization; we will continue utilizing their services.

- e) Proposers must submit samples of standard monthly reports and samples of specialized reports available to the City. Please specify which reports are to be included at no additional cost and which reports are available at an additional cost. Please specify cost for each report. If reports are available on disk, please list the available formats, and any additional costs.**



Please refer to **Exhibit 1** for sample copies of all the reports the City is currently receiving.

Through our RMIS platform, real-time standard and custom reports can be accessed 24/7/365. From here, approved City users can view and sort data, generate graphs, print reports, and export information to a variety of formats including, but not limited to, Excel, PDF and TXT.

Report Customization

Carl Warren can customize the loss runs to the City requirements and needs, if desired. While we have 50+ standard loss run templates available to our clients at no additional cost, each of our clients have different needs. We can sort, filter, add fields (even custom fields), subtotal, or total within the system and we save this template so that all future reports are setup to your specifications. Report customization are available to the City at an additional per hour rate, which has been specified in our Compensation Schedule.



**City of Garden Grove
Compliance Summary Report**

Vendor Number	Vendor Name	AM Best Rating	Insurance Carrier	Policy #	Eff. Date	Exp. Date	Coverage
81930	CARL WARREN & COMPANY	Compliant					
		A+P, XV	Sentinel Insurance Company, Ltd.	72SBAAAG9334	8/22/2019	8/22/2020	Auto Liability
		A+P, XV	Sentinel Insurance Company, Ltd.	72SBAAAG9334	8/22/2019	8/22/2020	General Liability
		Ag, XV	Allied World Surplus Lines Insurance Company	03121299	12/1/2019	4/1/2021	Professional Liability
		A, VI	Pacific Indemnity Insurance Company	71771494	8/22/2019	8/22/2020	Workers Comp

Risk Profile : Professional Services/Consulting

Required Additional Insured : City of Garden Grove, its officers, officials, agents, employees and volunteers