

ACCEL 2018 Liability Claims Auditor RFP Questions and Answers

1. Can you please identify the other recipients of this RFP?

ACCEL posted the RFP publically on ACCEL and PARMA's websites. Additionally, the RFP was sent to Tim Farley Consulting, Bickmore, Claims Resource Management, Inc., and Praxis Claims Consulting.

2. Section II.F (page 5) of the RFP requires the proposing prospect to "submit...evidence of the consultant's financial resources." Can you please clarify what exactly ACCEL is seeking here?

In lieu of providing evidence of financial responsibility (financial statements), please include a statement that your firm is able to complete the Scope of Work within your firms own financial capabilities.

3. Section III, page 6 requires the consultant to audit all open claims and those closed in the past 12 months with total incurred costs of \$1,000,000. Can you please indicate how many of the 120 claims reported to the administrator meet that threshold? Also, can you indicate how many claims meeting that criteria were closed in the past 12 months?

Claims Administrator is monitoring 120 claims. Of those claims, currently 11 claims are open and meet this requirement, and on average about 2-5 claims are closed during the year in the pooled layer.

4. Bullet points in the middle of page 7 and the top of page 8 require the consultant to, "reconcile member cities loss data with loss data provided to Alliant and note any discrepancies." Does this refer to the stratification reconciliation element of past projects?

Yes this refers to the stratification element. Please reconcile loss runs sent to the Program Administrator with loss runs on file at the member agencies to be sure there are no discrepancies between reported claims and claims values maintained at the city.

5. Scope of Services (p. 6) includes an audit of all claims closed by the administrator in the past 12 months with incurred of more than \$1 million. Is the \$1 million inclusive of member retention?

Yes, this is any claim in excess of \$1,000,000 total incurred. Claims in which ACCEL paid some amount excess of the \$1,000,000 member retention.

6. Does the pool have a claim staffing strategy (such as caseload guidelines, complexity differentials) or liability claims which they provide to members and their TPAs?

ACCEL does not have a claim staffing strategy. The Claims Auditor should recommend appropriate/best practice staffing levels, and audit whether or not the members comply with these recommended levels.

7. Sampling strategy includes a category of claims with “large” reserves (p. 7). How does ACCEL define “large” reserves?

Generally ‘Large’ is greater than \$250,000. However the auditor should review each member’s loss run to evaluate what ‘Large’ is given that member’s loss data. If a member only has 10 claims excess of \$75,000, we would consider \$75,000 large for that member. The goal is to capture the claims with excess potential, and to be sure that reserves are accurate on those claims.

8. Please clarify the number of reports which the auditor will be required to produce:
 - a. Summary report to each member at the conclusion of the member audit (individual members);
 - b. Final summary report, including all members, prepared for ACCEL’s December meeting (all members);
 - c. Final report prepared for ACCEL’s December meeting (Claims Administrator).

It appears the Claims Administrator report at the Administrator audit conclusion would also serve as the report to ACCEL, correct?

The Auditor will produce a short report at the conclusion of each visit (12 city and 1 excess administrator) that includes a list of any pending or incomplete issues that need to be resolved, this report will be sent to the member to sign. Additionally, there will be a formal claims audit report provided to the Board of Directors that compiles the results of all the audits at the members and claims administrator. This will be the core Claims Audit, while the member reports are a short ‘report card’ to be sure any outstanding issues are addressed prior to the issuance of the Claims Audit at the Board meeting.

9. Can the firm propose the audit be completed for a flat fee, which includes travel, rather than breaking out costs as shown on page 9?

Yes, you can propose a flat fee. Travel does not need to be broken out.

10. Are the Administrator's "open" claims defined as those reported to the administrator because the member SIR has been pierced or threatens to be pierced (that would be the 120 claims on page 3)?

The 120 claims are those that have been reported to ACCEL due to triggering the Reporting Requirements on Page 17 of the RFP.

11. Does each member have written litigation management guidelines?

As ACCEL's claims auditor, you would be auditing each member against ACCEL's claims handling guidelines and industry best practice.

12. Proposal mentions on page 19 of the RFP (which refers to ACCEL policies on claims reporting and handling) that all members are to have annual claims audits – these audits serve that purpose?

Yes, this audit will satisfy the requirement that all members have an annual claims audit.