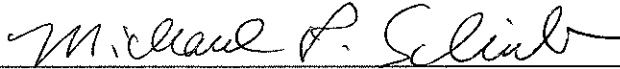


CC2013-03
THIRD PARTY ADMINISTRATION (TPA) FOR THE CITY OF TRENTON, DEPARTMENT OF ADMINISTRATION OCTOBER 1, 2013 10/1/13 @ 11:00 A.M.

| | | | | |
|--|--|--|--|--|
| PLEASE INSERT TERM OF CONTRACT: | CC2013-03 - ONE (1) YEAR WITH OPTION TO EXTEND TWO (2) 1 (1)YEAR OPTIONS | | | |
| NUMBER OF RESPONDENTS: | 4 | | | |
| NAME | INSERVCO INSURANCE SERVICES, INC. | QUAL-LYNX | COMP SERVICES, INC. | D & H ALTERNATIVE RISK SOLUTIONS, INC. |
| ADDRESS | TWO NORTH SECOND STREET | 100 DECADON DRIVE | 1700 MARKET STREET | P.O. BOX 68 - 2ND FLOOR |
| CITY, STATE, ZIP | HARRISBURG, PA 17101 | EGG HARBOR TOWNSHIP, NEW JERSEY 08234 | PHILADELPHIA, PA 19102 | NEWTON, NEW JERSEY 07860 |
| CONTACT NAME | MICHEAL P. SCHEIB | ANN L. NOBLE | GLENN GIVENS | WAYNE F. DIETZ |
| TELEPHONE | 1-800-356-0438 | 609-653-8400 EXT.# 2012 | 856-745-2233 | 973-940-1851 |
| FAX | 1-717-221-6060 | 609-653-2928 | 866-441-5329 | 973-940-1852 |
| E-MAIL | MSCHEIB@PNAT.COM | ANOBLE@QUAL-LYNX.COM | GLENN.GIVENS@COMPSERVICESINC.COM | WDIETZ@RISKSOLUTIONS.COM |
| NEW JERSEY BUSINESS REGISTRATION | INCLUDED | INCLUDED | INCLUDED | INCLUDED |
| ACKNOWLEDGEMENT OF RECEIPT OF ADDENDA # 1 | INCLUDED | INCLUDED | INCLUDED | INCLUDED |
| STOCKHOLDER DISCLOSURE | INCLUDED | INCLUDED | INCLUDED | INCLUDED |
| AFFIRMATIVE ACTION STATEMENT | INCLUDED | INCLUDED | INCLUDED | INCLUDED |
| EIC | CERT#5867 EXP.10/15/2015 | NEEDED PRIOR TO AWARD | CERT#40748 EXP.10/15/2013 | CERT#36451 EXP.2/15/2019 |
| AFFIRMATIVE ACTION MANDATORY LANGUAGE | INCLUDED | INCLUDED | INCLUDED | INCLUDED |
| AMERICANS WITH DISABILITIES ACT MANDATORY LANGUAGE | INCLUDED | INCLUDED | INCLUDED | INCLUDED |
| ACKNOWLEDGEMENT OF ADDENDA | INCLUDED | INCLUDED | INCLUDED | INCLUDED |
| NON-COLLUSION AFFADAVIT | INCLUDED | INCLUDED | INCLUDED | INCLUDED |
| CERTIFICATION AND DISCLOSURE OF POLITICAL CONTRIBUTIONS | INCLUDED | INCLUDED | INCLUDED | INCLUDED |
| DISCLOSURE OF INVESTMENTACTIVITIES IN IRAN | INCLUDED | INCLUDED | INCLUDED | INCLUDED |
| DETAILED INFORMATION AS MENTIONED IN THIS REQUEST FOR PROPOSAL | INCLUDED | INCLUDED | INCLUDED | INCLUDED |
| CERTIFICATE OF INSURANCE | NEEDED PRIOR TO AWARD | NEEDED PRIOR TO AWARD | NEEDED PRIOR TO AWARD | NEEDED PRIOR TO AWARD |
| REFERENCES (IF REQUIRED) | INCLUDED | INCLUDED | INCLUDED | INCLUDED |
| 60-DAY EXTENSION COMPLIANCE | YES | YES | YES | YES |
| EMERGENCY COMPLIANCE | YES | YES | YES | YES |
| TOTAL PRICE OF ENTIRE SCOPE OF SERVICES | SEE ATTACHED BREAKDOWN OF PRICING | SEE ATTACHED BREAKDOWN OF PRICING | SEE ATTACHED BREAKDOWN OF PRICING | SEE ATTACHED BREAKDOWN OF PRICING |
| EXCEPTIONS | NONE | NONE | NONE | NONE |
| FATAL FLAW | NONE | NONE | NONE | NONE |

PROPOSAL

The undersigned respondent declares that he/she has read the Notice of Request for Proposal, Instructions to Respondents, Affidavits and Scope of Services, Requirements, Evaluation Criteria attached, that he/she has determined the conditions affecting the proposal agrees, if this proposal is accepted, to furnish and deliver the following:



(ORIGINAL SIGNATURE BY AUTHORIZED REPRESENTATIVE)

The undersigned is a Corporation, Partnership or Individual under the laws of the State of Pennsylvania having its principal office

at Harrisburg

COMPANY Inservco Insurance Services, Inc.

ADDRESS Two North Second St.

ADDRESS Harrisburg, PA 17101

FED. ID # 23-2145732

NAME Michael P. Scheib

TELEPHONE 800-356-0438

FAX 717-221-6060

E-MAIL mscheib@pnat.com

DATE 9/30/13

Existing Open Claims

Inservco has extensive experience transitioning accounts to accommodate existing claims and associated data, external file and user interfaces, specialized processing and handling, and service level agreements. One of our strengths over the years has been our system capability to get data in (data transfers) and to get data out in the form of meaningful reports.

The success and retention of our clients, many who have been with us for over 15 years or more, has been because of our ability to successfully transition large programs from prior administrators without an interruption in benefits to existing claimants and providers. This is achieved through our experience, staffing, infrastructure and coordination and communication with the self-insured client through each step of the transition. Other meaningful experience besides transitioning many competitor TPA's data has been transitioning self-insured, self-administered customer's data into our system (County of Essex).

Recent examples of data transfer are:

New Jersey

Ralph Clayton and Sons from CCMSI

Gloucester County from PMA (77 open claims and 160 new claims annually)

Cape May County from Scibal (100 open claims and 220 new claims annually)

New Jersey Turnpike Authority and NJ Highway Authority from PMA and GAB (double conversion, 512 open claims and 350 new claims annually)

Pennsylvania

PA Community Providers Association (900 open claims and 2,800 new claims annually)

PETRO (250 open claims and 276 new claims annually)

These transitions were smooth because we have a history of assembling highly qualified teams of professionals, deploying comprehensive resources and developing and using the appropriate technology in extremely short periods of time to meet our client's objectives.

Price Proposal

Inservco's annual flat fee for the auto, general liability and police professional and workers' compensation claims management is: year one **\$117,000**, year two **\$119,350**, year three **\$121,750**. Inservco will provide the following services for this fee:

- Aggressive management of **all new and existing claims**.
- Issue all payments and provide monthly check registers.
- Monthly loss runs reports and standard computer reports.
- Quarterly claim review meetings.
- Complete and file mandated claim forms.
- Coordinate litigated claims with attorney.
- Coordinate claims with excess carrier.
- Coordinate needs with private investigator.
- Enter all claims data into our Pyramid System.
- **Investigate and pursue subrogation potential on all claims.**

- Investigate and pursue fraudulent activities.
- Field Investigations included.
- **Annual SCHIP Reporting.**

Allocated Expenses

The claims management fee does not include usual allocated expenses, such as attorneys' fees, outside appraisal costs, photographers' fees, travel expenses for witnesses, surveillance performed by independent professional surveillance firms, Medicare set-aside costs, claim coordination fees, independent medical examinations for claim evaluation and defense purposes, PPO Network discounts, bill repricing, court reporters' fees and court costs or defense of any claim. The claims management fee does not include any of Inservco's managed care or safety management services.

Professional fees for safety management services are on an allocated cost basis of **\$110** per hour. Project and annual fees can be provided.

Inservco Loss Control Services

All work is directed to serve the needs of the client, after analysis of their experience history and recent trends. Training contains a behavior change element based on the premise that accidents are preventable. Clients requesting comprehensive safety support for their accident prevention program receive trend charts for claims and losses and rates per 100 employees by division when looking for problem areas. Safety training is frequently done at two levels; management/supervisors receive leadership and supervision directed training while hourly workers get skills type training such as back safety. Specialized training such as lockout/tagout and confined space entry is provided when needed.

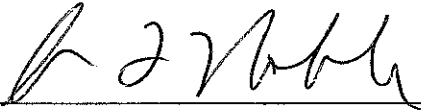
Safety inspections are also part of a comprehensive safety plan, these usually follow loss histories to insure the proper causal situations are addressed. All of the above works best when planning by a representative team of employees, such as a safety committee employee who provides feedback on the City's needs and the effectiveness of past activities.

The following is a comprehensive listing of products, processes or services that could be used to mitigate workers' compensation costs and the associated costs or expenses in using these.

- Training programs for management team and staff in practices for improving the management of accident and illness prevention programs, compliance-related topics such as hazard communication, lockout/tagout, driver awareness, safe lifting, confined space, and others relevant to claims experience and operations.
- Compliance audits, Accident and Illness Prevention program and includes Fire and Panic (e.g. life safety), and other applicable standards and regulations.
- Claims analysis and evaluation – review claims experience to determine accident frequency and severity, causes, gender and age profiles, department/work shift, time of day, etc. to identify appropriate alternatives for reducing, controlling or eliminating causal factors.

PROPOSAL

The undersigned respondent declares that he/she has read the Notice of Request for Proposal, Instructions to Respondents, Affidavits and Scope of Services, Requirements, Evaluation Criteria attached, that he/she has determined the conditions affecting the proposal agrees, if this proposal is accepted, to furnish and deliver the following:



(ORIGINAL SIGNATURE BY AUTHORIZED REPRESENTATIVE)

The undersigned is a Corporation, Partnership or Individual under the laws of the State of

New Jersey having its principal office

at Egg Harbor Township, NJ

COMPANY Qual-Lynx

ADDRESS 100 Decadon Drive, Egg Harbor Township, NJ 08234

ADDRESS _____

FED. ID # 22-2483867

NAME Ann L. Noble

TELEPHONE 609-653-8400 x2012

FAX 609-653-2928

E-MAIL anoble@qual-lynx.com

DATE 9-26-13



MANAGEMENT FEES

City of Trenton

Date of Quote: 30-Sep-13

| | Utilizing QualCare | Utilizing Other MCO |
|--------------------------------|-----------------------------|---------------------|
| New Claims | | |
| Claims Administration | \$145,000 | \$175,000 |
| Provider Network Access | 18% of Savings from UCR | TBD |
| Medical Bill Review | No Charge | TBD |
| Field Case Management | \$75 Per Hour Plus Expenses | TBD |
| Loss Control | (1) | (1) |
| Remote Access to Claims System | No Charge | No Charge |
| Standard and Ad Hoc Reporting | No Charge | No Charge |
| Take Over Claims | | |
| Historical Data Conversion Fee | \$2,500 | \$5,000 |
| Claims Administration | \$60,000 | \$90,000 |

| | |
|---|----------------------------------|
| Fees do not include charges for ALLOCATED LOSS EXPENSES, including but not limited to: | |
| State and Federal Reporting Fees | NJ EDI Reporting Fees |
| Legal Fees | Surveillance and Activity Checks |
| Outside Appraisal Fees | Offical Report Fees |
| Bank Charges | Central Index Bureau Fees |
| Copy Fees | |

Notes:
 Claims Administration Fees include all services outlined in the Qual-Lynx response to the RFP under "Capabilities and Services" with the exception of G.O.T.C.H.A. visits (if utilized) and required attendance at mediations. These charges will be billed at \$75 per hour plus travel expenses.

(1) Loss Control services would be facilitated by Qual-Lynx through a preferred vendor Safety Management Resources. Fees would depend on size and scope of services needed.

PROPOSAL

The undersigned respondent declares that he/she has read the Notice of Request for Proposal, Instructions to Respondents, Affidavits and Scope of Services, Requirements, Evaluation Criteria attached, that he/she has determined the conditions affecting the proposal agrees, if this proposal is accepted, to furnish and deliver the following:

Glenn R. Giveans

(ORIGINAL SIGNATURE BY AUTHORIZED REPRESENTATIVE)

The undersigned is a Corporation, Partnership or Individual under the laws of the State of

PA. having its principal office

at 1700 Market St. Philadelphia, PA. 19102.

COMPANY Comp Services, Inc.

ADDRESS 1700 Market St.

ADDRESS Philadelphia, PA, 19102.

FED. ID # 25-11086685

NAME Glenn Giveans

TELEPHONE 856-745-2233

FAX 860-441-5329

E-MAIL Glenn.Giveans@CompServicesInc.com

DATE 9/27/13

PROPOSED PRICING:

Option 1: With Managed Care Services Included

| | |
|-------------------------------------|--|
| Administration Year 1 | \$90,000 |
| Extension Year 1 | \$91,800 |
| Extension Year 2 | \$93,600 |
| Data Conversion (one time fee) | Billed at cost, not to exceed \$10,000 |
| Online Claims Account Access (RMIS) | No cost & Unlimited Users |
| Monthly Loss Reports (standard) | No Cost |
| Customized Reports | 10 hours included, \$85/hour afterwards |
| Claim Reviews/File Audits | Included |
| Telephonic Case Management | Included |
| Medical Case Management (by RNs) | Included |
| Loss Control Services | \$110 per hour |
| Managed Care Services | 29% of savings from the use of CompServices' PPO Network |
| Bill Repricing | No Cost |

CompServices, Inc. would take over existing open claim files at no extra cost. Our administrative fee could be billed to the City in monthly or quarterly statements.

CSI agrees to be responsible for malpractice insurance, ensure levels of adequate staffing for the program as well as maintain all supplies and resources necessary for the functionality of our operations.

Pricing Proposal

In accordance with the attached Comptroller Report dated August 2012 and correspondence from Fairview Insurance regarding their supervision and verification process of this Third Party Administration/Managed Care Organization Workers Compensation Program, our proposed pricing for Third Party Administrator is:

- 2013-2014 Annual fee for Third Party Claims Administration of all Workers Compensation, General Liability, Auto, Property & Casualty Claims - **\$204,825.00**
 - One- time fee for takeover of all open claims - **\$41,875.00**
 - 2013-2014 Annual fee for Verification Process service to be provided Fairview Insurance Agency Associates, Inc. - **\$48,000.00**
-
- Claims will be handled on a ***life of claim*** basis.
 - Subrogation Fee: 20% of the Recovery. There is no fee to D&H if D&H is unsuccessful in the recovery.
 - This fee is not inclusive of industry recognized allocated loss expenses including, but not limited to:
 - a. Legal, physician, IME's, expert, witness and other professional fees;
 - b. Official reports, such as police reports, birth or death certificates, medical records and photocopy fees;
 - c. Transportation, medical bill auditing, evaluative review
 - d. Surveillance, investigative and witness fees.

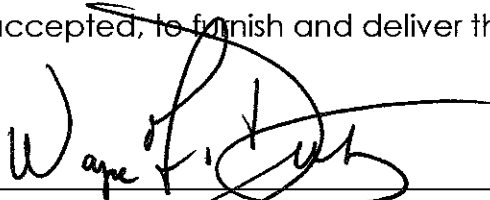
Loss Control Services

Set Hourly Rate for 2013-2014: **\$110/hr.**

We look forward to discussing this with your further.

PROPOSAL

The undersigned respondent declares that he/she has read the Notice of Request for Proposal, Instructions to Respondents, Affidavits and Scope of Services, Requirements, Evaluation Criteria attached, that he/she has determined the conditions affecting the proposal agrees, if this proposal is accepted, to finish and deliver the following:



(ORIGINAL SIGNATURE BY AUTHORIZED REPRESENTATIVE)

The undersigned is a Corporation, Partnership or Individual under the laws of the State of

New Jersey having its principal office

at 93 Spring Street, 2nd Floor Newton, NJ 07860

COMPANY D&H Alternative Risk Solutions, Inc.

ADDRESS Mailing: P.O. Box 68 Newton, NJ 07860

ADDRESS Physical: 93 Spring St., 2nd Floor Newton, NJ 07860

FED. ID # 22-3445435

NAME Wayne F. Dietz

TELEPHONE (973) 940-1851

FAX (973) 940-1852

E-MAIL wdietz@risksolutions.com

DATE 9/27/2013