

# CALIFORNIA JOINT POWERS INSURANCE AUTHORITY

## THIRD-PARTY GENERAL LIABILITY CLAIMS ADMINISTRATION – PRIMARY LIABILITY PROGRAM

THIS AGREEMENT, is made and effective July 1, 2020 between the California Joint Powers Insurance Authority ("Authority"), and Carl Warren & Company ("TPA"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

### **1. Term**

This Agreement shall commence on July 1, 2020 and shall remain and continue in effect until terminated, but in no event sooner than June 30, 2023, unless sooner terminated pursuant to the provisions of this Agreement. The term can be extended through mutual agreement.

### **2. Services**

TPA shall perform the responsibilities associated with administering liability claims for the Authority's members, including but not limited to claims management, investigation, litigation management, case analysis, and claims reporting on the Primary Liability Program. TPA will also cooperate to the fullest extent in the Authority's Risk Management and Training efforts with its members as requested.

This contract and associated compensation will also include Information Technology Services, Financial Services, Support Staff, Quality Assurance, reporting, file storage, office expense and supplies and all other necessary workforce and supplies to properly serve the Authority's liability claims program's needs and that of its members.

### **3. Performance**

TPA shall at all times faithfully, competently and to the best of its ability, perform all tasks described herein. TPA shall employ, in meeting its obligations under this Agreement, at a minimum, the performance standards outlined in Exhibit A.

### **4. Work Volume**

TPA agrees that that execution of this Agreement does not guarantee that TPA will be assigned any particular number of claims by the Authority, during the contract period.

### **5. Authority Management**

Authority's Chief Executive Officer shall represent Authority in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by TPA, or change to the compensation due to TPA. Authority's Chief Executive Officer shall be authorized to act on Authority's behalf and to execute all necessary documents which enlarge the tasks to be performed or change TPA's compensation, subject to Section 5 hereof.

## 6. Payment

(a) Authority agrees to pay TPA for the services noted above, in accordance with Exhibit "B". Subsequent to the close of the fiscal year, TPA will provide a report, indicating the number of new claims (suffixes) filed. The TPA and Authority will then determine if a staffing adjustment is necessary and the correlating compensation.

For purposes of this contract, a "claim" will be considered each individual claim that is filed. For instance a claim involving one occurrence, but four claimants, will be considered four claims, given an actual claim filing by each. For claims such as wrongful death actions where several family members are named on one claim form, same will be considered one claim and should be set up accordingly.

(b) Any additional services, outside the scope of this agreement, will need to be authorized in advance and in writing by Authority's Chief Executive Officer. TPA shall be compensated for any additional services in the amounts and in the manner as agreed to by Authority's Chief Executive Officer and TPA at the time Authority's written authorization is given to TPA for the performance of said services.

(c) TPA shall submit an electronic invoice on a quarterly basis. Invoices shall be submitted on or about the first business day of each quarter, or as soon thereafter as practical, for 25% of the initial contract amount for that fiscal year. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees and will be representative of payment in full for all aspects of TPA's services for that quarter, to include but not limited to expenses such as photographs, transcription, supplies, office expense and supplies, vehicle mileage, hotel and travel expense, index bureau requests, file set up fees. Quarterly bills in subsequent years may change in amount, in accordance with Schedule "B".

## 7. Staffing

TPA agrees to provide, at a minimum, all staffing noted in Exhibit "D". Should the claims volume vary as noted in Exhibit "B", this staffing model can be revisited upon request of either TPA or the Authority. Exhibit "D" sets forth maximum caseloads for the Account Manager, Supervisors and Adjusters. The stated maximum caseload for the Account Manager is a guideline and may vary, depending upon the number of claims that exceed an indemnity reserve of \$750K. The maximum caseloads stated for Supervisors and Adjusters are firm figures that are not to be exceeded. TPA will initiate re-assignment of files to other Supervisors and Adjusters should either of these employees' caseloads exceed the maximum. TPA shall remedy Adjusters who are in excess of the stated maximum within 60 days. Financial penalties will be considered for violations lasting longer.

TPA will also consider a re-alignment of the agencies a particular Supervisor or Adjuster is responsible for, in an effort to lessen claims volume for that individual.

Relative to staff retention, TPA agrees they are not to re-assign any members of the Authority's dedicated TPA claims team until and unless there has been discussion with the Authority and an agreement to proceed.

## **8. Information Technology**

TPA shall at all times have an industry standard electronic claims management system available and authorizes the Authority to have access through a web-based portal, free of charge, for up to 20 users. TPA agrees to provide a daily download of all claim data and claim documents to an industry standard software system of the Authority's choice.

TPA warrants any information technology system it uses against malfunctions, errors or loss of data which are due solely to errors on its part or faults or failures in the system. If the Authority notifies TPA in writing of any system malfunction, error or loss of data within 30 days of its discovery of same, TPA will without any additional fee to the Authority, re-create the data and any reports designated by the Authority. In addition, any system malfunctions or failures shall be cured within 24 hours.

## **9. Quality Assurance**

TPA shall strictly adhere to the quality assurance plan attached herein as Exhibit "E". TPA shall provide reports on the results of the quality assurance efforts as noted in the plan. Those reports shall be directed to the Authority's Liability Program Manager. The TPA shall submit to an annual audit of its performance, conducted by an Auditor of Authority's choice, upon at least 30 days prior notice from Authority and for up to 12 months after the expiration of the contract.

## **10. Suspension or Termination of Agreement Without Cause**

(a) Authority may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portions hereof, by serving upon TPA at least thirty (30) days prior written notice. Upon receipt of said notice, TPA shall immediately cease all work under this Agreement, unless the notice provides otherwise. If Authority suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this section, Authority shall pay to TPA the actual value of the work performed up to the time of termination, provided that the work performed is of value to Authority. Upon termination of the Agreement pursuant to this Section, TPA will submit an invoice to Authority pursuant to Section 5.

## **11. Default of TPA**

(a) TPA's failure to comply with the provisions of this Agreement shall constitute a default. In the event that TPA is in default for cause under the terms of this Agreement, Authority shall have no obligation or duty to continue compensating TPA for any work performed after the date of default and can terminate this Agreement immediately by written notice to TPA. If such failure by TPA to make progress in the performance of work hereunder arises out of causes beyond TPA's control, and without fault or negligence of TPA, it shall not be considered a default.

(b) If Authority's Chief Executive Officer or his delegate determines that TPA is in default in the performance of any of the terms or conditions of this Agreement, he shall cause to be served upon TPA a written notice of the default. TPA shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that TPA fails to cure its default within such period of time, Authority shall have the right, notwithstanding any other provision

of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

## **12. Ownership of Documents**

(a)

(a) Notwithstanding the provisions of Section 8 of this agreement, Information Technology, all information and documents including records, reports, drafts, data and other material, whether in print, in computer readable format or otherwise, related specifically to Authority claims and operations created or used in performing TPA's obligations under this agreement, and all source documents, stored data and technical, claims and underwriting information and reports prepared by TPA or its subcontractors under this agreement solely for use by Authority are the property of Authority and will be delivered to Authority when requested and in the form required by Authority's Chief Executive Officer, but in no event later than 90 days after expiration or termination of this agreement

(b) During the term of this agreement, and for 180 days after its termination for any reason, TPA will afford Authority and its directors, officers, attorneys, accountants, consultants and other authorized representatives free and full access to the records TPA maintains under this agreement, and to such other books, records and information, including all storage media, temporary and permanent, containing data files and other information of any kind relating to Authority, within the possession, custody or control of TPA as may be reasonably related to the services TPA renders under this agreement.

(c) Within 90 days from the date on which this agreement expires or is sooner terminated, TPA will transfer to Authority or its designee in an orderly manner and in an electronic format readily imported within the industry and at TPA's sole cost and expense, all monies, records, reports, bank statements, agreements and any other documents and records kept by TPA on behalf of Authority.

(d) Except with the approval of the Authority's Chief Executive Officer, TPA will not permit Authority's data and any other information to be used for any purpose other than in connection with the provision of services to Authority or to be accessed by anyone not involved in the Authority pool operations other than information technology, finance and legal personnel requiring access to that data and other information.

## **13. Indemnification**

(a) Indemnification for Professional Liability. When the law establishes a professional standard of care for TPA's Services, to the fullest extent permitted by law, TPA shall indemnify, protect, defend and hold harmless Authority and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of TPA, its officers, agents, employees (or any entity or individual that TPA shall bear the legal liability thereof) in the performance of professional services under this agreement.

(b) Indemnification for Other than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, TPA shall indemnify, defend and hold harmless Authority, and any and all of its employees, officials and agents from and against any liability

(including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorney's fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by TPA or by any individual or entity for which TPA is legally liable, including but not limited to officers, agents, employees of TPA. Authority shall indemnify, defend and hold harmless TPA, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorney's fees and costs, court costs, interest, defense costs, and expert witness fees), where the Authority is legally liable, including but not limited to officers, agents, employees of Authority.

#### **14. Insurance**

TPA shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit "C" attached to and part of this agreement.

#### **15. Independent Contractor**

(a) TPA is and shall at all times remain as to Authority a wholly independent contractor. The personnel performing the services under this Agreement on behalf of TPA shall at all times be under TPA's exclusive direction and control. Neither Authority nor any of its officers, employees, or agents shall have control over the conduct of TPA or any of TPA's officers, employees, or agents, except as set forth in this Agreement. TPA shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of Authority.

(b) No employee benefits shall be available to TPA in connection with the performance of this Agreement. Except for the fees paid to TPA as provided in the Agreement, Authority shall not pay salaries, wages, or other compensation to TPA for performing services hereunder for Authority. Authority shall not be liable for compensation or indemnification to TPA for injury or sickness arising out of performing services hereunder.

#### **16. Legal Responsibilities**

TPA shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. TPA shall at all times observe and comply with all such laws and regulations. Authority, and its officers and employees, shall not be liable at law or in equity occasioned by failure of TPA to comply with this Section.

#### **17. Undue Influence**

TPA declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of Authority in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of Authority will receive compensation, directly or indirectly, from TPA, or from any officer, employee or agent of TPA, in connection with the award of this

Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling Authority to any and all remedies at law or in equity.

**18. No Benefit to Arise to Local Employees**

No member, officer, or employee of Authority, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Agreement during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the work performed under this Agreement.

**19. Release of Information/Conflicts of Interest**

(a) All information gained by TPA in performance of this Agreement shall be considered confidential and shall not be released by TPA without Authority's prior written authorization. TPA, its officers, employees, agents, shall not without written authorization from Authority's Chief Executive Officer or unless requested by Authority Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within Authority. Response to a subpoena or court order shall not be considered "voluntary" provided TPA gives Authority notice of such court order or subpoena.

(b) TPA shall promptly notify Authority should TPA, its officers, employees, agents, be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed there under or with respect to any project or property located within Authority. Authority retains the right, but has no obligation, to represent TPA and/or be present at any deposition, hearing, or similar proceeding. TPA agrees to cooperate fully with Authority and to provide the opportunity to review any response to discovery requests provided by TPA. However, Authority's right to review any such response does not imply or mean the right by Authority to Assurance, direct, or rewrite said response.

**20. Notices**

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To Authority: California Joint Powers Insurance Authority  
8081 Moody St.  
La Palma, CA 90623  
Attention: Custodian of Records

To TPA: Carl Warren & Company  
17862 17<sup>th</sup> St., Ste 111  
Tustin, CA 92780  
Attention: Chief Executive Officer

**21. Assignment**

TPA shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of Authority.

**22. Licenses**

At all times during the term of this Agreement, TPA shall have in full force and effect, all licenses required of it by law for the performance of the services described in this Agreement.

**23. Governing Law**

Authority and TPA understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with jurisdiction over Authority.

**24. Entire Agreement**

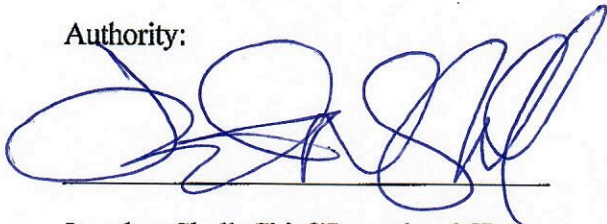
This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

**25. Authority to Execute This Agreement**

The person executing this Agreement on behalf of TPA warrants and represents that he/she has the authority to execute this Agreement on behalf of TPA and has the authority to bind TPA to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

Authority:



Jonathan Shull, Chief Executive Officer  
CALIFORNIA JPIA

TPA:



Gordon Pennington, President ~~California JPIA~~  
Carl Warren & Company



EXHIBIT "A"

PERFORMANCE STANDARDS

The California JPIA supports industry best practices for its liability claims third-party administrator. The following standards detail performance expectations in providing excellent customer service to the Authority and its member agencies.

**Communication**

For reporting claims and significant incidents, the TPA shall maintain:

- An 800 telephone number
- A facsimile telephone number
- A designated email address
- A 24-hour emergency telephone number

In response to Authority and member communications, the TPA shall:

- Return telephone calls within one business day
- Respond to written correspondence within two business days
- Respond to emails within one business day
- Respond to calls to the 24-hour emergency number within 30 minutes

**Account Management**

The TPA will have a dedicated Account Manager responsible for all day to day oversight of the account, TPA Supervisors and Adjusters. This individual will be the lead contact person for the Liability Program Manager. The Account Manager will be responsible for:

- Ensuring adherence to the performance standards set forth herein.
- Attending Monthly Executive Committee Meetings
- Performing Monthly Internal Auditing
- Manage TPA Claim Supervisors
- Coordinating Training for account personnel
- Oversight of the resolution of client service issues and complaints
- Management of all litigated cases with indemnity reserve \$750K and above

All other duties as indicated in the Account Manager for California JPIA Job Description (attached)

The TPA shall also have an Executive Level Management employee assigned to this account on a part time basis. This person shall be available to discuss higher level goals for the account such as contract renewals,

**Claim File  
Management**

compensation, major staff revisions and other large scale projects.

This individual will also be responsible for overseeing the performance of the Account Manager.

The TPA shall create and reserve a claim file within three working days of first report. Claims shall be assigned a severity index code, regardless of liability, as follows:

- Death
- Brain damage
- Substantial burns
- Substantial disfigurement
- Amputation
- Blindness
- Comatose
- Spinal cord injuries involving any degree of paralysis
- Inverse condemnation
- Libel or Slander involving litigation
- Class action lawsuit
- Civil Rights Actions
- Employment Practices Liability
- Dislocation Fractures

The TPA shall maintain a diary system to ensure case review within the first 30 days of file creation, and every 90 days thereafter.

The Account Manager shall have access to and monitor the Adjusters' diary via an electronic overdue diary report, received weekly. Appropriate action shall be taken by the Account Manager to bring any offending Adjusters current.

Claim files shall include file notes; Adjuster Reports; investigation documentation in support of recommended action. Litigation Management Plans on all litigated matters, all correspondence, claim code changes, defense counsel status reports, TPA supervisory direction, and file closing reports or explanatory closing notes. All written correspondence shall be uploaded to "The Cloud", an electronic document retention database, maintained by a third party vendor. File notes narrative shall be concise and understandable..

Narrative shall reflect the claim status with a synopsis that includes but not limited to:

- Loss description
- Liability
- Damages
- Reserves
- Payments
- Potential recoveries
- Overlap with other Authority programs

### **Supervision**

All claims shall be assigned to a TPA supervisor with the following responsibilities:

- Review files and provide direction to adjusters
- Analyze key issues and recommend resources
- Maintain diaries to monitor file progress
- Recommend and approve all payments
- Reclassify claims that change in exposure
- Document TPA supervisor activities
- Manage caseload of up to 100 litigated files (suffixes)
- Ensure proper coding of Adjuster files and their own
- Ensure proper reporting of qualifying claims to excess insurance carriers
- Ensure that reserves on all claims under their supervision maintain an indemnity reserve that properly reflects the exposure and document that analysis.
- Ensure that expense reserves mirror the amount of the approved Case Budget from Defense Counsel.

### **Investigation**

The TPA shall investigate all claims for liability and damages using effective case management with cost containment measures.

- Make voice, written or electronic contact with claimant or claimant's representative within one working day of receipt of the first report.
- Make voice, written, or electronic contact with member within one working day of receipt of first report of incident.
- When warranted by damages and liability, take statements and collect documentation promptly.
- When justified, inspect alleged property damage within five working days of receipt of first report of incident from member

*Assess Liability*

The TPA shall investigate and identify the legal basis on which the claimant has a cause of action, as follows:

- Determine the legal elements the claimant must prove to recover.
- Identify the potential defenses for each liability theory.
- Determine if contribution or indemnification from other tort feorsors applies.
- Assess the contractual liability of involved parties, and determine if indemnity provisions in a contract are valid and enforceable.
- Explore applicable contracts, such as construction contracts and encroachment permits.
- Where applicable, tender the defense and indemnity to the appropriate party, and follow up on the request a minimum of every 30 days.

The TPA shall gather information to resolve or defend liability issues, as follows:

- Promptly interview the member, claimant, and independent fact witnesses. Obtain statements to support facts relevant to the claimant's theories of liability or the member's defenses. Investigate facts to determine liability.
- Preserve evidence or testimony through statements, photographs, video, diagrams, surveys etc. Conduct site inspections. Obtain police, weather or other reports to clarify the facts. Assist in determining or mitigating the exposure.
- Identify, notice, and pursue potential tort feorsors resulting from the investigation.
- If necessary, retain expert opinion to mitigate liability or enhance defenses. The TPA must weigh the cost of the expert with the potential impact on indemnity payout.

*Causation and Damages*

The TPA shall determine the extent of injury and damages early in the case, as follows:

- Obtain medical authorizations from the claimant or the claimant's attorney and contact vendors and health care providers for information.
- Determine legally allowable damages.
- Review medical documentation to determine the extent of disability, cause of injury, and whether lost work time was medically substantiated. Extensive medical information may not be needed if the first-call case settlement is nominal.
- Ascertain if the diagnosis is consistent with the trauma such as a slight impact in auto bodily injury cases. Develop the likely prognosis for each injury.

- If a health care provider re-priced medical bills in delivering claimant benefits, use the re-priced value in the claim evaluation.
- Determine the level of documentation appropriate to the injury. Obtain medical provider notes and claimant medical history, when warranted. Obtain wage verification and income tax records, when warranted.
- Develop the scope and proximate cause of property damage.
- Determine the fair market value (not replacement cost) to assess property damage. This may include a vehicle appraisal or estimates on small losses. Obtain expert opinion for unusual or complex damages.
- Review all auto claim charges, such as storage and rental.

The TPA shall deduct for unrelated, prior, or subsequent injury or damage, as follows:

- Research alternate causes for the injury or damage.
- Use the CIB system to obtain prior and subsequent loss information and identify potential tort feasons and carriers.
- Index bodily injury claims. Re-index CIB on files open longer than six months.
- Evaluate diagnostic and curative charges.
- Use independent medical examinations and medical record reviews to mitigate damages.
- Consider depreciation, salvage, betterment, and pre-existing damage to determine the fair market value of property damage.

## **Reserves**

Reserves shall reflect the best estimate of a claim's ultimate value, based on jurisdictional factors that influence the outcome. The TPA shall develop an accurate reserve by investigating factors affecting the value including:

- Liability
- Damage related issues
- Nature and extent of injury
- Permanency
- Anticipated medical treatment and cost
- Claimant's occupation and age
- Anticipated length of disability
- Lost earnings
- Property damage
- Anticipated defense costs

The TPA shall establish an initial reserve upon receipt of the claim, and maintain adequate reserves as follows:

- The TPA adjuster will review the reserve within 72 hours and adjust as necessary.
- The TPA supervisor shall review the reserves within 30 days of file creation to determine the need for subsequent reserves, and every 90 days thereafter.
- Adjust the reserves when new information changes the claim's value.
- Document file notes when setting reserves and also when changing reserve. Notify the Authority's Liability Program Manager within two business days when the total incurred value exceeds \$250,000.

**Evaluation/Settlement**

The TPA shall evaluate and pursue settlement opportunities, and utilize structured settlements and litigation alternatives when possible. The TPA shall assess coverage, liability, causation, and damages to determine the overall value. The TPA settlement authority levels are as follows:

Adjusters	Up to \$5,000
Supervisors	Up to \$25,000
Account Manager	Up to \$50,000

The TPA shall document in the file notes that settlement authority was obtained before negotiating settlements. The TPA shall obtain written authority from the Authority's Liability Program Manager should the settlement amount exceed \$50,000.

The TPA shall report all CCP 998 Offers to Compromise made by plaintiffs exceeding the settlement authority to the Authority's Liability Program Manager within two business days.

The TPA will conclude settlements by adhering to the following:

- Request settlement checks within three days of receiving a signed release. In the case of litigated cases, a signed Request for Dismissal will also be obtained.
- Mail settlement checks to the claimant or plaintiff's attorney directly within ten days of receipt of required releases.
- Close claim files within 30 days of settlement check being mailed or defense counsel's final legal billing having been provided.

**Litigation  
Management**

When the TPA receives a lawsuit, a pre-litigation review form shall be completed by the TPA Supervisor, and reviewed by the TPA Client Relation Manager within five working days of receipt. A completed

Litigation Management Plan will supplant the need for a Pre-Litigation Review form if completed within 5 days of receipt of a lawsuit.

If a settlement opportunity exists upon receipt of a lawsuit, the TPA will obtain an extension and begin efforts to settle. If the matter is non-jurisdictional, the TPA will obtain a Declaration of Non-Involvement from the member and present to the plaintiff attorney with a CC §1038 notice in an effort to dismiss the member from the litigation before incurring defense costs.

The TPA will create a litigation management plan for cases with no immediate settlement opportunities. The TPA shall recommend defense counsel, based on expertise and expected performance. Approval for counsel will be given by the Authority's Liability Program Manager.

The TPA supervisor will manage the defense counsel and monitor the case during litigation:

- Prepare a letter of Authority's direction to defense counsel within four working days of selection, outlining the case work and personnel assignment, providing brief facts and recommendations for case handling, with a copy to the member.
- Develop and document strategies with the defense counsel in Litigation Management Reports and file notes.
- Review and authorize defense attorney requests for discovery work and other activity.
- Provide a Litigation Management Plan to Liability Program Manager and member risk management contact person within 90 days of case assignment and update every 90 days thereafter.
- Maintain an Internet-accessible activities calendar with trial dates, mediations, and alternative dispute resolution hearings.
- Provide a specific notice with strategy and recommendations 90 days before trial and 45 days before an ADR setting.
- Receive a case budget from defense counsel within 30 days of assignment.
- Adjust reserve to match the budget. Monitor the budget and ensure that defense counsel is not exceeding the budget.
- Withhold payments for legal billings exceeding the case budget. The TPA will not make payments until counsel submits an amended case budget and justification for excess charges.
- The Authority's Liability Program Manager must approve all Case Budgets exceeding \$250,000 (for legal and expense only).
- The TPA will review defense counsel billings for improper charges including multiple attorneys performing the same task, attending the

same meetings, excessive charges for tasks, improper expenses or other charges the TPA deems inappropriate. The TPA will document billing adjustments with correspondence to defense counsel, and a copy to the Authority's Liability Program Manager.

**Defense Counsel Assignments**

The TPA will ensure that defense counsel performs only work that is necessary and appropriate for legal counsel. Defense counsel shall:

- Provide a written opinion within 30 days of receipt of the case that includes liability evaluation, exposure, verdict potential, settlement value and settlement versus defense strategy.
- Seek opportunities for settlement negotiations with cost-effective resolutions.
- Review and submit itemized legal bills for payment within 90 days.
- Conduct in-person meetings with the TPA every six months to review outstanding files.

**Subrogation**

The TPA shall identify and report subrogation opportunities to the Authority's Liability Program Manager. The Authority's Liability Program Manager will then assign the subrogation matter and discuss payment terms.

**Reporting**

The TPA shall report NEW severity indexed claims to the Authority the first of each month in Excel format. The Authority will then be able to review the claim documentation and reports on "The Cloud", an electronic document retention database, maintained by a third party vendor, if it so desires. The TPA will report severity claims reserved in excess of \$250,000 to the Executive Committee every six months using the adopted Excel format And will report Significant Incidents as determined by the Account Manager to the Executive Committee monthly for inclusion on the agenda to the Executive Committee.

The TPA supervisor shall submit a Litigation Management Plan to the Authority's Liability Program Manager with a copy to the member's designated risk management contact within 90 days of defense counsel assignment. Litigation events will dictate subsequent reporting but at a minimum of every 90 days unless waived by written approval from the Authority's Liability Program Manager. Certain other identified files may be exempted from this requirement by written approval of the Liability Program Manager.

The TPA shall notify excess carriers of potential excess exposures in compliance with policy documents governing coverage. Thereafter the excess carriers will be kept advised as to the status of those claims or cases with copies of claim and/or litigation reports.



The TPA will report all Medicare eligible claimants to CMS as is required by MMSEA guidelines.

As part of claim reporting, the TPA Adjusters will make Loss Prevention Recommendations where appropriate

The TPA shall maintain online access to claims information via "The Cloud", an electronic document retention database maintained by a third party vendor.

The TPA shall alert the Authority when all litigated cases are resolved, in order that the Authority may transmit an electronic "Lessons Learned" report to defense counsel for completion. This notification shall be when the case is resolved by way of settlement, dismissal, motion or trial. TPA shall not wait until all other file handling functions are complete to transmit the above noted email.

**Title:** Account Manager for CJPIA

**Band:** III - Base Pay Varies Based on Experience plus Bonus based on agreed upon goals

**Objective:**

Guarantee complete client satisfaction through the proper management, motivation and training of Supervisors that will ensure Supervisors and Adjusters are providing exceptional service that can be measured by utilizing objective, comprehensive performance metrics.

**Responsibilities:**

- Report and confer with COO and QA Director on developing, implementing and monitoring performance metrics with a focus on insuring compliance with the best practices delineated in the service agreement with customer
- Collaborate with Supervisors in developing solutions to drive “gold level” claim service
- Serve as primary liaison to Liability Program Manager on issues involving settlement negotiations requiring authority from Executive Committee of CJPIA and prepare presentations regarding same in conjunction with the Liability Program Manager.
- Authorize settlements within established authority; make recommendations to Supervisors as to negotiation strategy
- Work with Supervisors and the law firms on pre-approved list of counsel on best practices and creative resolution of files to optimize results
- Work with CJPIA members through the Risk Control Team to offer advice or guidance related to minimizing exposure and pro-actively managing risk; identify and analyze client’s loss trends
- Determine what training is required to ensure top quality service
- Work with QA Leader to develop a training program based on the above to educate supervisors and adjusters
- Monitor client satisfaction ratings and determine needed improvements; link with client who performs periodic surveys
- Interact with CJPIA Liability Program Manager and others as appropriate on client service delivery and resolution of any concerns
- Arrange for post-mortems, lessons learned and other meetings to offer guidance to team members at CWC and CJPIA for positive results in the future
- Manage and assess skills of Supervisors and their adjusters; prepare performance appraisals
- Maintain individual diary of high-exposure claims (\$750,000 and above)
- Review billings, reports and perform periodic file and billing audits
- Oversee the resolution of client service issues and complaints
- Monitors industry service and severity developments to ensure leading edge knowledge and capability
- Provide directly or through corporate resources training for clients on mycarlwarren.com, trend analysis, loss prevention training, coordination with value added services and partners
- Ensure compliance with State adjuster licensing requirements
- Completes special projects as assigned

**Requirements:**

- Minimum 10 years claim handling experience in P&C claims and/or client management, including extensive management experience

- Working knowledge of client service including, risk control and claims management
- Knowledge of Public Entity Client Group
- General understanding of P&C industry and products
- Excellent oral and written communication skills
- Excellent interpersonal skills
- Excellent analytical skills
- Excellent computer skills including spreadsheet, word processing and presentation packages and database management applications
- Must possess working knowledge of project management and training on subjects
- Knowledge of Windows-based insurance, client service database applications
- Must possess the ability to work independently and with minimal supervision
- Undergraduate degree required for new hires (preferred for existing employee-owners)
- JD helpful but not required
- Some travel required

EXHIBIT "B"

COMPENSATION

This contract for services will be for a fixed rate of pay as outlined below:

Fiscal Year 2020/2021

\$2,922,166

Fiscal Year 2021/2022

\$2,922,166

Fiscal Year 2022/2023

\$2,922,166

\*Incentive payments of 2% or 3% of total compensation can be achieved for fiscal years 2021/2022 and 2022/2023 with a cumulative annual claims audit score of 90% or above or 95% or above from the preceding year. The new compensation figure shall be effective July 1<sup>st</sup> of the following fiscal year and will be applied retroactively where necessary.

These compensation figures are based on new claims submissions from members or the Authority or any pre-claim assignments from the Authority, in the amount of 2,000 (suffixes) on both the primary and excess programs and includes the yearly administrative fees for twelve excess program members. Should additional excess program members be added or subtracted the fee will increase or decrease at a rate of \$10,000 per year, per member. Carl Warren & Company must not open any pre-claim files without express authorization from the Authority's Liability Program Manager. The submission of Incident Reports by members does not constitute a claim filing and will not be included in the yearly tabulation of new claims. Should claim volume decrease below 1,800 or exceed 2,200 (suffixes) within a given fiscal year, the Authority and Carl Warren & Co. will review the current pending claims volume and determine if a staffing adjustment is necessary and the correlating compensation adjustment, based upon an average Adjuster salary.

All payment related terms shall be found in Section 6, page 2 of the contract for services.

## EXHIBIT "C"

### INSURANCE SCHEDULE

*Prior to the beginning of and throughout the duration of the Work, TPA will maintain insurance in conformance with the requirements set forth below. TPA will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, TPA agrees to amend, supplement or endorse the existing coverage to do so. TPA acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to Authority in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to Authority.*

*TPA shall provide the following types and amounts of insurance:*

Commercial General Liability Insurance using Insurance Services Office "Commercial General Liability" policy form CG 00 01 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$2,000,000 per occurrence.

Business Auto Coverage on ISO Business Auto Coverage form CA 00 01 including symbol 1 (Any Auto) or the exact equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If TPA owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above.

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000 per accident or disease.

Excess or Umbrella Liability Insurance (Over Primary) shall provide coverage of \$4,000,000 per occurrence and in the aggregate. Any such coverage provided under an umbrella liability policy shall include a drop down provision providing primary coverage above a maximum \$25,000 self-insured retention for liability not covered by primary but covered by the umbrella. Coverage shall be provided on a "pay on behalf" basis, with defense costs payable in addition to policy limits. Policy shall contain a provision obligating insurer at the time insured's liability is determined, not requiring actual payment by the insured first. There shall be no cross liability exclusion precluding coverage for claims or suits by one insured against another. Coverage shall be applicable to Authority for injury to employees of TPA, or others involved in the Work. The scope of coverage provided is subject to approval of Authority following receipt of proof of insurance as required herein.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of TPA and "Covered Professional Services" as designated in the policy must specifically include work performed under this agreement and shall have a limit of no less than \$5,000,000 per occurrence and in the aggregate.

Cyber Liability insurance with at least a \$3,000,000 policy limit per occurrence and in the aggregate. The policy must “pay on behalf of” the insured and must include a provision establishing the insurer’s duty to defend. The policy retroactive date shall be on or before the effective date of this Agreement.

*Insurance procured pursuant to these requirements shall be written by insurers that are authorized carriers in the state of California and with an A.M. Best rating of A- or better and a minimum financial size VII.*

General conditions pertaining to provision of insurance coverage by TPA. TPA and Authority agree to the following with respect to insurance provided by TPA:

1. TPA agrees to have its insurer endorse the third-party general liability coverage required herein to include as additional insured, the Authority, its officials, employees and agents, using standard ISO endorsement No. CG 2010 with an edition prior to 1992. TPA also agrees to require all contractors, and subcontractors to do likewise.
2. No liability insurance coverage provided to comply with this Agreement shall prohibit TPA, or TPA’s employees, or agents, from waiving the right of subrogation prior to a loss. TPA agrees to waive subrogation rights against Authority regardless of the applicability of any insurance proceeds, and to require all contractors and subcontractors to do likewise.
3. All insurance coverage and limits provided by Contractor and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to Authority or its operations limits the application of such insurance coverage.
4. None of the coverage required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to Authority and approved of in writing.
5. No liability policy shall contain any provision or definition that would serve to eliminate so-called “third-party action over” claims, including any exclusion for bodily injury to an employee of the insured or of any contractor or subcontractor.
6. All coverage types and limits required are subject to approval, modification and additional requirements by Authority, as the need arises. TPA shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect Authority’s protection without Authority’s prior written consent.
7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverage required and an additional insured endorsement to TPA’s general liability policy, shall be delivered to Authority at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, Authority has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any

other agreement and to pay the premium. Any premium so paid by Authority shall be charged to and promptly paid by TPA or deducted from sums due TPA, at Authority option.

8. Certificate(s) are to reflect that the insurer will provide a 30-day notice to Authority of any cancellation of coverage. TPA agrees to require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, or that any party will "endeavor" (as opposed to being required) to comply with the requirements of the certificate.
9. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by TPA or any subcontractor, is intended to apply first and on a primary, non-contributing basis in relation to any other insurance or self-insurance available to Authority.
10. TPA agrees to ensure that subcontractors, and any other party involved with the project who is brought onto or involved in the project by TPA, provide the same minimum insurance coverage required of TPA. TPA agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. TPA agrees that upon request, all agreements with subcontractors and others engaged in the project will be submitted to Authority for review.
11. TPA agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any contractor, subcontractor, Architect, Engineer or other entity or person in any way involved in the performance of work on the project contemplated by this agreement to self-insure its obligations to Authority. If TPA's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to Authority. Deductibles or self-insured retentions shall not exceed \$75,000.
12. Authority reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving TPA ninety (90) days advance written notice of such change. If such change results in substantial additional cost to TPA, Authority will negotiate additional compensation proportional to the increased benefit to Authority.
13. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.
14. TPA acknowledges and agrees that any actual or alleged failure on the part of Authority to inform TPA of non-compliance with any insurance requirement in no way imposes any additional obligations on Authority nor does it waive any rights hereunder in this or any other regard.
15. TPA will renew the required coverage annually as long as Authority, or its employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or terminated for any reason. Termination of this obligation is not effective until Authority executes a written statement to that effect.

16. TPA shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from TPA's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to Authority within five days of the expiration of the coverage.
17. The provisions of any workers' compensation or similar act will not limit the obligations of TPA under this agreement. TPA expressly agrees not to use any statutory immunity defenses under such laws with respect to Authority, its employees, officials and agents.
18. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements or as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.
19. These insurance requirements are intended to be separate and distinct from any other provision in this agreement and are intended by the parties here to be interpreted as such.
20. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.
21. TPA agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge Authority or TPA for the cost of additional insurance coverage required by this agreement. Any such provisions are to be deleted with reference to Authority. It is not the intent of Authority to reimburse any third-party for the cost of complying with these requirements. There shall be no recourse against Authority for payment of premiums or other amounts with respect thereto.
22. TPA agrees to provide immediate notice to Authority of any claim or loss against TPA arising out of the work performed under this agreement. Authority assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve Authority.



Exhibit "D"

STAFFING REQUIREMENTS (minimum)

<u>Quantity</u>	<u>Title</u>	<u>Time</u>	<u>Maximum Caseload (suffixes)</u>
1	Executive Level Manager	Part Time	N/A
1	Account Manager	Full Time	25 (approx.)
3	Supervisors	Full Time	100
7	Adjuster	Full Time	150
1	Small Claim Adjuster	Full Time	200
1	Part Time Adjuster	Part Time	75
3	Support Staff	Full Time	N/A
-	IT Services	As Needed	N/A
-	Finance	As Needed	n/a
-	Quality Assurance	As Needed	n/a

Upon execution of this contact the TPA will formally designate the Executive Level Manager that is assigned to the Authority account.

Any employee noted above as "full time" will be deemed to be dedicated solely to the Authority account and not provide services for other CWC clients. Any employee noted as "part time" shall be dedicated on the Authority account up to 50% of their time.

Exhibit "E"



**CARL WARREN & COMPANY**  
**Claims Management and Solutions**

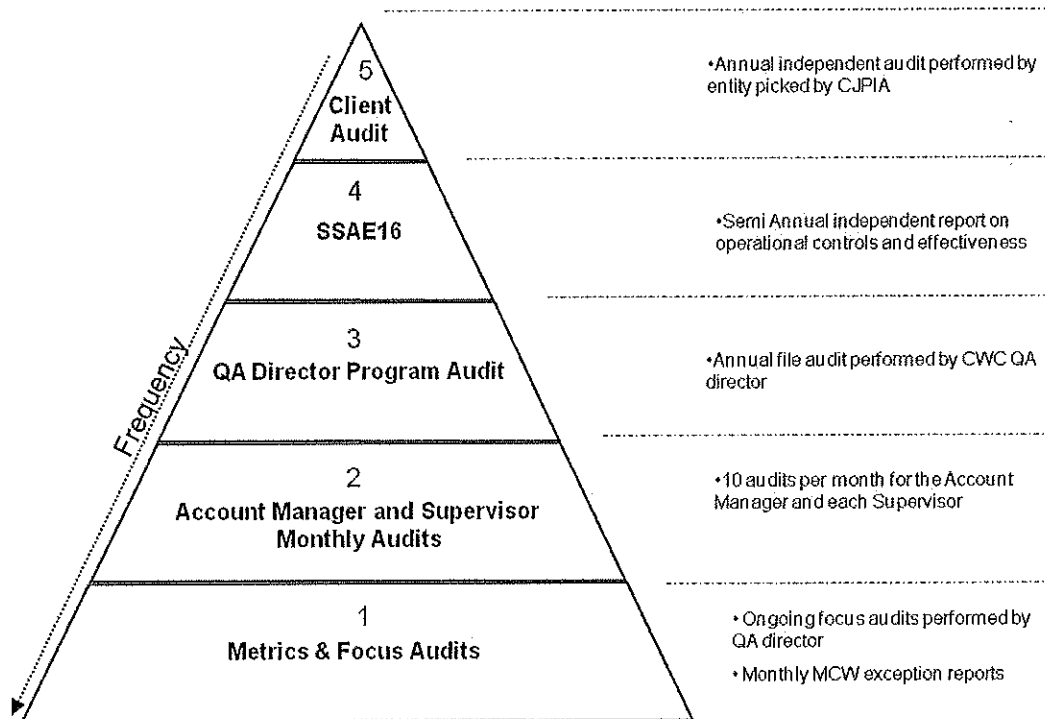
Quality Assurance Plan for CJPIA Claims

April 2014

The CJPIA Quality Assurance Program will ensure consistency, integrity and discipline in how claims handling skills, practices and results are measured. The overarching purpose of this plan is to support the goals and values of the CJPIA and Carl Warren. Carl Warren is committed to providing nothing less than Gold Level Claims Service to the California JPIA.

To ensure Gold Level Claims service, we have outlined the quality assurance process into 5 distinct levels. Each individual level has a specific purpose which is designed to support the individual area of review as well as the integrity of the entire QA program.

This document provides an outline and explanation of each of the 5 levels.



## 1. Metrics and Focus Audits

We have developed a number of controls / areas of focus. These exception type reports primarily identify metrics that fall outside of a normal operating range.

### A. Past due Diary report

The expectation is all files have an active diary on them at all times. We monitor diary compliance on all programs via My Carl Warren reports

#### Frequency

- Adjusters receive a weekly report each Monday morning of files due on dairy that week. This report always includes any diaries that are past due.
- Supervisors receive a past due report each Monday morning for their team
- The Account Manager receives a monthly report of all past due diary
- The CJPIA Liability Program Manager will receive via subscription a monthly report
- The Carl Warren QA dept audits diary compliance for the company every 60 days

**Example of Past due diary Report:**



Diary - Supervisor  
Report.xls

**B. Files without active Diary**

We have developed a My Carl Warren report that identifies files that have fallen off of diary all together.

**Frequency**

- Adjusters receive a monthly of any open files which don't have an active diary.
- Supervisors also receive a monthly report.
- The Account manager receives a monthly report.
- The CJPIA Liability Program Manager will receive via subscription on a monthly basis.
- The Carl Warren QA dept audits diary compliance for the company every 60 days

**Example of files without diary report:**



Inactive Files - No  
Open Diary.xls

**C. Inactive files – 90+ Days since last note**

This report identifies any file which hasn't been worked in 90+ days.

**Frequency:**

- Supervisors receive this report each month.
- The Account Manager also receives a monthly report.
- The CJPIA Liability Program Manager will receive via subscription a monthly report
- The Carl Warren QA dept audits this inactivity report every 90 days to determine compliance

**Example of 90 day inactive report:**



Inactive Files - Days  
Since Last Note.xls

#### **D. Inactive files – 10+ Days since creation no notes**

This report identifies any new file which hasn't been worked in 10+ days since being captured. Dwight and his supervisors receive this report on a monthly basis.

##### Frequency

- Managers receive this report each month.
- The Program manager also receives a monthly report.
- The CJPIA Liability Program Manager will receive via subscription a monthly report
- The Carl Warren QA dept audits this inactivity report every 90 days to determine compliance

##### Example of 10 days since creation report:



Inactive Files - Days  
Since Creation Date.>

#### **E. Number of File notes entered**

The Notes grid report allows CWC to measure productivity through measuring the number of notes entered by an adjuster. This metric can be compared to past timeframes to make sure adjusters are maintaining a consistent level of activity.

##### Frequency

- Supervisors will receive a file notes grid report every 90 days
- The Account Manager will receive a notes grid report every 90 days or earlier if they have an issue.
- The CJPIA Liability Program Manager will receive a report and summary on a semi-annual basis or upon request.
- The Carl Warren QA Department completes a file run at least on an annual basis.



##### Example of notes report, including summary by date:



File Notes Grid  
Report.xls

**F. The Carl Warren QA Department schedule of Focus reviews**

	2013												2014											
	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December
Focus Audit Schedule																								
Past Due Diary Review																								
File with out Diary Review **																								
Inactive files - Days Since Creation																								
Inactive files Days Since Last Note																								
MMSEA Audit																								
ISO Usage																								
Non-Standard mail code checks																								
\$7 Reserves, Cause & Loc Coding																								
Assignment X Review																								

Scheduled =   
 Completed = 

**G. Average Indemnity and Expense Metrics**

We have years of data around average indemnity and average expense payments. We will continue to monitor these metrics on at least an annual basis and provide a report to the Liability Program Manager.

**H. Closing Ratio and Cycle Time Metrics**

We also have years of data for closing ratio and cycle time metrics. We will continue to monitor these metrics on at least an annual basis and provide a report to the Liability Program Manager.

**2. Account Manager and Supervisor Quality Assurance Duties**

**A. Account Manager Duties:**

- Review litigation reports of Supervisors, ensure proper reserves are set, excess carriers have been notified where appropriate, confirm proper litigation plan is in place, coding is accurate and ensure expense budgets and payments are appropriate given the exposure of each case
- Monitor case counts of Supervisors, ensure compliance with contract maximums
- Conduct annual performance appraisals of Supervisors
- Provide responses to member concerns and report same to Liability Program Manager

**B. Supervisor Duties**

- Monitor claim counts of adjusters, assign claims accordingly
- Monitor reports A-E noted above and take immediate action to rectify poor performance

-Review claim reports of Adjusters, ensure proper reserves are set, excess carriers have been notified where appropriate, confirm and direct effective claim investigations, ensure proper reserves.

-Conduct annual performance appraisals of Adjusters

-Notify Account Manager and Liability Program Manager of emerging large exposure claims (indemnity reserve over \$100,000)

The complete listing of all job duties for the Account Manager and Claim Supervisor positions can be found within the job descriptions for those positions.

- C. The Account Manager and Supervisors are required to complete a minimum of 10 Gold Standard file reviews each month. The files are randomly selected by CWC's online internal auditing system (STARS). The reviews will be completed online and submitted therein. The Quality Assurance Director will receive a compliance report monthly and is responsible for monitoring and ensuring compliance.
- D. On a semiannual basis the QA director will compute and summarize the results of each audit into a trend based report and provide same to the Liability Program Manager

**Example of audits done using Stars Audit program:**



### **3. QA Director Program Audit**

The yearly audit will involve a best practice based audit. The QA Director and team of auditors will spend 3-4 days in the Placentia office auditing the performance of the Adjusters and Supervisors on the CJPIA program.

The audit will consist of:

- Claim file reviews using the CS Stars - CWC audit template
- Interviews of Account Manager and staff - File reviews are only part of the story, interviews are needed to gain the complete picture of the operation
- Job observation – To understand firsthand how workflows and processes used in the office

Upon completion, a copy of the report will be provided to the Liability Program Manager.

#### **4. SSAE-16**

Statement on Auditing Standards (SAS) No. 70, is an internationally recognized auditing standard that was developed by the American Institute of Certified Public Accountants (AICPA) in 1992.

SSAE16 Type II is known as "report on controls placed in operation" and "tests of operating effectiveness".

The final deliverable for the audit is commonly called the SSAE16 Service Auditor's Report, a lengthy document which contains a multitude of information regarding the service organization, its overall control structure, framework, test of controls along with adjunct and supporting documentation, such as the Independent Accountant (or Service Auditor's) Report, possible exceptions noted during testing, and any additional information provided by the service organization.

Our semiannual SAS70 is available upon request.

#### **5. Client Audit**

This is an independent audit of claims handling practices of Carl Warren in respect to the special account instructions and industry best practices. CJPIA will determine the frequency and the entity performing this audit.

The results will serve not only to evaluate our claims handling results, but as a tool to calibrate our internal audit activities.