REQUEST FOR PROPOSAL

WORKERS’ COMPENSATION
THIRD PARTY ADMINISTRATION SERVICES

Proposals Due
January 29, 2016 @ 4pm
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I. INTRODUCTION

The Central Region School Insurance Group, hereinafter referred to as CRSIG, is soliciting proposals from qualified third party administrators, hereinafter referred to as the TPA, for claims administration of CRSIG’s Workers’ Compensation Program. CRSIG is seeking a strong, long-term partnership with a Third Party Administrator to manage its Workers’ Compensation claims.

CRSIG requires a TPA partner who demonstrates an innovative and effective claims management process that is streamlined and user-friendly, has strong customer service focus, solid reporting capabilities, effective technological capabilities, proactive and consistent management of employee occupational absences, competitive rates and fees, and the ability and willingness to comply with CRSIG’s performance standards. The proposing firm’s staff should have proper licensing to perform claims administration services. The proposing firm should evidence a strong regional presence in the Central Valley, Stanislaus County area and depth of staff necessary to perform the claims administration services requested now, and into the future.

This Request for Proposal (RFP) contains specifications covering the administration of CRSIG’s Workers’ Compensation program. This RFP and all subsequent modifications thereto are hereby designated as the sole reference and authority for the preparation of proposals. The release of this RFP supersedes all other documents related to the work to be done. The contents of this RFP and subsequent modifications thereto take precedence over any and all information related to the administration of the program obtained from any source, either by written or verbal communications.

This RFP shall not be construed:

a) to create an obligation on the part of CRSIG to enter into a contract with any firm, or
b) to serve as the basis of a claim for reimbursement for expenditures related to the development of a proposal.

Notwithstanding other provisions of this RFP, TPAs are hereby advised that this RFP is an informal solicitation of proposals only. It is not intended, nor is it to be construed, as engaging informal competitive bidding pursuant to any statute, ordinance, policy or regulation.

Also enclosed is a draft of the scope of services required by the selected TPA and includes a pricing request. Indicate your ability to enter into mutually agreed upon, binding, client specific service procedures. These procedures are anticipated to be detailed in all areas of specific claims handling requirements, including experience levels for technical claims staff, caseload levels, authority levels, reporting requirements, and claims file documentation format, supervisor and manager file review requirements (e.g. how often, how the review will be conducted, form of documentation, etc.).

Please respond to this RFP within the prescribed timeline. Also, indicate your willingness to agree to a performance guarantee subject to mutual agreement between your company, CRSIG and Wells Fargo Insurance Services, including your suggestions regarding the performance areas to be measured, how they will be measured and at what intervals. Also describe the types of performance guarantees you have entered into in the past with other clients.
II. BACKGROUND INFORMATION

Located in Modesto, California, Central Region School Insurance Group (CRSIG) is a California Joint Powers Authority serving educational agencies by providing quality cost effective risk management services. Established in 1980 as one of the earliest Joint Powers Authority (JPA) in California, CRSIG provides Workers’ Compensation, Property, Liability, Dental, Vision and safety programs for up to 36 school districts in Stanislaus and Merced Counties.

The Workers’ Compensation insurance program provides coverage for 23 school districts and their employees in Stanislaus County. The program is self-insured from dollar one to $1 million per occurrence. Excess coverage is insured by Safety National with statutory limits.

Currently, CRSIG open claims count includes 6 first aid claims, 212 indemnity claims, 70 medical only claims and 61 future medical claims.

The JPA internal staffing includes the Executive Director, Business/Program Specialist, Return to Work Specialist and Office Technician.

CRSIG’s philosophy is that the outcome of a Workers’ Compensation claim is driven by the treatment an employee receives from the point of the employer’s first knowledge of injury or illness. On that note, CRSIG contracts with Company Nurse for the reporting of injuries and structured a return to work program staffed by an in-house Return To Work Specialist. The RTW Specialist is in contact immediately with medical facilities, employers, employees and their supervisors to facilitate expedited return to work on the day of injury or within 24 hours. The RTW Specialist serves as a liaison between the districts and the TPA for case management issues as well. Training is provided annually to district liaisons on program enhancements as well as policy, procedure, State requirements and market changes.

CRSIG’s goal is to decrease the frequency and severity of workplace injuries and illnesses at the JPA member level.

In order to address frequency, the JPA has implemented an aggressive approach to Loss Control. Efforts include services to members by a Loss Control Specialist to provide on-site training and assistance with Injury and Illness Prevention Programs including compliance with blood-borne pathogen exposure control plans, hazard communication programs, ergonomics, back injury prevention, pesticide, kitchen safety, classroom safety, playground supervision safety, custodial safety, and much more. Additional components to the Loss Control Program include:

- Incentive Program Funding where $250,000 is allocated by pro-rata Workers’ Compensation contribution shares annually to members who demonstrate an active and functioning Safety Committee
- Safety Credit Program, which reimburses a total of $90,000 for all members of the property/liability program based on ADA for purchasing safety related items that will increase the level of safety for students, staff and the public.
III. INFORMATION AND GENERAL CONDITIONS

A. PREPARATION OF PROPOSAL DOCUMENTS

1. Covenant against Contingent Fees
   The TPA warrants that no person or selling agency has been employed or retained to solicit or secure the contract to be executed as a result of this RFP upon an agreement or understanding for a commission, commercial or selling agencies maintained by the TPA for the purpose of securing business. For breach or violation of this warranty, CRSIG shall have the right to terminate any contract that may be entered into with the TPA and, in its sole discretion, to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

2. Cost of Preparation of Proposals
   Any and all cost associated with developing responses to this RFP and participating in the bidding process is entirely the responsibility of the TPA, and shall not be chargeable to CRSIG.

3. Questions Regarding the Request for Proposals should be directed to:
   Susan Adams
   Central Region School Insurance Group
   Phone: (209) 579-7535
   email: susan@crsig.com

4. Preparation of Proposal Documents
   One (1) original and four (4) copies of the proposal shall be submitted no later than 4:00 p.m., Friday, January 29, 2016. Proposals shall be delivered to the attention of Susan Adams at 4101 Tully Road, Suite 501, Modesto, CA 95356. (1) PDF copy emailed to susan@crsig.com by 4:00 p.m. Friday, January 29, 2016. It is the sole responsibility of the person submitting the proposal to ensure that it is delivered on time. Any proposal received after 4:00 p.m. on January 29, 2016, shall be returned to the TPA unopened.

5. Signature
   The proposal must be signed in the name of the TPA, and must bear the original signature of the person authorized to sign proposals on behalf of the TPA.

6. Completion of Proposals
   Proposals shall be completed in all respects, as required by the instructions herein. A proposal may be rejected if it is conditional or incomplete, or if it contains alterations of form or other irregularities of any kind. It is important that firms submitting a proposal address the issues raised by this RFP to ensure the proposal is considered. All proposals will be screened for thoroughness and responsiveness to this RFP. When responding to RFP questions that ask if a particular service is included in the overall yearly fee, please answer “yes” or “no”. Information about the additional costs must be included with the fee proposal.
A proposal will be rejected if, in the opinion of CRSIG, the information contained therein was intended to erroneously and fallaciously mislead CRSIG in the evaluation of the proposal.

7. Examination of Documents
TPAs shall thoroughly examine the contents of this RFP. The failure or omission of any TPA to receive or examine any document, form, instrument, addendum, or other material, shall in no way relieve any TPA from obligations with respect to this RFP or the ensuing agreement. The submission of a proposal shall be taken as prima facie evidence of compliance with this section.

Modifications shall be made by addenda issued pursuant to Section 8 below. Clarification shall be given, by written notice, to all TPAs participating in the RFP, without divulging the source of the request for same.

8. Addenda
CRSIG may modify this RFP, before the date scheduled for submission of proposals, by issuance of an addendum to all parties who have been furnished the RFP for the purpose of submitting a proposal. Addenda shall be numbered consecutively as a suffix to the RFP.

9. Modification of RFP Response
A TPA may modify the proposal after its submission by written notice of withdrawal and resubmission before the time and the date specified for submission of proposals. Modifications will not be considered if offered in any other manner.

10. Withdrawal of Proposals
A TPA may withdraw their proposal by submitting a written request for its withdrawal to CRSIG at any time before the date scheduled for proposal submission. The TPA may thereafter submit a new proposal before the proposal submission date. Proposals may not be withdrawn after the proposal submission date.

11. Rejection of Proposals
CRSIG reserves the right to reject any or all proposals received as a result of this RFP, or to negotiate separately with any TPA when it is determined to be in the best interest of CRSIG.

12. Award of Contract
If the contract is awarded, it will be to the responsible TPA whose proposal is deemed to be in the best interest of CRSIG, and whose proposal best meets the requirements of the RFP documents, and any addenda thereto, except for the irregularities waived by CRSIG. It is anticipated that award of the contract will be made within approximately sixty (60) days after the closing date for the Submission of Proposals. If award cannot be made within this time period, the TPAs will be requested, in writing, to extend the time period during which the TPA agrees to be bound by his proposal. Written notification will be made to unsuccessful TPAs.
13. Errors in Proposal
TPAs shall be bound by the terms and conditions of their proposals, notwithstanding the fact that errors are contained therein. However, if immaterial errors are found in a proposal, CRSIG may notify the TPA that the submitted proposal contains errors, and require the TPA to correct the errors.

14. Related Experience
Each TPA shall submit with their proposal:
- A minimum of two clients for whom similar work has been performed in the past two (2) years.
- A minimum of two clients who have discontinued a contract for similar work in the past (2) years.

The reference list shall include the names and addresses of the client, the name, title and telephone number of each client's primary manager, and the dates the work was performed. During the evaluation and selection process CRSIG may contact each of the referenced clients. TPAs are hereby advised that CRSIG maintains the sole and exclusive right to determine whether or not the TPA can perform the work to be done.

15. Litigation
Each TPA shall disclose and submit with their proposal any current, pending lawsuit, litigation or proceedings with clients that you are or were contracted with for Worker’s Compensation claims administration.

16. Proposal timetable and submission requirements

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31, 2015</td>
<td>Date RFP is issued</td>
</tr>
<tr>
<td>January 15, 2016</td>
<td>Last day to submit any additional questions related to the RFP</td>
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<tr>
<td>January 29, 2106</td>
<td>Last date for proposal submissions</td>
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<tr>
<td>February 26, 2016</td>
<td>Selection of TPA Finalists</td>
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<tr>
<td>Week of March 14, 2016</td>
<td>Oral Interviews</td>
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<tr>
<td>March 30, 2016</td>
<td>Notification of intent to award sent to TPA</td>
</tr>
<tr>
<td>May 2, 2016</td>
<td>Submittal of final transition plan by the TPA awarded the service agreement</td>
</tr>
<tr>
<td>July 1, 2016</td>
<td>Service agreement start date</td>
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B. CONTRACT PROVISIONS – BASIC REQUIREMENTS

Additional terms and conditions to be negotiated pending award of contract.

1. Records Retention and Inspection
   The TPA agrees that CRSIG shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent records pertaining to the agreement.

   All records shall be kept and maintained by the TPA and made available to CRSIG during the term of the agreement and for a period of three (3) years thereafter. All such records shall be delivered to CRSIG in the format and media specified upon termination of the agreement.

2. Ownership of Records
   TPA must stipulate that all claim files, electronic data processing/management information system records, and all records generated on behalf of CRSIG are owned by CRSIG and that claim files will be available to CRSIG upon request.

3. Terms of Agreement
   The Service agreement shall be effective July 1, 2016 and shall run for three (3) years from July 1st to June 30th, with an option by mutual agreement of CRSIG and TPA to renew for 2 additional 1-year periods.

4. Termination for Non-performance
   If the TPA refuses or fails to perform services as required to provide CRSIG with efficient claims administration including furnishing properly trained personnel, or if the firms should be adjudged as bankrupt, or if a receiver should be appointed on account of insolvency or should repeatedly or persistently refuse or fail to provide service as required, or TPA persistently disregards laws, ordinances, or instructions of CRSIG, or is otherwise guilty of a substantial violation of the agreement, then CRSIG may, without prejudice to any other right or remedy, serve written notification of intention to terminate the agreement. Such notice shall contain the reasons for such intentions to terminate, and unless within fifteen (15) days after service of such notice the condition or violation shall cease and satisfactory arrangements for the correction thereof be made, the agreement shall upon the expiration of the fifteen (15) days cease and terminate. The foregoing provisions are in addition to and not in limitation of any other rights or remedies available to CRSIG.

5. Confidentiality
   The TPA shall hold in strict confidence all data pertaining to CRSIG and its districts and employees, except as may be required for the performance of duties as specified in the agreement.

6. Assignment
   The proposed agreement or any interest therein, may not be assigned without the prior written consent of CRSIG.
7. Workers’ Compensation Insurance

The TPA will maintain in force a Workers’ Compensation and Employers liability policy which provides coverage to employees of TPA at limits not less than statutory.

8. Public Liability and Property Damage Insurance

TPA shall maintain public liability and property damage insurance in the amount of at least One Million Dollars ($1,000,000) combined single limit and Two Million Dollars ($2,000,000) combined single limit aggregate.

Insurance shall be primary to any other insurance carried by CRSIG or its member districts. TPA shall not commence work under this agreement until all required insurance has been obtained and certificates of insurance and additional insured endorsements have been delivered to and approved by CRSIG. Certificates and insurance policies shall include the following clause:

This policy shall not be canceled or reduced in required limits of such liability until notice has been given to CRSIG of such cancellation or reduction. Date of cancellation or reduction shall not be less than sixty (60) days after the notice is given.

Certificates of insurance shall name Central Region School Insurance Group (CRSIG) as an additional insured. In addition, said certificate shall state the extent of insurance, the locations and operations to which insurance applies and the expiration date of the insurance.

9. Blanket Fidelity Bond

The TPA shall be maintain a blanket fidelity bond in an amount not less than One Million Dollars ($1,000,000) with an approved corporate surety carrier covering any and all principals, officers and employees involved in the performance of the agreement and the trust fund (impress) account. TPA will maintain said bond or insurance for a period of two (2) years after the expiration of the contract.

10. Errors and Omissions Insurance

The TPA shall maintain in force an Errors and Omissions Insurance in an amount not less than One Million dollars ($1,000,000) per occurrence and in the aggregate. TPA will maintain said bond or insurance for a period of two (2) years after the expiration of the contract.

11. Cyber Liability Insurance

The TPA will maintain in force a Cyber Security/Liability policy which provides coverage including but not limited to Privacy Notification and Crises, E-threat Expenses coverage, E-vandalism Expenses which names CRSIG as an additional insured and provides a limit of no less than Two Million dollars ($2,000,000).

12. Waiver of Subrogation

Provide that the aforementioned policies contain a waiver of subrogation in favor of CRSIG.
13. **Conflict of Interest**

The TPA warrants that he/she has no business or financial interests which are in conflict with his/her obligations to CRSIG under this agreement and further agrees to disclose any such interest which may be acquired during the life of this agreement.

14. **Workers’ Compensation**

In accordance with the provisions of Section 3700 of the Labor Code of the State of California, each TPA shall sign and file with CRSIG the following certificate before performing the work under the contract:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for Workers’ Compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of the contract."

15. **Compliance with Laws**

TPA agrees to comply with all applicable Federal, State and local laws, rules, regulations, ordinances, policies and procedures in the conduct of the program as specified herein.

16. **Hold Harmless Agreement**

The TPA shall hold harmless and indemnify CRSIG, its member districts, their officers and employees from every claim or demand made by reason of:

a. Any injury to person or property sustained by the TPA or by any person, TPA, or corporation employed directly or indirectly by the TPA upon or in connection with performance under the Agreement, however caused;

b. Any injury to person or property sustained by any person, firm, or corporation, caused by any act, neglect, default, or omission of the TPA, or by any person, firm or corporation directly or indirectly employed by the TPA upon or in connection with performance under the Agreement; and,

c. The TPA at its own expense and risk shall defend any legal proceeding that may be brought against CRSIG, its member districts, their officers, agents and employees on any such claim or demand as set forth in paragraph a. and b. above of this subsection and pay and satisfy any judgment that may be rendered against CRSIG and the TPA as it pertains to this subsection.
IV. SERVICE REQUIREMENTS

TPA shall perform all services required to supervise and administer a self-insured Workers’ Compensation program for CRSIG, and to act as CRSIG’s representative in matters relating to CRSIG’s obligations under the Workers’ Compensation laws of the State of California. TPA shall perform but is not limited to the following services on behalf of CRSIG.

A. PROGRAM ADMINISTRATION

1. Program Administration Expectations

- Administer take-over all “run-off” claims including all “first aid only”, indemnity, medical and future medical only claims filed and new claims reported as of July 1, 2016.

- Administer all claims as described under Claims Administration section.

- Arrange file reviews with CRSIG Executive Director, Return To Work Specialist (RTWS), Business Program Specialist and Broker quarterly and semi-annual with claim reviews with CRSIG member districts.

- Ensure that all documentation sent out is accurate and professional.

- Return district and employee telephone calls as soon as possible but in all cases within 24 hours. Maintain a daily telephone log, a copy of which can be sent to member districts, as requested.

- Coordinate with CRSIG for management of the MPN

- Maintain a list of all provider referrals by specialty.

- Review and explain claim reporting requirements to member district and CRSIG representatives as requested.

- Identify to CRSIG and member districts any problem areas that impede claims administration services and recommend solutions to assure continued quality service.

- Provide a toll free "800" telephone number for member districts and their employees.

- Respond in a timely manner to all requests by any member district for information, reports, calculations, history or back-up data.

- Provide back up and supporting information for agenda packets for CRSIG board and committee meetings. Present settlement proposals at CRSIG meetings in person or by conference call.
• Examiner caseloads to be maintained at **no more than 125 active claim** files per examiner in order to meet the claims services expectations as established by CRSIG. All open caseloads will be periodically re-evaluated, and additions to CRSIG unit made as necessary to maintain compliance.

2. **Ownership Of Records**
   All records, products and all claim files shall be the property of CRSIG and its member districts. Administrator shall be responsible for providing program tapes, data tapes and system documentation to CRSIG upon request for data from the Administrator's data system at Administrator's expense. Administrator shall make claim files available to CRSIG and member districts upon request.

3. **Written Claims Administration Manual**
   A claims manual shall be written specifically to establish the standards of performance as to how the Administrator will handle CRSIG Workers’ Compensation Program. The manual shall be provided to CRSIG. The standards must be directed toward the highest professional level of expertise in claims handling, and are subject to approval by CRSIG.

4. **CRSIG Member Manual**
   The Administrator shall provide suggestions for updates and have periodic input to CRSIG Member Manual as requested by CRSIG.

5. **Forms**
   Provide all printed Workers’ Compensation forms which CRSIG may require and printed checks for the Workers’ Compensation checking account.

6. **Insurance Requirements**
   Before performing services, the Administrator will provide evidence of the following insurance coverage.

   • Proof of Workers’ Compensation insurance as required by L.C. 3700 for all employees of the Administrator, and the employees of any subTPA who directly or indirectly provides service to CRSIG under the Contract with limits not less than statutory.

   • Proof of comprehensive general and automobile liability insurance with a minimum of $1,000,000 combined single limit per occurrence/ $2,000,000 aggregate. CRSIG is to be named as an additional insured, and an endorsement shall be issued in support, prior to commencement of the contract.

   • Proof of professional liability/errors and omissions insurance with a minimum of $1,000,000 per occurrence, to include coverage for all errors and omissions which result in financial loss to CRSIG.

   • A Fidelity bond protecting CRSIG from loss due to access of the claims trust account shall also be issued. That Fidelity bond to be $1,000,000 face amount (subject to negotiation).
• A Cyber Security/Liability policy which provides coverage including but not limited to Privacy Notification and Crises, E-threat Expenses coverage, E-vandalism Expenses, which names CRSIG as an additional insured and provides a limit of no less than two million dollars ($2,000,000).

• Provide that the aforementioned policies contain a waiver of subrogation in favor of CRSIG.

7. Payment Of Benefits
CRSIG maintains a Workers’ Compensation claims trust checking account as well as a First Aid claims checking account. The Administrator shall be responsible for payments of benefits from these accounts and the monthly reconciliation of the accounts.

8. Legislative And Judicial Activity
Administrator shall keep CRSIG informed as to recent changes or proposed changes in statutes, rules, laws and judicial decisions affecting CRSIG’s responsibility and the responsibilities of its personnel under a self-insured Workers’ Compensation program.

9. Safety And Loss Prevention Activities
It is at respondent's option to suggest safety/loss prevention services. Safety and Loss Prevention activities are something CRSIG is eager to explore via new concepts and methods of service delivery.

10. Assessments
Administrator shall be responsible for all penalties assessed whether by the Administrative Director, Office of Self-Insurance Plans, or the Office of Benefits and Enforcement, unless said penalties are for late indemnity payments which were caused by the client or member district's late report of claim. If any penalty shall accrue as a result of member district personnel practices, then the district shall be responsible and shall be billed by the Administrator. Administrator shall identify member districts that report claims late so CRSIG and administrator can work with the district to improve their reporting practices.

B. CLAIMS ADMINISTRATION

1. The Administrator will assign dedicated or designated claim examiners to handle CRSIG claim files. Other, non-dedicated personnel (e.g. file clerks, data entry clerks, etc.) may be used for administrative functions.

2. Review all initial claims and make telephone contact with injured employee(s) within 24 hours.

3. Send a letter to injured workers within three days of knowledge of injury informing them of their rights and benefits.
4. Keep member districts informed and involved in all accepted claims prior to sending acceptance letters to employees. Send acceptance letters to employees within three working days when a claim has been accepted and any temporary disability has been determined.

5. Furnish copies of all correspondence to districts that is sent to employees on the same day that the original is sent to the employee.

6. Provide to districts, permanent disability information within 3 days of knowledge, prior to sending that permanent disability information to the employee.

7. Notify individual member districts within 3 days, when any previously closed claim is reopened and provide the rationale for reopening.

8. Take an active part in handling initial medical control to facilitate appropriate medical care and reduce self-procured medical treatment. Coordinate and contact by phone initial treatment facilities when indicated; and/or take control over claims where the injured employee has not initially gone to a designated facility.

9. Closely monitor temporary disability and permanent disability cases.

10. Work closely and openly with the RTW Specialist as outlined in the Return To Work Program section.

11. Review and process all claims for Workers’ Compensation benefits in accordance with the requirements of the Industrial Relations Department for reporting and notification.

12. Determine the Compensability of claimed injuries and illnesses in accordance with the State of California Workers’ Compensation laws.

13. Determine eligibility for and recommend payment of medical benefits and authorize examinations to determine the nature and extent of disability when appropriate.

14. Set appropriate reserves and review for adequacy at least every 60 days.

15. Obtain and evaluate medical expert opinion as to the nature, extent and duration of temporary disability and the amount of any residual permanent disability to be anticipated.

16. Review, compute, recommend and authorize payment of temporary disability and permanent disability benefits due an injured employee whether paid voluntarily or under Decisions, Orders, or Findings and Awards of Workers’ Compensation Appeals Board (WCAB). Relative to permanent disability, this includes informal advisory ratings and consultative evaluations.

17. Refer litigated cases to attorneys utilizing legal firms acceptable to CRSIG. Assist the attorneys in the preparation of litigated cases, negotiations of compromise and release settlements, and subrogation actions. Ensure defense counsel sends copies of all correspondence to member districts at the time of mailing the original, when requested.
18. Actively participate in strategy sessions with CRSIG, defense counsel and employers on employee workers compensation and employer liability issues.

19. Investigate or arrange for investigation of, as necessary and appropriate, questionable cases and the status of disabled employees in order to adjust all cases and to assist in the trial or settlement of litigated cases.

20. Actively report and participate in fraudulent claims and fraud investigations.

21. Report claims to excess insurers in accordance with policy terms and collect excess payments.

22. Maintain all payroll and loss records as is done by the California Inspection Rating Bureau.

23. Assist each CRSIG member in their compliance with the return to work requirements as regulated by the Department of Industrial Relations.

24. Adjust liens and attend hearings as requested by CRSIG.

25. Conduct regular supervisory file reviews to ensure timely file closure, reserving and oversight of settlement strategies.

26. Obtain index bureau/EDEX reports on all lost time and apportionment claims.

27. Utilize the following procedures in the settlement of claims:

   a. The claims administrator shall be granted settlement authority up to twenty-five thousand dollars ($25,000) after agreement with the JPA Executive Director and member district.

   b. The claims administrator shall be required to obtain approval from CRSIG for claims over twenty-five thousand dollars ($25,000).

28. Identify the need for investigation, coordinate investigations and ensure that they are conducted discreetly and sensitively while keeping the member district informed and involved.

29. Set appropriate reserves and review overall adequacy every sixty (60) days.

30. Keep member districts informed and involved in all accepted claims via phone contact and copies of all correspondence relating to claims.

31. Negotiate settlements and make settlement payments according to CRISG policy. Keep member districts informed and involved in all settlement decisions prior to sending pertinent documentation to employees.

32. Pay benefits to claimants in accordance with State Law.

33. Establish and maintain individual Workers’ Compensation claim files.

34. Closely monitor temporary disability and permanent disability cases.
35. Actively participate with attorneys when cases are litigated.
36. Work with member districts in identifying opportunities for subrogation and pursue them.

C. RETURN TO WORK PROGRAM

1. Support CRSIG’s RTW Program with districts via the use of CRSIG forms and procedures associated with the program.

2. Actively communicate on a daily basis (Phone/Fax/Email) with RTW Specialist to review new claims (as needed), and discuss possibility of modified assignments for employees continuing on temporary disability.

3. Contact the RTW Specialist regarding all employees who remain on temporary disability for more than one week.

4. Forward to the RTW Specialist copies of all medical reports and other information that relate to the coordination of returning injured employees to work in regular or modified work assignments.

5. Claims examiner to communicate regularly with RTW Specialist to review temporary disability files and Return-to-Work issues.

D. CLAIMS ADMINISTRATION SYSTEM

1. The Administrator is required to have a claim administration system that has the ability to enter and display adjuster notes.

2. Clear, complete and timely documentation of all investigation, medical reports, evaluations, reserve changes, correspondence, successful and unsuccessful contact attempts, and claim management plan of action for litigation management is required to be included and updated in the electronic adjuster notes section of the electronic claim file.

3. The electronic claim file should reflect evidence of timely and meaningful supervisory direction and involvement. All Files would be required to be kept on current diary system, which profiles for monthly review of all open cases, by the handling of adjuster and supervisor.

E. MEDICAL ADMINISTRATION AND CONTROL

1. Recommend and maintain a medical provider network, which should include a panel of physicians, dentists, chiropractors, and other practitioners for the initial treatment of injured employees and recommend a panel of such specialists as may be required for long-term or other disabilities requiring, special treatment.

2. Monitor treatment programs for injured employees, including review of all "Doctor's First Report of Work Injury" to assure that treatment is related to a compensable injury or illness.

3. Provide determinations and administer first aid claims out of a separate CRSIG trust account.
4. Maintain close liaison with treating physicians to assure that employees receive proper care and to identify and prevent over treatment situations. Utilize telephonic and field nurse case management with approval of CRSIG to obtain reasonable treatment plan and targets for return to work and medical improvement.

5. Authorize hospitalization, surgery and other types of approved treatment as required after determination of liability in conformance with Labor Code Sections 4600 and 4601.

6. Review, audit, compute and authorize payment of all medical bills in conformance with the Recommended Minimum Fee Schedule as set forth by the Division of Industrial Accidents.

7. Complete administration and processing of all lifetime medical cases awarded or ordered by the Workers’ Compensation Appeals Board.

8. Provide liaison with any cost containment services with whom CRSIG chooses to utilize.

F. LEGAL SERVICES

1. Retain a panel of attorneys, approved by CRSIG, who are specialists in the defense of Workers’ Compensation litigation for defense of cases before the Appeals Board. Monitor all litigated cases from the time an application is filed with the Appeals Board until final disposition is rendered.

2. Consult with CRSIG and attorneys as required to ensure that all facts and investigations necessary will be available on a timely basis.

3. Ensure that necessary subpoenas for records and/or witnesses are issued and depositions taken.

4. Ensure timely filing and serving of Answers to Applications and of medical records.

5. Review and consult with CRSIG on ALL proposed settlements. Approval of all settlements must be secured from CRSIG before a Compromise and Release or Stipulated Settlement is filed with the Appeals Board for approval.

6. Identify opportunities for subrogation and, at CRSIG's direction, pursue them. Protect the interests of CRSIG in third party cases, including filing of complaints in Subrogation, where appropriate.

7. Facilitate dialog between attorneys who represent district’s interests in both the Workers’ Compensation and employer liability environments.

8. CRSIG shall be provided with copies of all correspondence and legal documents including hearing notices, applications, lawsuits, pleadings, motions, interrogations, dismissals, and correspondence between defense counsel and Administrator upon request.
G. EMPLOYEE SERVICES

1. Provide information and guidance to the employees of CRSIG's member districts regarding Workers’ Compensation benefits, inquiries on specified injuries and permanent disability ratings in accordance with policies of CRSIG.

2. Assist in resolving employee problems related to an industrial injury in non-litigated cases.

3. Assist in the development of policies and procedures to ensure that the employee's ability to work is consistent with the findings of the Workers’ Compensation Appeals Board.

H. REPORTING SERVICES AND RECORD RETENTION

1. Provide CRSIG and its member districts with regular monthly and quarterly reports in the format and number requested by CRSIG. The reports may be provided in hard copy or via online access format. Such reports include, but may not be limited to, the following:

   - Loss Experience Reports
   - Location Report
   - Growth Analysis and Loss Narrative Report
   - Management Summary Reports
   - Weekly Claims Register
   - Monthly Claims Summary Reports
   - Monthly Claims Register Reports
   - Annual Report to the State
   - Annual Tax Statements, including Federal Form 1099 and State form 599 as appropriate
   - Large Loss Reports – Over $25,000 and $100,000

Additional reports and lists that must be available include:

   - List of Providers – Including the data in the correct format for CRSIG to prepare the IRS 1099s.
   - Litigated Claims
   - Investigated Claims
   - Claims involving subrogation
   - Vocational Rehabilitation Claims
   - Medical Case Management Claims
   - First Aid Claims
   - Excess Insurance Claims
   - Total Incurred for open and closed claims

2. Annual Report – Prepare the Public Entities Self-Insurer's Annual Report as required by the Department of Industrial Relations Office of Self-Insurance Plans; and submit it to CRSIG no later than 30 days prior to the due date.

3. All claims files, records, reports and other documents of materials pertaining to the
CRSIG's claims shall be the property of CRSIG, shall be available for CRSIG's use at any time, and shall be delivered to CRSIG upon termination of the agreement.

I. WORKERS’ COMPENSATION TRUST FUND CHECKING ACCOUNTS

1. CRSIG shall establish two trust fund checking accounts to cover payments and reimbursements applicable to the self-insured Workers’ Compensation program and the payment of first aid claims.

2. The trust fund checking accounts shall be established in the name of the TPA as agent of CRSIG. Deposits shall be made to the account as required to ensure that funds are available for payment of claims for settlement and allocated loss expenses upon presentation of check or warrant. The administrator shall provide the bank checks stock. Checks shall be protected with state-of-the-art security features. TPA shall not draw on the trust fund checking account for any purpose other than adjustment of claims and payment of allocated loss expenses.

3. The TPA shall monitor the trust fund account and make recommendations to CRSIG as to the appropriate level of funding for the account in order to comply with established laws.

4. Once each month, TPA shall provide CRSIG with a detailed accounting of all Workers’ Compensation benefits and allocated loss expenses paid from the fund. The detailed accounting shall include the date and check number of all benefit and allocated loss payments and shall also include appropriate supporting documentation for allocated loss expense payments. A monthly check register summary shall be provided also. TPA is responsible for erroneous payments made from the account by their error. The amount of any such erroneous payments made from the account shall be deducted from administrative fee payments. TPA shall develop, implement and maintain security procedures to ensure safeguard of funds in the account and the bank checks. Such procedures shall be approved by CRSIG.

Allocated expenses are defined as: all attorney fees, court and or hearing costs, depositions and other discovery costs, documents and exhibits, witness and expert fees, medical and engineering appraisals, surveillance, sub rosa, independent adjuster fees, photography, and other incidental and special costs incurred to evaluate compensability of claim. Any and all assignments for outside investigation and or surveillance require prior approval from CRSIG. Allocated expense payments will be paid from the individual claim file.

5. TPA shall develop, implement and maintain security procedures to ensure safeguard of funds in the account and the bank checks. Such procedures shall be approved by CRSIG.

J. GENERAL REQUIREMENTS

1. The TPA shall be a recognized administrator of self-insured Workers’ Compensation programs, licensed to do such business in the State of California. A copy of the California license shall be provided by the TPA prior to execution of the agreement.

2. CRSIG may require periodic claim audits and/or actuarial studies to be conducted by an independent auditor, at CRSIG’s expense. CRSIG also reserves the right to audit files for claims handling and payment and will participate in periodic meetings and file reviews on
selected cases with the claims administrator. Additionally, it may be necessary to provide District personnel and/or their consultants with work space and assistance in locating files for an audit.

3. It is highly desirable that the TPA be engaged in the administration of self-insurance programs only, and not be engaged in the sale of insurance.

4. The TPA shall have at least five-(5) years’ experience in administration of self-insured Workers’ Compensation programs, preferably experience with public schools and specifically the California Education Code.

5. The TPA shall have a financially stable organization as determined by CRSIG.

6. The TPA shall be responsible to reimburse CRSIG for all TPA-caused penalties and interest.

V. PROPOSAL RESPONSE REQUIREMENTS

A. Each TPA shall complete this portion of the Request for Proposals by discussing each item in the order presented. Responses must be legible, clear, accurate, complete, and must be signed by an authorized representative.
B. The response shall include a title page which indicates the corresponding RFP page number, the name of the firm, local address, the name of the firm's contact person, the telephone number of the contact person and the date.

C. The response shall also include a Table of Contents which clearly identifies the material submitted by your firm by section and by page number.

D. TPA shall parallel the format below or the proposal will not be considered

1. COMPANY AND EMPLOYEE PROFILE:
   a. State whether your firm is local, regional, national, or international.
   b. Include information on any affiliations and/or subsidiaries.

2. FIRM PROFILE:
   a. Is your firm a corporation or partnership?
      Corporation:
      Indicate state of incorporation
      If the corporation is a subsidiary, give name and address of Parent Corporation.
      Provide name and position of officers
      Partnership:
      Indicate name and address of partner(s) and whether the partner(s) is a general partner or limited partner.
   b. Location of the office and any satellite office(s) that would serve this account.
      Describe the range of activities performed at each location.
   c. Describe your firm's experience with school districts. Indicate any JPAs or school districts of similar size and/or geographical location and/or loss experience as CRSIG with which your firm has experience.
   d. Describe your firm's experience with public entities other than school districts.
   e. Provide a list of all school district clients for whom your firm has provided Workers’ Compensation administration services in the past five-(5) years. Include the following:
      i. Scope of work performed
      ii. Name, address and phone number of client.
      iii. Contact person.
   f. If your proposal is considered for award, indicate if you are prepared to supply the following data:
      Name(s) and address (es) of any banks, finance companies, dealers, suppliers, or others where you have notes or contracts payable.
   g. Please provide an organizational chart for your firm specific to the office that would handle this account.
h. Disclose if your firm is or has been involved in litigation with one of your current or prior
   clients in the last five (5) years.

3. STAFFING AND QUALIFICATIONS OF PERSONNEL
   a. Number of employees at service location(s) who would be assigned to handle this
      account, including:
      i. Management and other supervisory staff
      ii. Workers’ Compensation claims supervisors
      iii. Workers’ Compensation claims examiners
      iv. Medical-only examiners
      v. Clerical
      vi. Other
   b. Is/are state certification(s) required and/or held by management, supervisory staff, and
      claims adjusters? Indicate which positions listed in C1 require state certifications.
   c. Indicate number of clients in a unit for which management and other supervisory staff are
      responsible (broken down by top, middle, and lower management).
   d. Indicate number of employees in a unit for which management and other supervisory staff
      are responsible (broken down by top, middle, and lower management).
   e. Indicate qualifications and minimum years of experience required for personnel, as
      indicated in C1. Include a resume of each management, supervisory staff, and claims
      examiner who would be assigned to this account.
   f. Outline your firm's requirements for ongoing professional education of claims
      administration staff. Indicate in which categories of claims personnel will be involved.
   g. Indicate work hours and daily accessibility of each individual handling this account.
   h. What is your annual turnover ratio for claims personnel in the office that would handle
      this account? How is the turnover calculated?
   i. If requested, would your firm agree to the hiring of a claims examiner recommended
      by CRSIG? Please advise your standard requirements for hiring at the examiner level.

4. CLAIMS MANAGEMENT/PHILOSOPHY
   a. What is your firm’s definition of a successfully administered claim?
   b. What is your firm’s philosophy on Return To Work Programs?
c. Indicate the number and level of examiners to be assigned per:
   i. Open indemnity claims.
   ii. Medical-only claims.
   iii. Other claims

d. Indicate the maximum number of claims an examiner is allowed/expected to control.

e. Describe the levels of supervision and management review provided on claims-adjusting personnel.

f. Are in-house file reviews and roundtables conducted? If yes, provide frequency and meeting format. Attach a sample meeting agenda, if possible.

g. Describe the criteria used to identify and institute subrogation against outside parties. Describe the extent of subrogation services provided by your staff.

h. Describe your firm's reserving practices and philosophies. Include a description of how frequently claim reserves will be reviewed with this account, and how your files will document periodic supervisory review.

i. Describe your firm's procedure for notifying the excess Workers’ Compensation carrier of losses exceeding the SIR, and follow-up procedures for loss recovery.

j. Describe claim settlement philosophy of your firm. On what basis would your firm recommend taking a case to trial rather than settling?

k. Describe your firm's procedures for handling questionable claims and identifying cases where the investigation of a questionable claim may be necessary.

l. Discuss the extent of investigative services to be provided by staff of your firm. Describe the procedures to be utilized in determining when an outside investigation firm is required.

m. (For litigated cases) What is your firm's philosophy on using an AME versus a QME, and vice versa?

n. Explain in detail your firm's protocol for reviewing, handling and processing DWC's and 5020s.

o. What is your protocol for opening new files?

p. What is your firm's philosophy on delaying and investigating a claim?

q. What is the claim examiner's protocol for reviewing and updating open claims?

r. Describe record-keeping procedures to be utilized for all aspects of the self-insurance claims administration.
s. Describe, in detail, your procedures for making initial and follow-up contact with injured employees. Include the estimated frequency of phone calls to injured employees and procedures for delivery of benefits to injured employees.

t. Does your company provide an 800 number for injured employees?

u. Based on the scope of services provided regarding the JPA’s Return To Work Program, what types of procedural changes do you anticipate would need to be initiated within your current mode of operations?

v. Describe procedures for contact with districts and CRSIG on claim status.

w. Does your firm conduct client file reviews? If yes, explain recommended protocol and frequency of client file reviews.

x. Could a claim or file review be held at the request of a member district at other than scheduled times, and if so, is there an additional charge to the service fee for such a review?

y. Does your firm have an 800 number for calling in 5020s? Do you have the capacity to accept faxed or electronically transmitted 5020s?

z. What challenges would you expect that your claims examiner might experience in working with an extremely proactive Risk Manager and staff? Comment.

aa. Does, and if so, how is the handling of claims differ between private industry and public employers like school districts. Please give specific examples of differences (eg. Salary continuance issues) and how your firm handles the different approaches.

5. LITIGATION MANAGEMENT

a. Discuss the extent of services to be rendered by staff of your firm for litigated cases and subrogation actions.

b. Indicate maximum number of litigated cases a claims examiner handles in-house.

c. Describe your firm's participation, on behalf of clients, in Workers’ Compensation hearings.
   To what extent, and in what capacity, does the claims examiner make appearances at the WCAB?
   Does your firm charge extra for appearances made by the claims examiner? Explain.

d. Describe the procedures to be utilized in determining when outside legal counsel is required.
   At what point would your firm recommend referring a case to legal counsel, and are there certain types of claims which require immediate legal referral? Explain.
e. (For cases handled by legal counsel) Is it your firm's practice to have the claims examiner handle the liens, as opposed to the law firm? Explain.

f. Describe the procedures you use to manage the quality of work and cost of outside law firms.

g. Please identify law firms you would recommend to defend litigated cases and why.

h. Does your firm provide hearing representative services? If yes, is there an additional cost?

i. What criteria does your firm use to choose law firms for representation?

6. INVESTIGATIVE SERVICES
   a. Does your firm provide investigative services to be provided to CRSIG members by staff at your firm or are these services contracted.

   b. Describe the protocols to be utilized in determining when an outside investigation firm is required.

   c. If services are contracted out, does your firm receive commissions and/or any other type of compensation from the companies used?

7. COST CONTROL
   a. Identify outside service firms used for investigation, subrogation, sub-rosa, etc.

   b. Describe any innovative cost control mechanisms you are using which have proven to be effective for your clients.

   c. How does your firm address suspected fraud?

8. MANAGED CARE
   a. Describe your firm's managed care/medical cost-containment program including, but not limited to, PPO networks, case management services, utilization review, bill reviews, etc.

      Indicate which services are owned by your firm or affiliated with your company and which services are contracted out. If services are contracted out, does your firm receive commissions and/or any other type of compensation from the companies used?

   b. Discuss the recommended panel of medical experts, including specialists who may be utilized to review and/or provide treatment.

   c. Describe procedures for auditing of prescriptions and medical costs. Does your company contract with medical facilities for discounted fees for services such as MRIs, CT Scans, etc.? Explain.
d. Describe the types of cases that would benefit from medical case management. What types of activities should CRSIG expect from a case manager? When should medical case management services begin and end?

9. RMIS
   a. Does your firm contract out for RMIS services, or do you maintain an in-house system? If contracting out, indicate name, address and phone number of company.

   b. If services are contracted out, does your firm receive commissions and/or any other type of compensation from the companies used?

   c. Is use of RMIS included as part of your service fee, or are there additional charges? Explain. Include fee schedule, if applicable.

   d. Describe the various reports to be prepared by your firm related to the program. Provide sample reports (generated from the RMIS), indicating frequency of reports.

   e. Describe the data conversion process that would be required if your firm is selected and specify a time line. (Note: All CRSIG current claims reside in the CMI system)

   f. Is the cost of regular and any special reports included as part of the service fee? Please explain any additional charges.

   g. Is your firm able to contractually agree that all claim files, electronic data processing/management information system records, and all records generated on behalf of CRSIG will be owned by CRSIG?

10. SECURITY AND CONTROL PROCEDURES
    a. Discuss procedures utilized by your firm to insure the security of the Trust Fund accounts.

    b. Give specific information about any additional security measures your firm has in place and how they may be implemented.

11. CLAIM SERVICE FEES
    a. Fee Structure and Pricing: Please provide a proposed flat fee for all services or broken down fees as follows:
i. List all services that will be provided within the basic per claims fees (e.g., field investigation, hearing representative, medical cost containment services, medical management services, rehabilitation services, etc.)

ii. List all services that will be provided at an additional cost to the basic per claims fees, and what the cost will be (e.g. field investigation, hearing representatives, medical cost containment services, and medical management services, rehab services, etc.

iii. Indicate your ability to set a separate, reduced fee for takeover claims that can be closed within three to six months from program inception.

iv. Cost per Medical Only file (go forward claims).

v. Cost per Medical Only file (takeover claims).

vi. Cost per Indemnity file (go forward claims).

vii. Cost per Indemnity file (takeover claims).

viii. Cost per First Aid file (go forward claims).

ix. Cost per First Aid file (takeover claims).

x. Other charges such as annual administration fees, computer setup fees and time & expense.

xi. What is the minimum deposit? When will the service charge be due? What are the payment terms? Include frequency, method of payment?

xii. What services are included in the service charge? (I.e., subrogation, investigation, excess reporting, medical management, loss control, etc.)

xiii. What services are excluded in the service charge? (I.e., banking fee, outside investigators, attorneys, etc.)

xiv. How will the excluded costs be charged to the client?

b. Upon contract termination, does your fee include handling of all open files to conclusion?

c. What standard reporting service is provided in your claim service fee? If not provided, can standard statistical reports be provided? At what charge?

d. When will the service fee quotes as described in your RFP response expire?

e. What would be the cost to CRSIG to cancel your services mid-term in the contract and at expiration of the contract?
f. Statement of Services:
   i. Provide a detailed statement of services as included in the Scope Of Services.

   ii. Indicate which services are included in the unit pricing, and what services will be considered allocated expenses.

   iii. Provide your firm's definition of allocated expenses.

   iv. Discuss any services listed under Scope of Services which are not included in your proposal.

g. Describe the payment schedule for services to be provided as described in the Proposal.