REQUEST FOR PROPOSAL
FOR
CLAIMS THIRD PARTY ADMINISTRATOR

Issued by the
Garden State Municipal Joint Insurance fund

Original Date Issued: September 8th, 2014

Responses Due by: 2 PM Wednesday, September 24th, 2014
REQUEST FOR PROPOSAL
FOR
CLAIMS THIRD PARTY ADMINISTRATOR

I. PURPOSE AND INTENT

Through this Request for Proposal (RFP), the Garden State Municipal Joint Insurance fund (hereinafter the “Fund”) seeks to engage a vendor as CLAIMS TPA for the 2015 Fund year commencing January 1, 2015 or upon appointment, whichever is later. The contract will be awarded through a fair and open process pursuant to NJSA 19:44A-20.4 et seq.

The approximate inventory of open claims is tabulated below. See the ‘Pricing’ section for more details.

<table>
<thead>
<tr>
<th></th>
<th>Workers Compensation</th>
<th>Property/Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open Claims</td>
<td>810</td>
<td>533</td>
</tr>
<tr>
<td>Incurred Amounts</td>
<td>$16 million +</td>
<td>$5 million +</td>
</tr>
</tbody>
</table>

II. PROPOSAL SUBMISSION

Submit (a) one original paper copy, clearly marked as the “ORIGINAL” plus an electronic copy on CD in Word format or (b) one original paper copy, clearly marked as the “ORIGINAL, plus three full, complete and exact paper copies. The proposal must be addressed to:

Garden State Municipal JIF
ATTN: Madeline Delgado
Executive Assistant to President
900 Route Nine North, Suite. 503
Woodbridge, NJ 07095

The proposal must be received by: September 24th 2014 by 2:00pm

Faxed or E-Mailed proposals will NOT be accepted.

Any inquiry concerning this RFP should be directed in writing to:

Madeline Delgado, Executive Assistant
Garden State Municipal JIF
900 Route Nine North, Suite. 503
Woodbridge, NJ 07095
All documents/information submitted in response to this solicitation shall be available to the general public as required by the New Jersey Open Public Records Act N.J.S.A. 47:1A-1 et seq. The Fund will not be responsible for any costs associated with the oral or written and/or presentation of the proposals. The Fund reserves the right to reject any and all proposals, with or without cause, and waive any irregularities or informalities in the proposals. The Fund further reserves the right to make such investigations as it deems necessary as to the qualifications of any and all vendors submitting proposals. In the event that all proposals are rejected, the Fund reserves the right to re-solicit proposals.

III. GENERAL INFORMATION ON THE FUNCTIONS OF THE FUND

The Fund is organized pursuant to NJSA 40A: 10-36 to provide property/casualty insurance to its member local units. The Fund also provides its members with a comprehensive risk control and claims management program. The Fund is controlled by Board of Fund Commissioners that annually elects an executive committee. The Fund is regulated by the Department of Banking and Insurance and the Department of Community affairs.

All prospective bidders must meet the following minimum qualifications:

- A dedicated Claims Account Executive must be assigned to manage and oversee the claims program. This individual should be 100% allocated to the GSMJIF program.

- Multi-line claims investigation, adjusting and management personnel located and licensed in New Jersey and dedicated to handling GSMJIF claims only. Two senior liability claims adjusters to be located at the Fund Administrator’s offices and under the direct supervision of the Fund Administrator’s Claim Executive;

- Thorough understanding of New Jersey Public Sector claims including but not limited to NJ Workers’ Compensation Statute, Title 59 Immunities and Employment Practices Liability (State and Federal regulations);

  [TPA Management must be open to authorizing enhanced outside training for their adjusters upon the request of the GSMJIF, especially involving public sector specialty areas of insurance.]

- Thorough understanding of general insurance coverage and the ability to make recommendations to the GSMJIF regarding coverage related matters;

- Adjuster case loads to not exceed standard statewide best practices by type of loss and complexity;

- Automated RMIS (including adjuster notes) for use by the GSMJIF and its municipality members to run standard reports. One or two “special” ad-hoc reports may be requested per month (i.e. a report listing all claims being handled by a specified defense attorney or all WC claims involving a specific body part.)

- Capability to produce and provide standard monthly claim reports and 1 to 2 special ad-hoc reports per month upon the request of the GSMJIF as indicated above;
• Capability to provide monthly electronic data transfer of all claims system information to Fund Administrator’s systems

• In-house subrogation recovery capabilities including designated counsel to file litigation against third-parties on behalf of the GSMJIF as needed. Contingency fees to be negotiated at program inception;

• Demonstrated ability to comply with statutory obligations including but not limited to local public contracts law;

• Demonstrated ability to coordinate and work closely with various vendors including but not limited to attorney billing vendors;

• Demonstrated ability to track and report on exhaustion of aggregate retention limits;

• Demonstrated ability to track and manage deductibles and self-insured retentions;

• Assignment of an account manager to oversee and handle Section 111 Mandatory Reporting involving the “Medicare, Medicaid and SCHIP Extension Act”.

• Assignment of in-house nurse case manager(s) with R.N. qualifications located within the claim office to perform triage on new claims and work closely with the adjusters on claims with complex medical treatment and/or extensive lost time from work;

• Maintain and store claim file records for a minimum of six (6) years after claim closure pursuant to GSMJIF record retention policy.

• Availability of safety and loss control consultants (note – there is a separate contract in place for these services).

The GSMJIF offers the following coverages:

General Liability
Public Officials Liability
Law Enforcement Liability
Employment Practices Liability
Workers’ Compensation
Property / Inland Marine
Business Auto Liability & Physical Damage
Crime

A. Pricing

1. All pricing should be presented on a life-of-file basis for estimated claims that will be reported after January 1, 2015. Please provide cost estimates based on both a quoted fee per claim and on an annual flat fee basis.
o **Per case basis**, broken down into the following categories:

<table>
<thead>
<tr>
<th>o Price per claim</th>
<th>o New Files</th>
</tr>
</thead>
<tbody>
<tr>
<td>o Workers comp medical only</td>
<td>o $/claim</td>
</tr>
<tr>
<td>o Workers comp lost time</td>
<td>o $/claim</td>
</tr>
<tr>
<td>o Third Party Liability</td>
<td>o $/claim</td>
</tr>
<tr>
<td>o Public Officials and EPLI</td>
<td>o $/claim</td>
</tr>
<tr>
<td>o Law Enforcement Liability</td>
<td>o $/claim</td>
</tr>
<tr>
<td>o First Party Property</td>
<td>o</td>
</tr>
<tr>
<td>o First Party Auto Physical Damage</td>
<td>o $/claim</td>
</tr>
</tbody>
</table>

o **Annual flat fee basis**

| o $xx,xxx |

**NOTE**: When pricing AL & GL claims in NJ, please take into consideration the effect of NJ Title 59 on these claims. Please also specify the expected impact of medical case management on Workers’ Comp pricing and whether “gain sharing” pricing is offered.

*Attached is a summary of claims by line of coverage, and claim type within each line of coverage based on the historical results of the current membership.*

**B. Requirements: Non-Workers’ Compensation Claims (Liability/Auto/EPL/POL/Police Professional/First-Party Property/Crime)**

1. A minimum of two (2) members of the claims adjuster staff are required to be designated public entity experts fully familiar with NJ municipal codes, Title 59 immunities and corresponding case law.

   These two claim representatives must possess a high level of settlement negotiation skills and have experience in all modes of Alternative Dispute Resolution (ADR) including formal and informal settlement conferences, mediations and arbitrations with attorneys and judges.

2. At least one (1) member of the claims staff is required to be a property specialist and have a thorough understanding of first-party property insurance coverage. This team member must possess the skills to analyze and interpret the GSMJIF property policy form to make recommendations to the GSMJIF regarding coverage and appropriate claim settlements.

3. Written Case Evaluation Reports in a format approved by the GSMJIF are required to be completed and submitted quarterly to the GSMJIF on all claims in litigation. The reports will include: General Claim Information; Claimant Information; Accident Description; Liability Analysis, Damage Assessment; Action Plan, Reserve Rationale and other key impact items.
C. Requirements: Workers' Compensation Claims

1. The reporting process should include automatic completion and statutory filing of the first report with a copy sent to the reporting location with the assigned claim number.

2. The adjusters will perform in-depth claims investigations on all lost-time claims and are required to complete an investigative checklist in a format approved by the GSMJIF which will be included in the claim file. All lost-time investigations will include a compensability determination; three-point contact within 24 hours of report with the injured worker, employer and treating physician; recorded statements of the injured worker (and witnesses as needed); third-party investigation; prior loss history and medical records; diligent monitoring of lost time; aggressive use of IME’s, FCE’s & FFD’s; offset, lien & credit analysis and proper notification to excess carriers.

3. Each open claim must be reviewed no less than every thirty (30) days depending upon the nature and complexity of the claim.

4. Timely and appropriate referral of claims to designated network medical management providers.

5. All indemnity claims are to be reported to the Index Bureau upon receipt of first report and re-indexed every six (6) months for the life of the claim.

6. All payments must be made promptly and within the statutory requirements.

7. Claim Petitions must be forwarded to the GSMJIF timely for assignment of counsel.

8. Utilization of outside services such as surveillance vendors must be pre-approved by the GSMJIF.

9. Appropriate and timely contact must be made with all injured employees who are out on temporary disability to control the medical progress and timely return to work.

10. The adjuster must provide proper notification to the municipality member regarding projected, anticipated and actual return to work dates.

11. Early return to work and light duty return to work initiatives must be followed.

12. All claims should be reserved at ultimate probable cost for medical, indemnity and expenses within 30 days from the first notice of loss pursuant to GSMJIF reserve dashboard.

13. All open "medical only" claims will be reviewed for closing every thirty (30) days.

14. Reporting systems must be able to support unit statistical requirements of the NJ Bureau for experience rating.
15. Written Case Evaluation Reports in a format approved by the GSMJIF are to be completed and submitted quarterly to the GSMJIF on all claims in litigation (claims petition) to include General Claim Information, Claimant Information, Accident Description, Diagnosis/Treatment Plan and Prognosis, Lost Time Status, Litigation Status, Subrogation Potential, Prior Medical History, Action Plan, Reserve Rationale and other key impact items.

D. Requirements: General

1. Provide RMIS reports including adjuster notes on-line.

2. Must have capability to transfer all claims data via electronic “system-to-system” feed to client systems.

3. Provide sample standard RMIS reports and provide an explanation of the ad-hoc reporting capabilities.

4. Claim reporting must include a 24/7 toll-free telephone number and on-line reporting capabilities.

5. All files must be created, assigned proper location codes and entered into the claim service provider’s system within two working days from the first notice of loss.

6. All payments, reserve revisions and file closings must be entered into the claim service provider’s system promptly and accurately.

7. All claim incurred values will include allocated expenses in the totals.

8. The GSMJIF must be notified of all newly reported catastrophic claims (threshold to be determined) upon receipt of the first notice of loss.

9. The claim service provider will be financially accountable for any penalties or improprieties that are assessed to the GSMJIF or the township member as result of the claim service provider's performance or lack of performance.

10. All claim-related phone conversations, discussions, meetings, supervisory directives and action plans must be clearly detailed and documented in the claim file.

11. All claim files must contain written Action Plans to be updated every 90 days or sooner as needed. All Action Plans must be comprehensive and list specific steps to bring each claim to closure as expeditiously as possible at the lowest possible cost.

12. Assignment of claims by the claims supervisor will be commensurate with the adjuster’s expertise and technical abilities. Written supervisory directives must be documented at the onset of the claim with follow-up directives every 60 days thereafter.
13. Settlement evaluations will be made promptly based on coverage, liability, damages and available defenses and will be documented in the claim file.

14. Claim settlements will be actively pursued in a timely and aggressive manner. All negotiations will be handled and managed internally by the claims person and/or the supervisor assigned to the claim. Clear lines of settlement authority will be established as outlined by the GSMJIF. The GSMJIF may authorize defense counsel to negotiate specific claims on an as-needed basis.

15. The GSMJIF reserves the right to conduct semi-annual claim audits to ensure compliance with general best practices and GSMJIF guidelines. Excess insurers may also perform semi-annual claim reviews at their discretion. Claim files and claim documents must be provided to the GSMJIF in a format to be dictated by the GSMJIF.

16. The claim service provider must prepare and distribute a Claims Manual and Claim Reporting Kits to the municipality members annually. The manual and kits will consist of claims best practices, claim service provider contact lists and contact information for medical bills and other correspondence.

E. Proposal Requirements

In its proposal, the firm must include the following:

1) Contact Information: Provide the name and address of the firm, the name, telephone number, fax number, and e-mail address of the individual responsible for the preparation of the proposal.

2) A fee proposal for the 2015 fund year.

3) An executive summary of not more than two pages identifying and substantiating why the vendor is best qualified to provide the requested services.

4) An org chart and staffing plan listing those persons who will be assigned to the engagement if the vendor is selected, including the designation of the person who would be the vendor’s officer responsible for all services required under the engagement. This portion of the proposal should include the relevant resume information for the individuals who will be assigned. This information should include, at a minimum, a description of the person’s relevant professional experience, years and type of experience, and number of years with the vendor. Also include a copy of the data forms required by the Department of Banking and Insurance pursuant to NJAC 11:15 – 2.6 (c) 8.

5) A description of the vendor’s experience in performing services of the type described in this RFQ. Specifically identify client size and specific examples of similarities with the scope of services required under this RFQ.

6) A description of resources of the vendor (i.e., background, location, experience, staff resources, financial resources, other resources, etc.).
7) The location of the office, if other than the vendor’s main office, at which the vendor proposes to perform services required under this RFQ. Describe your presence in New Jersey. Specifically, the vendor must state in its proposal whether or not the vendor is registered as a small business enterprise ("SBE") with the New Jersey Commerce and Economic Growth Commission New Jersey’s Set-Aside Program.

8) Provide references including the contact names, titles and phone numbers.

9) In its proposal, the vendor must identify any existing or potential conflicts of interest, and disclose any representation of parties or other relationships that might be considered a conflict of interest with regard to this engagement, or the Fund.

**F. Interview**

The Fund reserves the right to interview any or all of the applicants submitting a proposal. Although interviews may take place, the proposal should be comprehensive and complete on its face. The Fund reserves the right to request clarifying information subsequent to submission of the proposal.

**G. Selection Process**

All proposals will be reviewed to determine responsiveness. Non-responsive proposals will be rejected without evaluation. For vendors that satisfy the minimum requirements, the Fund will evaluate proposals based on the following evaluation criteria, separate or combined in some manner, and not necessarily listed in order of significance:

a) The vendor’s general approach to providing the services required under this RFQ.

b) The vendor’s documented experience in successfully completing contracts of a similar size and scope to the engagement addressed by this RFQ

c) The qualifications and experience of the vendor’s management, supervisory or other key personnel assigned to the engagement, with emphasis on documented experience in successfully completing work on contracts of similar size and scope to the services required by this RFQ.

d) The overall ability of the vendor to mobilize, undertake and successfully complete the engagement within the timeline. This criterion will include, but not be limited to, the following factors: the number and qualifications of management, supervisory and other staff proposed by the vendor to perform the services required by this RFQ; the availability and commitment to the engagement of the vendor’s management, supervisory and other staff proposed; the vendor’s contract management plan, including the vendor’s contract organizational chart.
H. Selection Criteria

The Fund will select the vendor deemed most advantageous to the Fund, price and other factors considered. The contract between the Fund and the selected vendor(s) shall be comprise the contract, this RFQ, any clarifications or addenda thereto, the selected vendor’s proposal, and any changes negotiated by the parties.