

## SERVICE AGREEMENT

THIS SERVICE AGREEMENT (this "Agreement") shall commence on this 28<sup>th</sup> day of June 2016, by and between Assured NL Insurance Services, Inc, a Delaware corporation, dba Risk Management Services Company ("Service Provider") and the LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, an urban county government of the Commonwealth of Kentucky pursuant to Chapter 67A of the Kentucky Revised Statutes (Client).

### PRELIMINARY STATEMENTS

WHEREAS, Client issued RFP No. 12-2016 Third Party Administrator for Claims Adjustment Handling Services for Workers Compensation, Auto Liability and Physical Damage, General Liability, and Property Claims; and

WHEREAS, Client has determined that Service Provider submitted the response to the above proposal that provided the best value to the Client and was in the best interest of the Client to pursue through an agreement for related services; and

WHEREAS, Client desires for Service Provider to provide various services which were requested by Client through the above RFP for and on behalf of Client; and

WHEREAS, Service Provider agrees to perform such services on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises and covenants hereinafter contained, the parties agree as follows:

### ARTICLE 1 - SERVICES PROVIDED

This Agreement is comprised of the terms and provisions of this agreement as well as the following documents, which are attached hereto as exhibits and incorporated herein by reference as if fully stated: (a) RFP No. 12-2016 (Exhibit "A"); (b) Response of Risk Management Services Company to RFP No. 12-2016 (Exhibit "B"); and (c) List of RMSC's Tasks as Claims Manager for LFUCG (Exhibit "C"). To the extent of any conflict among or between the terms and provisions of these documents, this agreement shall prevail, followed by the RFP, the RFP Response and List of RMSC's Tasks as Claims Manager for LFUCG. Subject to all other terms and conditions of this Agreement, Service Provider shall provide the services (the "Services") further described in its proposal that is attached hereto as Exhibit B (the "Proposal") and the List of Claims Manager Tasks that is attached hereto as Exhibit C. The term of this Agreement shall be for three years with an effective date of July 1, 2016. The Agreement shall automatically renew for up to two (2) additional terms of one (1) year each unless Client

notifies Service Provider in writing at least sixty (60) days in advance. ARTICLE 2 - PROPRIETARY RIGHTS

Service Provider shall retain all title, copyright, and other proprietary rights in and to all materials and systems, all works of authorship and all intellectual property created, utilized or developed by Service Provider or its representatives in the performance of the Services under or otherwise in connection with this Agreement, including, without limitation, computer programs, computer equipment, products, software, designs, plans, specifications, computer output, valuations, estimates, reports, modules, formats, risk data record formats, procedures, documentation and every innovation, conception, improvement, discovery or invention and any and all intellectual property rights associated therewith; but excluding any materials delivered by Client to Service Provider in connection with this Agreement. This does not include the data in and the system components of the Riskmaster database system or any materials derived therefrom.

#### ARTICLE 3 - RELATIONSHIP OF PARTIES AND THIRD PARTIES

3.1. Service Provider, at all times, shall be an independent contractor, and employees of Service Provider shall in no event be considered employees of Client.

3.2. In the event that Client or its representatives provide PHI to Service Provider in connection with the performance of the Services, the parties agree to take reasonable steps necessary to protect the security and confidentiality of such PHI in accordance with HIPAA, the Rules, and other laws relating to the privacy and security of PHI, which are now in force or which may hereafter be in force.

#### ARTICLE 4 - COMPENSATION

4.1. Service Provider shall be compensated by Client for the Services rendered hereunder in accordance with the flat fee Proposal submitted in the RFP response and provided below. All fees are on an annual basis to closure of the matter.

##### Year One:

Workers Compensation	\$105,700
Auto Liability	\$115,000
General Liability	Included Above
Auto Physical Damage	\$24,000
Property	\$16,000
Subrogation	20%

Year Two:

Workers Compensation      \$108,800  
Auto Liability   \$115,000  
General Liability Included Above  
Auto Physical Damage      \$ 24,000  
Property      \$ 16,000  
Subrogation   20%

Year Three:

Workers Compensation      \$108,800  
Auto Liability   \$118,000  
General Liability Included Above  
Auto Physical Damage      \$ 24,000  
Property      \$16,000  
Subrogation   20%

“Pothole claims” and “Sewer backup claims” (generally denied due to Sovereign Immunity).  
\$ 4,500 flat annual fee each year

Years Four and Five (Optional at Discretion of LFUCG):

Workers Compensation      \$112,000  
Auto Liability   \$120,000  
General Liability Included Above  
Auto Physical Damage      \$ 24,000  
Property      \$16,000  
Subrogation      20%

Claims Management Services

\$78,000 per year.

This is based on being in the LFUCG offices 2 days per week to facilitate interaction and communications with LFUCG staff and attending meetings as needed, as is currently required.

ARTICLE 5 - TERMINATION

5.1. This Agreement may be terminated by Client at any time upon prior written notice to the other party.

5.2. In addition to all other rights and remedies available to Service Provider under this Agreement and applicable law, Service Provider may cancel this Agreement and discontinue its services hereunder immediately upon notice to Client if Client: (a) is acquired by or merges with any other entity, unless this Agreement is assumed in writing by the new entity and such assumption is agreed to by Service Provider; (b) dissolves, liquidates a substantial part or all of its business or has a bankruptcy proceeding filed by or against it; or (c) threatens insolvency or has a receiver or trustee appointed on its behalf.

5.3 In the event of termination by either party, the Parties agree to cooperate with each other for any balance of the term of the Agreement and for a reasonable amount of time thereafter. Such cooperation will include, without limitation, return of each party's respective property, transfer by Service Provider of Client's information, including electronic records, and communicating with each other regarding all matters pertaining to the Agreement and its cessation.

#### ARTICLE 6 - CONDITIONS AND LIMITATIONS

6.1. Service Provider does not act as an insurer for Client, and this Agreement shall not be construed as an insurance policy or a contract or agreement of indemnity; it being understood that Service Provider is in no event financially responsible for the payment or satisfaction of claims, lawsuits, or any cause of action of any form, kind or nature against Client.

6.2. Service Provider's responsibility for the performance of Services as specified in this Agreement is conditioned upon Client fully cooperating with, and providing all assistance requested by, Service Provider; and the performance by Client of all other obligations under this Agreement.

6.3. The Services to be provided by Service Provider hereunder are not of a legal nature, and Service Provider shall in no event give, or be required to give, any legal opinions or provide any legal representation to Client.

6.4. SERVICE PROVIDER WARRANTS THAT IT WILL PERFORM THE SERVICES HEREUNDER IN A GOOD AND WORKMANLIKE MANNER. SERVICE PROVIDER EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, AS TO SUCH SERVICES AND ITS PERFORMANCE HEREUNDER.

IN NO EVENT SHALL EITHER PARTY TO THIS AGREEMENT BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OR DAMAGES OF ANY SIMILAR NATURE OR FOR ANY LOST PROFITS OR OTHER ECONOMIC LOSS RELATING TO, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PROVIDED HEREUNDER.

6.5. Neither party shall be in breach of this Agreement if there is a total or partial failure by it in its duties and obligations occasioned by any act of God, fire, act of foreign, federal, state or local government, war, civil commotion, insurrection, embargo, prevention from or hindrance in obtaining any raw materials, energy or other supplies, labor disputes or whatever nature, or any other reason beyond its reasonable control. In the event of delay in performance due to any such cause, the date of the delivery or time for completion will be extended by a period of time reasonably necessary to overcome the effect of such delay.

6.6. Any recommendations by Service Provider hereunder are advisory only for the sole purpose of assisting Client. All surveys and reports shall be based upon the conditions observed and the information supplied by Client during any Service Provider visit of Client's location(s) and Service Provider shall be under no obligation to verify or investigate the accuracy or completeness of the data and information provided by Client. Any survey performed by Service Provider pursuant hereto is not a comprehensive safety inspection. Client acknowledges that Service Provider does not guarantee, assure or warrant: (1) the safety of any of Client's locations, properties or operations; or (2) that compliance with, or implementation of, Service Provider's recommendations will eliminate or reduce any or all hazards, accidents or other losses. Service Provider assumes no responsibility for management or operation of loss control and safety procedures and Client acknowledges that Service Provider shall not be deemed to be acting for or on behalf of Client's safety, risk management or other similar department.

6.7. This Agreement shall be binding upon the parties and their respective successors and permitted assigns. Except with respect to an assignment or subcontract by Service Provider to any direct or indirect present or future parent, subsidiary or affiliate, neither party may assign this Agreement, or its rights hereunder, without the prior written consent of the other party hereto.

6.8. All notices to be given pursuant to this Agreement shall be in writing, and shall be deemed to have been duly given when personally delivered or when mailed by United States first class mail, postage prepaid, to the following addresses:

If to Client:

Commissioner of Law  
LFUCG Department of Law  
200 East Main Street  
Lexington, KY 40507

If to Service Provider:

Risk Management Services Co.  
2211 River Road  
Louisville, KY 40206  
Att: Jeff Rausch

6.9. The terms of this Agreement shall be governed by the laws of the Commonwealth of Kentucky.

6.10. The parties hereto mutually agree that this Agreement is intended by them to be solely for the benefit of the parties hereto and that no third parties may rely on any reports, analyses or other material provided by Service Provider or shall obtain any direct or indirect benefits from this Agreement, have any claim or be entitled to any remedy under this Agreement or otherwise in any way be regarded as third party beneficiaries of this Agreement.

6.11. This Agreement and the attached exhibits constitute the entire understanding and agreement between the parties hereto, and supersede all prior or contemporaneous agreements or understandings, written or oral, of the parties hereto. This Agreement may be amended or modified only in a writing executed by both parties. No waiver of one or more provisions of this Agreement shall constitute a waiver of any other provision.

6.12. Anything to the contrary contained in this Agreement notwithstanding, the provisions of and Articles 2 through 6 shall survive any termination or expiration of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Service Agreement as of the day and year first above written.

Assured NL Insurance Services, Inc

Lexington-Fayette Urban County  
Government

BY: Charles J. Rausch

BY: Jim Gray

TITLE: Sr. Vice President

TITLE: \_\_\_\_\_  
Mayor



## EXHIBIT A

# Lexington-Fayette Urban County Government

## Request for Proposal

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The Lexington-Fayette Urban County Government hereby requests proposals for **RFP #12-2016 Third Party Administrator for Claims Adjustment Handling Services for Workers Compensation, Auto Liability and Physical Damage, General Liability, and Property Claims** to be provided in accordance with terms, conditions and specifications established herein.

Sealed proposals will be received in the Division of Central Purchasing, Room 338, Government Center, 200 East Main Street, Lexington, KY, 40507, until **2:00 PM**, prevailing local time, on **April 26, 2016**.

Proposals received after the date and time set for opening proposals will not be considered for award of a contract and will be returned unopened to the Proposer. It is the sole responsibility of the Proposer to assure that his/her proposal is received by the Division of Central Purchasing before the date and time set for opening proposals.

Proposals must be sealed in an envelope and the envelope prominently marked:

**RFP #12-2016 Third Party Administrator for Claims Adjustment Handling  
Services for Workers Compensation, Auto Liability and Physical Damage,  
General Liability, and Property Claims**

If mailed, the envelope must be addressed to:

Todd Slatin - Purchasing Director  
Lexington-Fayette Urban County Government  
Room 338, Government Center  
200 East Main Street  
Lexington, KY 40507

Additional copies of this Request For Proposals are available from the Division of Central Purchasing, Room 338 Government Center, 200 East Main Street, Lexington, KY 40507, (859)-258-3320, at no charge.

Proposals, once submitted, may not be withdrawn for a period of sixty (60) calendar days.

**The Proposer must submit one (1) master (hardcopy), (1) electronic version in PDF format on a flashdrive or CD and six (6) duplicates (hardcopies) of their proposal for evaluation purposes.**

The Lexington-Fayette Urban County Government reserves the right to reject any or all proposals, and to waive technicalities and informalities when such waiver is determined by the Lexington-Fayette Urban County Government to be in its best interest.

Signature of this proposal by the Proposer constitutes acceptance by the Proposer of terms, conditions and requirements set forth herein.

Minor exceptions may not eliminate the proposal. Any exceptions to the specifications established herein shall be listed in detail on a separate sheet and attached hereto. The Lexington-Fayette Urban County Government shall determine whether any exception is minor.

The Lexington-Fayette Urban County Government encourages the participation of minority- and women-owned businesses in Lexington-Fayette Urban County Government contracts. This proposal is subject to Affirmative Action requirements attached hereto.

***Please do not contact any LFUCG staff member or any other person involved in the selection process other than the designated contact person(s) regarding the project contemplated under this RFP while this RFP is open and a selection has not been finalized. Any attempt to do so may result in disqualification of the firm's submittal for consideration.***

### **Laws and Regulations**

All applicable state laws, municipal ordinances and regulations of all authorities having jurisdiction over the project shall apply to the contract, and shall be deemed to be incorporated herein by reference.

### **Equal Employment Opportunity**

The Entity (regardless of whether construction contractor, non-construction contractor or supplier) agrees to provide equal opportunity in employment for all qualified persons, to prohibit discrimination in employment because of race,



color, creed, national origin, sex or age, and to promote equal employment through a positive, continuing program from itself and each of its subcontracting agents. This program of equal employment opportunity shall apply to every aspect of its employment policies and practices.

### **Kentucky Equal Employment Opportunity Act**

The Kentucky Equal Employment Opportunity Act of 1978 (KRS 45.560-45.640) requires that any "county, city, town, school district, water district, hospital district, or other political subdivision of the state shall include in directly or indirectly publicly funded contracts for supplies, materials, services, or equipment hereinafter entered into the following provisions:

"During the performance of this contract, the contractor agrees as follows:

- (1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, or national origin;
- (2) The contractor will state in all solicitations or advertisements for employees placed by or on behalf of the contractors that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age, or national origin;
- (3) The contractor will post notices in conspicuous places, available to employees and applicants for employment, setting forth the provision of the nondiscrimination clauses required by this section; and
- (4) The contractor will send a notice to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding advising the labor union or workers' representative of the contractor's commitments under the nondiscrimination clauses."

The Act further provides:

"KRS 45.610. Hiring minorities -- Information required

- (1) For the length of the contract, each contractor shall hire minorities from other sources within the drawing area, should the union with which he has collective bargaining agreements be unwilling to supply sufficient minorities to satisfy the agreed upon goals and timetables.

(2) Each contractor shall, for the length of the contract, furnish such information as required by KRS 45.560 to KRS 45.640 and by such rules, regulations and orders issued pursuant thereto and will permit access to all books and records pertaining to his employment practices and work sites by the contracting agency and the department for purposes of investigation to ascertain compliance with KRS 45.560 to 45.640 and such rules, regulations and orders issued pursuant thereto.

KRS 45.620. Action against contractor -- Hiring of minority contractor or subcontractor

(1) If any contractor is found by the department to have engaged in an unlawful practice under this chapter during the course of performing under a contract or subcontract covered under KRS 45.560 to 45.640, the department shall so certify to the contracting agency and such certification shall be binding upon the contracting agency unless it is reversed in the course of judicial review.

(2) If the contractor is found to have committed an unlawful practice under KRS 45.560 to 45.640, the contracting agency may cancel or terminate the contract, conditioned upon a program for future compliance approved by the contracting agency and the department. The contracting agency may declare such a contractor ineligible to bid on further contracts with that agency until such time as the contractor complies in full with the requirements of KRS 45.560 to 45.640.

(3) The equal employment provisions of KRS 45.560 to 45.640 may be met in part by a contractor by subcontracting to a minority contractor or subcontractor. For the provisions of KRS 45.560 to 45.640, a minority contractor or subcontractor shall mean a business that is owned and controlled by one or more persons disadvantaged by racial or ethnic circumstances.

KRS 45.630 Termination of existing employee not required, when

Any provision of KRS 45.560 to 45.640 notwithstanding, no contractor shall be required to terminate an existing employee upon proof that employee was employed prior to the date of the contract.

KRS 45.640 Minimum skills

Nothing in KRS 45.560 to 45.640 shall require a contractor to hire anyone who fails to demonstrate the minimum skills required to perform a particular job."

It is recommended that all of the provisions above quoted be included as special conditions in each contract. In the case of a contract exceeding \$250,000, the contractor is required to furnish evidence that his workforce in Kentucky is representative of the available work-force in the area from which he draws employees, or to supply an Affirmative Action plan which will achieve such representation during the life of the contract.

### **LFUCG Non-Appropriation Clause**

Contractor acknowledges that the LFUCG is a governmental entity, and the contract validity is based upon the availability of public funding under the authority of its statutory mandate.

In the event that public funds are unavailable and not appropriated for the performance of the LFUCG's obligations under this contract, then this contract shall automatically expire without penalty to the LFUCG thirty (30) days after written notice to Contractor of the unavailability and non-appropriation of public funds. It is expressly agreed that the LFUCG shall not activate this non-appropriation provision for its convenience or to circumvent the requirements of this contract, but only as an emergency fiscal measure during a substantial fiscal crisis, which affects generally its governmental operations.

In the event of a change in the LFUCG's statutory authority, mandate and mandated functions, by state and federal legislative or regulatory action, which adversely affects the LFUCG's authority to continue its obligations under this contract, then this contract shall automatically terminate without penalty to the LFUCG upon written notice to Contractor of such limitation or change in the LFUCG's legal authority.

### **Contention Process**

Vendors who respond to this invitation have the right to file a notice of contention associated with the RFP process or to file a notice of appeal of the recommendation made by the Director of Central Purchasing resulting from this invitation.

Notice of contention with the RFP process must be filed within 3 business days of the bid/proposal opening by (1) sending a written notice, including sufficient documentation to support contention, to the Director of the Division of Central Purchasing or (2) submitting a written request for a meeting with the Director of Central Purchasing to explain his/her contention with the RFP process. After consulting with the Commissioner of Finance the Chief Administrative Officer and reviewing the documentation and/or hearing the vendor, the Director of Central Purchasing shall promptly respond in writing findings as to the compliance with RFP processes. If, based on this review, a RFP process irregularity is deemed to have occurred the Director of Central Purchasing will consult with the Commissioner of Finance, the Chief Administrative Officer and the Department of Law as to the appropriate remedy.

Notice of appeal of a RFP recommendation must be filed within 3 business days of the RFP recommendation by (1) sending a written notice, including sufficient documentation to support appeal, to the Director, Division of Central Purchasing or (2) submitting a written request for a meeting with the Director of Central Purchasing to explain his appeal. After reviewing the documentation and/or hearing the vendor and consulting with the Commissioner of Finance and the Chief Administrative Officer, the Director of Central Purchasing shall in writing, affirm or withdraw the recommendation.

**SELECTION CRITERIA:**

See section 4.0 (page 42) for complete criteria.

Proposals shall contain the appropriate information necessary to evaluate based on these criteria. A committee composed of government employees as well as representatives of relevant user groups will evaluate the proposals.

**Questions shall be addressed to:**

Todd Slatin, Director  
Division of Central Purchasing  
[tslatin@lexingtonky.gov](mailto:tslatin@lexingtonky.gov)

## Affirmative Action Plan

All vendors must submit as a part of the proposal package the following items to the Urban County Government:

1. Affirmative Action Plan for his/her firm;
2. Current Work Force Analysis Form;

Failure to submit these items as required may result in disqualification of the submitter from award of the contract. All submissions should be directed to:

Director, Division of Central Purchasing  
Lexington-Fayette Urban County Government  
200 East Main Street, 3rd Floor  
Lexington, Kentucky 40507

All questions regarding this proposal must be directed to the Division of Central Purchasing, (859)-258-3320.

**AFFIDAVIT**

Comes the Affiant, \_\_\_\_\_, and after being first duly sworn, states under penalty of perjury as follows:

1. His/her name is \_\_\_\_\_ and he/she is the individual submitting the proposal or is the authorized representative of \_\_\_\_\_, the entity submitting the proposal (hereinafter referred to as "Proposer").

2. Proposer will pay all taxes and fees, which are owed to the Lexington-Fayette Urban County Government at the time the proposal is submitted, prior to award of the contract and will maintain a "current" status in regard to those taxes and fees during the life of the contract.

3. Proposer will obtain a Lexington-Fayette Urban County Government business license, if applicable, prior to award of the contract.

4. Proposer has authorized the Division of Central Purchasing to verify the above-mentioned information with the Division of Revenue and to disclose to the Urban County Council that taxes and/or fees are delinquent or that a business license has not been obtained.

5. Proposer has not knowingly violated any provision of the campaign finance laws of the Commonwealth of Kentucky within the past five (5) years and the award of a contract to the Proposer will not violate any provision of the campaign finance laws of the Commonwealth.

6. Proposer has not knowingly violated any provision of Chapter 25 of the Lexington-Fayette Urban County Government Code of Ordinances, known as "Ethics Act."

**Continued on next page**

7. Proposer acknowledges that "knowingly" for purposes of this Affidavit means, with respect to conduct or to circumstances described by a statute or ordinance defining an offense, that a person is aware or should have been aware that his conduct is of that nature or that the circumstance exists.

Further, Affiant sayeth naught.

\_\_\_\_\_

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

The foregoing instrument was subscribed, sworn to and acknowledged before me by \_\_\_\_\_ on this the \_\_\_\_\_ day of \_\_\_\_\_, 2016.

My Commission expires: \_\_\_\_\_

\_\_\_\_\_  
NOTARY PUBLIC, STATE AT LARGE

## EQUAL OPPORTUNITY AGREEMENT

### The Law

- Title VII of the Civil Rights Act of 1964 (amended 1972) states that it is unlawful for an employer to discriminate in employment because of race, color, religion, sex, age (40-70 years) or national origin.
- Executive Order No. 11246 on Nondiscrimination under Federal contract prohibits employment discrimination by contractor and sub-contractor doing business with the Federal Government or recipients of Federal funds. This order was later amended by Executive Order No. 11375 to prohibit discrimination on the basis of sex.
- Section 503 of the Rehabilitation Act of 1973 states:

*The Contractor will not discriminate against any employee or applicant for employment because of physical or mental disability.*

- Section 2012 of the Vietnam Era Veterans Readjustment Act of 1973 requires Affirmative Action on behalf of disabled veterans and veterans of the Vietnam Era by contractors having Federal contracts.
- Section 206(A) of Executive Order 12086, Consolidation of Contract Compliance Functions for Equal Employment Opportunity, states:

*The Secretary of Labor may investigate the employment practices of any Government contractor or sub-contractor to determine whether or not the contractual provisions specified in Section 202 of this order have been violated.*

\*\*\*\*\*

The Lexington-Fayette Urban County Government practices Equal Opportunity in recruiting, hiring and promoting. It is the Government's intent to affirmatively provide employment opportunities for those individuals who have previously not been allowed to enter into the mainstream of society. Because of its importance to the local Government, this policy carries the full endorsement of the Mayor, Commissioners, Directors and all supervisory personnel. In following this commitment to Equal Employment Opportunity and because the Government is the benefactor of the Federal funds, it is both against the Urban County Government policy and illegal for the Government to let contracts to companies which knowingly or unknowingly practice discrimination in their employment practices. Violation of the above mentioned ordinances may cause a contract to be canceled and the contractors may be declared ineligible for future consideration.

Please sign this statement in the appropriate space acknowledging that you have read and understand the provisions contained herein. Return this document as part of your application packet.

### Bidders

*I/We agree to comply with the Civil Rights Laws listed above that govern employment rights of minorities, women, Vietnam veterans, handicapped and aged persons.*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name of Business



**WORKFORCE ANALYSIS FORM**

Name of Organization: \_\_\_\_\_

Categories	Total	White (Not Hispanic or Latino)		Hispanic or Latino		Black or African-American (Not Hispanic or Latino)		Native Hawaiian and Other Pacific Islander (Not Hispanic or Latino)		Asian (Not Hispanic or Latino)		American Indian or Alaskan Native (not Hispanic or Latino)		Two or more races (Not Hispanic or Latino)		Total	
		M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
<b>Administrators</b>																	
<b>Professionals</b>																	
<b>Superintendents</b>																	
<b>Supervisors</b>																	
<b>Foremen</b>																	
<b>Technicians</b>																	
<b>Protective Service</b>																	
<b>Para-Professionals</b>																	
<b>Office/Clerical</b>																	
<b>Skilled Craft</b>																	
<b>Service/Maintenance</b>																	
<b>Total:</b>																	

Prepared by: \_\_\_\_\_ Date: \_\_\_\_/\_\_\_\_/\_\_\_\_  
*(Name and Title)* *Revised 2015-Dec-15*

**DIRECTOR, DIVISION OF CENTRAL PURCHASING  
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
200 EAST MAIN STREET  
LEXINGTON, KENTUCKY 40507**

**NOTICE OF REQUIREMENT FOR AFFIRMATIVE ACTION TO ENSURE EQUAL  
EMPLOYMENT OPPORTUNITIES AND DBE CONTRACT PARTICIPATION**

Notice of requirement for Affirmative Action to ensure Equal Employment Opportunities and Disadvantaged Business Enterprises (DBE) Contract participation. Disadvantaged Business Enterprises (DBE) consists of Minority-Owned Business Enterprises (MBE) and Woman-Owned Business Enterprises (WBE).

The Lexington-Fayette Urban County Government has set a goal that not less than ten percent (10%) of the total value of this Contract be subcontracted to Disadvantaged Business Enterprises, which is made up of MBEs and WBEs. The goal for the utilization of Disadvantaged Business Enterprises as subcontractors is a recommended goal. Contractor(s) who fail to meet such goal will be expected to provide written explanations to the Director of the Division of Purchasing of efforts they have made to accomplish the recommended goal, and the extent to which they are successful in accomplishing the recommended goal will be a consideration in the procurement process. Depending on the funding source, other DBE goals may apply.

For assistance in locating Disadvantaged Business Enterprises Subcontractors contact:

Sherita Miller, Division of Central Purchasing  
Lexington-Fayette Urban County Government  
200 East Main Street, 3rd Floor, Room 338  
Lexington, Kentucky 40507  
smiller@lexingtonky.gov

**Lexington-Fayette Urban County Government**  
**MWDBE PARTICIPATION GOALS**

A. GENERAL

- 1) The LFUCG request all potential contractors to make a concerted effort to include Minority-Owned (MBE), Woman-Owned (WBE), Disadvantaged (DBE) Business Enterprises and Veteran-Owned Businesses as subcontractors or suppliers in their bids.
- 2) Toward that end, the LFUCG has established 10% of total procurement costs as a Goal for participation of Minority-Owned, Woman-Owned and Disadvantaged Businesses on this contract.
- 3) **It is therefore a request of each Bidder to include in its bid, the same goal (10%) for MWDBE participation and other requirements as outlined in this section.**
- 4) The LFUCG has also established a 3% of total procurement costs as a Goal for participation for of Veteran-Owned Businesses.
- 5) **It is therefore a request of each Bidder to include in its bid, the same goal (3%) for Veteran-Owned participation and other requirements as outlined in this section.**

B. PROCEDURES

- 1) The successful bidder will be required to report to the LFUCG, the dollar amounts of all payments submitted to Minority-Owned or Woman-Owned subcontractors and suppliers for work done or materials purchased for this contract. (See Subcontractor Monthly Payment Report)
- 2) Replacement of a Minority-Owned or Woman-Owned subcontractor or supplier listed in the original submittal must be requested in writing and must be accompanied by documentation of Good Faith Efforts to replace the subcontractor / supplier with another MWDBE Firm; this is subject to approval by the LFUCG. (See LFUCG MWDBE Substitution Form)
- 3) For assistance in identifying qualified, certified businesses to solicit for potential contracting opportunities, bidders may contact:
  - a) The Lexington-Fayette Urban County Government, Division of Central Purchasing (859-258-3320)
- 4) The LFUCG will make every effort to notify interested MWDBE and Veteran-Owned subcontractors and suppliers of each Bid Package, including information on the scope of work, the pre-bid meeting time and location, the bid date, and all other pertinent information regarding the project.

### C. DEFINITIONS

- 1) A Minority-Owned Business Enterprise (MBE) is defined as a business which is certified as being at least 51% owned and operated by persons of African American, Hispanic, Asian, Pacific Islander, American Indian or Alaskan Native Heritage.
- 2) A Woman-Owned Business Enterprise (WBE) is defined as a business which is certified as being at least 51% owned and operated by one or more Non-Minority Females.
- 3) A Disadvantaged Business (DBE) is defined as a business which is certified as being at least 51% owned and operated by a person(s) that are economically and socially disadvantaged.
- 4) A Veteran-Owned Business is defined as a business which is certified as being at least 51% owned and operated by a veteran and/or a service disabled veteran.
- 5) Good Faith Efforts are efforts that, given all relevant circumstances, a bidder or proposer actively and aggressively seeking to meet the goals, can reasonably be expected to make. In evaluating good faith efforts made toward achieving the goals, whether the bidder or proposer has performed the efforts outlined in the Obligations of Bidder for Good Faith Efforts outlined in this document will be considered, along with any other relevant factors.

### D. OBLIGATION OF BIDDER FOR GOOD FAITH EFFORTS

- 1) **The bidder shall make a Good Faith Effort to achieve the Participation Goal for MWDBE subcontractors/suppliers. The failure to meet the goal shall not necessarily be cause for disqualification of the bidder; however, bidders not meeting the goal are required to furnish with their bids written documentation of their Good Faith Efforts to do so.**
- 2) Award of Contract shall be conditioned upon satisfaction of the requirements set forth herein.
- 3) The Form of Proposal includes a section entitled "MWDBE Participation Form". The applicable information must be completed and submitted as outlined below.
- 4) **Failure to submit this information as requested may be cause for rejection of bid.**

### E. DOCUMENTATION REQUIRED FOR GOOD FAITH EFFORTS

- 1) Bidders reaching the Goal are required to submit only the MWDBE Participation Form.” The form must be fully completed including names and telephone number of participating MWDBE firm(s); type of work to be performed; estimated value of the contract and value expressed as a percentage of the total Lump Sum Bid Price. The form must be signed and dated, and is to be submitted with the bid.
- 2) Bidders not reaching the Goal must submit the “MWDBE Participation Form”, the “Quote Summary Form” and a written statement documenting their Good Faith Effort to do so. If bid includes no MWDBE participation, bidder shall enter “None” on the subcontractor / supplier form). In addition, the bidder must submit written proof of their Good Faith Efforts to meet the Participation Goal:
  - a. Advertised opportunities to participate in the contract in at least two (2) publications of general circulation media; trade and professional association publications; small and minority business or trade publications; and publications or trades targeting minority, women and disadvantaged businesses not less than fifteen (15) days prior to the deadline for submission of bids to allow MWDBE firms to participate.
  - b. Included documentation of advertising in the above publications with the bidders good faith efforts package
  - c. Attended LFUCG Central Purchasing Economic Inclusion Outreach event
  - d. Attended pre-bid meetings that were scheduled by LFUCG to inform MWDBEs of subcontracting opportunities
  - e. Sponsored Economic Inclusion event to provide networking opportunities for prime contractors and MWDBE firms
  - f. Requested a list of MWDBE subcontractors or suppliers from LFUCG Economic Engine and showed evidence of contacting the companies on the list(s).
  - g. Contacted organizations that work with MWDBE companies for assistance in finding certified MWDBE firms to work on this project. Those contacted and their responses should be a part of the bidder’s good faith efforts documentation.
  - h. Sent written notices, by certified mail, email or facsimile, to qualified, certified MWDBEs soliciting their participation in the contract not less than seven (7) days prior to the deadline for submission of bids to allow them to participate effectively.
  - i. Followed up initial solicitations by contacting MWDBEs to determine their level of interest.

j. Provided the interested MWDBE firm with adequate and timely information about the plans, specifications, and requirements of the contract.

k. Selected portions of the work to be performed by MWDBE firms in order to increase the likelihood of meeting the contract goals. This includes, where appropriate, breaking out contract work items into economically feasible units to facilitate MWDBE participation, even when the prime contractor may otherwise perform these work items with its own workforce

l. Negotiated in good faith with interested MWDBE firms not rejecting them as unqualified without sound reasons based on a thorough investigation of their capabilities. Any rejection should be so noted in writing with a description as to why an agreement could not be reached.

m. Included documentation of quotations received from interested MWDBE firms which were not used due to uncompetitive pricing or were rejected as unacceptable and/or copies of responses from firms indicating that they would not be submitting a bid.

n. Bidder has to submit sound reasons why the quotations were considered unacceptable. The fact that the bidder has the ability and/or desire to perform the contract work with its own forces will not be considered a sound reason for rejecting a MWDBE quote. Nothing in this provision shall be construed to require the bidder to accept unreasonable quotes in order to satisfy MWDBE goals.

o. Made an effort to offer assistance to or refer interested MWDBE firms to obtain the necessary equipment, supplies, materials, insurance and/or bonding to satisfy the work requirements of the bid proposal

p. Made efforts to expand the search for MWBE firms beyond the usual geographic boundaries.

q. Other--any other evidence that the bidder submits which may show that the bidder has made reasonable good faith efforts to include MWDBE participation.

Failure to submit any of the documentation requested in this section may be cause for rejection of bid. Bidders may include any other documentation deemed relevant to this requirement. Documentation of Good Faith Efforts are to be submitted with the Bid, if the participation Goal is not met.



## MINORITY BUSINESS ENTERPRISE PROGRAM

Sherita Miller, MPA  
Minority Business Enterprise Liaison  
Division of Central Purchasing  
Lexington-Fayette Urban County Government  
200 East Main Street  
Lexington, KY 40507  
[smiller@lexingtonky.gov](mailto:smiller@lexingtonky.gov)  
859-258-3323

**OUR MISSION:** The mission of the Minority Business Enterprise Program is to facilitate the full participation of minority and women owned businesses in the procurement process and to promote economic inclusion as a business imperative essential to the long term economic viability of Lexington-Fayette Urban County Government.

To that end the city council adopted and implemented resolution 167-91—Disadvantaged Business Enterprise (DBE) 10% Goal Plan in July of 1991. The resolution states in part (a full copy is available in Central Purchasing):

*“A Resolution supporting adoption of the administrative plan for a ten percent (10%) Minimum goal for disadvantaged business enterprise participation in Lexington-Fayette Urban County Government construction and professional services contracts; Providing that as part of their bids on LFUCG construction contracts, general Contractors shall make a good faith effort to award at least ten percent (10%) of All subcontracts to disadvantaged business enterprises; providing that divisions of LFUCG shall make a good faith effort to award at least ten percent of their Professional services and other contracts to disadvantaged business enterprises...”*

A Disadvantaged Business Enterprise is defined as a business that has been certified as being at least 51% owned, operated and managed by a U.S. Citizen of the following groups:

- African-American
- Hispanic-American
- Asian/Pacific Islander
- Native American/Native Alaskan
- Non-Minority Female
- Economically and Socially Disadvantaged

We have compiled the list below to help you locate certified MBE, WBE and DBE certified businesses. Below is a listing of contacts for LFUCG Certified MWDBEs in Economic Engine (<https://lfucg.economicengine.com>)

<b>Business</b>	<b>Contact</b>	<b>Email Address</b>	<b>Phone</b>
<b>LFUCG</b>	Sherita Miller	<a href="mailto:smiller@lexingtonky.gov">smiller@lexingtonky.gov</a>	859-258-3323
<b>Commerce Lexington – Minority Business Development</b>	Tyrone Tyra	<a href="mailto:ttyra@commercelexington.com">ttyra@commercelexington.com</a>	859-226-1625
<b>Tri-State Minority Supplier Diversity Council</b>	Sonya Brown	<a href="mailto:sbrown@tsmsdc.com">sbrown@tsmsdc.com</a>	502-625-0137
<b>Small Business Development Council</b>	Dee Dee Harbut UK SBDC	<a href="mailto:dharbut@uky.edu">dharbut@uky.edu</a>	859-257-7668
	Shirie Mack	<a href="mailto:smack3@email.uky.edu">smack3@email.uky.edu</a>	859-257-7666
<b>Community Ventures Corporation</b>	James Coles	<a href="mailto:icoles@cyckv.org">icoles@cyckv.org</a>	859-231-0054
<b>KY Department of Transportation</b>	Melvin Bynes	<a href="mailto:Melvin.bynes2@ky.gov">Melvin.bynes2@ky.gov</a>	502-564-3601
	Shella Eagle	<a href="mailto:Shella.Eagle@ky.gov">Shella.Eagle@ky.gov</a>	502-564-3601
<b>Ohio River Valley Women’s Business Council (WBENC)</b>	Rea Waldon	<a href="mailto:rwaldon@gcul.org">rwaldon@gcul.org</a>	513-487-6534
<b>Kentucky MWBE Certification Program</b>	Yvette Smith, Kentucky Finance Cabinet	<a href="mailto:Yvette.Smith@ky.gov">Yvette.Smith@ky.gov</a>	502-564-8099
<b>National Women Business Owner’s Council (NWBOC)</b>	Janet Harris-Lange	<a href="mailto:janet@nwboc.org">janet@nwboc.org</a>	800-675-5066
<b>Small Business Administration</b>	Robert Coffey	<a href="mailto:robertcoffey@sba.gov">robertcoffey@sba.gov</a>	502-582-5971
<b>LaVoz de Kentucky</b>	Andres Cruz	<a href="mailto:lavozdeky@yahoo.com">lavozdeky@yahoo.com</a>	859-621-2106
<b>The Key News Journal</b>	Patrice Muhammad	<a href="mailto:paatricem@keynewsjournal.com">paatricem@keynewsjournal.com</a>	859-373-9428





**LFUCG MWDBE PARTICIPATION FORM**

**Bid/RFP/Quote Reference # \_\_\_\_\_**

The MWDBE subcontractors listed have agreed to participate on this Bid/RFP/Quote. If any substitution is made or the total value of the work is changed prior to or after the job is in progress, it is understood that those substitutions must be submitted to Central Purchasing for approval immediately.

MWDBE Company, Name, Address, Phone, Email	Work to be Performed	Total Dollar Value of the Work	% Value of Total Contract
1.			
2.			
3.			
4.			

The undersigned company representative submits the above list of MWDBE firms to be used in accomplishing the work contained in this Bid/RFP/Quote. Any misrepresentation may result in the termination of the contract and/or be subject to applicable Federal and State laws concerning false statements and false claims.

\_\_\_\_\_  
Company

\_\_\_\_\_  
Company Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title



**LFUCG MWDBE SUBSTITUTION FORM**

**Bid/RFP/Quote Reference # \_\_\_\_\_**

The substituted MWDBE subcontractors listed below have agreed to participate on this Bid/RFP/Quote. These substitutions were made prior to or after the job was in progress. These substitutions were made for reasons stated below and are now being submitted to Central Purchasing for approval. By the authorized signature of a representative of our company, we understand that this information will be entered into our file for this project.

SUBSTITUTED MWDBE Company Name, Address, Phone, Email	MWDBE Formally Contracted/ Name, Address, Phone, Email	Work to Be Performed	Reason for the Substitution	Total Dollar Value of the Work	% Value of Total Contract
1.					
2.					
3.					
4.					

The undersigned acknowledges that any misrepresentation may result in termination of the contract and/or be subject to applicable Federal and State laws concerning false statements and false claims.

\_\_\_\_\_  
Company

\_\_\_\_\_  
Company Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title



**MWDBE QUOTE SUMMARY FORM**

**Bid/RFP/Quote Reference #** \_\_\_\_\_

**The undersigned acknowledges that the minority subcontractors listed on this form did submit a quote to participate on this project.**

Company Name	Contact Person
Address/Phone/Email	Bid Package / Bid Date

MWDBE Company Address	Contact Person	Contact Information (work phone, Email, cell)	Date Contacted	Services to be performed	Method of Communication (email, phone meeting, ad, event etc)	Total dollars \$\$ Do Not Leave Blank (Attach Documentation)	MBE * AA HA AS NA Female	Veteran

(MBE designation / AA=African American / HA= Hispanic American/AS = Asian American/Pacific Islander/ NA= Native American)

The undersigned acknowledges that all information is accurate. Any misrepresentation may result in termination of the contract and/or be subject to applicable Federal and State laws concerning false statements and claims.

\_\_\_\_\_  
Company

\_\_\_\_\_  
Company Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title



## LFUCG SUBCONTRACTOR MONTHLY PAYMENT REPORT

The LFUCG has a 10% goal plan adopted by city council to increase the participation of minority and women owned businesses in the procurement process. In order to measure that goal LFUCG will track spending with MWDBE vendors on a monthly basis. By the signature below of an authorized company representative, you certify that the information is correct, and that each of the representations set forth below is true. Any misrepresentation may result in termination of the contract and/or prosecution under applicable Federal and State laws concerning false statements and false claims. Please submit this form monthly to the Division of Central Purchasing/ 200 East Main Street / Room 338 / Lexington, KY 40507.

**Bid/RFP/Quote #** \_\_\_\_\_

**Total Contract Amount Awarded to Prime Contractor for this Project** \_\_\_\_\_

<b>Project Name/ Contract #</b>	<b>Work Period/ From:</b>	<b>To:</b>
<b>Company Name:</b>	<b>Address:</b>	
<b>Federal Tax ID:</b>	<b>Contact Person:</b>	

Subcontractor Vendor ID (name, address, phone, email)	Description of Work	Total Subcontract Amount	% of Total Contract Awarded to Prime for this Project	Total Amount Paid for this Period	Purchase Order number for subcontractor work (please attach PO)	Scheduled Project Start Date	Scheduled Project End Date

By the signature below of an authorized company representative, you certify that the information is correct, and that each of the representations set forth below is true. Any misrepresentations may result in the termination of the contract and/or prosecution under applicable Federal and State laws concerning false statements and false claims.

\_\_\_\_\_  
Company

\_\_\_\_\_  
Company Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

**LFUCG STATEMENT OF GOOD FAITH EFFORTS**

**Bid/RFP/Quote # \_\_\_\_\_**

By the signature below of an authorized company representative, we certify that we have utilized the following Good Faith Efforts to obtain the maximum participation by MWDBE business enterprises on the project and can supply the appropriate documentation.

\_\_\_\_\_ Advertised opportunities to participate in the contract in at least two (2) publications of general circulation media; trade and professional association publications; small and minority business or trade publications; and publications or trades targeting minority, women and disadvantaged businesses not less than fifteen (15) days prior to the deadline for submission of bids to allow MWDBE firms to participate.

\_\_\_\_\_ Included documentation of advertising in the above publications with the bidders good faith efforts package

\_\_\_\_\_ Attended LFUCG Central Purchasing Economic Inclusion Outreach event

\_\_\_\_\_ Attended pre-bid meetings that were scheduled by LFUCG to inform MWDBEs of subcontracting opportunities

\_\_\_\_\_ Sponsored Economic Inclusion event to provide networking opportunities for prime contractors and MWDBE firms

\_\_\_\_\_ Requested a list of MWDBE subcontractors or suppliers from LFUCG Economic Engine and showed evidence of contacting the companies on the list(s).

\_\_\_\_\_ Contacted organizations that work with MWDBE companies for assistance in finding certified MWDBE firms to work on this project. Those contacted and their responses should be a part of the bidder's good faith efforts documentation.

\_\_\_\_\_ Sent written notices, by certified mail, email or facsimile, to qualified, certified MWDBEs soliciting their participation in the contract not less than seven (7) days prior to the deadline for submission of bids to allow them to participate effectively.

- \_\_\_\_\_ Followed up initial solicitations by contacting MWDBEs to determine their level of interest.
  
- \_\_\_\_\_ Provided the interested MWDBE firm with adequate and timely information about the plans, specifications, and requirements of the contract.
  
- \_\_\_\_\_ Selected portions of the work to be performed by MWDBE firms in order to increase the likelihood of meeting the contract goals. This includes, where appropriate, breaking out contract work items into economically feasible units to facilitate MWDBE participation, even when the prime contractor may otherwise perform these work items with its own workforce
  
- \_\_\_\_\_ Negotiated in good faith with interested MWDBE firms not rejecting them as unqualified without sound reasons based on a thorough investigation of their capabilities. Any rejection should be so noted in writing with a description as to why an agreement could not be reached.
  
- \_\_\_\_\_ Included documentation of quotations received from interested MWDBE firms which were not used due to uncompetitive pricing or were rejected as unacceptable and/or copies of responses from firms indicating that they would not be submitting a bid.
  
- \_\_\_\_\_ Bidder has to submit sound reasons why the quotations were considered unacceptable. The fact that the bidder has the ability and/or desire to perform the contract work with its own forces will not be considered a sound reason for rejecting a MWDBE quote. Nothing in this provision shall be construed to require the bidder to accept unreasonable quotes in order to satisfy MWDBE goals.
  
- \_\_\_\_\_ Made an effort to offer assistance to or refer interested MWDBE firms to obtain the necessary equipment, supplies, materials, insurance and/or bonding to satisfy the work requirements of the bid proposal
  
- \_\_\_\_\_ Made efforts to expand the search for MWDBE firms beyond the usual geographic boundaries.

\_\_\_\_\_ Other - any other evidence that the bidder submits which may show that the bidder has made reasonable good faith efforts to include MWDBE participation.

Failure to submit any of the documentation requested in this section may be cause for rejection of bid. Bidders may include any other documentation deemed relevant to this requirement. Documentation of Good Faith Efforts are to be submitted with the Bid, if the participation Goal is not met.

The undersigned acknowledges that all information is accurate. Any misrepresentations may result in termination of the contract and/or be subject to applicable Federal and State laws concerning false statements and claims.

\_\_\_\_\_  
**Company**

\_\_\_\_\_  
**Company Representative**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Title**

## GENERAL PROVISIONS

1. Each Respondent shall comply with all Federal, State & Local regulations concerning this type of service or good.

The Respondent agrees to comply with all statutes, rules, and regulations governing safe and healthful working conditions, including the Occupational Health and Safety Act of 1970, 29 U.S.C. 650 *et. seq.*, as amended, and KRS Chapter 338. The Respondent also agrees to notify the LFUCG in writing immediately upon detection of any unsafe and/or unhealthful working conditions at the job site. The Respondent agrees to indemnify, defend and hold the LFUCG harmless from all penalties, fines or other expenses arising out of the alleged violation of said laws.

2. Failure to submit ALL forms and information required in this RFP may be grounds for disqualification.
3. Addenda: All addenda, if any, shall be considered in making the proposal, and such addenda shall be made a part of this RFP. Before submitting a proposal, it is incumbent upon each proposer to be informed as to whether any addenda have been issued, and the failure to cover in the bid any such addenda may result in disqualification of that proposal.
4. Proposal Reservations: LFUCG reserves the right to reject any or all proposals, to award in whole or part, and to waive minor immaterial defects in proposals. LFUCG may consider any alternative proposal that meets its basic needs.
5. Liability: LFUCG is not responsible for any cost incurred by a Respondent in the preparation of proposals.
6. Changes/Alterations: Respondent may change or withdraw a proposal at any time prior to the opening; however, no oral modifications will be allowed. Only letters, or other formal written requests for modifications or corrections of a previously submitted proposal which is addressed in the same manner as the proposal, and received by LFUCG prior to the scheduled closing time for receipt of proposals, will be accepted. The proposal, when opened, will then be corrected in accordance with such written request(s), provided that the written request is contained in a sealed envelope which is plainly marked "modifications of proposal".
7. Clarification of Submittal: LFUCG reserves the right to obtain clarification of any point in a bid or to obtain additional information from a Respondent.
8. Bribery Clause: By his/her signature on the bid, Respondent certifies that no employee of his/hers, any affiliate or Subcontractor, has bribed or



attempted to bribe an officer or employee of the LFUCG.

9. Additional Information: While not necessary, the Respondent may include any product brochures, software documentation, sample reports, or other documentation that may assist LFUCG in better understanding and evaluating the Respondent's response. Additional documentation shall not serve as a substitute for other documentation which is required by this RFP to be submitted with the proposal,
10. Ambiguity, Conflict or other Errors in RFP: If a Respondent discovers any ambiguity, conflict, discrepancy, omission or other error in the RFP, it shall immediately notify LFUCG of such error in writing and request modification or clarification of the document if allowable by the LFUCG.
11. Agreement to Bid Terms: In submitting this proposal, the Respondent agrees that it has carefully examined the specifications and all provisions relating to the work to be done attached hereto and made part of this proposal. By acceptance of a Contract under this RFP, proposer states that it understands the meaning, intent and requirements of the RFP and agrees to the same. The successful Respondent shall warrant that it is familiar with and understands all provisions herein and shall warrant that it can comply with them. No additional compensation to Respondent shall be authorized for services or expenses reasonably covered under these provisions that the proposer omits from its Proposal.
12. Cancellation: If the services to be performed hereunder by the Respondent are not performed in an acceptable manner to the LFUCG, the LFUCG may cancel this contract for cause by providing written notice to the proposer, giving at least thirty (30) days notice of the proposed cancellation and the reasons for same. During that time period, the proposer may seek to bring the performance of services hereunder to a level that is acceptable to the LFUCG, and the LFUCG may rescind the cancellation if such action is in its best interest.

A. Termination for Cause

- (1) LFUCG may terminate a contract because of the contractor's failure to perform its contractual duties
- (2) If a contractor is determined to be in default, LFUCG shall notify the contractor of the determination in writing, and may include a specified date by which the contractor shall cure the identified deficiencies. LFUCG may proceed with termination if the contractor fails to cure the deficiencies within the specified time.

- (3) A default in performance by a contractor for which a contract may be terminated shall include, but shall not necessarily be limited to:
- (a) Failure to perform the contract according to its terms, conditions and specifications;
  - (b) Failure to make delivery within the time specified or according to a delivery schedule fixed by the contract;
  - (c) Late payment or nonpayment of bills for labor, materials, supplies, or equipment furnished in connection with a contract for construction services as evidenced by mechanics' liens filed pursuant to the provisions of KRS Chapter 376, or letters of indebtedness received from creditors by the purchasing agency;
  - (d) Failure to diligently advance the work under a contract for construction services;
  - (e) The filing of a bankruptcy petition by or against the contractor; or
  - (f) Actions that endanger the health, safety or welfare of the LFUCG or its citizens.

#### B. At Will Termination

Notwithstanding the above provisions, the LFUCG may terminate this contract at will in accordance with the law upon providing thirty (30) days written notice of that intent, Payment for services or goods received prior to termination shall be made by the LFUCG provided these goods or services were provided in a manner acceptable to the LFUCG. Payment for those goods and services shall not be unreasonably withheld.

13. Assignment of Contract: The contractor shall not assign or subcontract any portion of the Contract without the express written consent of LFUCG. Any purported assignment or subcontract in violation hereof shall be void. It is expressly acknowledged that LFUCG shall never be required or obligated to consent to any request for assignment or subcontract; and further that such refusal to consent can be for any or no reason, fully within the sole discretion of LFUCG.
14. No Waiver: No failure or delay by LFUCG in exercising any right, remedy, power or privilege hereunder, nor any single or partial exercise thereof, nor the exercise of any other right, remedy, power or privilege shall operate as a waiver hereof or thereof. No failure or delay by LFUCG in exercising any right, remedy, power or privilege under or in respect of this Contract shall affect the rights, remedies, powers or privileges of LFUCG hereunder or shall operate as a waiver thereof.

15. Authority to do Business: The Respondent must be a duly organized and authorized to do business under the laws of Kentucky. Respondent must be in good standing and have full legal capacity to provide the services specified under this Contract. The Respondent must have all necessary right and lawful authority to enter into this Contract for the full term hereof and that proper corporate or other action has been duly taken authorizing the Respondent to enter into this Contract. The Respondent will provide LFUCG with a copy of a corporate resolution authorizing this action and a letter from an attorney confirming that the proposer is authorized to do business in the State of Kentucky if requested. All proposals must be signed by a duly authorized officer, agent or employee of the Respondent.
16. Governing Law: This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. In the event of any proceedings regarding this Contract, the Parties agree that the venue shall be the Fayette County Circuit Court or the U.S. District Court for the Eastern District of Kentucky, Lexington Division. All parties expressly consent to personal jurisdiction and venue in such Court for the limited and sole purpose of proceedings relating to this Contract or any rights or obligations arising thereunder. Service of process may be accomplished by following the procedures prescribed by law.
17. Ability to Meet Obligations: Respondent affirmatively states that there are no actions, suits or proceedings of any kind pending against Respondent or, to the knowledge of the Respondent, threatened against the Respondent before or by any court, governmental body or agency or other tribunal or authority which would, if adversely determined, have a materially adverse effect on the authority or ability of Respondent to perform its obligations under this Contract, or which question the legality, validity or enforceability hereof or thereof.
18. Contractor understands and agrees that its employees, agents, or subcontractors are not employees of LFUCG for any purpose whatsoever. Contractor is an independent contractor at all times during the performance of the services specified.
19. If any term or provision of this Contract shall be found to be illegal or unenforceable, the remainder of the contract shall remain in full force and such term or provision shall be deemed stricken.

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Signature

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Date

## **RISK MANAGEMENT PROVISIONS INSURANCE AND INDEMNIFICATION**

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### **INDEMNIFICATION AND HOLD HARMLESS PROVISION**

- (1) It is understood and agreed by the parties that Consultant hereby assumes the entire responsibility and liability for any and all damages to persons or property caused by or resulting from or arising out of any act or omission on the part of Consultant or its employees, agents, servants, owners, principals, licensees, assigns or subcontractors of any tier (hereinafter "Consultant") under or in connection with this agreement and/or the provision of goods or services and the performance or failure to perform any work required thereby.
- (2) Consultant shall indemnify, save, hold harmless and defend the Lexington-Fayette Urban County Government and its elected and appointed officials, employees, agents, volunteers, and successors in interest (hereinafter "LFUCG") from and against all liability, damages, and losses, including but not limited to, demands, claims, obligations, causes of action, judgments, penalties, fines, liens, costs, expenses, interest, defense costs and reasonable attorney's fees that are in any way incidental to or connected with, or that arise or are alleged to have arisen, directly or indirectly, from or by Consultant's performance or breach of the agreement and/or the provision of goods or services provided that: (a) it is attributable to personal injury, bodily injury, sickness, or death, or to injury to or destruction of property (including the loss of use resulting therefrom), or to or from the negligent acts, errors or omissions or willful misconduct of the Consultant; and (b) not caused solely by the active negligence or willful misconduct of LFUCG.
- (3) Notwithstanding, the foregoing, with respect to any professional services performed by Consultant hereunder (and to the fullest extent permitted by law), Consultant shall indemnify, save, hold harmless and defend LFUCG from and against any and all liability, damages and losses, including but not limited to, demands, claims, obligations, causes of action, judgments, penalties, fines, liens, costs, expenses, interest, defense costs and reasonable attorney's fees, for any damage due to death or injury to any person or injury to any property (including the loss of use resulting therefrom) to the extent arising out of, pertaining to or relating to the negligence, recklessness or willful misconduct of Consultant in the performance of this agreement.
- (4) In the event LFUCG is alleged to be liable based upon the above, Consultant shall defend such allegations and shall bear all costs, fees and expenses of such defense, including but not limited to, all reasonable attorneys' fees and expenses, court costs, and expert witness fees and expenses, using attorneys approved in writing by LFUCG, which approval shall not be unreasonably withheld.

- (5) These provisions shall in no way be limited by any financial responsibility or insurance requirements, and shall survive the termination of this agreement.
- (6) LFUCG is a political subdivision of the Commonwealth of Kentucky. Consultant acknowledges and agrees that LFUCG is unable to provide indemnity or otherwise save, hold harmless, or defend the Consultant in any manner.

**FINANCIAL RESPONSIBILITY**

Consultant understands and agrees that it shall demonstrate the ability to assure compliance with the above Indemnity provisions and these other risk management provisions prior to final acceptance of its proposal and the commencement of any work or the provision of services.

**INSURANCE REQUIREMENTS**

YOUR ATTENTION IS DIRECTED TO THE INSURANCE REQUIREMENTS BELOW, AND YOU MAY NEED TO CONFER WITH YOUR INSURANCE AGENTS, BROKERS, OR CARRIERS TO DETERMINE IN ADVANCE OF SUBMISSION OF A RESPONSE THE AVAILABILITY OF THE INSURANCE COVERAGES AND ENDORSEMENTS REQUIRED HEREIN. IF YOU FAIL TO COMPLY WITH THE INSURANCE REQUIREMENTS BELOW, YOU MAY BE DISQUALIFIED FROM AWARD OF THE CONTRACT.

**Required Insurance Coverage**

Consultant shall procure and maintain for the duration of this contract the following or equivalent insurance policies at no less than the limits shown below and cause its subcontractors to maintain similar insurance with limits acceptable to LFUCG in order to protect LFUCG against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work or services hereunder by Consultant. The cost of such insurance shall be included in any bid:

<b><u>Coverage</u></b>	<b><u>Limits</u></b>
General Liability (Insurance Services Office Form CG 00 01) limit	\$1 million per occurrence, \$2 million aggregate or \$2 million combined single limit
Commercial Automobile Liability (Insurance Services Office Form CA 0001) occurrence	combined single, \$1 million per
Professional Liability	\$1 million per occurrence, \$3 million aggregate

Worker's Compensation	Statutory
Employer's Liability	\$500,000

The policies above shall contain the following conditions:

- a. All Certificates of Insurance forms used by the insurance carrier shall be properly filed and approved by the Department of Insurance for the Commonwealth of Kentucky. LFUCG shall be named as an additional insured in the General Liability Policy and Commercial Automobile Liability Policy using the Kentucky DOI approved forms.
- b. The General Liability Policy shall be primary to any insurance or self-insurance retained by LFUCG.
- c. The General Liability Policy shall include Products and Completed Operations coverage and Premises and Operations Liability coverage, unless it is deemed not to apply by LFUCG.
- d. The General Liability Policy shall have a Professional Liability endorsement (including Errors and Omissions) for any services performed pursuant to the contract, and/or a separate Professional Liability Policy shall be obtained unless it is deemed not to apply by LFUCG.
- e. The Policy shall include Umbrella/Excess Liability coverage in the amount of \$5 million per occurrence, \$5 million aggregate, unless it is deemed not to apply by LFUCG.
- f. The Professional Liability policy shall be maintained for a minimum of three years beyond the completion date of the project, to the extent commercially available. If not commercially available, Consultant shall notify LFUCG and obtain similar insurance that is commercially available and acceptable to LFUCG.
- g. LFUCG shall be provided at least 30 days advance written notice via certified mail, return receipt requested, in the event any of the required policies are canceled or non-renewed.
- h. Said coverage shall be written by insurers acceptable to LFUCG and shall be in a form acceptable to LFUCG. Insurance placed with insurers with a rating classification of no less than Excellent (A or A-) and a financial size category of no less than VIII, as defined by the most current Best's Key Rating Guide shall be deemed automatically acceptable.

#### Renewals

After insurance has been approved by LFUCG, evidence of renewal of an expiring policy must be submitted to LFUCG, and may be submitted on a manually signed renewal endorsement form. If the policy or carrier has changed, however, new evidence of coverage must be submitted in accordance with these Insurance Requirements.

### Deductibles and Self-Insured Programs

**IF YOU INTEND TO SUBMIT A SELF-INSURANCE PLAN IT MUST BE FORWARDED TO LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, DIVISION OF RISK MANAGEMENT, 200 EAST MAIN STREET, LEXINGTON, KENTUCKY 40507 NO LATER THAN A MINIMUM OF FIVE (5) WORKING DAYS PRIOR TO THE RESPONSE DATE.** Self-insurance programs, deductibles, and self-insured retentions in insurance policies are subject to separate approval by Lexington-Fayette Urban County Government's Division of Risk Management, upon review of evidence of Consultant's financial capacity to respond to claims. Any such programs or retentions must provide LFUCG with at least the same protection from liability and defense of suits as would be afforded by first-dollar insurance coverage. If Consultant satisfies any portion of the insurance requirements through deductibles, self-insurance programs, or self-insured retentions, Consultant agrees to provide Lexington-Fayette Urban County Government, Division of Risk Management, the following data prior to the final acceptance of bid and the commencement of any work:

- a. Latest audited financial statement, including auditor's notes.
- b. Any records of any self-insured trust fund plan or policy and related accounting statements.
- c. Actuarial funding reports or retained losses.
- d. Risk Management Manual or a description of the self-insurance and risk management program.
- e. A claim loss run summary for the previous five (5) years.
- f. Self-Insured Associations will be considered.

### Safety and Loss Control

Consultant shall comply with all applicable federal, state, and local safety standards related to the performance of its works or services under this Agreement and take necessary action to protect the life, health and safety and property of all of its personnel on the job site, the public, and LFUCG.

### Verification of Coverage

Consultant agrees to furnish LFUCG with all applicable Certificates of Insurance signed by a person authorized by the insurer to bind coverage on its behalf prior to final award, and if requested, shall provide LFUCG copies of all insurance policies, including all endorsements.

### Right to Review, Audit and Inspect

Consultant understands and agrees that LFUCG may review, audit and inspect any and all of its records and operations to insure compliance with these Insurance Requirements.

Safety and Loss Control

Consultant shall comply with all applicable federal, state, and local safety standards related to the performance of its works or services under this Agreement and take necessary action to protect the life, health and safety and property of all of its personnel on the job site, the public, and LFUCG.

**DEFAULT**

Consultant understands and agrees that the failure to comply with any of these insurance, safety, or loss control provisions shall constitute default and that LFUCG may elect at its option any single remedy or penalty or any combination of remedies and penalties, as available, including but not limited to purchasing insurance and charging Consultant for any such insurance premiums purchased, or suspending or terminating the work.



# Request For Proposal

The Lexington-Fayette Urban County Government hereby requests proposals for **RFP #12-2016 Third Party Administrator for Claims Adjustment Handling Services for Workers Compensation, Auto Liability and Physical Damage, General Liability, and Property Claims** to be provided in accordance with terms, conditions and specifications established herein. The Lexington-Fayette Urban County Government ("LFUCG"), through its Department of Law, invites qualified Third Party Insurance Administrators to submit proposals for providing services as detailed in the accompanying Request for Proposal.

## **I. Background**

LFUCG is a "merged" local government comprised of the City of Lexington and Fayette County and is governed by a Mayor who supervises and administers all departments of the government. Fayette County has a population of more than 300,000.

LFUCG has multiple departments and divisions and has more than 2800 full-time employees as well as a Mayor and 15 elected council members and numerous committee and other non-elected officials.

LFUCG is self-insured and also carries excess insurance policies. It currently utilizes an outside entity to provide traditional claims management services (the "Claims Manager"). LFUCG utilizes the Riskmaster software system, and all providers must be familiar with this system. LFUCG operates on a fiscal year beginning each July 1<sup>st</sup>.

## **Request for Proposal**

LFUCG will receive sealed proposals for the following project – Third Party Administrator for handling of all claims and adjustment services for Workers Compensation, Automobile Liability, and General Liability, and all reporting requirements to LFUCG's Excess Insurers; and Automobile Physical Damage and Property claims, including subrogation claims. LFUCG anticipates a minimum contract term of three (3) years with the option to renew the contract for up to two (2) additional terms of one (1) year each. In addition, LFUCG is desirous of potentially expanding these services to include traditional Claims Management Services at its discretion upon the expiration of its Claims Management Contract. These additional services are not anticipated to be needed any earlier than July 1, 2017.

## **SCOPE**

**Proposers may submit a response for all or some of the claim type options and LFUCG reserves the right to award each option separately or all options to one proposer.**

## Workers Compensation, Auto Liability and General Liability

The following information will provide prospective proposers with the scope of Workers Compensation, Auto Liability and General Liability claims processed by LFUCG. The average number of claims was obtained using a report of new losses from July 1, 2012 to June 30, 2015.

Workers Compensation, Auto Liability and General Liability loss incidents will be reported to the Third Party Administrator (“TPA”) electronically by LFUCG Divisional Insurance Coordinators or the Claims Manager. The TPA will set up the new losses in the LFUCG Riskmaster software system; establish loss reserves for relevant claims; interact with claimants and respond to claimant inquiries in a timely fashion; review and investigate coverage of each claim, determine nature and extent of all bodily injuries, obtain all estimates of damage and approve same, or obtain an appraisal of damage by PDA (Property Damage Appraisers), provide LFUCG with status reports on claims as requested; settle claims within established limits of authority and obtain appropriate releases; examine claims for potential third-party liability and look for subrogation opportunities; provide input of payment data into Riskmaster and close all completed claims in Riskmaster; provide quarterly loss runs that show, at a minimum, claims open and closed during the quarter, payments made, and outstanding reserves; timely respond to information requests from LFUCG attorneys and auditors; attend mediations and settlement conferences as requested by LFUCG; The TPA must be familiar with Medicare Secondary Payer reporting requirements and have the capability of reporting claims information to CMS. If this capability is achieved through contract(s) with another firm(s), please disclose the firm(s) you are using for that service and any pass through charges. Additionally, to the extent the TPA uses Medical/Nurse Case Management, Medical Bill Auditing or Pharmaceutical Case Management through contract(s) with another firm(s), please disclose the firm(s) you are using for that service and any pass through charges. All file notes, reserve changes, appraisals and approval of best damage estimate, and coding will be processed by the TPA in LFUCG’s Riskmaster database. An electronic claim file will be maintained by the TPA, which will be responsible for inputting pertinent claim information, scanning documents and attaching to claim files within LFUCG’s Riskmaster database, also setting up events only will be done by the TPA into the LFUCG Riskmaster system. **The TPA will have to be able to go to the scene of any accident that would require the TPA to report the loss to our Excess insurer.** The TPA would be required to meet the reporting requirements of all reportable losses and Litigated losses to our Excess insurer.

The following is the LFUCG’s prior claims history for Workers Compensation, Auto Liability and General Liability claims for fiscal years 2013 through 2015.

Average number of new losses for these 3 fiscal years:

Auto Liability: 169 per year

General Liability: 209 per year

Workers Compensation: 490 per year

This is a per year average using the last three fiscal years data. Pothole and sewer backup claims are included in the General Liability average. The average number of

pothole claims per year is 30 and the average number of sewer backup claims per year is 34.

### **Auto Physical Damage and Property**

The following information will provide prospective proposers with the scope of Auto Physical Damage and Property claims processed by LFUCG. The average number of claims was obtained using a report of new losses from July 1, 2012 to June 30, 2015.

Auto Physical Damage (APD) and Property (PRP) loss incidents will be reported to the TPA electronically by LFUCG or its Claims Manager. The TPA will set up the new losses in the LFUCG Riskmaster software system; establish loss reserves for relevant claims; interact with claimants and respond to claimant inquiries in a timely fashion; review all estimates of damage and approve same to the reporting division or obtain an appraisal of damage by PDA (Property Damage Appraisers); provide LFUCG with status reports on claims as requested; settle claims within established limit of authority and obtain appropriate releases; examine claims for potential third-party liability and look for subrogation opportunities; provide input of payment data into Riskmaster and close all completed claims in Riskmaster; provide quarterly loss runs that show, at a minimum, claims open and closed during the quarter, payments made, and outstanding reserves; timely respond to information requests from LFUCG attorneys and auditors; attend mediations and settlement conferences as requested by LFUCG. All file notes, reserve changes, appraisals and approval of best damage estimate, and coding will be processed by the TPA in LFUCG's Riskmaster database. An electronic claim file will be maintained by the TPA which will be responsible for inputting pertinent claim information, scanning documents and attaching to claim files within LFUCG's Riskmaster database, also setting up events only will be done by the TPA into the LFUCG Riskmaster system.

The following is the LFUCG's prior claims history for Auto Physical Damage and Property claims for fiscal years 2013 through 2015:

Auto Physical Damage claims 389 per year

Property claims 318 per year

Total Pending APD and Property Claims as of 3/22/16 is 127 Auto Physical and 73 Property.

Total Pending Subrogation claims for all claim types as of 3/22/16 is 75.

## **SECTION II**

### **GENERAL SPECIFICATIONS**

**2.00 INTRODUCTION.** These specifications cover the general requirements of the TPA for Claims Adjustment Services for LFUCG. The services shall be performed in a professional manner and conform to all acceptable claims practices required by the laws of the Commonwealth of Kentucky and current Best Practices.

It is expected that the TPA would evaluate claims in a manner that would protect each entity against any incident of loss.

**2.01 LFUCG OR ITS CLAIMS MANAGER WILL:**

- 2.01.1** Provide appropriate assistance to the TPA to obtain information relative to claims in order to conduct the claims adjustment. This information will be limited by current restrictions regarding privacy or personnel records or other such matters.
- 2.01.2** Pay the TPA for services rendered according to the established fee schedule. Fees shall be billed and paid monthly.
- 2.01.3** Provide a primary designated liaison, the Claims Manager, for coordinating and handling claims submitted for adjustment.

**2.02 THE TPA SHALL:**

- 2.02.1** Make telephone or e-mail contact with insured Division within 1 Work day of reception of the new loss by the adjuster. TPA adjuster shall determine the liability of the loss and set up subrogation, when appropriate. Coordinate all work with the Department of Law, Claims Section designated liaison. TPA will have \$10,000 per claim authority and any claim exceeding this amount, the TPA will report to the Claims Manager and request settlement authority.
- 2.02.2** Process all claims in a timely and efficient manner per claims procedure manual of LFUCG, and the Kentucky statutes and regulations and by use of Industry Best Practices.
- 2.02.3** Provide reports as required on a weekly, monthly and quarterly basis as requested by the Claims Manager.
- 2.02.3.1** Set up losses in the LFUCG Riskmaster database per LFUCG claims procedures. All file notes, reserve changes, coding, payments and documents will be stored electronically in the LFUCG Riskmaster database. TPA must be able to link to LFUCG Riskmaster system.
- 2.02.4** Not assign or delegate any portion of the loss adjustment services to be provided without written consent of LFUCG Department of Law.
- 2.02.5** Have the capability to provide these services on a 24 hour, seven day a week basis. After hours emergency call out capabilities to the scene of the accident are required in the emergency call out procedure attached.
- 2.02.6** Provide a detailed statement of the company's history.
- 2.02.7** Provide five letters of reference (one being a public entity) with contact names and phone numbers.
- 2.02.8** Provide services, which shall be performed by competent, trained and licensed personnel. We require a minimum of three years of claims handling experience in Workers Compensation and Property claims. All

work shall be done in accordance with accepted industry Best Practices standards.

**2.02.9** Continue to provide services at the agreed upon or submitted rates throughout the term of the contract.

## SECTION III

### REQUIRED ORGANIZATION AND CONTENTS OF PROPOSAL

- 3.00 PROPOSAL CONTENTS.** Each TPA must submit in its proposal response the following information:
- 3.01.1 Cover Letter**
  - 3.01.2 Addendum Acknowledgment (if any)**
  - 3.01.3 A Corporate Vision and Mission Statement**
  - 3.01.4 Estimated Cost of Services (see Section V)**
  - 3.01.5 A minimum of five (5) letters of reference complete with names, addresses, telephone numbers of clients utilizing the TPA's services (at least one [1] from a public entity).**
  - 3.01.6 Any exceptions to this RFP**
  - 3.01.7 Responses to Questions (3.02)**
- 3.02 QUESTIONS: PROPOSALS WILL BE CONSIDERED NON-RESPONSIVE AND WILL BE REJECTED WITHOUT ANSWERS TO 3.02.1 THROUGH 3.04.** An alternative proposal will not be considered unless it conforms to the provisions of this RFP.
- 3.02.1** State the number of years the Proposer has provided Claims Administration Services. Identify and provide a telephone number for the responsible individual who can verify service. If there is any recent, current or pending litigation involving the Proposer's operation of Claims Administrator Services, describe in detail. Attach additional descriptive material, if necessary.
  - 3.02.2** Describe how you are going to provide this service to comply with the specifications set forth in this document. Identify and describe the experience and qualifications of key personnel to be providing the requested service (senior management, claims manager, claims adjusters and claims assistants, operations management, etc.).
  - 3.02.3** Attach your firm's most recent audited financial statements, including income statements, balance sheets and an independent auditor's opinion. All information will be held strictly confidential.
  - 3.02.4** Discuss your firm's capabilities in providing the required Claims Administrator Services. Attach a copy of a resume of each adjuster to be assigned to the LFUCG claims account.

- 3.02.5** Indicate briefly, why you consider your firm to be the best to perform this contract. Please indicate any new or creative ideas that would provide the LFUCG with high-quality, safe, efficient and responsive services in the provision of Claims Administrator Services.
- 3.02.6** Provide a brief summary of the legal status of your company (i.e. Corporation, Proprietorship, and Partnership). List the key stockholders and officers.
- 3.03** PROOF OF INSURABILITY (see Attachment III)
- 3.04** FINANCIAL RESPONSIBILITY

## SECTION IV

### PROPOSAL EVALUATION FACTORS

- 4.0** Proposals will be evaluated using the following Criteria
- 4.00.1** Specialized experience and technical competence of the person(s) or firm with the type of service required. (i.e. Claims expertise, public entity experience, stewardship reports, claimant surveys, etc.) **15%**
- 4.00.2** Capacity of the person(s), firm or organization to perform the work, including any specialized services, within the time limit. (i.e. experience in using RiskMaster Information Systems, document imaging, fair adjuster workloads, etc.) **20%**
- 4.00.3** Character, integrity, reputation, judgment, experience and efficiency of the person(s) or firm. (i.e. written references; adjusters with minimum eight years experience in handling AL/GL/WC claims, SAS 70 reports, etc.) **10%**
- 4.00.4** Past record and performance on contracts with the LFUCG or other governmental agencies and private industry with respect to such factors as control of cost, quality of work and ability to meet scheduling. **15%**
- 4.00.5** Familiarity with the details of the project. (i.e. benchmark studies with like entities) **10%**
- 4.00.6** Degree of local employment to be provided by the person or firm and ability to meet the on scene accident requirements. **5%**
- 4.00.7** Estimated cost of services (see Section V) **25%**



**SECTION V**

**ESTIMATED COST OF SERVICES**

**5.00** Since the number of claimants varies from year to year, the cost of providing claims services will be priced on an average of previous volume. The TPA may quote based on a cost per claim type. All bids are based on the handling of these claims to final closure.

**5.01** As an alternative pricing format, the TPA may quote a price based on an annual flat fee to be paid in monthly increments. Please give LFUCG a percentage of subrogation collection to be charged by TPA for each year of the RFP. All bids are based on the handling of these claims to final closure.

**5.01A** The numbers provided by LFUCG are projected, the actual number of claimants under the RFP may total more or total less than the prior average. LFUCG does not promise nor guarantee any number of claimants under this RFP.

**5.02A1 COST PER CLAIM PRICING FORMAT**

**Year One:**

CLAIM TYPE	PRICE PER CLAIM TO CLOSURE
Workers Compensation	\$ _____
Auto Liability	\$ _____
General Liability	\$ _____

**Year Two:**

CLAIM TYPE	PRICE PER CLAIM TO CLOSURE
Workers Compensation	\$ _____
Auto Liability	\$ _____
General Liability	\$ _____

**Year Three**

CLAIM TYPE	PRICE PER CLAIM TO CLOSURE
Workers Compensation	\$ _____
Auto Liability	\$ _____
General Liability	\$ _____

Subtotal for Years 1-3 \$ \_\_\_\_\_ Price per claim to closure

Please also give a per year flat cost per claim for "Pothole claims" and "Sewer backup claims" (generally denied due to Sovereign Immunity).  
\$ \_\_\_\_\_

**Years Four and Five (optional at Discretion of LFUCG):**

CLAIM TYPE	PRICE PER CLAIM TO CLOSURE
Workers Compensation	\$ _____
Auto Liability	\$ _____
General Liability	\$ _____

**5.02A2 ANNUAL FLAT FEE PRICING FORMAT**

**Year One:**

CLAIM TYPE	ANNUAL FEE To Closure
Workers Compensation	\$ _____
Auto Liability	\$ _____
General Liability	\$ _____

**Year Two:**

CLAIM TYPE	ANNUAL FEE To Closure
Workers Compensation	\$ _____
Auto Liability	\$ _____
General Liability	\$ _____

**Year Three:**

CLAIM TYPE	ANNUAL FEE To Closure
Workers Compensation	\$ _____
Auto Liability	\$ _____
General Liability	\$ _____

**Years Four and Five (Optional at Discretion of LFUCG):**

CLAIM TYPE	ANNUAL FEE To Closure
Workers Compensation	\$ _____
Auto Liability	\$ _____
General Liability	\$ _____

NOTE: The number of claims per year is an estimate **ONLY**, and is **NOT** guaranteed.

5.02A3

**COST PER CLAIM PRICING FORMAT**

**Year One:**

CLAIM TYPE	PRICE PER CLAIM TO CLOSURE
Auto Physical Damage	\$ _____
Property	\$ _____
Subrogation	% _____

**Year Two:**

CLAIM TYPE	PRICE PER CLAIM TO CLOSURE
Auto Physical Damage	\$ _____
Property	\$ _____
Subrogation	% _____

**Year Three:**

CLAIM TYPE	PRICE PER CLAIM TO CLOSURE
Auto Physical Damage	\$ _____
Property	\$ _____
Subrogation	% _____

Subtotal for Years 1-3 \$ \_\_\_\_\_ Price per claim to closure

**Years Four and Five (Optional at Discretion of LFUCG):**

CLAIM TYPE	PRICE PER CLAIM TO CLOSURE
Auto Physical Damage	\$ _____
Property	\$ _____
Subrogation	% _____

5.02A4

**ANNUAL FLAT FEE PRICING FORMAT**

**Year One:**

CLAIM TYPE	ANNUAL FEE To Closure
Auto Physical Damage	\$ _____
Property	\$ _____
Subrogation	% _____

**Year Two:**

CLAIM TYPE	ANNUAL FEE To Closure
Auto Physical Damage	\$ _____
Property	\$ _____
Subrogation	% _____

**Year Three:**

CLAIM TYPE	ANNUAL FEE	To Closure
Auto Physical Damage	\$	_____
Property	\$	_____
Subrogation	%	_____

**Years Four and Five (Optional at Discretion of LFUCG):**

CLAIM TYPE	ANNUAL FEE	To Closure
Auto Physical Damage	\$	_____
Property	\$	_____
Subrogation	%	_____

**5.02A5**

**ANNUAL FLAT FEE PRICING FORMAT – CLAIMS MANAGEMENT SERVICES (OPTIONAL)**

Please provide a per year cost of providing Case Management services to include the services outlined in Attachment III

## **ATTACHMENT I**

### **CLAIMS PROCEDURES FOR SUBROGATION AND EXCESS RECOVERY**

The procedures outlined are meant to be a general outline of services provided by the TPA and not a complete list of specified activities. It may be necessary to do several of these procedures on one incident and/or additional activities to comply with the complete performance of claims service required by this RFP.

#### **SUBROGATION PROCEDURES:**

- Determine liability and damages on both parties involved in the accident
- Send a subrogation initial notice to the wrongdoer or insurer within 10 days of determination of liability.
- Send final subrogation notice to wrongdoer or insurer with full documentation of damages and payment within 10 days of settlement of the loss.
- Follow up each 30 days until subrogation funds are collected
- Send the collections directly to LFUCG Accounting within 24 hours of reception of the money and CC Harold Mattingly, Claims Manager, RMSC.
- Provide Quarterly report on pending subrogation, amount of collections, expected amount of collections pending, and total number of pending subrogation claims.

## **ATTACHMENT II**

### **WORKERS COMPENSATION AND PROPERTY CLAIMS PROCEDURES**

- These procedures will be provided to you as part of the successful bidders training package.

## ATTACHMENT III

### CLAIMS MANAGEMENT SERVICES

#### A. Daily Tasks

1. Set up each new loss with a reserve over \$10,000 or in Litigation into appropriate diary system. Set a diary of 30 days to 90 days and then review the claim file on the appropriate diary date. Send the adjuster instructions on claims handling as needed.
2. Review all e-mails and telephone messages on a daily basis and respond as required. Copy and save all necessary information to the Riskmaster claim file.
3. Review and respond to all postal mail. Scan the mail to the Riskmaster claim file or send to the TPA.
4. Review and approve all claim checks entered into LFUCG's financial system (People Soft).
5. Set up all new litigation files into Riskmaster and input the claim reserves on each claim. Send the complaint to TPA and have the adjuster send a report to the excess insurer.
6. Review the applications for Off Duty Employment for Police and Community Corrections for proper insurance coverage, so that LFUCG and the employee are protected.
7. Review all Requests for Proposals and LFUCG contracts and recommend the needed insurance coverage(s) for LFUCG's protection. When contracts are renewed, review the Certificate of Insurance of the vendor to make sure that they have all required insurance coverage.
8. Review all new loss reports and give appropriate instructions to the TPA.
9. Respond to all LFUCG Department of Law management requests for data on any current claim file.
10. Review all Claims related Open Records Requests, obtain the requested data and issue a response within the required 3 business days.
11. Review the PPE payroll report to determine if the Workers Compensation lost time claims should be approved or denied, biweekly.
12. Conduct initial review of legal bills as requested by management of LFUCG's Department of Law.

13. Attend mediations as needed; and
14. Act as liaison for all LFUCG divisions (Police, Fire, Public Works, etc.) regarding workers' compensation issues.

#### **B. Quarterly Tasks**

1. Review all open litigation claims for reserve adequacy and request that TPA adjusters send quarterly reports to excess insurers.
2. Prepare a Quarterly Claim Report on the comparison of frequency and severity of cost of open claim files (including documentation) for LFUCG's Commissioner of Law.

#### **C. Annual Tasks**

1. Prepare an annual review of all TPA and litigation open claim files for reserve adequacy. Determine if any open claim files should be closed and then take the proper steps to close the file prior to fiscal year end. Raise or lower the pending reserves on all open files to make sure that they are adequate to meet the current settlement value.
2. Prepare an annual year-end report for LFCUG's Commissioner of Law showing the financial results of the current fiscal year compared to the prior two fiscal years. Report on any problems or large losses that may have skewed the numbers and suggest ways to improve the Claims work product.
3. Work with LFUCG's Department of Law management on the annual claims budget for the claims fund and the various professional service costs for LFUCG.

#### **D. Other Duties**

- I. Required State Reports:
  1. Prepare the annual Workers Compensation Simulated Premium report to the Kentucky Labor Cabinet by February 15th of each year and pay the premiums within thirty days of end of each quarter. Work with Accounting Department on the preparation of this report.
  2. Prepare the Annual Assigned Risk Assessment Report by December 30 of each calendar year. Attach the documentation and annual payment with the report.
  3. Prepare the recertification report on the Self Insurance Fund by the end of each calendar year.



4. Have the claims administrative employee prepare the P&C quarterly auto claims report to the state at the end of each quarter.
5. Work with LFUCG's accounting personnel to prepare the Public Protection Cabinet MVSII report before May 1 of each calendar year.
6. Send to each LFUCG Division Director the annual Workers Compensation Notice Form required by the Commonwealth of Kentucky.

## II. Management and Financial Reports:

1. Work with current Actuary and Accounting Division to prepare all the financial reports necessary for an end of fiscal year Actuarial Report for LFUCG and its Self-Insurance Fund. The Actuarial report will go to the Commissioner of the Department of Law, the Commissioner of Finance and to the Director of Accounting. This report will give recommendations for funding of the Self Insurance Fund for the next fiscal year. Work with the Commissioner of Law on each fiscal year's Claims Budget.
2. Assist LFUCG's Department of Law management regarding any LFUCG RFP requests for proposals.
3. Prepare a financial reserve adequacy on all large losses (over \$50k) for the Department of Law, work with the Commissioner of Law on the annual Claims review by the outside financial auditor.
4. Send out the Auto Liability insurance coverage card to the Division of Fleet Services.
5. Cooperate with outside auditors who review the work of the TPA and/or Claims Manager.

**EXHIBIT B**



**Lexington-Fayette  
Urban County Government**

**RFP # 12-2016 Third Party Administrator for Claims  
Adjustment Handling Services for Workers  
Compensation, Auto Liability and Physical Damage,  
General Liability, and Property Claims**

**Respectfully Submitted by:**

**Risk Management Services Company**

## Index

3.01.1 Cover Letter

3.01.3 Corporate Vision and Mission Statement

3.01.4 Cost of Services

3.01.5 Reference Letters

3.01.7 Response

### Proposal Attachments

- Service Team and Organizational Chart
- Financial Statements
- Staff Resume's
- Proof of Insurability
- Signed Documents
  - Affidavit
  - Equal Opportunity Agreement
  - Workforce Analysis Form
  - Affirmative Action Plan
  - MBE/WBE Participation
  - Firm Submitting Proposal
  - General Provisions
- Sample Reports
- RMSC Client Logos

# RMSC

Risk Management Services Company  
April 26, 2016

P.O. Box 22989  
Louisville, KY 40252  
p 502-326-5900 f 502-326-5909  
800-372-5402 www.rmssc.com

Purchasing Director  
Lexington-Fayette Urban County Government  
200 East Main Street  
Lexington, KY 40507

## RE: RFP #12-2016 Third Party Administrator for Claims Adjustment Handling Services for Workers Compensation, Auto Liability and Physical Damage, General Liability, and Property Claims

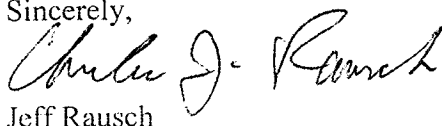
To Members of the Review Committee;

The primary question is "Why should LFUCG continue utilizing Risk Management Services Co. (RMSC) as it's risk management partner?". We have listed below the primary reasons why **RMSC is the best partner** for LFUCG:

- **Thirteen years** of demonstrated expertise providing claims administration to LFUCG, with audit scores exceeding 90%.
- RMSC's consolidation of the TPA, Physical Damage, Subrogation and Claims Manager functions resulting in significant cost savings for LFUCG and has provided claim handling excellence.
- Proven track record providing complete governmental entity claim administration services including all coverage exposures.
- RMSC is committed to delivering value to LFUCG. **Average claim costs have decreased** since LFUCG partnered with RMSC in 2010.
- RMSC will provide a **Lexington based service team including Harold Mattingly working in the LFUCG office (2) days each week.** The RMSC local staff will provide 30 minute response to all claim emergencies and be readily available to the LFUCG staff.
- Extensive experience with the RISKMASTER claims system.
- Customization of services to meet LFUCG needs.

We look forward to the opportunity to further demonstrate the difference between RMSC and all others.

Sincerely,



Jeff Rausch

# **RMSC**

**Risk Management Services Company**

## **Vision Statement**

Provide and maintain a level of service that exceeds client's expectations. We will also strive to maintain and environment that exceeds our employee expectations.

## **Mission Statement**

Exceed our business partner's expectations. Provide personal and professional growth opportunities to our employees. To positively impact the communities in which we live and work.

SECTION V

ESTIMATED COST OF SERVICES

5.00 Since the number of claimants varies from year to year, the cost of providing claims services will be priced on an average of previous volume. The TPA may quote based on a cost per claim type. All bids are based on the handling of these claims to final closure.

5.01 As an alternative pricing format, the TPA may quote a price based on an annual flat fee to be paid in monthly increments. Please give LFUCG a percentage of subrogation collection to be charged by TPA for each year of the RFP. All bids are based on the handling of these claims to final closure.

5.01A The numbers provided by LFUCG are projected, the actual number of claimants under the RFP may total more or total less than the prior average. LFUCG does not promise nor guarantee any number of claimants under this RFP.

5.02A1 COST PER CLAIM PRICING FORMAT

Year One:

CLAIM TYPE	PRICE PER CLAIM TO CLOSURE
Workers Compensation	\$ 775/\$115 _____
Auto Liability	\$320 _____
General Liability	\$ 320 _____

Year Two:

CLAIM TYPE	PRICE PER CLAIM TO CLOSURE
Workers Compensation	\$800/\$125 _____
Auto Liability	\$334 _____
General Liability	\$ 334 _____

Year Three

CLAIM TYPE	PRICE PER CLAIM TO CLOSURE
Workers Compensation	\$800/\$125 _____
Auto Liability	\$334 _____
General Liability	\$334 _____

Subtotal for Years 1-3 \$697,794 \_\_\_\_\_ Price per claim to closure

Please also give a per year flat cost per claim for "Pothole claims" and "Sewer backup claims" (generally denied due to Sovereign Immunity).  
\$ 60 \_\_\_\_\_

**Years Four and Five (optional at Discretion of LFUCG):**

CLAIM TYPE	PRICE PER CLAIM TO CLOSURE
Workers Compensation	\$825/\$130
Auto Liability	\$344
General Liability	\$ 344

5.02A2

**ANNUAL FLAT FEE PRICING FORMAT**

**Year One:**

CLAIM TYPE	ANNUAL FEE To Closure
Workers Compensation	\$ 105,700
Auto Liability	\$ 115,000
General Liability	\$ Included Above

**Year Two:**

CLAIM TYPE	ANNUAL FEE To Closure
Workers Compensation	\$108,800
Auto Liability	\$115,000
General Liability	\$ Included Above

**Year Three:**

CLAIM TYPE	ANNUAL FEE To Closure
Workers Compensation	\$108,800
Auto Liability	\$118,000
General Liability	\$ Included Above

**Years Four and Five (Optional at Discretion of LFUCG):**

CLAIM TYPE	ANNUAL FEE To Closure
Workers Compensation	\$112,000
Auto Liability	\$120,000
General Liability	\$ Included Above

NOTE: The number of claims per year is an estimate **ONLY**, and is **NOT** guaranteed.

5.02A3

**COST PER CLAIM PRICING FORMAT**

Year One:

CLAIM TYPE	PRICE PER CLAIM TO CLOSURE
Auto Physical Damage	\$ <u>62</u>
Property	\$ <u>52</u>
Subrogation	% <u>20</u>

Year Two:

CLAIM TYPE	PRICE PER CLAIM TO CLOSURE
Auto Physical Damage	\$ <u>62</u>
Property	\$ <u>52</u>
Subrogation	% <u>20</u>

Year Three:

CLAIM TYPE	PRICE PER CLAIM TO CLOSURE
Auto Physical Damage	\$ <u>64</u>
Property	\$ <u>54</u>
Subrogation	% <u>20</u>

Subtotal for Years 1-3    \$ 123,376    Price per claim to closure

**Years Four and Five (Optional at Discretion of LFUCG):**

CLAIM TYPE	PRICE PER CLAIM TO CLOSURE
Auto Physical Damage	\$ <u>64</u>
Property	\$ <u>54</u>
Subrogation	% <u>20</u>

5.02A4

**ANNUAL FLAT FEE PRICING FORMAT**

Year One:

CLAIM TYPE	ANNUAL FEE To Closure
Auto Physical Damage	\$ <u>24,000</u>
Property	\$ <u>16,000</u>
Subrogation	% <u>20</u>

Year Two:

CLAIM TYPE	ANNUAL FEE To Closure
Auto Physical Damage	\$ <u>24,000</u>
Property	\$ <u>16,000</u>
Subrogation	% <u>20</u>



**Year Three:**

CLAIM TYPE	ANNUAL FEE	To Closure
Auto Physical Damage	\$ 24,000	_____
Property	\$16,000	_____
Subrogation	% 20	_____

**Years Four and Five (Optional at Discretion of LFUCG):**

CLAIM TYPE	ANNUAL FEE	To Closure
Auto Physical Damage	\$ 24,000	_____
Property	\$16,000	_____
Subrogation	% 20	_____

5.02A5

**ANNUAL FLAT FEE PRICING FORMAT – CLAIMS MANAGEMENT SERVICES (OPTIONAL)**

Please provide a per year cost of providing Case Management services to include the services outlined in Attachment III

\$78,000 per year.

This is based on being in the LFUCG offices 2 days per week to facilitate interaction and communications with LFUCG staff and attending meetings as needed, as is currently required.



COMMONWEALTH HEALTH CORPORATION

Connie D. Smith  
President and  
Chief Executive Officer

April 13, 2016

Lexington Fayette Urban County Government  
200 East Main Street  
Lexington, KY 40507

**RE: Risk Management Services Company**

To Whom It May Concern:

Risk Management Services Company (RMSC) has provided third party administration services for our workers' compensation program since April 1, 2005. RMSC has been, and continues to be, a trusted partner in managing our risk management program as it relates to workers' compensation including subrogation. The RMSC personnel continually exhibit professionalism, responsiveness, technical competence, flexibility and thoroughness in handling Commonwealth Health Corporation's workers' compensation claims and related administrative tasks, and have tailored their services to meet our specific needs and assist us in reducing our workers' compensation expenses.

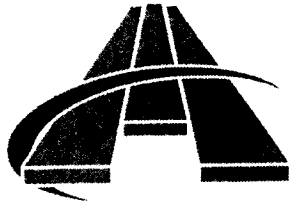
I would not hesitate to recommend RMSC to Lexington Fayette Urban County Government as an excellent TPA partner. If you should have any further questions regarding our experience with RMSC, please feel free to call me directly at 270-745-1429.

Sincerely,

John Chaney, ARM, CPHRM  
Vice President, Risk Management

Cc: Mr. Jeff Rausch, ARM





**Roy Anderson**  
LUMBER COMPANY, INC.

ROY ANDERSON LUMBER INC.  
PO BOX 275  
1115 COLUMBIA AVENUE  
TOMPKINSVILLE, KY 42167

T: 270 487 6590  
F: 270 487 9441

WWW.RALUMBER.COM

April 12, 2016

Director, Division of Central Planning  
Lexington Fayette Urban County Government  
Lexington, Kentucky 40507

Director

In addition to my position as President of Roy Anderson Lumber Co., Inc., I am Chairman of the Board of Trustees of the Forest Industries Workers Compensation Fund of Kentucky. I have served as a trustee since 2007. The Fund replaced its third party administrator in 2004 with Risk Management Services Co. (RMSC); a decision well rewarded by the Forest Industries Compensation Fund.

RMSC has proven itself as a professional, thorough, and technically competent organization in carrying out its functions including subrogation. We have found them to be willing to accommodate requested changes and to be reasonable in renewal negotiations, which last occurred in late 2014.

I recommend Risk Management Services Co. to your organization as you consider which third party administrator to employ. If you wish to discuss anything about this subject, please feel free to call me at 270-407-3444.

Sincerely,

David M. Anderson  
President

April 13, 2016

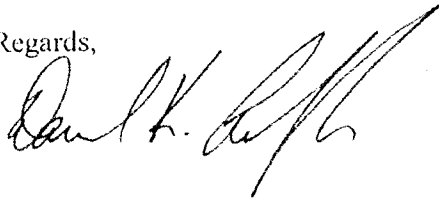
Lexington Fayette Urban County Government  
200 East Main Street  
Lexington, KY 40507

To Whom It May Concern,

LG&E and KU Energy LLC (LKE), the parent company of Kentucky Utilities Company and Louisville Gas & Electric, has utilized Risk Management Services Co. (RMSC) for third party administration services for workers compensation, auto liability, general liability, auto damage, and subrogation since 1997. Our experience with Risk Management Services Co. has been very positive. The RMSC staff is professional, technically competent, flexible, and thorough in handling the LKE claims. Many of our claims involve customers of LKE, and the RMSC staff handles these delicate situations very well. I would recommend Risk Management Services Co. to Lexington Fayette Urban County Government as a third party administration partner.

If you would like to discuss our experience with RMSC, please contact me at 502-627-4956.

Regards,



Daniel K. Arbough  
Treasurer

Daniel K. Arbough

Treasurer

LG&E and KU Energy LLC

200 East Main Street

Lexington, KY 40507

502-627-4956

502-645-5086

502-627-4247

[darbough@lgeku.com](mailto:darbough@lgeku.com)



A LEADING AMERICAN UNIVERSITY WITH INTERNATIONAL REACH

April 14, 2016

To: Prospective Clients of Risk Management Services Company (RMSC)


This is intended to provide general reference information pertaining to Risk Management Services Co. (RMSC). Western Kentucky University has utilized RMSC for third party administration and subrogation services of our workers' compensation program since initial plan implementation in July 2005. Prior to 2005, WKU participated in the state workers' compensation plan. RMSC has been a trusted partner in administering our program, helping us to reduce cost and improve services. We have found RMSC staff to be professional, responsive, technically competent, flexible, and thorough in handling claims and loss prevention services. In general, our expectations have been exceeded.

In partnership with RMSC, WKU has realized an estimated savings in the range of 5 million since 2005 when compared with projected cost under the state workers' compensation plan.

Based on our experience, I would endorse RMSC as a trusted and proven provider of third party administration and subrogation services.

Questions or inquiries concerning WKU's experiences with RMSC are welcome and may be directed to me as desired.

Sincerely,

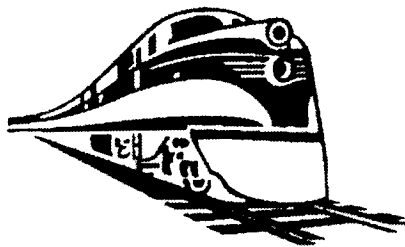


Tony L. Glisson  
Director

*The Spirit Makes the Master*

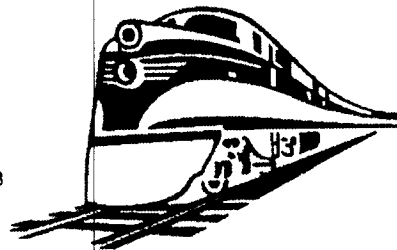
Department of Human Resources | Western Kentucky University | 1906 College Heights Blvd. #11003 | Bowling Green, KY 42101-1003  
phone: 270-745-5360 | fax: 270-745-5582 | web: [www.wku.edu/hr](http://www.wku.edu/hr)

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# RJ CORMAN RAILROAD GROUP

A LIMITED LIABILITY HOLDING COMPANY  
101 RJ Corman Drive • PO Box 788 • Nicholasville, KY 40340-0788  
(859) 881-7521 • Fax (859) 885-7804 • www.rjcorman.com



April 18, 2016

Mr. Todd Slatin  
Director  
Lexington Fayette Urban County Government  
Division of Central Purchasing  
200 East Main Street  
Lexington, KY 40507

Dear Mr. Slatin,

Risk Management Services Company (RMSC) of Louisville informs me that it is competing for the opportunity to provide Lexington Fayette County Government third party administration services.

Please know that R. J. Corman Railroad Group (RJC) contracted RMSC since 2009 for our third party administration services associated with workers' compensation, auto liability, auto physical damage, general liability and subrogation services. Our experience with RMSC is that the staff is professional, prompt, available, technically competent and thorough in handling RJC's claims. RMSC is a trusted partner who has actively assisted us in risk management.

I recommend RMSC to Lexington Fayette Urban County Government.

Sincerely,

Todd Bivins  
Director of Risk Management

## SECTION III

### REQUIRED ORGANIZATION AND CONTENTS OF PROPOSAL

3.00 **PROPOSAL CONTENTS.** Each TPA must submit in its proposal response the following information:

3.01.1 **Cover Letter**

3.01.2 **Addendum Acknowledgment (if any)**

3.01.3 **A Corporate Vision and Mission Statement**

3.01.4 **Estimated Cost of Services (see Section V)**

3.01.5 **A minimum of five (5) letters of reference complete with names, addresses, telephone numbers of clients utilizing the TPA's services (at least one [1] from a public entity).**

3.01.6 **Any exceptions to this RFP**

*RMSC has no exceptions to this RFP.*

3.01.7 **Responses to Questions (3.02)**

3.02 **QUESTIONS: PROPOSALS WILL BE CONSIDERED NON-RESPONSIVE AND WILL BE REJECTED WITHOUT ANSWERS TO 3.02.1 THROUGH 3.04.** An alternative proposal will not be considered unless it conforms to the provisions of this RFP.

3.02.1 State the number of years the Proposer has provided or managed Claims Administration Services. Identify and provide a telephone number for the responsible individual who can verify service. If there is any recent, current or pending litigation involving the Proposer's operation of Claims Administrator Services, describe in detail. Attach additional descriptive material, if necessary.

**Response:** *RMSC has been providing multi-line Third-Party Claims Administration services since 1995. These services include Auto Liability, General Liability, Workers Compensation, Product Liability, Professional Liability, Subrogation, Loss Prevention, Risk Management, Underwriting Services, Policy Administration, and Special Investigations. RMSC focuses on listening to our client's needs, which enables us to customize our services to develop a program that will meet and exceed their expectations. Our focus on customizing our services to meet each client's needs and wants has allowed us to develop a loyal list of clients, which includes (17) clients that are self insured in Kentucky and (11) that are self insured in states other than Kentucky. RMSC's mission statement highlights our commitment to customer service: "Provide a level of service that exceeds our business partner's expectations..."*

*Charles J. Rausch, President can be contacted at (502) 708-3124 to verify service.*

3.02.2

Describe how you are going to provide this service to comply with the specifications set forth in this document. Identify and describe the experience and qualifications of key personnel to be providing the requested service (senior management, claims manager, claims adjusters and claims assistants, operations management, etc.).

**Response:** *RMSC will utilize our previous and current experience of administration of the LFUCG program and our experience in managing similar programs such as:*

- *Louisville Area Governmental Self Insurance Trust*
- *Jefferson County Board of Education*
- *Commonwealth of Kentucky Transportation Cabinet*
- *City of Frankfort KY*
- *RJ Corman Railroad Group*
- *Johnson County IN*
- *City of Muncie*
- *City of Crown Pointe*
- *City of Charleston WV*
- *City of Huntington WV*

*RMSC is committed to providing service that complies with and exceeds the LFUCG specifications. RMSC will meet with the LFUCG Law Department and other departments involved in the risk management program to review the current special handling instructions, which outline the service requirements and guidelines, for improvements.*

***In our role as LFUCG Claims Manager, Harold Mattingly is working in the LFUCG office (2) days per week to facilitate interaction with LFUCG staff. Concentrating on RMSC's claims handling Best Practices, adhering to LFUCG's standards and relying on our experience with LFUCG will guide us in our daily work product. The RMSC service team will include Lexington (2) based staff members which will allow us to respond to emergency situations timely, perform site investigations efficiently and be readily available for meetings with LFUCG staff, claimants and others.***

*The RMSC Service Team will be lead by Jeff Rausch, President with day to day services headed by Harold Mattingly, Executive Director of Claims. Harold has experience with LFUCG dating back to 2000. The adjusting team include:*

*Jennifer Reid/WC Supervisor  
Marlene Funkhouser/WC Sr. Adjuster  
Kim McAlister/WC Sr. Adjuster  
Lori Rigdon/WC Adjuster*

*Clarke McCulloch/P&C Supervisor  
Chris Welch/P&C Sr. Adjuster  
Hannah Valenzuela/P&C Adjuster*

*Emily Rausch/Office Manager  
Jessica Hunt/Administrative Assistant  
Julie Wuest/Controller*

*Utilizing our experience and knowledge gained by working with LFUCG and our expertise in handling claims similar to the claims unique to LFUCG, RMSC will continue the high level of service that it currently provides.*

*We have attached a listing of our Service Team and their profiles for your information.*



*See Tab – Service Team and Organizational Chart.*

3.02.3 Attach your firm's most recent audited financial statements, including income statements, balance sheets and an independent auditor's opinion. All information will be held strictly confidential.

**Response:** *Financial statements are provided in Tab - Financial Statement in addition, we are providing our most recent Agreed to Procedures Review conducted by an independent CPA firm. This operational and controls review is comparable to SAS70.*

3.02.4 Discuss your firm's capabilities in providing the required Claims Administrator Services. Attach a copy of a resume of each adjuster to be assigned to the LFUCG claims account.

**Response:** *RMSC has demonstrated that it is capable, competent and qualified to provide professional TPA services to LFUCG since 2010 and before. RMSC's list of clients and the long term relationship we develop with our clients (average relationship 10 years and 30% of clients greater than 12 years) are the best indicators of our capability, the quality of our services and our commitment to our clients. Our proven track record since our inception in 1995 and our experience of working with governmental entities (see 3.02.5 below), including LFUCG, demonstrate RMSC's ability to effectively be the best partner for LFUCG's claims administration program.*

*RMSC provided claims administration services to LFUCG from 7/1/00 -10/1/07 and again from 7/1/10 - current. During this time we demonstrated our capability of providing excellent and responsive service, as evidenced by our audit results. Our three most recent LFUCG graded claim audits results averages are:*

***Workers Compensation – 92%***  
***Auto/General Liability – 91%***  
***Property/Auto Physical Damage - 95%***

*LFUCG auditors advised these are very good! These are proven, tangible results that are based on LFUCG's claims handling guidelines and procedures. We continually strive to improve and believe our current and prior partnership with LFUCG provides an excellent environment for continuing the achievement your goals. RMSC's Lexington based staff also provided field investigation services for the LFUCG workers' compensation program.*

*RMSC has presented and successfully implemented opportunities for LFUCG to continue efficient and effective claims services and reduce costs through the outsourcing of the Auto Physical Damage Claims, Subrogation Claims and Claims Manager functions.*

*We currently have (17) clients that are self insured in Kentucky and (11) that are self insured in states other than Kentucky. Our Kentucky self insured clients include state government agencies, public school systems, public universities, utilities, hospitals, group self insurance programs and manufacturers.*

*RMSC's focus is on delivering value to our clients that result in savings on their program, examples include:*

- *LFUCG's worker's compensation average cost per claim has continued decline since July 1, 2010 when LFUCG partnered with RMSC, see exhibit # , except the 12/13 year due to two severe injuries inflating costs. This decrease in average claim cost has produced over **\$300,000 in cost reduction** in each year to date. We are confident by partnering with the LFUCG staff, employing our best practices claims handling and our prudent use of medical cost management services that RMSC and LFUCG government can continue to reduce the LFUCG claim cost.*

- *The P&C average claim cost has stabilized and declined since RMSC began handling the LFUCG claims, see the Tab – LFUCG Reports. The average claim cost for the 7/1/11-3/31/12 includes one high severity claim, the average claim cost excluding the one large claim has continued the trend of declining costs.*
- *Most of RMSC's medical cost savings programs are provided on a "percentage of savings basis", therefore, RMSC's focus is on delivering savings and there is no downside to LFUCG. RMSC only gets paid if savings are delivered.*
- *The RMSC pharmacy and durable medical equipment discount network is provided at no cost to LFUCG.*
- *Provide loss prevention services to focus on reducing claims and the severity of claims*
- *RMSC's staff is flexible to meet the needs of LFUCG by providing the capability to meet in person, by phone on a regularly schedule timeframe to discuss claims, processes, status, savings or other topics as desired by LFUCG. Harold Mattingly is working in the LFUCG office (2) days per week to facilitate communication.*
- *RMSC will customize our services to meet the specific needs of LFUCG. RMSC has developed unique stewardship/management reports to measure the effectiveness of the LFUCG program, analyze the root cause of claims, determined trends and identify areas for improvement.*
- *RMSC will provide claimant surveys as we have in the past with other clients when requested.*
- *RMSC has thoroughly reviewed the LFUCG claims report writing and production process to ensure accurate, timely and appropriate claim data is being compiled and distributed.*
- *RMSC can coordinate benchmarking of risk management programs of our public entity clients.*
- *RMSC provides claims services to LFUCG 24 hours/day, 7 days/week, 365 days/year. We are on call at all times and the emergency contact list is given to LFUCG to distribute to all the departments. We have shown our ability to respond immediately to emergencies. We have responded to numerous emergencies during office hours, after hours and weekends. Since we have staff in Lexington, we can respond to any emergency or meeting within 30 minutes or less.*

**3.02.5** Indicate briefly, why you consider your firm to be the best to perform this contract. Please indicate any new or creative ideas that would provide the LFUCG with high-quality, safe, efficient and responsive services in the provision of Claims Administrator Services.

**Response:** *RMSC understands Public Entity Business, we have (17) Public Entity clients; RMSC demonstrated our level of service and ability to meet specific service needs of LFUCG during our previous partnership from 7/1/00 -10/1/07 (7 years) and 7/1/10 to present (6 years). As a result, RMSC is very familiar with the LGUCG operations, requirements, standards and expectations. RMSC has demonstrated our ability to consistently deliver a high level of service for ALL components of the LFUCG claims administration program. We understand the Public Entity business and the*

unique relationship that exists between a governmental entity and the citizens it serves. This uniqueness requires more considerations and responsibilities than a typical liability situation would present. We also understand the sensitivity issues that exist in some claims and the dealings with the public. Sovereign Immunity issues are recognized and the special handling of the claims with this defense is understood. The important factor is that we recognize these different issues and take the appropriate measures to achieve the correct approach. Issues involving the Police Department, Department of Corrections, EMS, Public Officials, etc., many times are sensitive situations and we take all the necessary precautions to make sure the investigations are conducted properly and often discreetly.

RMSC's creativity can best be demonstrated in the structure and successful implementation the outsourcing of the Auto Physical Damage Claims, Subrogation Claims and the Claims Manager functions which have resulted in opportunities for LFUCG to continue efficient and effective claims services and reduce its cost. RMSC's commitment to adapting our services to meet LFUCG needs and wants is exhibited, by committing Harold Mattingly to physically work in the LFUCG office (2) days per week in addition to our other Lexington based staff.

RMSC can coordinate benchmarking studies of all of our public entity clients to assist LFUCG in reviewing its policies and procedures and how your program compares to others with similar operations.

A sample of current governmental clients includes:

- ❖ Louisville-Jefferson County Metro Government (partial listing)
  - Metro Council
  - Metro Police
  - Metro Fire & Rescue
  - EMS
  - Metro Corrections
  - Metro Public Works
  - Solid Waste Management
  - Animal Services
- ❖ Jefferson County Public Schools
- ❖ City of Bancroft
- ❖ City of Bellemeade
- ❖ City of Norwood
- ❖ Jefferson County Clerk's office
- ❖ Louisville/Jefferson County Redevelopment
- ❖ Louisville Metro Housing Authority
- ❖ Metropolitan Sewer District
- ❖ Transit Authority of River City
- ❖ Commonwealth of Kentucky Transportation Cabinet
- ❖ Louisville Water Company
- ❖ City of Frankfort
- ❖ Johnson County, Indiana
- ❖ City of Muncie, Indiana
- ❖ City of Crown Point, Indiana
- ❖ City of Ft. Wayne, Indiana
- ❖ City of South Bend, Indiana
- ❖ City of Charleston, West Virginia
- ❖ City of Huntington, West Virginia
- ❖ City of Clarksville, Tennessee

RMSC's local presence; The RMSC service team includes (2) Lexington based staff

members. Also, Harold Mattingly is working in the LFUCG office (2) days per week as part of the Claim Manager outsourcing contract. This local presence allows the claims to be investigated and handled properly, **whether during normal business hours or for after-hours emergencies, 24 hours/day, 7 days/week, 365 days/year.** Communications and interaction with LFUCG personnel are also enhanced by having our staff in Lexington. We expect to utilize 2 current Lexington staff members and possibly add additional staff in Lexington in the future.

**RMSC – LFUCG Service Team;** this team provides LFUCG with governmental entity experienced claims professionals. Our Workers' Compensation and Liability Case Managers have 14+ years experience. RMSC's experience includes 13 years directly handling LFUCG Auto & General Liability claims **with a proven track record** along with directly handling LFUCG Workers Compensation claims for 6 year. In addition, we maintain reasonable caseloads to ensure our service team has the capability to provide thorough and professional attention to each claim. See Tab – **Service Team and Organizational Chart.**

**RMSC provides an excellent work product to LFUCG.** This is evidenced by the audit results conducted by LFUCG. Our three most recent LFUCG audit results average: **Workers Compensation 92%, Auto/General Liability 91% and Property/Auto Physical Damage 95%,** which LFUCG auditors advised are very good. These audits are a very effective tool for LFUCG and RMSC, as it allows us both to see that RMSC is providing the effective claims services we promised. RMSC worked with LFUCG management and developed a meaningful stewardship/management reporting function to provide LFUCG with the information to effectively manage the claims program.

The Team account manager Harold Mattingly and supervisors Jennifer Reid and Clarke McCulloch are committed to reviewing the LFUCG claims, providing direction and handling recommendations. RMSC's procedures include an internal review of claim handling quality. This will provide that every file has at least 3 sets of eyes to review the timely and thorough management of each claim.

**Full compatibility between the LFUCG and RMSC RISKMASTER claims management system.** RMSC also utilizes the RISKMASTER claims data system making for a more efficient overall familiarity and utilization for the total capabilities of the RISKMASTER system. **RMSC has recently coordinated a meeting with the RMSC IT staff and LFUCG staff to discuss RISKMASTER capabilities not currently being utilized by LFUCG.** Our prior partnership with LFUCG allowed RMSC to become familiar with the specialized data coding and reporting utilized by LFUCG. We utilize Document Imaging, so all documents will be scanned and placed into the LFUCG RISKMASTER system.

**RMSC's reporting expertise.** RMSC IT staff has worked closely with LFUCG to thoroughly review the claims report production process. This includes meeting with LFUCG staff to review all claims report compilations, to ensure reporting accuracy, correct end-user formatting and the most efficient generation process.

**RMSC has developed a very good working relationship with LFUCG;** not only in the Law Department and Risk Management Department, but also with the various other departments (Parks & Recreation, Streets & Roads, Sanitary Sewers, Police, Fire, Dept. of Corrections, Human Resources, Accounting, etc.). We know how to quickly and efficiently obtain needed information from these departments. We have maintained an effective "team" approach, which involves our reviews and recommendations, with input from LFUCG. This is especially important when dealing with the sensitive or unique claims, where different criteria for evaluating the claim may be necessary. We meet

regularly with the LFUCG Law Department to discuss claims issues and also meet with other department managers (Risk Management, Street & Roads, Police, Fire, Sanitary Sewers, Parks & Recreation, etc.). **Harold Mattingly's routine presence in the LFUCG office has further deepened the relationships, interaction and communications with the LFUCG personnel.**

**RMSC's flexibility allows us to customize our work product to meet LFUCG requirements.** Our #1 goal is to provide LFUCG with the absolute best service and to exceed your expectations. Given that, we will do whatever it takes to make sure LFUCG is pleased with our service. If an issue arises, we are quick to find the right solution. Again, by maintaining an effective working relationship with the Law Department this will allow us to have an ongoing/open dialogue that allows us to address any issues as they arise and continue to provide the excellent service without missing a beat.

**Letters of Reference:** The letters of reference that RMSC has provided demonstrate our commitment to developing partnership relationships and delivering excellent service to our client, see **Tab - References**. In addition to the letters provided, there are other public entity clients which are available to be contacted by LFUCG for reference purposes:

Kevin L. O'Donnell  
Executive Director  
Louisville Area Governmental Self Insurance Trust  
502-574-4384

Kristin O'Bryan  
Benefits Manager, Risk Management and Benefits  
Jefferson County Public Schools  
502-485-3436

Anne D'Angelo  
Attorney  
Commonwealth of Kentucky Transportation Cabinet  
502-564-7650

Greg Thielmeier  
Supervisor - Claims  
Louisville Water Company  
502-569-3609

### **Claim Management Enhancement Ideas**

**Quarterly Large Loss Claim Review** - We suggest establishing/scheduling this review with the Risk Management Department. The criteria for selecting the claims to review in these meetings can be the size of the reserve, payout, claim type, etc. This will prove valuable in terms of making sure everyone is up-to-date on what is transpiring on the claims and allows the ability to "round table" ideas for further handling.

**Annual Stewardship Meetings** - We should establish annual stewardship meetings to review comprehensive claims data reports, program results, trending analysis and strategy development.

**Loss Control Training/Assessments** – RMSC offers various training programs and facility assessment programs that would be beneficial to LFUCG. These services include Special Safety Topics; Defensive Driving, Proper Body Mechanics, Behavior Based Safety and Incident Investigations. Other training includes; OSHA 10 & 30 hour training courses, all OSHA required training topics (Hazard communication, blood borne pathogens, personal protective equipment and electric safety). The Assessments involve Mock OSHA documentation audits, Mock OSHA workplace hazard audits, and Mock DOT audits. Industrial Hygiene services are also available. All of these can help ensure a safer, more efficient work environment at the various LFUCG departments. Fees will depend on the components selected.

3.02.6 Provide a brief summary of the legal status of your company (i.e. Corporation, Proprietorship, and Partnership). List the key stockholders and officers.

*Response: Risk Management Services Co. (RMSC) is located at 2211 River Rd, Louisville, KY 40206. RMSC is a subsidiary of Assured NL Insurance Agency Inc. which is also headquartered in Louisville. Assured NL Insurance Agency Inc. is a subsidiary of AssuredPartners Inc., of Lake Mary, FL.*

*Partners and Officers - Assured NL Insurance Agency Inc.*

- *Larry Schaefer, President and CEO*
- *Todd Stocksedale, Chief Operating Officer*
- *Gerald Budde, Chief Financial Officer*
- *Jeff Rausch, Senior Vice President*

*Partners and Officers - AssuredPartners Inc.*

- *Jim Henderson, CEO*
- *Tom Riley, Chief Operating Officer*

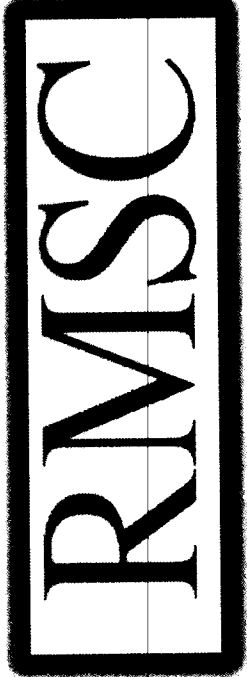
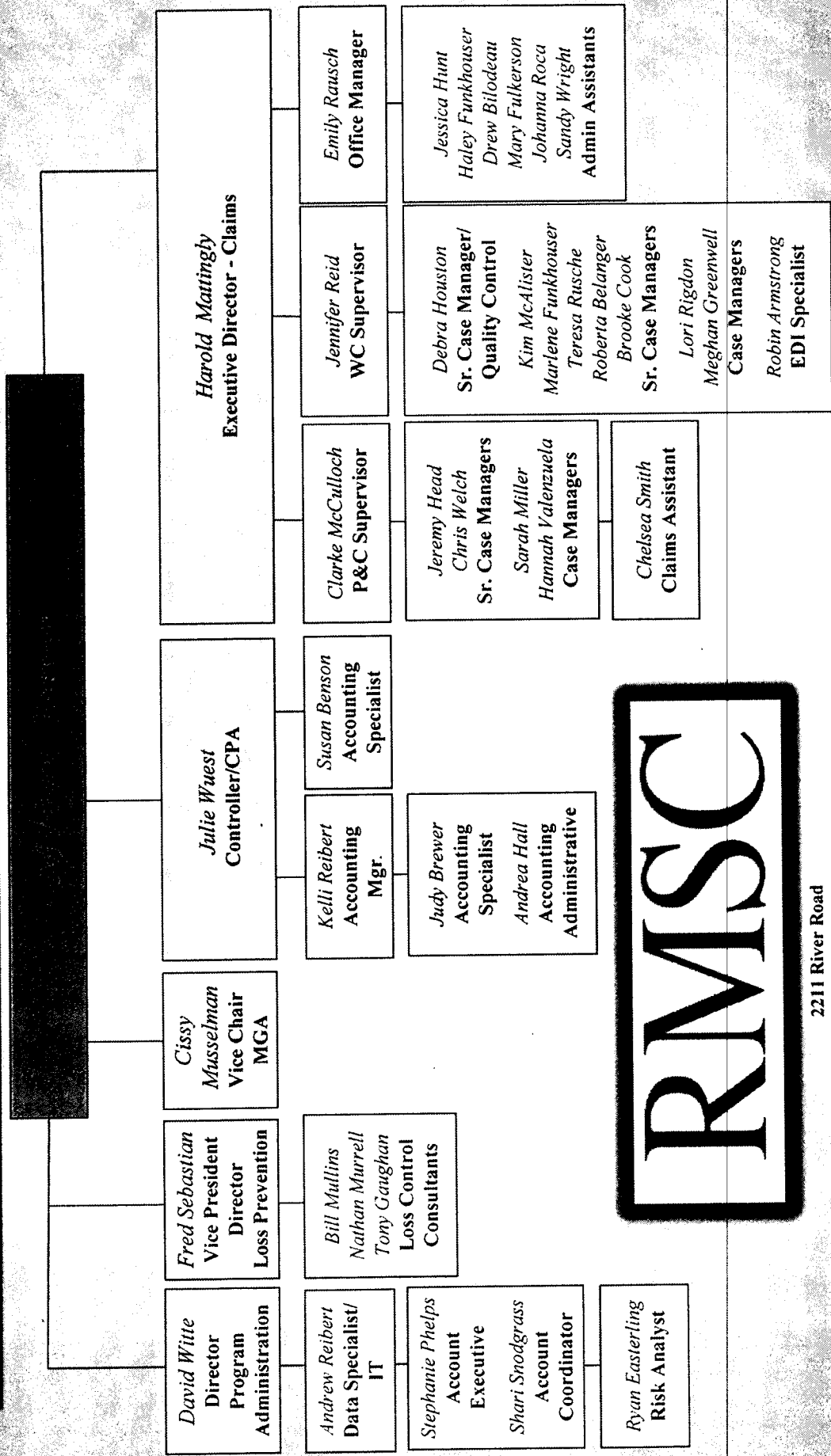
3.03 PROOF OF INSURABILITY (see Attachment III)

*See Tab – Proof of Insurability*

3.04 FINANCIAL RESPONSIBILITY

# Risk Management Services Company

## Organizational Chart

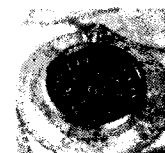


2211 River Road  
 Louisville, KY 40206  
 (502) 326-5900  
 (800) 372-5402  
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**RISK MANAGEMENT SERVICES  
COMPANY**

*"Helping you chart  
the right course"*

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**Your RMSC Service Team**

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**RISK MANAGEMENT SERVICES COMPANY**

**Report on Applying Agreed Upon Procedures**

**February 17, 2016**



# Buetow, LeMastus & Dick P.C.

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management of Risk Management Services Company

We have performed the procedures enumerated below, which were agreed to by Risk Management Services Company (the Company or RMSC), solely to assist you with respect to the accounting records of the Company as of and for the year ended December 31, 2015. The Company's management is responsible for the Company's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Based upon the procedures and findings detailed below, we noted no instances of kickbacks, false or inflated vendor invoices, excess purchasing schemes, duplicate payment schemes, employees writing checks for themselves, theft of checks or contract fraud.

Our procedures and findings are as follows:

### Selection of Sample

1. Obtain claim check registers by customer for the year ended December 31, 2015 for which RMSC is the third party administrator (excluding customer payments on a voucher system).

*We obtained claim check registers by customer for which RMSC is the third party administrator (excluding customer payments on a voucher system) for the year ended December 31, 2015.*

2. From claim check registers obtained above, select 150 checks, including at least 10 check selections for customers with more than 1,000 invoice transactions and at least 2 check selections for all other customers. Selections were used in the "Claims Records" procedures listed below.

*Selections were made from customers with transactions in 2015. The selection process included both judgmental and haphazard methods as follows:*

*Due to the large number of transactions, we selected checks in two batches: The periods from 1/1/15 to 11/30/15 and then from 12/1/2015 to 12/31/2015. Checks were sorted by check amount (highest to lowest).*



*For customers with 10,000 or more transactions from January to November, the four largest transactions were selected from the period from 1/1/15 to 11/30/15 and the two largest transactions were selected from the period 12/1/15 to 12/31/15. Additionally, for customers with 10,000 or more transactions, line items (as applicable per each customer's check register) #399, #1456, #4326, #6825, #7358, #15756, #16250, #17800, #18675, and #19000 were selected from the period from 1/1/15 to 11/30/15 until the end of the check register and the line item #560 was selected from the period 12/1/15 to 12/31/15 until the end of the check register.*

*For customers with at least 1,000 but less than 10,000 transactions, the four largest transactions were selected from the period from 1/1/15 to 11/30/15 and the largest transaction was selected from the period 12/1/15 to 12/31/15. Additionally, for customers with at least 1,000 but less than 10,000 transactions, line items #480, #659, and #875 were selected from the period 1/1/15 to 11/30/15 until the end of the check register and line items #15 and #30 were selected from the period 12/1/15 to 12/31/15 until the end of the check register.*

*For customers with less than 1,000 transactions from January to November, the two largest transactions were selected from the period 1/1/15 to 11/30/15.*

3. Select 10 voided checks to be used in the "Void Checks" procedures listed below.

*Selections were made haphazardly from customer claim check registers provided above. The following voided checks were selected: #538, #2671, #5596, #9928, #11234, #21214, #22009, #100192, #103232, and #120420.*

#### ***Authorized Check Signers***

Inquire and obtain bank signature cards of authorized check signers for bank accounts to be referred to during the "Claims Records" procedures performed below.

*We inquired and obtained from management a copy of bank signature cards of authorized check signers for the claim bank accounts.*

#### ***Claims records***

Obtain supporting documentation for each claim check selected above, including invoice, cancelled check and claims records and perform the following:

- Agree the invoice into the check register, up to a maximum of 3 invoices per check.
- Confirm that claims records exist to support the respective invoice amount.
- Agree check signers to the bank signature cards.
- Document any instances noted during the procedures that indicate existence of kickbacks, false or inflated vendor invoices, excess purchasing schemes, duplicate payment schemes, employees writing checks to themselves, theft of checks or contract fraud.

*We obtained supporting documentation for each selected transaction, including invoice, cancelled check, and claim records and noted that invoices and claim records agreed to the check amount and check register. Check signers were agreed to the documented check signers referred to in the previous procedure. We noted no instances of kickbacks, false or inflated vendor invoices, excess purchasing schemes, duplicate payment schemes, employees writing checks for themselves, theft of checks or contract fraud.*



### ***Inquiries***

Inquire of Jeff Rausch, President, Julie Wuest, Controller, Kelli Reibert, Accounting Manager, and Harold Mattingly, Executive Director of Claims, of their knowledge of fraud, suspicions of fraudulent activity, if any individuals were fired due to fraudulent actions and any existence or suspicions of kickbacks, false or inflated vendor invoices, excess purchasing schemes, duplicate payment schemes, employees writing checks to themselves, or theft of checks. Document their response.

*We met separately with each of the above named employees. Based on our inquiries, each individual named above noted no knowledge of fraud, suspicions of fraudulent activity, an individual that was fired due to fraudulent actions or any existence or suspicions of kickbacks, false or inflated vendor invoices, excess purchasing schemes, duplicate payment schemes, employees writing checks to themselves, or theft of checks during 2015.*

### ***Accounting System***

Inquire if any employees have access to add vendors to the accounting system, issue checks and mail checks. If an employee does perform all of these functions, document mitigating controls.

*Based upon inquiry of the President and the Controller, it was noted that certain accounting employees have access to add vendors and issue checks. This access function is mitigated by the following:*

- Per inquiry, the accounting department does not have access to change the "reserve" amount. The "reserve" amount is the maximum amount approved in the system by a claims adjuster. The "reserve" amount is input into the system by the claims adjuster and the accounting department does not retain system authority to change the "reserve" amount. As a result, a check cannot be generated by the accounting department in excess of the "reserve" amount. We requested that an employee from the accounting department attempt to change the "reserve" amount of a claim. The request was denied by the system.*
- The President is responsible for reviewing a report that captures all accounting transactions entered into the accounting system by accounting department personnel. We obtained the 2015 monthly reports and noted the report was signed and dated indicating review by the President. Per inquiry of the President, he noted he did not detect or have any suspicions of fraudulent activities. He also noted that customers have access to their accounting records / account detail retained by the Company. The Company also mails or emails requested activity on a schedule set by the individual customer.*

### ***Bank Reconciliations***

Select 2 months and obtain monthly bank reconciliations for customers (excluding customer payments on a voucher system). Confirm that reconciliations are being initialed noting review and approval by the appropriate level of management.

*We selected and obtained August 2015 and December 2015 bank reconciliations based on the criteria noted above. Reconciliations were prepared for each account and there was a signature noting review and approval by the appropriate level of management on each bank reconciliation.*



*Void Checks*

Confirm that the 10 voided checks that were selected above are cancelled and retained.

*It was noted that checks #2671, #5596, #11234, #21214, and #100192 were cancelled and retained. It was noted that checks #538, #9928, #22009, #103232, and #120420 were stop payments, for which support for stop payment from the bank was properly maintained.*

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Management of Risk Management Services Company and is not intended to be and should not be used by anyone other than this specified party.

*Bustaw, LeMaster & Dick P.C.*

Louisville, Kentucky  
February 17, 2016

**CONFIDENTIAL**

**AssuredPartners, LLC**  
Consolidated Financial Statements  
December 31, 2014 and 2013



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## Report of Independent Certified Public Accountants

To the Board of Directors of  
AssuredPartners, LLC

We have audited the accompanying consolidated financial statements of AssuredPartners, LLC and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2014 and 2013, and the related consolidated statements of operations and comprehensive income, of members' equity, and of cash flows for the years then ended.

### ***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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*Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of AssuredPartners, LLC and its subsidiaries at December 31, 2014 and 2013, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*PricewaterhouseCoopers LLP*

Orlando, Florida  
April 17, 2015



**AssuredPartners, LLC**  
**Consolidated Balance Sheets**  
**December 31, 2014 and 2013**

**CONFIDENTIAL**

	2014	2013
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 63,124,643	\$ 41,107,818
Trust cash	59,912,071	41,487,807
Accounts receivable, net of allowance for doubtful accounts of \$433,144 and \$396,271, respectively	90,755,764	65,000,100
Other current assets	11,409,060	6,772,862
Total current assets	<u>225,201,538</u>	<u>154,368,587</u>
Fixed assets, net	8,137,730	4,866,537
Goodwill	570,136,324	399,292,557
Amortizable intangible assets, net	279,426,847	190,315,333
Noncurrent assets, net	10,031,257	12,681,860
Total assets	<u>\$ 1,092,933,696</u>	<u>\$ 761,524,874</u>
<b>Liabilities and Equity</b>		
Current liabilities		
Long-term obligations, current portion	\$ 71,970,226	\$ 41,120,619
Accounts payable	121,677,055	87,769,507
Customer advances	27,890,560	17,368,391
Producer payables	8,816,699	6,943,208
Accrued expenses and other	25,246,493	19,782,557
Total current liabilities	<u>255,601,033</u>	<u>172,984,282</u>
Long-term obligations, net	604,387,824	368,268,958
Total liabilities	<u>859,988,857</u>	<u>541,253,240</u>
Commitments and contingencies		
Equity		
Class A preferred units, 212,366 and 206,206, issued and outstanding, respectively	212,362,745	206,203,126
Class B units, 60,848,253 and 60,911,596, issued and outstanding, respectively	6,721,060	6,864,279
Class C units, 9,841,362 issued and outstanding	984,137	984,137
Class D units, 306,118 and 12,457, issued and outstanding, respectively	167,231	-
Accumulated other comprehensive loss	(443,194)	(292,691)
Retained earnings	13,152,860	6,512,783
Total equity	<u>232,944,839</u>	<u>220,271,634</u>
Total liabilities and equity	<u>\$ 1,092,933,696</u>	<u>\$ 761,524,874</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CONFIDENTIAL****AssuredPartners, LLC**  
**Consolidated Statements of Operations**  
**Years Ended December 31, 2014 and 2013**

	2014	2013
<b>Revenues</b>		
Commissions and fees	\$ 336,671,797	\$ 232,666,979
Contingent revenue	23,285,515	15,523,055
Total revenue	<u>359,957,312</u>	<u>248,190,034</u>
<b>Expenses</b>		
Compensation	215,222,416	142,206,392
Selling expense	8,805,956	5,262,149
Administrative expense	52,522,513	38,998,651
Transaction expense	1,284,727	4,323,941
Increase (reduction) in estimated net earn-out payable	(1,207,660)	15,466,776
Depreciation and amortization expense	23,348,431	15,485,625
Total operating expenses	<u>299,976,383</u>	<u>221,743,534</u>
Income from operations	59,980,929	26,446,500
Interest expense	(39,671,828)	(23,955,420)
Debt extinguishment loss	(9,746,270)	-
Other income	41,098	86,237
Income before provision for income taxes	10,603,929	2,577,317
Provision for income taxes	3,866,409	752,924
Net income	<u>\$ 6,737,520</u>	<u>\$ 1,824,393</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CONFIDENTIAL**

**AssuredPartners, LLC**  
**Consolidated Statements of Comprehensive Income**  
**Years Ended December 31, 2014 and 2013**

	2014	2013
Net income	\$ 6,737,520	\$ 1,824,393
Other comprehensive loss, before tax		
Foreign currency translation adjustments	(112,556)	(29,564)
Unrealized loss in interest rate hedge	(61,640)	(12,642)
Other comprehensive loss, before tax	(174,196)	(42,206)
Income tax benefit related to items of other comprehensive income	23,693	4,867
Other comprehensive loss	(150,503)	(37,339)
Comprehensive income	\$ 6,587,017	\$ 1,787,054

The accompanying notes are an integral part of these consolidated financial statements.

**CONFIDENTIAL**

**AssuredPartners, LLC  
Consolidated Statements of Members' Equity  
Years Ended December 31, 2014 and 2013**

	Common B		Common C		Common D		Preferred A		Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Units	Amount	Units	Amount	Units	Amount	Units	Amount			
<b>Balances at December 31, 2012</b>	60,649,582	\$ 6,548,603	9,841,362	\$ 984,137	-	\$ -	204,922	\$ 204,919,262	\$ 4,704,905	\$ (255,352)	\$ 216,901,555
Purchase of units by employees	290,553	350,806	-	-	-	-	1,424	1,424,194	-	-	1,775,000
Units issued in lieu of cash compensation	8,361	9,030	-	-	-	-	41	40,970	-	-	50,000
Repurchase of shares from departing employees	(37,000)	(44,160)	-	-	-	-	(181)	(181,300)	-	-	(225,460)
Unrealized loss on interest rate cap	-	-	-	-	-	-	-	-	-	-	-
net of taxes of (\$4,867)	-	-	-	-	-	-	-	-	-	(7,775)	(7,775)
Foreign currency translation	-	-	-	-	-	-	-	-	(16,515)	(29,564)	(29,564)
Dividends paid	-	-	-	-	-	-	-	-	1,824,393	-	1,824,393
Net income	-	-	-	-	-	-	-	-	-	-	-
<b>Balances at December 31, 2013</b>	60,911,596	6,864,279	9,841,362	984,137	-	-	206,206	206,203,126	6,512,783	(292,691)	220,271,634
Purchase of units by employees	14,663	28,152	-	-	-	-	6,542	6,541,848	-	-	6,570,000
Units issued in lieu of cash compensation	21,994	42,228	-	-	274,975	158,334	108	107,771	-	-	308,334
Repurchase of shares from departing employees	(100,000)	(213,600)	-	-	-	-	(490)	(490,000)	-	-	(703,600)
Unrealized loss on interest rate cap	-	-	-	-	-	-	-	-	-	-	-
net of taxes of (\$23,693)	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation	-	-	-	-	-	-	-	-	-	-	-
Compensation expense related to incentive units	-	-	-	-	31,143	8,897	-	-	-	-	8,897
Dividends paid	-	-	-	-	-	-	-	-	-	(97,443)	(97,443)
Net income	-	-	-	-	-	-	-	-	6,737,520	-	6,737,520
<b>Balances at December 31, 2014</b>	60,848,253	6,721,060	9,841,362	984,137	306,118	167,231	212,366	212,362,745	13,152,960	(443,194)	232,944,839

The accompanying notes are an integral part of these consolidated financial statements.

**CONFIDENTIAL**

**AssuredPartners, LLC**  
**Consolidated Statements Cash Flow**  
**Years Ended December 31, 2014 and 2013**

	2014	2013
<b>Cash flows from operating activities</b>		
Net income	\$ 6,737,520	\$ 1,824,393
Adjustments to net income to net cash from operating activities		
Amortization	21,309,070	14,316,763
Depreciation	2,039,361	1,168,862
Debt extinguishment loss	9,746,270	-
Bad debt expense	66,325	-
Stock based compensation	317,231	50,000
Noncash purchase accounting adjustments to goodwill	-	92,295
Change in estimated acquisition earn-out payables	8,112,054	21,378,676
Change in estimated acquisition earn-out receivables	(41,931)	(36,219)
Payments on acquisition earn-outs in excess of original estimated payables	(2,111,982)	-
Amortization of debt discount	351,563	-
Deferred income taxes	2,775,444	(1,137,151)
Changes in operating assets and liabilities, net of effect from acquisitions:		
Trust cash	(14,010,000)	15,723,585
Accounts receivable	(13,298,434)	(5,603,179)
Other assets	(3,307,126)	(4,766,585)
Accounts payable	21,078,501	(1,986,714)
Customer advances	10,069,692	(1,873,166)
Producer payables	399,763	(1,247,512)
Accrued interest	(26,985)	(786,666)
Other accrued expenses	398,937	4,376,265
Other liabilities	1,195,690	203,057
Net cash provided by operating activities	<u>51,800,963</u>	<u>41,696,704</u>
<b>Cash flows from investing activities</b>		
Additions to fixed assets	(4,226,469)	(1,207,405)
Payments for businesses acquired, net of cash	(252,400,154)	(101,824,217)
Payments for customer accounts acquired	(201,596)	-
Proceeds from sales of fixed assets and books of business	957,867	1,909,499
Net cash used in investing activities	<u>(255,870,352)</u>	<u>(101,122,123)</u>
<b>Cash flows from financing activities</b>		
Payments on acquisition earn-outs	(16,625,640)	(9,940,966)
Proceeds from earn out receivable on financed sales of customer accounts	417,750	-
Proceeds from long-term debt	630,178,040	317,500,000
Payments on long-term debt	(396,614,669)	(228,722,031)
Borrowings on revolving credit facility	16,000,000	-
Proceeds from issuance of stock	6,570,000	1,775,000
Payment on interest rate hedge instrument	(39,500)	(252,000)
Repurchase of stock from departing employees	(703,600)	(225,460)
Payments for capitalized debt issuance costs	(12,915,078)	-
Payments on capital leases	(83,646)	-
Cash dividends paid	(97,443)	(16,515)
Net cash provided by financing activities	<u>226,086,214</u>	<u>80,118,028</u>
Net increase in cash and cash equivalents	22,016,825	20,692,609
<b>Cash and cash equivalents</b>		
Beginning of year	41,107,818	20,415,209
End of year	<u>\$ 63,124,643</u>	<u>\$ 41,107,818</u>

The accompanying notes are an integral part of these consolidated financial statements.

# RMSC

Risk Management Services Co.

## Staff Profile

**Harold Mattingly**

**Position: Executive Director - Claims**

**Description of Current Responsibilities:**

**1996 to Present**

Management of the claims department operations. Responsible for overseeing all aspects of automobile liability, general liability, workers' compensation, property losses, cargo losses, and the subrogation unit. This includes loss registration, investigation, reserving, settlements, subrogation, as well as, all reporting requirements to our customers and outside governmental entities. Assist in coordination of the client corporate insurance and risk management programs, interfacing with brokers, managing the claims administration of the self-insured workers compensation, auto liability and general liability program, property loss control and claims handling, contract reviews, certifications, reporting, etc..

**Previous Work Experience:**

**1996 – 1996**

Senior Claims Representative (AIG) responsible for the more complex/high exposure claims involving coverage issues, property damage and bodily injury.

**1990 - 1996**

Senior Case Manager (Liberty Mutual Insurance) responsible for the commercial automobile and general liability claims unit. Responsible for the assignment and management of all claims within the unit, including all litigated and high exposure cases for all commercial customers.

**Education and Training:**

University of Kentucky, B. S. Business Administration/Economics; May 1986

**Licenses and Certifications:**

Independent Adjuster - Kentucky  
Certified Workers Compensation Counselor (CWCC)

# RMSC

Risk Management Services Co.

## Staff Profile

**Clarke McCulloch**

**Position: Claims Supervisor**

**Current Responsibilities:**

**2010 to Present**

All of the previous responsibilities in addition to the usual duties associated with supervising four licensed adjusters as direct reports plus admin support. These duties include, administering performance appraisals, work reviews, staffing level evaluations, compensation considerations, time off management and the handling of escalated complaints.

**Previous Responsibilities:**

**1996 - 2010**

Multi-line case manager. Responsible for handling automobile liability, general liability, SIU assignments and property loss claims. This includes the investigation, reserving, negotiation, settling and subrogation. Maintain close client communication, including legal department and defense counsel. Manage outside vendor and contractors.

Responsible for the invoicing and initial collection of all 3<sup>rd</sup> party damages to electric/gas utility. In scope, this includes the collection of repair cost information, acquisition of damage investigation data, and determination of liability, locating the responsible party, invoice issuance and initial cost recovery. Responsibilities also include the creation and maintenance of comprehensive reports both for internal use and the benefit of the client.

**1982 - 1996**

Louisville Gas & Electric Co. (LG&E) credit representative responsible for all bankruptcies filed, collection of all unpaid billings on discontinued utility accounts, and new service applications, service orders, customer complaints and inquiries.

**Education and Training:**

Master of Science- Employee Management- Graduated Cum Laude University of Louisville  
Bachelor of Arts- Psychology- Western Kentucky University  
Bachelor of Arts- History- Western Kentucky University

**Licenses and Certifications:**

Independent Adjuster – Kentucky, West Virginia

# RMSC

Risk Management Services Co.

## Staff Profile

Chris Welch

**Position: Senior Case Manager**

**Description of Current Responsibilities:**

**5/2001 to Present**

Responsible for all aspects of automobile liability, general liability, property losses, SIU assignments and subrogation claims. This includes registration, investigation, reserving, negotiating, settling and subrogation. Maintain close contact with client, legal department and defense counsel. Manage outside vendors and contractors. Duties include coverage analysis, scene investigations, telephonic and in-person interviews of claimants, witnesses and insured's, evaluation of bodily injuries and personal injuries, settlement negotiations, litigation management, development of defense strategies, legal research, participation in mediation and training of adjusters.

**Description of Previous Work Experience:**

**1999 – 2000**

Claims representative handling workers compensation claims for high risk companies, such as forestry workers & coal miners. Includes registration, investigation, reserving, negotiating, settling and subrogation. Acted as primary client contact.

**Education and Training:**

University of Kentucky, 92-96 - Marketing Management & CIS  
Commonwealth School of Insurance  
Property/Casualty Basics (40 hours)

**Licenses and Certifications:**

Independent Adjuster - Kentucky



# RMSC

Risk Management Services Co.

## Staff Profile

**Hannah Valenzuela**

**Position: Case Manager**

**Current Responsibilities:**

**12/2011 to Present**

Responsible for aspects of automobile liability, general liability, property losses, bodily injury and subrogation claims. This includes registration, investigation, reserving, negotiating, settling and subrogation. Maintain close contact with client, legal department and defense counsel. Manage outside vendors and contractors. Duties include coverage analysis, scene investigations, telephonic and in-person interviews of claimants, witnesses and insured's, evaluation of bodily injuries and personal injuries, settlement negotiations, litigation management, development of defense strategies, legal research, participation in mediation and training of adjusters.

**Previous Work Experience:**

**2008 - 2011**

Claims Assistant responsible for assisting all property and casualty claim staff, including taking first reports of claims, gathering data and creating claims in Riskmaster System; setting up claims folders for handling; request checks for each claim; posting payments to each claim. Responsible for generating various monthly reports, tracking claim data and SIU tracking.

**Education and training:**

Associate Degree – Business  
Sullivan University  
Commonwealth School of Insurance  
Property/Casualty Basics (40 hours)

**Licenses and Certifications:**

Independent Adjuster - Kentucky

# RMSC

Risk Management Services Co.

## Staff Profile

**Jessica Hunt**

**Position: Administrative Assistant**

**Description of Current Responsibilities:**

**October 2015 - Present**

Administrative Assistant – Assist claims professionals by entering workers compensation as well as liability claims into computer system for multiple clienteles, composing and/or mailing letters to claimants, informing providers on bill status, bill payment entry and filing, mailing and attachment of checks, claim report indexing.

**Previous Work Experience**

**May 2015 – October 2015**

Front Desk Receptionist – Provided administrative clerical support. Received and distributed email documents, correspondence, and query. Indexed medical bills and audited medical bills for payment. Prepared correspondence for documents needed for bill payment. Greeted persons entering establishment; assisted them accordingly. Answered telephone, provided information to callers and directed them to the correct destination. Received and sorted incoming mail, and forwarded mail documents both manually and electronically to recipients.

**Education and Training:**

Mid America College of Funeral Service AAS  
ICCFA Cremation Arranger Certified

# RMSC

Risk Management Services Co.

## Staff Profile

Jennifer Reid

### Position: Claims Supervisor

#### Description of Current Responsibilities:

January 2003 - Present

Supervision of the workers compensation claims department operations. Responsible for overseeing the daily aspects of Workers Compensation claims handling, EDI, Client reporting, as well as managing staff and client relationships. Supervise adjusting staff to ensure all claim aspects are being handled properly. Provide customer service by keeping employers informed of any and all issues associated with their claims. Direct customer contact for all claims issues, reporting and stewardship meetings. Handled all aspects of high exposure/complex claims for Self-Insured clients including litigation, reserving, excess reporting, and subrogation as a Senior Case Manager.

#### Previous Work Experience:

2001-2003

Claims Adjuster responsible for the daily aspects of claims handling in Kentucky & Indiana workers compensation.

#### Education and Training:

University of Louisville, B. S. Business Administration; August 2010

#### Licenses and Certifications:

Independent Adjuster – Kentucky, West Virginia, Georgia, Indiana  
Certified Workers Compensation Counselor - CWCC

# RMSC

Risk Management Services Co.

## Staff Profile

**Kim McAlister**

### **Position: Senior Case Manager**

#### **Description of Current Responsibilities:**

**10/2003 to Present**

Responsible for case management of workers' compensation claims in Kentucky and Indiana. Comply with special customer requirements of reserving and settlement of claims. Direct defense attorneys assigned to claims in litigation. Review medical billings submitted against lost time and medical only claims for their necessity and relationship. Coordinate return to work of injured workers to full or modified duty. Responsible for subrogation recovery where applicable.

#### **Description of Previous Work Experience**

**2000 - 2003**

Workers Compensation Claims Manager responsible for the supervision of 4-5 claims adjusters who handled claims in multiple states. Supervised the handling of approximately 500 moderate to catastrophic injury files. Interviewed and hired prospective candidates for adjuster and clerical positions. Conducted quarterly presentation for self insured group on the status of all claims. Conducted visits with agents to build rapport with claims department.

**1999 - 2000**

Claims Supervisor - Supervised 5-7 claims adjusters and other personnel. Managed approximately 100 lost time files. Trained and developed new hires for adjuster positions.

**1997 - 2000**

Accounts Claims Representative - Managed approximately 150 lost time files and 100 medical only files. Focused on early return to work, medical management, reserving and communication with all parties of each claim.

**1996 - 1997**

Claims Assistant - Managed KY medical only claims and assisted a lost time adjuster.

#### **Education and Training:**

Western Kentucky University - Graduated 1992

#### **Licenses and Certifications:**

Independent Adjusters License - Kentucky, Indiana, West Virginia

# RMSC

Risk Management Services Co.

## Staff Profile

**Marlene Funkhouser**

**Position: Senior Case Manager**

**Description of Current Responsibilities:**

**6/2011 to Present**

Review and investigate lost time and medical only workers' compensation claims in Kentucky and Indiana. Handle all aspects of claims, including, handle pension/settled claims, review claims for proper reserving, review all medical billings associated with those claims for necessity and relationship. Direct and control claims in litigation. Provide customer service by keeping employers informed of any and all issues associated with their claims.

**Previous Work Experience:**

**2008 - 2011**

Workers' compensation adjuster for large hospital. Reviewed and investigated lost time and medical only workers' compensation claims. Reviewed all medical billings associated with those claims for necessity and relationship of the work injury. Was responsible for processing payments for loss of wages. Directed and controlled claims in litigation. Handled OSHA log/reporting.

**2005 - 2008**

Workers' compensation adjuster for large TPA. Reviewed and investigated lost time and litigated and settled workers' compensation claims for large public entity client. Reviewed all medical billings associated with those claims for necessity and relationship. Processed payments for loss of wages.

**2002 - 2005**

Workers' compensation adjuster for TPA. Reviewed and investigated lost time and litigated workers' compensation claims for various clients. Reviewed all medical billings associated with those claims for necessity and relationship. Processed payments for loss of wages.

**1998 - 2001**

Workers' compensation claims analyst for national insurance carrier. Handled all settled claims for various insured's. Reviewed all medical billings associated with those claims for necessity and relationship. Reviewed claims for proper reserves.

**Education and Training:**

1987-1988 Prosser Vocational School Of Technology- Marketing Education.  
1998 attended Claims University with Travelers Insurance

**Licenses and Certifications:**

Independent Adjusters License - Kentucky, Indiana  
Certified Workers Compensation Counselor (CWCC)

# RMSC

Risk Management Services Co.

## Staff Profile

**Lori Rigdon**

### **Position: Case Manager**

#### **Description of Current Responsibilities:**

**2010 to Present**

Responsible for case management of workers' compensation claims in Kentucky and Indiana. Comply with special customer requirements of reserving and settlement of claims. Direct defense attorneys assigned to claims in litigation. Review medical billings submitted against lost time and medical only claims for their necessity and relationship. Coordinate return to work of injured workers to full or modified duty. Responsible for subrogation recovery where applicable.

#### **Previous Work Experience:**

**2002 - 2010**

Case Manager on pension files for a variety of accounts. Review ongoing medical treatment and ensure treatment remains appropriate and related to the claim. Investigate lost time and medical only workers' compensation claims. Monitor excess carrier and special fund recoveries. Supervise litigated files and provide clients with updates on their claim files.

**2001 - 2002**

Medical Bill Examiner for workers' compensation self-insured clients. Duties include evaluating and paying medical bills for claimants with work related injuries. Review of medical necessity and appropriateness of care within the Kentucky Workers' Compensation Managed Care fee schedule. Proficient with the medical bill review and payment system utilized by RMSC.

**1997 - 2001**

Medical Bill Examiner – ERS. Adjudicated medical bills for workers compensation self-insured clients and group funded clients. Duties included evaluating and paying medical bills for claimants with work related injuries. Review of medical necessity and appropriateness of care within the Kentucky Workers' Compensation Managed fee schedule. Also reviewed medical necessity and appropriateness of care within other fee schedule states and usual and customary states. Proficient with the medical bill review and payment system utilized by ERS.

Loss Control Assistant for workers' compensation self-insured clients and group funded clients. Duties included requesting loss control for prospect and current clients within the group funded programs. Sent safety related recommendation letters, safety related articles, safety videos, and safety signs to clients when requested.

#### **Education and Training:**

Western Kentucky University, 1991-1995

#### **Licenses and Certifications:**

Independent Adjusters License – Kentucky, Indiana, West Virginia  
Certified Workers Compensation Counselor – CWCC

# RMSC

Risk Management Services Co.

## Staff Profile

**Emily Rausch**

**Position: Office Manager**

### **Description of Current Responsibilities:**

**2014 - Present**

Responsible for managing the daily office functions including the daily office functions of the administrative staff, the Medical Bill Department, manages office supplies and machines, and assists with planning office meetings. Works with the managers putting together marketing and sales information including proposals and RFPs.

### **Description of Previous Work Experience**

**2010 – 2013**

Senior Administrative Assistant responsible for Medical Bill Department making sure bills were being turned around timely and answering provider calls. Assist with monthly client reports and mailers, assist with overseeing the daily office functions of the administrative staff, and trained with marking and sales on proposals and RFPs.

**2003 –2010**

Administrative assistant work experience in all aspects of the administrative department including receptionist, claim entry, filing/scanning attaching, sending out claimant packets, data entry, bill payment, etc.

### **Education**

Sullivan University

# RMSC

Risk Management Services Co.

## Staff Profile

**Julie A. Wuest**

**Position: Controller**

**Description of Current Responsibilities:**

**1/1999 to Present**

Manage all financial operations of Risk Management Services Company (TPA), Avalon Claims Management (TPA), Workers' Guardian Self Insurance Fund (Self Insured Group), Forest Industry Workers' Compensation Group (Self Insured Group), Preferred Managed Risk, LTD (Malpractice Insurance Captive), Neace Lukens Management Services (Captive Manager), Neace Lukens Property Services (Brokerage), Risk Management Solutions (Brokerage) and Williams Underwriting Group (Brokerage). Manage Assured Partners NL, LLC's Employee Benefits Direct Bill Unit, Surplus Lines Unit and all Treasury functions for the entire company. Responsible for day to day financial operations including billing / accounts receivable, account currents, accounts payable, commissions, cash flow management, investments, escrow accounting, reinsurance issues, loss reserves/ IBNR accounting and customer service issues. Additional responsibilities include month end accounting, preparation of financial statements, budgeting / forecasting, financial and internal control audits, Special Fund audits and tax returns, corporate tax return preparation, maintenance of corporate documents and contracts, oversee all banking and finance relationships / issues and supervision of the accounting department.

**Description of Previous Work Experience:**

**1995 - 1998**

Chief Financial Officer - Seneca Risk Services, Inc. / IIAK-SIF Management Corporation  
CFO of IIAK Safety Association, Inc., Safety Association Fund (Self Insured Workers' Compensation Program endorsed by the Independent Insurance Agents of Kentucky ) and Seneca Risk Services, Inc. (Fully Insured Workers' Compensation Program) . Responsible for day to day financial operations which included billing/accounts receivable, accounts payable, payroll, investments, escrow accounting, reinsurance issues, and accounting on loss reserves. Additional responsibilities included month end accounting, preparation of financial statements, budgeting, financial and Special Fund audits, tax return preparation, calculations and distribution of dividends and supervised the accounting department. Coordinated and presented all financial information for the Trustees of the Fund and Association on a monthly and quarterly basis.

**1995 - 1995**

Controller - Charter Behavioral Health  
Managed and coordinated all financial operations of three behavior health facilities.

**Education/Designations:**

University of Louisville, Bachelor of Science in Business Administration, Dec 1987

Certified Public Accountant, March 1990

American Institute of Certified Public Accountants, Aug 1992

The Kentucky Society of Certified Public Accountants, May 1990





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
4/19/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Assured SKCG, Inc. 123 Main Street 14th floor White Plains NY 10601 <b>INSURED</b> Risk Management Services Company Assured Neace Lukens Insurance Agency, Inc. C/O AssuredPartners, Inc. 123 Main Street 14th Floor White Plains NY 10601	<b>CONTACT NAME:</b> Jeanne Vezina <b>PHONE (A/C, No, Ext):</b> (914) 761-9000 <b>E-MAIL ADDRESS:</b> JVezina@skcg.com <b>FAX (A/C, No):</b> (914) 761-3749												
	<b>INSURER(S) AFFORDING COVERAGE</b> <table border="1"> <tr><td>INSURER A: Charter Oak Fire</td><td>25615</td></tr> <tr><td>INSURER B: Travelers Indemnity Co.</td><td>25658</td></tr> <tr><td>INSURER C: Travelers Prop Casualty Co. of Am.</td><td>25674</td></tr> <tr><td>INSURER D: Fireman's Fund Insurance Co.</td><td>25658</td></tr> <tr><td>INSURER E: Federal Insurance Co.</td><td>20281</td></tr> <tr><td>INSURER F: ACE American Insurance Company</td><td>10030</td></tr> </table>	INSURER A: Charter Oak Fire	25615	INSURER B: Travelers Indemnity Co.	25658	INSURER C: Travelers Prop Casualty Co. of Am.	25674	INSURER D: Fireman's Fund Insurance Co.	25658	INSURER E: Federal Insurance Co.	20281	INSURER F: ACE American Insurance Company	10030
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COVERAGES CERTIFICATE NUMBER: CL1641977859 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
<b>X</b>	<b>COMMERCIAL GENERAL LIABILITY</b>					
<b>A</b>	CLAIMS-MADE <b>X</b> OCCUR	<b>X</b>	6301C226998	10/1/2015	10/1/2016	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 OTHER: \$
GEN'L AGGREGATE LIMIT APPLIES PER:						
<b>X</b>	POLICY	PRO-JECT	LOC			
<b>X</b>	ANY AUTO	SCHEDULED AUTOS	BA330D8750	10/1/2015	10/1/2016	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ UM/UIIM - CSL BI \$ 1,000,000
<b>C</b>	UMBRELLA LIAB <b>X</b> OCCUR		CUP330D8762			EACH OCCURRENCE \$ 50,000,000
<b>D</b>	<b>X</b> EXCESS LIAB CLAIMS-MADE		SEX00058001959			AGGREGATE \$ 50,000,000
	DED RETENTION S			10/1/2015	10/1/2016	\$
<b>A</b>	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	Y/N	UB3C199729	10/1/2015	10/1/2016	<b>X</b> PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	N/A				
	If yes, describe under DESCRIPTION OF OPERATIONS below					
<b>E</b>	Employee Theft		8225-9951	10/1/2015	10/1/2016	\$10,000,000 Limit \$25,000 Ded.
<b>F</b>	Cyber Liability		EON G23668774002	11/6/2015	11/6/2016	\$10,000,000 Limit \$100,000 Ded.

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
Lexington-Fayette Urban County Government is included as an Additional Insured if required by written contract per endorsement #CG T8 00, with respects to Package Policy Only (Copy Attached).

<b>CERTIFICATE HOLDER</b> Lexington-Fayette Urban County Government Room 338, Government Center 200 East Main Street Lexington, KY 40507	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Sheila Conley/SABU
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## XTEND ENDORSEMENT – NEW YORK – ASSURED PARTNERS

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

**GENERAL DESCRIPTION OF COVERAGE** – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to this Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- |  |  |
|--|--|
| A. Broadened Named Insured                           | I. Injury to Co-Employees and Co-Volunteer Workers |
| B. Damage To Premises Rented To You Extension        | J. Aircraft Chartered with Crew                    |
| • Perils of fire, explosion, lightning, smoke, water | K. Non-Owned Watercraft – Increased                |
| • Limit increased to \$300,000                       | from 25 feet to 50 feet                            |
| C. Blanket Waiver of Subrogation                     | L. Increased Supplementary Payments                |
| D. Blanket Additional Insured - Managers or          | • Cost for bail bonds increased to \$2,500         |
| Lessors of Premises                                  | • Loss of earnings increased to \$500 per day      |
| E. Blanket Additional Insured - Lessor of            | M. Knowledge and Notice of Occurrence              |
| Leased Equipment                                     | or Offense   |
| F. Incidental Medical Malpractice                    | N. Unintentional Omission                          |
| G. Personal Injury - Assumed by Contract             | O. Reasonable Force – Bodily Injury or             |
| H. Extension of Coverage – Bodily Injury             | Property Damage                                    |

### PROVISIONS

#### A. BROADENED NAMED INSURED

1. The following is added to SECTION II – WHO IS AN INSURED:

Any "organization" over which you maintain ownership interest or "management control" on the effective date of the policy qualifies as a Named Insured if there is no other insurance which provides similar coverage to that "organization".

- Coverage afforded under this provision only applies to the operations of such "organization".
- Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the "organization".
- Coverage B does not apply to "personal injury" or "advertising injury" arising out of an offense committed before you acquired or formed the "organization".
- Coverage for any such "organization" will cease as of the date during the policy period that you no longer maintain ownership or majority interest or "management control" in such organization.

2. The following replaces Paragraph 4. of SECTION II – WHO IS AN INSURED:

- Any "organization" you newly acquire and over which you maintain ownership interest or "management control" will qualify as a Named Insured if there is no other insurance which provides similar coverage to that "organization". However:
  - Coverage afforded under this provision only applies to the operations of such "organization";
  - Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the "organization"; and

COMMERCIAL GENERAL LIABILITY

- a. \$300,000; or
  - b. The amount shown on the Declarations for Damage To Premises Rented To You Limit.
4. Under DEFINITIONS (Section V), Paragraph a. of the definition of "insured contract" is amended so that it does not include that portion of the contract for a lease of premises that indemnifies any person or organization for damage to premises while rented to you, or temporarily occupied by you with permission of the owner, caused by:
- a. Fire;
  - b. Explosion;
  - c. Lightning;
  - d. Smoke resulting from such fire, explosion, or lightning; or
  - e. Water.

**C. BLANKET WAIVER OF SUBROGATION**

We waive any right of recovery we may have against any person or organization because of payments we make for injury or damage arising out of premises owned or occupied by or rented or loaned to you; ongoing operations performed by you or on your behalf, done under a contract with that person or organization; "your work"; or "your products". We waive this right where you have agreed to do so as part of a written contract, executed by you prior to loss.

**D. BLANKET ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES**

WHO IS AN INSURED (Section II) is amended to include as an insured any person or organization (referred to below as "additional insured") with whom you have agreed in a written contract, executed prior to loss, to name as an additional insured, but only with respect to liability arising out of the ownership, maintenance or use of that part of any premises leased to you, subject to the following provisions:

- 1. Limits of Insurance. The limits of insurance afforded to the additional insured shall be the limits which you agreed to provide, or the limits shown on the Declarations, whichever is less.
- 2. The insurance afforded to the additional insured does not apply to:
  - a. Any "occurrence" that takes place after you cease to be a tenant in that premises;
  - b. Any premises for which coverage is excluded by endorsement; or
  - c. Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.
- 3. The insurance afforded to the additional insured is excess over any valid and collectible insurance available to such additional insured, unless you have agreed in a written contract for this insurance to apply on a primary or contributory basis.

**E. BLANKET ADDITIONAL INSURED – LESSOR OF LEASED EQUIPMENT**

WHO IS AN INSURED (Section II) is amended to include as an insured any person or organization (referred to below as "additional insured") with whom you have agreed in a written contract, executed prior to loss, to name as an additional insured, but only with respect to their liability arising out of the maintenance, operation or use by you of equipment leased to you by such additional insured, subject to the following provisions:

- 1. Limits of Insurance. The limits of insurance afforded to the additional insured shall be the limits which you agreed to provide, or the limits shown on the Declarations, whichever is less.
- 2. The insurance afforded to the additional insured does not apply to:
  - a. Any "occurrence" that takes place after the equipment lease expires; or
  - b. "Bodily injury" or "property damage" arising out of the sole negligence of such additional insured.
- 3. The insurance afforded to the additional insured is excess over any valid and collectible insurance available to such additional insured, unless you have agreed in a written contract for this insurance to apply on a primary or contributory basis.

## COMMERCIAL GENERAL LIABILITY

The definition of "bodily injury" (DEFINITIONS - Section V) is deleted and replaced by the following:

"Bodily injury" means bodily injury, mental anguish, mental injury, shock, fright, disability, humiliation, sickness or disease sustained by a person, including death resulting from any of these at any time.

### I. INJURY TO CO-EMPLOYEES AND CO-VOLUNTEER WORKERS

1. Your "employees" are insureds with respect to "bodily injury" to a co-"employee" in the course of the co-"employee's" employment by you, or to your "volunteer workers" while performing duties related to the conduct of your business, provided that this coverage for your "employees" does not apply to acts outside the scope of their employment by you or while performing duties unrelated to the conduct of your business.
2. Your "volunteer workers" are insureds with respect to "bodily injury" to a co-"volunteer worker" while performing duties related to the conduct of your business, or to your "employees" in the course of the "employee's" employment by you, provided that this coverage for your "volunteer workers" does not apply while performing duties unrelated to the conduct of your business.
3. Subparagraphs 2.a.(1)(a), (b) and (c) and 3.a. of WHO IS AN INSURED (Section II) do not apply to "bodily injury" for which insurance is provided by paragraph 1. or 2. above.

### J. AIRCRAFT CHARTERED WITH CREW

1. The following is added to the exceptions contained in the **Aircraft, Auto Or Watercraft Exclusion** in Part 2., **Exclusions of COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** (Section I – Coverages):  
(This exclusion does not apply to:) Aircraft chartered with crew to any insured.
2. This Provision J. does not apply if the chartered aircraft is owned by any insured.
3. The insurance provided by this Provision J. shall be excess over any other valid and collectible insurance available to the insured, whether primary, excess, contingent or on any other basis, except for insurance purchased specifically by you to be excess of this policy.

### K. NON-OWNED WATERCRAFT

1. The exception contained in Subparagraph (2) of the **Aircraft, Auto Or Watercraft Exclusion** in Part 2., **Exclusions of COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** (Section I – Coverages) is deleted and replaced by the following:  
(2) A watercraft you do not own that is:
  - (a) Fifty feet long or less; and
  - (b) Not being used to carry persons or property for a charge;
2. This Provision K. applies to any person who, with your expressed or implied consent, either uses or is responsible for the use of a watercraft.
3. The insurance provided by this Provision K. shall be excess over any other valid and collectible insurance available to the insured, whether primary, excess, contingent or on any other basis, except for insurance purchased specifically by you to be excess of this policy.

### L. INCREASED SUPPLEMENTARY PAYMENTS

Parts b. and d. of SUPPLEMENTARY PAYMENTS – COVERAGES A AND B (Section I – Coverages) are amended as follows:

1. In Part b. the amount we will pay for the cost of bail bonds is increased to \$2500.
2. In Part d. the amount we will pay for loss of earnings is increased to \$500 a day.

### M. KNOWLEDGE AND NOTICE OF OCCURRENCE OR OFFENSE

1. The following is added to COMMERCIAL GENERAL LIABILITY CONDITIONS (Section IV), paragraph 2. (Duties In The Event of Occurrence, Offense, Claim or Suit):



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
4/20/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Mike Smith, FL P&C/Surplus Broker Lic #D061127 Axis Insurance Services, LLC 795 Franklin Avenue, Suite 206 Franklin Lakes NJ 07417 INSURED Assured Neace Lukens Insurance Agency, Inc 2305 River Road Louisville KY 40206	<b>CONTACT NAME:</b> Heather Verdui <b>PHONE (A/C, No, Ext):</b> (201) 847-9175 <b>E-MAIL ADDRESS:</b> hverdui@axisins.com <b>FAX (A/C, No):</b> (201) 847-9174 <b>INSURER(S) AFFORDING COVERAGE</b> INSURER A Allied World Surplus Lines Ins Co NAIC # 24319 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:
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**COVERAGES** CERTIFICATE NUMBER:0003 E015/16 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<b>COMMERCIAL GENERAL LIABILITY</b> <input checked="" type="checkbox"/> CLAIMS-MADE OCCUR <input checked="" type="checkbox"/> Errors & Omissions GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		Policy # 0307-7977	10/1/2015	10/1/2016	EACH OCCURRENCE \$ 3,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Afy one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ Retention Per Claim \$ 250,000
	<b>AUTOMOBILE LIABILITY</b> ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS NON-OWNED AUTOS HIRED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<b>UMBRELLA LIAB</b> OCCUR <b>EXCESS LIAB</b> CLAIMS-MADE DED RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A			PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
**Professional Services: Insurance Agent/Broker and Third Party Administrator for others.**

Assured NL Insurance Services, Inc. (dba) Risk Management Services Company is an Insured on the policy listed above. See attached page.

<b>CERTIFICATE HOLDER</b> Lexington-Fayette Urban County Government Room 338, Government Center 200 East Main Street Lexington, KY 40507	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Mike Smith/VERDUI
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### Additional Named Insureds

#### Other Named Insureds

AssuredPartners, Inc

Assured NL Insurance Services, Inc.

Assured NL Insurance Services, Inc. (dba) Risk Management Services Company

Assured Neace Lukens Insurance Agency, Inc

Assured Neace Lukens Insurance Agency, Inc (dba) Hazard Insurance Group

Assured Neace Lukens Insurance Agency, Inc (dba) Turner & Hamrick

Assured Neace Lukens Insurance Agency, Inc (dba) Premiere Coastal Insurance Group

Assured Neace Lukens Insurance Agency, Inc (dba) First Palmetto Insurance

Assured Neace Lukens Insurance Agency, Inc (dba) Greater South Agency

Assured Neace Lukens Insurance Agency, Inc (dba) Johnson Locklin & Associates

Assured Neace Lukens Insurance Agency, Inc (dba) Bandy, Van Cleave & Williamson

## AFFIDAVIT

Comes the Affiant, Assured NL Insurance Services, Inc. (DBA : Risk Management Services Co.), and after being first duly sworn, states under penalty of perjury as follows:

1. His/her name is Charles J. Rausch and he/she is the individual submitting the proposal or is the authorized representative of Assured NL Insurance Services, Inc. (DBA : Risk Management Services Co.), the entity submitting the proposal (hereinafter referred to as "Proposer").
2. Proposer will pay all taxes and fees, which are owed to the Lexington-Fayette Urban County Government at the time the proposal is submitted, prior to award of the contract and will maintain a "current" status in regard to those taxes and fees during the life of the contract.
3. Proposer will obtain a Lexington-Fayette Urban County Government business license, if applicable, prior to award of the contract.
4. Proposer has authorized the Division of Central Purchasing to verify the above-mentioned information with the Division of Revenue and to disclose to the Urban County Council that taxes and/or fees are delinquent or that a business license has not been obtained.
5. Proposer has not knowingly violated any provision of the campaign finance laws of the Commonwealth of Kentucky within the past five (5) years and the award of a contract to the Proposer will not violate any provision of the campaign finance laws of the Commonwealth.
6. Proposer has not knowingly violated any provision of Chapter 25 of the Lexington-Fayette Urban County Government Code of Ordinances, known as "Ethics Act."

**Continued on next page**

7. Proposer acknowledges that "knowingly" for purposes of this Affidavit means, with respect to conduct or to circumstances described by a statute or ordinance defining an offense, that a person is aware or should have been aware that his conduct is of that nature or that the circumstance exists.

Further, Affiant sayeth naught.

Charles J. Rusk

STATE OF Indiana

COUNTY OF Clark

The foregoing instrument was subscribed, sworn to and acknowledged before me by Assured NE Ins. Serv Inc. dba Risk on this the 26<sup>th</sup> day of April, 2016. Management Serv. Co.

My Commission expires: 10/25/2023

Shari Snodgrass  
NOTARY PUBLIC, STATE AT LARGE



## EQUAL OPPORTUNITY AGREEMENT

### The Law

- Title VII of the Civil Rights Act of 1964 (amended 1972) states that it is unlawful for an employer to discriminate in employment because of race, color, religion, sex, age (40-70 years) or national origin.
- Executive Order No. 11246 on Nondiscrimination under Federal contract prohibits employment discrimination by contractor and sub-contractor doing business with the Federal Government or recipients of Federal funds. This order was later amended by Executive Order No. 11375 to prohibit discrimination on the basis of sex.
- Section 503 of the Rehabilitation Act of 1973 states:

*The Contractor will not discriminate against any employee or applicant for employment because of physical or mental disability.*

- Section 2012 of the Vietnam Era Veterans Readjustment Act of 1973 requires Affirmative Action on behalf of disabled veterans and veterans of the Vietnam Era by contractors having Federal contracts.
- Section 206(A) of Executive Order 12086, Consolidation of Contract Compliance Functions for Equal Employment Opportunity, states:

*The Secretary of Labor may investigate the employment practices of any Government contractor or sub-contractor to determine whether or not the contractual provisions specified in Section 202 of this order have been violated.*

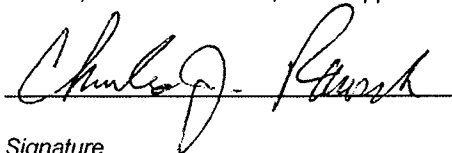
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The Lexington-Fayette Urban County Government practices Equal Opportunity in recruiting, hiring and promoting. It is the Government's intent to affirmatively provide employment opportunities for those individuals who have previously not been allowed to enter into the mainstream of society. Because of its importance to the local Government, this policy carries the full endorsement of the Mayor, Commissioners, Directors and all supervisory personnel. In following this commitment to Equal Employment Opportunity and because the Government is the benefactor of the Federal funds, it is both against the Urban County Government policy and illegal for the Government to let contracts to companies which knowingly or unknowingly practice discrimination in their employment practices. Violation of the above mentioned ordinances may cause a contract to be canceled and the contractors may be declared ineligible for future consideration.

Please sign this statement in the appropriate space acknowledging that you have read and understand the provisions contained herein. Return this document as part of your application packet.

### Bidders

*I/We agree to comply with the Civil Rights Laws listed above that govern employment rights of minorities, women, Vietnam veterans, handicapped and aged persons.*

  
Signature

Assured NL Insurance Services, Inc. (DBA: Risk Management Services Co.)  
Name of Business

**WORKFORCE ANALYSIS FORM**

**WORKFORCE ANALYSIS FORM**

Name of Organization: Assured NL Insurance Services, Inc. (DBA: Risk Management Services Co.)

Categories	Total	White (Not Hispanic or Latino)		Hispanic or Latino		Black or African-American (Not Hispanic or Latino)		Native Hawaiian and Other Pacific Islander (Not Hispanic or Latino)		Asian (Not Hispanic or Latino)		American Indian or Alaskan Native (not Hispanic or Latino)		Two or more races (Not Hispanic or Latino)		Total	
		M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
Administrators	5	4	1														
Professionals	23	7	15									1					
Superintendents																	
Supervisors	5	1	4														
Foremen																	
Technicians	1		1														
Protective Service																	
Para-Professionals																	
Office/Clerical	4		3		1												
Skilled Craft																	
Service/Maintenance																	
<b>Total:</b>	<b>38</b>	<b>12</b>	<b>24</b>		<b>1</b>							<b>1</b>					

Prepared by: Charles J. Rowntree - Sr. Vice President Date: 4/26/16  
 (Name and Title) Revised 2015-Dec-15

LOUISVILLE METRO HUMAN RELATIONS COMMISSION  
410 WEST CHESTNUT STREET • SUITE 300A • LOUISVILLE, KY 40202  
(502) 574-3631 FAX (502) 574-3190

**AFFIRMATIVE ACTION PLAN FOR**

Risk Management Services Co.

*COMPANY NAME*

In order to comply Louisville-Jefferson County Metro Ordinance 214, Series 2005, Executive Order No. 11246 and 41 CFR 60, and to ensure Equal Employment Opportunity and Affirmative Action, this company will take the following measures:

1. Equal and fair treatment will be provided to all employees regardless of race, color, religion, national origin, sex, age or handicap
2. The company will ensure and maintain facilities, activities and working environment free from coercion, harassment, intimidation and discrimination.
3. The company policy statement outlining its commitment to Equal Employment Opportunity and Affirmative Action will be posted in conspicuous places throughout our facility.
4. The company has authorized C. Jeffrey Rausch to be the Equal Employment /Affirmative Action Officer to report and to represent the company in all matters regarding this Affirmative Action Plan.
5. This person's position, name, and telephone number will be posted in conspicuous places throughout the facility and this person's qualifications and ability to perform the work.

**A. INTERNAL DISSEMINATION OF POLICY BY:**

- (1) Advising all applicants and employees that the company is an Equal Opportunity/ Affirmative Action employer and that hiring, promotion or demotion is based on the person's qualifications and ability to perform the work.
- (2) Notifying all employees regarding promotions or vacancies to ensure Equal Opportunity.

**B. EXTERNAL DISSEMINATION OF POLICY BY:**

- (1) Notifying in writing all minority and female recruitment sources, including unions, if applicable, that this company is an Equal Opportunity and Affirmative Action employer and notification of job openings. This company is not precluded from conducting any direct recruiting by any collective bargaining agreements.
- (2) Including the "Equal Opportunity Employer" clause on all recruiting advertisements, correspondence, and all other notices related to employment an incorporating the equal opportunity clause in all purchase orders, leases, and contracts.
- (3) Making specific efforts to encourage present minority and female employees to recruit other minorities and females.
- (4) Reporting to compliance agencies and allowing on-site reviews as required

- (5) Sending written notification of company policy to subcontractors, vendors and suppliers requesting appropriate action by them.

**C. IMPLEMENTING ALL PHASES OF THE AFFIRMATIVE ACTION PLAN BY:**

- (1) Conducting periodic audits of employment practices, such as, recruitment, testing, hiring, benefits, compensation, promotions, demotions, terminations, layoffs and recalls to ensure progress and nondiscrimination in Affirmative Action and making these audits available for on-site review.
- (2) Maintaining, in a separate file, classification of employees by race, sex, position, date of hire, promotions, demotions and terminations.
- (3) Semi-annual or more frequent instruction of all supervisory personnel of their responsibilities regarding Equal Opportunity/Affirmative Action and non discrimination requirements.
- (4) Cooperation with and support of apprenticeship training programs based on Affirmative Action.
- (5) Maintaining applicant data with title of job, sex, referral source, race and final action with reasons for any rejections.
- (6) Yearly update of the Affirmative Action Plan, and reviewing progress.
- (7) Setting goals to utilize minorities and females to the same degree as all others, based on the following factors:
  - a. The minority population of the labor area surrounding the facility.
  - b. The size of the female and minority unemployment forces in the labor area surrounding the facility.
  - c. The percentage of minorities and female workforces as compared with the total workforce area.
  - d. The availability of minorities and females having requisite skills in the reasonable recruitment area.
  - e. The availability of minorities and females having requisite skills in the immediate labor area.
  - f. The availability of promotable and transferable females and minority employees in our company.
  - g. The existence of institutions capable of training persons in the requisite skills.
  - h. The degree of training which the company is reasonably able to undertake as a means of making all job classes available to minorities and females.

What type of services or products does your company provide?

Third Party Administrator for Workers' Compensation and Auto and  
General Liability

Name of Company: Risk Management Services Company

Address: 2211 River Road

City: Louisville St.: KY Zip: 40206

P O Box: 22989 Zip: 40252 Phone: 326-5900 Fax: 326-5909

E-Mail: jrausch@rmsc.com Date: 7/22/08

President:  (C. Jeffrey Rausch - President)

I DECLARE UNDER THE PENALTY OF PERJURY THAT THE ABOVE IS TRUE AND ACCURATE

EEO/AA Officer:  (C. Jeffrey Rausch - AA Officer)

I DECLARE UNDER THE PENALTY OF PERJURY THAT THE ABOVE IS TRUE AND ACCURATE



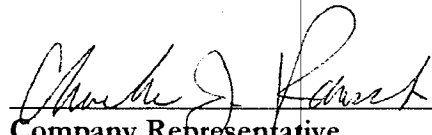
**LFUCG MWDBE PARTICIPATION FORM**  
**Bid/RFP/Quote Reference # 12-2016**

The MWDBE subcontractors listed have agreed to participate on this Bid/RFP/Quote. If any substitution is made or the total value of the work is changed prior to or after the job is in progress, it is understood that those substitutions must be submitted to Central Purchasing for approval immediately.

MWDBE Company, Name, Address, Phone, Email	Work to be Performed	Total Dollar Value of the Work	% Value of Total Contract
1. Axis Medical Management Inc.	Telephonic and On-Site Nurse Case Management Utilization Review Medical Bill Audit	\$40,000 annually	20%
2.			
3.			
4.			

The undersigned company representative submits the above list of MWDBE firms to be used in accomplishing the work contained in this Bid/RFP/Quote. Any misrepresentation may result in the termination of the contract and/or be subject to applicable Federal and State laws concerning false statements and false claims.

Assured NL Insurance Services Inc.,  
dba Risk Management Services Co.  
**Company**

  
**Company Representative**

4/26/16  
**Date**

Sr. Vice President  
**Title**

**LFUCG STATEMENT OF GOOD FAITH EFFORTS**  
**Bid/RFP/Quote # 12-2016**

By the signature below of an authorized company representative, we certify that we have utilized the following Good Faith Efforts to obtain the maximum participation by MWDBE business enterprises on the project and can supply the appropriate documentation.

\_\_\_\_\_ Advertised opportunities to participate in the contract in at least two (2) publications of general circulation media; trade and professional association publications; small and minority business or trade publications; and publications or trades targeting minority, women and disadvantaged businesses not less than fifteen (15) days prior to the deadline for submission of bids to allow MWDBE firms to participate.

\_\_\_\_\_ Included documentation of advertising in the above publications with the bidders good faith efforts package

\_\_\_\_\_ Attended LFUCG Central Purchasing Economic Inclusion Outreach event

\_\_\_\_\_ Attended pre-bid meetings that were scheduled by LFUCG to inform MWDBEs of subcontracting opportunities

\_\_\_\_\_ Sponsored Economic Inclusion event to provide networking opportunities for prime contractors and MWDBE firms

\_\_\_\_\_ Requested a list of MWDBE subcontractors or suppliers from LFUCG Economic Engine and showed evidence of contacting the companies on the list(s).

\_\_\_\_\_ Contacted organizations that work with MWDBE companies for assistance in finding certified MWDBE firms to work on this project. Those contacted and their responses should be a part of the bidder's good faith efforts documentation.

\_\_\_\_\_ Sent written notices, by certified mail, email or facsimile, to qualified, certified MWDBEs soliciting their participation in the contract not

less than seven (7) days prior to the deadline for submission of bids to allow them to participate effectively.

X Followed up initial solicitations by contacting MWDBEs to determine their level of interest.

X Provided the interested MWDBE firm with adequate and timely information about the plans, specifications, and requirements of the contract.

X Selected portions of the work to be performed by MWDBE firms in order to increase the likelihood of meeting the contract goals. This includes, where appropriate, breaking out contract work items into economically feasible units to facilitate MWDBE participation, even when the prime contractor may otherwise perform these work items with its own workforce

X Negotiated in good faith with interested MWDBE firms not rejecting them as unqualified without sound reasons based on a thorough investigation of their capabilities. Any rejection should be so noted in writing with a description as to why an agreement could not be reached.

\_\_\_\_\_ Included documentation of quotations received from interested MWDBE firms which were not used due to uncompetitive pricing or were rejected as unacceptable and/or copies of responses from firms indicating that they would not be submitting a bid.

\_\_\_\_\_ Bidder has to submit sound reasons why the quotations were considered unacceptable. The fact that the bidder has the ability and/or desire to perform the contract work with its own forces will not be considered a sound reason for rejecting a MWDBE quote. Nothing in this provision shall be construed to require the bidder to accept unreasonable quotes in order to satisfy MWDBE goals.

X Made an effort to offer assistance to or refer interested MWDBE firms to obtain the necessary equipment, supplies, materials, insurance and/or bonding to satisfy the work requirements of the bid proposal



\_\_\_\_\_ Made efforts to expand the search for MWDBE firms beyond the usual geographic boundaries.

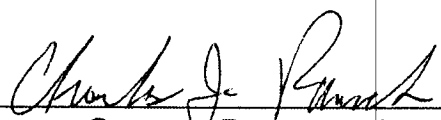
\_\_\_\_\_ Other - any other evidence that the bidder submits which may show that the bidder has made reasonable good faith efforts to include MWDBE participation.

Failure to submit any of the documentation requested in this section may be cause for rejection of bid. Bidders may include any other documentation deemed relevant to this requirement. Documentation of Good Faith Efforts are to be submitted with the Bid, if the participation Goal is not met.

The undersigned acknowledges that all information is accurate. Any misrepresentations may result in termination of the contract and/or be subject to applicable Federal and State laws concerning false statements and claims.

Assured NL Insurance Services Ins.,  
Db a Risk Management Services Co.  
**Company**

4/26/16  
**Date**

  
**Company Representative**

Sr. Vice President  
**Title**

## GENERAL PROVISIONS

1. Each Respondent shall comply with all Federal, State & Local regulations concerning this type of service or good.

The Respondent agrees to comply with all statutes, rules, and regulations governing safe and healthful working conditions, including the Occupational Health and Safety Act of 1970, *29 U.S.C. 650 et. seq.*, as amended, and KRS Chapter 338. The Respondent also agrees to notify the LFUCG in writing immediately upon detection of any unsafe and/or unhealthful working conditions at the job site. The Respondent agrees to indemnify, defend and hold the LFUCG harmless from all penalties, fines or other expenses arising out of the alleged violation of said laws.

2. Failure to submit ALL forms and information required in this RFP may be grounds for disqualification.
3. Addenda: All addenda, if any, shall be considered in making the proposal, and such addenda shall be made a part of this RFP. Before submitting a proposal, it is incumbent upon each proposer to be informed as to whether any addenda have been issued, and the failure to cover in the bid any such addenda may result in disqualification of that proposal.
4. Proposal Reservations: LFUCG reserves the right to reject any or all proposals, to award in whole or part, and to waive minor immaterial defects in proposals. LFUCG may consider any alternative proposal that meets its basic needs.
5. Liability: LFUCG is not responsible for any cost incurred by a Respondent in the preparation of proposals.
6. Changes/Alterations: Respondent may change or withdraw a proposal at any time prior to the opening; however, no oral modifications will be allowed. Only letters, or other formal written requests for modifications or corrections of a previously submitted proposal which is addressed in the same manner as the proposal, and received by LFUCG prior to the scheduled closing time for receipt of proposals, will be accepted. The proposal, when opened, will then be corrected in accordance with such written request(s), provided that the written request is contained in a sealed envelope which is plainly marked "modifications of proposal".
7. Clarification of Submittal: LFUCG reserves the right to obtain clarification of any point in a bid or to obtain additional information from a Respondent.
8. Bribery Clause: By his/her signature on the bid, Respondent certifies that no employee of his/hers, any affiliate or Subcontractor, has bribed or

attempted to bribe an officer or employee of the LFUCG.

9. Additional Information: While not necessary, the Respondent may include any product brochures, software documentation, sample reports, or other documentation that may assist LFUCG in better understanding and evaluating the Respondent's response. Additional documentation shall not serve as a substitute for other documentation which is required by this RFP to be submitted with the proposal,
10. Ambiguity, Conflict or other Errors in RFP: If a Respondent discovers any ambiguity, conflict, discrepancy, omission or other error in the RFP, it shall immediately notify LFUCG of such error in writing and request modification or clarification of the document if allowable by the LFUCG.
11. Agreement to Bid Terms: In submitting this proposal, the Respondent agrees that it has carefully examined the specifications and all provisions relating to the work to be done attached hereto and made part of this proposal. By acceptance of a Contract under this RFP, proposer states that it understands the meaning, intent and requirements of the RFP and agrees to the same. The successful Respondent shall warrant that it is familiar with and understands all provisions herein and shall warrant that it can comply with them. No additional compensation to Respondent shall be authorized for services or expenses reasonably covered under these provisions that the proposer omits from its Proposal.
12. Cancellation: If the services to be performed hereunder by the Respondent are not performed in an acceptable manner to the LFUCG, the LFUCG may cancel this contract for cause by providing written notice to the proposer, giving at least thirty (30) days notice of the proposed cancellation and the reasons for same. During that time period, the proposer may seek to bring the performance of services hereunder to a level that is acceptable to the LFUCG, and the LFUCG may rescind the cancellation if such action is in its best interest.

#### A. Termination for Cause

- (1) LFUCG may terminate a contract because of the contractor's failure to perform its contractual duties
- (2) If a contractor is determined to be in default, LFUCG shall notify the contractor of the determination in writing, and may include a specified date by which the contractor shall cure the identified deficiencies. LFUCG may proceed with termination if the contractor fails to cure the deficiencies within the specified time.

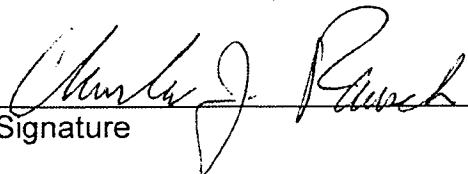
- (3) A default in performance by a contractor for which a contract may be terminated shall include, but shall not necessarily be limited to:
- (a) Failure to perform the contract according to its terms, conditions and specifications;
  - (b) Failure to make delivery within the time specified or according to a delivery schedule fixed by the contract;
  - (c) Late payment or nonpayment of bills for labor, materials, supplies, or equipment furnished in connection with a contract for construction services as evidenced by mechanics' liens filed pursuant to the provisions of KRS Chapter 376, or letters of indebtedness received from creditors by the purchasing agency;
  - (d) Failure to diligently advance the work under a contract for construction services;
  - (e) The filing of a bankruptcy petition by or against the contractor; or
  - (f) Actions that endanger the health, safety or welfare of the LFUCG or its citizens.

#### B. At Will Termination

Notwithstanding the above provisions, the LFUCG may terminate this contract at will in accordance with the law upon providing thirty (30) days written notice of that intent, Payment for services or goods received prior to termination shall be made by the LFUCG provided these goods or services were provided in a manner acceptable to the LFUCG. Payment for those goods and services shall not be unreasonably withheld.

13. Assignment of Contract: The contractor shall not assign or subcontract any portion of the Contract without the express written consent of LFUCG. Any purported assignment or subcontract in violation hereof shall be void. It is expressly acknowledged that LFUCG shall never be required or obligated to consent to any request for assignment or subcontract; and further that such refusal to consent can be for any or no reason, fully within the sole discretion of LFUCG.
14. No Waiver: No failure or delay by LFUCG in exercising any right, remedy, power or privilege hereunder, nor any single or partial exercise thereof, nor the exercise of any other right, remedy, power or privilege shall operate as a waiver hereof or thereof. No failure or delay by LFUCG in exercising any right, remedy, power or privilege under or in respect of this Contract shall affect the rights, remedies, powers or privileges of LFUCG hereunder or shall operate as a waiver thereof.

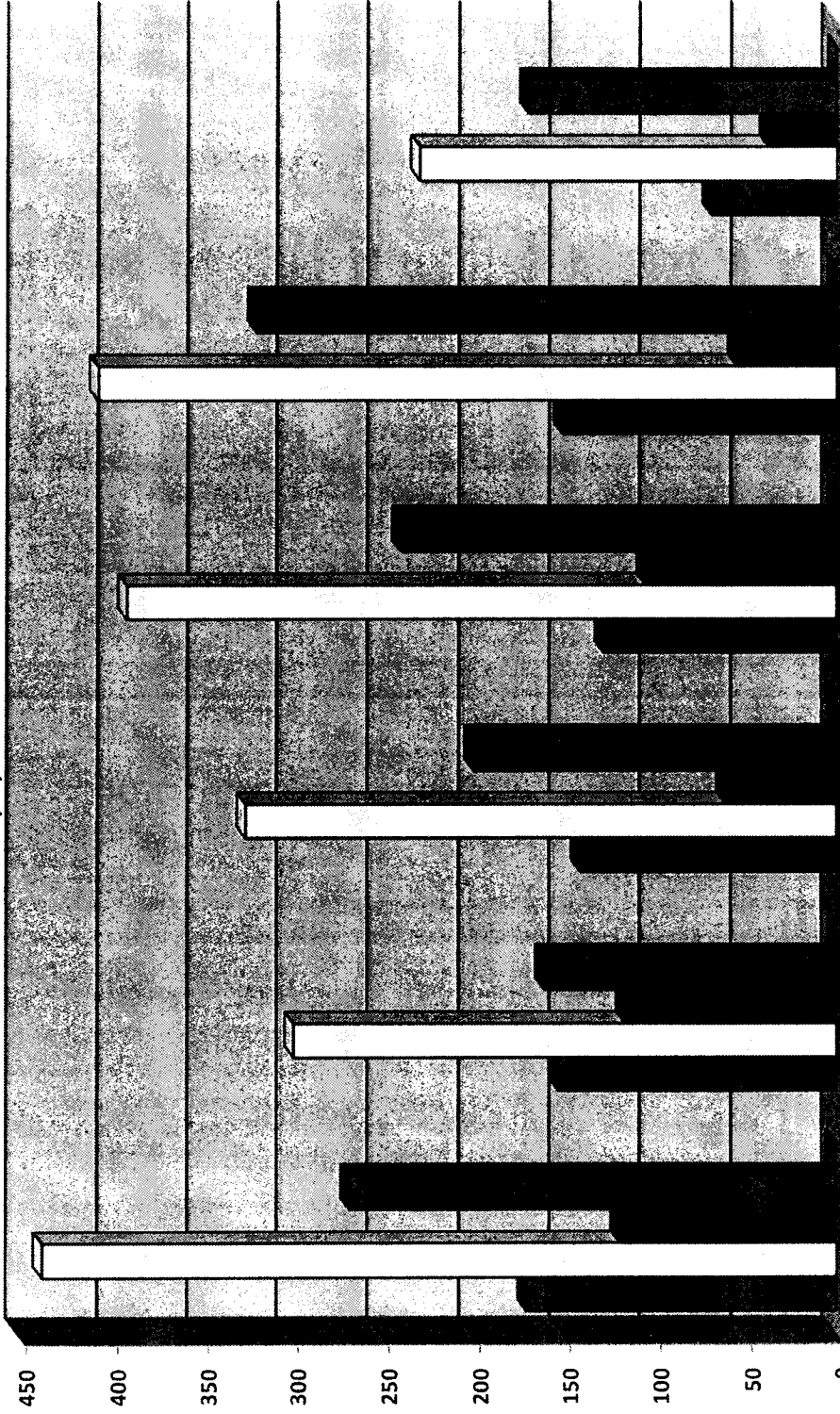
15. Authority to do Business: The Respondent must be a duly organized and authorized to do business under the laws of Kentucky. Respondent must be in good standing and have full legal capacity to provide the services specified under this Contract. The Respondent must have all necessary right and lawful authority to enter into this Contract for the full term hereof and that proper corporate or other action has been duly taken authorizing the Respondent to enter into this Contract. The Respondent will provide LFUCG with a copy of a corporate resolution authorizing this action and a letter from an attorney confirming that the proposer is authorized to do business in the State of Kentucky if requested. All proposals must be signed by a duly authorized officer, agent or employee of the Respondent.
16. Governing Law: This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. In the event of any proceedings regarding this Contract, the Parties agree that the venue shall be the Fayette County Circuit Court or the U.S. District Court for the Eastern District of Kentucky, Lexington Division. All parties expressly consent to personal jurisdiction and venue in such Court for the limited and sole purpose of proceedings relating to this Contract or any rights or obligations arising thereunder. Service of process may be accomplished by following the procedures prescribed by law.
17. Ability to Meet Obligations: Respondent affirmatively states that there are no actions, suits or proceedings of any kind pending against Respondent or, to the knowledge of the Respondent, threatened against the Respondent before or by any court, governmental body or agency or other tribunal or authority which would, if adversely determined, have a materially adverse effect on the authority or ability of Respondent to perform its obligations under this Contract, or which question the legality, validity or enforceability hereof or thereof.
18. Contractor understands and agrees that its employees, agents, or subcontractors are not employees of LFUCG for any purpose whatsoever. Contractor is an independent contractor at all times during the performance of the services specified.
19. If any term or provision of this Contract shall be found to be illegal or unenforceable, the remainder of the contract shall remain in full force and such term or provision shall be deemed stricken.

  
Signature

4-15-16  
Date

Lexington Fayette Urban County Government

Total Claims  
As of 12/31/15

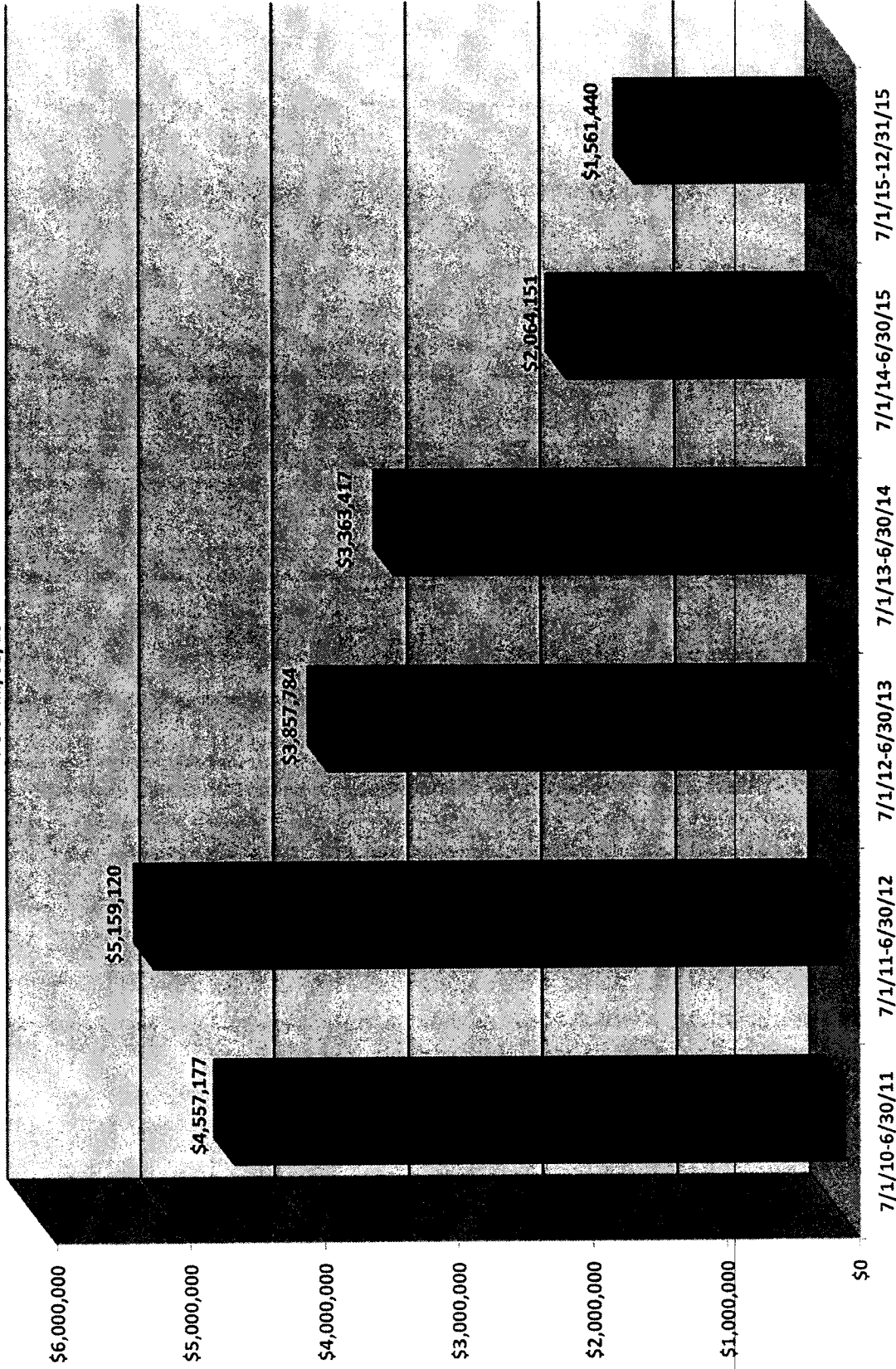


	7/1/10-6/30/11	7/1/11-6/30/12	7/1/12-6/30/13	7/1/13-6/30/14	7/1/14-6/30/15	7/1/15-12/31/15
Auto Liability	171	153	141	128	151	69
Auto Physical	438	299	326	392	408	230
General Liability	119	116	61	105	55	38
Property Damage	268	161	200	240	320	170
Public Officials Liability	1	0	0	0	0	0

Lexington Fayette Urban County Government

Total Incurred

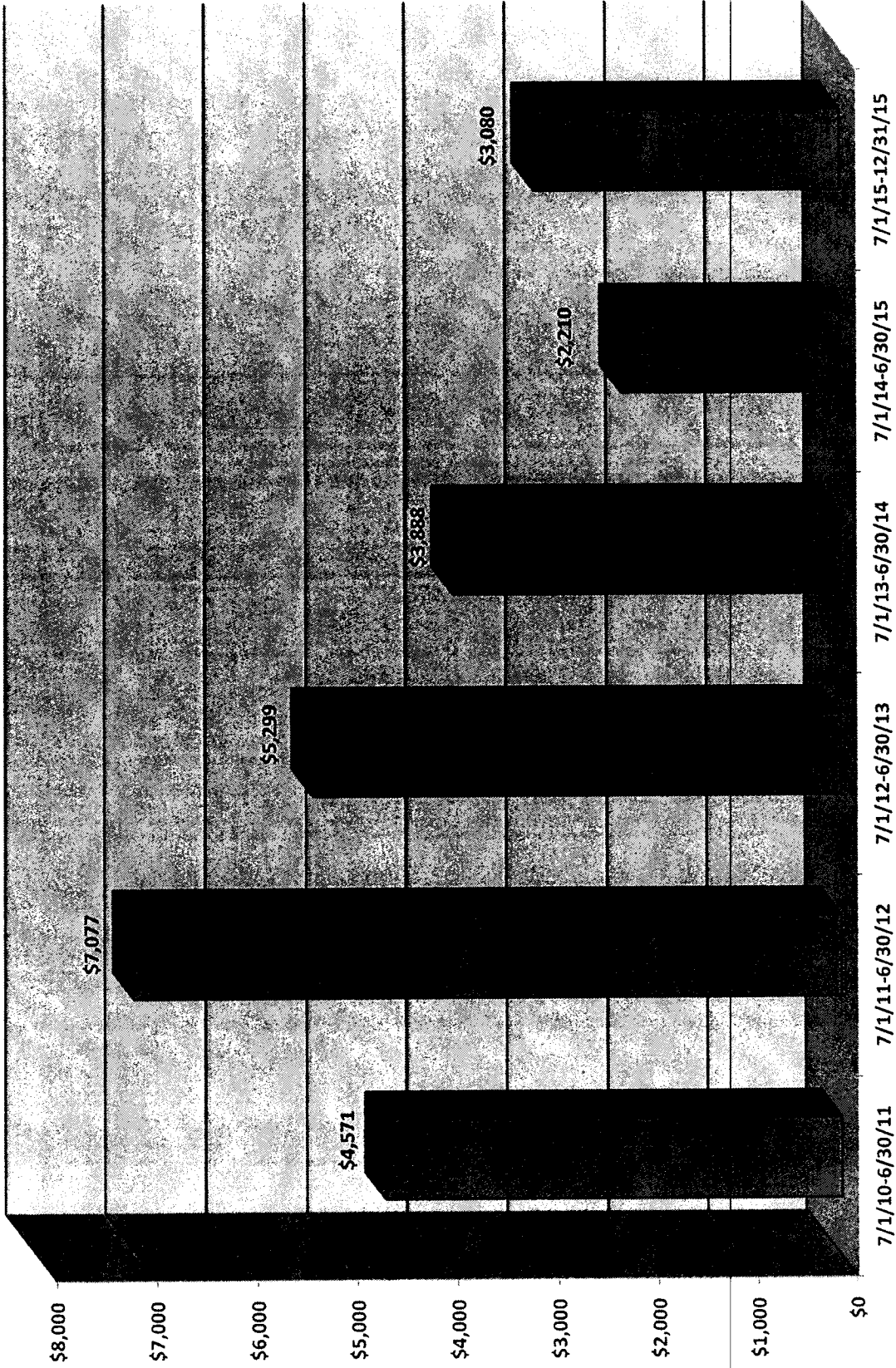
As of 12/31/15



# Lexington Fayette Urban County Government

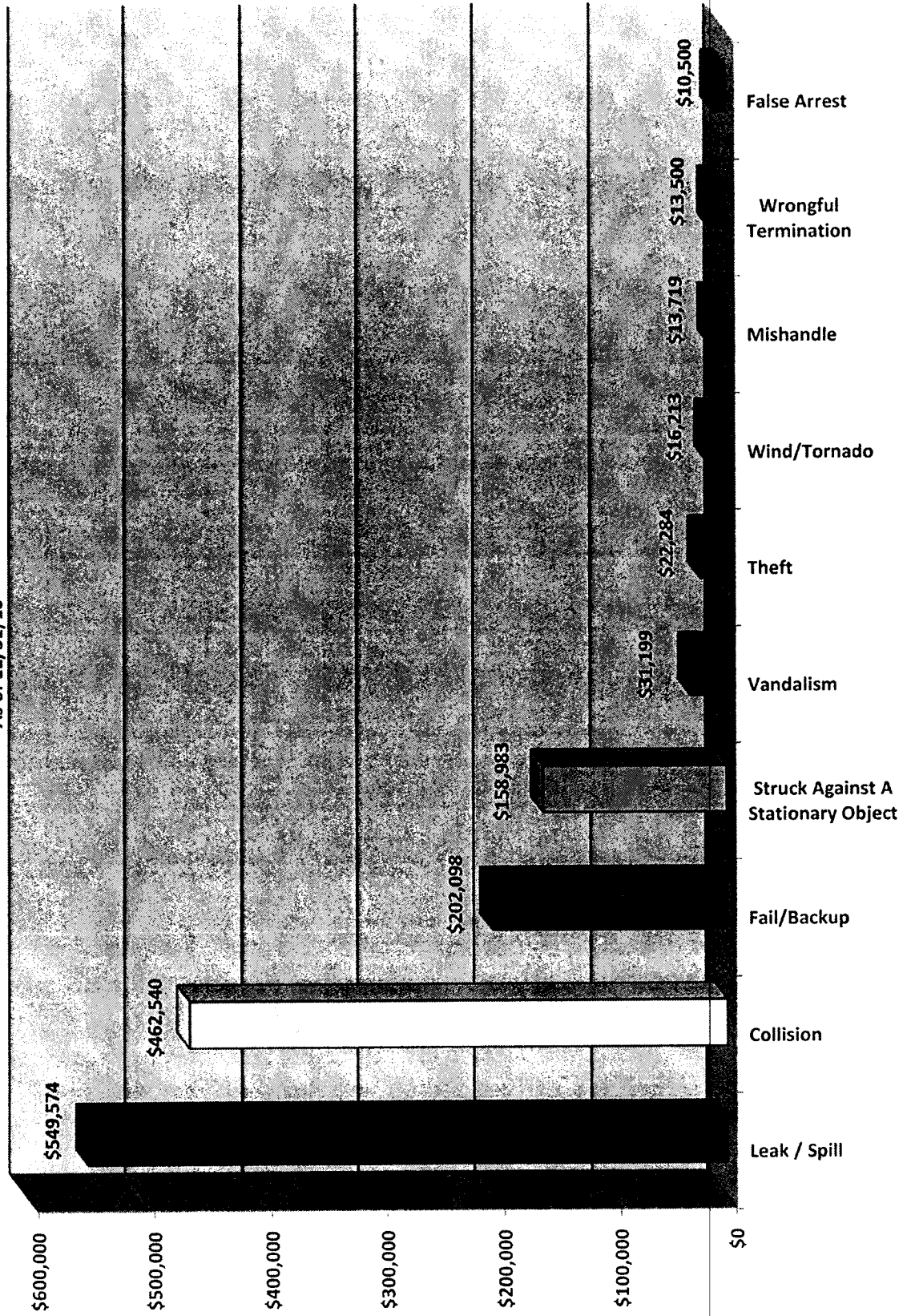
## Average Claim Cost

As of 12/31/15



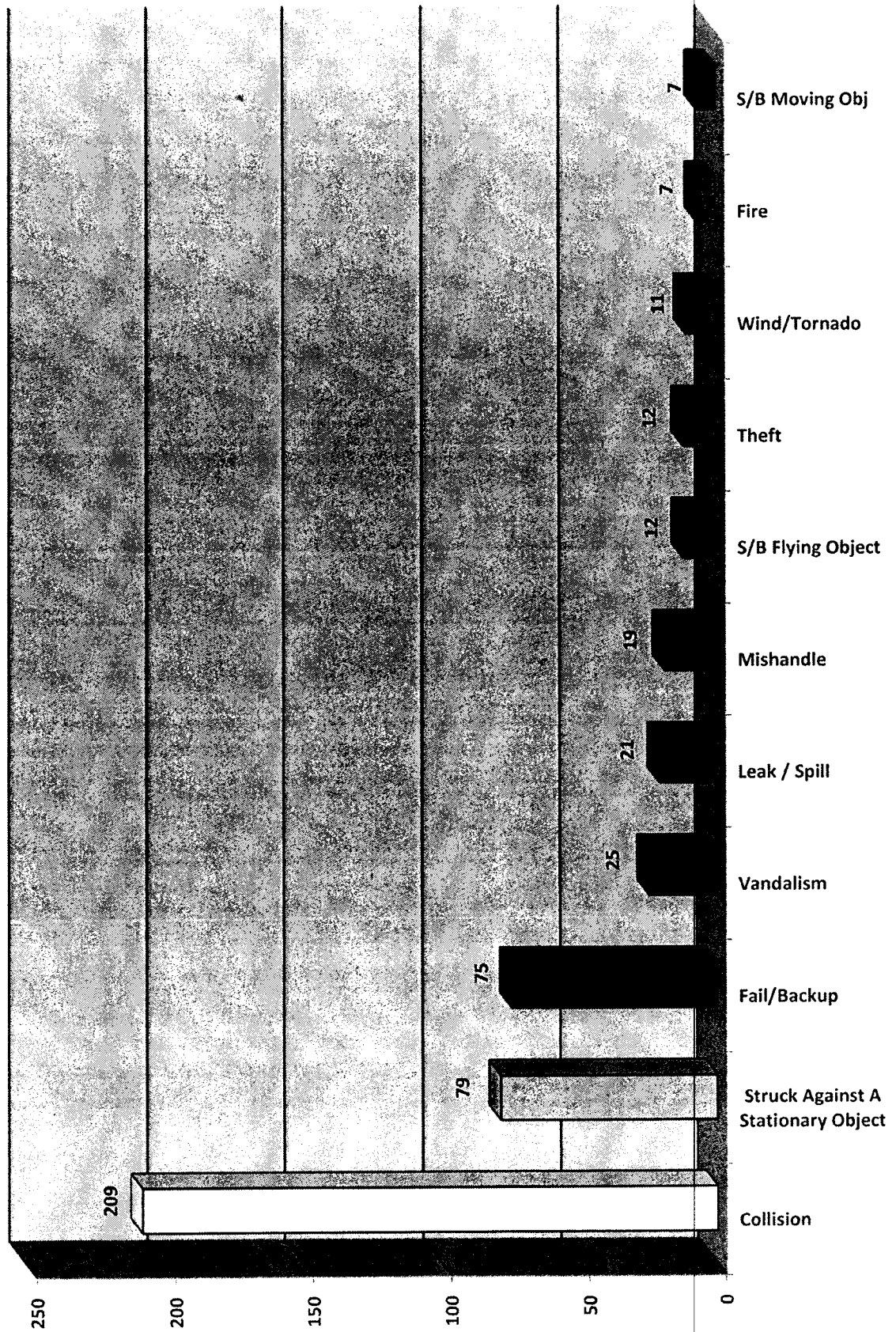


**Lexington Fayette Urban County Government**  
**Total Incurred Top Claims by Event Indicator 7/1/15-12/31/15**  
 As of 12/31/15

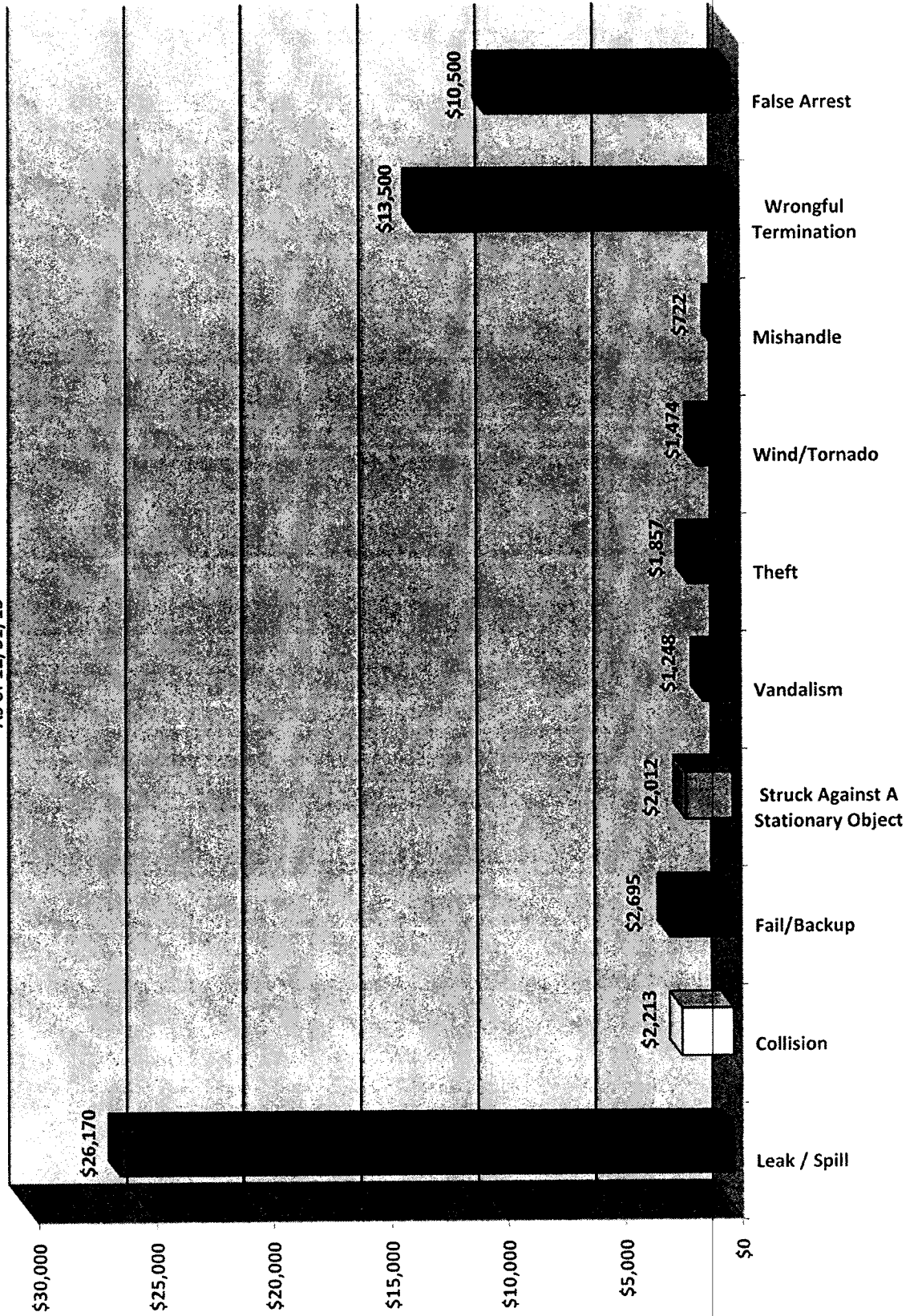


Lexington Fayette Urban County Government  
Top Workers by Event Indicator 7/1/15-12/31/15

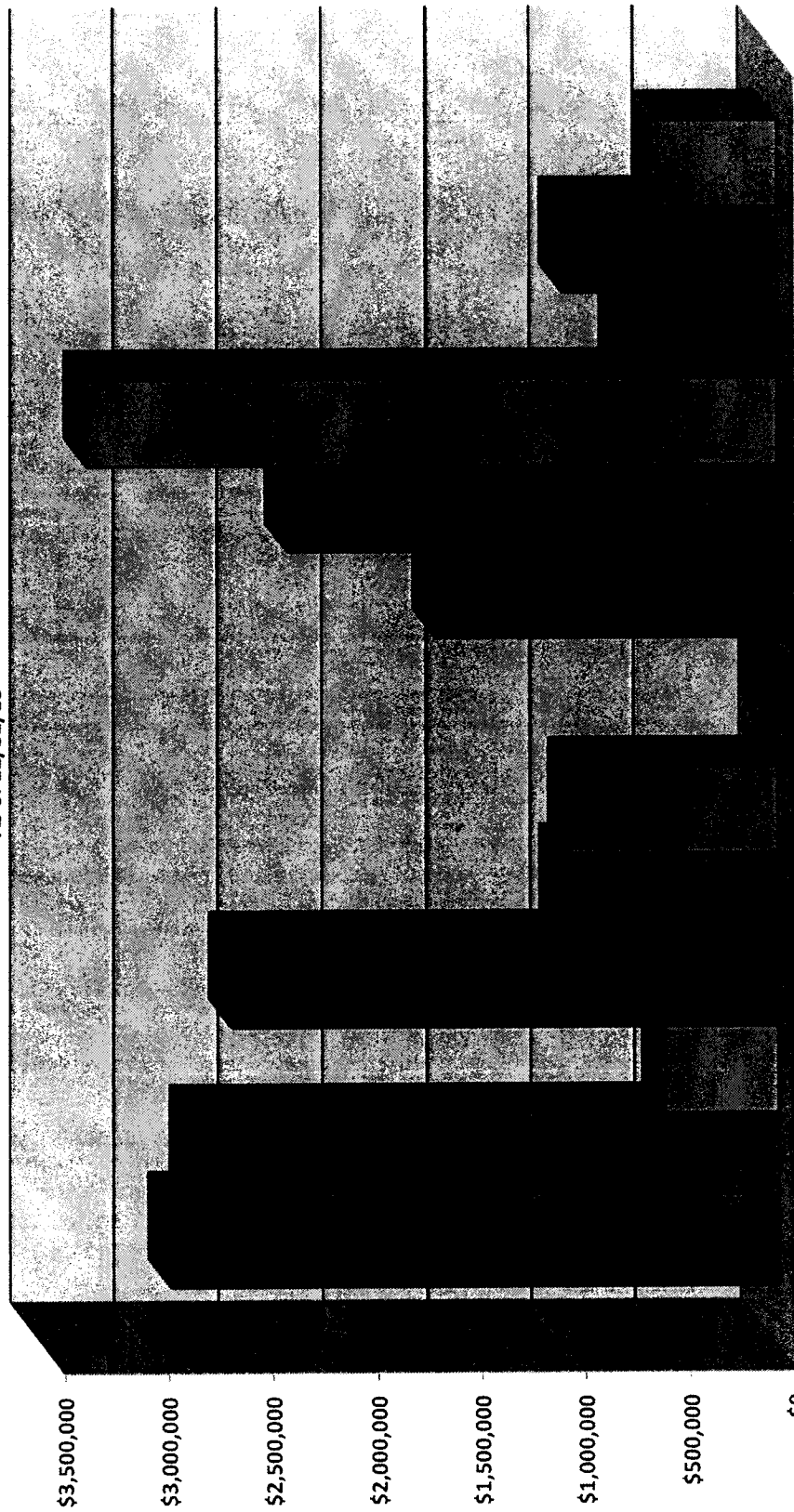
As of 12/31/15



Lexington Fayette Urban County Government  
 Average Incurred For Top Claims By Event Indicator 7/1/15-12/31/15  
 As of 12/31/15

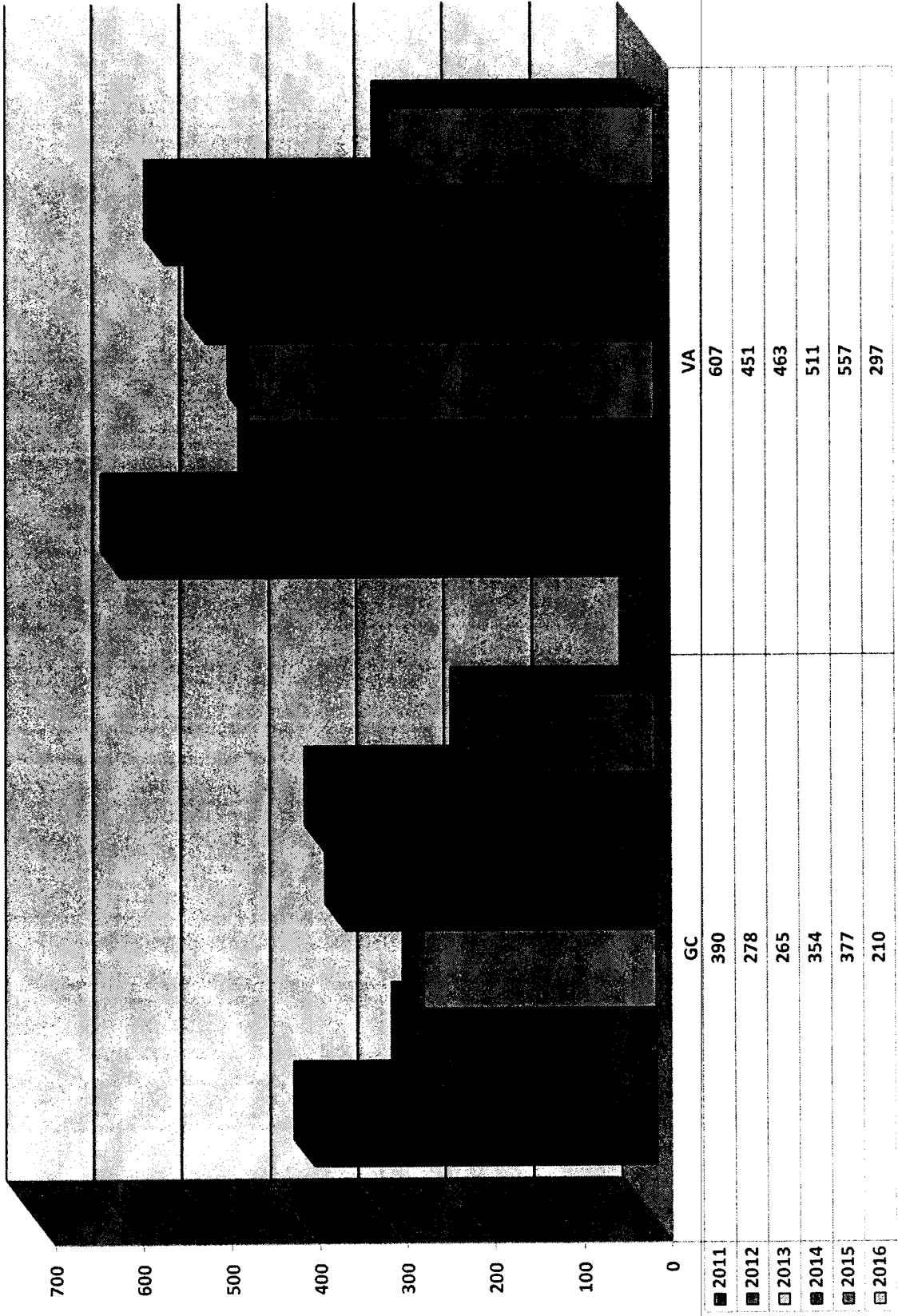


**Lexington Fayette Urban County Government**  
**Comparison of Total Incurred Line of Business By Severity Type 7/1/10-12/31/15**  
 As of 12/31/15

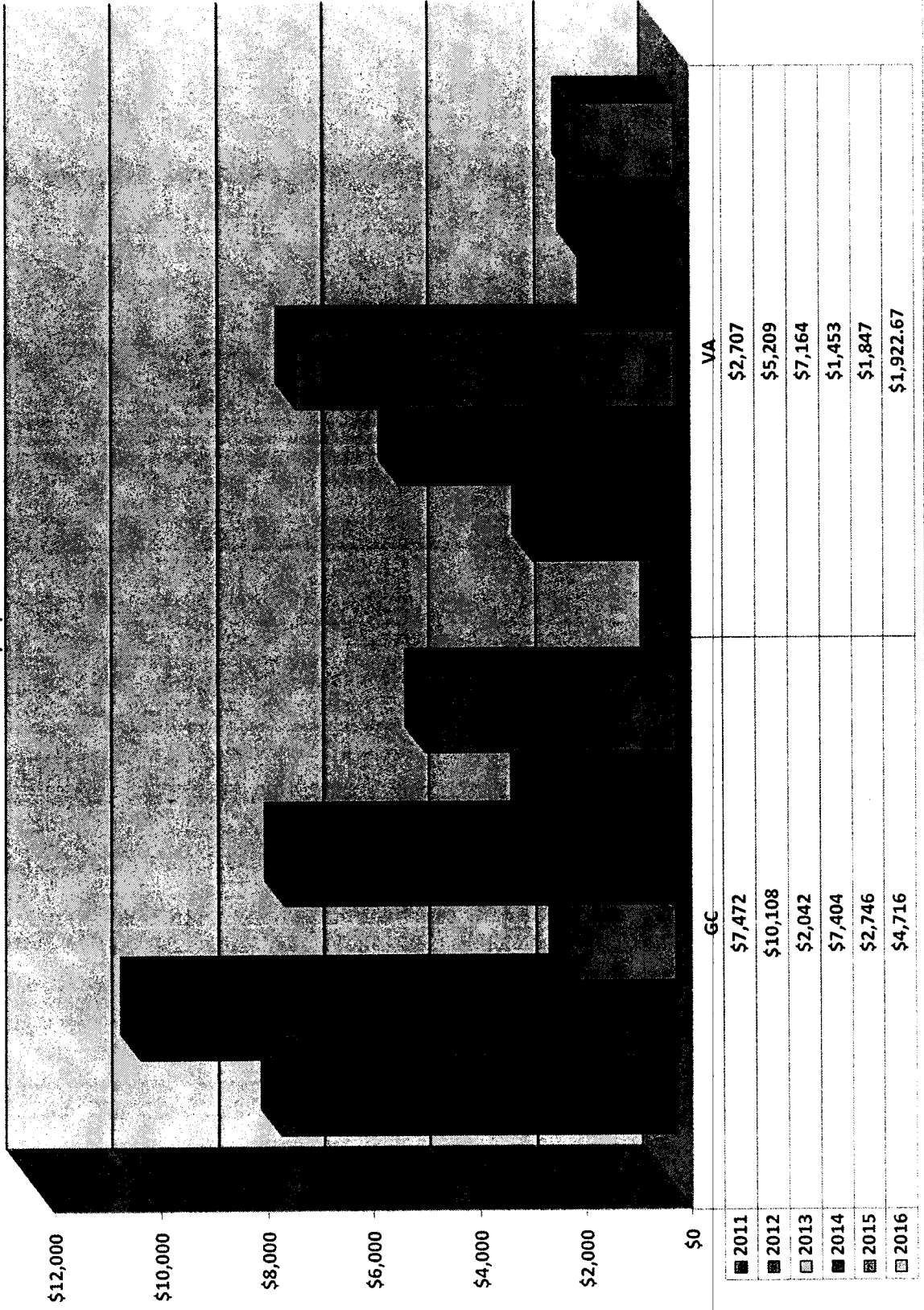


	GC	VA
■ 2011	\$2,914,135	\$1,643,042
■ 2012	\$2,810,068	\$2,349,053
■ 2013	\$541,067	\$3,316,717
■ 2014	\$2,621,176	\$742,241
■ 2015	\$1,035,151	\$1,029,000
■ 2016	\$990,408	\$571,032

**Lexington Fayette Urban County Government**  
**Comparison of Total Claims For Line of Business By Frequency Type 7/1/10-12/31/15**  
 As of 12/31/15



**Lexington Fayette Urban County Government**  
**Comparison of Average Incurred For Line of Business By Severity Type 7/1/10-12/31/15**  
 As of 12/31/15

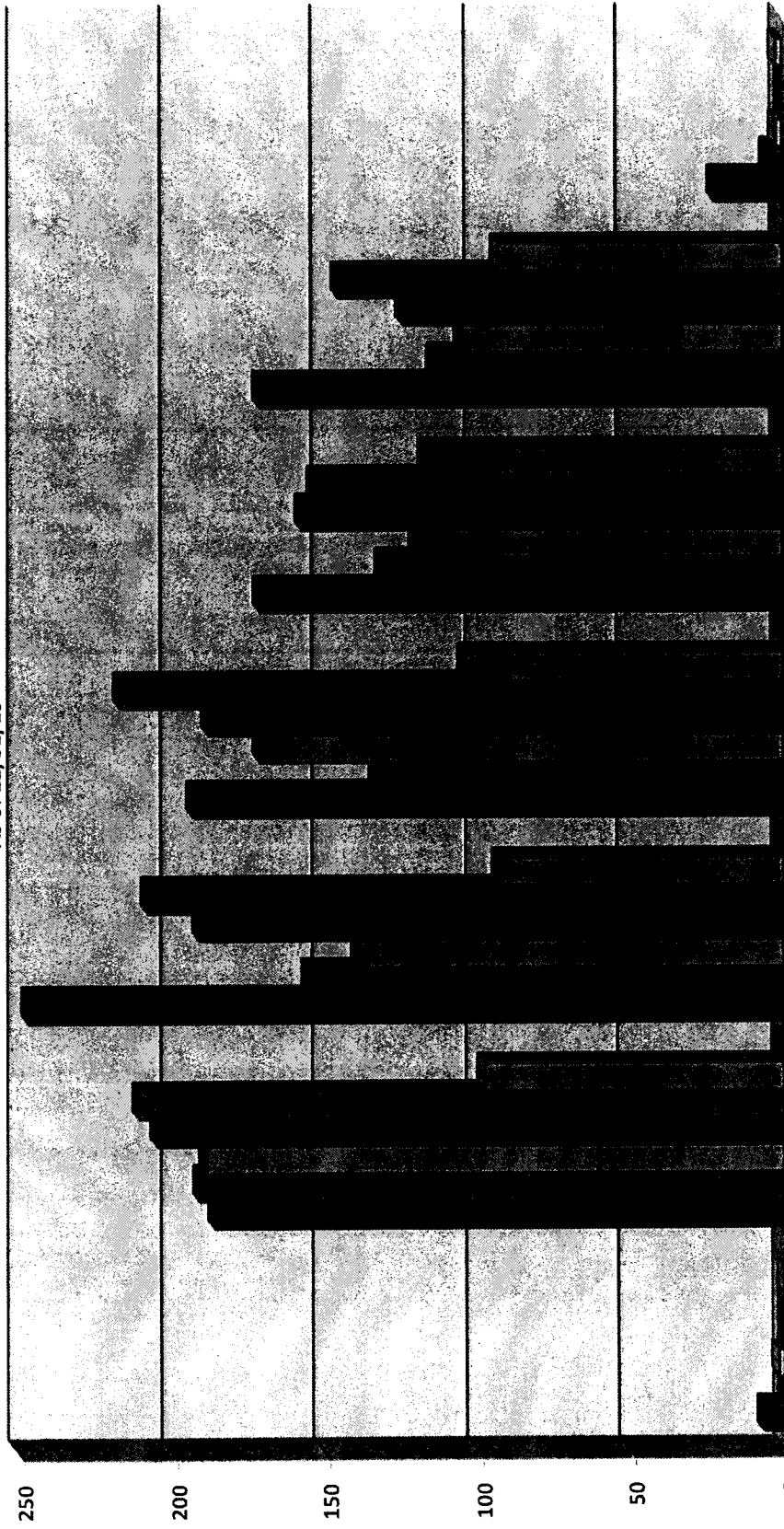


**Lexington Fayette Urban County Government**  
**Total Incurred Per Day of the Week 7/1/10-12/31/15**  
 As of 12/31/15

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
\$4,500,000							
\$4,000,000							
\$3,500,000							
\$3,000,000							
\$2,500,000							
\$2,000,000							
\$1,500,000							
\$1,000,000							
\$500,000							
\$0							
■ 2011	\$2,206	\$782,228	\$2,646,449	\$371,847	\$326,326	\$407,710	\$20,411
■ 2012	\$0	\$4,063,253	\$320,610	\$323,806	\$250,595	\$196,587	\$4,268
■ 2013	\$4,713	\$2,384,341	\$417,721	\$415,469	\$236,147	\$399,393	\$0
■ 2014	\$0	\$292,278	\$1,993,697	\$254,997	\$517,087	\$305,358	\$0
■ 2015	\$0	\$325,836	\$495,095	\$502,250	\$262,774	\$478,196	\$0
■ 2016	\$0	\$256,398	\$217,914	\$202,078	\$647,799	\$234,891	\$2,360

**Lexington Fayette Urban County Government  
Total Claims Per Day of the Week 7/1/10-12/31/15**

As of 12/31/15



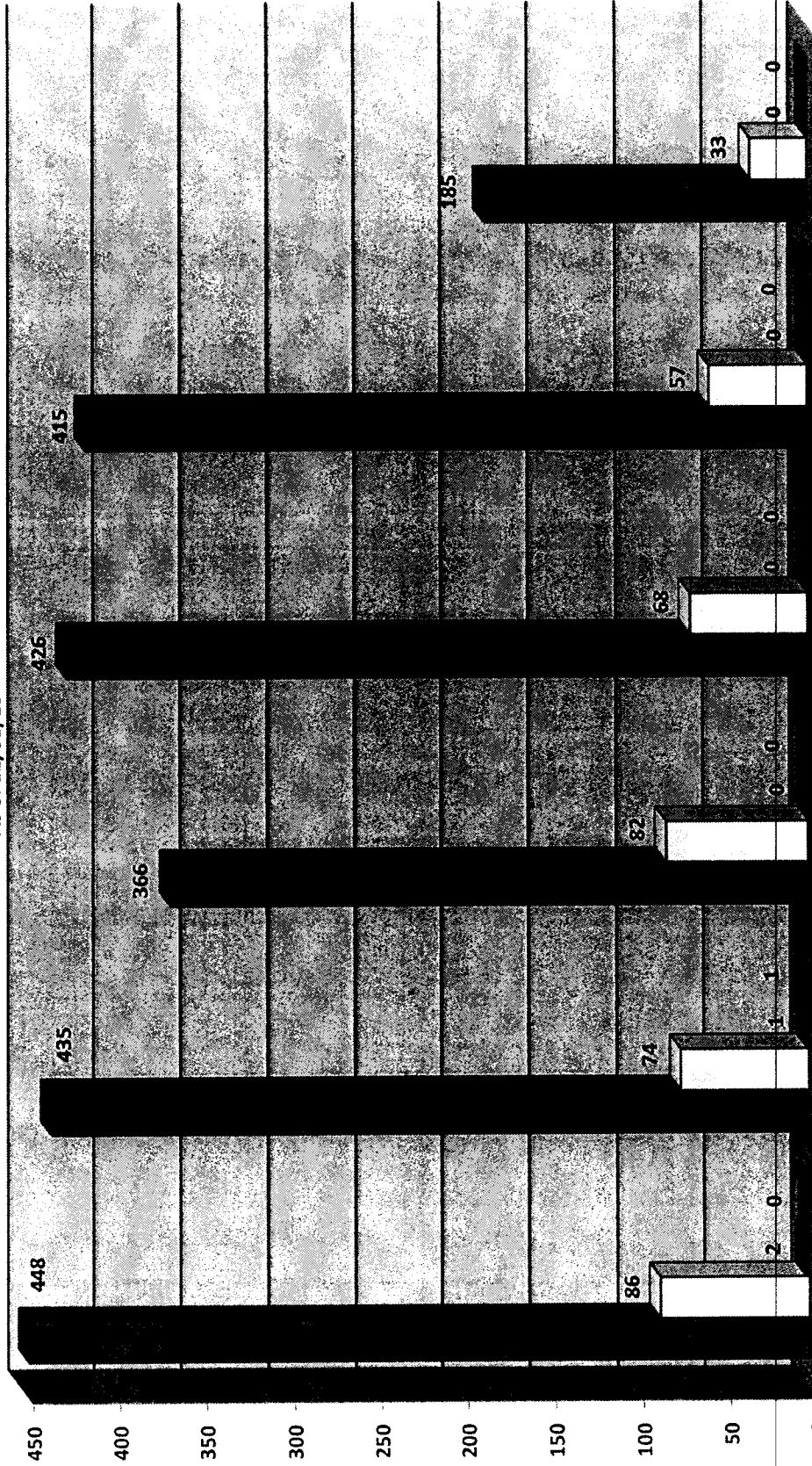
	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
2011	7	186	247	193	171	171	22
2012	0	191	155	133	131	114	5
2013	2	189	139	171	120	105	2
2014	0	205	191	188	157	124	0
2015	0	211	208	217	153	145	0
2016	0	98	93	104	117	93	2



# Lexington Fayette Urban County Government

## Total Claims

As of 12/31/15

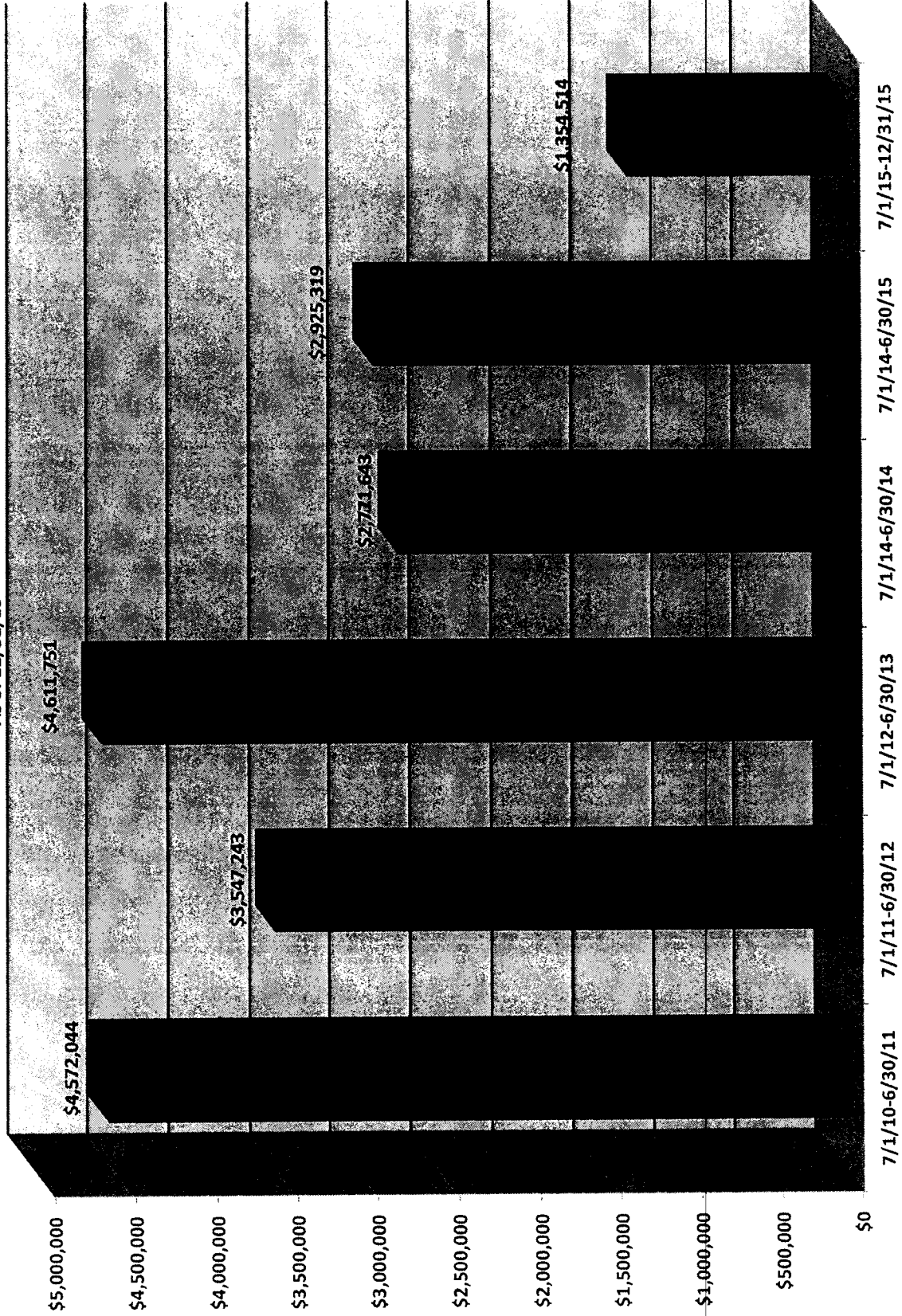


	7/1/10-6/30/11	7/1/11-6/30/12	7/1/12-6/30/13	7/1/14-6/30/14	7/1/14-6/30/15	7/1/15-12/31/15
MO	448	435	366	426	415	185
INLT	86	74	82	68	57	33
INC	2	1	0	0	0	0
DEATH	0	1	0	0	0	0

Lexington Fayette Urban County Government

Total Incurred

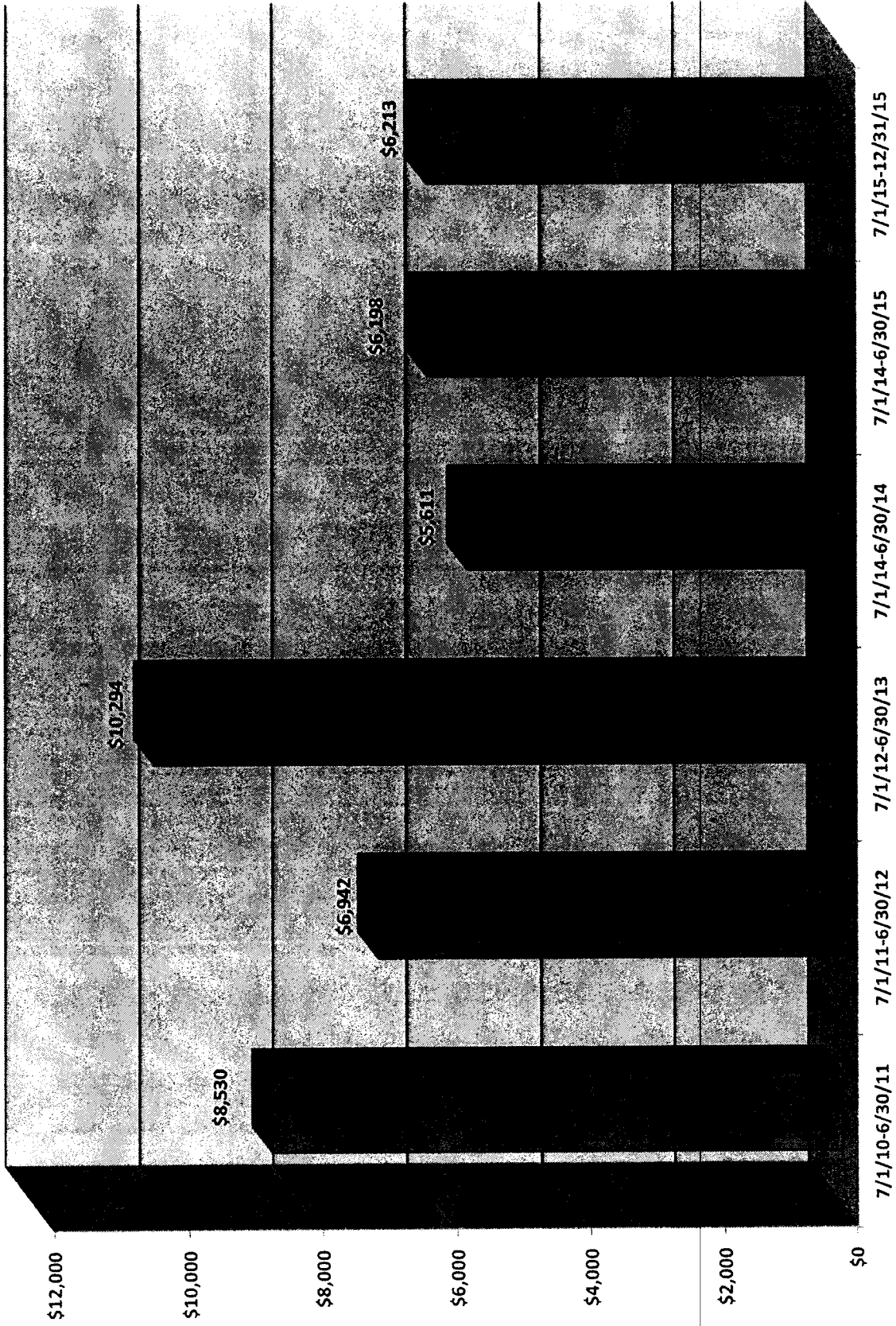
As of 12/31/15



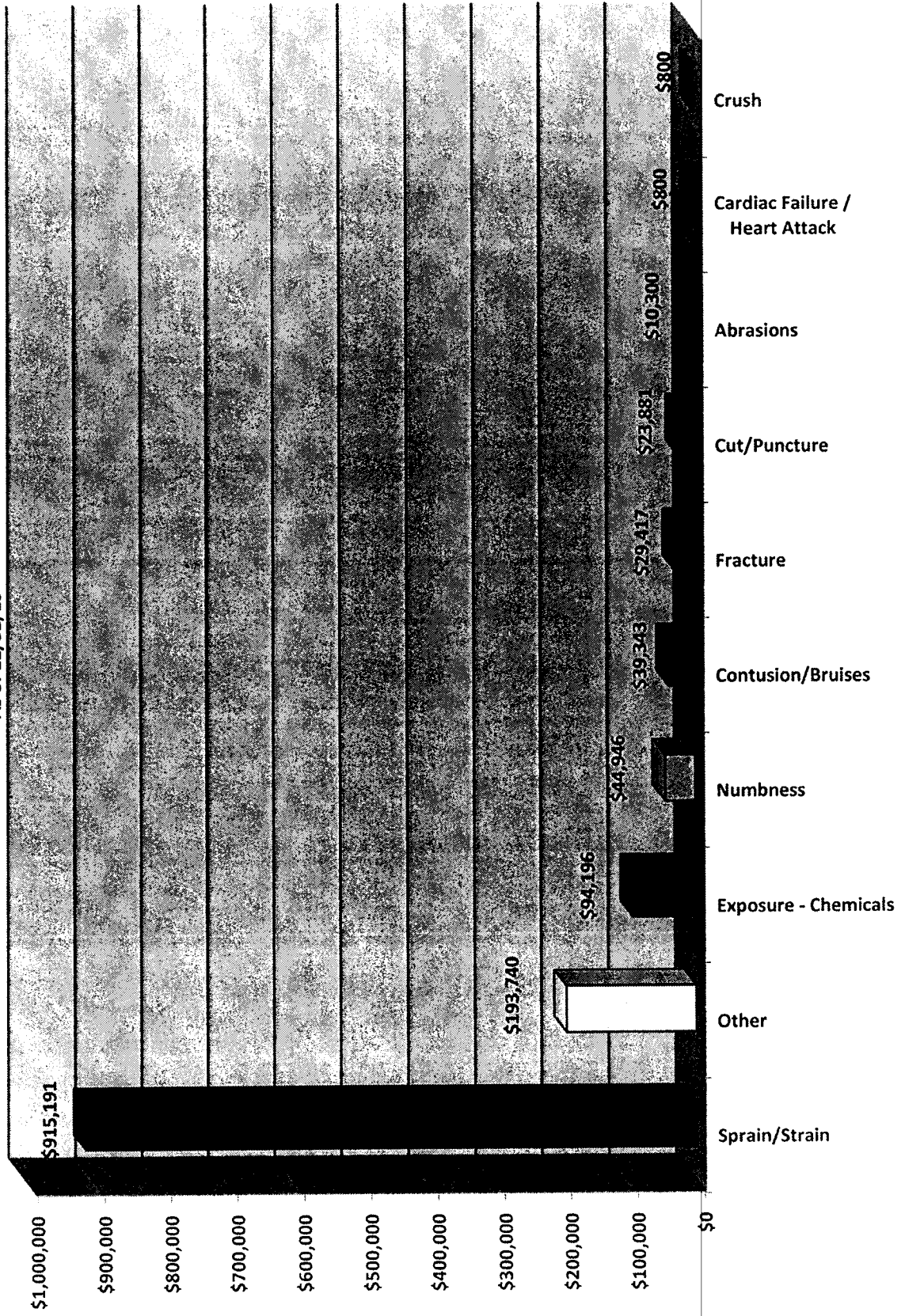
# Lexington Fayette Urban County Government

## Average Claim Cost

As of 12/31/15

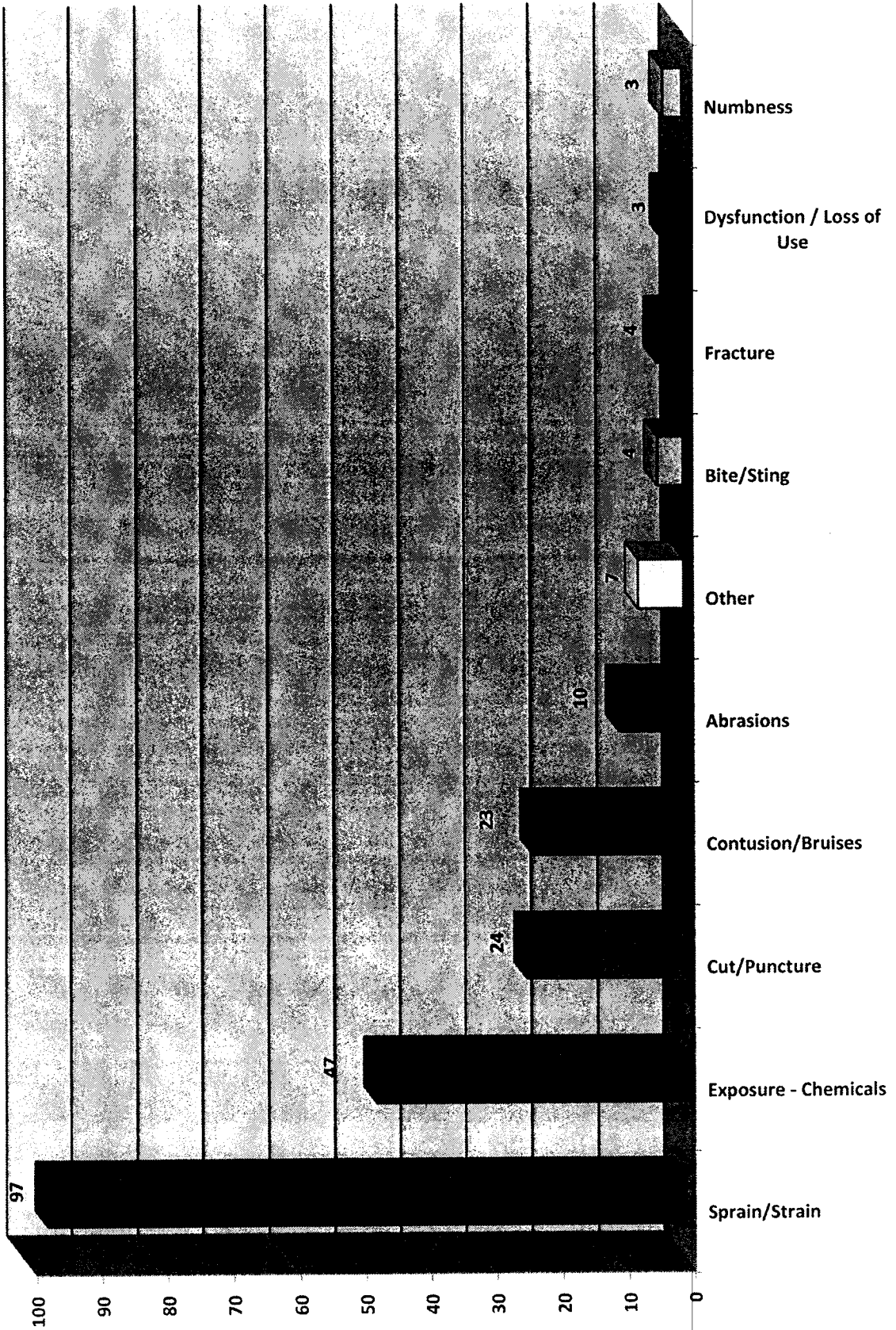


**Lexington Fayette Urban County Government**  
**Total Incurred Top Workers' Comp Claims by Severity Type 7/1/15-12/31/15**  
 As of 12/31/15

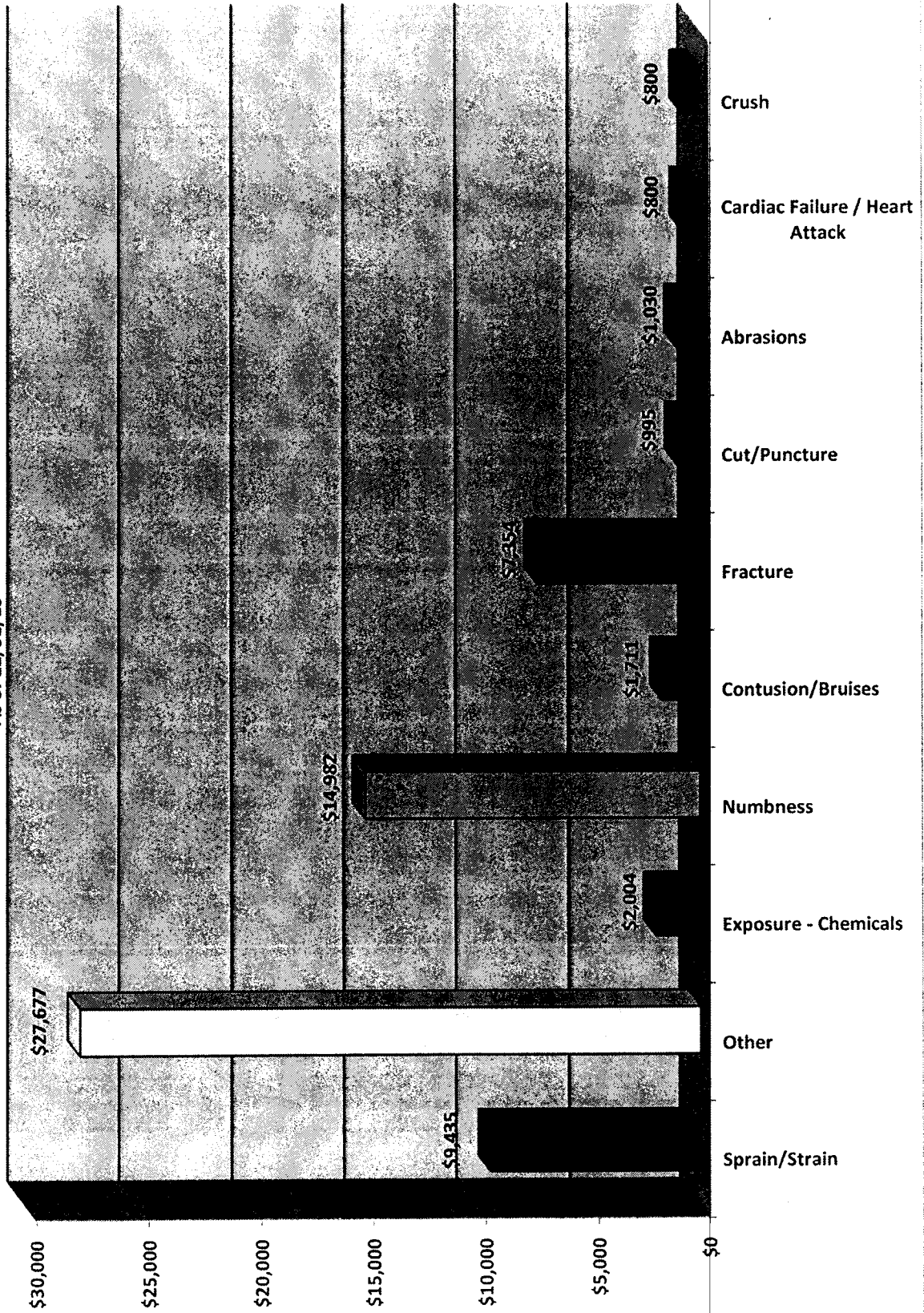


Lexington Fayette Urban County Government  
Top Workers' Comp Claims by Frequency Type 7/1/15-12/31/15

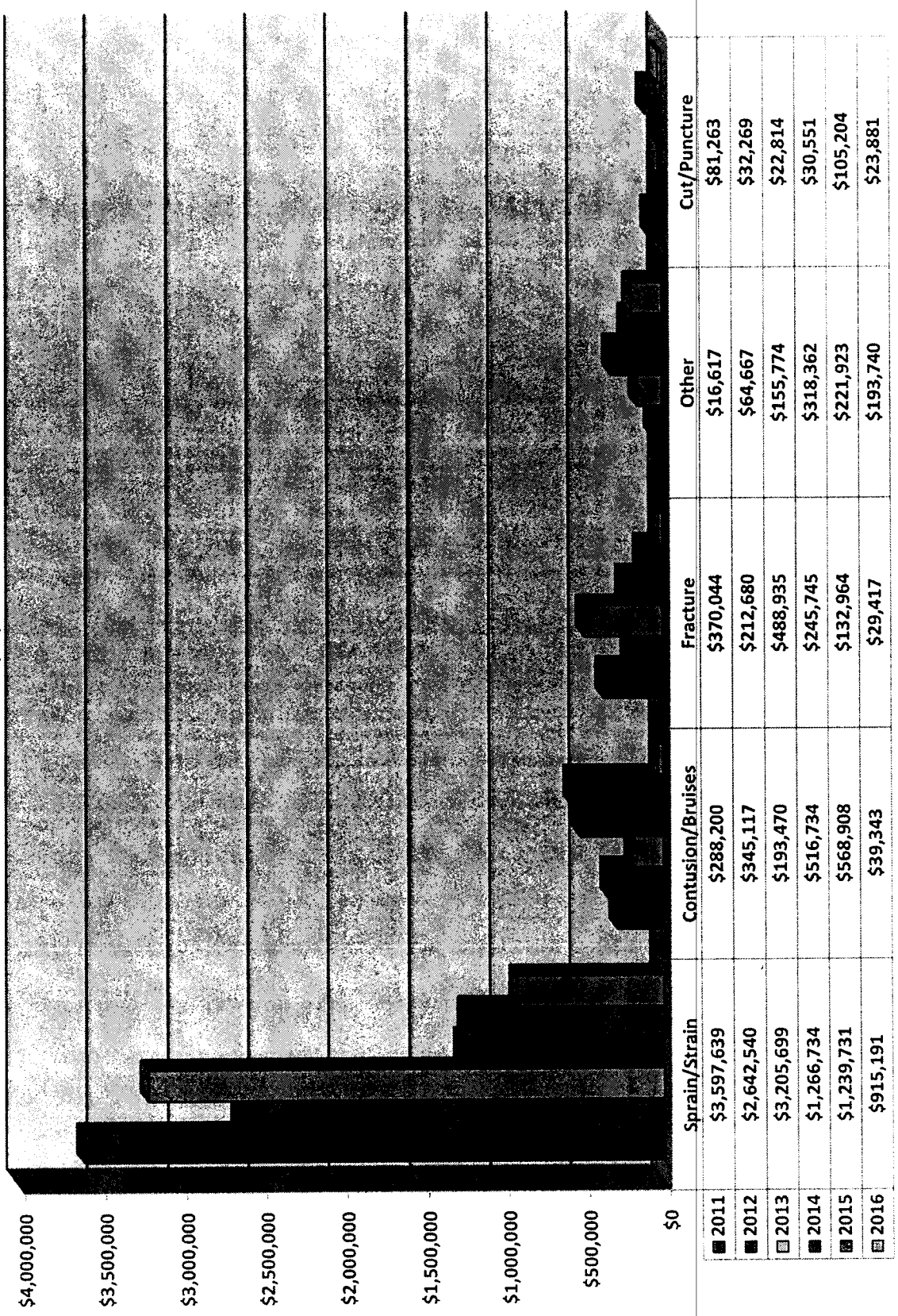
As of 12/31/15



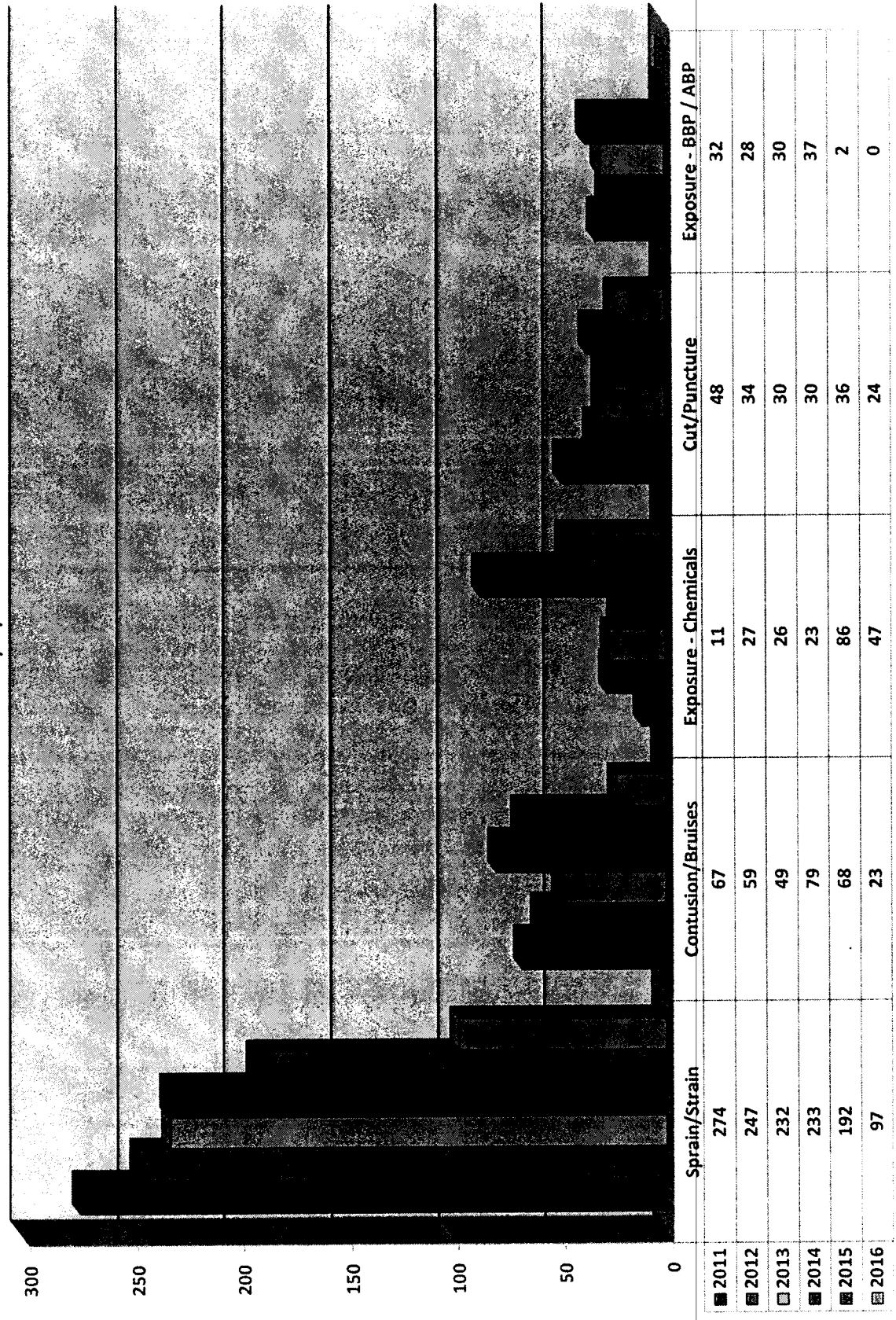
Lexington Fayette Urban County Government  
 Average Incurred For Top Workers' Comp Claims By Severity Type 7/1/15-12/31/15  
 As of 12/31/15



**Lexington Fayette Urban County Government**  
**Comparison of Total Incurred For Top 5 Injury Types By Severity Type 7/1/10-12/31/15**  
 As of 12/31/15

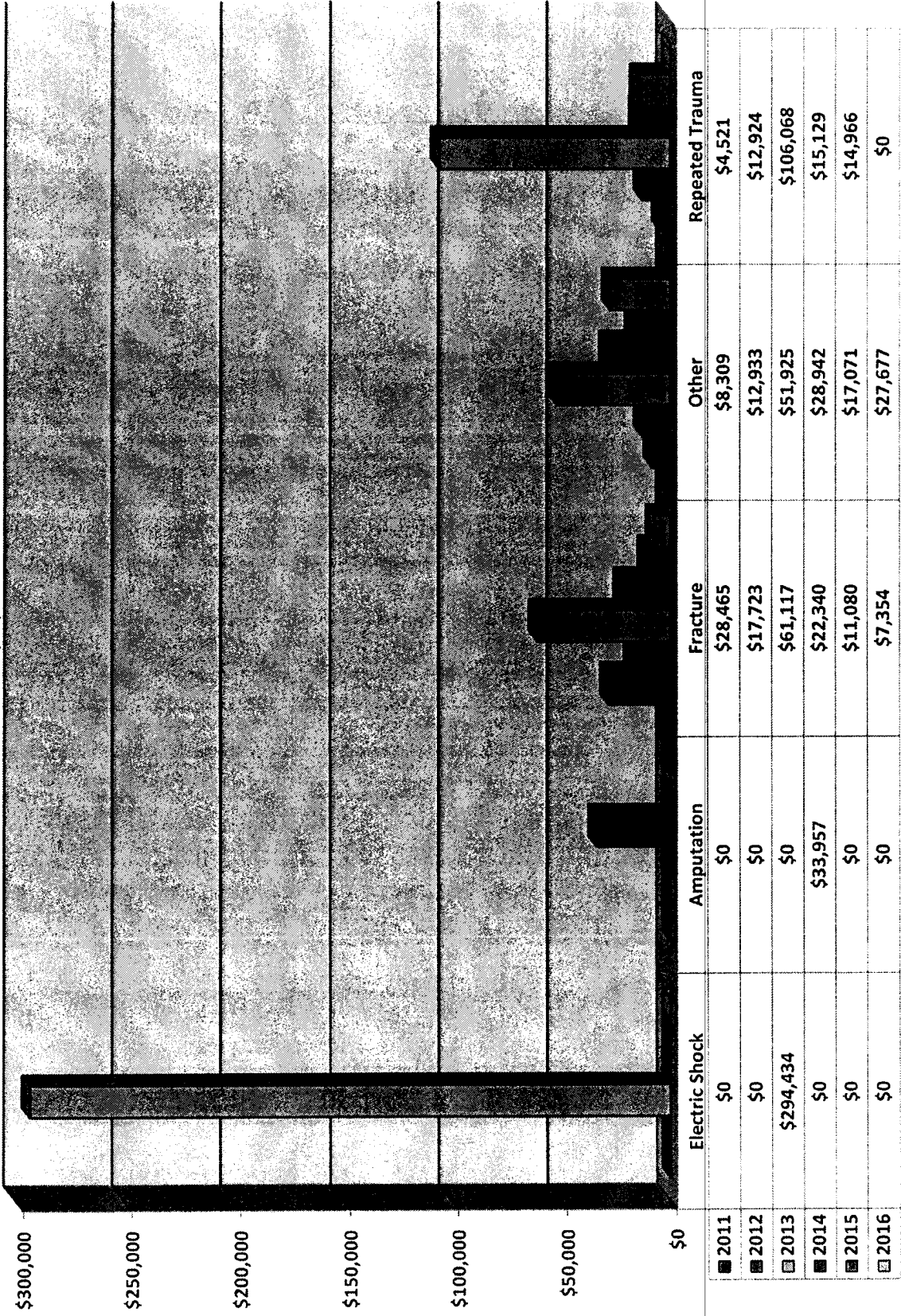


**Lexington Fayette Urban County Government**  
**Comparison of Total Claims For Top 5 Injury Types By Frequency Type 7/1/10-12/31/15**  
 As of 12/31/15



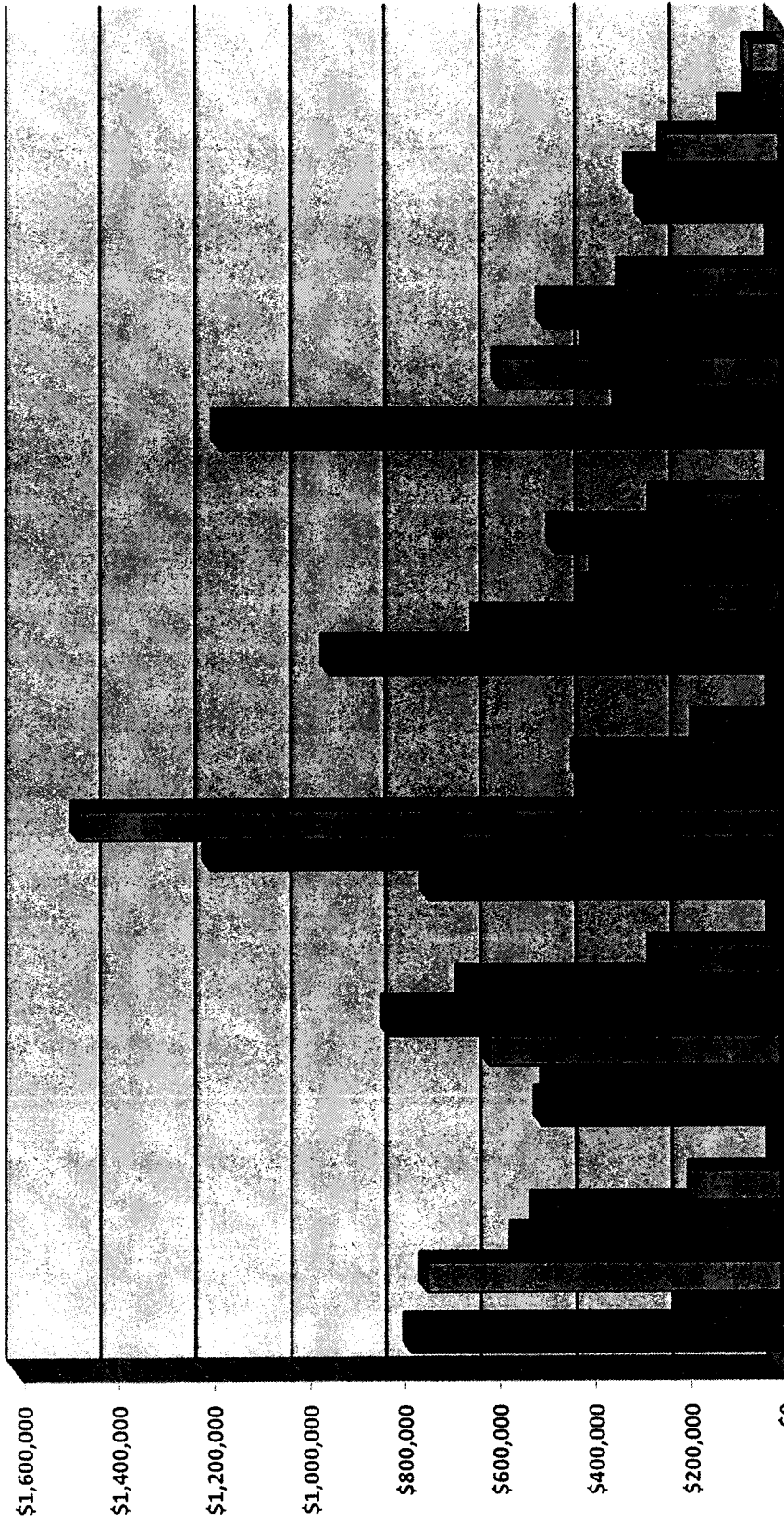


**Lexington Fayette Urban County Government**  
**Comparison of Average Incurred For Top 5 Injury Types By Severity Type 7/1/10-12/31/15**  
 As of 12/31/15



**Lexington Fayette Urban County Government**  
**Total Incurred Per Day of the Week 7/1/10-12/31/15**

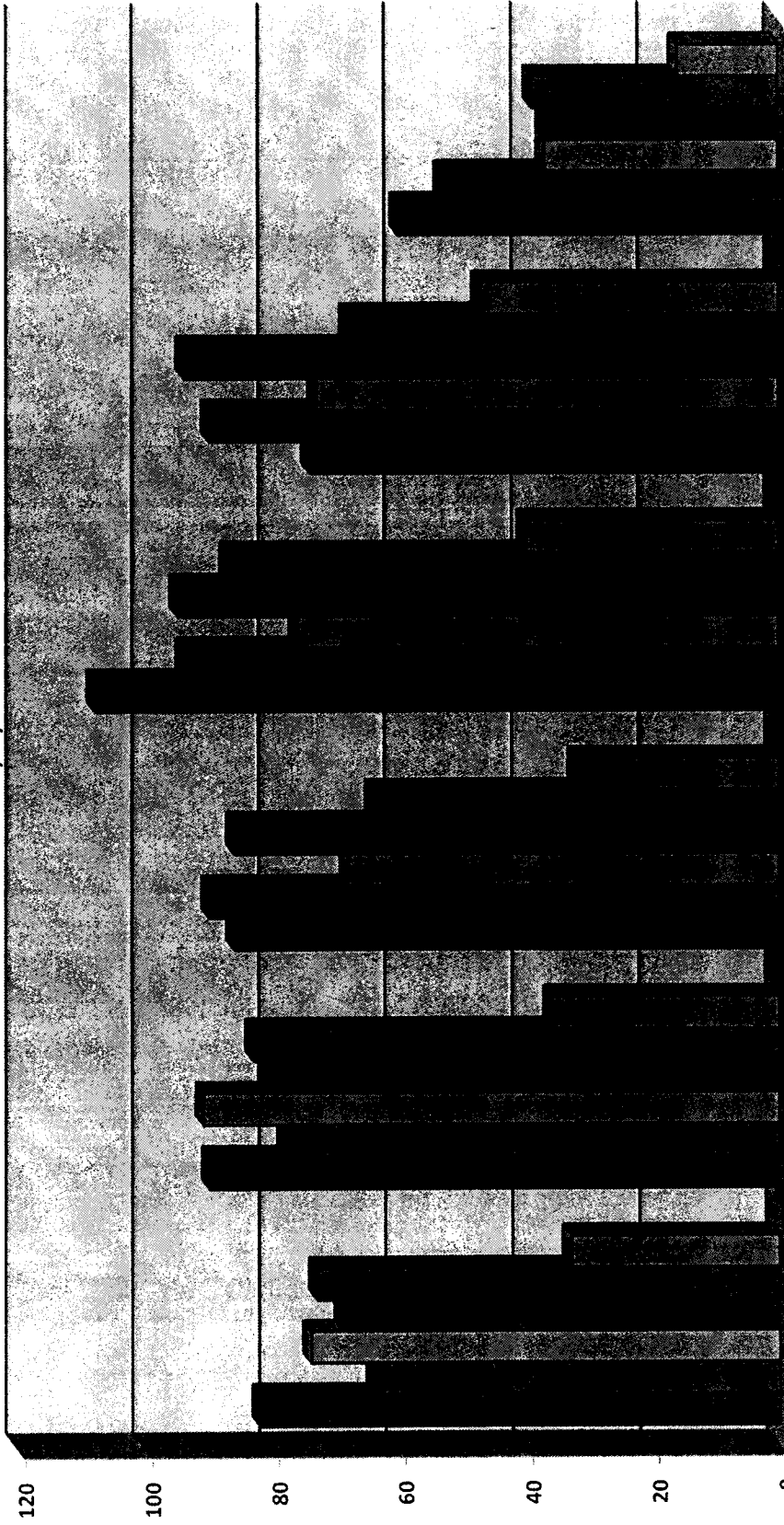
As of 12/31/15



	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday
■ 2011	\$775,892	\$501,031	\$738,629	\$947,940	\$1,176,272	\$284,873
■ 2012	\$206,071	\$486,970	\$1,195,774	\$631,009	\$332,620	\$309,542
■ 2013	\$741,609	\$610,673	\$1,473,411	\$407,196	\$586,009	\$237,601
■ 2014	\$552,484	\$823,445	\$409,753	\$381,583	\$399,190	\$112,811
■ 2015	\$509,958	\$665,186	\$420,839	\$471,313	\$492,945	\$57,271
■ 2016	\$178,947	\$262,323	\$170,927	\$259,410	\$324,980	\$58,288

**Lexington Fayette Urban County Government  
Total Claims Per Day of the Week 7/1/10-12/31/15**

As of 12/31/15



	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday
2011	82	90	86	108	74	60
2012	64	78	90	94	90	53
2013	74	91	68	76	73	37
2014	69	81	86	95	94	37
2015	73	83	64	87	68	39
2016	33	36	32	40	47	16

## Sample Claim Report - Claim Type Count Summary

Events Fiscal Year	Coverage Type	Events Fiscal Year	Claim Count	Open Claims	Paid Sum	Reserve Balance Sum	Collection Sum	Incurred
2014	AL	2014	137	6	243,048.00	152,360.65	870.00	394,538.65
2014	AP	2014	416	3	556,087.04	1,890.00	99,165.16	458,811.88
2014	GL	2014	100	5	202,165.43	86,982.51	0.00	289,147.94
2014	PD	2014	302	4	2,374,035.08	0.00	1,565,578.78	808,456.30
2014	WC	2014	501	24	2,056,633.56	390,801.50	1,970.73	2,445,464.33
2015	AL	2015	145	5	301,748.55	123,349.05	1,350.00	423,747.60
2015	AP	2015	410	3	552,644.12	0.00	119,142.99	433,501.13
2015	GL	2015	61	8	103,614.75	85,389.71	0.00	189,004.46
2015	PD	2015	370	8	1,264,026.32	32,708.68	108,099.66	1,188,635.34
2015	WC	2015	491	68	2,030,932.40	978,672.00	18,433.44	2,991,170.96
2016	AL	2016	118	35	197,781.32	125,862.00	1,370.40	322,272.92
2016	AP	2016	326	114	338,136.57	136,726.39	40,369.26	434,493.70
2016	GL	2016	42	9	59,242.62	102,167.97	0.00	161,410.59
2016	PD	2016	233	63	980,170.31	180,365.67	42,236.79	1,118,299.19
2016	WC	2016	304	146	673,108.99	1,088,319.32	0.00	1,761,428.31
<b>All Lines All Years:</b>			<b>3957</b>	<b>501</b>	<b>11,933,375.06</b>	<b>3,485,595.45</b>	<b>1,998,587.21</b>	<b>13,420,383.30</b>

**Sample Claim Report - Coverage Type Summary**

Coverage Type Code	Fiscal Year Events, Fiscal Year	Claim Type Code	Claim Count	Open Claims	Paid Sum	Reserve Balance Sum	Collection Sum	Incurred
AL	2014	ALBI	3	3	10,525.37	148,707.63	0.00	159,233.00
	2014	ALNF	1	0	1,163.91	0.00	0.00	1,163.91
	2014	ALPD	133	3	231,358.72	3,653.02	870.00	234,141.74
	2015	ALBI	8	2	27,719.34	97,890.50	0.00	125,609.84
	2015	ALNF	4	1	26,256.32	3,743.68	0.00	30,000.00
	2015	ALPD	133	2	247,772.89	21,714.87	1,350.00	268,137.76
	2016	ALBI	5	4	0.00	28,500.00	0.00	28,500.00
2016	ALPD	113	31	197,761.32	97,362.00	1,370.40	295,772.92	
AL	Sum:		400	46	742,577.87	401,571.70	3,590.40	1,140,659.17

Coverage Type Code	Fiscal Year Events, Fiscal Year	Claim Type Code	Claim Count	Open Claims	Paid Sum	Reserve Balance Sum	Collection Sum	Incurred
AP	2014	APPDCOLL	416	3	556,087.04	1,890.00	99,165.16	458,811.88
	2015	APPDCOLL	410	3	552,644.12	0.00	119,142.99	433,501.13
	2016	APPDCOLL	326	114	338,136.57	136,726.39	40,369.26	434,493.70
AP	Sum:		1152	120	1,446,867.73	138,616.39	258,677.41	1,326,806.71

Coverage Type Code	Fiscal Year Events, Fiscal Year	Claim Type Code	Claim Count	Open Claims	Paid Sum	Reserve Balance Sum	Collection Sum	Incurred
GL	2014	EBL	2	2	60,531.49	44,468.51	0.00	105,000.00
	2014	GL-BI	7	1	8,944.02	2,159.50	0.00	11,103.52
	2014	GLPD	89	0	120,544.42	0.00	0.00	120,544.42
	2014	GL-PI	2	2	12,145.50	40,354.50	0.00	52,500.00
	2015	GL-BI	11	3	25,090.95	28,565.42	0.00	53,656.37
	2015	GLPD	45	1	42,986.69	361.40	0.00	43,348.09
	2015	GL-PI	4	3	35,484.86	46,015.14	0.00	81,500.00
	2015	LAW ENF	1	1	52.25	10,447.75	0.00	10,500.00
	2016	GL-BI	2	1	70.00	5,000.00	0.00	5,070.00
	2016	GLPD	37	5	23,331.88	32,008.71	0.00	55,340.59
	2016	GL-PI	3	3	35,840.74	65,159.26	0.00	101,000.00
	GL	Sum:		203	22	385,022.80	274,540.19	0.00

Coverage Type Code	Fiscal Year Events, Fiscal Year	Claim Type Code	Claim Count	Open Claims	Paid Sum	Reserve Balance Sum	Collection Sum	Incurred
PD	2014	PROP	302	4	2,374,035.08	0.00	1,565,578.78	808,456.30
	2015	PROP	370	8	1,264,026.32	32,708.68	108,099.66	1,188,635.34
	2016	PROP	980,170,31	63	180,365.67	42,236.79	42,236.79	1,118,299.19
	PD	Sum:	905	75	4,618,231.71	213,074.35	1,715,915.23	3,115,390.83

Coverage Type Code	Fiscal Year Events, Fiscal Year	Claim Type Code	Claim Count	Open Claims	Paid Sum	Reserve Balance Sum	Collection Sum	Incurred
WC	2014	INLT	71	22	1,602,980.91	386,636.44	732.90	1,988,884.45
	2014	MO	430	2	453,652.65	4,165.06	1,237.83	456,579.88
	2015	INLT	63	29	1,470,492.87	943,211.63	2,793.17	2,410,911.33
	2015	MO	428	39	560,439.53	35,460.37	15,640.27	580,259.63
	2016	INLT	49	41	480,677.13	985,930.83	0.00	1,476,607.96
	2016	MO	255	105	182,431.86	102,368.49	0.00	284,820.35
WC	Sum:		1296	238	4,760,674.95	2,457,792.82	20,404.17	7,198,063.60
Sum:			3957	501	11,933,375.06	3,485,696.45	1,998,587.21	13,420,383.30

### Sample Claim Report - Coverage Summary

Fiscal Year - Events.Fiscal Year	Coverage Type Code	Claim Count	Open Claims	Paid Sum	Reserve Balance Sum	Collection Sum	Incurred	Average Cost per Claim
2014	AL	137	6	243,048.00	152,360.65	870.00	394,538.65	2879.844161
	AP	416	3	556,087.04	1,890.00	99,165.16	458,811.88	1102.913173
	GL	100	5	202,165.43	86,982.51	0.00	289,147.94	2891.4794
	PD	302	4	2,374,035.08	0.00	1,565,578.78	808,456.30	2677.007616
	WC	501	24	2,056,633.56	390,801.50	1,970.73	2,445,464.33	4881.166327
	<b>Sum:</b>		<b>1457</b>	<b>0</b>	<b>5,431,969.11</b>	<b>632,034.66</b>	<b>1,667,584.67</b>	<b>4,396,419.10</b>
2015	AL	145	5	301,748.55	123,349.05	1,350.00	423,747.60	2922.397241
	AP	410	3	552,644.12	0.00	119,142.99	433,501.13	1057.319829
	GL	61	8	103,614.75	85,389.71	0.00	189,004.46	3098.43377
	PD	370	8	1,264,026.32	32,708.68	108,099.66	1,188,635.34	3212.527946
	WC	491	68	2,030,932.40	978,672.00	18,433.44	2,991,170.96	6091.997882
	<b>Sum:</b>		<b>1477</b>	<b>92</b>	<b>4,252,966.14</b>	<b>1,220,119.44</b>	<b>247,026.09</b>	<b>5,226,059.49</b>
2016	AL	118	35	197,781.32	125,862.00	1,370.40	322,272.92	2731.126441
	AP	326	114	338,136.57	136,726.39	40,369.26	434,493.70	1332.802761
	GL	42	9	59,242.62	102,167.97	0.00	161,410.59	3843.109286
	PD	233	63	980,170.31	180,365.67	42,236.79	1,118,299.19	4799.567339
	WC	304	146	673,108.99	1,088,319.32	0.00	1,761,428.31	5794.172072
	<b>Sum:</b>		<b>1023</b>	<b>367</b>	<b>2,248,439.81</b>	<b>1,633,441.35</b>	<b>83,976.45</b>	<b>3,797,904.71</b>
<b>Sum:</b>		<b>3957</b>	<b>501</b>	<b>11,933,375.06</b>	<b>3,485,595.45</b>	<b>1,998,587.21</b>	<b>13,420,383.30</b>	<b>3391.555042</b>

### Sample Claim Report - Property Claims

Fiscal Year	Claim Number	Claim Type Code	Event Department	Department Name	Event Date	Paid Sum	Reserve Balance Sum	Collection Sum	Incurred Sum
2016	289919	PROP	Operations	Operations	7/1/2015	\$3,496.00	\$0.00	\$0.00	\$3,496.00
	289928	PROP	Bureau of Patrol	Bureau of Patrol	7/3/2015	\$80.00	\$0.00	\$0.00	\$80.00
	289988	PROP	Parks Maintenance Admin.	Parks Maintenance Admin.	7/14/2015	\$4,950.00	\$0.00	\$0.00	\$4,950.00
	289989	PROP	Property Maintenance Operating	Property Maintenance Operating	7/14/2015	\$10,167.28	\$0.00	\$0.00	\$10,167.28
	290362	PROP	Parks Maintenance Admin.	Parks Maintenance Admin.	9/23/2015	\$0.00	\$1,500.00	\$0.00	\$1,500.00
	290371	PROP	Fire & Emergency Management	Fire & Emergency Management	9/20/2015	\$700.00	\$0.00	\$0.00	\$700.00
	290376	PROP	Parks Maintenance Admin.	Parks Maintenance Admin.	9/20/2015	\$239.00	\$0.00	\$0.00	\$239.00
	290377	PROP	Parks Maintenance Admin.	Parks Maintenance Admin.	9/20/2015	\$0.00	\$0.00	\$0.00	\$0.00
	290378	PROP	Parks Maintenance Admin.	Parks Maintenance Admin.	9/19/2015	\$2,058.55	\$0.00	\$0.00	\$2,058.55
	290478	PROP	Operations	Operations	10/7/2015	\$3,753.80	\$0.00	\$0.00	\$3,753.80
	290480	PROP	Operations	Operations	10/9/2015	\$3,812.30	\$0.00	\$0.00	\$3,812.30
	290483	PROP	Street Maintenance	Street Maintenance	10/7/2015	\$2,880.00	\$0.00	\$0.00	\$2,880.00
	290486	PROP	Property Maintenance Operating	Property Maintenance Operating	9/28/2015	\$5,920.00	\$0.00	\$0.00	\$5,920.00
	290493	PROP	Operations	Operations	10/14/2015	\$525.00	\$0.00	\$0.00	\$525.00
	290497	PROP	Waste Management Administration	Waste Management Administration	10/16/2015	\$4,396.69	\$0.00	\$0.00	\$4,396.69
	290583	PROP	Property Maintenance Operating	Property Maintenance Operating	10/29/2015	\$13,089.20	\$0.00	\$0.00	\$13,089.20
	290849	PROP	Operations	Operations	12/30/2015	\$9,462.00	\$2,326.25	\$0.00	\$11,788.25
	290859	PROP	Fire & Emergency Management	Fire & Emergency Management	1/10/2016	\$0.00	\$1,500.00	\$0.00	\$1,500.00
	290875	PROP	Street Maintenance	Street Maintenance	1/6/2016	\$0.00	\$1,500.00	\$0.00	\$1,500.00
	290876	PROP	Street Maintenance	Street Maintenance	11/30/2015	\$1,450.00	\$50.00	\$0.00	\$1,500.00
	290887	PROP	Street Maintenance	Street Maintenance	11/17/2015	\$0.00	\$1,500.00	\$0.00	\$1,500.00
	290889	PROP	Fire & Emergency Management	Fire & Emergency Management	1/11/2016	\$0.00	\$1,500.00	\$0.00	\$1,500.00
2016	22				Sum:	\$66,979.82	\$9,876.25	\$0.00	\$76,856.07

Payment History (General Claims [Sample Claimant])

Control #	Check #	Trans Date	Type	Clr?	Void?	Status	Payee	Check Amount	From Date	To Date	Invoice #	Transaction Type	CheckDate
431302	110457	1/19/2016	Payment	No	No	Printed	Attorney Firm PLLC	\$825.00	11/4/2015	11/30/2015	22415	Bi - Legal	1/25/2016
430201	109492	12/15/2015	Payment	No	No	Printed	Attorney Firm PLLC	\$1,094.30	10/1/2015	12/7/2015	15572	Bi - Legal	12/21/2015
426896	106740	8/17/2015	Payment	No	No	Printed	Attorney Firm PLLC	\$2,445.00	7/1/2015	7/29/2015	22132	Bi - Legal	8/17/2015
425849	105831	7/13/2015	Payment	No	No	Printed	Attorney Firm PLLC	\$30.00	6/29/2015	6/29/2015	22072	Bi - Legal	7/13/2015
425386	105443	7/2/2015	Payment	No	No	Printed	Attorney Firm PLLC	\$3,885.01	5/4/2015	6/1/2015	14772	Bi - Legal	7/6/2015
424803	104907	6/9/2015	Payment	No	No	Printed	Attorney Firm PLLC	\$795.00	5/5/2015	5/21/2015	21979	Bi - Legal	6/9/2015
424775	104885	6/5/2015	Payment	No	No	Printed	Attorney Firm PLLC	\$59.72	4/1/2015	5/1/2015	14524	Bi - Legal	6/9/2015
423788	103986	5/7/2015	Payment	No	No	Printed	Attorney Firm PLLC	\$90.00	3/16/2015	3/30/2015	21835	Bi - Legal	5/11/2015
423792	103990	5/7/2015	Payment	No	No	Printed	Attorney Firm PLLC	\$30.00	4/13/2015	4/13/2015	21912	Bi - Legal	5/11/2015
423460	103724	4/21/2015	Payment	No	No	Printed	Attorney Firm PLLC	\$176.40	3/6/2015	4/1/2015	14331	Bi - Legal	4/27/2015
423254	103538	4/13/2015	Payment	No	No	Printed	Attorney Firm PLLC	\$2,268.00	2/2/2015	3/1/2015	14151	Bi - Legal	4/13/2015
422426	102825	3/12/2015	Payment	No	No	Printed	Attorney Firm PLLC	\$1,465.00	2/1/2015	2/5/2015	21784	Bi - Legal	3/16/2015
422346	102753	3/10/2015	Payment	No	No	Printed	Attorney Firm PLLC	\$32,500.08	12/1/2014	2/1/2015	13934	Bi - Legal	3/16/2015
421589	102108	2/6/2015	Payment	No	No	Printed	Attorney Firm PLLC	\$1,142.20	1/5/2015	1/30/2015	21735	Bi - Legal	2/9/2015
420752	101344	1/12/2015	Payment	No	No	Printed	Attorney Firm PLLC	\$4,050.00	12/1/2014	12/30/2014	21643	Bi - Legal	1/12/2015
420507	101150	12/23/2014	Payment	No	No	Printed	Attorney Firm PLLC	\$31,808.49	9/2/2014	12/1/2014	13618	Bi - Legal	12/29/2014
420046	100707	12/11/2014	Payment	No	No	Printed	Attorney Firm PLLC	\$912.00	11/3/2014	11/18/2014	21614	Bi - Legal	12/15/2014
419171	99925	11/13/2014	Payment	No	No	Printed	Attorney Firm PLLC	\$3,240.00	10/3/2014	10/29/2014	21530	Bi - Legal	11/17/2014
418953	99734	11/3/2014	Payment	No	No	Printed	Attorney Firm PLLC	\$4,300.00	10/4/2014	10/9/2014	10314McKi	Expert	11/10/2014
418573	99372	10/21/2014	Payment	No	No	Printed	Attorney Firm PLLC	\$4,587.13	10/13/2014	10/16/2014	01-102401	Bi - Legal	10/27/2014
418323	99148	10/15/2014	Payment	No	No	Printed	Attorney Firm PLLC	\$1,515.00	9/3/2014	9/29/2014	21414	Bi - Legal	10/20/2014
418055	98914	10/3/2014	Payment	No	No	Printed	Attorney Firm PLLC	\$26,554.66	7/1/2014	9/1/2014	13144	Bi - Legal	10/6/2014
417549	98476	9/15/2014	Payment	No	No	Printed	Attorney Firm PLLC	\$2,079.00	8/1/2014	8/15/2014	21345	Bi - Legal	9/15/2014
417149	98124	8/29/2014	Payment	No	No	Printed	Attorney Firm PLLC	\$1,225.00	6/9/2014	6/9/2014	82914McKi	Expert	9/2/2014
416910	97922	8/22/2014	Payment	No	No	Printed	Attorney Firm PLLC	\$53,791.01	5/1/2014	7/1/2014	12795	Bi - Legal	8/26/2014
416748	97779	8/13/2014	Payment	No	No	Printed	Attorney Firm PLLC	\$420.00	6/19/2014	6/19/2014	1914McKin	Bi - Legal	8/18/2014
416610	97650	8/11/2014	Payment	No	No	Printed	Attorney Firm PLLC	\$4,650.00	12/23/2013	7/8/2014	348814	Expert	8/18/2014

Total Payments: \$555,683.15 Total Collections: \$0.00 Net Total: \$555,683.15 Total Voids: \$0.00



Payment History (General Claims [Sample Claimant])

Control #	Check #	Trans Date	Type	Clr?	Void?	Status	Payee	Check Amount	From Date	To Date	Invoice #	Transaction Type	CheckDate
431440	110555	1/25/2016	Payment	No	No	Printed	Law Firm PLLC	\$1,050.00	12/21/2015	12/29/2015	122RR	Bi - Legal	1/25/2016
430197	109488	12/15/2015	Payment	No	No	Printed	Law Firm PLLC	\$2,686.00	11/4/2015	11/9/2015	108RR	Bi - Legal	12/21/2015
429822	109167	11/25/2015	Payment	No	No	Printed	Law Firm PLLC	\$698.00	10/6/2015	10/29/2015	102	Bi - Legal	11/30/2015
427921	107561	9/24/2015	Payment	No	No	Printed	Law Firm PLLC	\$907.50	8/7/2015	8/25/2015	0076RR	Bi - Legal	9/28/2015
426978	106802	8/19/2015	Payment	No	No	Printed	Law Firm PLLC	\$808.50	7/15/2015	7/20/2015	0068RR	Bi - Legal	8/24/2015
426106	106027	7/23/2015	Payment	No	No	Printed	Law Firm PLLC	\$99.00	6/12/2015	6/24/2015	0058RR	Bi - Legal	7/28/2015
425327	105385	7/2/2015	Payment	No	No	Printed	Law Firm PLLC	\$132.00	5/29/2015	5/29/2015	0045RR	Bi - Legal	7/6/2015
424449	104597	5/22/2015	Payment	No	No	Printed	Law Firm PLLC	\$294.00	4/14/2015	4/17/2015	33	Bi - Legal	5/26/2015
423249	103533	4/13/2015	Payment	No	No	Printed	Law Firm PLLC	\$680.30	3/4/2015	3/26/2015	0015RR	Bi - Legal	4/13/2015
422530	102915	3/16/2015	Payment	No	No	Printed	Law Firm PLLC	\$1,289.50	2/2/2015	2/20/2015	4Gunn	Bi - Legal	3/16/2015
421598	102116	2/6/2015	Payment	No	No	Printed	Law Firm PLLC	\$2,275.70	1/27/2015	1/30/2015	44730	Bi - Legal	2/9/2015

Total Payments: \$10,920.50 Total Collections: \$0.00 Net Total: \$10,920.50 Total Voids: \$0.00

Claim	Legal Fees	
	Total	Quarter 10/1/15 - 12/31/15
Sample Claimant	\$ 557,706	\$ 52,195
Sample Claimant	\$ 20,118	\$ 390
Sample Claimant	\$ 40,695	\$ 4,888
Sample Claimant	\$ 16,229	\$ 8,253
Sample Claimant	\$ 7,875	\$ 248
Sample Claimant	\$ 2,610	\$ 1,305
Sample Claimant	\$ 58,127	\$ 150
Sample Claimant	\$ 2,385	\$ 75

## Sample Claim Type Report

Event	Claim Type	3 Year Count	Annual Avg.
General Liability	Bodily Injury/Personal Injury	126	42
	Property Damage	499	167
	<b>Total</b>	<b>625</b>	<b>209</b>
	Employee Benefits Liability	2	0.7
	GL-Bodily Injury	107	35.7
	GL - Personal Injury	13	4.3
	Professional Liability	4	1.3
		<b>126</b>	<b>42.0</b>
		Property Loss	954
GC	Sum:	1601	533.7

Claim LOB Code	Claim Type Desc	Count	Average
	Auto Liability Uninsured Motorist	1	0.3
VA	Auto Liability Bodily Injury	23	7.7
	Auto Liability No Fault	17	5.7
Auto Liability	Bodily Injury	41	14
	Property Damage	466	156
	<b>Total</b>	<b>507</b>	<b>170</b>
	Auto Liability/Property Damage	444	148.0
	Auto Liability - Property Damage	22	7.3
	Property Damage	<b>466</b>	<b>155.3</b>
	Auto Physical Damage Collision	1107	369.0
	Auto Physical Damage Comprehensive	58	19.3
VA	Sum:	1650	550.0

Claim LOB Code	Claim Type Desc	Count	Average
WC	Indemnity Lost Time	221	74
	Medical Only	1248	416
	<b>Total</b>	<b>1469</b>	<b>490</b>

## Sample Claim Type Report

Claim LOB Code	Claim Type Desc	Count	Average
GC	Auto Liability - Property Damage	22	7.3
	Employee Benefits Liability	2	0.7
	GL-Bodily Injury	107	35.7
	GL - Personal Injury	13	4.3
	GL-Property Damage	499	166.3
	Professional Liability	4	1.3
	Property Loss	954	318.0
GC	Sum:	1601	533.7

Claim LOB Code	Claim Type Desc	Count	Average
VA	Auto Liability Bodily Injury	23	7.7
	Auto Liability No Fault	17	5.7
	Auto Liability/Property Damage	444	148.0
	Auto Liability Uninsured Motorist	1	0.3
	Auto Physical Damage Collision	1107	369.0
	Auto Physical Damage Compreh	58	19.3
VA	Sum:	1650	550.0

Claim LOB Code	Claim Type Desc	Count	Average
WC	Indemnity Lost Time	221	73.7
	Medical Only	1248	416.0
WC	Sum:	1469	489.7

## Sample Claim Report: By Coverage Type

Sum of Total Incurred		Coverage						
Fiscal Year	AL	AP	GL	PF	WC		(blank)	Grand Total
1982	\$54,342	\$15,149	\$30,140	\$8,188	\$330,956			\$438,775
1983	\$69,509	\$47,848	\$120,614	\$27,429	\$326,048			\$591,448
1984	\$125,450	\$47,236	\$258,043	\$42,593	\$802,007			\$1,275,329
1985	\$79,622	\$60,480	\$106,950	\$33,086	\$1,296,966			\$1,577,105
1986	\$201,165	\$47,320	\$166,118	\$58,507	\$772,595			\$1,245,705
1987	\$94,967	\$66,224	\$251,431	\$118,519	\$1,261,749			\$1,792,889
1988	\$134,772	\$119,112	\$74,314	\$66,471	\$751,247			\$1,145,917
1989	\$139,793	\$102,178	\$61,765	\$69,360	\$1,396,292			\$1,769,388
1990	\$188,132	\$191,389	\$407,170	\$199,147	\$1,183,169			\$2,169,006
1991	\$222,800	\$136,476	\$195,072	\$197,907	\$1,138,272			\$1,890,526
1992	\$623,446	\$278,930	\$194,995	\$462,780	\$2,437,096			\$3,997,247
1993	\$316,409	\$179,911	\$590,048	\$452,296	\$1,637,516			\$3,176,181
1994	\$340,848	\$277,978	\$1,268,607	\$237,242	\$3,931,596			\$6,056,271
1995	\$164,946	\$205,516	\$1,496,190	\$157,313	\$1,166,830			\$3,190,794
1996	\$182,468	\$285,553	\$306,628	\$179,597	\$2,031,933			\$2,986,180
1997	\$297,124	\$150,799	\$982,553	\$135,595	\$1,897,536			\$3,463,608
1998	\$265,910	\$267,464	\$1,089,227	\$242,626	\$2,138,909			\$4,004,137
1999	\$500,504	\$253,835	\$5,267,044	\$194,601	\$2,054,310			\$8,270,293
2000	\$376,814	\$202,789	\$1,662,284	\$501,546	\$2,663,912			\$5,407,346
2001	\$141,790	\$213,310	\$1,017,680	\$316,897	\$2,986,472			\$4,676,150
2002	\$812,924	\$235,520	\$851,349	\$404,563	\$2,134,177			\$4,438,533
2003	\$298,325	\$270,832	\$1,425,137	\$348,860	\$4,839,861		\$0	\$7,183,017
2004	\$1,985,775	\$309,964	\$1,276,575	\$498,662	\$3,797,696			\$7,868,672
2005	\$1,296,901	\$239,974	\$264,962	\$278,717	\$3,445,233			\$5,525,788
2006	\$768,139	\$237,316	\$2,679,578	\$365,757	\$3,897,892			\$7,948,682
2007	\$1,942,637	\$335,026	\$2,975,558	\$686,184	\$2,444,044			\$8,383,450
2008	\$235,954	\$393,298	\$1,092,382	\$453,697	\$2,983,918			\$5,159,249
2009	\$487,324	\$322,631	\$1,187,188	\$512,060	\$4,971,318			\$7,480,521
2010	\$1,054,597	\$454,565	\$1,595,147	\$297,611	\$4,630,941			\$8,032,861
2011	\$962,657	\$509,605	\$729,203	\$431,626	\$4,175,277			\$6,808,368
2012	\$1,706,980	\$410,731	\$1,642,311	\$486,116	\$3,455,017			\$7,701,155
2013	\$2,404,037	\$617,105	\$319,625	\$482,790	\$4,829,249			\$8,652,805
2014	\$351,627	\$459,541	\$295,827	\$808,259	\$2,458,403			\$4,373,658
2015	\$403,473	\$535,388	\$114,633	\$1,105,795	\$2,203,388			\$4,362,677
<b>Grand Total</b>	<b>\$19,232,165</b>	<b>\$8,480,994</b>	<b>\$31,996,347</b>	<b>\$10,862,398</b>	<b>\$82,471,827</b>		<b>\$0</b>	<b>\$153,043,732</b>

**Risk Management Services Company**

**Claim Summary**

<b>File review competed on:</b>	3/3/16
<b>Adjuster</b>	Lori Rigdon
<b>Jurisdiction</b>	KY
<b>Injured Worker</b>	Jane Doe
<b>Employer</b>	Public School
<b>Department</b>	Jane Doe Elementary
<b>Occupation</b>	ELEMENTARY TEACHER
<b>Date of Birth</b>	2/11/1989
<b>Claim #</b>	WC99-51-67002123456789
<b>Claim Type</b>	Lost Time
<b>Date of Injury</b>	1/21/2016
<b>Date of Hire</b>	8/22/13
<b>Injury Description</b>	Claimant tripped over student's backpack in hallway causing her to fall and strain her left shoulder
<b>Body Part</b>	Left Shoulder
<b>AWW</b>	\$300.00
<b>TTD</b>	\$200.01
<b>Reserve</b>	none anticipated
<b>Litigation</b>	No litigation has been filed at this time.
<b>Third Party Liability</b>	No representation
<b>Subrogation</b>	No representation
<b>Subrogation Potential</b>	No subrogation potential as there is no third party involvement.
<b>Medical Payments</b>	No

<b>Excess Carrier</b>	Midwest Employers Casualty Company
<b>SIR</b>	\$1Million
<b>Policy #</b>	WZ92345-01
<b>Reporting Requirements</b>	

MECC must be notified within 30 days after the occurrence of any of the following events on an individual Claim:

- The total paid Loss exceeds \$250,000 or the total incurred amount of Loss (paid plus reserves) exceeds 50% of your Specific Retention, whichever occurs first
- An injured Employee misses fifty-two (52) weeks of work as a result of the injury, even if the Claim is being contested
- An injured Employee has petitioned to be deemed, is accepted as, awarded, or found to be catastrophically or permanently and totally disabled under the Workers' Compensation Law
- An accident or disease exposure involving injury to two or more Employees
- An Employee is diagnosed with cancer, heart disease, lung disease, infectious disease, or other disease that is presumed to be, or found to be, compensable under the Workers' Compensation Law

**Reported** : Requirements have not been met and are not anticipated for the future.

**Last Update** : not applicable

**Date of last reserve change:** 2/4/16

**Reserve Comment:** Anticipate 12 weeks off work with conservative treatment of MRI, Physical Therapy, prescriptions and office visits, utilization review, bill review. Plan to monitor on a 90 day basis.

	Total Reserved	Total Paid	Total Collections	Grand Total
Medical	\$4686.94	\$2,813.06	\$0.00	\$7,500.00
Indemnity	\$1,600.08	\$800.04	\$0.00	\$2400.12
Expense	\$764.54	\$1,235.46	\$0.00	\$2,000.00
Legal	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$7,051.56	\$4,848.56	\$0.00	\$11,900.12

**Settlement/Arbitration/Recovery:** Claim has not been settled or awarded. No spending trend to be established until that time. No permanency anticipated.

**Background/Injury/Event:** Claimant tripped over student's backpack in hallway causing her to fall and strain her left shoulder. The injury was witnessed and statements obtained that substantiated the injury. She was initially seen by Healthworks 1/22/16 and referred to physical therapy. Employer can no longer accommodate Light Duty as of February 3 and claimant has been off work since that time. Phone call to claimant and she reports that she is eager to get better and return to work, however, she's complaining of increased pain with Physical Therapy. Reviewed index report and there are no matches. Received prior medical records from the family physician Dr. Moore and no mention of treatment for shoulder. Claimant did also treated with chiropractor Dr. Young in the past and we are awaiting those records. No prior claims per Department of Worker's claims.

**Plan of Action:** Review for updated status at next office visit on 3/15/16 and continue to follow up for past medical records from Dr. Young. Will proceed with recommendation of nurse case management at this time given complaints of increased pain. If little to no improvement at next office visit will push for updated treatment plan including MRI and referral to an Orthopaedic Specialist.

# RMSC

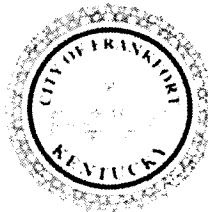
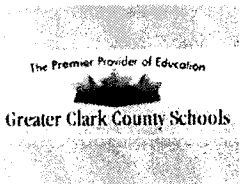
Risk Management Services Co.

## Partial CLIENT LISTING



University Hospital

a proud member of UofL Health Care





## EXHIBIT C

### LIST OF RMSC'S TASKS AS CLAIMS MANAGER FOR LFUCG

1. RMSC shall provide the following services as claims manager for LFUCG:

**A. Daily Tasks:**

- ❖ Set up each new loss with a reserve over \$10,000 or in Litigation into the Outlook Diary system. Set a diary of 30 days to 90 days and then review the claim file on the appropriate diary date. Send the adjuster instructions on claims handling as needed.
- ❖ Read all Outlook e-mails, postal mail and telephone messages on a daily basis and respond as required. Copy and save all necessary information to the Riskmaster claim file.
- ❖ Review and respond to all postal mail. Scan the mail to the Riskmaster claim file or send to the TPA.
- ❖ Review and approve all claim checks entered into the People Soft system.
- ❖ Set up all new litigation files into Riskmaster and input the claim reserves on each claim. Send the complaint to TPA and have the adjuster send a report to the excess insurer.
- ❖ Review the applications for Off Duty Employment for Police and Community Corrections for proper insurance coverage, so that LFUCG and the employee are protected.
- ❖ Review all Requests for Proposals and LFUCG contracts and recommend the needed insurance coverage(s) for LFUCG's protection. When contracts are renewed, review the Certificate of Insurance of the vendor to make sure that they have all required insurance coverage.
- ❖ Review all new loss reports and give appropriate instructions to the TPA.
- ❖ Respond to all Law Department management requests for data on any current claim file.
- ❖ Review all Claims related Open Records Requests, obtain the requested data and issue a response within the required 3 business days.
- ❖ Review the PPE payroll report to determine if the Work Comp lost time claims should be approved or denied, biweekly.

Conduct initial review of legal bills as requested by Commissioner or Managing Attorney.

**B. Quarterly Tasks:**

- ❖ Review all open litigation claims for reserve adequacy and request that TPA adjusters send quarterly reports to excess insurers.
- ❖ Prepare a Quarterly Claim Report on the comparison of frequency and severity of cost on open claim files for the Commissioner of Law and attach all documentation.

**C. Annual Tasks:**

- ❖ Prepare an annual review of all TPA and litigation open claim files for reserve adequacy. Enroll the aid of the TPA in this project. Determine if any open claim files should be closed and then take the proper steps to close the file prior to fiscal year end. Raise or lower the pending reserves on all open files to make sure that they are adequate to meet the current settlement value.
- ❖ Prepare an annual year end report for the Commissioner of the Department of Law showing the financial results of the current fiscal year compared to the prior two fiscal years. Report on any problems or large losses that may have skewed the numbers and suggest ways to improve the Claims work product.
- ❖ Work with the Commissioner of Law and the Managing attorneys on the annual claims budget for the claims fund and the various professional service costs for the Department of Law.

**D. Other Duties:**

II. Required State Reports:

- ❖ Prepare the annual Workers Compensation Simulated Premium report to the Labor Cabinet by February 15<sup>th</sup> of each year and pay the premiums within thirty days of end of each quarter. Work with Accounting Department on the preparation of this report.
- ❖ Prepare the Annual Assigned risk assessment report by December 30, of each calendar year. Attach the documentation and annual payment with the report.
- ❖ Prepare the recertification report on the Self Insurance Fund by the end of each calendar year.

- ❖ Have the claims secretary prepare the P&C quarterly auto claims report to the state at the end of each quarter.
- ❖ Work with accounting to prepare the Public Protection Cabinet MVSI report before May 1 of each calendar year.
- ❖ Send to each Division Director the annual Work Comp Notice Form required by the Commonwealth of Kentucky.

### III. Management and Financial Reports:

- ❖ Work with current Actuary and Accounting Division to prepare all the financial reports necessary for an end of fiscal year Actuarial Report for LFUCG and the Self Insurance Fund. The Actuarial report will go to the Commissioner of the Department of Law, the Commissioner of Finance and to the Director of Accounting. This report will give recommendations for funding of the Self Insurance Fund for the next fiscal year. Work with the Commissioner of Law on the next fiscal year Claims Budget.
- ❖ Prepare any RFP ( request for proposal) needed for the FY 17 fiscal year. This RFP should be for a three year period. We will need one for TPA claims handling services for all claims types in FY17. We will also need a RFP for Actuarial Services for FY 17.
- ❖ Prepare a financial reserve adequacy on all large losses over \$50k for the Commissioner of Law and work with the Commissioner of Law on the annual Claims review by the outside financial auditor.
- ❖ Send out the Auto Liability insurance coverage card to the Division of Fleet Services
- ❖ Attend mediations as needed;
- ❖ Be the liaison for all divisions of LFUCG regarding workers compensation issue; and
- ❖ Work on sit in LFUCG's Lexington office two days per week for the duration of the Service Agreement, and mileage costs for this provision are included in the pricing for the Service Agreement, and LFUCG shall not be responsible for any mileage reimbursement for this two day per week on site attendance.