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: Hughes Claims Management, LLC

CONTACT NAME: Myke Hughes

ADDRESS: 422 S. Meridian, Suite C 422
Puyallup, WA 98371

TELEPHONE NUMBER: 253.961.1574

EMAIL: HughesClaimsManagement@hotmail.com
No. 1
AFFIDAVIT FOR INDIVIDUAL PROONENT

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 PROONENT

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

being first duly sworn, deposes and says: That they are the __________________________ of __________________________ 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)

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 agreement 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 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
PROPOSAL'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.

Hughes Claims Management LLC 4227 S. Meridian Ste C422
Firm

Mylea Hughes
Signed by

President & CEO
Title or Agency

253.910.1574 12.10.19
Telephone No./Fax No.

Hughesclaimsmanagement@hotmail.com
E-Mail Address
BIDDER MUST ACKNOWLEDGE THIS AMENDMENT BY SIGNING BELOW AND ATTACHING THE SIGNED AMENDMENT TO THE BID FORM:

Company Name Hughes Claims Management, LLC
Contact Person Mylena Hughes
Signature
Date 12.2.19

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)
December 15, 2019

City Clerk
City of Stockton
425 North El Dorado Street
Stockton, CA 95202-1997

RE: Third-Party Administrator to Manage City’s Self-Insured General Liability Program (PUR 19-037)

Dear City Officials:

We would like to thank your city for the opportunity to submit the enclosed bid regarding PUR 19-037. The leadership of Hughes Claims Management, LLC (hereafter referred to as HCM) understands all the terms and conditions contained in this RFP. Your point of contact regarding this contract will be Mylea Hughes. Her contact information is the following:

Phone: 253-961-1574  
Email: hughesclaimsmanagement@hotmail.com  
Address: 4227 S. Meridian, STE C422, Puyallup, WA 98373

HCM intends to use the following types of independent contractors/vendors if awarded this contract:

- Independent adjusters- for field investigations.
- Independent appraisers- for auto/property estimates
- IME providers- for independent medical exams.
- Record reviewers- for reasonable and necessary bill reviews.
- Others—this list is exhaustive.

Thank you for your time and consideration. I look forward to your decision on awarding the contract.

Sincerely,

Jeff Hughes CPCU, AIC, ARM, SCLA  
Claims Manager  
Hughes Claims Management, LLC  
4227 S. Meridian, Suite C422  
Puyallup, WA 98373  
253-303-9629  
Jeff@hcmonline.net  
www.hcmonline.net
Request for Proposals

Third-Party Administrator To Manage City’s Self-Insured General Liability Program

For The City of Stockton, California

(PUR 19-037)

City Hall, City Clerk’s Office (1st Floor)

425 North El Dorado Street, Stockton, CA 95202

Our History:

Hughes Claims Management LLC is in Tacoma, Washington. Our mailing address is 4227 S. Meridian, STE C422, Puyallup, WA 98373. Our company was originated in 2003 by Jeff and Mylea Hughes under Business license #602-708-9900. Our principal officers and owners are Mylea Hughes (CEO) and Jeff Hughes (Vice President).

The average number of employees over the past three years is five. Our licensed adjusting firm has been investigating, negotiating, settling and/or denying automobile claims and general liability claims for the past 16 years. Our clients have included State Agencies, self-insured entities, insurance companies, defense attorneys, third party administrators, and public risk pools.

In addition to our combined adjusting experience of over 100 years, our adjusters have the educational qualifications to handle the claims outlined in this bid request. Our adjusters’ bachelor’s degrees and insurance designations (CPCU, Associates in Risk Management, Associates in Claims and SCLA) and licenses (claims adjusters, private investigators) to provide the best possible service to our clientele.

We have experienced adjusters in house trained on the Mitchell auto appraisal system and Xactimate property damage system. This allows our adjusters to audit every property damage estimate submitted by a claimant to ensure it’s in-line. It’s not very often that we rely on a field appraiser to inspect a vehicle (only when a vehicle isn’t drivable and the claimant can’t secure an estimate). Due to our experience in auditing estimates, evaluating and settling bodily injury claims, we can ensure the City achieves maximum value for their money.

Demonstrate that they have successfully converted ad serviced a similar client:

Early this year, we successfully completed a similar two-year contract with the State of Washington. We handled approximately 536 tort claims annually for 126 State agencies including the Washington State Department of Transportation, University of Washington, State and Wildlife, Washington State Patrol, DSHS, etc. We are very familiar with public entities and
agency requirements regarding the investigation of claims. Whether the claim involves slip
and falls, potholes, debris, chip seals, falling rocks/trees, wind damage, commercial buses, vans,
tractor trailers, trains, automobiles, motorcycles, animals, pedestrians, bridges, and other
structures, our firm has adjusted them all. We pride ourselves in customer service, ethical
claims handling and settling and/or denying claims. Not once during our contract with WA
State did we go back to an agency for more settlement authority. We take the time to properly
evaluate the claim in detail, apply appropriate pure comparative negligence (if applicable) and
submit ethical settlement recommendations. We are excellent and skilled negotiators. Due to
our efforts we’ve had nothing but positive feedback and compliments from the agencies
regarding our claims handling performance and are confident we can provide the same service
for the City of Stockton.

A. Mylea Hughes:
Mylea is the President and CEO of HCM. Mylea will be the managerial contact for
this account. We are recognized as a Women’s Business Enterprise, Certification
Number W2F0023558. Mylea has been a licensed adjuster for the last 19 years and a
licensed private investigator for the past 6 years. By having a private investigator’s
license, Mylea has access to a wide variety of databases, which helps tremendously
when locating individuals crucial to a claim (i.e. witnesses, etc.). Her claim
experience includes handling PD (commercial and personal lines), BI, UIM, UM, PIP,
Medical Payments, Litigation, Dram Shop claims for a wide variety of clientele. While
working at Zurich Insurance as a claim’s specialist, Mylea earned several awards
including a regional customer service award for her outstanding work with their
clients. Due to her excellent customer service, she was placed on the Special
Handling Team as a dedicated adjuster to the insurance company’s largest, most
valuable clients. Please review her attached resume for a complete outline of her
history and experience.

B. Jeff Hughes:
Jeff has adjusted claims for the past 20 years. He has investigated and handled non-
litigated and litigated property damage (commercial and personal lines), bodily
injury, UIM, UM, Medical Payments, Dram Shop, product liability, general liability,
construction defect claims for a wide variety of clientele (insurance carriers, state
agencies, self-insureds, public risk pools, defense attorneys, etc.). Jeff has
experience and training with Xactimate for property claims and with Mitchell
regarding auto estimates. He has earned his bachelor’s degree from Louisiana Tech
University and several insurance designations (CPCU, Associates in Risk
Management, Associates in Claims, and SCLA). Please review his attached resume for a complete outline of his experience.

C. Neal Coffey:
Neal has 11 years of claims handling experience. Neal has been a licensed adjuster for our firm since 2008. He has experience in handling PD, BI, Medical Payments, PIP and general liability claims. Neal has a reputation for being an excellent investigator, skilled negotiator and great with clients. Please review his attached resume for a complete outline of his history of experience.

References

A. Company Name: Washington State Department of Enterprise Services

Address: 1500 Jefferson St SE, Olympia, WA 98504
Contact Person: Grady Williamson, Senior Case Manager
Telephone Number: 360-407-8827
Month/Year Completed: active contract and client since 2016. HCM investigates auto and general liability claims for the State of Washington.
Value of Contract: $250,000

B. Company Name: Goehler & Associates

Address: 1504 4th Ave, Ste. 1130, Seattle, WA 98101
Contact Person: Ken Searce, Attorney
Telephone Number: 206-218-4212
Month/Year Completed: active client since 2004. HCM investigates commercial and personal auto and general liability claims.
Value of Contract: no contract

C. Company Name: Sentry Insurance Company

Address: PO Box 8051, Stevens Point, WI 54481
Contact Person: Adrienne Harris, Attorney
Telephone Number: 503-566-4400
Month/Year Completed: active client since 2004. HCM investigates commercial auto and general liability claims.
Value of Contract: no contract

D. Company Name: Gordon Trucking

Address: 151 Stewart Rd SW, Pacific, WA 98047
Contact Person: Mick Dragash, Defense Counsel
Telephone Number: 479-685-9245

Month/Year Completed: June 2016. Investigated/denied/settled commercial property and bodily injury litigated and non-litigated self-insured claims.
Value of Contract: no contract, Director of Claims.

Program Administration:

HCM agrees to consult with the City and provide professional and technical staff to assist in developing the necessary procedures and practices to implement and administer the City’s self-insured program including all open and closed indemnity claims.

For a one time pass through fee (to be determined if awarded the contract), HCM agrees to convert the data from the data system for the present administrator to FileTrac as the City wishes to maintain and integrate all claims into its current statistical base.

HCM will abide by the Records Retention Policy established and approved by the City. All files, records, transcripts including loss run data base files and other materials related to the management and administration of City’s General Liability Program are the exclusive property of the City of Stockton and must be relinquished in good order and condition upon termination of the Agreement with HCM. HCM will make files available for review by the City anytime, 24/7.

HCM will maintain a master file of claims administration policies, practices, and guidelines, and any other material needed to properly administer claims in accordance with applicable state law and City instructions. Additionally, HCM will provide City’s General Liability Analyst and City Attorney’s office with user connections on City’s existing personal computer, to allow database inquiry access and email capability to HCM’s claim processing system. FileTrac will allow diaries to be set by City’s Analyst to follow up pending issues.
HCM agrees to conduct or assist in onsite or offsite training as needed for City personnel. Additionally, HCM will periodically update all form letters used in connection with claim processing. The City has the right to approve and disapprove forms.

HCM will represent the City in all matters related to the set-up, investigation, adjustment, processing, negotiation, and resolution of liability claims against the City. HCM will provide the City with written information on changes or proposed changes in statutes, rules and regulations affecting the City’s responsibility under a legally self-insured General Liability Program. Additionally, HCM will inform the City of problem areas or trends, both potential and perceived, and provide recommendations and/or solutions to address problem areas or trends. Matters of significance must be called to the City’s attention at the earliest appropriate time (i.e. disgruntled employees, system problems, large overpayments, large reserve changes, etc....)

HCM will attend client meetings as requested by the City of Stockton. HCM’s travel expenses in connection with client meetings or other matters relating to claims processing shall be paid by the HCM. HCM concurs to attend appointments, including but not limited to meetings, conferences, court appearances, and scene investigations at the request of the City.

HCM accepts the cost to transfer claim records to the succeeding Administrator at the termination of the contract with no additional cost or fee required.

HCM consents that administrative fees should cover the cost of HCM’s staff; all office space; storage space for closed files; supplies; forms/posters/pamphlets; standard management reports; telephone expenses; postage; checks (if utilizing HCM’s own checking account); computer hardware/software; transcription services; and other equipment/supplies necessary for claims handling. Administrative fees to not include claim expenses of outside vendors (independent adjusters, IME providers, record reviewers, appraisals, etc....).

**Claims Administration:**

HCM agrees to provide professional and courteous responses to receipt of the telephone calls, written or in person inquires, complaints and questions from all sources within 48 hours of receipt. Such inquiries may include claim payment or benefit related questions from parties with authorized access to information, such as claimants, vendors, providers, legal counsel, the City of Stockton, etc.... HCM will provide accurate, appropriate claims handling in a timely manner, according to agreed upon performance standards and the City requirements.

Within 24 hours of receiving the claim, HCM will attempt contact with the claimant via phone and will also send a written communication (email and/or letter). We will maintain contact with the claimant or their representative throughout the life of the claim to build trust and repour. We have found that this strategy is beneficial when attempting to settle claims that are owed.
By responding promptly to the claimant’s and/or claimant’s attorney’s phone calls, emails, inquires, and keeping them up to date on the status of their claim, it helps to eliminate claimants’ frustration and helps to minimize the City’s exposure and keeps most claims out of litigation. Our experience shows as long as the claims adjuster communicates what is needed to finish the liability investigation, or complete a bodily injury evaluation (i.e., police report, medical records, etc.) most of our claims stay out of litigation.

Within 24 hours of receiving the claim, we will attempt contact with the City’s personnel via phone and/or email. We will maintain contact with the City’s personnel during the claim’s life cycle in a combined effort to resolve the matter by denial or settlement. We will return voice mail messages and/or emails the same day.

We will ensure all claims’ professionals adhere to the requirements of the California Government Code for accepting, denying, and rejecting claims. Review the status of claims and assist as directed with setting of adequate reserves on all active cases at least every ninety (90) calendar days.

Investigations:

We pride ourselves on capturing all the details during our liability investigations. Our investigations include interviewing the insured, interviewing or obtaining recorded statements from the claimants, identifying and obtaining statements from independent witnesses, securing HIPPA forms, obtaining police reports, medical records and any other method needed to complete our investigation (i.e. interviewing officers, obtaining accident scene photos, etc.). We will use the “ECLDD” acronym to ensure consistency in all our claim files:

- E- Event—(what happened in the accident)
- C- Coverage—(what coverages are needed BI, PD, UM, UIM, etc.)
- L- Liability—(% attributed to each party)
- D- Damages—(evaluate property damage, bodily injury, etc.)
- D- Deposition—(to do list, what we need to do to complete our investigation to arrive at a liability decision).

Once our investigation is complete, we will determine liability and whether comparative negligence can be applied to the other party or parties. We understand the elements of negligence: duty owed, duty breached, proximate cause and damages. We are well versed in the pure comparative negligence law in California and have used this defense many times in our claims handling process for other pure comparative State claims. We have demonstrated the requested knowledge of the legal standard for and defenses to tort liability with the ability to apply the demonstrated knowledge to the facts of claims through their adjusters’ experience and continuing education in the claim’s environment. HCM agrees to review all claims for
liability and provide first investigative report within thirty (30) calendar days of receipt of claim to City’s Risk Management Division.

Regarding property damage claims, we have the resources in-house to settle these claims. Our adjusters have the experience and knowledge to review estimates and photographs to determine whether an estimate is accurate, whether LKQ or aftermarket parts have been explored, and whether betterment has been taken or should be applied appropriately. We have the experience to properly handle total losses, salvage, and the potential for subrogation. We strive to have our property damage claims settled or denied within 30 days of the date reported. We pride ourselves on being able to mitigate storage and tow fees. If liability is clear, we will work with the ownership of the vehicle to receive permission to move vehicles as soon as possible to store free locations. If liability is disputed, we convey to the owner of the vehicle both verbally and in written form their duty to mitigate their damages until liability is established.

Regarding bodily injury claims, we have the knowledge and experience in handling everything from a first call settlement (if liability is clear) to handling fatality accidents. We will complete BI evaluations on every injury claim which includes the special damages, general damages, medical history, related diagnosis, incurred treatment, permanency, loss of consortium, etc. This document will be uploaded into the FileTrac system before we request settlement authority to be reviewed by decision making City personnel. If the injury is questionable, we will request an IME be completed on the claimant prior to settlement negotiations. We’ve included redacted samples of our claims evaluations submitted to clients.

If the use of a private investigator or another outside professional service (independent adjusters, bill reviews, IME, etc....) is needed on a claim, we will contact the City, explain why additional services are needed, make recommendations, supply a fee-schedule and CV for retention consideration. The City will pre-approve all outside professional services utilized in the claims process.

Settlement:

As with any of our clients, we value their trust. We agree to obtain written authority from the proper City’s representative prior to starting settlement negotiations with a claimant, the claimant’s attorney or insurance company. The only settlement authority we have is that which is given by our clients. When requesting settlement authority, we’ll prepare a detailed report outlining our investigation with settlement recommendations. We’ve attached a sample of our work product reports for your perusal (we’ve altered names/dates, etc. to protect privacy).

The ability and professional acumen to negotiate settlements are an important aspect of adjusting. Our personnel will not “low ball” claimants. We will strive to negotiate every claim
with honesty, integrity and knowledge. We understand and respect the City’s financial responsibility to pay what is owed and it is HCM’s responsibility to negotiate in the best interests of the City.

When a settlement is reached, we will obtain the proper release protecting the City against any future action or claim before payment is issued.

We are well versed in the reporting requirements in settling claims that involve Medicare. If awarded this contract, we agree to report the appropriate claims to Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA).

**Litigation Management:**

The City of Stockton’s City Attorney shall retain the litigation management function. HCM will assist the City attorney and defense counsel in preparing and/or answering discovery as requested. HCM agrees to monitor outside defense counsel metrics to ensure quality work, timely communication within City account instructions, statues and regulations; accurate billings, and case resolution. We will request a budget from defense counsel within 30 days of assigning the claim to the selected firm. We will analyze settlement potential, including options and recommendations. Identify and notify co-defendants within thirty (30) calendar days of identification. HCM will complete and submit settlement authority forms for approval by City’s Human Resources Department and City Attorney office prior to negotiating with plaintiff attorneys. We will obtain fully executed release on all settlements and dismissals.

We will attend settlement conferences, mediation or arbitrations as required. Identify if cost will be reimbursable items or rolled into the cost of the claim. HCM will bring all self-imposed penalties to the City’s attention. Penalties incurred as a result of failure by HCM to comply with statutory laws and/or administrative regulations shall be the sole responsibility of the HCM.

**Subrogation:**

HCM agrees to place the tortfeasor or their insurer on notice of the City’s subrogation rights. HCM agrees to work with the City Attorney to draft legal documents to recover monies spent on claim. We will aggressively investigate fraud and pursue restitution in all fraud cases. The City shall be notified of all claims involving potential fraud and initiation of fraud investigation activities.

**Claims Management Information System (CMIS):**

Our firm utilizes FileTrac ([www.filetrac.net](http://www.filetrac.net)) as our claims operating software. FileTrac is a very innovative technological tool that we will utilize if awarded this contract. Within FileTrac, there are customizable claim reports and standard reports (loss runs, types of claims, open/closed claims, open reserves etc...) that can be generated for our clients. Additionally, FileTrac allows
us to be paperless (all documents are scanned and saved in the system) and provides us the ability to allow our clients online access to their claims in a read only format. Therefore, at any point if one of our clients would like an update or would like to check the status of a claim, they can simply call the adjuster or log into FileTrac, under their own userid, and view the City’s claims they are interested in. We will provide the required reports to the City detailing the activity of their claims.

**Ongoing Training:** Regular training sessions are offered via Webinar for Adjusters and for Admin level users. Additional sessions are added as needed to supplement heavy demand. Extensive self-paced help information is always available within FileTrac via their FAQ’s, knowledge base and training video library.

1. ORI (ORI Facilities” shall mean the servers, hardware and other infrastructure comprising the environment maintained by ORI upon which FileTrac are installed and functioning and through which Customer has access to FileTrac ) will provide free initial training for the Customer in the form of remote web meeting sessions at scheduled times agreed to by both parties; provided, that such training takes place within ninety (90) days after Effective Date.

2. ORI will provide ongoing free training via regularly scheduled Webinars. The number of Webinars per month is always adjusted based on demand.

**System Availability:** FileTrac is accessible 24 x 7 and 365 days per year except for scheduled downtime and occasional emergency repairs. ORI will make reasonable efforts to schedule downtime between 1:00 am and 5:00 am EST. This service level agreement pertains to ORI file and database services and ORI outward facing Internet connection availability only and does not apply to Customer site Internet connectivity.

**Backup and Redundancy:**

A. All ORI web and database server hard drives are in a Raid 5 or Raid 10 configuration

B. ORI performs full nightly tape backup of all SQL 2008 data

C. Throughout each day, ORI duplicates uploaded documents and files onto ORI’s cloud storage environment for additional redundancy as well as future archiving

D. FileTrac databases are continually backed up via SQL transaction log shipping every 15 minutes, providing a safeguard in case the primary database server becomes unusable

**Disaster Recovery Plan:**

If a force majeure causes the FileTrac system to be inaccessible or partially unusable, the following actions will initialize within a reasonable period time:
1. An email is sent to all Authorized Users indicating that ORI is aware of a problem and ORI will send further email updates approximately every 30 minutes.

2. A message is posted within the system informing users of the anticipated impact and timeline for resolution of the problem.

3. If FileTrac has been or ORI determines FileTrac will be offline for more than one (1) hour:
   
   i. and no timeline for recovery has been determined, ORI will begin the process of moving FileTrac to a backup environment. This move will take approximately two (2) hours to complete.

   ii. and ORI has identified a timeline for recovery, ORI will decide regarding whether the move to the backup environment will occur. ORI will base this decision on certain factors, including, but not limited to the following: (a) whether FileTrac is completely inaccessible or only certain functions are disabled, (b) whether the problem occurs during or after business/holiday hours, and (c) whether ORI is in a normal volume or CAT environment.

**Systems Administration:**

ORI will provide systems administration functions for FileTrac’s hosted services including, but not limited to, the following:

   i. Maintain and administer hosted services included, but not limited to, web servers, database servers, firewall, file servers, cloud file storage

   ii. Perform timely upgrades and security patches

   iii. Analyze and correct problems

   iv. Perform performance monitoring and tuning on databases

   v. Perform backup services for all data

   vi. Provide for fail over to redundant environment in the event of a prolonged outage of services exceeding one (1) business day

   vii. Interface with Customer’s internal personnel and Customer contacts to resolve connectivity issues preventing access to ORI’s systems
Excess Insurance Reporting:

HCM agrees to report to CJPRMA (California Joint Powers Risk Management Authority) within 30 days upon receipt of notice of a claim, or the settling of a reserve on any claim or suit including multiple claims or suits arising out of one occurrence, such claim or reserve amounting to fifty percent or more of retained limit ($1,000,000); Title 42 USC 1983 cases in which a complaint has been served and the plaintiff is represented by legal counsel or with reserves of twenty-five percent or more of the retained limit; or regardless of reserve, any claim involving:

a. One or more fatalities;
b. Loss of limb;
c. Loss of use of any sensory organ;
d. Quadriplegia or paraplegia;
e. Third degree burns involving ten percent or more of the body;
f. Serious facial disfigurement;
g. Paralysis; or
h. Closed head injuries.

HCM understands that assigned defense counsel is expected to provide a written analysis of liability and exposure in any reported claim no later than ninety (90) days following receipt of the file from the member agency. No later than sixty (60) days before the date set for trial in any case, defense counsel is responsible for providing an updated case analysis report.

Reserves:

If the City has an initial standard reserve for the different types of claims it handles, our initial reserve will be that amount. If the City doesn’t have a baseline reserve amount, we will base our reserve amount based on our experience and documentation received on the claim. We will increase or decrease the reserves incrementally based upon facts discovered during our investigation.

Quality Control and Assurance:

We intend to have two adjusters assigned to this proposal. Mylea will manage and supervise our adjusters through a monthly file audit on a select number of random claims, from each adjuster, to ensure all details are captured during the claims process. She will confirm that each claim is on diary for the adjuster handling the claim. For every new claim assigned to us, Mylea will review and place an initial investigation plan for the adjuster to follow. Furthermore, Mylea will continue to monitor the claim throughout its duration to insure its being investigated fully.

Mylea will review all settlement requests and BI evaluations prior to sending them to the City for review and approval. This will guarantee the evaluations are accurate, all content is in FileTrac and the claim is ready for settlement authority from the City.
We are meticulous in properly documenting every file with proper grammar and spelling. We realize and ascribe to the notion that documentation is key to any and all claims decisions. We’ll document the file notes with every detail so when the City’s representatives read the file notes, they’ll understand the current status of the claim. We’ll document every conversation and every correspondence. We will time/date stamp all documentation sent to us accordingly.

Our mantra is “if it’s not documented, it didn’t happen”. That’s why we take the time to document every detail. All documents will be date stamped, scanned, uploaded into FileTrac and attached to the appropriate claim file, then shredded to protect privacy.

**Customer Service:**

Our approach to providing high-quality customer service is second to none. Quite frankly, customer service is what sets vendors in our industry apart from one another. We were established in 2003 with our top priority being Customer Service. Our excellent customer service has led to long lasting relationships with our clientele. Our clients are loyal because we have earned their trust through our exceptional customer service, expertise, and claim handling abilities. Our approach is simple: “We give the best customer service on every claim, every time”.

We will maintain a high-quality, on-going, satisfaction driven customer service relationship with all city personnel through communication, file reviews, and agency feedback. We will respond to the City’s phone calls and/or emails the same day. We are committed to learn and understand the practices used at the City and will strive to become partners with every risk manager or designee. As our client, we believe this relationship is vital and will be nurtured from the day the contract is awarded.

If awarded this contract Mylea, will visit with each of the City’s employee associated with the contract, learn their requirements and best practices, answer any questions the staff may have and build an open line of communication with transparency. She will then prepare a Best Practices sheet for our claims handlers to use. For example, if city’s personnel require us to contact the drivers instead of the risk manager, we’ll comply. If they want to be notified when a claim exceeds a certain threshold, we’ll notify them. If the personnel prefer communication via email rather than phone, we’ll comply, etc. We’ll make sure to abide by the city’s requirements to ensure each representative receives the best personalized customer service available. We value our customers and their input and constantly strive to improve processes and communication. We make it personal because it is personal to us.
Additional Data:

- Management Summary Cover Letter
- Attachment A: Certifications and Assurances
- Business licenses
- Notarized “Non-Collusion Affidavit”
- Certificate of insurance
- Fee schedule Form included under separate cover as instructed
- Signed “Proponents Agreement” form
- Jeffray Hughes’ resume
- Jeffray Hughes’ adjuster’s license
- Mylea Hughes’ resume
- Mylea Hughes’ adjuster’s license
- Mylea Hughes’ private investigator’s license
- Neal Coffey’s resume
- Sample Work Product: Property damage settlement recommendation and Bodily Injury evaluation (all personal information has been changed or redacted to protect privacy).
CERTIFICATE OF INSURANCE

Third-Party Administrator To Manage City’s Self-Insured General Liability Program

For The City of Stockton, California

(PUR 19-037)

Hughes Claims Management, LLC Proposal
CERTIFICATE OF LIABILITY INSURANCE

PRODUCER
Hiscox Inc.
520 Madison Avenue
32nd Floor
New York, NY 10022

CONTACT
PHONE (888) 202-3007
FAX (888) 202-3007
E-MAIL contact@hiscox.com

INSURER(S) AFFORDING COVERAGE
NAME: Hiscox Insurance Company Inc
NAIC #: 10200

INSURED
Hughes Claims Management, LLC
608 39th Ave SW
STE H201
Puyallup WA 98373

COVERAGE

This is to certify that the policies of insurance listed below have been issued to the insured named above for the policy period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. Limits shown may have been reduced by paid claims.

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

CERTIFICATE HOLDER

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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The ACORD name and logo are registered marks of ACORD
BUSINESS LICENSE

Third-Party Administrator To Manage City’s Self-Insured General Liability Program

For The City of Stockton, California

(PUR 19-037)

Hughes Claims Management, LLC Proposal
BUSINESS LICENSE

STATE OF WASHINGTON

Limited Liability Company

HUGHES CLAIMS MANAGEMENT, LLC
3900 25TH AVENUE CT SE
PUYALLUP, WA 98374-1772

PRIVATE INVESTIGATIVE AGENCY - ACTIVE
TAX REGISTRATION - ACTIVE

PRIVATE INVESTIGATIVE AGENCY PRINCIPAL: HUGHES, MYLEA V

UNEMPLOYMENT INSURANCE - ACTIVE

REGISTERED TRADE NAMES:
HCM, LLC
HUGHES CLAIMS MANAGEMENT, LLC

Issue Date: Jul 12, 2019
Unified Business ID #: 802708990
Business ID #: 001
Location: 0001
Expires: Mar 31, 2020

This document lists the registrations, endorsements, and licenses authorized for the business named above. By accepting this document, the licensee certifies the information on the application was complete, true, and accurate to the best of his or her knowledge, and that business will be conducted in compliance with all applicable Washington state, county, and city regulations.

Vikki Smith
Director, Department of Revenue
EMPLOYEE RESUMES AND LICENSES

Third-Party Administrator To Manage City’s Self-Insured General Liability Program
For The City of Stockton, California
(PUR 19-037)
Hughes Claims Management, LLC Proposal
Jeffray Hughes CPCU, ARM, AIC, SCLA

Experience

August 2003-Present HCM, LLC Tacoma, WA
Vice President

- Independent adjusting and TPA firm serving State Agencies, insurance companies, defense attorneys and self-insureds.
- Handle commercial auto, premises liability, general liability, construction defect and liquor liability claims.
- Provided risk management services to fortune 500 companies.

December 2014-June 2016 Gordon Trucking, Inc. Pacific, WA
Director of Claims

- Provide leadership, training and supervision to claims personnel handling bodily injury, commercial auto, cargo and property damage claims throughout the U.S.
- Responsible for handling litigated claims, managing outside defense attorneys and attending mediations/trials.
- Generate risk reports and implement proactive procedures with the safety department to minimize risks.

October 2011-November 2014 Crawford and Company Bellevue, WA
Multi-Line Senior Adjuster

- Investigate, handle and settle PIP, BI, PD, Med-Pay, UM, UIM, commercial auto, premises liability, product liability, construction defect, and GL claims.
- Attended mediations and settle large exposure bodily injury claims.
- Inspect and write estimates using the Xactimate.

August 2003-October 2011 HCM, LLC Tacoma, WA
Founder and CEO

- Independent adjusting and TPA firm serving insurance companies, defense attorneys and self-insureds.
- Handle commercial auto, premises liability, general liability, construction defect and liquor liability claims.
- Trained, managed, and supervised claims personnel

October 2000-August 2003 Crawford and Company Baltimore, MD
Casualty Claims Adjuster

- Investigate, handle, and settle product liability, general liability, and automobile liability claims.
- On scene investigation of tractor-trailer, fire, and storm accidents.
Jan 1996-Jan 1999  United States Army  Fort Lewis, WA

**U.S. Army Airborne Ranger**

- Responsible for over $350,000 in Special Operations equipment.
- Developed a computer management/accountability system.
- Organize and implement morale for the Rangers.

**Education**

2017-2019  American Educational Institute  Tacoma, WA
- SCLA designation

2014  Insurance Institute of America  Tacoma, WA
- Associates in Risk Management designation

2012-2014  Insurance Institute of America  Tacoma, WA
- CPCU designation

1999-2003  Maryland Bible College and Seminary  Baltimore, MD
- B.A. Biblical Studies

2001-2002  Insurance Institute of America  Baltimore, MD
- Associate in Claims designation

1999  Vale National  Fresno, CA
- Automotive Estimatics

1989-1993  Louisiana Tech University  Ruston, LA
- B.A., History and a minor in Business
OIC online services login information:

User ID: LIC222057
Registered email address: jeff@hcmonline.net
Next expiry date: 07/14/2020

Remember, all licensing processes must be completed online.

Contact us via:

Email: licinfo@oic.wa.gov
Phone: 360-725-7144
Fax: 360-586-2019
Postal mail: P.O. Box 40255
Olympia, WA 98504-0255

Visit our website: https://www.insurance.wa.gov/producers

Make sure you are familiar with insurance license compliance laws and rules at:
https://www.insurance.wa.gov/now-youre-licensed-whats-next

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State of Washington
OFFICE OF THE INSURANCE COMMISSIONER

*** INDEPENDENT ADJUSTER LICENSE ***

WAOIC #: 222057
EFFECTIVE: 11/04/2016
EXPIRES: 07/14/2020
JEFFRAY W HUGHES
PSB 44312
TACOMA WA 98448

THIS LICENSE MUST BE ACCOMPANIED BY A CURRENT
AFFILIATION FOR THE BUSINESS ENTITY REPRESENTED.
MYLEA HUGHES

P.O. Box 44312
Tacoma, WA 98448

Mobile: 253-961-1574
Email: mylea@hcmonline.net

Career Profile

Highly motivated, resourceful insurance claims specialist with diverse cross-functional background and an excellent record of success in winning settlements and reducing claims payouts to acceptable and just amounts over the past 15 years. Has solid background in investigation and settlement of complex claims. Has an exception record with customer service.

Areas of Expertise

Administration

1. Organized and effective even in high-pressure environments
2. Handles claims investigation with attention to detail and thorough documentation

Insurance Claims

1. Experienced in Automobile and General Liability
2. Supervised and trained claims professionals
3. Able to read a general liability or auto policy and determine coverage
4. Property Damage and Bodily Injury Claims Assessment
5. Inspect, photograph and access structures and vehicles
6. Medical Liability Evaluation and Settlement
7. Ability to Handle Settlement and Negotiate Acceptable Target Value Range Objectives
8. Skilled in Complex Arbitration and Mediation Negotiation
9. Well-versed in Claimant, Lawyer, and Litigation Representation
10. Run skip traces and comprehensive background checks on insureds, claimants and witnesses.

Career Highlights

1. Commended for maintaining a maximum response time within a 24-hour window; keeps detailed and systematic documentation of liability and injury claims. Authorized to negotiate and decide on claim values up to $250,000. Highly experienced in negotiation and settlement of claims in mediation, arbitration, or litigation.
2. Positive record of accomplishment on mediation, arbitration, litigation, settlement, assessment and valuation.
3. Possesses outstanding administrative and organizational skills, excellent product presentation and negotiation capabilities, a driving passion for excellence and high quality of work.
4. Has the natural ability to work and function as a team manager and motive staff to perform effectively.
MYLEA HUGHES

P.O. Box 44312
Tacoma, WA 98448

Mobile: 253-961-1574
Email: mylea@hcmonline.net

Employment

Hughes Claims Management, LLC
Claims Adjuster
August 2003 – Present

Zurich North America
Remote Senior Claims Specialist
2000 – 2006

State Farm Insurance
Vehicle Claim Services
1998 - 2000

Education and Professional Development

Adjusters License 2001-Present
Licensed insurance adjuster in WA, OR and FL.

Private Investigator license 2014-Present
License #4060

Biblical Studies
Maryland Bible College and Seminary
1996 - 1999

Industry Seminars and Training

1. Currently hold Adjusters license in WA and Oregon
2. Currently hold private investigator license in WA.
3. Commercial General Liability training, Zurich Insurance, Hunt Valley, MD 2000
4. Automobile Liability training, Zurich Insurance, Hunt Valley, MD 2000
5. Policy School, Zurich Insurance, Hunt Valley, MD 2000
7. Litigation Guidelines, Zurich Insurance, Hunt Valley, MD 2003
8. Medical Terminology and Treatment, Zurich Insurance, Hunt Valley, MD 2002
OIC online services login information:

User ID: LIC242661
Registered email address: mylea@hcmonline.net
Next expiry date: 07/31/2021

Remember, all licensing processes must be completed online.

Contact us via:

Email: licinfo@oic.wa.gov
Phone: 360-725-7144
Fax: 360-586-2019
Postal mail: P.O. Box 40255
Olympia, WA 98504-0255

Visit our website: https://www.insurance.wa.gov/producers

Make sure you are familiar with insurance license compliance laws and rules at:
https://www.insurance.wa.gov/now-youre-licensed-whats-next

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State of Washington
OFFICE OF THE INSURANCE COMMISSIONER

* * * INDEPENDENT ADJUSTER LICENSE * * *

WAOIC #: 242661
EFFECTIVE: 10/18/2017
EXPIRES: 07/31/2021

MYLEA V HUGHES
PO BOX 44312
TACOMA WA 98448

THE LICENSEE IS AUTHORIZED TO SELL THE FOLLOWING LINES OF INSURANCE:

THIS LICENSE MUST BE ACCOMPANIED BY A CURRENT AFFILIATION FOR EACH BUSINESS ENTITY REPRESENTED.
STATE OF WASHINGTON

INVESTIGATOR PROGRAM
P O Box 9649
Olympia, WA 98507

ADDRESS SERVICE REQUESTED

PPU 775

HUGHES CLAIMS MANAGEMENT, LLC
MYLEA V HUGHES
PO BOX 44312
TACOMA WA 98444

STATE OF WASHINGTON
UNARMED PRIVATE INVESTIGATOR
PRINCIPAL

HUGHES CLAIMS MANAGEMENT, LLC
MYLEA V HUGHES
3900 25TH AVE CT SE
PUYALLUP WA 98374

4060 03/31/2020
License Number Expiration Date

State of Washington
Director

Teresa Burnham

STATE OF WASHINGTON
DEPARTMENT OF LICENSING – BUSINESS AND PROFESSIONS DIVISION

THIS CERTIFIES THAT THE PERSON OR BUSINESS NAMED BELOW IS AUTHORIZED AS A

UNARMED PRIVATE INVESTIGATOR
PRINCIPAL

HUGHES CLAIMS MANAGEMENT, LLC
MYLEA V HUGHES
3900 25TH AVE CT SE
PUYALLUP WA 98374

4060 12/03/2014 03/31/2020
License Number Issued Date Expiration Date

Terence Burnham, Director

PL-535-159 (4/3/16)
Neal Coffey

Experience

June 2008- present Hughes Claims Management, LLC Yakima, WA

Independent Claims Adjuster

• Currently handle automobile, premises liability, general liability, liquor liability and property claims.
• 24-hour on call independent adjuster.
• Licensed independent adjuster in Washington State.

1999-2003 Self Employed Lahaina, HI

Commercial Fisherman/Scuba Instructor

• Owned and operated a fishing boat with a commercial fishing license.
• Selling fresh fish to local stores and restaurants.
• PADI Dive master and assisted PADI instructor with SCUBA classes.

1977-1999 Yakima Steel Products Yakima, WA

President and CEO

• Manufacturer of metal brackets for fruit containers.
• Negotiated the purchase of one million pounds of steel per year.
• Maintained inventory control of raw materials and finished goods.
• Supervised and managed employees.
• Designed and fabricated equipment used in the manufacturing process.
• Sold company and moved to Hawaii.

1979-1986 Easy Amusements Yakima, WA

Owner

• The company owned and operated over 400 coin operated video games, pinball machines and juke boxes.
• Sold company in 1986 to Pepsi Cola.

Education

1970 Eisenhower High School Graduate Yakima, WA

2009 WA State Adjusters License Seattle, WA
SAMPLE WORK PRODUCT

Third-Party Administrator To Manage City’s Self-Insured General Liability Program

For The City of Stockton, California

(PUR 19-037)

Hughes Claims Management, LLC Proposal
SAMPLE WORK PRODUCT
Hughes Claims Management LLC
Tue 7/17/2018, 7:34 PM
To: Hughes Claims Management LLC <hughesclaimsmanagement@hotmail.com>

This is a sample of our work product when requesting authority from a client. All pertinent information has been changed to protect privacy.

From: Hughes, Jeff
Sent: Tuesday, June 2, 2018 10:33 AM
To: AGENCY CONTACT
Subject: Settlement Recommendations, Claim #12345 Doe, John

Dear State Agency,

We completed our investigation into this tort claim and outlined our findings below.

CLAIMANT:
On 06/1/2018 at 4 p.m. the claimant John Doe, driving a 2004 Chevy Tahoe LS, stopped behind the agency vehicle at Latte World (coffee shop) drive thru at 1234 Ave, Salt Lake City, UT. The agency vehicle, pulling an agency boat with trailer, driven by agency employee Smith backed into the claimant parked, unoccupied vehicle. No injuries reported.

AGENCY:
We were provided a copy of the agency incident report. It confirmed that Mr. Smith is an employee of the agency and was in the course/scope of employment at the time of the accident. The agency vehicle involved in the accident, vehicle #1234, trailer # 1234 pulling Research boat #1, boat prop hit claimant vehicle. No damage to the agency boat or vehicle.

Statement of John Doe: "Stopped to get coffee at coffee stand in gravel parking lot. Was in truck pulling a boat on trailer with two passengers. I checked both large extended side mirrors and did not see vehicle behind. Backed up a few feet to gain space moving forward and struck vehicle with Research 1 engine skeg. The skeg dented the hood and grill of the vehicle behind. No damage to agency vehicle".

POLICE REPORT:
We secured a copy of the police report #12345 completed by ABC Police department. The report was completed by Officer Jane Doe, badge #1234. No citations were issued.
Unit 1 is listed as the agency vehicle 2000 driven by Employee Smith, and unit 2 is listed as the claimant, John Doe, driving a 2004 Chevy Tahoe LS.
The following is the narrative:
Unit 1 struck parked Unit 2 in a parking lot located at 1234 Ave, Salt Lake City Utah. No injuries reported. Minor damage, both vehicles drivable from scene.

DAMAGES:
We secured the vehicle registration and confirmed the claimant, John Doe, is the registered owner of the 2000 Chevy Tahoe LS. The claimant provided photographs and two estimates to repair his vehicle. The estimates are to repair the grille, hood and headlamp.
Lakes Auto body estimate, $1521.35, after market parts used.
John’s Auto Body and Towing estimate $1,499.21 after market parts were also used.
We audited the estimates and confirmed the repairs to be for an aftermarket grille, hood and front headlamp. They are in-line based on the damages. The NADA value for the vehicle is $3925. Therefore, the vehicle is repairable and not a total loss.

We’ve attached a photograph of the property damage for your perusal.

![Car Damage Image]

**RECOMMENDATIONS:**
Based on our investigation we found 100% liability against the agency employee for failure to maintain a proper lookout while backing and hitting a legally parked unoccupied vehicle. We would recommend settling this tort claim for **$1,499.21**.

If you have any questions, or would like to discuss further, please let me know.

Sincerely,

Jeff Hughes  CPCU, AIC, ARM
Claims Manager
Hughes Claims Management, LLC
PO BOX 44312
Tacoma, WA 98448
253-303-9629
jeff@hcmonline.net
www.hcmonline.net
SERIOUS LOSS REPORT NO. 4
AUTO LIABILITY

FROM: Jeff Hughes

DATE: October 9, 2019

RE: Insured:
    Policy number: [redacted]
    Policy period: 12/31/16 - 12/31/17
    Producer: [redacted]
    Location: Seattle, WA
    Claim number: [redacted]
    Claimant's name: [redacted]
    Deductible: N/A
    Date of loss: 07/19/17

DETAILS OF LOSS

The insured's truck was pulled off the roadway while an employee driver secured information on his next location. As he pulled back into traffic, he failed to yield right of way to the claimant [redacted] riding his motorcycle. Claimant [redacted], who was wearing a helmet, struck the driver's side of the insured truck. The police cited the insured driver for negligent driving, 2nd degree. An ambulance took the claimant from the scene by to Harborview Medical Center where he remained until discharge on 07/24/17.

RESERVE HISTORY

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Paid: 0 12,823.03 12,823.03

RESERVE ANALYSIS

We believe the current reserve is adequate to resolve this claim based on receipt of the claimant attorney's demand and the status of current settlement negotiations.

According to [redacted] (subrogation company for the claimant's health provider), they have paid out a total of $107,594.69 ($164,032.51 billed amount) in benefits as of 9/14/2018.

PARTIES INVOLVED

- [redacted]
  Insured and owner of the vehicle.
- [redacted]
  Insured driver.
- [redacted]
  Claimant.
- [redacted]
  Claimant's attorney, [redacted].

The content of this report may contain personally identifiable medical information and/or other information that is subject to laws protecting privacy. This information is provided solely for lawful business purposes and the content of this report in whole or in part is not to be copied, further transferred or used except in strict accordance with the law.
COVERAGE

provides commercial automobile liability coverage under policy with effective dates of 12/31/16 through 12/31/17. wrote this account from 2000 to 2017.

The insured has a $10 million umbrella policy with ; they have been placed on notice of the loss. They have a file set up under number , and their adjuster is .

CONTRACTUAL ISSUES

There are no contractual issues.

EVALUATION

1. DAMAGES

The claimant attorney states that the total present economic loss for the claimant equates to $181,630.03:

- $169,445.75 Total medicals to date
- $5,750.00 Wage loss as a union concrete mixer driver at $25/hr.
- $154.28 Mileage to and from medical provider visits
- $6,280.00+ Estimated future treatment for a knee surgery, not including facility, anesthesiologist charges, wage loss, rehabilitation, and a left shoulder surgery.

The supplied medical documentation confirmed that Davis sustained the following injuries as a result of this accident:

1. Liver laceration, grade IV.
2. Spleen Laceration, grade III, 3 cm.
3. Left kidney laceration, grade III.
4. Multiple rib fractures, 5th right rib, 6th left rib.
5. LOC with mild TBI.
6. Transection of pancreas, grade III.
7. Splenectomy, distal.
8. Bilateral pulmonary contusion.
10. Amnesia.
11. Hematuria.
12. Left knee, strain LCL.
13. Right knee, 6 mm loose cartilage body present, confirmed by MRI.
14. Left shoulder, acromioclavicular joint separation, confirmed by x-rays.
The claimant attorney opines her healthy, young client will possibly need future surgeries including left distal clavicle resection and right knee partial/full replacement. In a treatment note on 7/6/2018 from MD of , doesn't mention surgery has a treatment option for the left shoulder. Regarding the right knee, Dr. MD of in a 3/14/18 exam note states that surgery is an option, but that "this defect does not easily lend itself to surgical intervention". is left hand and left leg dominant. appears to be opposed to surgeries at this time. According to the functional capacity evaluation completed by RET Physical Therapy on 10/31/18, continues to have pain in his right knee and left shoulder. His experiences include generalized fatigue and increased pain through exercises. The report summarizes moderate levels of limitation in movement of the right knee and left shoulder.

The medical records indicate that medical history is unremarkable. At the time of the accident, was an active 31-year-old (date of birth ) work out fanatic. He is 5'10", 176 lbs. with a BMI of 25.2. is married with a newborn baby daughter.

Other than the emergency room visit at , 's conservation treatment consisted of physical therapy, cortisone injections in the left knee, and left shoulder.

2. LIABILITY

Liability is averse to the insured for failure to yield the right of way to the on-coming motorcycle. Our driver had an obstructed range of vision due to a metal cage on the truck bed. We had accident reconstructionist inspect the scene, the involved vehicles, and preserved evidence. He confirmed that the motorcycle was road worthy and there were no contributing factors on the part of the claimant.

Our driver was cited for negligent driving (second degree) under RCW 46.61.525. Defense counsel attended district court with the insured driver regarding his citation. He was successful in getting the fine reduced. However, the court suspended the insured driver's license for 90 days.

LITIGATION

Venue: Suit has not been filed.

ISSUES & CURRENT STATUS

We elected to change defense counsel from with to of.

We have begun settlement negotiations with the claimant's attorney. Her opening demand began at "policy limits". We have negotiated her demand down to $745,000 with our last offer being $605,000. Negotiations are ongoing and progressing. If negotiations bog down, our plan is to invite and proceed to mediation with defense counsel. Up to this time, defense counsel has remained in the background and hasn't been involved in settlement negotiations.
STRATEGY AND PLAN OF ACTION

- Settle the bodily injury claim.
- If negotiations stall, possibly obtain IME on the claimant then attend mediation with defense counsel.
- SLR Diary April 2020.
FOL: The claimant alleges on 06/01/2017 at 10:32am Jane Doe, driving a 1990 Toyota Previa LE, was traveling on SR 123 at MP2 when an insured vehicle made a U turn in front of Jane doe from the side of the Highway striking Jane Doe. Claimant vehicle was a total loss and Jane Doe sustained chest and hand injuries.

Liability: adverse
Treated at scene: yes
Comp/Neg: 0
Carrier: ABC Insurance, PIP claim filed

Diagnosis: Chest pain and right hand pain

Treatment: The claimant sought medical treatment at ABC Hospital after the loss and was Dx with muscle strain to thorax and right wrist pain. Clmt was given pain medication. Clmt followed up for right hand pain, tingling and numbness on 01/02/17. Orthopedic advised nerve damage can take time to heal. No further tx required for RT hand

Prognosis:

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</table>

$0.00

Diagnostic Total: $4,935.05
Treatment Total: $4,935.05
Total Specials: $4,935.05
Reduced Specials: $0.00

Atty Rep: No
Demand: none listed

REDUCTIONS

Agency Description: 1990 Toyota Prius
POI: Front
Agency Damage: FRAME TIME: none

CV Description: 1990 Toyota Previa minivan
POI: Front

CV Gross Repair: $11,289.40
Parts Total: $795.00
Labor Totals: $75.60
Materials Total: Frame Time: 0
SUBJECT: TOTAL:
CV T/L?: no

<table>
<thead>
<tr>
<th>STRONG POINTS</th>
<th>WEAK POINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: Minimal treatment, 1 ER visit and 1 follow up visit 2 months later</td>
<td>1: clear exposure</td>
</tr>
<tr>
<td>2: If pain continued why no further follow up care?</td>
<td>2: Hard impact</td>
</tr>
<tr>
<td>3: No permanency reported</td>
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</table>

PRE-EXISTING CONDITIONS: None noted in the medical records.

COMMENTS: Claimant sought treatment at ABC hospital on the date of loss. Her complaints were chest pain and right hand/wrist pain. X-rays were negative, no fractures found. Clmt was released with instructions to rest and pain medication as needed. Claimant followed up with orthopedic provider 2 month post loss, 10/02/17, for continued right hand pain, tingling and numbness. Orthopedic advised nerve damage can take months to heal and to give it more time. No further treatment. No permanency noted. Medical bills were paid under PIP. Clmt has no out of pocket medical bills. This is for pain and suffering only.

<table>
<thead>
<tr>
<th>Approved Specials</th>
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<tbody>
<tr>
<td>Loss of Earnings</td>
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<tr>
<td>General Damages</td>
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<td>Settlement Range</td>
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100% liability on Insd.

Authority Approved to: __________________________ Date: _______________

APPROVED BY: __________________________