



OHIO TRANSIT RISK POOL

“RFQ” REQUEST FOR QUOTES - CLAIMS AUDIT

The Ohio Transit Risk Pool (OTRP) is requesting your firm's quote to conduct a virtual claims audit of OTRP's claims operations.

This Request for Quotes (RFQ) arises out of OTRP's desire to:

1. Be assured from an independent source that its claims services and operations are being performed effectively.
2. Ensure that sound and accurate procedures are in place.
3. Verify compliance with applicable laws and regulations.

The Ohio Transit Risk Pool (OTRP) is a property/casualty pool which is formed under Ohio Statute 2744.081. OTRP currently serves fifteen (15) Ohio Public Transit Systems. The Ohio Transit Risk Pool was formed in 1994 for the purpose of managing and funding the first party property losses and third-party liability claims incurred by OTRP's members. OTRP's members typically report 400 property and/or liability claims per year. The claims records of OTRP are maintained using in-house CSC Riskmaster software.

Program Overview

OTRP's program is conducted through a pooling arrangement which allows for pooling both self-insurance and group purchasing/pooling or reinsurance and/or excess coverage.

The program is organized such that while most claims are paid from dollar one. Within the program, each member has a deductible. There is a pool retention and reinsurance or excess above that attachment point.

All claims are handled by in-house OTRP claims staff. Outside legal services are used for claims that are litigated. All of OTRP's claims activities are controlled by the OTRP Claims Manual and the OTRP Litigation Management Policy.

General claims information as of July 31, 2023 includes:

1. 29 loss years since inception with 8 years holding current liabilities.
2. 12,772 reported claims since inception.
3. 400 (average) reported claims per open loss year.
4. 329 total open pending claims.
5. 19 pending claims in litigation.

Scope of Services Desired

The virtual claims audit shall focus on OTRP's approach to claims services and operations and shall include:

1. Become familiar with OTRP, its programs and operations. Review OTRP's existing claims handling manual and litigation management policy.
2. Review a minimum of 15 current open claims/litigations and 15 closed claims for the last three (3) years using OTRP's records to determine adherence to OTRP's claim handling procedures.
3. Evaluating the performance of the claims handling function against OTRP's in-house policies and procedures manual.
4. Comparing OTRP's claims services to AGRIP's Advisory Standards for claims audits. Please see Attachment (A)
5. Work closely with OTRP's claims staff in reviewing the process and discuss findings with the staff prior to finalizing the report.
6. Produce a final report to be presented to OTRP's management and its Board of Trustees. This final report shall inform OTRP's leadership as to whether its claims program is properly managed and operated. Additionally, the final report will recommend any actions which may be called for to improve the program or bring it into legal compliance. The final report should be concise yet descriptive enough to advise OTRP as to the findings.

Estimated RFQ Timetable

The following represents the proposed timetable:

Item Dates:

1. RFQ posted on or before August 30, 2023.
2. Quotes due at OTRP October 20, 2023.
3. OTRP and contractor finalize any contract on or before November 30, 2023.
4. Work commences at a convenient time to be scheduled after completion of contract but not later than February 16, 2024.
5. Finalized written audit report with digital copies is delivered to OTRP by March 1, 2024.

Quote Requirements

Your submitted quote shall clearly outline and reiterate where required:

1. Understanding of the scope of work to be completed and services to be provided;
2. Provide the timeframe for audit completion;
3. Provide qualifications on the firm as well as the names and backgrounds of the individuals who will be on-site to complete the work;
4. Provide names and contact persons with phone numbers of at least three (3) pooling, governmental and/or insurance company clients for whom you have provided similar auditing services;
5. Outline your fees and charges, including a not-to-exceed cost, for all work, travel and expenses associated with providing the necessary auditing services to OTRP.

Additional Requirements

A. Confidentiality

Matters relating to the audit engagement shall not be discussed with anyone (other than officials of OTRP) without the written consent of OTRP. No opinions, reports, summaries, letters or other documents prepared with respect to the audit engagement shall be released without approval of OTRP, except as required by state or federal law.

B. Assignment/Liability

No assignment of the contract shall be made without the written approval of OTRP. In the event that an assignment of this contract is approved by OTRP, the successful bidding auditor shall be and remain solely responsible to OTRP for the acts or faults of any subcontractor and of any subcontractor's officers, agents, or employees, each of whom shall, for this purpose, be deemed to be an agent or employee of the independent auditor to the extent of the subcontract. Each subcontractor shall jointly and severally agree that OTRP is not obligated to pay or to be liable for the payment of any sums due the subcontractor.

C. Nondiscrimination

The independent auditor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, disability, sexual preference, or national origin. Such action shall include, but not be limited to, employment, upgrading, promotion, demotion, termination, rates of pay or other forms of compensation, and selection for training.

D. Conflict of Interest

No officer, member or employee of OTRP shall participate in any decision relating to the agreement, which affects his personal interest, or have any personal or pecuniary interest, direct or indirect, in this contract, any subcontract or assignment thereof, or in the proceeds thereof.

E. Integrated Agreement

The Contract represents the entire and integrated agreement between the independent auditor and OTRP and supersedes all prior negotiations, representations, or agreements, whether written or oral. The contract may be amended only by written agreement of the independent auditor and OTRP.

F. Cancellation or Breach

This contract may be terminated by mutual agreement of the independent auditor and OTRP. In the event of termination by mutual agreement, the independent auditor shall be compensated for all hours worked at the specified contractual rate.

If, through any cause other than acts of God, floods, fires, storms, strikes, lockouts, riots, insurrections, acts of the public enemy, war or other like restrictions beyond the control of the parties rendering performance under the contract impossible, the independent auditor fails to fulfill in a timely and proper manner obligations under the contract, OTRP shall have the right to terminate the contract on 30-days written notice to the independent auditor specifying the effective date of termination. The independent auditor shall not be relieved of liability to OTRP for damages sustained by virtue of any breach of the contract by the independent auditor.

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OTRP may withhold or require to be withheld any payment to the independent auditor for the purpose of setoff until such time as the exact amount of damages due OTRP is agreed upon or is otherwise determined.

In the event of termination, for whatever reason, all property and finished or unfinished documents, data, studies and reports prepared by the independent auditor become OTRP's property. Nothing contained herein shall, however, prevent the independent auditor from preparing and maintaining a complete set of working papers relating to the actuarial engagement.

G. Indemnification

The independent auditor shall indemnify and save harmless OTRP, and its officers, employees, and agents from and against all claims or suits asserted or prosecuted by third parties based upon any injury to such third parties or damage to their property, to the extent arising directly out of a willful or negligent act of the independent auditor or its subcontractors. The independent auditor shall, at its own expense, pay all attorney's fees, damages, court costs and other expenses arising out of such litigation; and at its own expense, shall satisfy and cause to be discharged judgments and/or settlements as may be obtained against OTRP or any of its officers, employees or agents pursuant to such litigation. The independent auditor shall be given written notice of the assertion of such claims or suits promptly after such matters are brought to the attention of OTRP and shall be required to cooperate in the defense and settlement of any such claims or suits. Nothing contained herein, however, is intended to confer on any third party any rights or benefits hereunder; nor is the foregoing indemnification obligation intended to alter or extend the independent auditor's liability for failure to comply with the terms of the Contract or for professional negligence or misconduct.

H. Worker's Compensation

The independent auditor shall be required at all times during the term of this Agreement to subscribe and to comply with the Workers' Compensation Laws of the State of Ohio and pay such premiums as may be required hereunder and to save OTRP harmless from any and all liability from or under said act. It shall also furnish, at the time of delivery of the Agreement and at such other times as may be requested, a copy of the official certificate or receipt showing the payments herein before referred to.

I. Social Security

The independent auditor shall be and remain an independent contractor with respect to all services performed hereunder and shall accept full exclusive liability for the payments of any and all contributions or taxes for social security, unemployment benefits, pensions and annuities now or hereafter imposed under any state or federal laws which are measured by the wages, salaries or other remuneration paid to persons employed by independent auditor on work performed under the terms of this Agreement. The independent auditor further shall obey or satisfy all lawful rules, regulations and requirements issued or promulgated under said respective laws by any duly authorized state or federal officials. The Independent auditor shall indemnify, defend and save harmless OTRP from any contributions, taxes or liability referred to under this Article.

J. Applicable Laws

The Contract shall be construed, interpreted, and the rights of the parties determined in accordance with the laws of the State of Ohio.

Selection Process

Each of the submitted quotes will be reviewed and a select number of firms may be invited, at the firm's cost, to make a presentation of its quote. OTRP will then make a selection of the firm that in OTRP's sole opinion meets OTRP's needs. OTRP will then execute an agreement with the selected firm incorporating the provisions of this RFQ and the successful firm's quote. OTRP specifically reserves the right to make an award based solely on the submitted quotes or to reject any and all quotes or to accept other than the lowest price quote if it considers an alternative most advantageous. OTRP reserves the right to waive any requirements of this RFQ. All submitted quotes shall become the property of OTRP. Award of the contract will be made to the firm which in the sole opinion of OTRP will produce the services and results desired by OTRP.

Quote Submission Information

One (1) copy of your written quote shall be submitted to OTRP by **3:00 p.m. e.s.t. on October 20, 2023.**

Please submit your quote **VIA E-MAIL** and/or any prior questions to:

AngelW@otrp.org

Ms. Angel Wisenburg, AIC
Director of Claims & Litigation
Ohio Transit Risk Pool,
1 Park Centre Drive
Suite #300
Wadsworth, OH 44281

Quotes and/or any prior questions may also be e-mailed to:
AngelW@otrp.org or faxed to 330-336-7130

All costs associated with the preparation and delivery of the quote, required copies and presentations shall be the responsibility of the individual or firm submitting the quote.

Attached:

Attachment A AGRIP Claims Handling (only) requirements

IX. CLAIMS MANAGEMENT (Last updated: 2019)

The AGRiP Advisory Standards covering Claims Management recognize the need for claims management, administration, litigation, and claims auditing in administering claims against members.

Standards addressed:

- IX-A Regardless of whether the pool administers claims using in-house staff or a contracted relationship, the pool has written procedures addressing the entire life cycle of claims management and administration activities and shares them with the administration team regularly, including at a minimum, procedures that address:
- Initial notice and intake procedures for new claims;
 - Adjuster assignments and supervisory oversight;
 - File notes and claim documentation;
 - Reserving practices, including reserve changes or updates;
 - Timeliness standards for claims adjusting activities;
 - Claim investigation methods, expectations and activities;
 - Methods to raise coverage questions or other reasons a claim might be denied, and the process for doing so;
 - Member and/or claimant communication expectations throughout the life of a claim;
 - Methods to identify and effectively manage claims with potential to be more severe than originally expected;
 - Subrogation and salvage activities and expectations; and
 - Timely and complete reporting of claims to the pool's reinsurers or excess carriers, and tracking of recoverables.
- IX-A.1 Regardless of whether the pool administers claims using in-house staff or a contracted relationship, the pool assures qualified claims staff including:
- The claims administration staff are provided regular training to assure their understanding of and compliance with documented claims processes, procedures, and expectations; and
 - The claims administration staff has regular opportunity to discuss challenging claims, roundtable claim results and processes, and consider opportunities for better managing member claims.
- IX-A.2 Regardless of whether the pool administers claims using in-house staff or a contracted relationship, the pool has specific written policies regarding:
- Claim settlement authority levels and hierarchy, including whether and when a committee or governing body must approve settlements; and
 - An appeals process for members to dispute claim denials, including whether and when escalation to the governing body is allowed.

IX-B The pool has an electronic system or set of systems that allows the pool to maintain, report, and analyze claim information and claim financial data with at least the following minimum capabilities:

- Generate claim reports by member entity, claimant, subscriber, or other appropriate variable that has been consciously determined by the pool;
- Report accurate financial data by claim including amount paid, claim or case reserves, and recoverables;
- Report total incurred and paid claims by line of business, as of a given valuation date; and
- Reconcile claims data to the pool's financial accounting system.

IX-B.1 The pool has determined what member-specific claims data and information it will provide to a member and on what basis and/or timing it will do so.

The pool provides to any requesting member the member's own claims for requested time period of data including, at a minimum, claim identifiers (claimant, facility, etc.) dates of loss, and amounts paid by claim.

Any electronic claims system(s) in place at the pool (whether or not the systems are owned and maintained by the pool directly) are appropriately secured and accessible only by appropriate and authorized users.

The pool has taken adequate steps to assure its claims data are fully accessible, portable, and able to be converted to a new system if necessary for any reason.

IX-C The pool maintains litigation management practices including at a minimum:

- Attorney qualifications required to defend claims on behalf of member entities;
- Criteria and a process for accepting or approving attorneys to defend claims on behalf of member entities;
- Criteria and a process for accepting a defense attorneys not otherwise approved by the pool;
- Required reporting by the defense attorney to the pool about litigation status, budget, and overall case management;
- Required communication by the defense attorney to the member entity, including regular status reports or updates; and
- Performance standards or guidelines for defense attorneys.

IX-D Independent Claims Audit:

Regardless of whether the pool administers claims using in-house staff or a contracted relationship, the pool conducts a claims audit by a qualified firm or individual, at least once every three years. The claims audit is conducted by a firm or person independent of the pool and its claims administrators, reinsurers or excess carriers.

The independent claims audit includes, at a minimum, review of the following key of the pool's claims management policies and procedures:

- Timely claims handling;
- Claim file documentation and supervisory oversight;
- Adherence to claim payment and settlement authorities;
- Claim reserving practices;
- Adequacy of claims investigation;
- Adequacy of claim communication with the pool member and claimant;
- Litigation management activities; and
- Alignment of loss experience reports to case reserves and payments.

The pool governing body is provided a written report of findings from the audit, including any areas of deficiencies or exceptions and how the pool will address such deficiencies. Include the date of the last claims audit.

- IX-E The pool has a documented procedure to address how claims will be managed and processed when they present an actual, potential, or perceived conflict to the claims staff relative to the pool's governance activities and/or governing body.

The intent of this standard is to address the handling and management of such claims, not the governance conflict that may exist. Examples might include a disputed valuation for a property claim from the member entity of a director sitting on the governing body of the pool; a pool governing body director with a workers' comp claim against the pool; or an auto liability claim involving a member of the pool's governing body. Another possible claims conflict would be if a pool employee or member of the governing body has a claim against the pool for an action the pool self-insures.

X. PROFESSIONAL DEVELOPMENT (Last updated: 2020)

The AGRiP Advisory Standards for Professional Development recognize the importance of having competent staff and governing body members to lead the pool and execute all pool activities.

Standards addressed:

- X-A The pool has established professional development expectations for its governing body about:
- Public entity pooling structure and regulation;
 - The roles, responsibilities, and decision making authority of governing body members;
 - Methods and degree of oversight the governing body provides for pool financial status, including the pool's net position policy;
 - How the pool allocates costs and risks among members and the impact of its overall pricing philosophies;