CITY OF STOCKTON

Request For Proposal No. PUR 19-037

for

Third-Party Administrator (TPA) to Manage the City’s Self-Insured General Liability Program

January 9, 2020
REQUEST FOR PROPOSAL
NO. PUR 19-037
FOR
THIRD-PARTY ADMINISTRATOR (TPA) TO MANAGE CITY’S SELF-INSURED GENERAL LIABILITY PROGRAM

PRESENTED TO:

City of Stockton
City Clerk Office – First Floor
425 North El Dorado Street
Stockton, California 95202

January 9, 2020

PRIMARY CONTACT:
Richard McAbee, Chief Marketing Officer
11209 N. Tatum Blvd., Suite 130 | Phoenix, AZ 85028
Tel: 602-485-8228 | Fax: 866-254-4423
rmcabee@carlwarren.com
PROPOSAL DOCUMENTS

A) RFP – THIRD-PARTY ADMINISTRATOR (TPA) TO MANAGE CITY’S SELF-INSURED GENERAL LIABILITY PROGRAM

B) PUR 19-037

C) DECEMBER 19, 2019

COMPANY NAME: Carl Warren & Company
CONTACT NAME: Richard McAbee, Chief Marketing Officer
ADDRESS: 11209 N Tatum Blvd., Suite 130
Phoenix, AZ 85028

TELEPHONE NUMBER: 602-485-8228
EMAIL: rmcbaee@carlwarren.com
CITY OF STOCKTON
REQUEST FOR PROPOSAL (RFP)

PROONENT'S AGREEMENT

In submitting this proposal, as herein described, the proponent agrees that:

1. They have carefully examined the Scope of Work and all other provisions of this document and understand the meaning, intent and requirements of same.

2. They will enter into contract negotiations and furnish the services specified.

3. They have signed and notarized the attached Non-Collusion Affidavit form, whether individual, corporate or partnership. Must be 'A Jurat' notarization.

4. They have reviewed all clarifications/questions/answers on the City's website at www.stocktonca.gov/adminbid.

5. Confidentiality: Successful Proponent hereby acknowledges that information provided by the City of Stockton is personal and confidential and shall not be used for any purpose other than the original intent outlined in the Request for Proposal. Breach of confidentiality shall be just cause for immediate termination of contract agreement.

Carl Warren & Company
FIRM

11209 N Tatum Blvd., Suite 130,
Phoenix, AZ 85028
ADDRESS

Chief Marketing Officer
TITLE OR AGENCY

January 6, 2020
DATE

T: 602-485-8228 | F: 866-254-4423
TELEPHONE NO./FAX NO.

rmcabee@carlwarren.com
E-MAIL ADDRESS
NON-COLLUSION

AFFIDAVIT FOR INDIVIDUAL PROPONENT

STATE OF CALIFORNIA, ss.
County of ____________________________ (insert)

being first duly sworn, deposes and says: That on behalf of any person not named herein, that said Proponent has not colluded, conspired, connived or agreed, directly or indirectly with, or induced or solicited any other bid or person, firm or corporation to put in a sham bid, or that such other person, firm or corporation shall or should refrain from bidding; and has not in any manner sought by collusion to secure to themselves any advantage over or against the City, or any person interested in said improvement, or over any other Proponent.

(Signature Individual Proponent)

Subscribed and sworn to (or affirmed) before me on this ______ day of __________, 20____ by __________________________, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Seal ________________________________

Signature ____________________________

No. 2

AFFIDAVIT FOR CORPORATION PROPONENT

STATE OF CALIFORNIA, ss.
County of ________________ (insert)

Richard McAbee

being first duly sworn, deposes and says: That they are the Chief Marketing Officer of Carl Warren & Company, a corporation, which corporation is the party making the foregoing bid, that such bid is genuine and not sham or collusive, or made in the interest or behalf of any person not named herein; that said Proponent has not colluded, conspired, connived or agreed, directly or indirectly with, or induced or solicited any other bid or person, firm or corporation to put in a sham bid, or that such other person, firm or corporation shall or should refrain from bidding; and has not in any manner sought by collusion to secure to themselves any advantage over or against the City, or any person interested in said improvement, or over any other Proponent.

(Signature Corporation Proponent)

Subscribed and sworn to (or affirmed) before me on this ______ day of __________, 20____ by ________________, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Seal ________________________________

Signature ____________________________

No. 3

AFFIDAVIT FOR FIRM, ASSOCIATION, OR CO-PARTNERSHIP

STATE OF CALIFORNIA, ss.
County of ____________________________ (insert)

each being first duly sworn, deposes and say: That they are a member of the firm, association or co-partnership, designated as ____________________________ who is the party making the foregoing bid; that the other partner, or partners, are in the interest or behalf of any person not named herein; that said Proponent has not colluded, conspired, connived or agreed, directly or indirectly with, or induced or solicited any other bid or person, firm or corporation shall or should refrain from proposing; and has not in any manner sought by collusion to secure to themselves any advantage over or against the City, or any person interested in said improvement, or over any other Proponent.

(Signature)

(Signature)

Subscribed and sworn to (or affirmed) before me on this ______ day of __________, 20____ by __________________________, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Seal ________________________________

Signature ____________________________
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City of Stockton
City Clerk – First Floor, City Hall
425 North El Dorado Street
Stockton, California 95202-1997

Attention: City Clerk
Regarding: Request for Proposal (RFP) Project # PUR 19-037
Third Party Administrator (TPA) to Manage City’s Self-Insured
General Liability Program

January 7, 2020

Dear Evaluation Committee:

Carl Warren & Company appreciates the opportunity to be considered as the
Third-Party Administrator (TPA) for the City of Stockton ("the City")’s self-insured
general liability program.

Carl Warren has been a trusted TPA throughout the State of
California with 3 Northern California offices and 10 other locations
throughout the state. As part of our continued growth, we opened
our Sacramento office earlier this year to serve the greater
Northern California area.

Since 1944

Our success and longevity are based on our ability to deliver on our promises and
provide a custom program to meet your needs. We act as an extension of your
risk management department and provide experience and tools to help reduce
your total cost of claims. Through this process, we have built long-term
relationships with many clients; 26 of which have been with us for 20-45 years!
Well-known clients that we service within the local area includes San Joaquin
Regional Transit District (RTD) and the cities of Oakland and Daly City to name a
few. Carl Warren is approved by 70+ carriers and can handle excess reporting to
your pool, California Joint Powers Risk Management Authority (CJPRMA).

Through prompt investigations, documentation, and liability analysis, Carl Warren
has a reputation of achieving excellent results for our self-insured clients within the
public industry sector. We are staffed with experts that have the proper licensure,
experience, and capacity to manage and resolve your claims.
We have read the RFP in its entirety and meet the minimum requirements outlined with your Scope of Services. We have no exceptions to the content contained herein and are in receipt of Addendum 1 on November 27, 2019 and Addendum 2 on December 13, 2019. Upon award of contract, Carl Warren can furnish our Certificate of Insurance listing the City as an additional insured. Our proposal constitutes a minimum of ninety (90) days from January 9, 2020.

I, Richard McAbee, am an officer of Carl Warren and am authorized to bind the Company to the terms of this proposal. I am your point of contact for the duration of the RFP process. If I may clarify or provide any additional information, please do not hesitate to contact me directly with the contact information below. We look forward to your response.

Kind Regards,

Richard McAbee
Chief Marketing Officer
Carl Warren & Company
11209 N Tatum Blvd., Suite 130
Phoenix, Arizona 85028
T: 602-485-8228 | C: 602-723-5610
rmcabee@carlwarren.com
<table>
<thead>
<tr>
<th>California Department of Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>THIS IS TO CERTIFY THAT</td>
</tr>
<tr>
<td>CARL WARREN &amp; COMPANY</td>
</tr>
<tr>
<td>LICENSE NUMBER: 2607296</td>
</tr>
</tbody>
</table>

| IS HEREBY AUTHORIZED TO TRANSACT BUSINESS |
| IN ACCORDANCE TO THE LICENSE DESCRIPTION SHOWN BELOW: |
| **Independent Adjuster** |
| Issue Date: 06-30-1975 | Expiration Date: 05-31-2020 |

CARL WARREN & COMPANY
License No: 2607296
Issue Date: 06-30-1975
Expiration Date: 05-31-2020

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REQUEST FOR PROPOSAL
THIRD-PARTY ADMINISTRATOR (TPA) TO MANAGE
CITY'S SELF-INSURED GENERAL LIABILITY PROGRAM
FOR THE CITY OF STOCKTON, CALIFORNIA (PUR
19-037)

ADDENDUM No. 1

DATE: 11/27/19

To All Potential Bidders:

A. This Addendum shall be considered part of the proposal documents for the above-mentioned project as though it had been issued at the same time and shall be incorporated integrally therewith. Where provisions of the following supplementary data differ from those of the original bid documents, this Amendment shall govern and take precedence. PROPONENTS MUST SIGN THE ADDENDUM AND SUBMIT IT WITH THEIR PROPOSALS.

B. Proponents are hereby notified that they shall make any necessary adjustments in their estimates as a result of this Addendum. It will be construed that each proponent’s proposal is submitted with full knowledge of all modifications and supplemental data specified herein.

PLEASE NOTE THE FOLLOWING CHANGES TO RFP THIRD-PARTY ADMINISTRATOR (TPA) TO MANAGER CITY'S SELF-INSURED GENERAL LIABILITY PROGRAM (PUR 19-037)

Proposals shall be submitted no later than 2:00 p.m., on Thursday, January 9, 2020, in the office of:

CITY CLERK
CITY OF STOCKTON
425 NORTH EL DORADO STREET
STOCKTON, CA 95202-1997

One (1) original and five (5) copies of the proposal shall be submitted. Additionally, submit one (1) electronic version of the proposal. The proposal should be firmly sealed in an envelope which shall be clearly marked on the outside, "THIRD-PARTY ADMINISTRATOR (TPA) TO MANAGER CITY'S SELF-INSURED GENERAL LIABILITY PROGRAM for the City of Stockton (PUR 19-037)." Any proposal received after the due date and time indicated may not be accepted and may be rejected and returned, unopened, to the proponent.

Any City response to a request for clarifications/questions/answers will be posted on the City's website at www.stocktonca.gov/adminbid by December 12, 2019, and will become part of the Request. The proponent should await responses to inquiries prior to submitting a proposal.

CONTACT INFORMATION: Susan Garcia, Procurement Division;
e-mail: susan.garcia@stocktonca.gov
BIDDER MUST ACKNOWLEDGE THIS AMENDMENT BY SIGNING BELOW AND ATTACHING THE SIGNED AMENDMENT TO THE BID FORM:

Company Name  Carl Warren & Company  
Contact Person  Richard McAbee  
Signature  
Date  12/02/2019  

Proposals Due – Promptly by 2:00 P.M., Thursday, January 9, 2020, City Clerk’s Office.

City of Stockton Use Only below this line

Addendum acknowledged and signed? _______ (Procurement Specialist’s initials)
REQUEST FOR PROPOSAL
THIRD-PARTY ADMINISTRATOR (TPA) TO MANAGE CITY’S
SELF-INSURED GENERAL LIABILITY PROGRAM FOR THE
CITY OF STOCKTON, CALIFORNIA (PUR 19-037)

ADDENDUM No. 2

DATE: 12/12/19

To All Potential Bidders:

A. This Addendum shall be considered part of the proposal documents for the above-mentioned project as though it had been issued at the same time and shall be incorporated integrally therewith. Where provisions of the following supplementary data differ from those of the original bid documents, this Amendment shall govern and take precedence. PROPONENTS MUST SIGN THE ADDENDUM AND SUBMIT IT WITH THEIR PROPOSALS.

B. Proposents are hereby notified that they shall make any necessary adjustments in their estimates as a result of this Addendum. It will be construed that each proponent’s proposal is submitted with full knowledge of all modifications and supplemental data specified herein.

PLEASE NOTE THE FOLLOWING CHANGES TO RFP THIRD-PARTY ADMINISTRATOR (TPA) TO MANAGER CITY’S SELF-INSURED GENERAL LIABILITY PROGRAM (PUR 19-037)

Proposals shall be submitted no later than 2:00 p.m., on Thursday, January 9, 2020, in the office of:

CITY CLERK
CITY OF STOCKTON
425 NORTH EL DORADO STREET
STOCKTON, CA 95202-1997

One (1) original and five (5) copies of the proposal shall be submitted. Additionally, submit one (1) electronic version of the proposal. The proposal should be firmly sealed in an envelope which shall be clearly marked on the outside, "THIRD-PARTY ADMINISTRATOR (TPA) TO MANAGER CITY’S SELF-INSURED GENERAL LIABILITY PROGRAM for the City of Stockton (PUR 19-037)." Any proposal received after the due date and time indicated may not be accepted and may be rejected and returned, unopened, to the proponent.

The following are clarifications, questions and answers:

Clarifications:

1. The estimated orals week is the First week of February 2020
2. Estimate notification of award date (to allow for customize implementation plan) is 2/15/2020
3. Contract effective date is 5/1/2019
4. Estimated claim volume new by claim type (BI, PD, etc.): See below
5. Anticipated claim volume open claims by type: 310 Annually

<table>
<thead>
<tr>
<th>Policy type</th>
<th>NEW General/Public Liability</th>
<th>NEW Auto Liability</th>
<th>NEW Physical Damage / OTHER</th>
<th>General/Public Liability</th>
<th>OPEN Auto Liability</th>
<th>Employment Practices Liability</th>
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<td>New/year</td>
<td>50</td>
<td>170</td>
<td>90</td>
<td>192</td>
<td>42</td>
<td>9</td>
</tr>
</tbody>
</table>

6. Currently City of Stockton Risk Management is using Risk Console Claims System Self-administered and claim system/RMIS to consolidate data from (Import to Broadspire).

**Questions/Answers:**

1. Will the City require an export from Broadspire to load into the City’s RMIS? If so, what frequency; monthly, weekly, daily? Or will you be consolidating data in ours?

   Yes. Weekly. RMIS Software is still being procured, ETA is Spring 2020; the City will need to import current data into Vendor claims system.

2. How many user ID’s are required and what level number? How many Advanced AdHoc reporting ID’s and number of real-time claim view look up ID’s?

   Two (2) Advanced AdHoc reporting ID’s and Eight (8) of real time claim view look up ID’s are required.

3. Where there any other documents other than the RFP PUR 19-037?

   No.

4. Could the City provide a 5-year loss run?

   Yes. See attachment titled City of Stockton All Liability Claims 12-5-19 5 year loss run.

5. What claims system is the City currently using?

   Risk Console/ Ventiv

6. How many open claims do you currently have?

   243

7. Are all closed files in the electronic claims system?

   Yes

8. Does the City have paper files that need scanning/destruction?

   No
9. What is the current # of internal staff, level, and # of claims handled?
   1 FTE Claims Investigator, 1 FTE Admin Staff and .5 FTE Paralegal.

10. What will be the role of internal staff post-TPA selection?
    Oversight and coordinate settlement approvals.

11. How many first party subrogation recovery claims were there in 2018?
    40

12. In 2018, what was the frequency of Field Investigation occurrences?
    100

13. On average, how many claims are litigated each year?
    30

14. Who is the broker you work with?
    AON

15. Who is your excess carrier?
    CJPRMA

16. Are there any unique requirements that the City may have?
    No.

17. What is your SIR, and is the TPA to adjust to just SIR or to total value?
    1 million total value.

18. Is the Local Business Preference a total of 7% (2% of San Joaquin County, and 5% for City of Stockton) assuming the proposer qualifies for both?
    Please see Page 3 of Section 1, 1.3 of the RFP. The business address of the firm must be
domiciled in the stated boundaries and only one domicile boundary shall apply.

19. Do vendors remote employees working in the City of Stockton or San Joaquin County
    qualify for Local Business Preference?
    Please see response to question 18.

20. Regarding Section 2.1 Question 5 in the RFP, is it the City’s intent to have the ability to
    email from or directly to the TPA’s claims system?
    No.
21. Is the City's intent to be able to set diaries for their own users follow up or for follow up by the assigned adjuster?

The City's intent is to be able to set diaries for its own users.

22. What is the current open claim inventory broken out by claim type (auto liability, general liability, property), claim category (PD or BI) and claims year?

Answered Above.

23. Are there any Police and/ Fire related claims to be administered? If so, how many and can they be broken out by claim type (auto liability, general liability, property), claim category (PD or BI) and claims year?

Yes. Please see above answer in clarification number 5.

24. Can a loss run of both open and closed claims be provided?

Yes

25. What claims system does the City currently administer its claims in?

Answered above in question number 5.

26. Would this be the same system we would expect to extract the open and closed claims from?

Yes

27. What data transfer formats are available to the City?

CVS

28. Would the City be open to the finalist TPA to consider hiring any of current liability staff professionals currently on the program now?

No
BIDDER MUST ACKNOWLEDGE THIS AMENDMENT BY SIGNING BELOW AND ATTACHING THE SIGNED AMENDMENT TO THE BID FORM:

Company Name  Carl Warren & Company
Contact Person  Richard McAbee
Signature  
Date  December 13, 2019

Proposals Due – Promptly by 2:00 P.M., Thursday, January 9, 2020, City Clerk’s Office.

Addendum acknowledged and signed? _______ (Procurement Specialist’s initials)
Minimum Experience Qualifications Summary

A statement of professional experience and ability with a clearly identified statement of relevant professional experience. Proponent should represent their current ability to provide all services listed in Scope of Services.

Our Public Sector Specialization...

- **200+** Public Sector clients
- **45+** Years of public sector experience
- **extensive** litigation management experience
- **first** Municipal TPA in the State of CA

Carl Warren has been managing general liability claims, litigation management, and subrogation services for California municipalities for over 45 years. We service public entities of all sizes. We tailor the program specifically to meet the City’s needs and to fulfill your pools’ reporting guidelines. We have successfully worked with our public sector clients, new and existing, to enhance their claims process to improve efficiency, reliability, and cost containment. Examples include state compliance, reserve philosophy, notice of rejection processes, and on-call processes. Our claims teams are acutely aware that a high level of communication and professionalism is vital between all parties.

Our public sector client base includes cities, airports, ports, bridge authorities, counties, school districts, colleges/universities, transit systems (rail, bus, ferry), pools, sanitation districts, utility and water districts, fire and police districts, parks and recreation districts and state agencies. We handle all claim types ranging from employment practices liability, property damage, premises liability, sexual misconduct, professional, police, errors and omission claims to slip/trip falls, and automobile claims throughout California.

Carl Warren is active in the public entity community. We are a member of PARMA, PRIMA (local and national chapters), Combined Claims Conference, AGRIP, RIMS (local and national chapters), CLM, as well as our client’s forum conferences.
Management/Method of Operation and Scope of Services

Provide detailed description outlining your firm’s approach to providing Third Party Administrative (TPA) services that will meet the scope of work requirements identified in Section 2, including full-service case management, cost control, safety consulting services, annual stewardship reports and actuarial services for a general liability program. Highlight innovative ideas your firm may have to provide to the City and describe in detail your procedures (including safety) and management techniques. Provide a list of services and programs you will provide. If you have confirmed service partners, please provide the name of partner and a letter by the partner confirming interest in collaboration in the City’s General Liability Program.

Please provide a Program Plan, an operational plan which will be reviewed and approved by City before implementation by TPA. This Plan should include management policies, a schedule of day to day operations, a complete listing of classes, rentals, clinics, workshops, trainings, and services offered by TPA. If you are listing services that require certifications or licensures, please identify the type of certifications and licenses that will be required for that service.

Please provide a sample of case management, cost controls, safety consulting services, annual stewardship reports and actuarial services taking the City into consideration.

We have read and acknowledged the services outlined within the City’s Scope of Services in Section 2.1 of the RFP and CJPRMA’s policy and provisions for excess reporting outlined within Scope of Services: Section VII to its entirety and will comply with all required. Below is our approach to claims handling and how we propose to meet both the City’s and CJPRMA’s requirements to claim services.

Program Administration

Data Transition/Takeover
Our IT Department will work with and communicate with the IT representative of the City to discuss a plan of action for the data to be transferred. Our in-house IT Department has extensive experience in transitioning data for clients that were previously self-administered or with another TPA with a different risk management information system.
Our standard transition is a 30-day plan; however, we can effectuate the transfer in as little as two weeks. The goal each time is to ensure the least amount of disruption to the client.

Upon award of contract, a test feed with be set up. If it is insufficient, additional tests will be performed until a satisfactory test is completed. After that a systematic transfer of the data will be completed. Depending on the timeline, current data can be converted first so the examiners can begin working on the files and notifying the involved parties of the new examiner. If we have enough time, we would move the closed files first. Please refer to Exhibit 1 in the Additional Data section for a sample transition timeline and takeover instructions.

**Onboarding/Client Service Instructions (CSI’s)**

Our onboarding team will meet with the City to develop the Client Service Instructions (CSI’s), upon award of contract. The CSI’s will serve as the instructions for consistent general claims management and administration. It identifies the areas of greatest focus with input from the City, broker, and carrier, CJPRMA. The Client Profile is an overlay to our Best Practices and CSI’s, thus establishing a benchmark for our claims handling. Target areas include:

- Identifying key contacts at the City, broker, CJPRMA, and Carl Warren
- Reserving, settlement and pre-funding procedures/authority
- Reporting requirements (internal and external)
- Specifications for accounting/billing matters along with key contacts
- Loss Codes & Location Codes
- Record Retention Policy Review
- Policies, Practices, and Guidelines
- RMIS User Connections/Schedule & Conduct RMIS Training
- Team Directory – Bilingual Examiners, if needed.

**Claim Administration**

**Claim Receipt and Setup:** New claims can be reported by phone or email. We can set up a dedicated email box for the City to expedite claims assignment and setup. The notice is reviewed by the supervisor and assigned to the examiner, typically within 2-4 hours. Via email, we confirm receipt of the claim and provide a claim number to the City.

The City will be given a Team Directory and will have their assigned supervisor cell phone numbers in the event they need to be contacted after hours. Examiners are not allowed to take direct claim assignments other than emergency claims
after hours. There is no additional cost to contact Carl Warren or have us respond to a claim on a 24/7 basis.

<table>
<thead>
<tr>
<th>TIMEFRAME</th>
<th>SERVICE</th>
<th>EMPLOYEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 24 hours</td>
<td>Contact with claimant, witness and the City</td>
<td>Claims Examiner</td>
</tr>
<tr>
<td>24-48 hours of receipt of claim</td>
<td>Review of new matter and assignment of file</td>
<td>Supervisor</td>
</tr>
<tr>
<td>&lt; 48 hours</td>
<td>Enter claims information into the RMIS database</td>
<td>Claims Examiner</td>
</tr>
<tr>
<td>&lt; 7 days</td>
<td>Plan of Action entered the Claim Notes in RMIS</td>
<td>Claims Examiner</td>
</tr>
<tr>
<td>&lt; 7 days</td>
<td>File reserves are established</td>
<td>Claims Examiner</td>
</tr>
<tr>
<td>&lt; 7 days</td>
<td>Maintain diary for initial handling completion</td>
<td>Claims Examiner</td>
</tr>
<tr>
<td>&lt; 7 days</td>
<td>ISO/MMSEA Indexing</td>
<td>Claims Examiner/Claims Assistant</td>
</tr>
<tr>
<td>&lt; 14 days</td>
<td>Initial investigation findings reported to the client if warranted, otherwise inserted in claim notes</td>
<td>Claims Examiner</td>
</tr>
<tr>
<td>&lt; 15 days</td>
<td>Excess notification</td>
<td>Claims Examiner</td>
</tr>
<tr>
<td>&lt; 30 days</td>
<td>Complete investigation and act on claim</td>
<td>Claims Examiner</td>
</tr>
<tr>
<td>&lt; 30 days</td>
<td>Maintain diary – Investigation update (every 30-60 days thereafter)</td>
<td>Claims Examiner</td>
</tr>
<tr>
<td>Every 30 days</td>
<td>Plan of Action and reserves are reviewed</td>
<td>Supervisor</td>
</tr>
<tr>
<td>Every 30 days</td>
<td>10 Files audited</td>
<td>Supervisor</td>
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<tr>
<td>As applicable</td>
<td>MMSEA Filings</td>
<td>Claims Examiner</td>
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Checking

Carl Warren can provide a full range of Trust Account services to ensure that all funds entrusted to Carl Warren is managed in accordance with generally recognized banking practices and the City’s procedures. The trust accounts are all created with Payee Positive Pay and Cleared Check processing as security measures for fraud protection. The City will be provided the contact information for our Trust Manager, Kristin Miller, in the event there are specific questions regarding the account.

Reserve Adequacy & Accuracy

The initial reserve takes into consideration all potential payments related to the loss including liability, codefendants and allocated expenses to arrive at an ultimate net loss figure. Case reserves are established no later than seven (7) days of receipt of the claim. They are established on a case-by-case basis. The liability exposure, expense, venue and anticipated life of the claim are all factors taken into consideration when reserving a file. The first element of proper reserving is a timely and professional investigation into liability and damages.

Our experience in with public sector clients allows us to adequately evaluate and reserve the claim as they differ in scope from most other types of claims. We do not use average case reserve and avoid stair-stepping the reserves on any
Reserves are reviewed every 30 days to ensure accuracy to continually monitor new information and reserves that accurately reflect the potential exposure. Any reserve revisions will be clearly explained in the file notes.

Overpayments & Errors

File Management: Within twenty-four (24) hours of receipt of the first report, a file is created, initial reserves established and assigned the proper code numbers, and the necessary data is entered to our RMIS platform.

The examiner documents all correspondence, investigation and discussions on each file in the File Notes section of the RMIS. Files are documented by retaining all correspondence received from the claimant or their representative. Summaries of all telephone conversations are also clearly documented in the file. All loss payments and expense payments are separated making the financial information easy to review and audit.

Diary Review: Our files are on strict diary and are reviewed at pre-established intervals, to ensure the timely investigation and completion of work as well as the adequacy of the established reserves. The system will be customized for the City. Supervisor diaries are set to review files every 10 days and will also audit at least 10 claim examiner files monthly. The examiner’s diary is for 7, 45, and then 90 days. The Supervisor receives weekly reports as to late diaries. Any trends or problems found are addressed internally. The supervisor approves all reserve changes, payments and ensures the files are on diary. They can review files as often as they or the City feels necessary.

MMSEA: Carl Warren is compliant with Medicare Secondary reporting requirements. We partner with Insurance Service Organization (ISO) using the Universal Format for reporting purposes. Each claim where a bodily injury is alleged will be indexed with the ISO for prior incidents. If a “hit” comes back, it is pursued by the handling examiner. In addition, claimants are indexed for Medicare beneficiary status, to comply with all requirements of MMSEA. If a claimant/plaintiff is found to be a beneficiary, all steps are taken to protect the City’s requirements under MMSEA prior to any settlement, verdict, or judgment.

Investigations
Where the City determines that an investigation is necessary, the focus of our investigation is on the timely gathering of critical information and preservation of potential evidence. The results of the investigation are analyzed, and a liability determination is made, taking into consideration the possible comparative fault of the claimant, any applicable contractual indemnity provisions, tenders and
State Statutes. Within two (2) business days of receipt of a new claim, the examiner enters the claim information into RMIS. The initial investigation findings are reported to the City no later than five (5) days with a complete investigative report provided within 20 days. The goal is to complete a comprehensive investigation and evaluation expeditiously and advise the City of their liability exposure. We then act on the City’s authority to deny or resolve the claim as quickly, fairly and efficiently as possible.

**Fraud Investigations/SIU:** If fraud is suspected, the City’s claim team will promptly identify claims and work directly with key contacts to discuss a plan of action. We recommend a SIU/Fraud partner, CoventBridge Group, for compliance purposes when there is a need for surveillance or statements to be taken.

**Litigation Management**

It is the philosophy of Carl Warren to manage litigation from a two-prong approach – strategy and cost containment. We will work with the City’s Attorney to meet these goals. A strong working relationship between the examiner and defense attorney is important since both bring different skills to claims handling and resolution.

When a lawsuit comes in, we will discuss with the City Attorney which defense firm it should be assigned to. Once the firm has been identified, a complete copy of the investigative file is transmitted to the defense counsel. We will then secure a Litigation Budget and work with the City throughout the litigation process pursuant to the City’s guidelines.

On litigated claims, we keep the City Attorney informed in writing of settlement conferences, hearings, arbitrations, mediations, and trials. When requested by the client or CJPRMA, we will attend trials, hearings, arbitrations, mediations, settlement conferences and any other legal proceedings.

**Subrogation**

Carl Warren has a dedicated in-house recovery team of certified subrogation paralegals that are available to identify, pursue, and recover money on the City’s behalf. They handle recovery on a wide range of matters from pre-suit and small damage to larger loss litigation matters (floods or fires), which requires attorney involvement along with multi-state litigation work.

All file investigations include determine if subrogation or tenders exist. All new subrogation referrals are assigned to the subrogation/recovery team, which
includes a Senior Subrogation Paralegal Specialist with over 20 years of experience. Over 90% of funds were recovered within 60 days of the file being assigned for recovery pursuit.

**Claims Management Information System**

The City will receive claims data through our proprietary online RMIS platform. We are upgrading our RMIS platform to FileHandler Enterprise, powered by JW Software that will allow us to provide metrics and analytics. We hope to have it completed by the end of the first quarter. No software installation is required – only access to the internet with a standard internet browser (Edge, Internet Explorer, Chrome, Safari, or Firefox). A direct link to the RMIS platform will be given to the City during client onboarding, but it can also be accessed through the System Login button on our website. From here, our clients can login through our secure portal to access the application at any time – 24/7/365 – via a desktop, laptop, tablet, Smartphone, etc. and functions in real-time with updates every few hours.

Our RMIS platform will allow the City customized access to their financial and claim information. The system is structured as a risk management tool in addition to providing claims data, in addition easy access to your records.

**RMIS Access/Training:** RMIS training and technical assistance is available to the City at any time throughout the contract. We can conduct the training on-site at the City or at a location of the City’s choosing. Training sessions for any new staff members and/or refresher courses for any existing staff members can be conducted via teleconference/webinar, which typically takes an hour.

**Statistical Loss Reports:** Carl Warren can provide the City with 50+ standard loss runs and statistical reports at no additional charge. Ad hoc reporting is fully supported as are subscription services for emailed reports and event-based alerting. All reports are available to the City online, but they can also be scheduled for email delivery. Frequency options for delivery include daily, weekly, monthly and quarterly. Below are our most frequently requested reports:

- **Snapshot:** This report provides a graphical overview of the account. It quickly identifies the 5 cause codes that generate the most claims as well as the most severe claims. This report also includes a Claim Count graph for the previous 12 months and a list of the Top 10 Occurrences based on Total Incurred. This report will help the client by identifying area’s that need further investigation.
• **Frequency Report**: This report identifies which location codes (or departments) generate the most claims. It specifies the percentage of the account that these claims make up. This report helps determine which departments need help in reducing the number of claims submitted.

• **Severity Report**: This report identifies which location codes (or departments) generate the most severe claims. It specifies the percentage of the account these claims make up.

• **Cause Profile**: This report lists all cause codes utilized in the account and how many claims have been recorded with each cause code. It also indicates the Total Incurred for each cause code.

• **Reserve Trends**: This report lists all open claims and what their total incurred amounts were at different ages, starting at 1 month up to 60 months.

Please refer to **Exhibit 2** in the Additional Data section for sample loss run reports.

**Excess Insurance Reporting**
Carl Warren acknowledges and will comply with California Joint Powers Risk Management Authority (CJPRMA)’s policy provisions outlined in Paragraphs 3 and 4 of Pages 20-22 in the RFP.

When it is determined that a claim meets the excess reporting guidelines of the CJPRMA, they will be placed on notice with all available information by telephone (925-837-0667) and followed up with a hardcopy to fax (925-290-1543) or mailed to 4201 Doolan Road, Livermore, CA 94551 or electronic report to info@cjprma.org. Generally, a copy of the file will be sent within ten (10) days of notice of a claim filing when the type of loss or injury is either known or alleged. The City will also be sent a copy of each report and Carl Warren will pursue, when appropriate, excess reimbursements from the insurance carriers.

**Additional Services**
In addition to general claims and litigation management services, we also provide:

- Quarterly Claim Reviews
- Litigation Budget Meetings
- Statistical Data Reports
- Customized Reports
- 24/7 Emergency Services
- Subrogation Recovery Services
- MMSEA Reporting and Settlements with CMS
- Indexing/OFAC Reporting
eSubRosa Services: All avenues are employed to identify and combat red flags that can impact the severity of a loss. Fraud investigation areas of focus:

- Social Media
- Social Contacts Search
- Continuous Monitoring Filter through duration of claim resolution
- Background Investigation
- Digital Skip Trace
- Asset/Financial Search
- Photo and Video Scrapping

When our examiners conduct a scene investigation on a claim, the information is provided to the City’s Risk & Safety Departments for remedy recommendation. Our examiners can help identify the cause of the loss and provide recommendation to the City to be distributed to the appropriate city departments to facilitate an appropriate action or solution (maintenance, repairs, etc.). We work closely with your insurance broker and can provide Safety and Loss Control Consulting Services through a partner to help the City limit liabilities, reduce risks, and provide proactive support in the areas of safety.

We have provided a sample of our Annual Stewardship Report; however, we cannot provide samples of Case Management, Cost Controls, Safety Consulting, and Actuarial services as they do not pertain to our line of business.

Claim Review Meetings

Our leadership team, AVP of Claims, Angelique King, Client Services Manager, Suzie Spencer, along with the City’s claim team will be available to attend any meetings and/or quarterly claim reviews either in-person or via phone. As partners in the claims process, it is important to have regular meetings that allows for open dialogue and discussion so that everyone agrees with both past and future success and failures and the corrective measures that will be used to improve our service. Status reports can be prepared at the request of the City.

Annual Stewardship Report

Carl Warren provides an annual stewardship report at the end of each policy year. The report focuses on past year goals and objectives, the year in review (results, successes, challenges, and opportunities), financials (savings,
benchmarking, total cost of risk), and our approach and recommendations for the upcoming year. Please refer to Exhibit 3 in the Additional Data Section for a sample Carl Warren stewardship report.

Quality Assurance

Our in-house Quality Assurance (QA) team completes audits on a continual basis on our claims process and staff. These audits can be completed by client, examiner, or location. The QA team pulls monthly management reports that identify claims which might fall outside of agreed upon handling guidelines. This approach allows us to take corrective action before an issue becomes a problem. Our staff are constantly evaluated for internal metrics and subpar performance that require a formal action plan, including corrective action, as needed.

We have a contract with Marsh Clearsight, also known as the STARS auditing system, wherein we complete, log, track, and score all audits completed companywide in their auditing system. We also have random audits performed for our SSAE 18/SOC 1 audit report and our RMIS system.

Our QA team also keeps our claim professionals apprised of pertinent regulatory and legislative developments. Most of our claims staff are members of various professional organizations and industry groups that also provide legislative and regulatory updates. In 2018, we averaged 92.4% on our audits and are awaiting final confirmation of our 2019 audit scores, which we believe will exceed the current percentage.

Third Party Audits

Carl Warren will comply with any external auditor that the City chooses. We also submit to scheduled carrier audits to ensure we are compliant with all carrier guidelines and meeting the expectations set forth. Carl Warren maintains a library of carrier forms and guidelines that is accessible to all claim personnel. This is to ensure that they have all the information they need to administer claims to the carriers’ specifications, as well as our clients’.

Best-In-Class Partners

Carl Warren handles all claim services in-house utilizing our claim experts. We have partnerships in place on an as-needed basis for services below:

- Field Investigations (if our examiners are unavailable) – Sam Hooper & Associates
- SIU/Fraud Investigations – CoventBridge Group
- Auto/Property Damage Appraisals – ACD Corporation
- Outside Defense Counsel

While we have long-standing partnerships in place, we would ultimately use firms that are approved by the City prior to work commencing. All partners are held accountable and responsible to the same quality and standards as our staff. We have provided our best-in-class service partners’ interest collaboration letters in Exhibit 4 of the Additional Data section.
References

Provide a list of references with current contact person, e-mail address and phone number who may be contacted regarding firm performance. References must consent to inclusion in the RFP prior to the deadline of the RFP. No City of Stockton elected officials, appointed officials, or City employees may be provided as a reference for the RFP.

We have advised our clients listed below that they will be contacted by a representative of the City.

- **City of Oakland**
  1 Frank H Ogawa Plaza, 6th Floor
  Oakland, California 94612
  
  Jerry Ho, Claims Investigator II
  jho@oaklandcityattorney.org
  T: 510-238-3701

- **City of Daly City**
  333 90th Street
  Daly City, California 94015
  
  Kaila DeFries, Administrative Assistant
  kdefries@dalycity.org
  T: 650-991-5766

- **San Joaquin Regional Transit District**
  421 East Weber Ave.
  Stockton, California 95202
  
  Nancy Antonio, Safety & Risk Specialist
  nantonio@sanjoaquinrtd.com
  T: 209-467-6658
Financial Statement

The proponent must be able to demonstrate a good record of performance and have sufficient financial resources to ensure that they can satisfactorily provide the services required herein.

Proponent shall submit a full and detailed presentation of the true condition of the proponent’s assets, liabilities and net worth. The report should include a balance sheet and income statement. If the proponent is a new partnership or joint venture, individual financial statements must be submitted for each general partner or joint venture thereof. If firm is a publicly held corporation, the most current annual report should be submitted. Please write “Confidential” on any financial statement page that is confidential.

Any proponent who, at the time of submission, is involved in an ongoing bankruptcy as a debtor, or in a reorganization, liquidation, or dissolution proceeding, or if a trustee or receiver has been appointed over all or a substantial portion of the property of the proponent under federal bankruptcy law or any state insolvency, may be declared non-responsive.

Please provide a draft Profit and Loss Statement certified by a CPA.

Our Duns & Bradstreet Supplier Evaluation Risk Score is 1, the lowest risk number that can be earned. A copy of our Company’s 2018 audited financials, prepared by our CPA’s, have been provided following this page. Please note this document is Confidential & Proprietary and is not to be reproduced without the consent of Carl Warren.
Consolidated Financial Statements and
Independent Accountant’s Review Report of

CARL WARREN & COMPANY and
SUBSIDIARY

December 31, 2018 and 2017
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<th>Page</th>
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<td><strong>CONSOLIDATED FINANCIAL STATEMENTS</strong></td>
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<td>Consolidated Balance Sheets</td>
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INDEPENDENT ACCOUNTANT’S REVIEW REPORT

To the Board of Directors of
Carl Warren & Company and Subsidiary
Tustin, California

We have reviewed the accompanying consolidated financial statements of Carl Warren & Company and Subsidiary, which comprise the consolidated balance sheet as of December 31, 2018 and the related consolidated statement of operations, stockholder’s equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management’s financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management’s Responsibility for the Financial Statements

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

Accountant’s Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant’s Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on 2017 Financial Statements

The 2017 consolidated financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated August 24, 2018. We have not performed any auditing procedures since that date.

Campbell Taylor & Company
An Accountancy Corporation
Roseville, California
April 12, 2019
CARL WARREN & COMPANY and SUBSIDIARY

CONSOLIDATED BALANCE SHEETS
December 31, 2018 (Reviewed) and 2017 (Audited)

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2018 (Reviewed)</th>
<th>2017 (Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$2,507,064</td>
<td>$2,660,528</td>
</tr>
<tr>
<td>Accounts receivable, net of allowance of $93,361 and $170,756 for doubtful accounts in 2018 and 2017, respectively</td>
<td>2,215,323</td>
<td>2,429,807</td>
</tr>
<tr>
<td>Unbilled services, net of allowance of $2,357 for adjustments in 2018 and 2017</td>
<td>55,134</td>
<td>55,134</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>210,078</td>
<td>235,370</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>4,987,599</strong></td>
<td><strong>5,380,839</strong></td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>23,000</td>
<td>23,000</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>257,249</td>
<td>379,640</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$5,267,848</strong></td>
<td><strong>$5,783,479</strong></td>
</tr>
</tbody>
</table>

| LIABILITIES AND STOCKHOLDER'S EQUITY | | |
| Current Liabilities: | | |
| Accounts payable and accrued expenses | $1,372,507 | $2,586,767 |
| Deferred revenue | 591,603 | 1,109,432 |
| **Total current liabilities** | **1,964,110** | **3,696,199** |
| Total liabilities | 1,964,110 | 3,696,199 |
| Commitments and contingencies | | |
| Stockholder's Equity: | | |
| Common stock - $1 par value per share; 500,000 shares authorized, 122,698 shares issued and outstanding in 2018 and 2017 | 122,698 | 122,698 |
| Additional paid-in capital | 1,801,205 | 1,801,205 |
| Retained earnings | 1,379,835 | 163,377 |
| **Total stockholder's equity** | **3,303,738** | **2,087,280** |
| **Total liabilities and stockholder's equity** | **$5,267,848** | **$5,783,479** |

The accompanying notes are an integral part of these financial statements.
CARL WARREN & COMPANY and SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS
For the Years Ended December 31, 2018 (Reviewed) and 2017 (Audited)

<table>
<thead>
<tr>
<th></th>
<th>2018 (Reviewed)</th>
<th>2017 (Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative services</td>
<td>$15,348,138</td>
<td>$15,826,678</td>
</tr>
<tr>
<td>Insurance adjustment services</td>
<td>4,690,144</td>
<td>5,012,000</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>20,038,282</td>
<td>20,838,678</td>
</tr>
<tr>
<td><strong>Selling, general, and</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>administrative expenses</strong></td>
<td>18,492,137</td>
<td>20,442,830</td>
</tr>
<tr>
<td><strong>Income from operations</strong></td>
<td>1,546,145</td>
<td>395,848</td>
</tr>
<tr>
<td><strong>Other income (expense):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>(9,038)</td>
<td>(8,431)</td>
</tr>
<tr>
<td>Other income</td>
<td>24,242</td>
<td>13,967</td>
</tr>
<tr>
<td><strong>Total other income</strong></td>
<td>15,204</td>
<td>5,536</td>
</tr>
<tr>
<td><strong>Income from continuing</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>operations before provision</td>
<td>1,561,349</td>
<td>401,384</td>
</tr>
<tr>
<td>for income taxes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>700</td>
<td>444</td>
</tr>
<tr>
<td><strong>Income from continuing</strong></td>
<td>1,560,649</td>
<td>400,940</td>
</tr>
<tr>
<td>operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Loss from discontinued</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>operations, including loss on</td>
<td>(344,191)</td>
<td>(1,595,038)</td>
</tr>
<tr>
<td>disposal of $117,642 and $303,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>721 in 2018 and 2017, <strong>respectively</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>**Net income (loss)</td>
<td>$1,216,458</td>
<td>$(1,194,098)</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
CARL WARREN & COMPANY and SUBSIDIARY  
CONSOLIDATED STATEMENTS OF STOCKHOLDER’S EQUITY  
For the Years Ended December 31, 2018 (Reviewed) and 2017 (Audited)

<table>
<thead>
<tr>
<th>Common Stock</th>
<th>Additional</th>
<th>Retained</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares</td>
<td>Amount</td>
<td>Paid-In Capital</td>
<td>Earnings</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Balance at January 1, 2017</td>
<td>122,698</td>
<td>122,698</td>
<td>1,801,205</td>
<td>1,357,475</td>
<td>3,281,378</td>
</tr>
<tr>
<td>Net loss</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at December 31, 2017</td>
<td>122,698</td>
<td>122,698</td>
<td>1,801,205</td>
<td>163,377</td>
<td>2,087,280</td>
</tr>
<tr>
<td>Net income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at December 31, 2018</td>
<td>122,698</td>
<td>122,698</td>
<td>1,801,205</td>
<td>1,379,835</td>
<td>3,303,738</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.  
CARL WARREN & COMPANY and SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2018 (Reviewed) and 2017 (Audited)

<table>
<thead>
<tr>
<th></th>
<th>2018 (Reviewed)</th>
<th>2017 (Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Flows from Operating Activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>$ 1,216,458</td>
<td>$(1,194,098)</td>
</tr>
<tr>
<td>Adjustments to reconcile net loss to cash used for operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>188,381</td>
<td>249,000</td>
</tr>
<tr>
<td>Loss (gain) on disposal of property and equipment</td>
<td>58,900</td>
<td>(2,902)</td>
</tr>
<tr>
<td>Decrease in assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable and unbilled services</td>
<td>214,484</td>
<td>573,969</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>25,292</td>
<td>373,780</td>
</tr>
<tr>
<td>Decrease in liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>(1,214,260)</td>
<td>(640,842)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(517,829)</td>
<td>(415,122)</td>
</tr>
<tr>
<td>Cash used for operating activities</td>
<td>(28,574)</td>
<td>(1,056,215)</td>
</tr>
<tr>
<td>Cash Flows from Investing Activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of property and equipment</td>
<td>-</td>
<td>10,026</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(124,890)</td>
<td>(18,345)</td>
</tr>
<tr>
<td>Cash used for investing activities</td>
<td>(124,890)</td>
<td>(8,319)</td>
</tr>
<tr>
<td>Net decrease in cash and cash equivalents</td>
<td>(153,464)</td>
<td>(1,064,534)</td>
</tr>
<tr>
<td>Cash and cash equivalents, beginning of year</td>
<td>2,660,528</td>
<td>3,725,062</td>
</tr>
<tr>
<td>Cash and cash equivalents, end of year</td>
<td>$ 2,507,064</td>
<td>$ 2,660,528</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization
Carl Warren & Company (the “Company”) provides insurance adjusting and claims administration services, specializing in liability claims. The business is primarily concentrated in the administration of self-insurance programs. The Company’s clients include self-insured entities in the public and private sectors, insurance companies, and risk purchase pools. The Company serves a customer base from offices throughout the United States with its home office in California.

Principles of Consolidation
The consolidated financial statements of the Company include the accounts of Carl Warren & Company and its wholly owned subsidiary, Carl Warren & Company of Nevada (“the Subsidiary”). All significant transactions between the entities have been eliminated in consolidation.

Basis of Accounting
The consolidated financial statements are prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates
The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates used in the preparation of these consolidated financial statements include valuation allowances of accounts receivable and unbilled services, determination of various accrued expenses, and deferred revenue.

Cash and Cash Equivalents
Cash and cash equivalents are defined as investments which have an original maturity of ninety days or less from the original date of purchase. Cash and cash equivalents consist of money market funds, cash in checking accounts, and petty cash funds.

Cash Held as Custodian
The Company is a custodian for funds received from outside parties for whom the Company makes payments for approved claims. The cash is restricted for approved claims and related expenses and is owned by the Company’s customers. At December 31, 2018 and 2017, the Company held funds in bank accounts as a custodian for customers in the amount of $24,987,978 and $5,193,921, respectively. These funds are not presented as assets owned by the Company on the consolidated balance sheet.

Accounts Receivable
The Company extends credit to its customers based on a customer’s financial condition, credit history, and current economic conditions. Collateral is generally not required. Management evaluates customer accounts to determine collection risks and allowances for doubtful accounts are recorded when considered necessary. Customer account balances are charged off against the allowance for doubtful accounts after all means of collection have been exhausted and the potential for recovery is considered remote. Although the Company expects to collect amounts due, actual collections could differ from estimated amounts.
NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unbilled Services
Unbilled services consist of time and expenses incurred on customer cases which have not been invoiced as of year-end. Valuation allowances are provided in the consolidated financial statements based on management’s evaluation of historical and current trends and expectations. Management expects to bill all services; however, actual billings may differ from estimated amounts.

Property and Equipment
Property and equipment are stated at cost, net of accumulated depreciation and amortization. The Company provides for depreciation and amortization using accelerated and straight-line methods over the estimated useful lives of the assets which range from 2 to 10 years. Leasehold improvements are amortized over the lesser of the estimated useful life of the asset or lease term.

Maintenance and repair costs are expensed as they are incurred while renewals and improvements of a significant nature are capitalized. At the time of retirement or disposition of property and equipment, the cost and related accumulated depreciation and amortization are removed from the accounts and any resulting gain or loss is reflected in the consolidated statements of operations.

Long-lived assets are reviewed for impairment by management at least annually. Impairment is measured by a comparison of the carrying amount of an asset to estimated undiscounted future net cash flows, excluding interest, expected to be generated by the asset or group of assets. The impairment, if any, represents that amount by which the carrying amount of the asset exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less estimated costs to sell.

Deferred Revenue
The Company has certain flat fee contracts, cost per claim contracts, and policy premium contracts that generate deferred revenue. Under flat fee contracts the Company is paid a fixed fee on a monthly, quarterly, or claim basis. Revenue is recognized for these arrangements on a straight-line or other reasonable basis over the contract period or the expected life of the claim.

Deferred revenues for lifetime claim handling are more sensitive to changes in the claim closing rates since the Company is obligated to handle these claims to the ultimate conclusion with no additional fees. Historically, the Company closes approximately 95% of lifetime claims within four years from the date of referral. Annually, management evaluates the historical claim closing rates by major contract and makes adjustments as necessary. There was no change in estimate during 2018 and 2017.

Revenue Recognition
The Company recognizes revenue when professional services are rendered. Professional services related to assignments not completed at the end of each year that have not been billed are recorded as unbilled services and recognized at estimated billable amounts.

Advertising
Advertising costs are charged to expense as incurred. For the years ended December 31, 2018 and 2017, advertising expense amounted to $93,963 and $110,706, respectively.

Income Taxes
The Company has elected to be taxed as an S-Corporation for Federal and state tax purposes. Taxable income is passed through to the stockholder. The Company pays no Federal income taxes. The State of California imposes an income tax of 1.5% on taxable S-Corporation income.
NOTE 1:  NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)
Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax basis measured by enacted tax rates for years in which taxes are expected to be paid or recovered.

The Company has evaluated income tax positions in accordance with ASC 740-10 and has determined that there are no uncertain tax positions as of December 31, 2018. The Company’s policy is to recognize interest and penalties related to income taxes in interest expense. The Company is no longer subject to income tax examinations for years prior to 2014.

Recent Accounting Pronouncements
In May 2014, the Financial Accounting Standards Board (FASB) issued ASU No. 2014-09, Revenue with Contracts from Customers (Topic 606). The new accounting standard develops a common revenue standard that will remove inconsistencies and weaknesses in revenue requirements, provide a more robust framework for addressing revenue issues, improve comparability of revenue recognition practices, provide more useful information to users of financial statements, and simplify the preparation of financial statements. In August 2015, the FASB deferred the original implementation date by one year. Application of this standard is effective for the year ending December 31, 2019. The Company is currently evaluating the impact this pronouncement will have on its consolidated financial statements.

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842). The new accounting standard requires lessees to recognize a lease liability measured on a discounted basis and a right-of-use asset for all leases. Application of this standard is effective for the Company for the year ended December 31, 2020. The Company is currently evaluating the impact of adoption of the new standard on its consolidated financial statements.

In November 2015, the FASB issued ASU No. 2015-17, Income Taxes (Topic 740). The new accounting standard requires that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. The Company adopted this standard for the year ended December 31, 2018. There was no material impact on the Company’s results of operations or financial condition upon adoption of the new standard.

Reclassifications
Certain reclassifications have been made to the 2017 balances to conform to the 2018 presentation.

NOTE 2:  CONCENTRATION OF RISK

Cash and Cash Equivalents
The Company maintains its cash and cash equivalents in banks that at times may exceed amounts insured by the Federal Deposit Insurance Corporation (FDIC). The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Customers
The Company had three customers that accounted for 42% and 38% of total revenue for the years ended December 31, 2018 and 2017, respectively. The accounts receivable from these customers accounted for 30% and 17% of total accounts receivable for the years ended December 31, 2018 and 2017, respectively.
NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2018 and 2017:

<table>
<thead>
<tr>
<th></th>
<th>2018 (Reviewed)</th>
<th>2017 (Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer equipment and software</td>
<td>$1,541,348</td>
<td>$1,872,724</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>856,106</td>
<td>856,106</td>
</tr>
<tr>
<td>Office equipment</td>
<td>345,324</td>
<td>295,437</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>135,338</td>
<td>135,338</td>
</tr>
<tr>
<td>Work in process</td>
<td>26,200</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>2,904,316</td>
<td>3,159,605</td>
</tr>
<tr>
<td>Less accumulated depreciation and amortization</td>
<td>(2,647,067)</td>
<td>(2,779,965)</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>$257,249</td>
<td>$379,640</td>
</tr>
</tbody>
</table>

Depreciation and amortization expense related to property and equipment for the years ended December 31, 2018 and 2017 was $188,381 and $249,000, respectively.

NOTE 4: DISCONTINUED OPERATIONS

The Company made the decision to discontinue operations related to the workers compensation division in 2016. The Company decided to dispose of this division primarily due to significant operating losses incurred and because the division had lost significant market share over several years. The disposition represents a strategic shift to focus on other operations of the Company and management believes it will have a major effect on the Company’s operations and financial results. The Company had continuing involvement in the discontinued operation through December 31, 2018 due to customer contract terms that extended beyond the disposal date.

In conjunction with the discontinuance of the workers compensation division, the Company recognized a loss on disposal of $117,642 and $303,721 related to the termination of customer contracts in 2018 and 2017, respectively.
NOTE 4: DISCONTINUED OPERATIONS (Continued)

The loss from discontinued operations presented in the consolidated statements of operations consists of the following for the years ended December 31, 2018 and 2017:

<table>
<thead>
<tr>
<th></th>
<th>2018 (Reviewed)</th>
<th>2017 (Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative services</td>
<td>3,300</td>
<td>820,653</td>
</tr>
<tr>
<td>Insurance adjustment services</td>
<td>2,000</td>
<td>620</td>
</tr>
<tr>
<td>Total revenue</td>
<td>5,300</td>
<td>821,273</td>
</tr>
<tr>
<td>Income (expenses):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling, general, and administrative expense</td>
<td>(231,849)</td>
<td>(2,112,863)</td>
</tr>
<tr>
<td>Other income</td>
<td>-</td>
<td>273</td>
</tr>
<tr>
<td>Loss on disposal of discontinued operations</td>
<td>(117,642)</td>
<td>(303,721)</td>
</tr>
<tr>
<td>Total expenses</td>
<td>(349,491)</td>
<td>(2,416,311)</td>
</tr>
<tr>
<td>Loss from discontinued operations</td>
<td>$ (344,191)</td>
<td>$ (1,595,038)</td>
</tr>
</tbody>
</table>

NOTE 5: ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following at December 31, 2018 and 2017:

<table>
<thead>
<tr>
<th></th>
<th>2018 (Reviewed)</th>
<th>2017 (Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued commissions, payroll, and employee benefits</td>
<td>$ 563,550</td>
<td>$ 833,352</td>
</tr>
<tr>
<td>Accrued - other expenses</td>
<td>460,414</td>
<td>448,672</td>
</tr>
<tr>
<td>Accrued professional and legal expense</td>
<td>148,844</td>
<td>235,427</td>
</tr>
<tr>
<td>Accrued rent expense</td>
<td>105,492</td>
<td>189,236</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>94,207</td>
<td>230,080</td>
</tr>
<tr>
<td>Accrued - ESOP contribution</td>
<td>-</td>
<td>650,000</td>
</tr>
<tr>
<td>Total accounts payable and accrued expenses</td>
<td>$ 1,372,507</td>
<td>$ 2,586,767</td>
</tr>
</tbody>
</table>

NOTE 6: DEFERRED COMPENSATION

The Company established a Retention and Incentive Deferred Compensation Plan (the “Plan”) in 2005 for certain key employees. The Plan provides for the grant of “units” of participation to key employees by the Compensation Committee of the Board of Directors. Each unit is equivalent in value to one share of Company common stock, and the Plan allows for the grant of a maximum of 12,000 units. Granted units vest over a three year period, 30% in the first year and 35% in subsequent years, and are subject to adjustment for dilutive effects on shares outstanding. Payment for vested units will be settled in cash at the fair value at the settlement date. Under certain circumstances the participant may elect to defer payment beyond the settlement date. No liability or compensation expense has been recorded under this Plan for the years ended December 31, 2018 and 2017 as all granted units were settled in prior years and no additional units have been granted.

NOTE 6: DEFERRED COMPENSATION (Continued)

Effective January 1, 2013, the Company adopted a Stock Appreciation Rights Plan (“SAR Plan”) that provides stock appreciation rights (SARs) to certain key employees. The SAR Plan allows for the grant of a maximum of 120,000 SARs by the Compensation Committee of the Company’s Board of Directors. Compensation expense is accrued ratably over the vesting period based on the increase in value of the Company’s stock price over the price at the date of grant.

SARs vest over terms specified in the individual grant agreements. Compensation liabilities related to the SAR Plan are settled in cash payments. As of December 31, 2018 a total of 17,450 SARs have been granted under the SAR Plan. No compensation liability or expense has been recorded under the SAR Plan as of December 31, 2018 and 2017.

The Company accounts for deferred compensation using the intrinsic method under ASC 718-30-55.

NOTE 7: COMMITMENTS AND CONTINGENCIES

Operating Leases
The Company has various non-cancelable operating leases for office space, equipment, and software which expire through 2021 and require the Company to pay for normal repairs, maintenance, property taxes, and insurance. Total rental expense under non-cancelable operating leases included in selling, general, and administrative expenses was $1,230,493 and $1,307,911 for the years ended December 31, 2018 and 2017, respectively. The total future lease commitments at December 31, 2018, under operating lease agreements is as follows:

<table>
<thead>
<tr>
<th>Year Ending December 31:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$819,893</td>
</tr>
<tr>
<td>2020</td>
<td>224,442</td>
</tr>
<tr>
<td>2021</td>
<td>44,919</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,089,254</td>
</tr>
</tbody>
</table>

Contingencies
The Company is involved in certain legal matters which arise in the normal course of business. Management believes that the resolution of such matters will not have a material effect on the financial position of the Company. The Company has Errors and Omissions insurance to manage business risk associated with the services it provides.

NOTE 8: RETIREMENT PLANS

Employee Stock Ownership Plan
The Company maintains an Employee Stock Ownership Plan (the “ESOP”) covering substantially all eligible employees, as defined in the plan agreement. The Company’s contribution to the ESOP is determined annually by the Board of Directors. Contributions are allocated to eligible employees in proportion to an employee’s wages compared to the total wages of all eligible employees. The Company contributed $8,490 and $562,760 to the ESOP in 2018 and 2017, respectively. All of the Company’s common stock is owned by the ESOP which has been fully allocated to eligible employees.
NOTE 8: RETIREMENT PLANS (Continued)

The Company has an obligation to repurchase stock held by the ESOP upon certain circumstances. The estimated fair value of shares allocated and subject to repurchase as of December 31, 2018 was approximately $1,000,000. During the years ended December 31, 2018 and 2017, no shares were repurchased by the Company.

Defined Contribution Plan
The Company maintains a 401(k) plan (the “Plan”) that covers substantially all eligible employees, as defined in the Plan agreement. The Company’s contribution to the Plan is at the Board of Directors’ discretion but limited to the maximum amount deductible for federal income tax purposes under the applicable Internal Revenue Code. For the years ended December 31, 2018 and 2017, $0 and $55,018, respectively was contributed by the Company to the Plan.

NOTE 9: FAIR VALUE MEASUREMENTS

The Financial Accounting Standards for Fair Value Measurements establish a hierarchy that prioritizes the inputs for valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs include quoted market prices for identical or similar assets or liabilities in active or inactive markets or inputs other than quoted prices that are observable or corroborated by observable market data for the asset or liability; and Level 3 inputs have the lowest priority and are unobservable and significant to the fair value measurement. Level 3 inputs are used only when Level 1 or Level 2 inputs are not available.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2018 and 2017.

Money Market Funds: Underlying short term investments with quoted prices in active markets to preserve the value of the investment at $1.00 per share.

The following table sets forth by level within the fair value hierarchy, the Company’s financial assets that were accounted for at fair value on a recurring basis at December 31, 2018, according to the valuation techniques used to determine the fair value:

<table>
<thead>
<tr>
<th>Assets:</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market funds</td>
<td>$ 100,092</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ 100,092</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

The following table sets forth by level within the fair value hierarchy, the Company’s financial assets that were accounted for at fair value on a recurring basis at December 31, 2017, according to the valuation techniques used to determine the fair value:

<table>
<thead>
<tr>
<th>Assets:</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market funds</td>
<td>$ 100,082</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ 100,082</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

NOTE 10:  SUPPLEMENTAL DISCLOSURE TO CONSOLIDATED STATEMENTS OF CASH FLOWS

Supplemental disclosures of cash flow information:

<table>
<thead>
<tr>
<th></th>
<th>2018 (Reviewed)</th>
<th>2017 (Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash paid for interest</td>
<td>$10,936</td>
<td>$9,489</td>
</tr>
<tr>
<td>Cash paid for taxes</td>
<td>$3,005</td>
<td>$3,347</td>
</tr>
</tbody>
</table>

NOTE 11:  SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through April 12, 2019, the date the financial statements were available to be issued, and management determined that no subsequent events have occurred which should be disclosed, other than the matter described below.

On January 31, 2019, the ESOP sold and transferred all of the outstanding shares of Carl Warren & Company and Subsidiary that it owned to Claims Technology Group of America, Inc. (the “Buyer”). The consideration received by the ESOP totaled $10,775,000. In addition, the Buyer deposited $300,000 into an escrow account subject to a final purchase price adjustment based on targeted working capital amounts and severance payments to certain terminated employees. In connection with the sale, the ESOP was terminated effective January 31, 2019.
Corporate Structure, Organization

Describe how your firm is organized, as well as brief history of the firm and all personnel potentially to be involved in the project including all Board of Directors. Designate the Principal in Charge and other key personnel. Include résumés of key senior personnel. Also provide a description of the experience your firm has had with similar processes.

Our Strong Foundation…

Carl Warren operates independently as a wholly-owned subsidiary of Claims Technology Group of America Inc. Below is list of Carl Warren’s leadership governed by a group of Executive Members of Claims Technology Group of America Inc.

- **Gordon Pennington**, President of Carl Warren
- **Richard McAbee**, Chief Marketing Officer of Carl Warren

Executive members of Claims Technology Group of America Inc. are:

- **Jason Turner**, Chief Executive Officer of Venbrook Group
- **Gig Palmer**, Chief Financial Officer of Venbrook Group
- **Mira Wolff**, CHRO/General Counsel of Venbrook Group
- **Bruce Benyo**, CA Licensing of Venbrook Group

**Resources for the City:** The City will have direct access and communication within our entire organization from our Company Leadership, Accounting, Quality Assurance/Compliance, IT, and our Client Services Department. Our Company’s leaders, Gordon Pennington and Richard McAbee, will be involved in the City’s program along with our Assistant Vice President of Claims, Angelique King. She will oversee the designated City’s claim team and the implementation of protocols and training for file quality and cost containment. Our Client Service Manager, Suzie Spencer, will be an instrumental part to ensure we onboard successfully and execute our commitment to your Scope of Services.
We have provided a chart of our Company’s organizational structure, which has been customized for the City’s program. The below in-house departments operate in our Corporate Headquarters in Orange County, California:

- **IT Department**: maintains our Risk Management Information System (RMIS) and provides client training and support.
- **Quality Assurance & Compliance Department**: audits examiners’ files, identifies trends, provides analysis to enable client to eliminate problems and lower claim-related costs.
- **Trust/Accounting Department**: responsible for the Client Trust Account and SSAE 18/SOC 1 compliance.
- **Subrogation Recovery Team**: pursues subrogation whenever possible for clients, if requested.

**Best-In-Class Partners**: We work with best-in-class partners on an as-needed basis for Field Investigations (if our examiners are unavailable), SIU/Fraud Investigations, Auto/Property Damage Appraisals, and Outside Defense Counsel. While we have long-standing partnerships in place, we would ultimately use firms that are approved by the City prior to work commencing. All partners are held accountable and responsible to the same quality and standards as our staff.
City of Stockton
Request for Proposal (RFP) PUR 19-037 for Third-Party Administrator (TPA) to Manage City’s Self-Insured General Liability Program

Gordon Pennington
President

Accounting Department
- Controller
  - Kristin Miller
  - Trust Account Manager
Marketing & Business Dev. Department
- Chief Marketing Officer
  - Richard McAbee
- VP of New Business Dev.
  - Susan Legare
Client Services Department
- Manager
  - Tina Martinez
Claims Department
- AVP of Claims
  - Angelique King
IT Department
- Director of Analytics
  - Josh Solway

The City’s Claim Team
- Claim Supervisor
  - Joyce Fairley Ray
- Back-Up Examiner
  - Ralph Mann
- New Hire Claim Examiner
- Claims Assistant/Support Specialist
- Subrogation Supervisor
  - Sheila Neuman
- Sr. Legal Subro Recovery Specialist
  - Karen Lambert
- Subrogation Assistant
  - 
Quality Assurance/Compliance Department

Best-in-Class Partners (on an as needed basis):

Sam Hooper & Associates
(Field investigations, if primary examiner is unavailable)

CoventBridge Group
(SIU/Fraud Investigations)

ACD Corporation
(Auto/Property Damage Appraisals)

The City’s Claim Team: We propose to administer the City’s account from our Sacramento office located at:
On the City’s program, the designated claims team will be assigned by jurisdiction, i.e. licensing, experience, and knowledge of the venue and plaintiff attorney. Our experts are well-versed in general liability and have proper licensure, experience, and will have a thorough understanding of CJPRMA’s guidelines. Should the City have the need for a bilingual examiner, we can provide this service at no additional charge.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title/Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angelique King</td>
<td>AVP of Claims</td>
</tr>
<tr>
<td>Suzie Spencer</td>
<td>Client Services Manager</td>
</tr>
<tr>
<td>Joyce Fairley Ray</td>
<td>Claim Supervisor</td>
</tr>
<tr>
<td>New Hire</td>
<td>Primary Claim Examiner</td>
</tr>
<tr>
<td>Ralph Mann</td>
<td>Back-Up Examiner</td>
</tr>
</tbody>
</table>

Upon award of contract, we will begin our search for a viable examiner in the local Stockton, California area. It is Carl Warren’s policy not to remove an examiner from a client who is happy with their staff. This new-hire process has been successfully accomplished for many new and current clients. This new examiner will be coached and mentored by our tenured Northern California public entity claims team of supervisors and examiners to ensure they are quickly brought up to speed on Carl Warren’s Best Practices and processes as well as the City’s guidelines.

A short preview of the resume has been provided below. To view the full resumes of each individual, please refer to Exhibit 5 of the Additional Data section within the RFP.

Angelique King
Assistant Vice President of Claims

Experience & Work History: Angelique has over 25 years of professional experience within the claims and insurance industry. She is a versatile manager with career-long recognition for outstanding leadership and performance for developing and implementing claim process improvements. She has notable career achievements in quality and assurance performance and yielded results with an increase of 10% YTD. She also achieved a variance below 4% in audits in the QA and field. At Carl Warren, Angelique manages Company initiatives that impacts performance, quality, productivity, and to improve client satisfaction and profitability.
Prior to joining Carl Warren, Angelique developed her experience at Farmers Insurance and Progressive Insurance Company where she handled a team of adjusters and complex level claims.

Education & Licenses: Angelique received her Bachelor of Arts degree in Economics and African American Studies from the University of California, Los Angeles. She is certified in Behavior-based Interviewing Techniques.

Suzie Spencer
Client Services Manager

Experience & Work History: Suzie has over 15 years of professional client services experience and over 30 years of experience within the claims and insurance industry, specifically with Third Party Administrators. As a Client Service Manager, Suzie will work closely with Carl Warren’s leadership, Claim Services Team, and our Marketing Team to achieve the highest level of client satisfaction and retention. She has a proven record of creating and implementing processes that positively impact the client experience.


Education & Licenses: Suzie received her Bachelor of Science in Business Administration from the University of Phoenix in Sacramento. She also holds a California Self-Insurance Certification and her WCCP.

Joyce Fairley Ray
Claims Supervisor

Experience & Work History: Joyce has over 20 years of claims handling and supervisory experience and specializes in commercial automobile & general liability and personal insurance. On the City’s program, Joyce will supervise all claims from inception through trial. She supervises our public entity clients in Northern California, to include VTA, Golden Gate Bridge, and SamTrans.

Prior to Carl Warren, Joyce was employed at Kemper National Insurance handling complex litigated claims involving general liability, products, and automobile liability lines.

Education & Licenses: Joyce received her Bachelor of Science in Business Marketing from California State University, Chico.

Back-Up Examiner – Ralph Mann
Carl Warren will provide the City with a back-up examiner, Ralph Mann, whom will be familiar with the Client Service Instructions (CSI's) for the City’s program to ensure that we can seamlessly handle files when the primary examiner is unavailable.

Ralph has over 10 years of experience in the investigation, resolution, and litigation of personal/commercial auto, homeowners, and general liability claims. He will have the same duties as the primary examiner but will not be handling any complex or litigated claims.

Claim Assistant/Support Specialists: Carl Warren has a team of claim assistants/support specialists. Our support specialists assist with administrative tasks that include but are not limited to; filing, copying, faxing, mail processing, fielding emails from clients and examiners, data entry, setup of claims, supply order, transcription, indexing, and ability to work on special tasks, as needed.
Additional Data

The following Exhibits have been provided within this section:

- Exhibit 1: Sample Data Transition TimeLine & Takeover Instructions
- Exhibit 2: Sample Loss Runs
- Exhibit 3: Sample Annual Stewardship Report
- Exhibit 4: Best-in-Class Business Partner Letters
- Exhibit 5: Claim Team Resumes
TPA Conversion Instructions
## Takeover Information

<table>
<thead>
<tr>
<th>Client:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Takeover Effective Date:</td>
</tr>
<tr>
<td>Lines of Business:</td>
</tr>
<tr>
<td>Previous TPA(s):</td>
</tr>
<tr>
<td>Approximate Open Claim Counts:</td>
</tr>
<tr>
<td>Carriers:</td>
</tr>
</tbody>
</table>

## Implementation Instructions

<table>
<thead>
<tr>
<th>Attendees CW:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attendees Incumbent:</td>
</tr>
</tbody>
</table>

**Kickoff Meeting:**

**Takeaways/Next Steps from meeting held on**

**Next Meeting Scheduled for:**

**Claimant Letters**
- Form letter will be provided by CW; letter will be reviewed with client and approved prior to submitting to.
- Letters must be sent to claimants, at a minimum, one week prior to the transfer to CW.
- They will be sent separate from the advance payments.
- Use the CW provided list of office locations for contact information (CW rep name, phone and e-mail address) that must be inserted into the letters.

**Takeaways/Next Steps**
-
Loss Run

- A detailed Loss Run (in Excel format) valued as of ______ must be provided on the day of CW Takeover for handling of phone calls, due by ______.
- An example of the Detailed Loss Run containing the data elements CW requires will be provided to ______.

Takeaways/Next Steps

Paper File Physical Transfer – Iron Mountain

- If possible, all closed claim files will be transferred to CW’s account at Iron Mountain. If any files cannot be transferred to CW’s account, ______ will provide a contact name if closed claims need to be retrieved after the transfer.
- CW to provide Iron Mountain transfer information and initiate meeting with all parties.

Takeaways/Next Steps

Preparation of Onsite Paper Files

- All on-site paper files should be transferred to the appropriate CW handling office based on the claim jurisdiction no later than 5 calendar days after transfer, due by ______. Please use the claim handling roster to determine physical office shipping destination. Boxes should be sent to the physical claim office address. DO NOT ship to the P.O. Box address.
- CW Account Manager will provide list of office locations.
- Generic ______ top sheets are an acceptable form of documentation and should be attached to each physical file.
- All boxes should be labeled and numbered and contents identified. Each LOB should be individually boxed if possible. If the volume does not warrant a full box, please separate each LOB within the box.
- Each box should contain a list of claim files contained therein.
- Each______ servicing office is asked to maintain a master spreadsheet including tracking information and dates of all files being shipped to CW. The list should accompany the list of boxes (i.e. in last numerical box) and be sent to ______ for consolidation on a national level.

Takeaways/Next Steps

•
Shipping Account Information
• CW Account Manager to provide FedEx account number for expense related to shipping of boxes.

Takeaways/Next Steps

List of Hot/Priority Claims
• will provide CW with a list of “hot”/priority claims no later than the Takeover Date of . Items that should be noted include but are not limited to hearings, active litigation issues, important dates, etc.

Takeaways/Next Steps

Mail/Bill Forwarding
• All correspondence (including mail and bills) should be routed to the appropriate CW P.O. Box by jurisdiction. The list of office locations provides the breakdown of P.O. boxes by jurisdiction. Please DO NOT send to the physical office address.
• If possible, CW would prefer all correspondence held for a minimum of one week after the transfer. That allows us to prevent electronic errors due to claims not yet found. If it can be held for a minimum of one week, it would allow the claim office proper amount of time to register the claims, electronically scan the mail and associate it with the proper claim.

Takeaways/Next Steps

Mail/Bills Received after the Transition
• All correspondence received after the transfer should also be routed to the appropriate CW P.O. Box by jurisdiction as indicated above. We ask that mail be forwarded daily for the first 30 days and no less than weekly for an additional 3 months. Thereafter, may either continue to forward mail or return to sender.

Takeaways/Next Steps
Claims Received After the Transfer

- Claims reported to after the transfer should be redirected to CW’s intake vendor.
- CW Account Manager will provide the claim reporting phone number.
- The phone number for claim reporting is .

Takeaways/Next Steps

Electronic Data File Requirements – Pre-Transfer

- Test Exit Files (claim detail, transactional detail, reserve history, notes history and imaged documents) containing all open and closed claims valued as of is expected to be received within 3-5 business days after requested.
- A supporting detailed loss run (in Excel format) with a corresponding valuation date of is also expected to be provided with the exit file.
- An example of the Detailed Loss Run containing the data elements CW requires will be provided to .
- The following detailed information should also be provided along with the Pre-Transfer files:
  - Record Layouts
  - Code Libraries
  - Data Dictionary
  - Existing account hierarchy/pyramid
  - Record counts, financial totals, control totals
  - Client custom data fields. Include field names, description of custom fields, record layout positions on data file
  - Incurred and reserve calculations
  - Definition of how recoveries are handled
- FTP information for test and production file transfers will be provided after the initial conference call. If FTP is not an option, the data should be provided on DVD or CD via FedEx overnight shipment and the tracking number must be sent to .
Electronic Data File Requirements – Post Transfer

- Final Production Exit Files (claim detail, transactional detail, reserve history, notes history and imaged documents) containing all open and closed claims valued as of ___ is expected to be received within **5 business days** after the transfer date. Final file is due to CWC on or before ___.
- A supporting detailed Loss Run (in the same Excel format delivered for the Test File) with a corresponding valuation date of ___ is also expected to be provided with the exit file.
- Adjuster Notes are expected to be received with the standard exit file.
- Imaged documents for all Open and Closed Takeover claims are expected to be received no later than **10 business days** after the transfer. Due date for this transfer is ___.
  - If all imaged documents cannot be extracted by that date, CW is requesting two extracts. The first containing all imaged documents on Open claims by ___ and the remaining closed claim images no later than an additional **10 business days** or on or before ___.
- Electronic media containing images should be sent to the following address:

  Carl Warren & Company  
  Attn: ___

- 2 Years of Medical Bill history is expected no later than **7 business days** after the transfer date or by ___.
- The following detailed information should only be sent again if changes occurred since originally provided:
  - Record Layouts
  - Code Libraries
  - Data Dictionary
  - Existing account hierarchy
  - Record counts, financial totals, control totals
  - Client custom data fields. Include field names, description of custom fields, record layout positions on data file.
  - Incurred and reserve calculations
  - Definition of how recoveries are handled

**Takeaways/Next Steps**


Miscellaneous Topics
- TBD

Takeaways/Next Steps

Data Extracts – Dates for Valuation and Delivery

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<th>Description</th>
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<td>Initial Data Set Evaluation Date</td>
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<tr>
<td>Complete Loss run Evaluation Date</td>
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<tr>
<td>Final Data Set Evaluation Date</td>
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</table>

Documentation or FedEx packages should be sent to:

Carl Warren & Company

For tracking purposes, please provide the FedEx tracking number to via email at .

Additional Information
# Sample Transition Plan for <Client>

<table>
<thead>
<tr>
<th>TASK #</th>
<th>TASK DESCRIPTION</th>
<th>FIRM/REP</th>
<th>WEEK 1</th>
<th>WEEK 2</th>
<th>WEEK 3</th>
<th>WEEK 4</th>
<th>WEEK 5</th>
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<td>Identify Primary Contacts</td>
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<td>IT - Data Conversion/Programming</td>
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<td>1.8</td>
<td>Carl Warren Accounting / Banking</td>
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<td>Identify Implementation Team</td>
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<td>3.2</td>
<td>Assign Implementation team tasks/goals</td>
<td>CW Claims Manager</td>
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<td>3.3</td>
<td>Assign specific goals/objectives &amp; critical dates</td>
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<td>Review staffing based on proposal Organizational Chart</td>
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<td>Recruitment / Review Resumes</td>
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<td>Order computer hardware and SDSL equipment</td>
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<td>Complete RMS User Profile Requests</td>
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<td>4.6</td>
<td>Network, equipment configuration and setup by (date TBD)</td>
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<td><strong>Current Program Processes Analysis</strong></td>
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<td>5.1</td>
<td>Current Intake Process</td>
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<td>Process-Workflow - Pendings</td>
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<td>5.3</td>
<td>Review Takeover Caseload (if any)</td>
<td>CW</td>
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<td><strong>Carl Warren Processes - Procedures</strong></td>
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<td>Proposed Intake Process</td>
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<td>Claims Handling Workflow</td>
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<td><strong>Claims Handling Procedures</strong></td>
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<td>7.1</td>
<td>Litigation Procedures</td>
<td>The Client/CW</td>
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<td>7.2</td>
<td>Reporting Requirements / Internal Authority Levels</td>
<td>The Client/CW</td>
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<td>7.3</td>
<td>Review litigation calendar (if needed)</td>
<td>Incumbent/CW</td>
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<td>8.</td>
<td><strong>Storage of Archived Boxes</strong></td>
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<td>8.1</td>
<td>Who? Where? Retention Period?</td>
<td>The Client/CW Claims Manager</td>
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<td><strong>Transition Announcements</strong></td>
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<td>9.1</td>
<td>Legal counsel notification</td>
<td>Incumbent</td>
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<td>9.2</td>
<td>Various Vendors [medical providers, investigators, etc.]</td>
<td>Incumbent</td>
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<td>9.3</td>
<td>Claimants</td>
<td>Incumbent</td>
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<tr>
<td>TASK #</td>
<td>TASK DESCRIPTION</td>
<td>FIRM/REP</td>
<td>WEEK 1</td>
<td>WEEK 2</td>
<td>WEEK 3</td>
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<td>WEEK 5</td>
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<tr>
<td>10.</td>
<td>Finance / Banking</td>
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<td>10.1</td>
<td>Establish new bank account</td>
<td>Finance/CW</td>
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<td>10.2</td>
<td>Send digitized signature card to TPA &amp; Client</td>
<td>CW</td>
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<td>10.3</td>
<td>Client to OK MICR Check Writing</td>
<td>Finance</td>
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<td>10.4</td>
<td>Establish forecasting/wire transfer procedures</td>
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<td>Establish check reg/acct reimbursement procedures</td>
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<td>10.6</td>
<td>Trust Account Funding</td>
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<td>11.</td>
<td>IT - RMIS Set-up</td>
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<tr>
<td>11.1</td>
<td>Identify hierarchy, policies, banking needs, etc</td>
<td>CW</td>
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<td>11.2</td>
<td>Identify special handling instructions requiring programming</td>
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<td>11.3</td>
<td>Complete setup in Filehandler Enterprise</td>
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<td>11.4</td>
<td>Identify reporting requirements, including custom fields</td>
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<td>11.5</td>
<td>Develop and test reports (if any) using 'Test Phase' data</td>
<td>CW</td>
<td>x</td>
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<tr>
<td>11.6</td>
<td>Setup reports</td>
<td>CW</td>
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<td>Data Conversion - Test phase (if applicable)</td>
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<tr>
<td>12.1</td>
<td>Send layouts, codes, test data &amp; loss runs valued as (Date TBD)</td>
<td>Incumbent</td>
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<td>12.2</td>
<td>Analysis, programming, balancing against loss runs</td>
<td>CW</td>
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<td>12.2</td>
<td>timeline</td>
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<td>Data Conversion - Final (if applicable)</td>
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<td>13.1</td>
<td>Send final data &amp; loss runs valued as of (date TBD)</td>
<td>Incumbent</td>
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<td>13.2</td>
<td>Unit utilizes FileHandler Enterprise</td>
<td>CW IT Department</td>
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<td>13.4</td>
<td>Unit utilizes MyCarlWarren (date TBD) for transitioned claims</td>
<td>CW IT Department</td>
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<td>14.</td>
<td>Training - Claims Handling Team</td>
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<td>14.1</td>
<td>Setup FileHandler Enterprise user profiles for RMIS access</td>
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<td>14.2</td>
<td>Workflow/Claims handling/orientation</td>
<td>CW Claims Manager</td>
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<td>14.3</td>
<td>FileHandler Enterprise Training (if necessary)</td>
<td>CW</td>
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<td>Web Training</td>
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<td>15.1</td>
<td>Setup Carl Warren Web Profiles for Client/Broker Access</td>
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<td>15.2</td>
<td>Web Access training</td>
<td>The client/CW</td>
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Risk Management Information System (RMIS)
Screenshots & Sample Reports

Updated January 2020

Requests:
Reports Team
reports@carlwarren.com
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Claim Count - By Claim Type

Claim Count by Type

Claim Counts by Location

Claim Counts by Tier 1

Claim Type by Client

Claims by Type per Client

Claims Received by Line of Business
## Claim Results

### Claim Search

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<th>Client Claim #</th>
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<td>1984827</td>
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<td>MOTOR BUS</td>
<td>07/20/2018</td>
<td>08/28/2018</td>
<td>Reopened</td>
<td>Carl Warren &amp; Company</td>
<td>Latrice, Thomas</td>
<td>VA</td>
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<tr>
<td>1986141</td>
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<td>ADA</td>
<td>07/20/2018</td>
<td>10/03/2018</td>
<td>Closed</td>
<td>Carl Warren &amp; Company</td>
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<table>
<thead>
<tr>
<th>Policy #</th>
<th>Claim Type</th>
<th>Loss Cause</th>
<th>Claimant Name</th>
<th>Body Part</th>
<th>Injury</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unknown - NO PN Rec</td>
<td>ON BOARD - STOPPING</td>
<td>Brown, Charlie</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Unknown - NO PN Rec</td>
<td>ON BOARD-RUNNING STRAIGHT</td>
<td>Schroeder, Ludwig</td>
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### Claim Detail

<table>
<thead>
<tr>
<th>Claim #</th>
<th>1984827</th>
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</thead>
<tbody>
<tr>
<td>Party</td>
<td>Brown, Charlie</td>
</tr>
<tr>
<td>Company</td>
<td>MOTOR BUS</td>
</tr>
<tr>
<td>Handler</td>
<td></td>
</tr>
<tr>
<td>Client claim #</td>
<td></td>
</tr>
<tr>
<td>Client contact</td>
<td></td>
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<td>Bill to client</td>
<td></td>
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<tr>
<td>Loss causation</td>
<td>ON BOARD - STOPPING</td>
</tr>
<tr>
<td>Accident location</td>
<td></td>
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<tr>
<td>Claim type</td>
<td></td>
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<td>Claim Status</td>
<td></td>
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<td>Benefit state</td>
<td>CA</td>
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<td>Second Handler</td>
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<tr>
<td>LOB</td>
<td>AUTO LIABILITY</td>
</tr>
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<td>Category</td>
<td>Reserved</td>
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<td>Received date</td>
<td>08/28/2018 12:00 AM</td>
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<tr>
<td>Reported date</td>
<td>08/28/2018 12:00 AM</td>
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<tr>
<td>Loss date</td>
<td>07/20/2018 12:00 AM</td>
</tr>
<tr>
<td>Date entered</td>
<td>08/28/2018 12:00 AM</td>
</tr>
<tr>
<td>Status</td>
<td>Reopened</td>
</tr>
<tr>
<td>Closed date</td>
<td>01/30/2019 12:00 AM</td>
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<tr>
<td>Reopened date</td>
<td>01/06/2020 12:18 PM</td>
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<td>Catastrophe #</td>
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### Claim Notes

#### CLAIM NOTES

<table>
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<tr>
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<th>Note Type</th>
<th>Note Date</th>
<th>Note Text</th>
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</thead>
<tbody>
<tr>
<td>Brown, Charlie</td>
<td>ConvUser, ConvUser</td>
<td>Conversion Note Type</td>
<td>01/23/2019 4:06 PM</td>
<td>No claim file has been received. The status</td>
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<tr>
<td>Ralph, Mann</td>
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<td>Conversion Note Type</td>
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<td>Closing File</td>
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<tr>
<td>Brown, Charlie</td>
<td>ConvUser, ConvUser</td>
<td>Conversion Note Type</td>
<td>01/07/2019 7:16 PM</td>
<td>SUPERVISOR NOTE: New instructions from</td>
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<td>Brown, Charlie</td>
<td>ConvUser, ConvUser</td>
<td>Conversion Note Type</td>
<td>11/26/2018 8:56 PM</td>
<td>ACTION PLAN - secure bus video - close</td>
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<td>Brown, Charlie</td>
<td>ConvUser, ConvUser</td>
<td>Conversion Note Type</td>
<td>11/26/2018 8:55 PM</td>
<td>90 Day Report Event: This bodily injury claim</td>
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<td>Conversion Note Type</td>
<td>11/26/2018 8:52 PM</td>
<td>Email to client to follow up on bus video</td>
</tr>
</tbody>
</table>
Claim Accident Report

ACCIDENT REPORT

1984827 - Charlie Brown

Accident Facts (VA)

Accident Location: WOODLAND/UNIVERSITY
Accident County: CA

Police Agency
Police Report
Insured Cited?
Insured Cited Reason
Other Cited?
Other Cited Reason

Facts
PAX SLID FORWARD MADE CONTACT WITH FRONT BAR. PAX Claimed INJURY.
Claim Email

Email sent from FileHandler. Under Correspondence/Email tab.

**CLAIM EMAIL**

1984827 - Charlie Brown

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
<th>Date</th>
<th>Folder</th>
<th>Subject</th>
</tr>
</thead>
<tbody>
<tr>
<td>Julie Mills</td>
<td><a href="mailto:jmills@carlwarren.com">jmills@carlwarren.com</a></td>
<td>01/06/2020</td>
<td>Sent</td>
<td>New email (Claim #:1984827, Claimant:Charlie Brown, U</td>
</tr>
</tbody>
</table>

**Attachments**

From: Julie Mills
To: jmills@carlwarren.com

Email Type: Sent
Folder: Sent

Subject: New email (Claim #:1984827, Claimant:Charlie Brown, Username:JMILLS)

New party added to existing claim.
### Claim Feature List

#### Claim Feature List

<table>
<thead>
<tr>
<th>Handler</th>
<th>Party Name</th>
<th>Feature</th>
<th>Open Close Status</th>
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</thead>
<tbody>
<tr>
<td>Adjuster In-House</td>
<td>Linus Van Pelt</td>
<td>AUTO MEDICAL PAYMENT</td>
<td>Open</td>
</tr>
<tr>
<td>Adjuster In-House</td>
<td>Linus Van Pelt</td>
<td>AUTO UNINSURED MOTORIST BI</td>
<td>Open</td>
</tr>
<tr>
<td>Tran Robert</td>
<td>Charlie Brown</td>
<td>AUTO BODILY INJURY</td>
<td>Reopened</td>
</tr>
</tbody>
</table>

#### Edit Claim Hard Copy Report

**Optional Activity Details**

- **Select All**
- **Notes Detail**
- **Diaries Detail**
- **Sort Order**

[View Report]
**Parties**

Multiple claimants are added as, “Parties.”

<table>
<thead>
<tr>
<th>Type</th>
<th>Last Name</th>
<th>First Name</th>
<th>Middle Initial</th>
<th>Status</th>
<th>Opened Date</th>
<th>Closed Date</th>
<th>Reopened Date</th>
<th>Litigation</th>
<th>Subrogat</th>
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</thead>
<tbody>
<tr>
<td>Claimant - 01</td>
<td>Brown</td>
<td>Charlie</td>
<td></td>
<td>Reopened</td>
<td>08/28/2018</td>
<td>01/23/2019</td>
<td>01/06/2020</td>
<td>No</td>
<td>No</td>
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<td>Claimant - 02</td>
<td>Van Pelt</td>
<td>Linus</td>
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<td>Open</td>
<td>07/20/2018</td>
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<td>Claim Loss Causation</td>
<td>ON BOARD - STOPPING</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Body Part</td>
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<td></td>
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<td></td>
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<td>Injury</td>
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<tr>
<td>Accident Description</td>
<td>PAX SLID FORWARD MADE CONTACT WITH FRONT BAR, PAX</td>
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<tr>
<td>Injury Description</td>
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</table>
### CLAIMANT PARTY DETAIL

<table>
<thead>
<tr>
<th>Name</th>
<th>Brown, Charlie</th>
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<tr>
<td>Address</td>
<td>358 N. MONTGOMERY ST</td>
</tr>
<tr>
<td></td>
<td>SAN JOSE, CA 95110</td>
</tr>
<tr>
<td>Home Phone</td>
<td>(650) 283-0426</td>
</tr>
<tr>
<td>Work Phone</td>
<td></td>
</tr>
<tr>
<td>Other Phone</td>
<td></td>
</tr>
<tr>
<td>Email Address</td>
<td></td>
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<tr>
<td>Occupation</td>
<td></td>
</tr>
<tr>
<td>Driver license #</td>
<td></td>
</tr>
<tr>
<td>Driver lic state</td>
<td></td>
</tr>
<tr>
<td>Driver</td>
<td>No</td>
</tr>
<tr>
<td>Owner</td>
<td>No</td>
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<td>Display Red</td>
<td>No</td>
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<tr>
<td>Days Open</td>
<td>148</td>
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<td>Status</td>
<td>Reopened</td>
</tr>
<tr>
<td>Closed date</td>
<td>01/23/2019</td>
</tr>
<tr>
<td>Reopened date</td>
<td>01/06/2020</td>
</tr>
<tr>
<td>In litigation</td>
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<tr>
<td>In subrogation</td>
<td>No</td>
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<tr>
<td>Sex</td>
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<td>Marital status</td>
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<td>Date of birth</td>
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<td>Current Age</td>
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<td>Age Per Date of Loss</td>
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<tr>
<td>Body part</td>
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<tr>
<td>Injury</td>
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<tr>
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<td># Of Dependents</td>
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<td>Passenger</td>
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<tr>
<td>Pedestrian</td>
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<td>OFAC Waiver</td>
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<td>Last Waived By</td>
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</table>

**Facts**
PAX SLID FORWARD MADE CONTACT WITH FRONT BAR. PAX
## PROPERTIES

**Property Type**

| Property Type | Vehicle |

**Vehicle Info**

<table>
<thead>
<tr>
<th>Vehicle Year</th>
<th>VIN</th>
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<tbody>
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<td>Vehicle Make</td>
<td>License</td>
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<tr>
<td>Vehicle Model</td>
<td>Unit Number</td>
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<td>Vehicle Type</td>
<td>State</td>
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**Additional Info**

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<th>Damage</th>
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<tbody>
<tr>
<td>Equipment</td>
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<tr>
<td>Location</td>
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</tr>
<tr>
<td>Address</td>
<td></td>
</tr>
<tr>
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<tr>
<td>State</td>
<td></td>
</tr>
<tr>
<td>Zip</td>
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</table>

**Party Info**

<table>
<thead>
<tr>
<th>New Party?</th>
<th>Party</th>
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## LITIGATION DETAIL

**Linus Van Pelt - Claimant 2**

<table>
<thead>
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<th>Litigation Detail</th>
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<tbody>
<tr>
<td><strong>Court Number</strong></td>
</tr>
<tr>
<td><strong>Date Filed</strong></td>
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<tr>
<td><strong>State</strong></td>
</tr>
</tbody>
</table>
SUBROGATION

Other Party: No
Claimant or Insured:
Amount Promised: 0.00
Monthly Payment Amount: 0.00
Next Payment Date:
Adverse Collectible %:
Statute of Limitations Expiration Date:
Comments:

Save  Cancel  

Snap Shot

Financial Totals under Snap Shot. View totals for all parties or select a specific party.

### SNAP SHOT

<table>
<thead>
<tr>
<th>Reserve Group</th>
<th>Reserve Type</th>
<th>Outstanding Reserve</th>
<th>Amount Paid</th>
<th>Recovered</th>
<th>Total Incurred</th>
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<tbody>
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<td>$47,083.54</td>
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# Reserve Log

## Reserve Log

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<th>Date</th>
<th>Reserve Description</th>
<th>Party Name</th>
<th>Handler Name</th>
<th>Type</th>
<th>Alae</th>
<th>Loss</th>
<th>Change</th>
<th>Incurred</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUTO BODILY INJURY</td>
<td>08/28/2018</td>
<td>Initial Reserve</td>
<td>Brown, Charlie</td>
<td>Latrice, Thomas</td>
<td>CHG</td>
<td>$0.00</td>
<td>$7.00</td>
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<tr>
<td>AUTO BODILY INJURY</td>
<td>08/29/2018</td>
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<td>AUTO BODILY INJURY</td>
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<td>Ralph, Mann</td>
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<td>AUTO BODILY INJURY</td>
<td>01/23/2019</td>
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<td>CHG</td>
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</tr>
<tr>
<td>AUTO BODILY INJURY</td>
<td>01/06/2020</td>
<td>Reopen Reserve</td>
<td>Brown, Charlie</td>
<td>Angelique, King</td>
<td>RE</td>
<td>$500.00</td>
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<tr>
<td>AUTO MEDICAL PAYMENT</td>
<td>01/06/2020</td>
<td>New Reserve</td>
<td>Van Pelt, Linus</td>
<td>Mills, Julie</td>
<td>NEW</td>
<td>$100.00</td>
<td>$6,500.00</td>
<td>$6,600.00</td>
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</tbody>
</table>
## Pay Log

Pay Log with search screen results and payment detail.

### Pay Log

Displaying 2 of 2 rows  
Paid: $1,345.00  
Recovered: $0.00  
Total: $1,345.00

#### PAY LOG

<table>
<thead>
<tr>
<th>Check #</th>
<th>Check Date</th>
<th>Amount</th>
<th>Payee Name</th>
<th>Payment Type</th>
<th>Party</th>
<th>Account #</th>
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</thead>
<tbody>
<tr>
<td>0</td>
<td>01/06/2020</td>
<td>$1,000.00</td>
<td>Linus Van Pelt</td>
<td>Loss Payment</td>
<td>Linus Van Pelt</td>
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</tr>
<tr>
<td>1568</td>
<td>01/06/2020</td>
<td>$345.00</td>
<td>Legal Expert</td>
<td>Attorney Defense</td>
<td>Linus Van Pelt</td>
<td></td>
</tr>
</tbody>
</table>

| Check # | Transaction Type | Payee | Address          | City | State | Zip | Cleared | Payment Amt | Party        | Late Reason | Reimbursement | Invoice # | Invoice Date | Invoice Amt | Service Begin | Service End | Adj Amt | ICD 1 | ICD 2 | ICD 3 | ICD 4 | Lump Sum | Lost Time | Benefit adj | Lost Days | Paid Days |
|---------|-----------------|-------|------------------|------|-------|-----|---------|-------------|--------------|-------------|--------------|----------|------------|------------|--------------|-------------|----------|-------|-------|-------|-------|----------|-----------|------------|-----------|-----------|-----------|
| 1568    | Check           | Legal Expert | 123 S Main St | Bellevue | WA | 98455 | No | $345.00 | Linus Van Pelt |             |            |           | 12/10/2019 | $345.00 | 12/10/2019 | 12/10/2019 | $0.00 | No    | No    | No    | No    | No    |

Comment: Legal fees
Annual Stewardship Report
XXXX – XXXX Fiscal Year

Client Name

Month Year

Name
Title
T:
E:

PRIVILEGED AND CONFIDENTIAL – DO NOT COPY
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  • INDEMNITY PAYMENTS BY FISCAL YEAR (IN $MILLIONS) ............................ 4
  • EXPENSE PAYMENTS BY FISCAL YEAR (IN $MILLIONS) .............................. 4
  • DOLLAR COST PER CLAIM RECEIVED BY FISCAL YEAR ............................... 5
  • CLAIMS RECEIVED BY FISCAL YEAR ................................................................. 5
  • CLAIMS FILED AGAINST EACH MEMBER BY FISCAL YEAR. Error! Bookmark not defined.
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THE EXCESS LIABILITY POOL CONTINUES TO GROW..... Error! Bookmark not defined.
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INTRODUCTION

Carl Warren & Company has been the client’s trusted Third Party Administrator for the liability program. The following report will examine the liability program’s results for the fiscal year with some comparisons to years past.

GOALS & CLAIMS APPROACH

Our goal remains simple: To obtain the right price for each claim and to keep happy. We attack each claim aggressively at the claim stage before it can evolve into a lawsuit. We pay particular attention to claims where...

RESERVING PHILOSOPHY

STAFFING

Our staff consists of.
AUDIT RESULTS

This year, our overall score was a compared to last year's overall score of.

BEHIND THE NUMBERS

As the charts below indicate.

The increase in claims volume was largely.

The main drivers

TOTAL PAID BY FISCAL YEAR (INDEMNITY & EXPENSE IN $MILLIONS)
INDEMNITY PAYMENTS BY FISCAL YEAR (IN $MILLIONS)

EXPENSE PAYMENTS BY FISCAL YEAR (IN $MILLIONS)
DOLLAR COST PER CLAIM RECEIVED BY FISCAL YEAR

CLAIMS RECEIVED BY FISCAL YEAR
CLAIMS FILED BY TYPE BY FISCAL YEAR

THE BIG LOSSES

The biggest losses for the fiscal year accounted for $1,800. A brief summary of each case is as follows:

NOTEWORTHY RESULTS

Our team had quite a few noteworthy settlements this fiscal year and are very proud of them. Several are highlighted below:
DECONSTRUCTING CLAIMS

LOOKING AHEAD

RIPENING CLAIMS WITH LARGE INDEMNITY RESERVES

CONCLUDING REMARKS

Overall, we anticipate that the total paid on the liability program for [fiscal year] will be in the $[amount], and we believe that the claims in aggregate are adequately reserved. Although there are challenges ahead, we believe that our claims team is prepared for them.

As your trusted TPA partner since [year], we will continue with our strategy of identifying and executing quickly on problematic claims to contain costs and deliver another year of quality results.

Very Truly Yours,

<Insert Signature Image>

Name
Title
Carl Warren & Company
December 12, 2019

Ms. Karen Ho
Marketing Coordinator
Carl Warren & Company
11209 N. Tatum Blvd., Suite 130
Phoenix, AZ 85028

VIA E-MAIL & U.S. MAIL
Kho@carlwarren.com

RE: CITY OF STOCKTON REQUEST FOR PROPOSALS (RFP) #PUR 19-307; THIRD-PARTY ADMINISTRATOR (TPA) TO MANAGE CITY’S SELF-INSURED GENERAL LIABILITY PROGRAM

Ms. Ho,

Our company is interested in partnering with Carl Warren & Company for the purpose of providing claims investigation and adjusting services pursuant to the above referenced RFP for the City of Stockton, California.

Thank you for your consideration.

Yours truly,

SAM HOOPER & ASSOCIATES, INC.

Sam Hooper
President
To Whom This May Concern,

This is to confirm that AutoClaims Direct Inc. (ACD) is interested in partnering with Carl Warren & Company in the REQUEST FOR PROPOSALS (RFP) # PUR 19-037: THIRD-PARTY ADMINISTRATOR (TPA) TO MANAGECITY’S SELF-INSURED GENERAL LIABILITY PROGRAM for the City of Stockton.

Thanks!

Ernie Bray
CEO
AutoClaims Direct Inc.
12 December 2019

Karen Ho
Marketing Coordinator
Carl Warren & Company
11209 N Tatum Blvd Ste 130
Phoenix, AZ 85028

Dear Karen,

On behalf of all our employees around the world, I would like to express our genuine appreciation for the potential to work with Carl Warren & Company on the City of Stockton’s General Liability Program.

CoventBridge stands as the global leader in Insurance investigations. While we are the largest supplier in our market, we are always committed to providing you with a high-quality experience, striving to meet the objectives for every case. Our Case Management teams, along with our Quality and Training departments ensure direction and workflows that deliver agreed upon service and quality targets and minimize any errors. For years, we have held the belief that our needs are best met when yours are met first.

Our best-in-class systems and workflow provide an environment that is efficient and “easy to do business with”. They also provide the highest level of security in the industry. HIPPA and SOC2 compliance give you the peace of mind that your data is always protected.

For over 20 years, CoventBridge has consistently met the service level and quality requirements of our clients while continuously introducing new technology, products and methods to achieve outstanding results and return on investment.

Our in-house Legal department ensures all investigator and agency licensing is current and correct and that we are in full compliance with all applicable laws and regulations.

Finally, these differentiators are of little value without our unquestioned integrity. We have demonstrated absolute integrity throughout the long history of our company which has served us and our customers well in both good and challenging times.

Again, we appreciate the potential opportunity and are confirming our interest to collaborate in the City of Stockton’s General Liability Program.

Sincerely,

Kevin Lewis, CIFI, SCLA
Vice President | Major Accounts & Vendor Programs
Kevin.Lewis@CoventBridge.com
P: 407.874.1809 | C: 727.743.8367
Angelique King
Assistant Vice President of Claims | Tustin, California
Carl Warren & Company | Employee Since 2019

EXPERIENCE & WORK HISTORY
Angelique has over 25 years of professional experience within the claims and insurance industry. She is a versatile manager with career-long recognition for outstanding leadership and performance for developing and implementing claim process improvements. She manages Company initiatives that impacts performance, quality, productivity, and to improve client satisfaction and profitability.

Prior to joining the Carl Warren team, Angelique developed her experience at:

Farmers Insurance – National Liability Territory Manager CA where she spent 12 years, supervising and directing a management level team of major and complex level claims. She completed detailed and thorough analysis of policies as they pertained to coverage, analyze and reviewed applicable case law and ensured Department of Insurance compliance. Her expertise was on coverage analysis, investigations, injury, and risk analysis of claims valued in excess of $250K. She managed and monitored all litigation processes, performed compliance related reviews and reports, and ensure all staff had proper training to streamline workload and provide quality outcomes.

During her career at Farmers, she spent a year as a Home Office Liability Claim Manager, where she observed the operational effect produced by existing claims procedures and techniques by periodic visits to the Field Claims Offices. In addition, she recommended revised procedures to improve efficiency and service. Initiated, implemented, and facilitated zone-wide claim handling guidelines/best practices. Notable achievements during this year were a consistent improvement in quality results for the 7 S.CA offices in her territory. Overall quality percentage increase of 10% YTD.

Prior to Farmers, she spent 12 years at Progressive Insurance Company as the Injury Ops Manager II. She handled quality assurance, injury claim procedures and processes and monitored adjudicated claims and authorized the use of experts. She managed over $26 million in reserves and over 2,200 units, while upholding substantial quality improvement results for over 85% of her staff. She also worked closely with Quality Assurance and the field offices to ensure that the Company Strategy was correctly interpreted and applied achieving a variance below 4% in audits between QA and the field.

EDUCATION & LICENSES
Angelique received her Bachelor of Arts degree in Economics and African American Studies from the University of California, Los Angeles. She is certified in Behavior-based Interviewing Techniques.
EXPERIENCE & WORK HISTORY

Suzie has over 15 years of professional client services experience and over 30 years of experience within the claims and insurance industry, specifically with Third Party Administrators. As a Client Service Manager, Suzie will work closely with Carl Warren’s leadership, Claim Services Team, and our Marketing Team to achieve the highest level of client satisfaction and retention. She has a proven record of creating and implementing processes that positively impact the client experience. Responsibilities include, but are not limited to:

- Service, retain and grow book of business
- Facilitate internal and external communications
- Represent and advocate for Company and client
- Uncover opportunities for program enhancements
- Sales presentations
- On/Off boarding of clients
- Claim reviews: scheduling, claim selection, meeting facilitation, contribute and document discussion highlights and action items
- Stewardship report presentation
- Facilitate report requests
- Annual contract renewals

Prior to Carl Warren, Suzie spent 15 years ensuring client satisfaction at George Hills & Company, Athens Administrators and Gallagher Bassett Services. Prior to her client service positions, she held various supervisory and adjusting positions within the workers’ compensation line of business at Gallagher Bassett, Broadspire, Zurich North America, Innovative Claims Solutions, and Claims Management Inc.

EDUCATION & LICENSES

Suzie received her Bachelor of Science in Business Administration from the University of Phoenix in Sacramento. She also holds a California Self-Insurance Certification and her WCCP.
Joyce Fairley Ray
Claims Supervisor | San Jose, California
Carl Warren & Company | Employee since 2013

EXPERIENCE & WORK HISTORY
Joyce has over 15 years of claims handling and supervisory experience. She specializes in commercial automobile & general liability and personal insurance. Joyce supervises all claims from inception through trial and currently works with some of our public entity clients in Northern California, to include San Joaquin RTD, VTA, Golden Gate Bridge, and SamTrans.

Joyce reviews all work performed by the adjusters and vendors and audits at least 10 files for each adjuster monthly. She communicates effectively in group meetings and manages programs, events, operations, inventory control, vendors, and a team of people. Joyce has built strong rapport with her clients through effective management of claims under extreme duress.

Joyce holds an extensive professional background. Prior to joining Carl Warren, she held claims representative positions at Kemper National Insurance where she handled complex litigated claims involving general liability, products, and automobile liability lines; and American International Group where she handled trucker’s liability claims throughout the United States.

Joyce has dedicated over 10 years to working with her local community through fundraisers, coaching, and managing lifeguards/swim instructors, school & sport activities, and children’s charities. This has given her the skills to organize and manage time efficiently and implement improvements within a budget.

EDUCATION & LICENSES
Joyce received her Bachelor of Science in Business Marketing from California State University, Chico.
Ralph E. Mann
Position | Concord, California
Carl Warren & Company | Employee since 2018

EXPERIENCE & WORK HISTORY
Ralph is a professional insurance litigation examiner with over 15+ years of experience in the investigation, resolution, and litigation of personal/commercial auto, homeowners, and general liability claims. He negotiates settlements, attends mandatory settlement conferences and mediations and evaluated losses. He has experience with records management and establishing individual claim reserves up to $100,000+. He also is qualified to manage/supervise up to a team of 20 individuals with multi-cultural and multi-generational backgrounds.

Prior to Carl Warren, Ralph was a Direct Claims Representative at Farmers Insurance in which he investigated both automobile accidents and 3rd party homeowner claims to determine coverage, liability and damages; negotiated bodily injury settlements. He also met directly with the insureds and claimants pertaining to their claims.

Ralph also spent 12 years as a Litigation Examiner at AIG where he worked with the defense counsel and recruited consultants/experts to develop litigation strategy that led to reduced exposure. During this time, he prepared company case reports to address issues of coverage, potential liability exposure, litigation status and discovery, generated management reports daily for trial cases, and reviewed and ruled on claims submitted to intercompany arbitration. 35% of pending claims were litigated; less than 1% went to trial.

EDUCATION & LICENSES
Ralph received his Bachelor of Science in Business Administration, Finance from the University of Nebraska.
Fee Schedule (Under Separate Cover)

Provide detailed basic fee structure and break-down of any other charges related to your firm’s proposal utilizing the Fee Form attached and incorporated in this RFP. Finalist’s fee structure may be subject to negotiation. Fee Schedule should be under separate cover and marked: “ATTN: Procurement”.

Carl Warren has provided pricing structure. Please see the completed Exhibit D: Fee Schedule Form in the envelope marked with ATTN: Procurement.
EXHIBIT D

FEE SCHEDULE FORM

Please complete the below fee schedule and include in a separate sealed envelope from your proposal as instructed in the RFP.

1. **Task Price.** Below is the price for the services and reimbursable expenses as described in the Proposal Scope of Work.

<table>
<thead>
<tr>
<th>Task</th>
<th>Description</th>
<th>Task Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>General/Public Liability</td>
<td>$ 900 per suffix*</td>
</tr>
<tr>
<td>2</td>
<td>Automobile Liability</td>
<td>$ 900 per suffix*</td>
</tr>
<tr>
<td>3</td>
<td>Auto Physical Damage</td>
<td>$ 450 per suffix*</td>
</tr>
<tr>
<td>4</td>
<td>*Litigation Surcharge</td>
<td>50% of Rate Above</td>
</tr>
<tr>
<td></td>
<td>(claims that enter litigation or is open for 24 months or more).</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Subrogation Recovery Services</td>
<td>21% of net recovery</td>
</tr>
</tbody>
</table>

**TOTAL PRICE** $ 1,165.349

2. **Hourly Rates.** The following is a list of hourly billable rates that shall apply for additional services requested of the Contractor. Contractor shall be compensated based on the hourly rates set forth below, on a time and material basis for those services that are within the general scope of services of this RFP but beyond the description of services required under Section 2 of the RFP, and all services are reasonably necessary to complete the standards of performance required by this RFP.
2.1 Hourly Billable Rate Schedule

<table>
<thead>
<tr>
<th>Title</th>
<th>Role on Project</th>
<th>Hourly Billable Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Examiner</td>
<td>Claims Investigation &amp; Adjustment</td>
<td>$ 90</td>
</tr>
<tr>
<td>Supervisor</td>
<td>Project Oversight</td>
<td>$ 95</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$</td>
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<td>$</td>
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</tbody>
</table>

3. Additional Fees. Should an amendment to the negotiated Agreement be issued for additional services that require the following items, the unit prices are as follows:

<table>
<thead>
<tr>
<th>Title</th>
<th>Unit Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Examiner</td>
<td>$ 90</td>
</tr>
</tbody>
</table>

NOTE:

Project Price

1.1 Standard Reimbursable Items: Only the reimbursable items identified in the awarded Agreement shall be compensated to the Contractor. Reimbursable expenses will be reimbursed without markup. Fees plus reimbursable expenses shall not exceed the Total amount set forth in section 1 of this Exhibit and a copy of the original invoice for the items listed in i, ii or iii below shall be attached to the invoice submitted to the City for reimbursement. Payments shall be based upon work documents submitted by the Contractor to the City and accepted by the City as being satisfactory to City’s needs. The City shall not pay a markup on any of the items listed in i, ii or iii. Additionally, items such a telephone, fax, postage or freight are already included in the billable hourly rate. Contractor shall be reimbursed the direct expenses, which are the actual cost of the following items that are reasonable, necessary and actually incurred, by the Contractor in connection with the services:

i. Expenses, fees or charges for printing, reproduction or binding of documents at actual costs with no markup added to the actual cost.

ii. Any filing fees, permit fees, or other fees paid or advanced by the Contractor at actual costs with no markup added to the actual cost.
iii. Travel expenses shall be reimbursed in accordance with the City’s travel policy, which is incorporated herein by reference. Reimbursement shall be made at actual costs with no markup added to the actual cost.

1.2 **Subcontractor Costs:** Compensation for subcontractors shall be limited to the same restrictions imposed on the Contractor. Maximum markup Contractor may apply to subcontractor fees, minus reimbursable expenses, shall not exceed ____ %.