



**Lexington-Fayette
Urban County Government**

**RFP # 14-2013 Third Party Administrator for Claims
Management, Adjustment Services for Workers
Compensation, Auto Liability and General Liability**

Respectfully Submitted by:



Risk Management Services Company

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RMSC

Risk Management Services Company

P.O. Box 22989

Louisville, KY 40252

p 502-326-5900 f 502-326-5909

800-372-5402 www.rmssc.com

April 23, 2013

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

RE: RFP #14-2013 Third Party Administrator for Claims Management / Adjustment Services for Auto Liability, General Liability, and Workers Compensation Losses

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:

- **Ten years** of demonstrated expertise providing claims administration to LFUCG, with audit scores exceeding 90%.
- 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** that 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
Risk Management Services Co.

5.03 CONFIRM RECEIPT OF ANY ADDENDUMS ISSUED FOR THIS BID:

DATE ADDENDUM #

4/29/13 As of 10:30 am there is no Addendum

I certify this proposal complies with the General and Specific Specifications and conditions issued by LFUCG except as clearly marked in the attached copy.

Charles J. Rausch

Please print name

4-29-13

Date

Charles J. Rausch
Authorized Signature

5.04 Submitted By:

Risk Management Services Company
Service Provider

Charles J. Rausch

Printed Name

Charles J. Rausch
Authorized Signature

2211 River Road, Louisville KY 40206
Street Address/City/State/Zip

Telephone:

502-326-5900
(Area code)

Facsimile:

502-326-5909
(Area code)

It is understood by the Service Provider that the LFUCG reserves the right to reject any and all proposals, to make awards on all items or on any items according to the best interest of the LFUCG, to waive formalities, technicalities and inequalities, to recover and rebid this RFP.

4-29-13

Date

Charles J. Rausch

Printed Signature

Charles J. Rausch
Authorized Signature

5.05 Proposer and insurance agent statement:

We understand the insurance requirements of these specifications and the evidence of insurability shall be provided prior to contract execution. If our client is awarded this contract, we agree to provide the LFUCG with a thirty (30) day written notice of any intent to amend, terminate, or non-renew coverage by the insuring company.

Axis Insurance Services, LLC

Service Provider /Insurance Agency:

4/29/2013

Date



Authorized Signature

795 Franklin Ave, Suite 206, Franklin Lakes, NJ 07417

Location of Agency

(201) 847-9175

(Area Code) Telephone Number

Vision Statement

Provide and maintain a level of service that exceeds client's expectations. We will also strive to provide and maintain an 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.

RMSC



Helping you chart the right course

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 given are projected numbers based on the number of claimants that were recorded for FY 11 and FY 12, the actual number of claimants under the RFP may total more or total less than the prior average. We do not promise nor guarantee any number of claimants under this RFP.

5.02A COST PER CLAIM PRICING FORMAT

Year One:

CLAIM TYPE	PRICE PER CLAIM TO CLOSURE
Workers Compensation	<u>\$750/ \$110</u>
Auto Liability	<u>\$310</u>
General Liability	<u>\$310</u>

Year Two:

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

Year Three

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

Subtotal for Years 1-3 \$ 663,841 Price per claim **to closure**

Please also give a per year flat cost per claim to Pothole claims and Sewer backup claim that are generally denied due to Sovereign Immunity. \$ 60

5.02B ANNUAL FLAT FEE PRICING FORMAT

Year One:

CLAIM TYPE	ANNUAL FEE To Closure
Workers Compensation	<u>\$102,600.00</u>
Auto Liability (AL/GL Combined)	<u>\$109,400.00</u>
General Liability	<u>\$Included Above</u>

Year Two:

CLAIM TYPE	ANNUAL FEE To Closure
Workers Compensation	<u>\$105,700.00</u>
Auto Liability (AL/GL Combined)	<u>\$112,600.00</u>
General Liability	<u>\$Included Above</u>

Year Three:

CLAIM TYPE	ANNUAL FEE To Closure
Workers Compensation	<u>\$105,700.00</u>
Auto Liability (AL/GL Combined)	<u>\$112,600.00</u>
General Liability	<u>\$Included Above</u>

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



PPL companies

April 22, 2013

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

Daniel K. Arbough

Treasurer

LG&E and KU Energy LLC
220 West Main Street
Louisville, KY 40202
T 502-627-4956
M 502-645-5084
F 502-627-4742
dan.arbough@lge-ku.com

To Whom It May Concern,

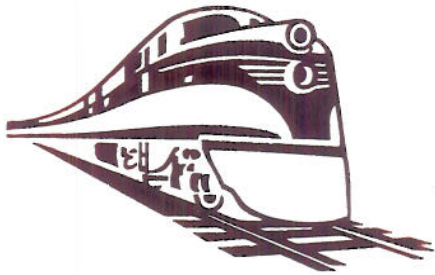
LG&E and KU Energy LLC (LKE), the parent company of Kentucky Utilities Company and Louisville Gas & Electric, has utilized Risk Management Services Co. (RMSC) for third party administration services for workers compensation, auto liability, general liability, auto damage, and subrogation from 1997 through 2012. 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,

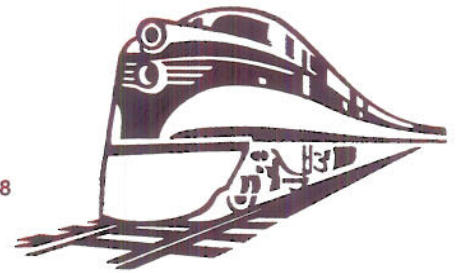
A handwritten signature in black ink, appearing to read "Daniel K. Arbough". The signature is fluid and cursive.

Daniel K. Arbough
Treasurer



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 22, 2013

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 Urban 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, flexible, 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,

Noel Rush
Vice President Finance & Administration



COMMONWEALTH HEALTH CORPORATION

Connie D. Smith
President and
Chief Executive Officer

April 22, 2013

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

RE: Risk Management Services Company

To Whom It May Concern:

Commonwealth Health Corporation (CHC) has utilized Risk Management Services Company (RMSC) for third party administration of 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, technical competence, flexibility and thoroughness in handling CHC's workers' compensation claims and related administrative issues, and have tailored their services to meet our specific needs and assist us in reducing our workers' compensation expenses.

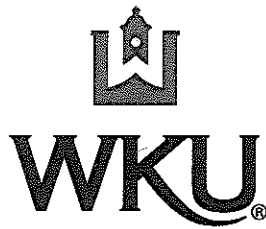
I would not hesitate to recommend RMSC to Lexington Fayette Urban County Government as a TPA partner. If you should have any further questions regarding our experience with RMSC, please feel free to call me directly at 270-745-1429.

Sincerely,

John Chaney, ARM, CPHRM
Vice President, Risk Management

Cc: Mr. Jeff Rausch, ARM





A LEADING AMERICAN UNIVERSITY WITH INTERNATIONAL REACH

April 22, 2013

To: Prospective Clients of Risk Management Services Company

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 plan implementation in 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, 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 4 million in savings since 2005 when compared with 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
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TOMPKINSVILLE, KY 42167

T:270 487 6590
F:270 487 9441

WWW.RALUMBER.COM

April 25, 2013

Director, Division of Central Planning
Lexington Fayette Urban County Government
Lexington, KY 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 2011.

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 at 270-407-3444.

Sincerely,

David M. Anderson
President

RMSC has no exceptions to RFP #14-2013

Lexington-Fayette Urban County Government

Third Party Administrator for Claims

Management, Adjustment Services for Auto

Physical Damage and Property Claims

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**
No exceptions noted

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 clients 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 (15) clients that are self insured in Kentucky and (9) 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.

RMSC was dismissed from two bad faith claims in 2012. This is the only litigation RMSC has been involved in recently.

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 the Louisville Area Governmental Self Insurance Trust, Louisville Gas and Electric Co., Kentucky Utilities Co., Johnson County, City of Muncie and the City of Crown Pointe programs in providing service that complies with and exceeds the LFUCG specifications. RMSC will meet with the LFUCG risk management team to review the current special handling instructions, which outline the service requirements and guidelines, for improvements. 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 includes Chris Welch who has extensive property and casualty experience with LFUCG and Kim McAlister the senior workers' compensation case manager on the LFUCG program as well as other RMSC team members that currently work on the LFUC program. 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 Claims Teams 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 8 years and 30% of clients greater than 10 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 most recent LFUCG audit results were 91% for worker's compensation and 95% for property & casualty, which LFUCG auditors advised are both 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.

We currently have (15) clients that are self insured in Kentucky and (9) 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 declined each year since July 1, 2010 when LFUCG partnered with RMSC, see exhibit # . This decrease in average claim cost has produced over **\$400,000 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 exhibit # . The average claim cost for the 7/1/12-3/31/13 includes one high severity claim, the average claim cost excluding the one large claim is \$2,178 which is a continued 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 will be flexible to meet the needs of LFUCG 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.*
- 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 can coordinate benchmarking of risk management programs of our public entity clients.***
- **RMSC will provide 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; RMSC demonstrated our level of service and ability to meet specific needs of service of LFUCG during our previous partnership from 7/1/00 -10/1/07 and 7/1/10 to present. As a result, RMSC is very familiar with the 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 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*
- ❖ *Johnson County, Indiana*
- ❖ *City of Muncie*
- ❖ *City of Crown Point*

RMSC's local presence; *The RMSC service team includes (2) Lexington based staff members. 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. We expect to utilize 2 current Lexington staff members and possibly add additions 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 11+ years experience. RMSC's experience includes 10 years directly handling LFUCG Auto & General Liability claims with a proven track record. In addition, we maintain reasonable caseloads to ensure our service team has the capability to provide thorough and professional attention to each claim.*

RMSC provides an excellent work product to LFUCG. *This is evidenced by the audit results conducted by LFUCG. Our most recent LFUCG audit results were 91% for worker's compensation and 95% for property & casualty, which LFUCG auditors advised are both 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.

As further evidence of our service excellence, our prior partnership with LFUCG resulted in our receiving numerous compliments from various LFUCG employees. Please see Tab LFUCG Compliments.

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. 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 has developed a very good working relationship with LFUCG; *not only in the Risk Management Department, but also with the various other departments (Parks & Recreation, Streets & Roads, Sanitary Sewers, Police, Fire, Dept. of Corrections, 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 propose to meet regularly with the LFUCG claims department to discuss claims issues and also meet with other department managers (Street & Roads, Police, Fire, Sanitary Sewers, Parks & Recreation, etc.).*

RMSC's provides consistency and efficiency in handling LFUCG claims other than Auto/General Liability and Workers' Compensation . *We have recently been awarded the contract to handle LFUCG 1st Party Auto claims, subrogation claims and LFUCG owned property losses. RMSC will again strive to provide whatever type service is*

needed and work closely with LFUCG to achieve the desired results.

***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 a good working relationship with the Risk Management 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 clients. 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*

*Pam Taylor
Director, Risk Management and Benefits
Jefferson County Public Schools
502-485-3168*

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

*Don McKay
Risk Manager
Louisville Water Company
502-569-3635*

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: **RMSC is a privately-held company owned by AssuredPartners Inc .***

3.03 PROOF OF INSURABILITY (see Attachment III)

See Tab – Proof of Insurability

3.04 FINANCIAL RESPONSIBILITY

Risk Management Services Company

Organizational Chart

Jeff Rausch - President

David Witte
**Director
Program
Administration**

Fred Sebastian
**Vice President
Director
Loss Prevention**

Cissy Musselman
**Vice Chair
MGA**

Julie Wuest
Controller/CPA

Harold Mattingly
Executive Director - Claims

Dana Duke
**Sr. Account
Executive**

Stephanie Phelps
**Supervisor
Administrative
Services**

Andrew Reibert
**Data Specialist/
IT**

*Paul Fox
Nathan Murrell
Tony Gaughan*
**Loss Control
Consultants**

Susan Benson
Accounting Asst.

*Kelli Reibert
Mary Howard
Judy Brewer*
**Accounting
Administrative**

Clarke McCulloch
P& C Supervisor

*Jeremy Head
Chris Welch*
Sr. Case Managers

*Sarah Miller
Melanie Adkisson*
Case Managers

Hannah Valenzuela
Claims Assistants

Ron Stewart
Account Manager

Debra Houston
WC Supervisor

*Teresa Rusche
Roberta Belanger*
Sr. Case Managers

*Lori Rigdon
Ruth Snook*
Case Managers

Jennifer Reid
WC Supervisor

*Kim McAlister
Kim Silliman
Marlene Funkhouser*
Sr. Case Managers

Meghan Greenwell
Case Manager

Robin Armstrong
EDI Specialist

Emily Rausch
Sr. Admin Assistant

*Andrew Rausch
Steven Bauman
Justine Cassell*
Admin Assistants

*Amanda Saettel
Shyann Kirk
Abigail Matteucci
Chelsea Smith*
**Receptionist-Mail
Administrative**



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Lexington – Fayette Urban County Government Service Team

Jeff Rausch
President

Dana Duke
Senior Account
Executive

Harold Mattingly
Executive Director
Claims

Fred Sebastian
Vice President
Director
Loss Prevention

Jennifer Reid
WC Supervisor

Clark McCulloch
P & C Supervisor

Nathan Murrell
Loss Prevention Consultant
(Lexington)

Kim McAlister
Sr. Case Manager

Chris Welch
Sr. Case Manager
(Lexington)

Paul Fox
Loss Prevention
Consultant

Marlene Funkhouser
Sr. Case Manager

Lori Rigdon
Case Manager

Tony Gaughan
Loss Prevention
Consultant

**RISK MANAGEMENT SERVICES
COMPANY**

*"Helping you chart
the right course"*

PO Box 22989
Louisville, KY 40252
Phone (800) 372-5402
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Your RMSC Service Team

Harold Mattingly Director - Claims	Director of Claims	Phone: (800) 372-5402 ext. 3116 Email: hmattingly@rmssc.com
Liability Claims		
Clarke McCulloch Supervisor	Supervisor of Liability Claims	Phone: (800) 372-5402 ext. 3117 Email: cmcculloch@rmssc.com
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Workers' Compensation Claims		
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Emily Rausch WC Admin.	Workers' Compensation Admin.	Phone: (800) 372-5402 ext. 3123 Email: erausch@rmssc.com
Julie Wuest Controller/CPA	Manager of Escrow Fund Management	Phone: (800) 372-5402 ext. 3133 Email: jwuest@rmssc.com



Buetow, LeMastus & Dick PLLC

Independent Auditors' Report

Shareholders and Members
Neace Lukens Holding Company and Subsidiaries

We have audited the accompanying combined balance sheets of Neace Lukens Holding Company (a Kentucky Corporation) and Subsidiaries as of December 31, 2010 and 2009, and the related combined statements of income, changes in equity and cash flows for the years then ended. These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined 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 combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Neace Lukens Holding Company and Subsidiaries as of December 31, 2010 and 2009, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Buetow, LeMastus & Dick PLLC

Louisville, Kentucky
April 21, 2011

NEACE LUKENS HOLDING COMPANY AND SUBSIDIARIES

Combined Balance Sheets

December 31, 2010 and 2009

<u>Assets</u>	<u>2010</u>	<u>2009</u>
Current assets		
Cash and cash equivalents	\$ 24,178,262	\$ 27,814,456
Restricted cash	1,342,801	1,112,444
Short-term investments	4,235,543	3,364,325
Accounts receivable, net of allowance for doubtful accounts of \$85,094 (2010) and \$92,512 (2009)	15,708,322	15,341,522
Due from related parties	1,432,687	827,896
Other current assets	<u>801,090</u>	<u>1,190,213</u>
Total current assets	47,698,705	49,650,856
Fixed assets, net	2,476,154	2,750,937
Investments	11,377,762	10,150,673
Goodwill	5,098,842	3,848,842
Intangible assets, net	29,451,633	26,100,358
Noncurrent assets	<u>641,556</u>	<u>613,080</u>
Total assets	\$ <u>96,744,652</u>	\$ <u>93,114,746</u>

See accompanying notes to combined financial statements.

(Continued)

NEACE LUKENS HOLDING COMPANY AND SUBSIDIARIES

Combined Balance Sheets

December 31, 2010 and 2009

<u>Liabilities and Equity</u>	<u>2010</u>	<u>2009</u>
Current liabilities		
Long-term obligations, current portion	\$ 5,554,295	\$ 3,899,845
Accounts payable	22,208,692	21,619,381
Customer advances	6,377,607	6,631,428
Producer payables	3,414,378	3,640,276
Accrued expenses and other	5,785,529	7,387,264
Losses and loss adjustment expenses, current portion	1,150,660	375,000
Deferred novation gain, current portion	<u>116,871</u>	<u>116,871</u>
Total current liabilities	44,608,032	43,670,065
Long-term obligations	24,002,350	25,239,390
Losses and loss adjustment expense reserves	4,406,652	2,184,931
Deferred novation gain	<u>759,662</u>	<u>876,533</u>
Total long-term liabilities	29,168,664	28,300,854
Total liabilities	73,776,696	71,970,919
Equity		
Common stock, no par value, 1,000 shares authorized, 100 shares issued and outstanding	1,000	1,000
Accumulated other comprehensive income	727,825	508,106
Retained earnings	<u>9,767,986</u>	<u>10,448,321</u>
Total Neace Lukens Holding Company and Subsidiaries equity	10,496,811	10,957,427
Noncontrolling interests	<u>12,471,145</u>	<u>10,186,400</u>
Total equity	<u>22,967,956</u>	<u>21,143,827</u>
Total liabilities and equity	\$ <u>96,744,652</u>	\$ <u>93,114,746</u>

See accompanying notes to combined financial statements.

NEACE LUKENS HOLDING COMPANY AND SUBSIDIARIES

Combined Statements of Income

For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Revenues	\$ 86,498,658	\$ 83,456,368
Operating expenses		
Selling expenses	31,713,706	30,365,086
Administrative expenses	45,855,848	38,001,574
Local income taxes	347,067	139,111
Depreciation	1,034,462	1,039,910
Amortization	<u>2,569,725</u>	<u>2,470,284</u>
Total operating expenses	<u>81,520,808</u>	<u>72,015,965</u>
Income from operations	4,977,850	11,440,403
Other income (expense)		
Net investment income	255,372	280,996
Equity in earnings of investments	496,185	1,082,012
Gain on sale of investments	166,751	276,873
Gain on disposal of fixed assets	4,972	-
Interest expense	(698,954)	(831,561)
Other income	<u>39,764</u>	<u>115,561</u>
Total other income (expense)	<u>264,090</u>	<u>923,881</u>
Net income	<u>5,241,940</u>	<u>12,364,284</u>
Less: Net income attributable to the noncontrolling interests	<u>597,761</u>	<u>3,560,258</u>
Net income attributable to Neace Lukens Holding Company and Subsidiaries	\$ <u>4,644,179</u>	\$ <u>8,804,026</u>

See accompanying notes to combined financial statements.

RISK MANAGEMENT SERVICES COMPANY

Report on Applying Agreed Upon Procedures

March 15, 2013



Buetow, LeMastus & Dick P.L.L.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), solely to assist you with respect to the accounting records of the Company as of and for the year ended December 31, 2012. 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, 2012 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, 2012.

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 2012. The selection process included both judgmental and haphazard methods as follows:

Check registers were sorted by check amount (highest to lowest) and then by check number.

For customers with 15,000 or greater transactions from January to November, the four largest transactions were selected from the period from 1/1/12 to 11/30/12 and the two largest transactions were selected from the period from 12/1/12 to 12/31/12. Additionally, for customers with 15,000 or greater transactions, line items #734, #1523, #2300, #3311, #4700, #4999, #5736, #6300, #7425, #8550, #9900, and #10640 were selected from the

period from 1/1/12 to 11/30/12 until the end of the check register and line item #60, and #90 was selected from the period from 12/1/12 to 12/31/12 until the end of the check register.

For customers with at least 1,000 but less than 15,000 transactions from January to November, the four largest transactions were selected from the period from 1/1/12 to 11/30/12 and the largest transaction was selected from the period from 12/1/12 to 12/31/12. Additionally, for customers with at least 1,000 but less than 15,000 transactions, line items #750, #1530, #2560, #3356, #4150, #4960, and #6520 were selected from the period from 1/1/12 to 11/30/12 until the end of the check register and line items #6, #30, #54, #80 and #94 were selected from the period from 12/1/12 to 12/31/12 until the end of the check register.

For customers with less than 1,000 transactions, the two largest transactions were selected from the period from 1/1/12 to 11/30/12.

3. Select 10 voided checks to be used in the void check procedures listed below.

Selections were made haphazardly from customer claim check registers provided above. The following voided checks were selected: #124284, #102437, #20639, #10378, #112947, #20262, #18399602, #62936, #25164 and #11752.

Authorized Check Signers

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

We inquired and obtained written documentation 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.
- Confirm that check signers were authorized signers on the respective account.
- 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 cancelled check (except for checks #134085, #20656, #11752 and #30627), invoice and claim record and noted the following:

- a. We noted that check #136706 had a billing review charge that was incorrectly calculated resulting in an overpayment. Management represented that they will correct this overpayment on a future check.*
- b. A cancelled check was not obtained for check #30627. Management represented that check #30627 had not yet cleared the bank.*
- c. Checks #134085, #20656 and #11752 were voided. We obtained explanations for the void, as well as cancelled check copies of the re-issued checks #134615, #20804, and #11759.*

Invoices and claim records agreed to the check amount and check register. Check signers were compared 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, Susan Benson, Accounting Assistant, 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 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 during 2012.

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 who and a walk through of the accounting system access controls, 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 observed an employee from the accounting department attempt to change the "reserve" amount of a claim. The request was denied by the system.*
- Jeff Rausch, President, is responsible for generating and reviewing a report that captures all accounting transactions entered into the accounting system by accounting department personnel. We obtained the 2012 reports and noted the report was signed and dated indicating review by Jeff Rausch. We also discussed this process with Jeff Rausch and he noted he did not detect or have any fraudulent activities. He also noted that customers have access to their accounting records / account detail performed by the Company. The Company 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 reviewed and approved by the appropriate level of management. Confirm that reconciling items are appropriate.

We selected and obtained June 2012 and December 2012 bank reconciliations based on the criteria noted above. Reconciliations were prepared for each account and a signature noting review and approval by management was on each bank reconciliation. We confirmed that reconciling items greater than \$1,000 were explained on the bank reconciliation or agreed to attached schedule.

We noted that the June reconciliation for one bank account was not properly performed. Upon notification, management provided the properly performed reconciliation.

Void Checks

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

It was noted that checks #20639, #20262, and #25164 were cancelled and retained. It was noted that checks #102437, #62936 and #11752 were stop payments, for which support for stop payment from the bank was properly maintained. Checks #112947 and #18399602 were transactions voided in the accounting system due to incorrect coding and were reissued using the original check information, therefore no cancelled checks were retained. Check # 124284 was voided in the system to close the Republic bank account. Funds were transferred to a new account, therefore there was no cancelled check to retain. Check #10378 was voided, however, the original voided check was sent to the client to retain as the client is responsible for their own bank account.

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 Risk Management Services Company and is not intended to be and should not be used by anyone other than this specified party.

Buetow, LeMaster & Dick PLLC

March 15, 2013

CONFIDENTIAL

AssuredPartners, LLC
Consolidated Financial Statements
December 31, 2011

AssuredPartners, LLC
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December 31, 2011

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CONFIDENTIAL



Report of Independent Certified Public Accounting Firm

To the Board of Directors and Shareholders of
AssuredPartners, LLC:

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of operations, of equity and of cash flows present fairly, in all material respects, the financial position of AssuredPartners, LLC and its subsidiaries at December 31, 2011 and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

April 30, 2012

AssuredPartners, LLC
Consolidated Balance Sheet
December 31, 2011

Assets

Current assets	
Cash and cash equivalents	\$ 3,582,583
Restricted cash and investments	28,001,114
Accounts receivable, net of allowance for doubtful accounts of \$62,577	33,492,876
Other current assets	<u>1,083,218</u>
Total current assets	66,159,791
Fixed assets, net	2,732,210
Goodwill	196,236,624
Amortizable intangible assets, net	106,812,994
Noncurrent assets, net	<u>10,554,914</u>
Total assets	<u>\$ 382,496,533</u>

Liabilities and Equity

Current liabilities	
Long-term obligations, current portion	\$ 730,405
Accounts payable	51,167,353
Customer advances	6,560,925
Producer payables	3,132,625
Accrued expenses and other	<u>7,683,763</u>
Total current liabilities	<u>69,275,071</u>
Long-term obligations	<u>153,761,883</u>
Total liabilities	<u>223,036,954</u>
Commitments and contingencies (Note 8)	
Equity	
Class A preferred units, par value \$1,000, 160,928 units issued	160,928,360
Class B units, par value \$0.10, 54,841,512 units issued	5,484,151
Class C units, par value \$0.10 7,941,606 units issued	794,161
Accumulated deficit	<u>(7,747,093)</u>
Total equity	<u>159,459,579</u>
Total liabilities and equity	<u>\$ 382,496,533</u>

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

CONFIDENTIAL

AssuredPartners, LLC
Consolidated Statement of Operations
Year Ended December 31, 2011

Revenues	
Commissions and fees	\$ 28,689,563
Total revenue	<u>28,689,563</u>
Expenses	
Selling, general and administrative expenses	30,826,551
Transaction expenses	7,021,355
Amortization expense	1,213,006
Depreciation expense	133,113
Total operating expenses	<u>39,194,025</u>
Income from operations	(10,504,462)
Interest expense, net	(2,190,379)
Other income	5,756
Income before provision for income taxes	<u>(12,689,085)</u>
Benefit for income taxes	(4,941,992)
Net loss	<u>\$ (7,747,093)</u>

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

CONFIDENTIAL

AssuredPartners, LLC
Consolidated Statement of Cash Flows
Year Ended December 31, 2011

Cash flows from operating activities	
Net loss	\$ (7,747,093)
Adjustments to reconcile net loss to net cash used in operating activities	
Amortization	1,213,006
Depreciation	133,113
Noncash stock grants in lieu of payment for services	3,324,346
Change in estimated acquisition earn-out payables	(105,150)
Deferred income taxes	(5,172,278)
Changes in operating assets and liabilities, net of effect from acquisitions	
Restricted cash increase	(9,909,339)
Accounts receivable increase	(15,728,882)
Other assets increase	1,171,892
Accounts payable increase	16,427,538
Customer advances increase	4,982,435
Producer payables increase	241,653
Accrued expenses increase	1,050,261
Other liabilities increase	22,954
Net cash used by operating activities	<u>(10,095,544)</u>
Cash flows from investing activities	
Additions to fixed assets	(572,265)
Payments for businesses acquired, net of operating cash	<u>(246,177,547)</u>
Net cash used in investing activities	<u>(246,749,812)</u>
Cash flows from financing activities	
Payments on acquisition earn-outs	(70,337)
Proceeds from long-term debt	108,257,473
Issuances of membership units	<u>152,240,803</u>
Net cash provided by financing activities	<u>260,427,939</u>
Net increase in cash and cash equivalents	3,582,583
Cash and cash equivalents	
Beginning of year	<u>-</u>
End of year	<u>\$ 3,582,583</u>

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

AssuredPartners, LLC
Consolidated Statement of Equity
Year Ended December 31, 2011

	Common B		Common C		Preferred A		Accumulated Deficit	Total
	Units	Amount	Units	Amount	Units	Amount		
Opening balance February 23, 2011	-	\$ -	-	\$ -	-	\$ -	\$ -	-
Purchase of units by primary sponsor	50,000,000	5,000,000	-	-	144,698	144,698,506	-	149,698,506
Purchase of units by employees	991,818	99,182	7,941,606	794,161	3,915	3,914,626	-	4,807,969
Units issued in connection with acquisitions	3,546,000	354,600	-	-	11,287	11,286,923	-	11,641,523
Units issued in lieu of cash compensation	83,694	8,369	-	-	391	391,631	-	400,000
Purchase of shares by others	220,000	22,000	-	-	637	636,674	-	658,674
Net loss	-	-	-	-	-	-	(7,747,093)	(7,747,093)
Balance December 31, 2011	54,841,512	\$ 5,484,151	7,941,606	\$ 794,161	160,928	\$ 160,928,360	\$ (7,747,093)	\$ 159,459,579

CONFIDENTIAL

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

AssuredPartners, LLC
Notes to Consolidated Financial Statements
December 31, 2011

1. Summary of Significant Accounting Policies

Nature of Operations

AssuredPartners, LLC, AssuredPartners, Inc., AssuredPartners Capital, Inc. collectively ("Assured" or the "Company") was founded in 2011 through a partnership between insurance industry professionals and the private equity investment firm GTCR, to consolidate the middle-market property and casualty ("P&C") insurance brokerage and employee benefits ("EB") industry. The Company primarily focuses on acquiring high quality small to medium sized businesses whose owners are seeking exit strategies, partnerships and access to capital.

Through its operations, the Company provides a diversified services offering that markets and sells to its customers a broad range of insurance products and services to commercial, public entity and professional and individual customers.

Principals of Consolidation

The accompanying Consolidated Financial Statements include the accounts of AssuredPartners, LLC and its subsidiaries. All significant intercompany account balances and transactions have been eliminated in the Consolidated Financial Statements.

Revenue Recognition

Commission revenue is recognized as of the effective date of the insurance policy or the date on which the policy premium is billed to the customer, whichever is later. Commission revenues are reported net of commissions paid to sub-brokers or co-brokers. Supplemental, or contingent, commissions from insurance companies are recognized when determinable. The Company recognizes supplemental commission revenues using internal data and information received from insurance carriers that allows us to reasonably estimate the supplemental commissions earned in the period. A supplemental commission is a commission paid by an insurance carrier that is above the base commission paid, is determined by the insurance carrier based on historical performance criteria, and is established annually in advance of the contractual period. Assured recognizes contingent commissions and commissions on premiums directly billed by insurance carriers as revenue when the Company has obtained the data necessary to reasonably determine such amounts. Typically, the Company cannot reasonably determine these types of commission revenues until the cash has been received or the related policy detail or other carrier specific information from the insurance carrier is known. A contingent commission is a commission paid by an insurance carrier based on the overall profit and/or volume of the business placed with that insurance carrier during a particular calendar year and is determined after the contractual period. The primary manner in which such fees are determined to be earned is when the commissions are received, or when officially notified of the amount of such commissions. Fee income is recognized as services are rendered.

Transaction Expenses

In the process of acquiring companies, Assured engages with various professionals to provide services. These professionals include attorneys, accountants and valuation experts, among others. These costs are directly related to the acquisition program and are not likely to exist absent such a program.

Use of Estimates

The preparation of Consolidated Financial Statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities, as well as disclosures of contingent assets and liabilities, as of the date of the consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. The principle estimates used in the preparation of the consolidated balance sheets include, among others, the recognition of direct bill commission revenue, the allocation of purchase price to the fair value of net assets acquired in connection with the acquisitions, and the valuations of liabilities established as of the date of business acquisitions. Actual results may differ from those estimates.

Cash and Cash Equivalents

Cash and Cash equivalents principally consist of demand deposits with financial institutions and highly liquid investments with quoted market prices having maturities of three months or less when purchased.

Restricted Cash and Investments, and Premiums, Commissions and Fees Receivable

In its capacity as an insurance agent or broker, Assured typically collects premiums from insureds and, after deducting its authorized commissions, remits the net premiums to the appropriate insurance company or companies. Accordingly, as reported in the Consolidated Balance Sheets, "premiums" are receivable from insureds. Unremitted net insurance premiums are held in a fiduciary capacity until Assured disburses them. Assured invests these unremitted funds primarily only in cash and money market accounts. In certain states in which Assured operates, the use of investment alternatives for these funds are regulated and restricted by various state laws and agencies. These restricted funds are reported as restricted cash and investments on the Consolidated Balance Sheet. The interest income earned on these unremitted funds is reported as other income in the Consolidated Statement of Income.

In other circumstances, the insurance companies collect premiums directly from the insureds themselves. In these situations, the insurance companies remit to Assured its commissions. Accordingly, as reported in the Consolidated Balance Sheet, "commissions" are receivable from insurance companies. "Fees" are primarily receivables due from customers.

Fixed Assets

Fixed assets, including leasehold improvements are carried at cost, less accumulated depreciation and amortization. Expenditures for improvements are capitalized, and expenditures for maintenance and repairs are expensed to operations as incurred. Upon sale or retirement, the cost and related accumulated depreciation and amortization are removed from the accounts and the resulting gain or loss, if any, is reflected in other income. Depreciation has been determined using the straight-line method over the estimated useful lives of the related assets, which range from three to 15 years. Leasehold improvements are amortized using the straight-line method over the shorter of the useful life of the improvement or the term of the related lease.

Goodwill and Amortizable Intangible Assets

The excess of the purchase price of an acquisition over the fair value of the identifiable tangible and amortizable intangible assets is assigned to goodwill. While goodwill is not amortizable, in future years it will be subject to at least an annual assessment, and more frequently in the presence of certain circumstances, for impairment by applying a fair value-based test. Amortizable intangible assets are amortized over their useful lives and are subject to an impairment review based on an estimate of the undiscounted future cash flows resulting from the use of the asset.

Due to the start-up nature of its operations the Company has not defined reportable segments. However, the Company does feel it is appropriate to measure the fair value of each of its primary operating platforms in a manner similar to reportable segments. The Company assesses the fair value of each operating platform with its carrying amount to determine if there is potential impairment of goodwill. If the fair value of the operating platform is less than its carrying value, an impairment loss is recorded to the extent that the fair value of the goodwill within the operating platform is less than its carrying value. Fair value is estimated based on multiples of earnings before interest, income taxes, depreciation and amortization ("EBITDA"). As a result of the first operating platform acquisition occurring on September 20, 2011, the Company did not perform impairment testing of its operating platforms for the year ended December 31, 2011. Beginning in 2012, annual tests reviewing the fair value of the carrying costs of each of the operating platforms will occur.

Amortizable intangible assets are stated at cost, less accumulated amortization, and consist of purchased customer accounts and noncompetition agreements. Purchased customer accounts and noncompetition agreements are amortized on a straight-line basis over the related estimated lives and contract periods, which range from three to 15 years. Purchased customer accounts primarily consist of records and files that contain information about insurance policies and the related insured parties that are essential to policy renewals.

The carrying value of intangibles attributable to each business or asset group comprising Assured is periodically reviewed by management to determine if the facts and circumstances suggest they may be impaired. In the insurance agency and wholesale brokerage industry, it is common for agencies or customer accounts to be acquired at a price determined as a multiple of either their corresponding revenues or EBITDA. Accordingly, Assured assesses the carrying value of its intangible assets by considering the estimated future undiscounted cash flows generated by the corresponding business or asset group. Any impairment identified through this assessment may require that the carrying value of the related intangible assets be adjusted; however, as previously mentioned, due to the start-up nature of the Company, no impairment testing was performed during fiscal 2011.

Income Taxes

The Company accounts for income taxes in accordance with ASC 740, *Income Taxes* (Note 10). Deferred assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates to apply to the taxable income in years in which these temporary differences are expected to impact taxable income.

AssuredPartners, LLC
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2. Business Combinations

During 2011, Assured acquired substantially all the net assets of the following companies in exchange for cash and / or ownership units. These acquisitions have been accounted for using the acquisition method for recording business combinations (in millions except unit data). Under the acquisition method of accounting, the effective date of the acquisitions is the date at which change of control of the acquired assets takes place, which is the date the transaction closes and consideration is transferred. The results of the following acquired companies are included in Assured's results from the effective date through December 31, 2011.

	Fair Value of Units Issued	Cash Paid	Notes Payable Issued	Purchase Price Holdback	Recorded Earn-out Payable	Total Recorded Purchase Price	Maximum Potential Earn-out Payable
Neace Lukens							
September 20, 2011	\$ 3,716,345	\$ 160,797,359	\$ 5,000,000	\$ -	\$ 11,273,030	\$ 180,786,734	\$ 30,000,000
SKCG November 23, 2011	5,330,000	45,494,331	-	-	9,802,611	60,626,942	17,500,000
Herbert L Jamison companies							
December 23, 2011	2,395,178	43,497,805	5,500,000	1,060,164	7,028,850	59,481,997	25,000,000
Other	200,000	514,156	-	-	406,617	1,120,773	561,123
	<u>\$ 11,641,523</u>	<u>\$ 250,303,651</u>	<u>\$ 10,500,000</u>	<u>\$ 1,060,164</u>	<u>\$ 28,511,108</u>	<u>\$ 302,016,446</u>	<u>\$ 73,061,123</u>

Units issued in connection with acquisitions are valued at fair market value as of the effective date of the applicable acquisition. The Company records escrow deposits that are returned to us as a result of adjustments to net assets acquired as reductions of goodwill when the escrows are settled. The maximum potential earn-out payables disclosed in the foregoing table represent the maximum amount of additional consideration that could be paid pursuant to the terms of the purchase agreement for the applicable acquisition. The amounts recorded as earn-out payables, which are primarily based upon the estimated future operating results of the acquired entities over a three- to four-year period subsequent to the acquisition date, are measured at fair value as of the acquisition date and are included on that basis in the recorded purchase price consideration in the foregoing table. The Company will record subsequent changes in these estimated earnout obligations, including the accretion of discount, in the consolidated statement of earnings when incurred.

The fair value of these earn-out obligations is based on the present value of the expected future payments to be made to the sellers of the acquired entities in accordance with the provisions outlined in the respective purchase agreements. In determining fair value, the Company estimated the acquired entity's future performance using financial projections developed by management for the acquired entity and market participant assumptions that were derived for revenue growth and/or profitability. The Company estimated future payments using the earn-out formula and performance targets specified in each purchase agreement and these financial projections. The Company then discounted these payments to present value using the Company's weighted average cost of capital that takes into consideration the current and incremental cost of obtaining capital and the weighted cost of such capital. During 2011 the Company recognized \$518,613 of expense in the consolidated statement of earnings related to the accretion of the discount recorded for earn-out obligations in connection with acquisitions occurring during 2011. The aggregate amount of maximum earn-out obligations related to acquisitions made in 2011 and subsequent years was \$73.1 million, of which \$31.5 million was recorded in the consolidated balance sheet as of December 31, 2011 based on the estimated fair value of the expected future payments to be made.

AssuredPartners, LLC
Notes to Consolidated Financial Statements
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The following is a summary of the estimated fair values of the net assets acquired at the date of each acquisition made in 2011:

	Neace Lukens	SKCG	Jamison	Other	Total
Cash	\$ 3,025,884	\$ 106,488	\$ 996,813	\$ -	\$ 4,129,185
Restricted Cash	1,178,356	\$ 6,232,955	\$ 10,680,463	\$ -	18,091,774
Other current assets	12,653,962	1,805,668	5,302,656	-	19,762,286
Fixed assets	2,059,802	99,971	133,285	-	2,293,058
Goodwill	121,697,244	35,548,980	38,331,627	658,773	196,236,624
Noncompete agreements	412,000	238,000	218,000	-	868,000
Expiration lists	63,694,000	22,837,000	20,165,000	462,000	107,158,000
Total assets acquired	204,721,248	66,869,062	75,827,844	1,120,773	348,538,927
Current liabilities	23,182,010	6,242,120	16,345,847	-	45,769,977
Long Term Debt	752,504	-	-	-	752,504
Total liabilities assumed	23,934,514	6,242,120	16,345,847	-	46,522,481
Total net assets acquired	<u>\$ 180,786,734</u>	<u>\$ 60,626,942</u>	<u>\$ 59,481,997</u>	<u>\$ 1,120,773</u>	<u>\$ 302,016,446</u>

3. Related Party Transactions

The Company entered into a professional services agreement with the Company's primary equity sponsor, GTCR, effective March 1, 2011. GTCR provides the Company financial and management consulting services in the areas of: (a) corporate strategy; (b) budgeting of future corporate investments; (c) acquisition and divestiture strategies; and (d) debt and equity financings.

The professional services agreement provides that the Company pay placement fees to GTCR of 1% of the gross amount of any debt or equity financing. During the period ending December 31, 2011, the Company recognized expense related to placement fees to GTCR of \$2,823,366.

In addition, the Company is required to pay a quarterly management fee to GTCR in an amount equal to 0.625% of the Company's trailing twelve month pro forma EBITDA as defined in the security holder's agreement. The quarterly management fees are subject to an annual maximum payment of \$1,000,000. During the period ending December 31, 2011 the Company paid management fees to GTCR of \$120,000

The Company also reimburses GTCR out-of-pocket expenses incurred while providing the above professional services. For the period ending December 31, 2011 these expenses amounted to \$100,980.

4. Member's Equity

Under the Amended and Restated Limited Liability Company Agreement dated September 16, 2011, there are four classes of units: Class A preferred units, Class B common units, Class C common units, and Class D common units. The numbers of units are authorized as the Board determines from time to time. As of December 31, 2011, no Class D units had been granted.

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Class A units earn an 8% annual yield compounded quarterly on the sum of the unreturned capital and any unpaid yield. The Board is authorized to make distributions at any time. The order of distributions, other than tax distributions, is as follows:

First, to the Class A unit holders, an amount equal to the Class A unpaid yield; second, to the Class A unit holders, an amount equal to the Class A unreturned capital; thereafter, to the Class B and C unit holders, distributed in proportion to the number of outstanding Class B units and Class C units. Class D unit distributions are to be determined at the discretion of the Board by establishing a threshold amount of cumulative distributions that must be made with respect to all or one or more specified classes of units outstanding immediately prior to the issuance of such Class D Units before such Class D Units may receive any distributions.

As of December 31, 2011 the Class A unpaid yield amounted to \$2,796,081.

5. Debt

The Company is a party to a credit facility (the "Credit Facility") pursuant to an amended and restated Credit Agreement, dated as of December 13, 2011.

Prior to executing the amended and restated Credit Agreement, the Company had \$86,000,000 in borrowings outstanding in the form of a term loan and a revolving credit line. Upon executing the amended and restated Credit Agreement, the Company converted its existing outstanding loan balances into loans designated Term A loans and Term B loans. In addition, the Company borrowed \$27,000,000 to consummate the acquisition of the Herbert L Jamison Companies. After converting its existing borrowings and giving effect to the incremental borrowings, The Term A loan balance as of the date of the amended and restated agreement was \$40,000,000 and the balance of the Term B loan was \$73,000,000.

In addition, the Company received delayed draw commitments from its Lenders providing the Company the ability to borrow up to an additional \$56,000,000 (subject to certain restrictions) to execute its acquisition program. Lastly, under the amended and restated Credit Agreement, the Company established a revolving credit line pursuant to which the Company may borrow up to an additional \$7,000,000.

Installment payments are due each quarter on the Term A, Term B and delayed draw loans. The Term A loan matures and is payable on September 30, 2016. The Term B and delayed draw loans mature, and are payable on March 31, 2017.

Amounts outstanding under the credit facility accrue interest at rates that are variable and are calculated as margin in excess of the greater of the 3 month LIBOR rate or 1.5% (the 'base-rate'). The Company's Term A loans have a margin of 5.75% and the Company's Term B loans have a margin of 6.25%. When the applicable margin is added to the base rate, the Company is accruing interest at the rates of 7.25% for amounts outstanding under its Term A loans, and 7.75% for amounts outstanding under its Term B loans.

As of December 31, 2011 the Company had \$113,000,000 in amounts outstanding under its Credit Facility.

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The Credit Facility is secured by a first priority lien on substantially all of the assets of the Company and its subsidiaries, a first priority pledge of each such subsidiary's stock or other equity interests and a guarantee in favor of the lenders from the Company and its subsidiaries. In addition, the Credit Facility contains a number of financial covenants, affirmative covenants (e.g., the Company is required to make certain prepayments out of cash flow) and negative covenants (e.g., the Company is restricted from incurring additional indebtedness, making payments to the Company's shareholders and selling certain of its assets, except, in each case, as otherwise permitted). Breach of the foregoing covenants by the Company may cause, among other things, an event of default under the Credit Facility, the acceleration of debt under the Credit Facility and liquidation of the Company and its subsidiaries' assets. Other events that would constitute an event of default under the Credit Facility if they occurred include, but are not limited to: GTCR ceasing to own and control, directly or indirectly, a majority of the voting equity of the Company, the Company ceasing to own and control, directly or indirectly, 100% of the outstanding securities of each of its subsidiaries or any occurrence that causes indebtedness in an amount in excess of \$2,000,000 to become due. Although the Company is not required to produce a compliance certificate to the lenders attesting compliance with the required covenants until May 15, 2012, the Company continually monitors such compliance and believes that it is in compliance with all relevant covenant requirements as of December 31, 2011.

The Company issues notes payable in connection with its acquisitions. The notes accrue interest at a rate of 5.0% per year and are payable in full, along with accrued interest at the maturity date. As of December 31, 2011, the Company had acquisition notes outstanding in the amount of \$10,500,000 with maturity dates through February of 2016.

6. Supplemental Disclosures of Cash Flow Information and Noncash Financing and Investing Activities for the year ended December 31, 2011:

Cash paid during the period for	
Interest	\$ 899,942

AssuredPartners' significant noncash investing and financing activities for the year ended December 31, 2011 are summarized as follows:

Notes payable issued or assumed for purchased customer accounts	\$ 10,500,000
Estimated acquisition earn-out payables and related charges	28,780,035
Loan Closing costs netted against total debt proceeds	4,742,527
Stock units issued against total proceeds to sellers of businesses	11,641,523
Stock units issued against primary sponsor investment for satisfaction of fees	2,924,346
Stock units issued to management against required co-invest	400,000

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7. Fixed Assets

Major classes of fixed assets consist of the following as of December 31, 2011:

Office equipment	\$ 134,401
Furniture and fixtures	2,271,758
Computer equipment	100,689
Leasehold improvements	306,397
Software and other	52,079
Accumulated depreciation	<u>(133,113)</u>
Net fixed assets	<u>\$ 2,732,210</u>

8. Commitments and Contingencies

The Company leases facilities under noncancelable operating lease arrangements expiring on various dates through 2017. The facility leases generally contain renewal options an escalation clauses bases upon increases in the lessors' operating expenses and other charges. At December 31, 2011 the aggregate future minimum lease payments under all noncancelable lease agreements were as follows:

Year ended December 31,	
2012	\$ 4,602,372
2013	4,467,742
2014	3,454,374
2015	2,456,742
2016	1,863,056
Thereafter	<u>1,325,142</u>
Total minimum future lease payments	<u>\$ 18,169,428</u>

Rental expense in 2011 for operating leases totaled \$1,399,335.

Assured is the defendant in various legal actions related to claims, lawsuits and proceedings incident to the nature of the business. The Company records liabilities for loss contingencies, including legal costs (such as fees and expenses of external lawyers and other service providers) to be incurred, when it is probable that a liability has been incurred on or before the balance sheet date and the amount of the liability can be reasonably estimated. The Company does not discount such contingent liabilities. To the extent recovery of such losses and legal costs is probable under the Company's insurance programs, it records estimated recoveries concurrently with the losses recognized. Significant management judgment is required to estimate the amounts of such contingent liabilities and the related insurance recoveries. In order to assess the potential liability, the Company analyzes litigation exposure based on available information, including consultation with outside counsel handling the defense of these matters. As these liabilities are uncertain by their nature, the recorded amounts may change due to a variety of different factors, including new developments in, or changes in approach, such as changing the settlement strategy as applicable to each matter.

AssuredPartners, LLC
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On September 23, 2011 the Company entered into a settlement agreement with the former employer of certain of the Company's executives, primarily the Chief Executive Officer and the Chief Operating officer limiting certain activities of the Company for a period up to 18 months ending July 18, 2013. The settlement included, among other things, restrictions on the ability to contact or hire employees of the former employer, the inability to solicit business from customers of the former employer, and restrictions on the ability to merge or acquire certain businesses.

9. Goodwill and Amortizable Intangible Assets

The change in goodwill for the year ended December 31, 2011 is as follows:

Balance as of February 23, 2011	\$ -
Goodwill of acquired businesses	196,236,624
Goodwill disposed of relating to sales of businesses	-
Balance as of December 31, 2011	<u>\$ 196,236,624</u>

Amortizable Intangible Assets

	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Average Life (years)
Purchased customer accounts	\$ 107,158,000	\$ (1,188,439)	\$ 105,969,561	15
Noncompete agreements	<u>868,000</u>	<u>(24,567)</u>	<u>843,433</u>	5
	<u>\$ 108,026,000</u>	<u>\$ (1,213,006)</u>	<u>\$ 106,812,994</u>	

Amortization expense recorded for amortizable intangible assets for the year ended December 31, 2011 was \$1,213,006.

Amortization expense for amortizable intangible assets for the years ending December 31, 2012, 2013, 2014, 2015 and 2016 is estimated to be \$7,317,467, \$7,317,467, \$7,317,467, \$7,317,467, and \$7,292,900, respectively.

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10. Income Taxes

The components of the provision (benefit) for income taxes for the year ended December 31, 2011 are as follows:

Current	
Federal	\$ -
State	230,287
	<u>230,287</u>
Total current provision	<u>230,287</u>
Deferred	
Federal	(4,490,280)
State	(681,998)
	<u>(5,172,278)</u>
Total deferred benefit	<u>(5,172,278)</u>
Total Benefit for Income Taxes	<u>\$ (4,941,991)</u>

A reconciliation between the effective tax rate and the federal statutory tax rate is as follows for the years ended December 31, 2011:

Federal statutory rate	35.00 %
State income taxes, net federal income tax	
Benefit	4.19
Nondeductible expenses	(0.24)
	<u>38.95 %</u>
Effective tax rate	<u>38.95 %</u>

The Company's deferred tax assets and liabilities related to the following sources and differences between financial accounting and tax basis of the Company's assets and liabilities as of December 31, 2011 as follows:

Gross deferred tax assets	
Accrued bonus and vacation	\$ 95,906
Advances	412,135
Interest on deferred earn-outs	105,486
Transaction costs	1,934,925
State net operating losses	564,247
Federal net operating losses	3,514,826
	<u>6,627,525</u>
Gross deferred tax liabilities	
Fixed assets	(151,067)
Intangible amortization	(351,518)
Direct bill	(431,015)
Supplemental contingent income	(189,815)
Other	(331,832)
	<u>(1,455,247)</u>
Net deferred tax asset	<u>\$ 5,172,278</u>

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The Company evaluates the deferred tax asset for recoverability using a consistent approach which considers the relative impact of negative and positive evidence. The company anticipates fully utilizing their deferred tax assets and has not recorded a valuation allowance as of December 31, 2011.

At December 31, 2011, the Company had no unrecognized tax benefits or associated interest or penalties that needed to be accrued for.

At December 31, 2011, the Company had a net operating loss carry forward of \$8,833,574 for federal and state income tax reporting purposes, which will expire in 2031. The primary cause of the operating loss carry forward is the transaction related expenses that accompany the purchase of businesses.

11. Fair Value of Measurements and Financial Instruments

Accounting standards establish a three tier fair value hierarchy, which prioritizes the inputs used in measuring fair values as follows:

- Level 1 — observable inputs such as quoted prices for identical assets in active markets;
- Level 2 — inputs other than quoted prices for identical assets in active markets, that are observable either directly or indirectly; and
- Level 3 — unobservable inputs in which there is little or no market data which requires the use of valuation techniques and the development of assumptions

The following methods and assumptions are used to estimate the fair values of the Company's financial instruments:

Debt

Debt is carried at outstanding principal balance.

Contingent Consideration Liability

Purchase consideration for some acquisitions made by the Company includes contingent consideration arrangements. Contingent consideration arrangements are primarily based on meeting EBITDA and revenue targets over two to four years. The fair value of contingent consideration is estimated as the present value of future cash flows that would result from the projected revenue and earnings of the acquired entities.

	Fair Value Measurements at December 31, 2011 Using			
	Total Carrying Value at December 31, 2011	Quoted Prices in active market (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<i>Liabilities:</i>				
Debt	\$ 123,500,000	\$ -	\$ 123,500,000	\$ -
Contingent Consideration	\$ 30,142,171	\$ -	\$ -	\$ 30,142,171
Total liabilities at fair value	\$ 153,642,171	\$ -	\$ 123,500,000	\$ 30,142,171

AssuredPartners, LLC
Notes to Consolidated Financial Statements
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12. Subsequent Events

The Company's is required to evaluate events and transactions occurring after the date of the Balance Sheet to determine whether anything has come to the Company's attention that would require disclosure to the financial statements. The Company performed procedures to review subsequent events through April 30, 2012 and determined the following items meet the measurement criteria for disclosure:

Sale of Company Equity

Effective March 31, 2012, the Company sold equity in the form of its preferred A units and Common B units to employees who represented themselves as qualified accredited investors (as determined by the Securities and Exchange Commission). In exchange for \$10,295,000 in cash the Company issued 10,089.1 Preferred A units and 2,059,000 Common B units.

Hedging Arrangement

As described in Note 5, the Company entered into an amended and restated credit facility effective December 23, 2011. The credit facility contains a provision that requires the Company to purchase interest rate protection that limits the maximum amount of interest that the Company would be required to pay in the event that interest rates were to increase. The provision required the Company to purchase such protection in the form of an interest rate hedge in an amount equal to 50% of the then outstanding balance no later than 120 days after the effective date of the credit facility, or April 21, 2012. Effective April 10, 2012, the Company purchased a hedging instrument in the form of an interest rate cap. The notional amount of the cap was \$125,000,000 which represents 95.2% of the then outstanding balance under the credit facility of \$131,335,882. The cost to purchase the instrument was \$447,000.

The interest rate cap instrument makes payments to the company in the event that actual 90 day LIBOR rates exceed the rates defined in the cap instrument. The company will receive payments from the counter-party to the hedge instrument if the 90 day LIBOR rate exceeds 150bps for the period April 10, 2012 through June 28, 2013, 200 bps for the period June 28 2013 through June 30, 2014 and 250 bps for the period June 30, 2014 through June 30, 2015.

The periods under which the interest rate cap makes settlement payments (if applicable) match perfectly the settlement periods under which the Company is required to make interest rate payments under the credit facility. In addition, the underlying rates under which payments are made are identical resulting in a perfectly correlated hedge.

The company anticipates using hedge accounting to account for the purchase of the interest rate cap. The Company will classify the initial investment within the line-item 'noncurrent assets, net' on the Balance Sheet. Subsequently, the Company will, on a quarterly basis, measure any changes in the fair value of the hedging instrument as either increases or decreases in the carrying value of the asset with an off-setting increase or decrease to Other Comprehensive Income ("OCI").

Purchase of Business

On January 20, 2012 the Company completed the acquisition of Dawson Insurance, Inc., Dawson of Florida, LLC, Dawson Consulting Group, LLC, Group Benefits Agency, Inc, and Dawson Mid-Atlantic LLC (together, "Dawson") for an initial purchase price of \$52.0 million with the potential for future earn-out payments and other deferred amounts up to an additional \$28.0 million for a maximum potential purchase price of \$80.0 million. Future earn-out payments are contingent upon Dawson's ability to increase its profitability over the 3 years following the close date.

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To fund the acquisition of Dawson, the Company borrowed \$19.4 million from its credit facility, issued a \$7.0 million note payable to the sellers and received \$14.8 million from GTCR. The remaining proceeds came from co-investors, primarily Assured corporate management and management of previously acquired companies.

On April 25, 2012 the Company completed the acquisition of Insurance Systems, Inc. ("ISI") for an initial payment of \$8.1 million with the potential for future earn-out payments of up to an additional \$4.0 million, for a maximum potential purchase price of \$12.1 million. Future earn-out payments are contingent upon ISI's ability to increase its profitability over the 24 month period ending April 30, 2014.

To fund the purchase of ISI, the Company borrowed \$5.0 million from its credit facility and received \$2.9 million from GTCR. The remaining proceeds came from co-investors, primarily Assured corporate management and management of previously acquired companies.

As of April 30, 2012 the Company has yet to engage a valuation expert to assist in determining the allocation of the fair value of the purchase price of both Dawson and ISI. However, the nature of both acquisitions is similar in all material respects to the acquisitions previously completed, and as such the Company expects the purchase price to be allocated in a similar manner.



**Risk Management Services Co.
Staff Profile
Jeff Rausch, A.R.M.**

President

12/2005 to Present

RMSC provides multi-line claims administration, risk management outsourcing and consulting, loss prevention and insurance program development services. RMSC has clients in a variety of industries throughout North America.

Function as the risk manager for LG&E/KU Services Company on a contract basis.

Vice President and Chief Operating Officer

6/2000 - 12/2005

Responsibility for the marketing, workers' compensation and property and casualty claims operations of Risk Management Services Company.

Function as the risk manager for LG&E/KU Services Company on a contract basis. Responsibilities include coordination of the corporate insurance program, interfacing with the broker, managing the claims administration of the self-insured workers' compensation, auto liability and general liability program, property loss control and claims handling and contract review.

LG&E Energy Corp, Manager of Risk Management

8/1996 - 6/2000

Responsibilities include coordination of the corporate insurance program, interfacing with the broker, managing the claims administration of the self-insured workers' compensation, auto liability and general liability program, property loss control and claims handling and contract review.

Louisville Gas & Electric Company, Claims Supervisor

4/1994 – 8/1996

Responsible for managing the self-insured workers compensation, auto liability and general liability programs.

Education and Training:

Bellarmine College, Bachelor of Arts – Accounting, May 1983

Licenses and Certifications:

Associate in Risk Management designation, May 1998



**Risk Management Services Co.
Staff Profile
Harold Mattingly**

Position: Executive Director - Claims

Description of Current Responsibilities:

12/1996 to Present

Management of the claims department operations. Responsible for overseeing all aspects of automobile liability, general liability, workers' compensation, SIU program, 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 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..

Description of Previous Work Experience:

Senior Claims Representative - AIG Specialty Auto

4/1996 – 12/1996

Responsible for the more complex/high exposure claims involving coverage issues, property damage and bodily injury.

Sr. Case Manager - Liberty Mutual Insurance

5/1990 - 4/1996

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)



**Risk Management Services Co.
Staff Profile
Fred J. Sebastian, CSP**

Position: Director- Loss Prevention

Description of Current Responsibilities: **October 2005 to Present**
Manage the operations and activity of loss control services that are provided to Risk Management Services clients. Use loss data analysis and audits of loss control leading indicators to identify areas of concentration for loss control efforts. Determine specific program, policy and training needs of client and facilitate completion. Interact with agents and clients to coordinate appropriate level of service for clients.

Description of Previous Work Experience

- 12/03 – 10/05 Loss Control Manager
Responsibilities include risk evaluation and improvement activities, large multi-location account management, and departmental management.
- 11/93 – 12/03 Senior Loss Control Consultant 11/93 – 12/98
Casualty Technical Specialist 12/98 – 7/02 Responsibilities included providing risk improvement services to service intensive local account, coordinating service to national accounts, and risk evaluation for larger prospective accounts.
Regional Accident Prevention Manager 7-02 – 12-02
- 10/90 – 11/93 Loss Control Service Specialist
Responsibilities included providing risk improvement services to service intensive local account, coordinating service to national accounts, and risk evaluation for larger prospective accounts.
- 11/89 – 10/90 Mason, OH

Vice President/Partner
Responsibilities included marketing, sales, and performance of consultative services in the areas of safety/loss prevention, operation and maintenance management, and personnel training.
- 6/79 – 8/89 Cincinnati, OH

Loss Control Representative
Responsibilities included providing risk improvement services to service intensive local account, coordinating service to national accounts, and risk evaluation for larger prospective accounts.

Education

University of Cincinnati, Cincinnati, OH
B. S. Education, 6/78

Professional Societies

American Society of Safety Engineers
Professional Member
President Southwestern Ohio Chapter

Certifications

Certified Safety Professional – BCSP

Continuing Education

6/21-29/1995	Property Qualification Seminar (IRI School – Hartford, CT)
11/10-14/1997	Ergonomics Seminar (Advanced Ergonomics, Inc. – Dallas, TX)
7/27-30/1999	OSHA 40 Hour Trainer Course in OSHA Standards for General Industry



**Risk Management Services Co.
Staff Profile
Nathan J. Murrell**

Position: Loss Control Consultant

Description of Current Responsibilities:

6/2003 to Present

Performs risk management assessments, industrial hygiene studies, indoor air quality evaluations, loss analysis, and employee training sessions. Authorized OSHA outreach trainer for general industry standards and certified by the National Safety Council to conduct defensive driver training courses.

Position: OSH-Tech: University of Kentucky-Department of Occupational Health and Safety

Description of Previous Work Experience:

12/2002 – 6/2003

Assisted UK OH&S's senior industrial hygienist with indoor environmental quality issues by: distributing, collecting and interpreting air quality surveys, performing institutional audits, and conducting both personal and area air monitoring and data collection. Responded to occupant complaints, and conducted odor investigations. Performed asbestos site surveys in buildings slated for demolition or newly purchased properties. Fit tested; hospital and maintenance employees covered by OSHA's respiratory protection standard. Assisted lab specialists during laboratory inspections and fume hood evaluations/certification. Helped implement online training programs for blood borne pathogens, and the use of emergency eye wash and drench showers. Assisted state level Fire Marshals, (off campus), during an explosion investigation stemming from a flammable solvent release.

Education/Certifications/Activities:

B.S. Environmental Health Science from Eastern Kentucky University

National Safety Council Member

American Society of Safety Engineers (ASSE) Member

Certified Defensive Driving Course PTD (Professional Truck Driver) Instructor

HAZWOPER certification

OSHA 30 Hour Occupational Health and Safety Certification

Associate in Risk Management (ARM) Designation



**Risk Management Services Co.
Staff Profile
Paul D. Fox, C.S.P.**

Position: Loss Control Consultant

Description of Current Responsibilities:

2/2006 to Present

Provide field loss control, safety and Industrial hygiene services for Risk Management Services clients. Provide underwriting risk analysis for prospective clients. Use loss information and audit report data to develop loss reduction plans for workers compensation, liability and property loss potential. Determine specific program, policy and training needs of client and facilitate their implementation. Interact with agents and clients to coordinate appropriate level of service for clients.

Description of Previous Work Experience:

4/2005 - 11/2005

Loss control consultant – Self employed
Conduct insurance loss control surveys for two consulting firms, Decisive Management Corp. and NJ Associates.

10/2004 - 2/2005

Loss control manager – AIK Comp
Oversee loss control activities and manage department. Conduct prospective and renewal surveys, report to underwriter and work with client on improvement recommendations.

2/1998 - 10/2004

Executive loss control consultant – AIK Comp
Perform prospective, renewal and risk improvement surveys for AIK accounts. Communicate with underwriting and work with agent to complete service activities.

1/1987 - 2/1998

Senior loss control consultant – Selective Management Services
Develop and implement loss control service procedures, survey, reporting and scheduling guidelines for AIK Self Insurance Fund. Conduct underwriting and prospective risk surveys and assist with training of new staff.

Education/Certifications/Activities

Ohio University, BBA degree
Certified Safety Professional
Certified Healthcare Safety Professional
American Society of Safety Engineers (ASSE) Member
National Safety Council Member



**Risk Management Services Company
Staff Profile**

Tony Gaughan, ARM, CPSI

Position: Loss Prevention Account Manager

Description of Current Responsibilities: 2008 to Present

Manage the operations and activity of loss control services that are provided to Risk Management Services clients. Use loss data analysis and audits of loss control leading indicators to identify areas of concentration for loss control efforts. Determine specific program, policy and training needs of client and facilitate completion. Interact with agents and clients to coordinate appropriate level of service for clients.

Description of Previous Work Experience

2007 - 2008 Senior Risk Control Consultant

- Conduct multi-line risk control surveys of clients operations to evaluate exposures & controls and prepare client profile reports for carriers.
- Assist clients with developing practical solutions to improve loss control programs. Loss control service plans are customized to address both the trailing and risk leading indicators of each account
- Coordinate carrier loss control surveys and assist clients with addressing and responding to recommendations.
- Promote, sell and coordinate the delivery of other Marsh Risk Consulting solutions available to clients.

2005 - 2007 Risk Control Consultant

- Hired to "start-up" risk control function. Emphasis has been on defining our risk control capabilities and developing processes, procedures and best practices.
- Developed "Risk Leading Indicator" assessment process, assessment tools and report platform.
- Responsible for selling risk control services to existing client base and prospective clients.
- Provide consultative risk control services to in-house self-insured public entity clients and to large manufacturing accounts on a third party contract basis.

2003 - 2005 Senior Loss Control Consultant

- Conduct multi-line risk control surveys of written accounts to evaluate operations, exposures and controls.
- Provide consultative loss control services to clients by developing practical solutions to improve risk management & safety programs and reduce loss frequency.

- Coordinate the delivery of services to multi-location accounts via service instructions, reports reviews, follow-up activities, etc.
- Provide service to a variety of retail, manufacturing and distribution/warehousing type accounts.

1988-2003 Various Loss Prevention Positions

- Conduct multi-line risk control surveys of prospective accounts to evaluate operations, exposures and controls.
- Assist written accounts with developing practical solutions to improve loss control programs. Loss control service plans were customized to address both the trailing and risk leading indicators of each account.
- Provide service to manufacturing, hospitality, healthcare and distribution/warehousing type accounts
- Responsibilities included staff development, promotion of Zero Accident Culture internally & externally, team building, quality control, workload management, and marketing and cross functional training within the manufacturing segment.
- Field conducting large account surveys, providing consultative service to accounts and multi-location account coordination.
- Conducted field Loss Control audits.
- Conducted routine multi-line loss control surveys.

Technical Capabilities

Working knowledge of all lines including workers compensation, general liability, products liability, auto, property and all risk.

Capable of evaluating HPR type properties and conducting sprinkler system water supply analysis.

Advanced competencies in machine guarding, ergonomics, products liability, property and automobile liability.

Education

1980 - 1984 University of Dubuque
Dubuque, IA
BS Occupational Safety & Health

Designations

Associate in Risk Management (ARM)
Certified Playground Safety Inspector (CPSI)
Licensed Casualty & Property Producer in the state of Tennessee: ID #00980100



**Risk Management Services Co.
Staff Profile
J. Clarke McCulloch**

Position: Claims Supervisor

Current Responsibilities:

11/2010 to Present

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

Description of Previous Responsibilities:

4/1996 - 11/2010

Responsible for the invoicing and initial collection of all 3rd party damages to E.ON-US property. 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.

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.

Description of Previous Work Experience:

1982 - 1996

Louisville Gas & Electric Co. (LG&E) credit representative responsible for all bankruptcies filed against LG&E. @ 4 years

LG&E credit representative responsible for collection of all unpaid billings on discontinued utility accounts. @ 3 years

LG&E customer service representative responsible for new service applications, service orders, customer complaints and inquiries. @ 7 years

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



**Risk Management Services Co.
Staff Profile
Chris Welch**

Position: Senior Case Manager

Description of Current Responsibilities:

5/2001 to Present

Multi-line case manager. Responsible for 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:

Claims Representative - Employers Risk Services

3/1999 – 12/2000

Handled workers compensation claims for high risk companies, such as forestry workers & coal miners. Included 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



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 prior to being promoted to Supervisor in 2010.

Description of Previous Work Experience

Claims Adjuster – Underwriter’s Safety & Claims 2002-2003

Responsible for the daily aspects of claims handling in Kentucky & Indiana workers compensation.

Claims Adjuster – Gallagher Bassett 2001-2002

Responsible for the daily aspects of claims handling in Kentucky & Indiana.

Education and Training:

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

Licenses and Certifications:

Independent Adjuster – Kentucky, Georgia, Indiana

Certified Workers Compensation Counselor-CWCC



**Risk Management Services Co.
Staff Profile
Kim McAlister**

Position: Senior Case Manager

Description of Current Responsibilities: **10/2003 to Present**

Review and investigate lost time and medical only workers' compensation claims. Review all medical billings associated with those claims for necessity and relationship. Process payments for loss of wages. Direct and control claims in litigation. Provide customer service by keeping employers informed of any and all issues associated with their claim. Market new accounts that will lead to the growth and development of the Lexington office.

Description of Previous Work Experience **1/2000 - 6/2003**

Workers Compensation Claims Manager-Employers Risk Services (ERS). 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.

1/1999 - 1/2000

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

9/1997 - 1/2000

Accounts Claims Representative-ERS. 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.

7/1996 - 9/1997

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

Education and Training: 1992 graduate of Western Kentucky University. During my tenure at ERS I was periodically involved in training/workshops regarding all aspects of claims evaluation, investigation and settlement

Licenses and Certifications:

Independent Adjusters License - Kentucky, Indiana, West Virginia



**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.

Description of Previous Work Experience:

11/2008 - 5/2011

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.

6/2005 - 11/2008

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.

5/2002 - 6/2005

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.

11/1998 - 7/2001

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)



**Risk Management Services Co.
Staff Profile
Lori Rigdon**

Position: Case Manager

Description of Current Responsibilities: **12/2010 to Present**

Case Manager – RMSC. 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: **12/2002 - 12/2010**

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.

12/2001 - 12/2002

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.

6/1997 - 12/2001

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

Certified Workers Compensation Counselor – CWCC

<p>ASSURED NL INSURANCE AGENCY, INC.</p> <p>Jurisdiction: Delaware</p> <p>Foreign Jurisdictions: (All other states)</p>	<p>Formed: 07/06/2011</p> <p>FEIN #: 45-2712475</p> <p>Org ID#: 5006785</p>	<p><u>Directors:</u></p> <p>David A. Donnini Aaron D. Cohen Joseph P. Nolan Tannaz S. Chapman Jim W. Henderson Thomas E. Riley Paul Vredenburg</p>	<p><u>Officers:</u></p> <p>John F. Neace - CEO Jim W. Henderson - SVP Thomas E. Riley - SVP Paul Vredenburg - SVP & Secretary Eric Anderson - SVP Stanley K. Kinnett II - Chief Corporate Counsel Gerald B. Budde - CFO Louis M. Berman - SVP Scott R. Heiser - SVP Alan J. Jones - SVP Joseph T. Lukens - SVP Douglas A. Stough - SVP Dean J. Curtis - SVP Timothy J. Devine - SVP</p> <p><i>Shareholder: AssuredPartners Capital, Inc.</i></p>
<p>ASSURED NL INSURANCE SERVICES, INC.</p> <p>Jurisdiction: Delaware</p> <p>Foreign Jurisdictions: (All other states)</p>	<p>Formed: 07/06/2011</p> <p>FEIN #: 45-2712519</p> <p>Org ID#: 5006786</p>	<p><u>Directors:</u></p> <p>David A. Donnini Aaron D. Cohen Joseph P. Nolan Tannaz S. Chapman Jim W. Henderson Thomas E. Riley Paul Vredenburg</p>	<p>John F. Neace - CEO Jim W. Henderson - SVP Thomas E. Riley - SVP Paul Vredenburg - SVP & Secretary Eric Anderson - SVP Stanley K. Kinnett II - Chief Corporate Counsel Gerald B. Budde - CFO Louis M. Berman - SVP Scott R. Heiser - SVP Alan J. Jones - SVP Joseph T. Lukens - SVP Douglas A. Stough - SVP Dean J. Curtis - SVP Timothy J. Devine - SVP Kimberly S. Robson - SVP David J. Prisco - SVP Charles J. Rausch - SVP</p>

Shareholder: AssuredPartners Capital, Inc.

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
4/17/2013

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).

PRODUCER Mike Smith: PC & Surplus Broker Lic #D061127 Axis Insurance Services, LLC 795 Franklin Avenue, Suite 206 Franklin Lakes NJ 07417	CONTACT NAME: Heather Verdui PHONE (A/C, No. Ext): (201)847-9175 FAX (A/C, No): (201)847-9174 E-MAIL ADDRESS: hverdui@axisins.com	
	INSURER(S) AFFORDING COVERAGE	
INSURED AssuredPartners Capital, Inc. 200 Colonial Center Parkway #150 Lake Mary FL 32746	INSURER A: Darwin Select Insurance Co	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** CL1283004596 **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 INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						<input type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Errors & Omissions Claims Made			Policy #0307-7977 Retro: Full Prior Acts	12:00 AM 9/1/2012	12:00 AM 9/1/2013	Limit Per Claim \$15,000,000 Dedtible Per Claim \$250,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Professional Services: Insurance Agent/Broker for others.

This policy includes coverage for Assured NL Insurance Agency Inc., an AssuredPartners Inc. company, doing business as Risk Management Services Company.

CERTIFICATE HOLDER **CANCELLATION**

Lexington-Fayette Urban County Government *For Informational Purposes* 200 East Main Street Lexington, KY 40507	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

Assured NL Insurance Agency, Inc.	Additional Named Insured
Assured NL Insurance Services, Inc.	Additional Named Insured
AssuredPartners, Inc.	Additional Insured
AssuredPartners, LLC	Additional Insured
Midwest Premium Finance	Additional Insured
Neace Lukens Management Services (Barbados), Ltd.	Additional Insured



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
3/4/2013

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).

PRODUCER SKCG Group 123 Main St., 14th FL White Plains NY 10601	CONTACT NAME: Jeanne Vezina PHONE (A/C No. Ext): (914)761-9000 E-MAIL ADDRESS: JVezina@skcg.com	FAX (A/C No): (914)761-3749
	INSURER(S) AFFORDING COVERAGE	
INSURED Risk Management Services Co. c/o AssuredPartners, LLC 200 Colonial Center Parkway, Ste. 150 Lake Mary FL 32746	INSURER A: Travelers Prop Cas.of America	NAIC # 25674
	INSURER B: Travelers Indemnity Co.	NAIC # 25658
	INSURER C: Fireman's Fund	
	INSURER D:	
	INSURER E:	

COVERAGES **CERTIFICATE NUMBER:** CL12113044714 **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 INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			6301C226998	10/1/2012	10/1/2013	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
								\$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			810330D8750	10/1/2012	10/1/2013	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
A C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB DED RETENTION \$			Various	10/1/2012	10/1/2013	EACH OCCURRENCE	\$ 50,000,000
							AGGREGATE	\$ 50,000,000
								\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			YJUB3C19972912	10/1/2012	10/1/2013	<input checked="" type="checkbox"/> WC STATUTORY LIMITS 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

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER FOR INFORMATIONAL PURPOSES	CANCELLATION 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 Thomas Kozera/JEANNE <i>Thomas R. Kozera</i>

Financial Responsibility

The CONTRACTOR understands and agrees that is shall, prior to final acceptance of this bid and the commencement of any work; demonstrate the ability to assure compliance with the Indemnity Agreement and other provisions of this Contract.

RMSC has reviewed and understands the conditions set forth dealing with Financial Responsibility as set forth above.

It is agreed prior to final acceptance of our bid and commencement of any work we will demonstrate the ability to assure compliance with the Indemnity Agreement and other provisions of the contract.

Charles J. Rausch, President
RMSC

Date

AFFIDAVIT

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

1. His/her name is Jeff Rausch and he/she is the individual submitting the proposal or is the authorized representative of Assured NL Insurance Services, Inc. (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. Rausch

STATE OF Kentucky

COUNTY OF Jefferson

The foregoing instrument was subscribed, sworn to and acknowledged before me by Charles J. Rausch on this the 19th day of April, 2013

My Commission expires: 9-19-2015

[Signature]

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 handicap.

- 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

Assured NL Insurance Services, Inc
Name of Business

WORKFORCE ANALYSIS FORM

Name of Organization: Risk Management Services Co. Date: 04/19/13

Categories	Total	White		Latino		Black		Other		Total	
		M	F	M	F	M	F	M	F	M	F
Administrators	5	4	1							4	1
Professionals	21	8	13							8	13
Superintendents											
Supervisors	4	1	3							1	3
Foremen											
Technicians											
Protective Service											
Para-Professionals											
Office/Clerical	13	2	10		1					2	11
Skilled Craft											
Service/Maintenance											
Total:	43	15	27		1					15	28

Prepared by: *Charles J. Rameck* *President*
 Name & Title

DIRECTOR, DIVISION OF CENTRAL PURCHASING

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

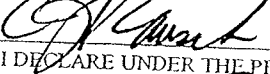
Name of Company: Risk Management Services Company

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

Bid/RFP/Quote Reference # 14-2013

The MBE/WBE 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.

MBE/WBE Company, Name, Address, Phone, Email	Work to be Performed	Total Dollar Value of the Work	% Value of Total Contract
1. Axis Medical Management	Telephonic and Onsite Nurse Case Mgmt. Utilization Review Medical Bill Audit	\$ 40,000.00 Annually	20%
2.			
3.			
4.			

The undersigned company representative submits the above list of MBE/WBE 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.

Risk Management Services Co.

Company 4-29-13

Date

Charles J. Rausch
By President

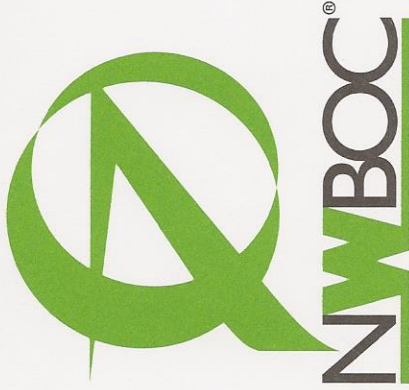
Title

RCSE10272

Certification Number

October 14, 2013

Expiration Date



NATIONAL WOMEN BUSINESS OWNERS CORPORATION

Certifies that:

AXIS Medical Management, L.L.C.

has successfully met the requirements of the NWBOC National Certification Program for certification as a woman-owned and woman-controlled business.

Jessie Lunge
President

October 15, 2012

Date

NAICS Code(s): 541611, 541690

NWBOC, 1001 W. Jasmine Dr., #G, Lake Park, FL 33403 • 800-675-5066 • www.nwboc.org

Tampering or altering this certificate is, in the discretion of NWBOC, grounds for termination of certification.



Steven L. Beshear
Governor

Mike W. Hancock, P.E.
Secretary
Kentucky Transportation Cabinet

COMMONWEALTH OF KENTUCKY



Transportation Cabinet

certifies that

AXIS MEDICAL MANAGEMENT, LLC

P. O. Box 88, Cub Run, KY 42729

*has met all eligibility requirements
to participate in the
Disadvantaged Business Enterprise Program*

This certificate is issued pursuant to 49 CFR Part 26 and is subject to suspension or revocation.

November 30, 2015

Renewal Date

A blue ink signature of the DBE Liaison Officer.

DBE Liaison Officer

Kentucky
UNBRIDLED SPIRIT™

LFUCG STATEMENT OF GOOD FAITH EFFORTS

Bid/RFP/Quote # 14-2013

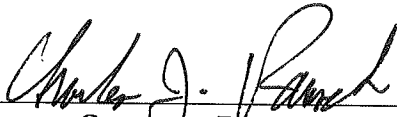
By the signature below of an authorized company representative, we certify that we have utilized the following methods to obtain the maximum practicable participation by minority and women owned business enterprises on the project. Please indicate which methods you used by placing an X in the appropriate place.

- Attended LFUCG Central Purchasing Economic Inclusion Outreach Event
- Sponsored Economic Inclusion event to provide networking opportunities
- Requested a list of MBE/WBE subcontractors or suppliers from LFUCG Economic Engine
- Advertised for MBE/WBE subcontractors or suppliers in local or regional newspapers
- Showed evidence of written notice of contracting and/or supplier opportunities to MBE/WBE firms at least seven days prior to the proposal opening date
- Provided copies of quotations submitted by MBE/WBE firms which were not used and/or responses from firms indicating they would not be submitting a quote
- Provided plans, specifications, and requirements to interested MBE/WBE subcontractors
- Other
Please list any other methods utilized that aren't covered above.
Reviewed duties and services of this RFP to current MBE/WBE partners and potential MBE/WBE partners to determine if there was an opportunity to participate.

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

Risk Management Services Co.
Company

4-22-13
Date


Company Representative
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

4-19-13
Date

XYZ Company

12/31/12 Claims Review

Workers Comp
Auto Liability
General Liability
Property

Risk Management Services Company

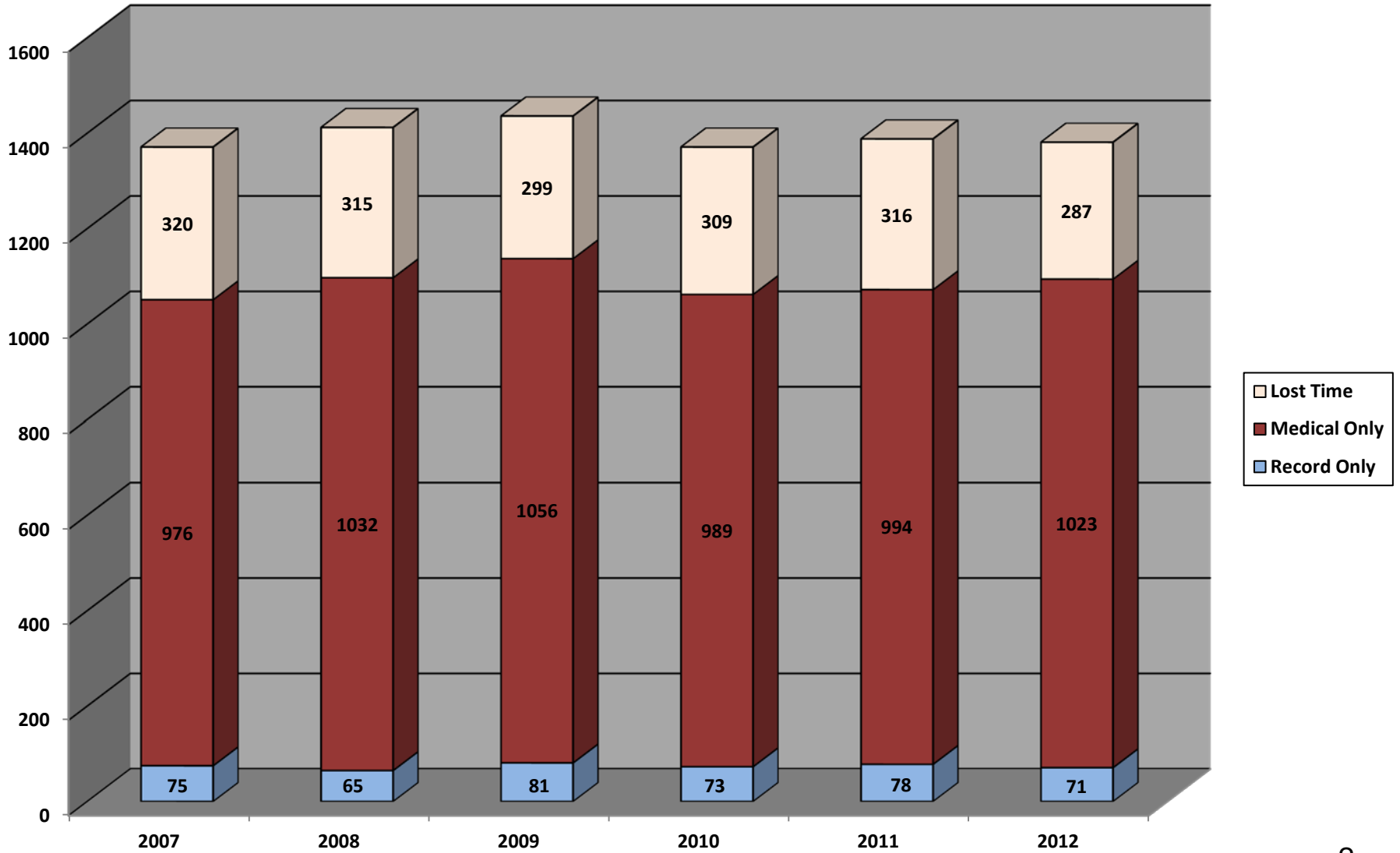


Helping you chart the right course

Workers Compensation

Total Claims

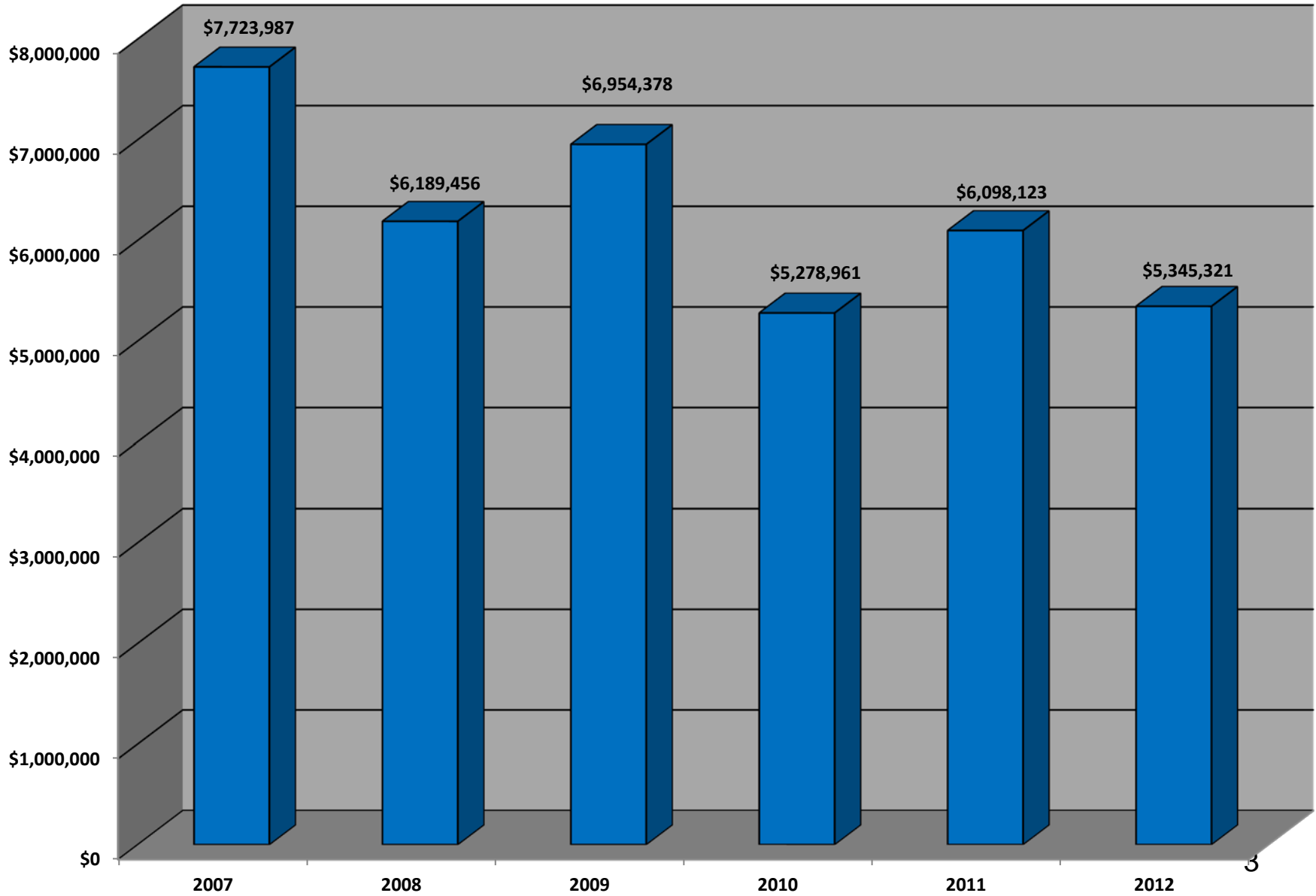
As of 12/31/12



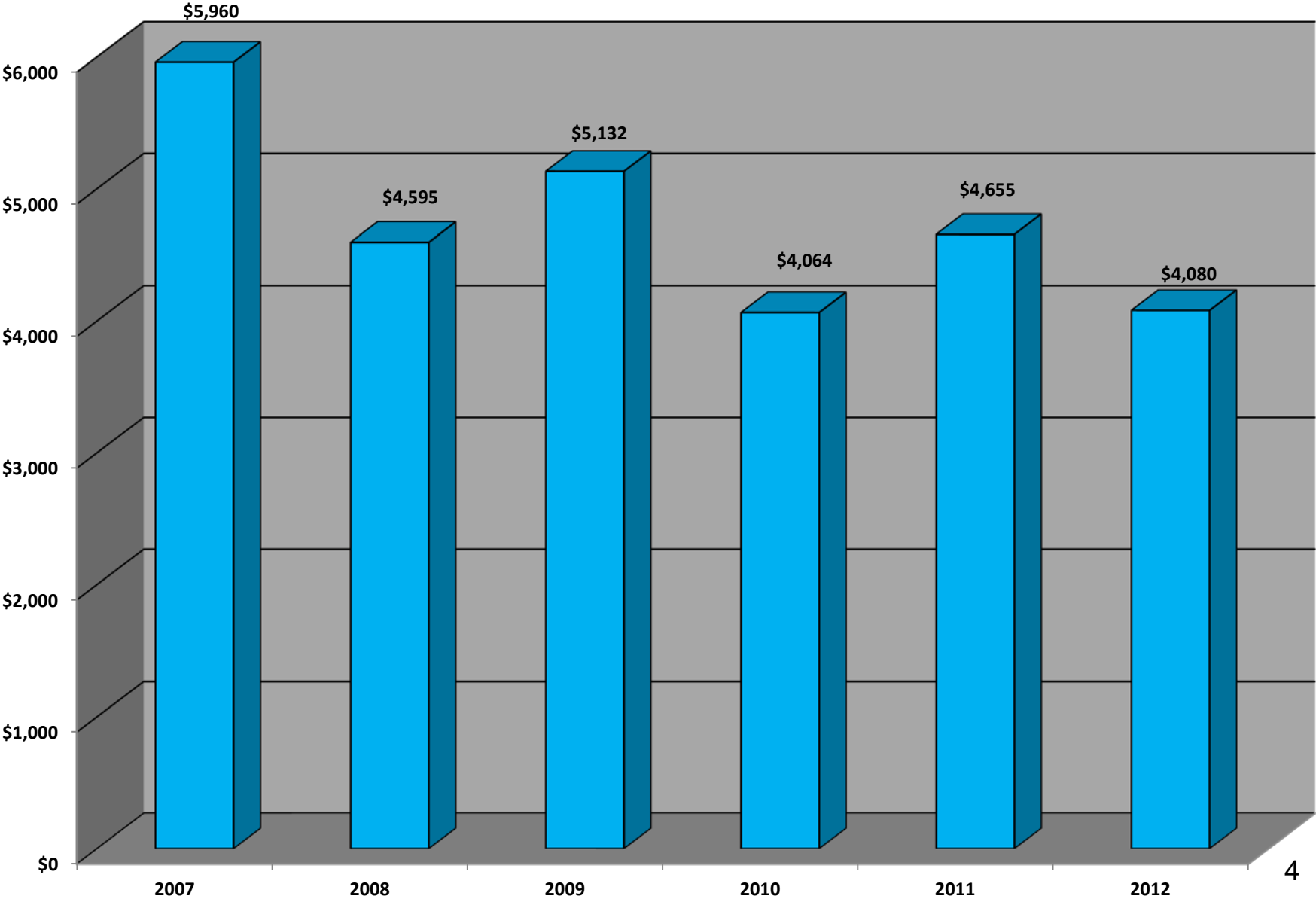
Workers Compensation

Total Incurred

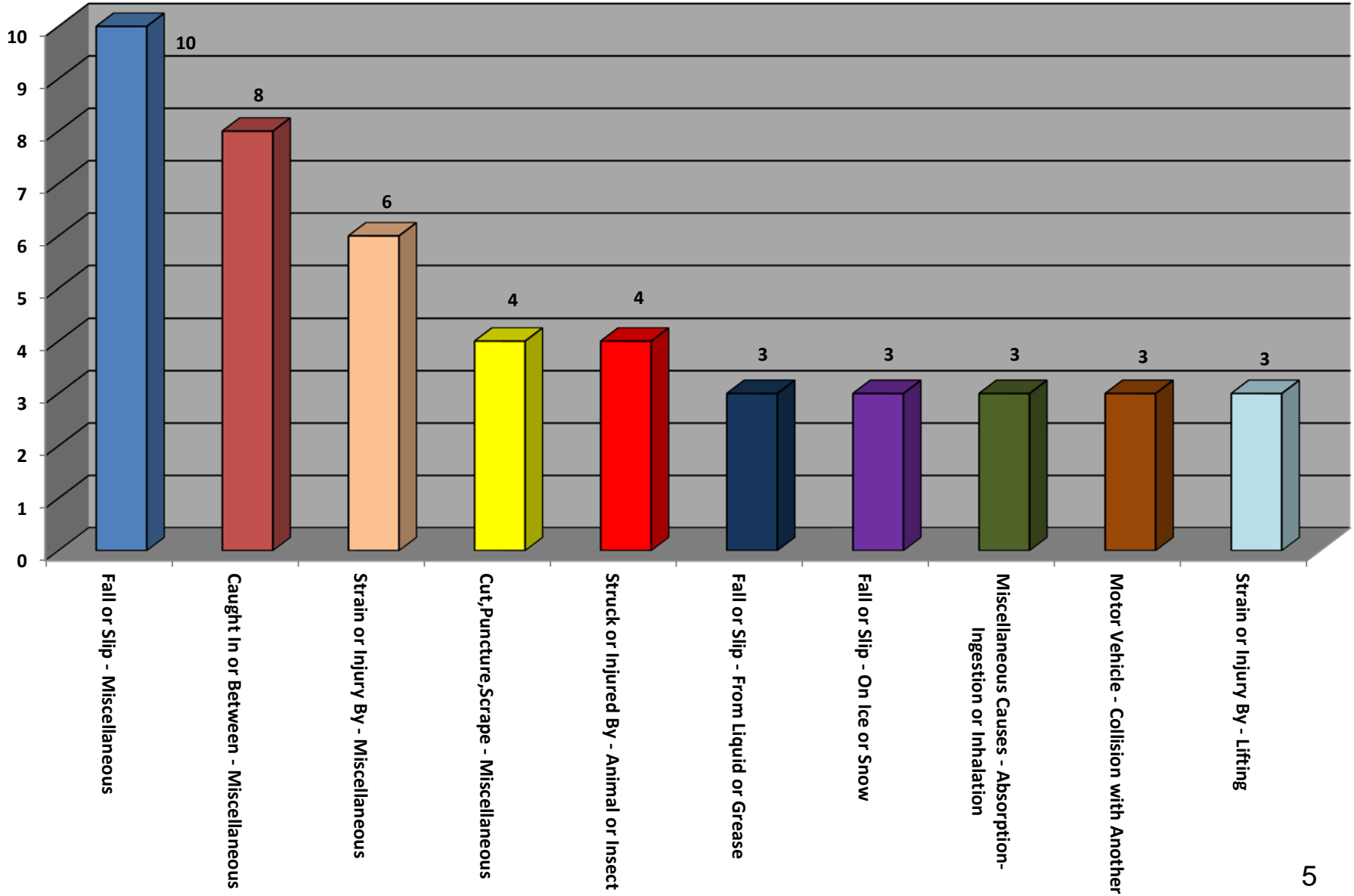
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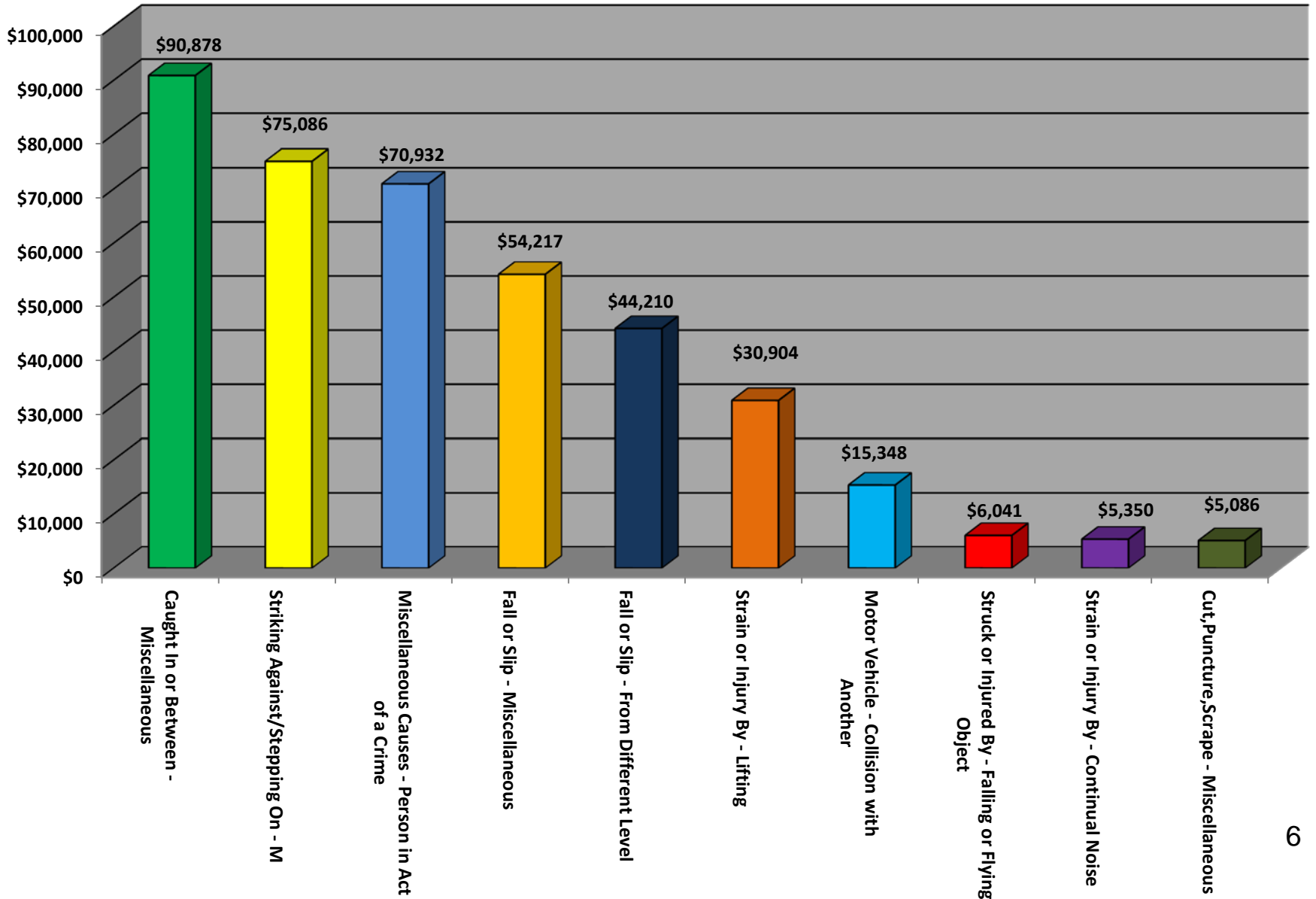
**Workers Compensation
Average Claim Cost**
As of 12/31/12



**Workers Compensation
Top 10 by Frequency Type 2012**
As of 12/31/12



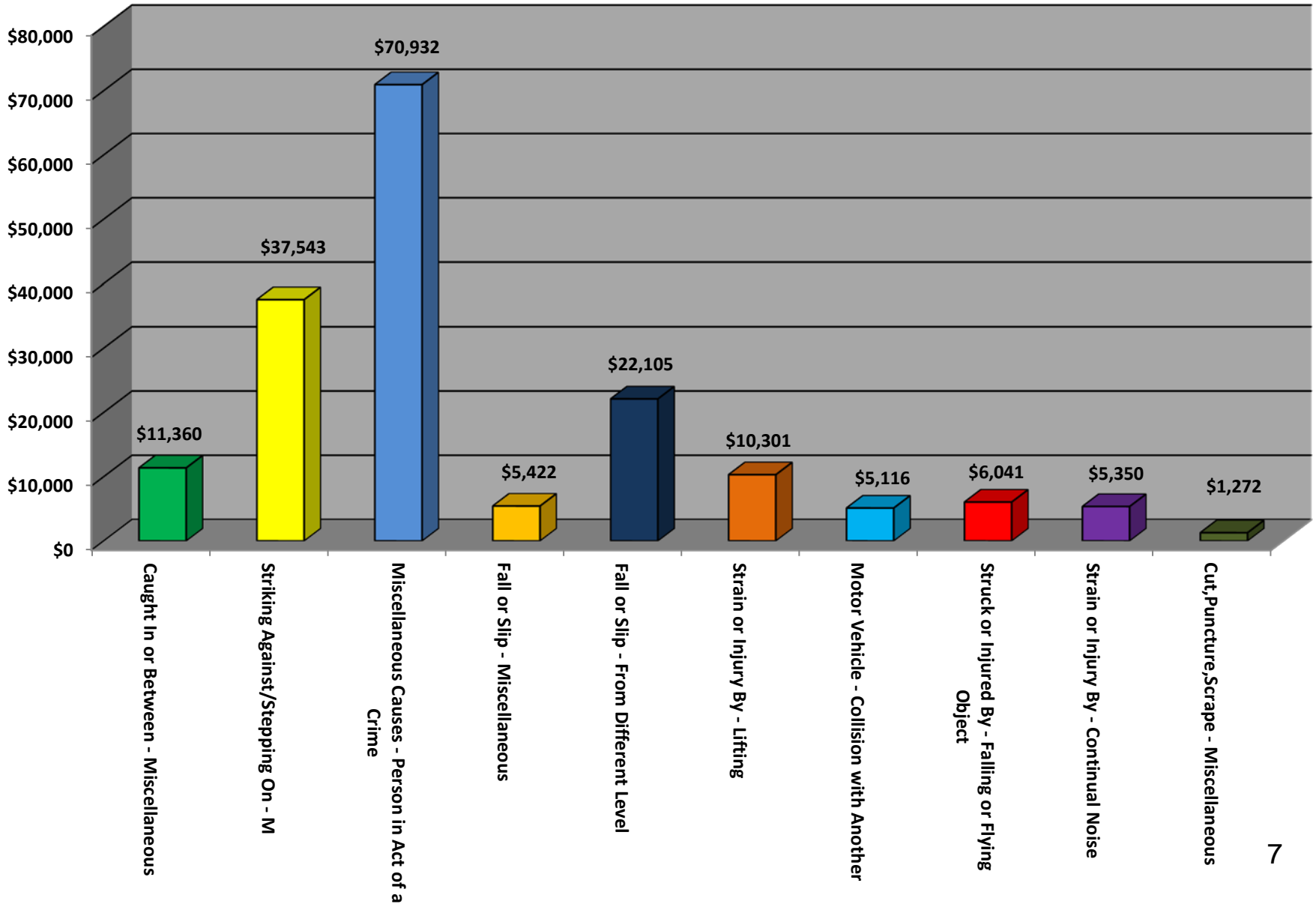
Workers Compensation
Total Incurred Top 10 Claims by Severity Type 2012
As of 12/31/12



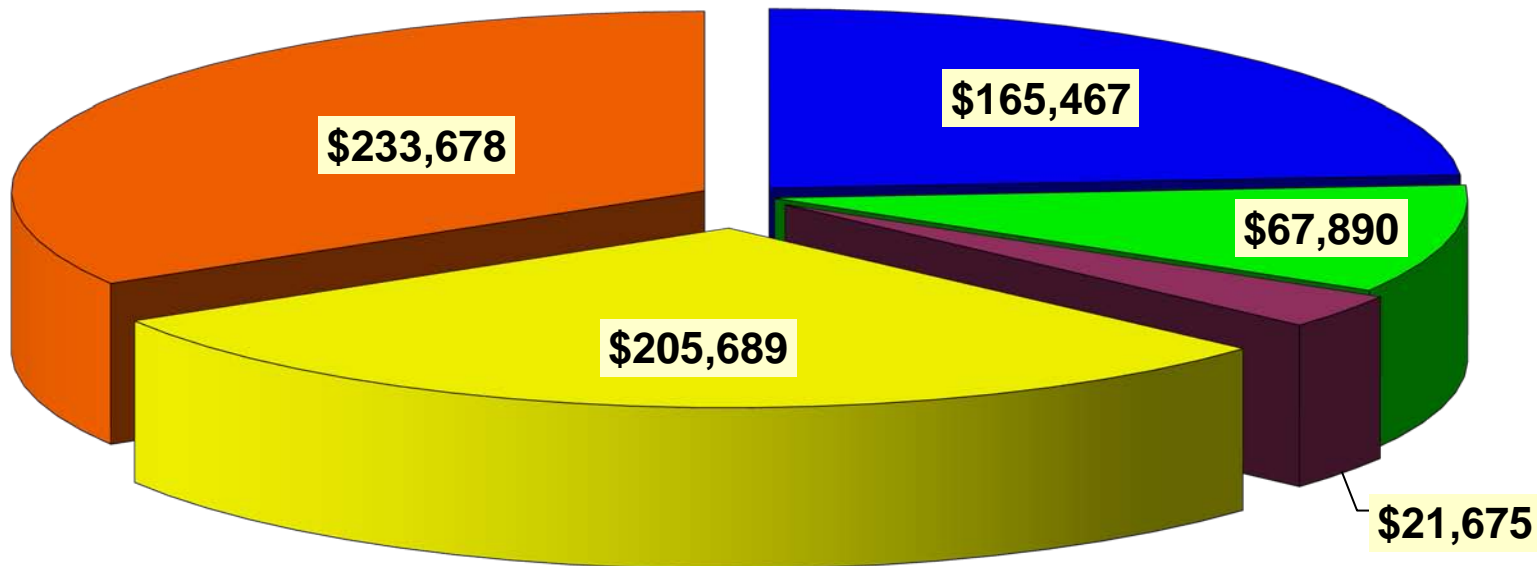
Workers Compensation

Average Incurred For Top 10 Claims By Severity Type 2012

As of 12/31/12



RMSC - Savings Medical Cost Containment Procedures 2012 Totals = \$694,329

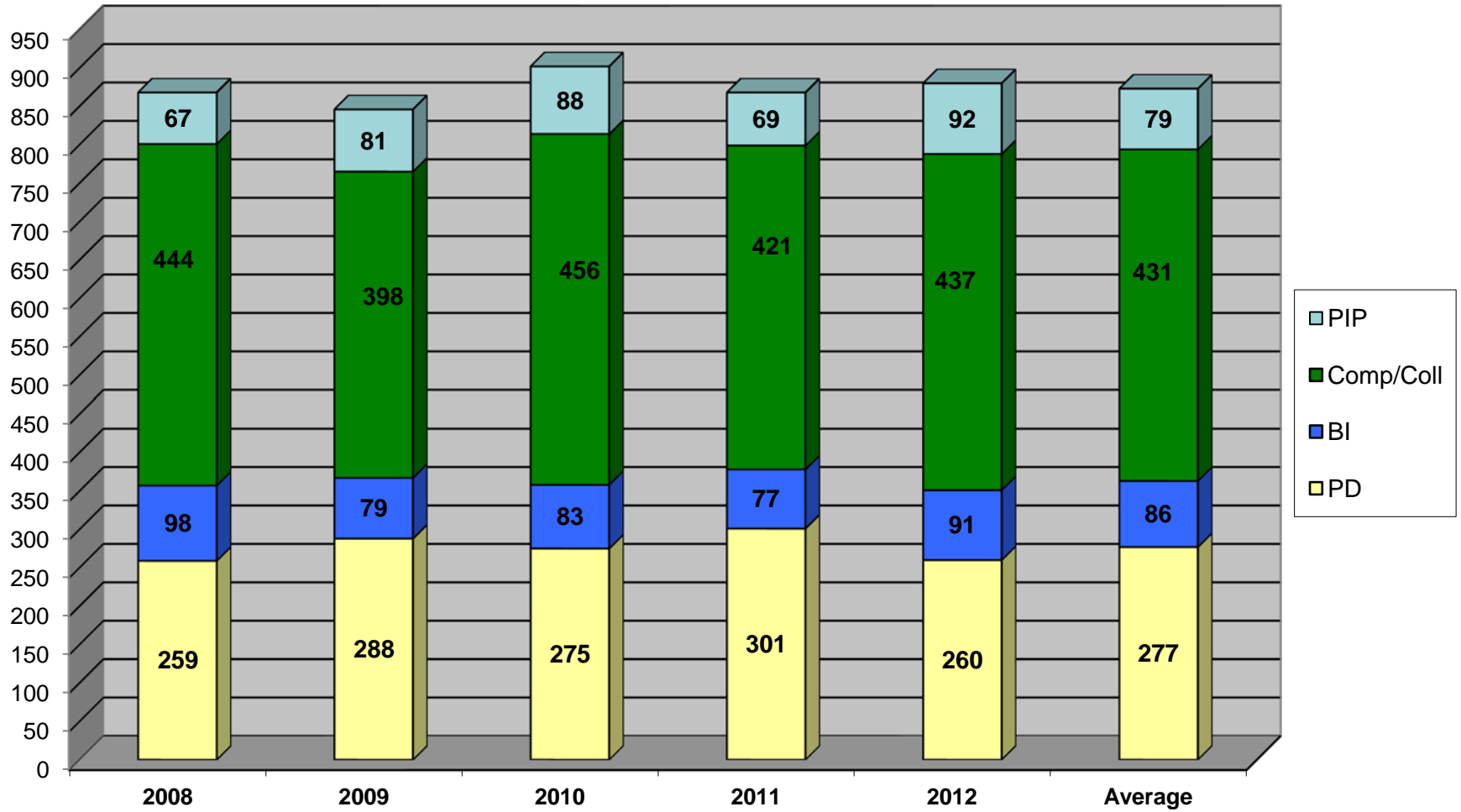


**Total cost of above savings is \$195,253
Representing a Return on Investment of \$3.5 to \$1**

- Prescription savings: reflect direct savings from prescriptions below the fee schedule
- PPO savings: result from implementation of our new Preferred Provider Program
- Compensability savings: are from aspects of claims that have been denied as not compensable
- Indemnity savings: result from return to work earlier than RTW guidelines indicate as a result of CM intervention
- Medical savings: result from denied treatment, test and medical bill audits

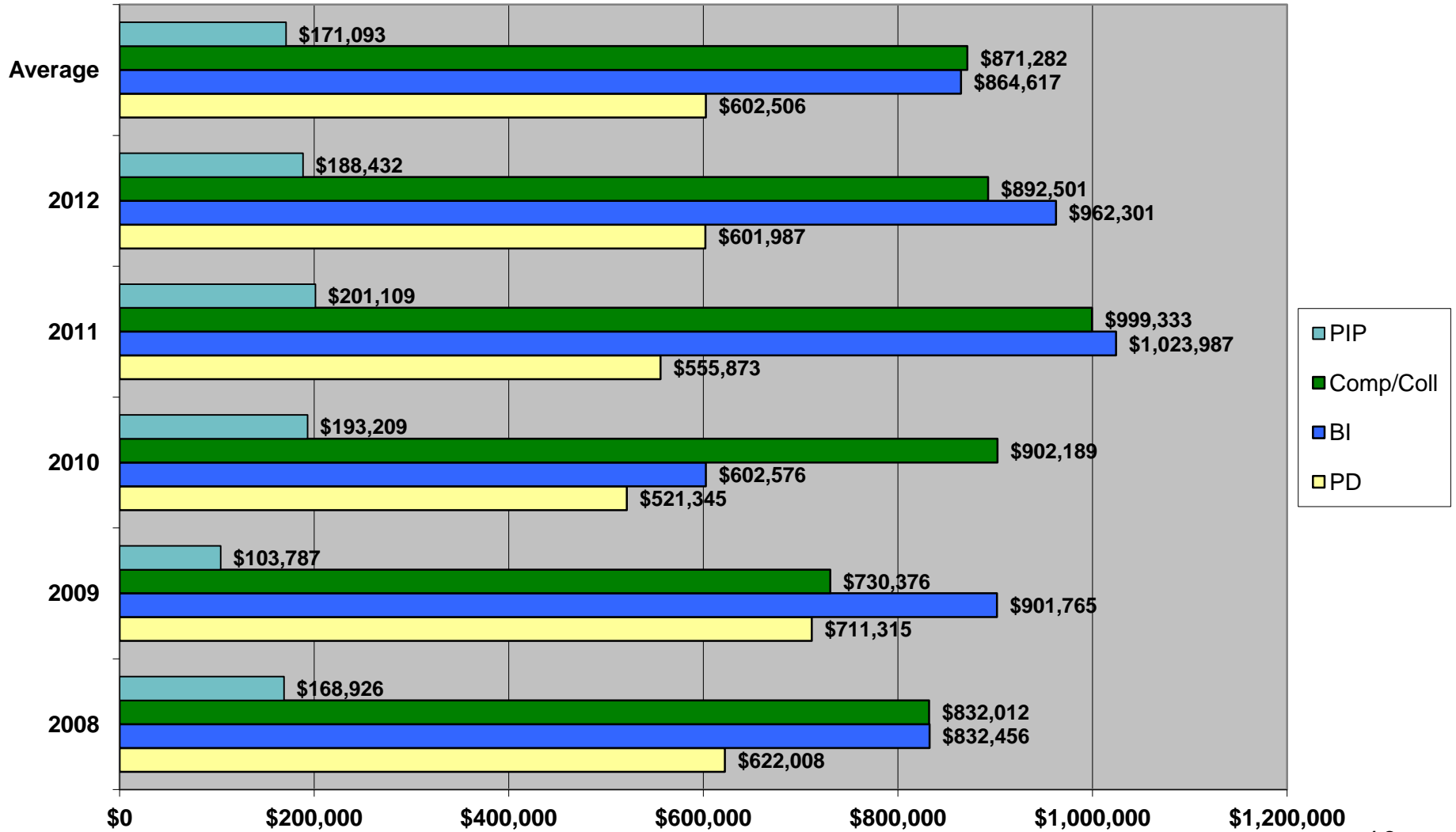
Auto Liability Claims Frequency

As of 12/31/12



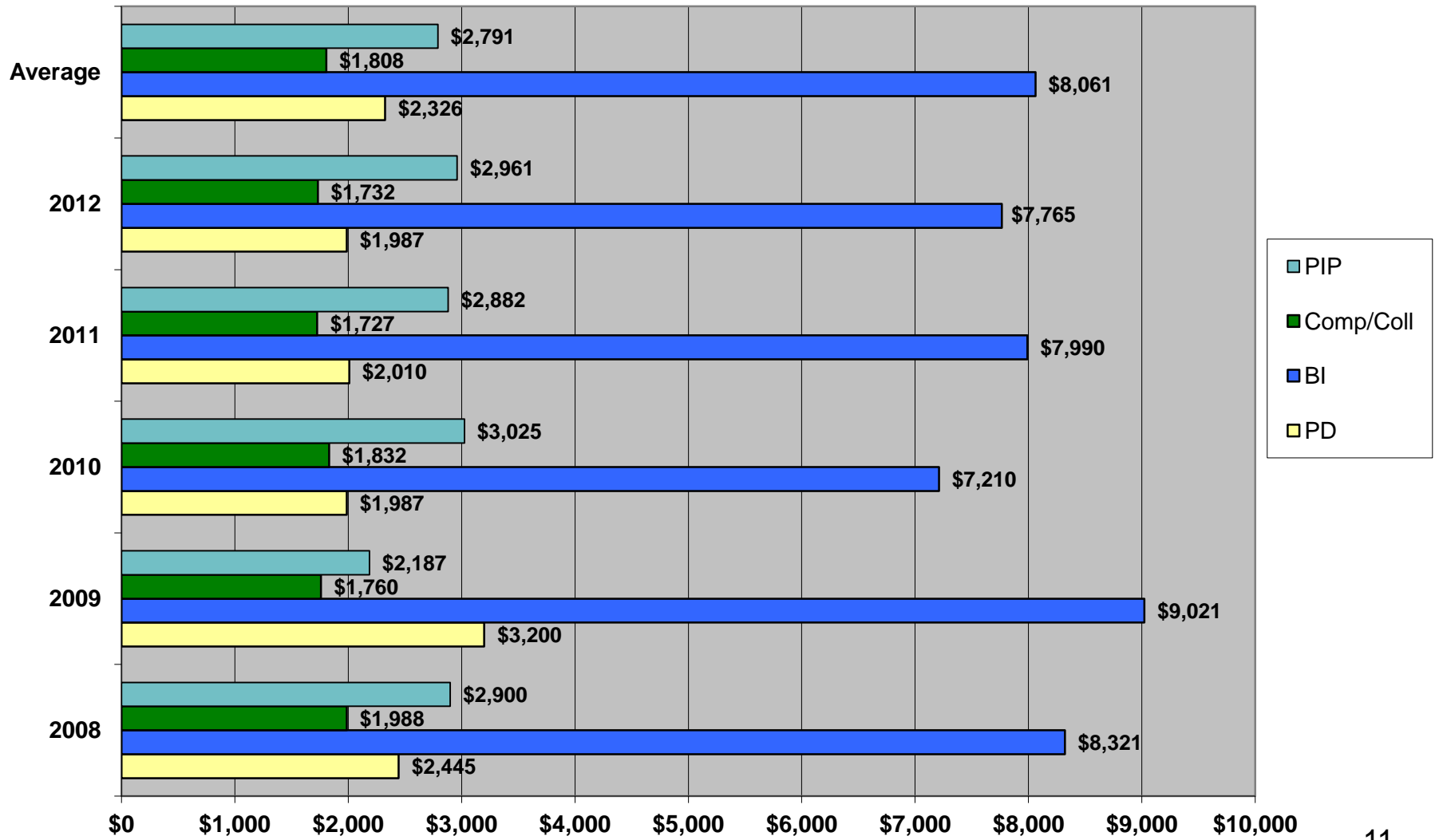
Auto Liability Claims Severity

As of 12/31/12



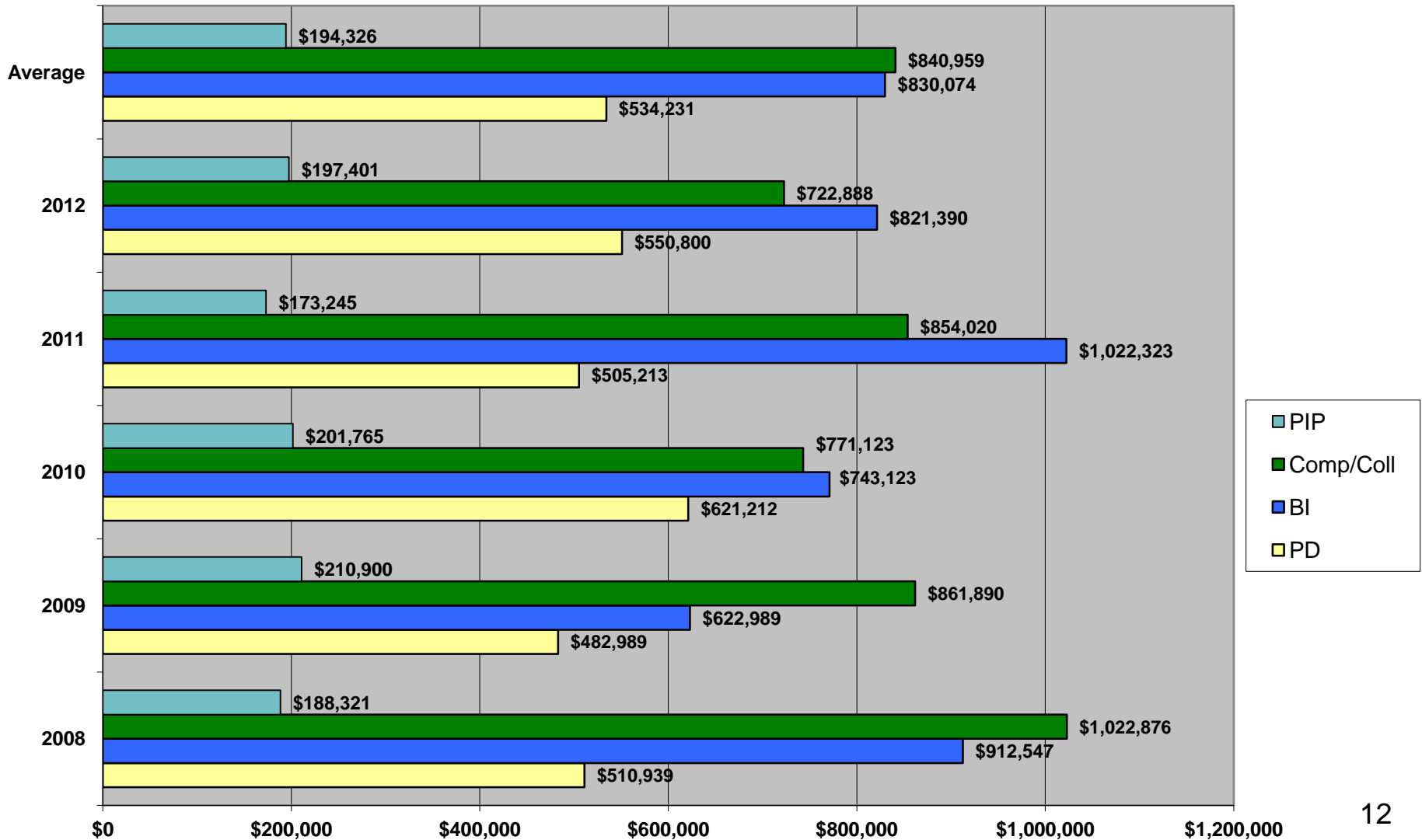
Auto Liability Average Claims Cost

As of 12/31/12

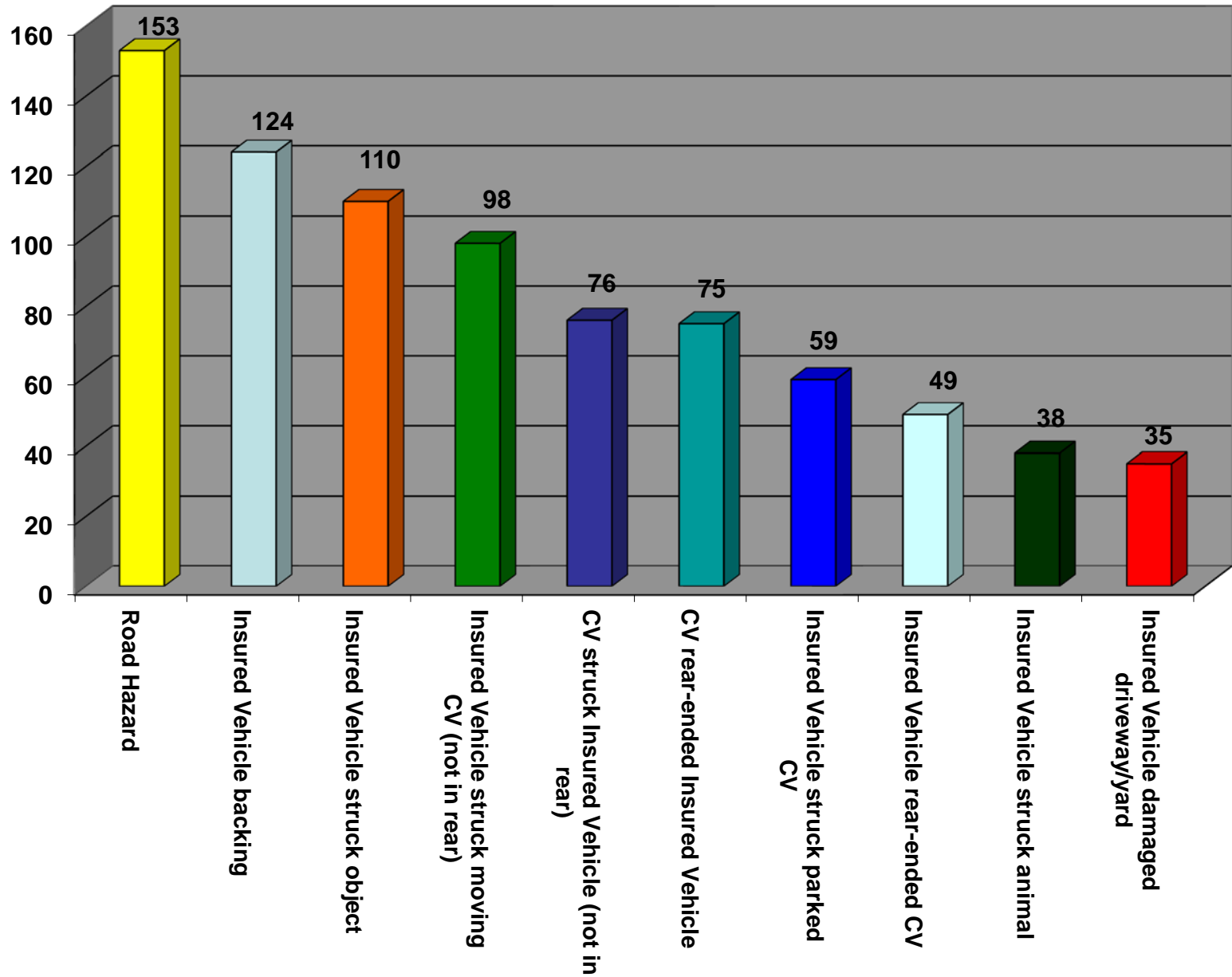


Auto Liability Cost for All Claims Paid In Year Regardless of Occurrence Date

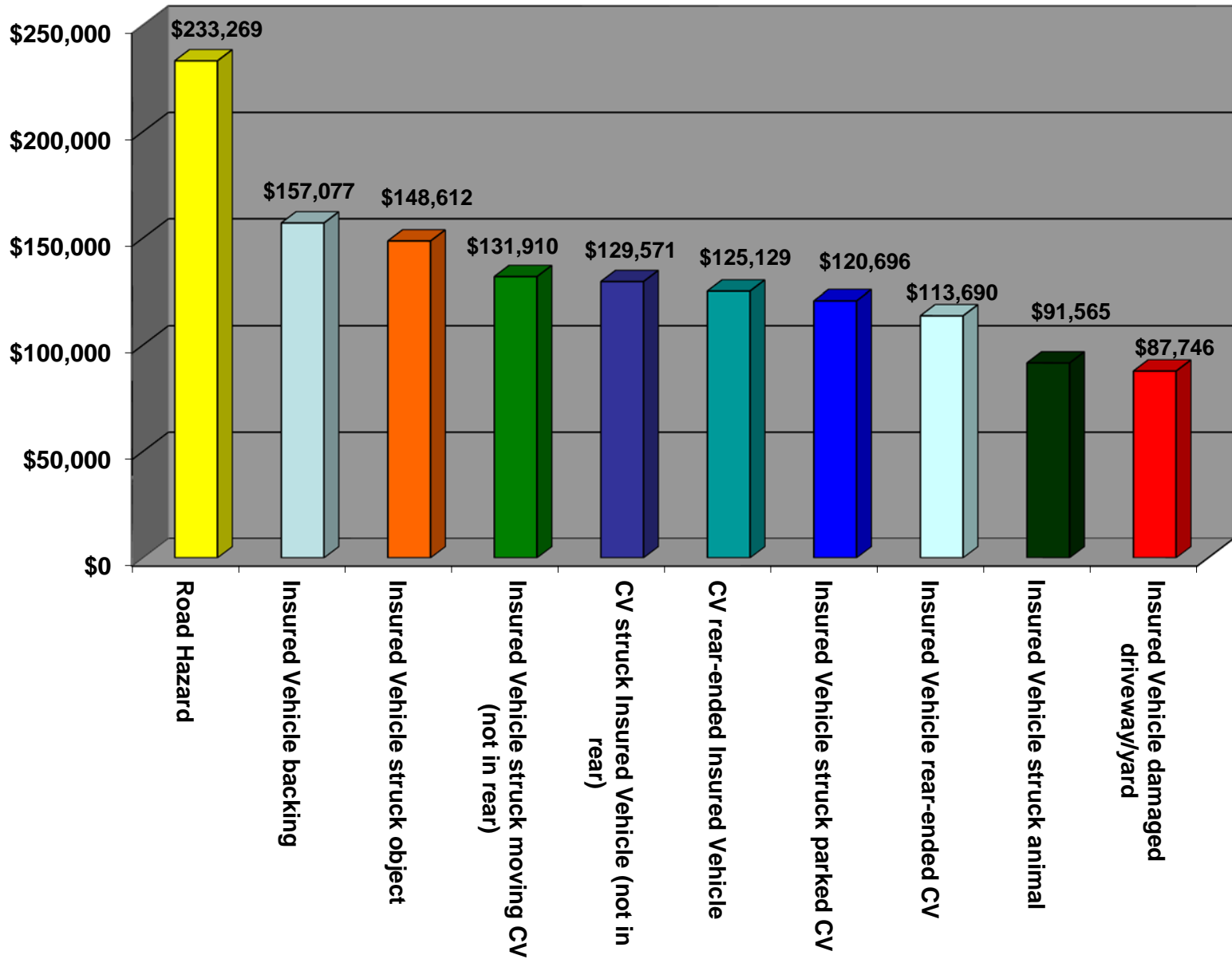
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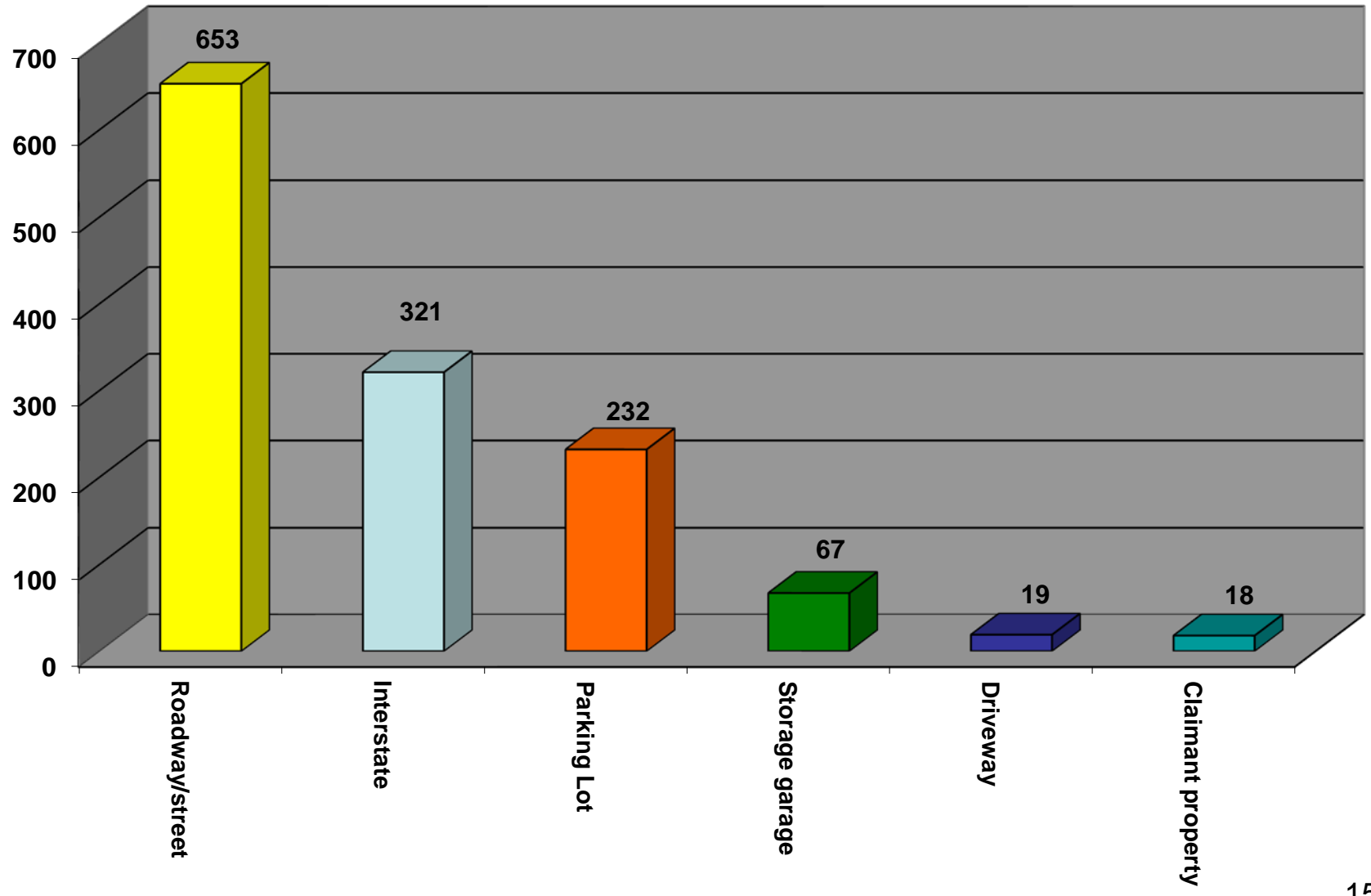
2012
Auto Claims - Frequency by Claim Type
Top 10



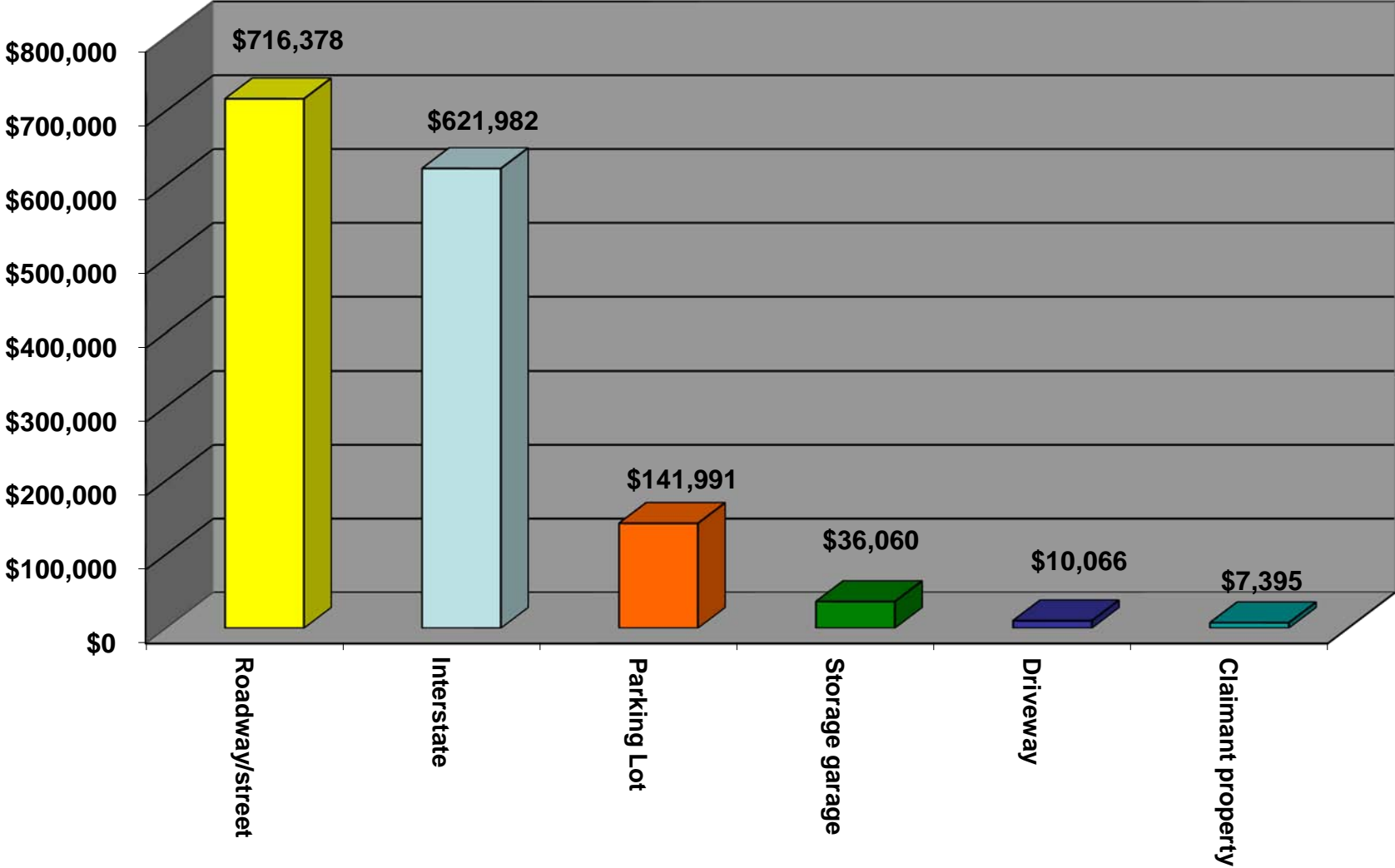
2012
Auto Claims - Severity by Claim Type
Top 10



2012
Auto Claims - Frequency
Location

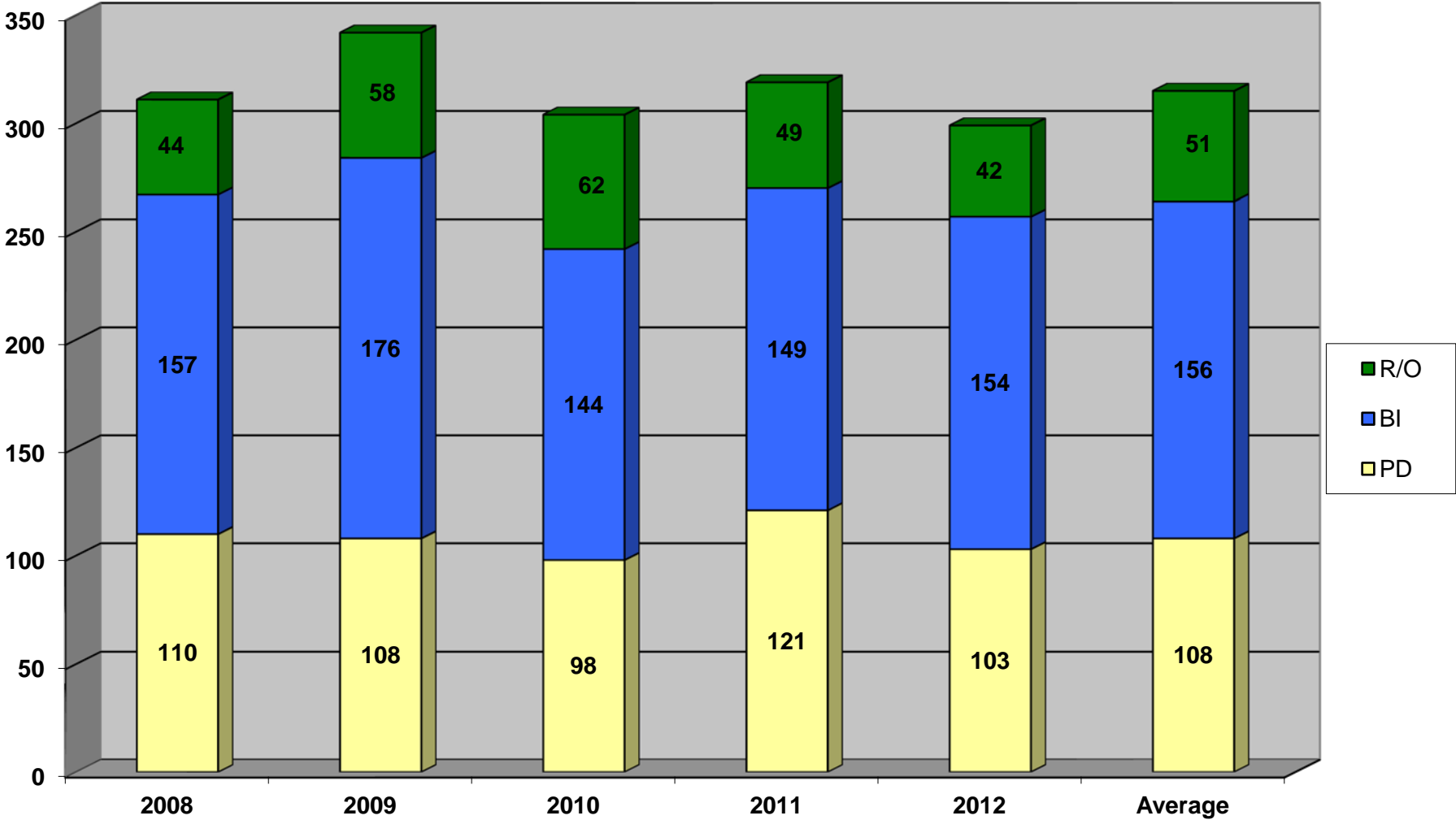


2012
Auto Claims - Severity
Location



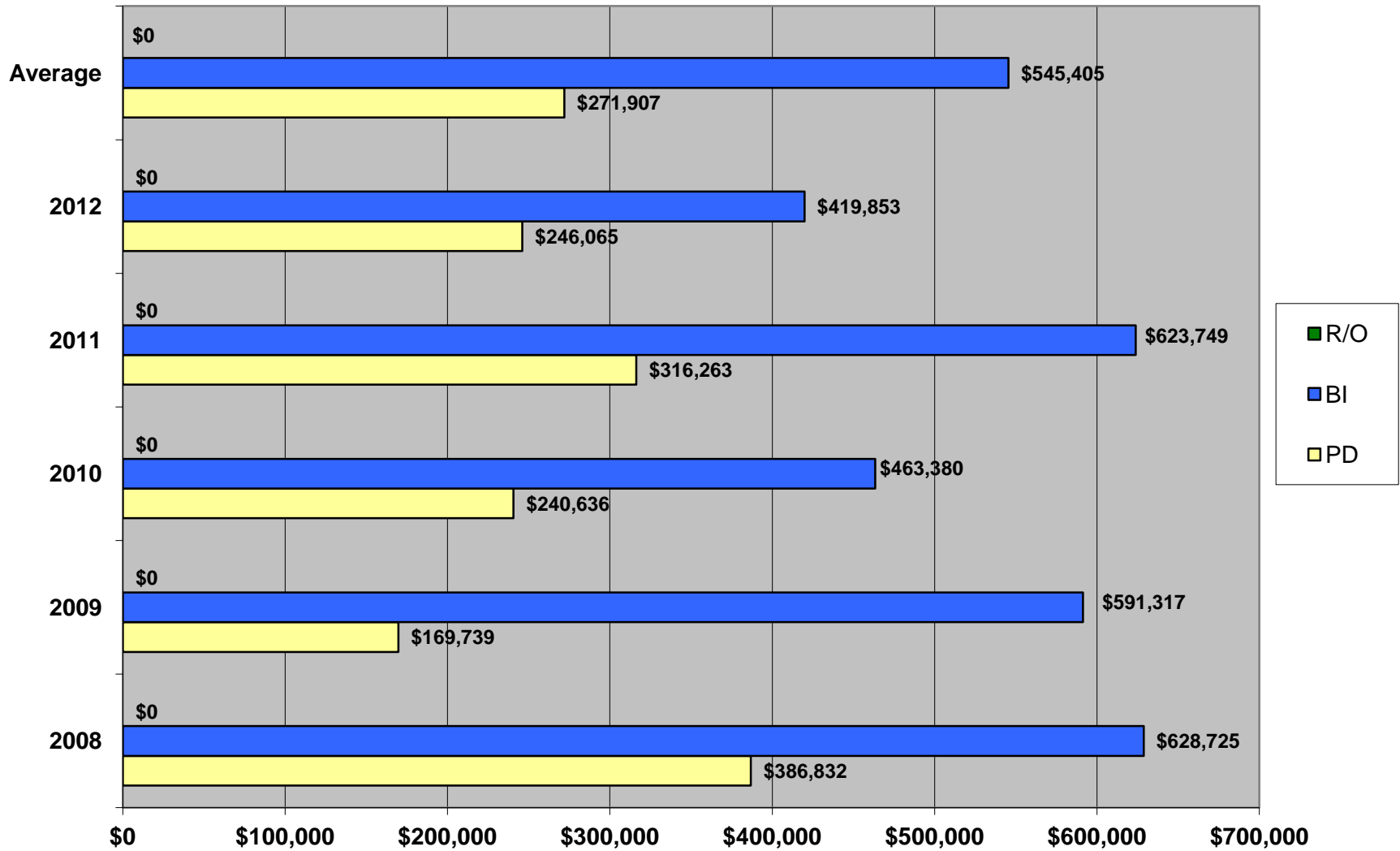
General Liability Claims Frequency

As of 12/31/12



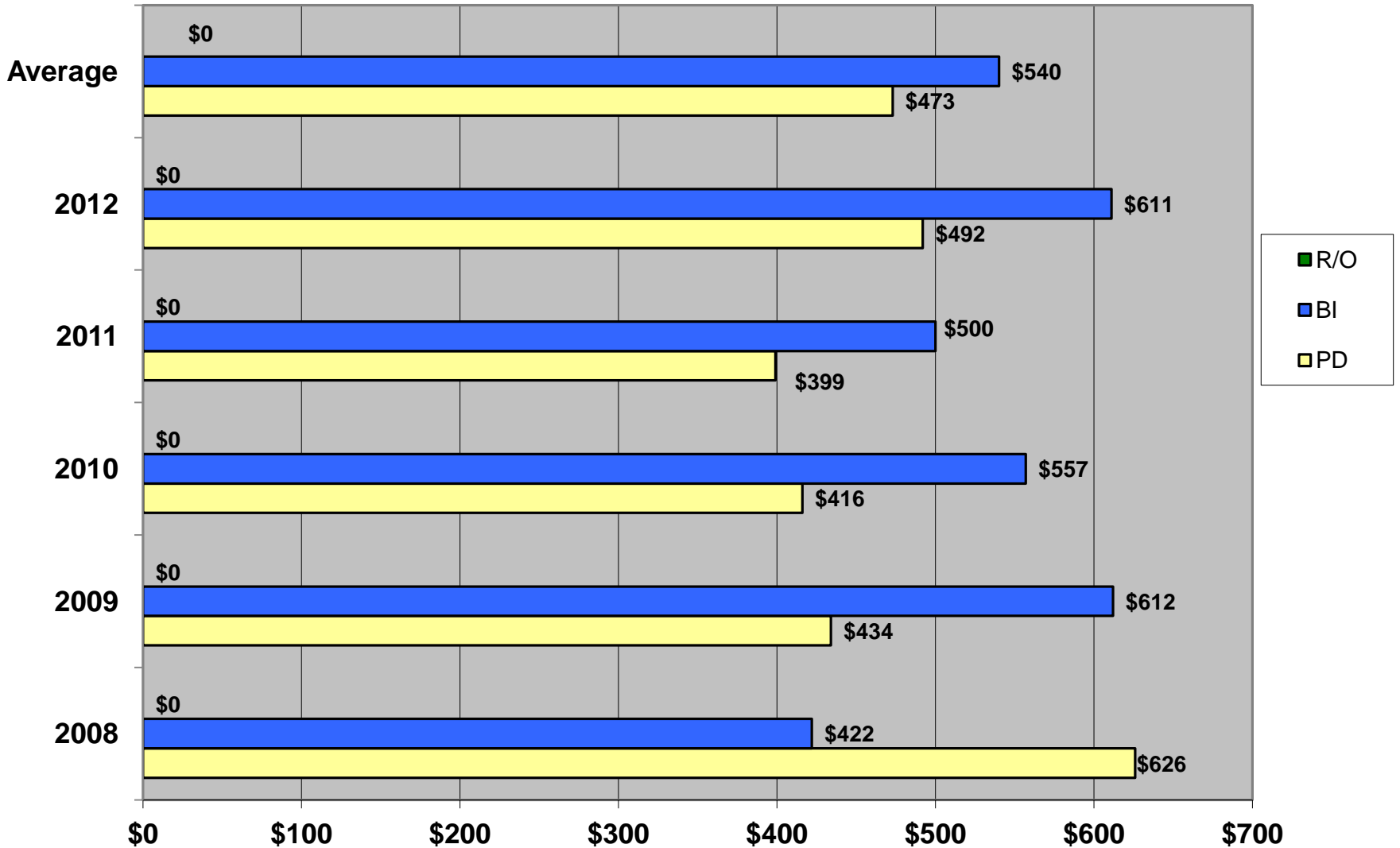
General Liability Claims Severity

As of 12/31/12

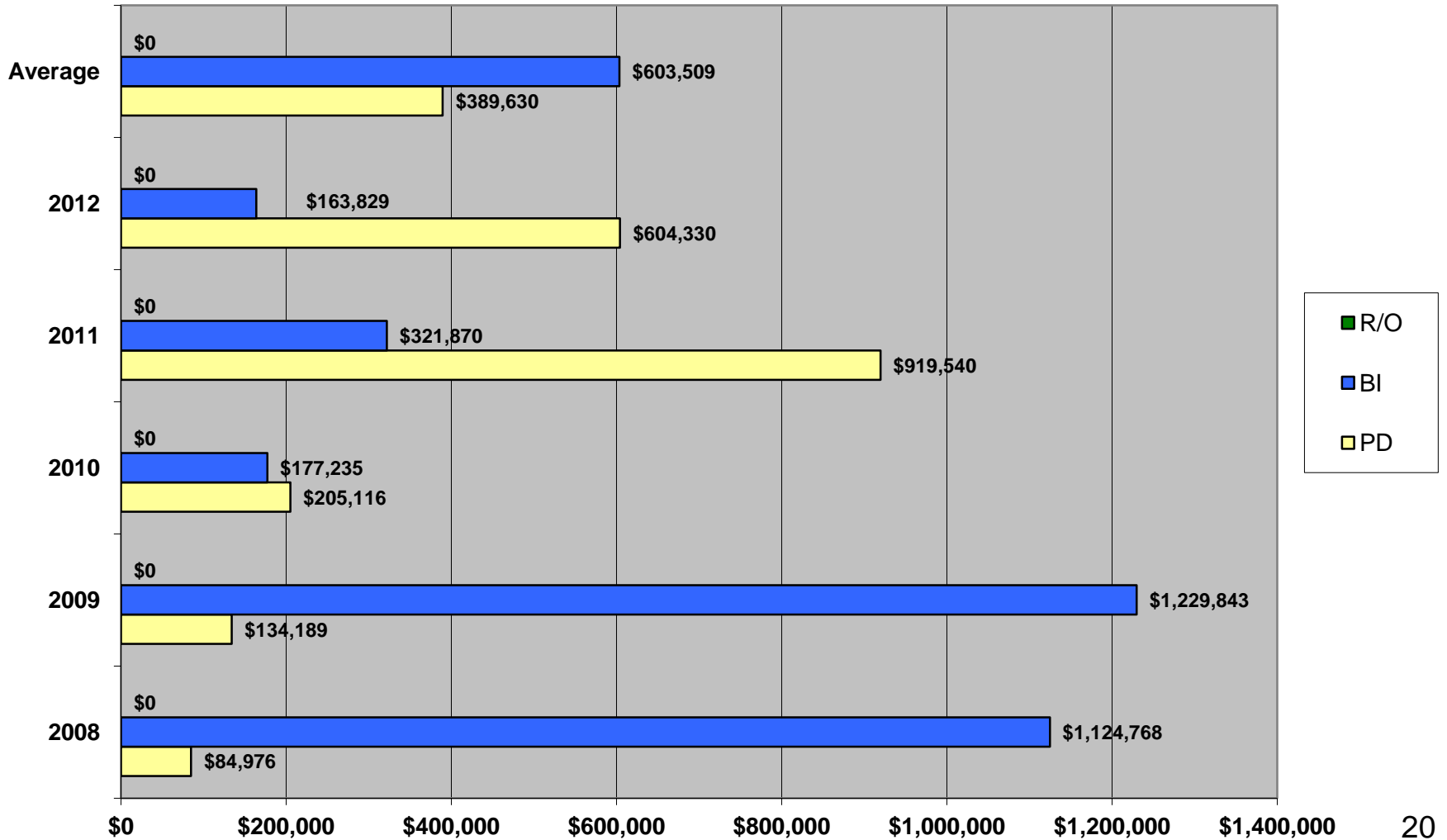


General Liability Average Claim Cost

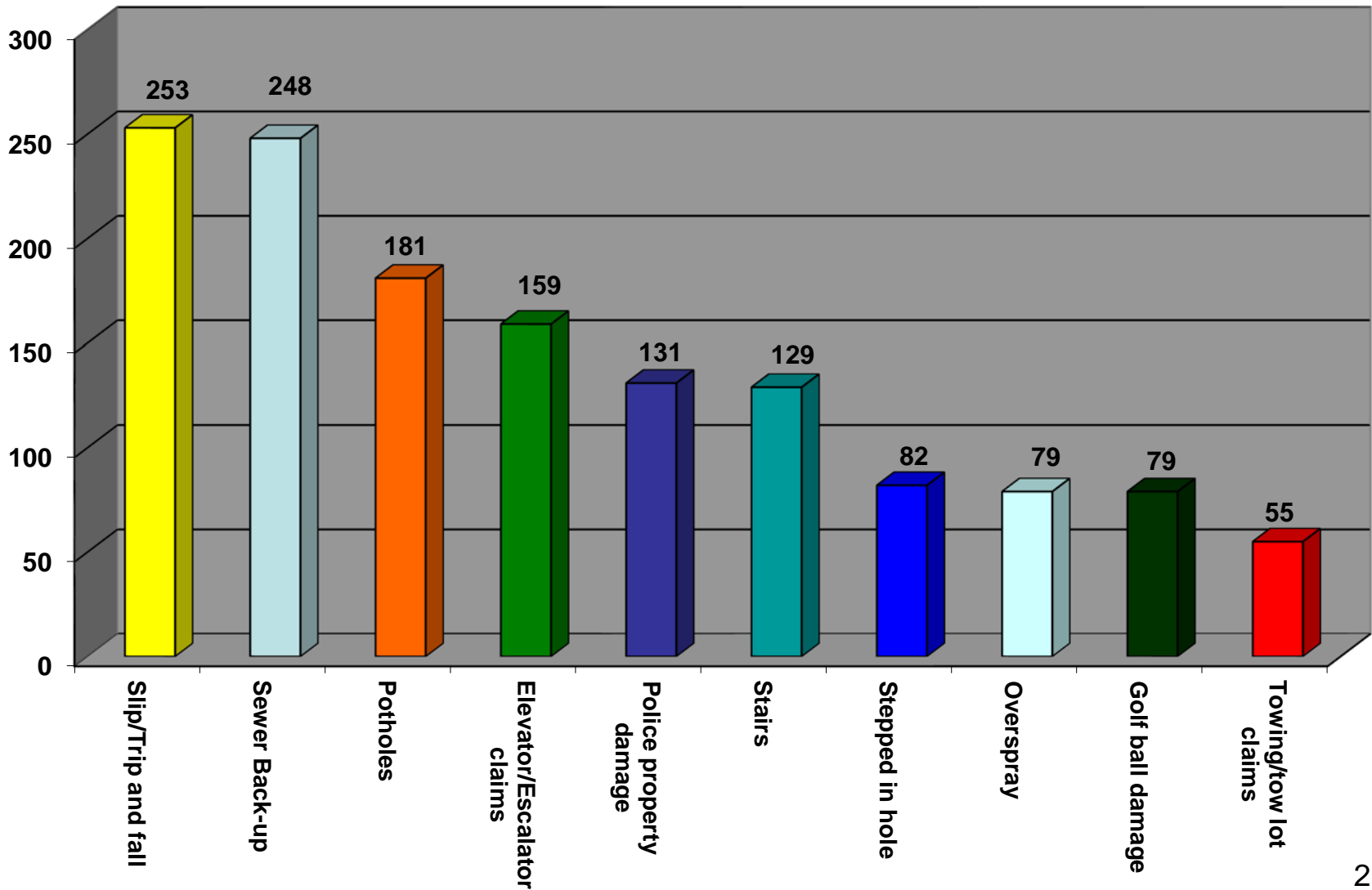
As of 12/31/12



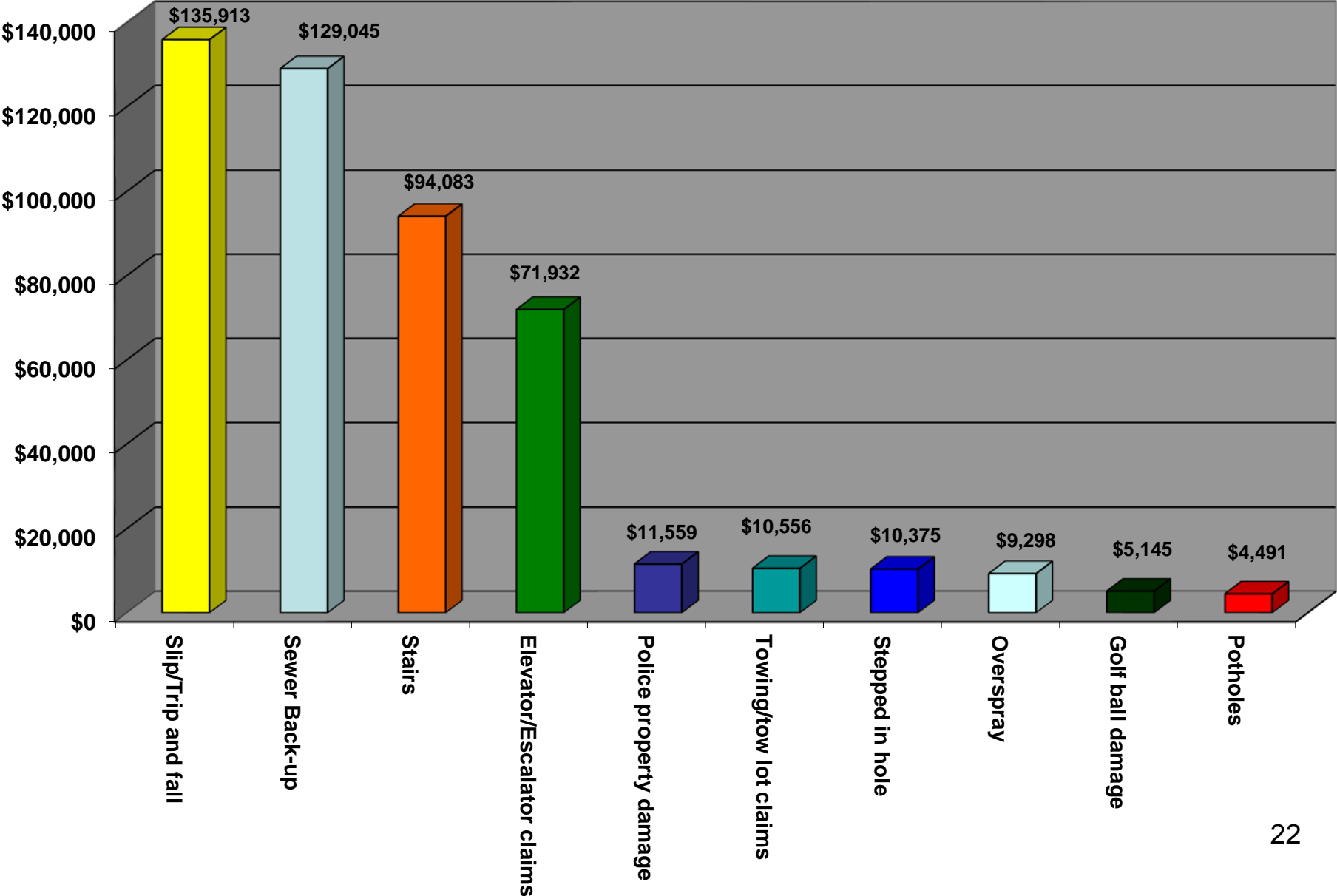
General Liability
Cost for All Claims Paid In Year
Regardless of Occurrence Date
As of 12/31/12



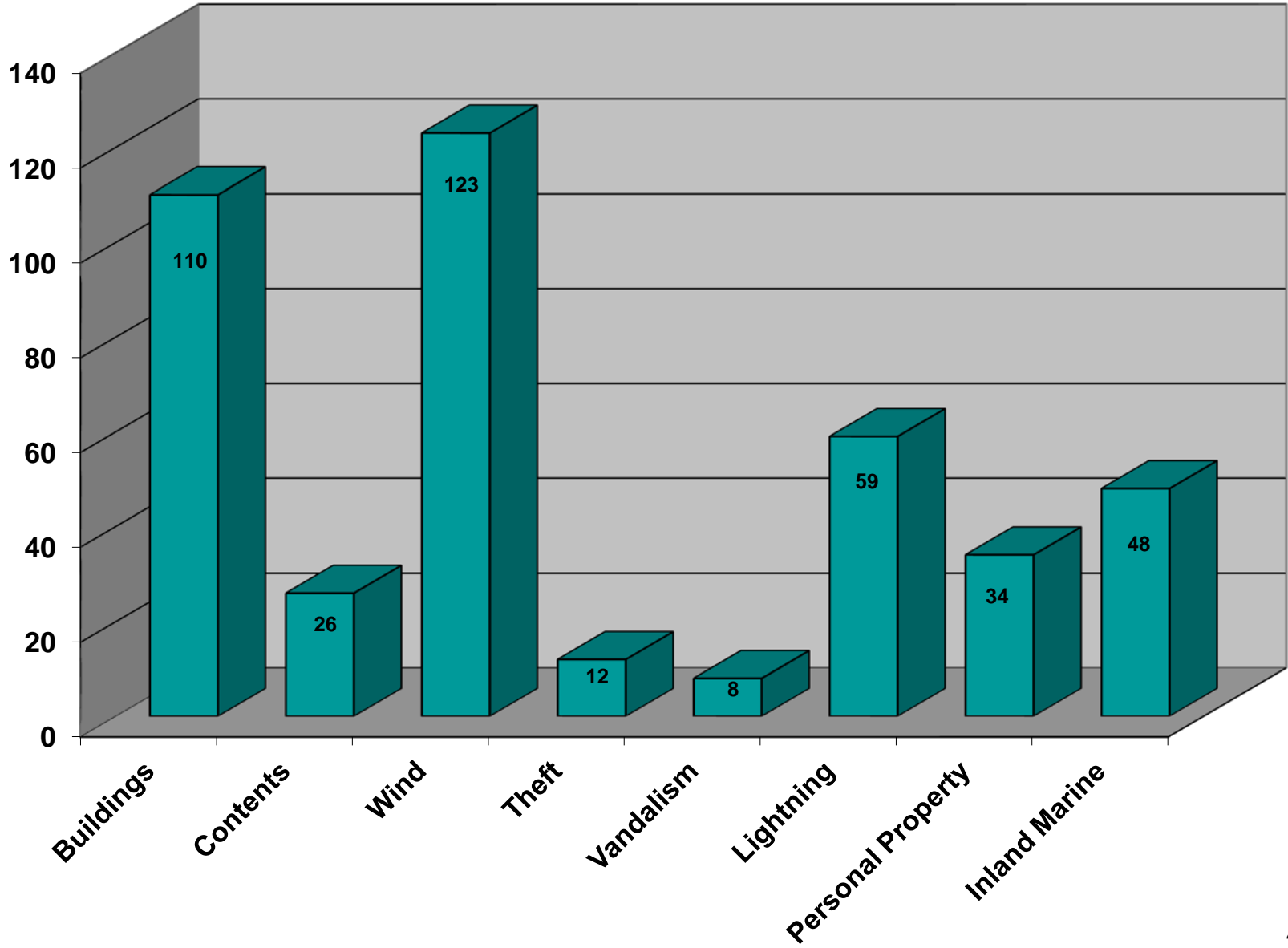
2012
General Liability Claims - Frequency by Claim Type
Top 10



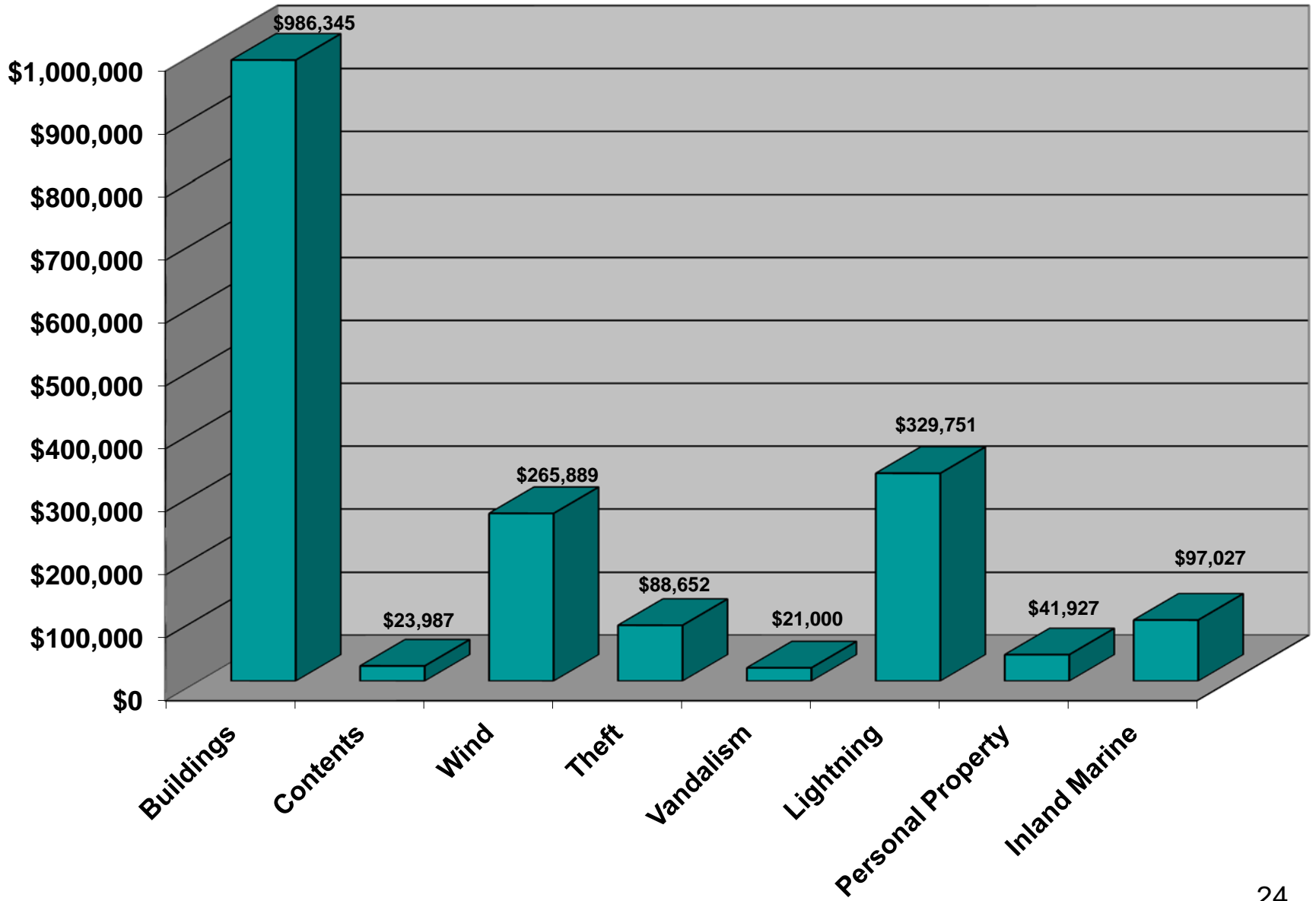
2012
General Liability Claims - Severity by Claim Type
Top 10



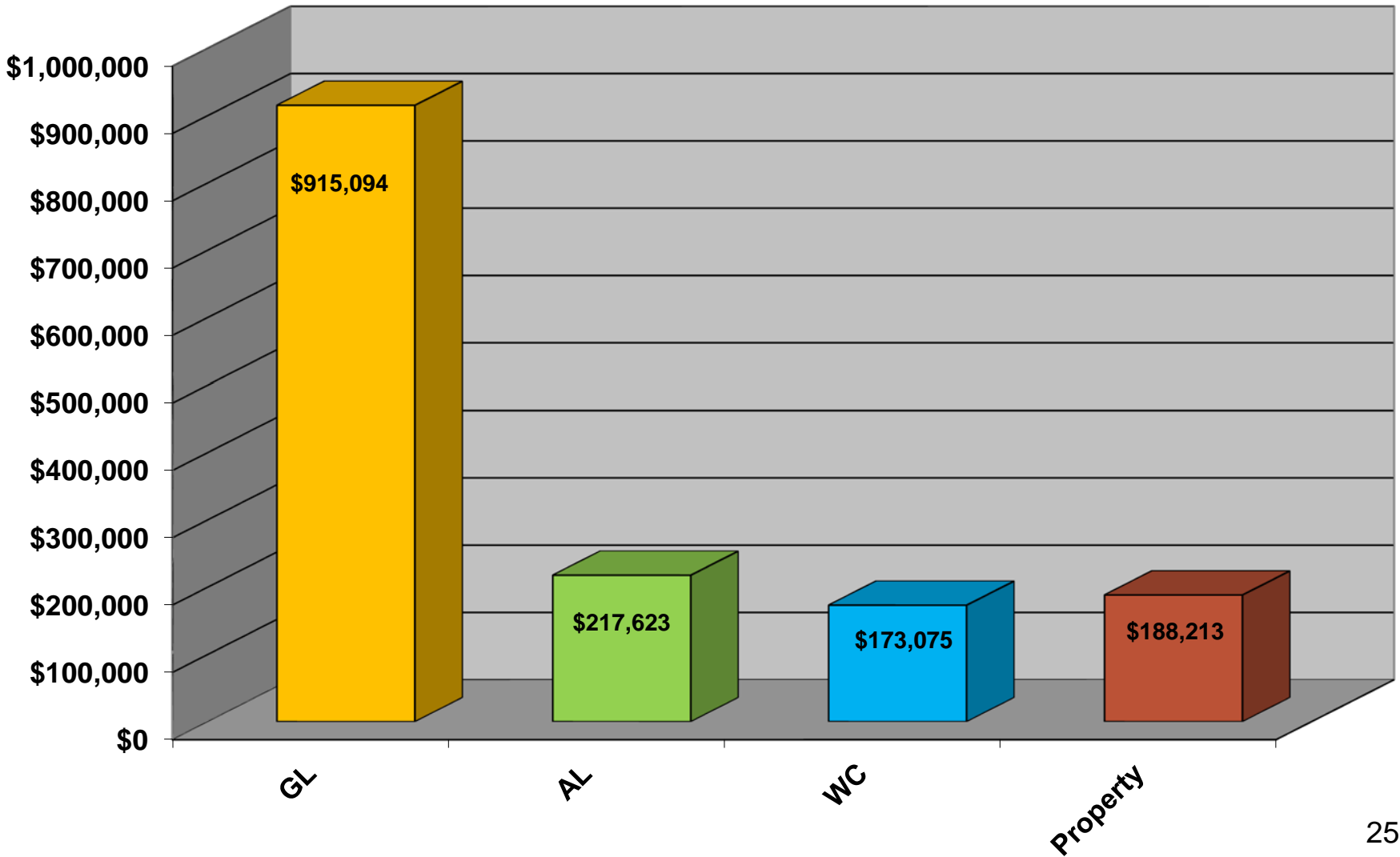
Property Claim Type Frequency 2012



Property Claim Type Severity 2012



Subrogation Recoveries 2012



From: COLLIS12@scottsdaleins.com [mailto:COLLIS12@scottsdaleins.com]

Sent: Wednesday, January 23, 2013 12:14 PM

To: Chris Welch

Subject: RE: Lexington- Fayette Urban county Government

Thanks for calling Chris. I want to thank you again for doing such a great job on this matter. The photos are fantastic and your investigation was thorough and timely. You have left us in a very good position to fully evaluate this matter as we continue to gather the information we are all waiting for.

Sincerely,
Susan A. Collier



Susan A. Collier, Esq.
Senior Claim Specialist
Professional Claims | Scottsdale Insurance Company
W 480 365 2735 / F 480 483 6752
Email collis12@scottsdaleins.com

From: Thomas Sweeney [tsweeney@lexingtonky.gov]

Sent: Thursday, April 11, 2013 9:46 AM

To: Marlene Funkhouser

Subject: RE: Document (2).pdf

You are doing a good job of customer service with a demanding client. Proceed to replace the chair with the smaller seat the Woody wants. Thanks

Tom Sweeney, Claims Manager, Department of Law

Harold Mattingly

From: Katie Tyree [katie@cockrells.org]
Sent: Tuesday, October 23, 2012 3:49 PM
To: Harold Mattingly
Subject: Chris Welch

Mr. Mattingly,

I just wanted to take the time and let you know what a pleasure it is to work with Chris Welch. He is very efficient in communicating with us and making the repair process go smoothly. He always returns phone calls in a timely manner and gives us the information we need to provide the kind of service we desire to give your company. Often, people don't take the time to compliment a job well done, so I just wanted to make sure that you knew what a valued employee you had.

Thank you for your business. If there is ever anything we can learn to do better, please don't hesitate to let us know.

Sincerely,

Katie Tyree

Office Manager

Cockrell's Collision Repair

1056 Eastland Drive

Lexington KY 40505

Ph: 859.255.7714

Fax: 859.253.2311

RMSC

Risk Management Services Co.

Partial CLIENT LISTING - WC & P&C

