

AMENDMENT TO THE AGREEMENT BETWEEN  
AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY  
AND  
PRAXIS CLAIMS CONSULTING  
FOR LIABILITY CLAIMS AUDITING SERVICES

**CONTRACT ASSIGNMENT AGREEMENT**

This Assignment Agreement is entered into by and between Praxis Claims Consulting (Praxis) and R.E. Powers & Company LLC, both of whom agree to be bound by this Agreement to assign the contract responsibilities of the Agreement between the Authority for California Cities Excess Liability (ACCEL) and Praxis Claims Consulting.

WHEREAS, Praxis entered into an Agreement, attached to this Agreement, with ACCEL;

WHEREAS, the Agreement with ACCEL was approved at the ACCEL June 21, 2018 Board of Directors meeting and signed by both parties to the Agreement.

WHEREAS, Praxis wishes to assign all of their rights and obligations under the Agreement with ACCEL to R.E. Powers & Company LLC.

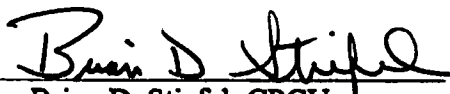
WHEREAS, ACCEL approved the assignment of R.E. Powers & Company LLC at the August 29, 2018 Special Board of Directors meeting.

NOW THEREFORE, Praxis and R.E. Powers & Company LLC agree to transfer all rights and responsibilities in the Agreement.

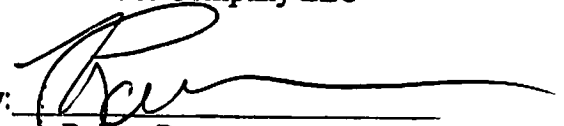
IN WITNESS WHEREOF, all Parties execute this Agreement as follows:

BY:

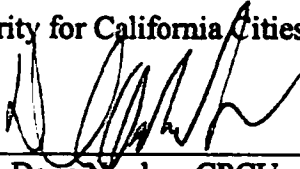
Praxis Claims Consulting

By:   
Brian D. Stiefel, CPCU  
President

R.E. Powers & Company LLC

By:   
Robert Powers  
CEO/Owner

Authority for California Cities Excess Liability

By:   
Dave Nunley, CPCU, ARM, AIC  
Board President

**2ND AMENDMENT TO THE AGREEMENT BETWEEN  
AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY  
AND  
R.E. POWERS & COMPANY LLC**

This Contract Amendment Agreement is entered into by and between the Authority for California Cities Excess Liability (ACCEL) and R.E. Powers & Company LLC, both of whom agree to be bound by this Amendment to the Claims Audit Agreement. The Agreement is amended as follows:

**Scope of Services:**

1. Exhibit A, Scope of Services, is further clarified that the audit does not include reviewing defense attorney files, the review is intended to be the "Claim File" maintained by the Claims Administrator and or Risk Management.

**Compensation:**

1. Exhibit B, Compensation, is amended to show that ACCEL will pay R.E. Powers & Company \$53,500 (which includes the \$2,500 for the in-person Board Meeting).
  - a. YEAR 1:
    - i. RE Powers & Company, LLC agrees that the Fee is reduced by \$7,500, which was paid to Praxis for work performed and accepted by R.E. Powers & Company LLC.
    - ii. The first installment will be November 1, 2018 (\$23,000).
    - iii. The second installment will be February 1, 2019, or upon receipt of the final claims audit report (\$23,000).
    - iv. R.E. Powers & Company LLC reserves the right to renegotiate the contract for the second and third year, if the workload is significantly broader than expected.
  - b. YEAR 2: ACCEL will pay R.E. Powers & Company LLC \$53,500 in two installments
    - i. The first installment of 30% will be paid after the schedule of the audit cycle is agreed, which means that the meetings with each of the Cities has been scheduled;
    - ii. The second installment of 70% will be paid upon Board acceptance of the final audit report.
  - c. YEAR 3: ACCEL will pay R.E. Powers & Company LLC \$53,500 in two installments
    - i. The first installment of 30% will be paid after the schedule of the audit cycle is agreed, which means that the meetings with each of the Cities has been scheduled;
    - ii. The second installment of 70% will be paid upon Board acceptance of the final audit report.

**Insurance:**

Exhibit B, Insurance, ACCEL revises the required limit of professional liability to \$1,000,000.

IN WITNESS WHEREOF, all Parties execute this Amendment to the Agreement:

BY:

R.E. Powers & Company LLC

By: \_\_\_\_\_

Robert Powers  
CEO/Owner

Authority for California Cities Excess Liability

By: \_\_\_\_\_

Dave Nunley, CPCU, ARM, AIC  
Board President

*THIS AGREEMENT IS GOVERNED BY THE STATE OF CALIFORNIA AND  
ALL PARTIES EXPRESSLY CONSENT TO JURISDICTION IN SUCH COURTS.*



**3RD AMENDMENT TO THE AGREEMENT BETWEEN**

**AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY  
AND  
R.E. POWERS & COMPANY LLC**

This Contract Amendment Agreement is entered into by and between the Authority for California Cities Excess Liability (ACCEL) and R.E. Powers & Company LLC, both of whom agree to be bound by this Amendment to the Claims Audit Agreement. The Agreement is amended as follows:

**Compensation:**

1. Exhibit B, Compensation, is amended to add the following Language:

For each new Member that joins ACCEL, ACCEL will pay R.E. Powers & Company the membership pro-rata share of \$53,500.

Term	12 Member Fee	Example New Member	Example 13 Member Fee
Years 2 & 3	\$53,500	\$4,458	\$57,958

All other contract language remains the same and in force.

IN WITNESS WHEREOF, all Parties execute this Amendment to the Agreement:

BY:  
R.E. Powers & Company LLC

Authority for California Cities Excess Liability

By:   
Robert Powers  
CEO/Owner

By:   
Dave Nunley, CPCU, ARM, AIC  
Board President

*THIS AGREEMENT IS GOVERNED BY THE STATE OF CALIFORNIA AND  
ALL PARTIES EXPRESSLY CONSENT TO JURISDICTION IN SUCH COURTS.*

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# **AUTHORITY for CALIFORNIA CITIES EXCESS LIABILITY**

## **PRAXIS CLAIMS CONSULTING**

### **AGREEMENT**

This agreement made this 21<sup>st</sup> day of June 2018, by and between the Authority for California Cities Excess Liability hereinafter called “**ACCEL**” and Praxis Claims Consulting, Peterborough, New Hampshire hereinafter called “**Praxis.**”

The parties hereto, intending to be legally bound, hereby agree as follows:

#### **ARTICLE I – SCOPE**

**Praxis** shall provide, and **ACCEL** shall be responsible for paying for the following described services: Liability Claims Auditing Services, as more fully described in the Praxis Proposal for auditing services dated March 22, 2018 hereinafter attached as Exhibit A for agreed Scope of Work and Exhibit B the “**Proposal.**”

Praxis shall furnish all supervision, technical and professional personnel, labor, materials, machinery, tools, equipment and other services which may be necessary to perform completely all services, to be sold pursuant to this Agreement, all in accordance with the Agreement Documents.

All services to be sold pursuant to this agreement shall satisfy completely each and every specification appearing in the **Proposal**, Exhibit A and all other requirements which may appear in this Agreement Document.

**Praxis** shall furnish all supervision, technical and professional personnel, labor, materials, machinery, tools, equipment and other services which may be necessary to perform completely all services, to be sold pursuant to this Agreement, all in strict accordance with the Agreement Documents.

As per the billing schedule documented in Praxis’ proposal, Praxis will invoice **ACCEL** in three equal portions of the total agreed annual audit cost of \$51,000. The first payment would be due once **Praxis** has begun the scheduling of the member’s audits. The second payment would be due upon completion of at least 50% of the member on-site audits, and the remaining payment would be due upon receipt of the final audit report(s). All payments will be invoiced would be payable within 15 days of **ACCEL** receiving **Praxis**’ invoice.

If **Praxis** is required to attend the Board of Directors meeting is required, Praxis would invoice a flat fee of \$2,500 to cover travel expenses and time allocated. Payable upon Praxis being notified of its required attendance, and invoicing to **ACCEL**.

## **ARTICLE II – AGREEMENT DOCUMENTS**

The Agreement Documents shall consist of the following; all incorporated herein by reference and made part of this agreement:

- A. This agreement
- B. Exhibit A - Scope of Work
- C. The signed copy of the **Praxis Proposal** dated March 22, 2018 and attached hereto as Exhibit B to this agreement.

The above Agreement Documents form the entire agreement between the parties hereto, any oral understandings or agreements to the contrary notwithstanding.

## **ARTICLE III – TIME FOR PERFORMANCE**

Each fiscal year, **Praxis** shall fully perform all of its obligations, and without limitations, of all required services outlined in the **Proposal** during the period beginning from the signing date of this Agreement. This agreement will remain in effect until the end of fiscal year 2020-2021 unless cancelled by either party with 60 days notice.

## **ARTICLE IV – CONFIDENTIALITY**

During the term of this Agreement, **Praxis** will have access to and will be acquainted with various processes and compilations of information, records and specifications, all of which are owned by **ACCEL** and or their members and are regularly used in the operation of **ACCEL's** or their member's business.

All information furnished by **ACCEL** to **Praxis**, including, without limitation, business, technical, financial, operational, administrative, marketing, economic and other information and material (whether in written or oral form or in eye, machine or electronic readable form or any other format currently in existence or hereafter to be developed and whether prepared or presented by **ACCEL** or its authorized representatives) whether or not marked as confidential, that come into **Praxis'** possession in any way, and whether or not they contain or constitute trade secrets owned by **ACCEL**, (collectively the "**Confidential Materials**") are and shall remain the exclusive property of **ACCEL**. **Praxis** agrees to hold in confidence any **Confidential Materials** and not to disclose the same to others, without **ACCEL's** prior written consent.

Any **Confidential Materials** and any copies thereof that may be in **Praxis'** possession must be destroyed/deleted within five working days of the termination of this Agreement and upon written request of **ACCEL**.

## **ARTICLE V - INDEMNIFICATION**

- a. Each Party shall indemnify, defend and hold harmless the other Party, and with respect to **ACCEL** and its constituent member municipalities, its officers, employees, directors, affiliated companies and agents from and against any and all third-party claims, actions demands and lawsuits (together "Claims") and all resulting costs, liabilities, damages and expenses including reasonable attorneys' fees (together "Liabilities") arising out of:

- i. the indemnifying Party's breach of any material term or provision of this Agreement, or violation of any representation, warranty or covenant in this Agreement;
  - ii. any act or omission by **Praxis** related to the services performed for **ACCEL**; or
  - iii. any act or omission by **ACCEL** related to the services performed by **Praxis**.
- b. The indemnified Party shall give the indemnifying Party prompt written notice of any claim covered by this section and provide reasonable assistance and cooperation (at the indemnified Party's expense). The indemnifying Party shall have the right and duty to assume the control of the defense thereof. The Indemnified Party may take part in its defense at its own expense after the indemnifying Party assumes the control thereof.

**ARTICLE VI - ASSIGNABILITY**

This agreement may not be assigned to another provider without written agreement of both parties.

**IN WITNESS WHEREOF**, the parties to this agreement have set their hands to duplicate copies on the day and year herein above written with each copy to be considered an original.

**Authority for California Cities  
Excess Liability**

**Praxis Claims Consulting**

By: \_\_\_\_\_

**Mark Howard  
ACCEL President**

By: \_\_\_\_\_

**Brian D. Stiefel, CPCU  
President**

# Exhibit A

## *Scope of Services from ACCEL RFP Liability Claims Auditing Services Dated January 2, 2018*

### III. Scope of Services

The consultant will annually audit the Claims Administrator and all twelve Member Cities in accordance with the following work plan:

- ❖ Claims Administrator:
  - Audit all open claims, and all claims closed in the past 12 months with a total incurred of more than \$1 million for compliance with ACCEL's claims administration contract requirements (See Section VII -- RFP Attachments for copy) which address: Claim Set Up and Documentation, Coverage Determinations, Investigations and Reserving, Excess Reporting, Litigation Management, and Reporting to ACCEL Board of Directors; document findings;
  - Review staffing qualifications and caseloads and note any concerns;
  - Reconcile RMS reserves with Member Cities loss data maintained by Alliant and note any discrepancies;
  - Conduct an exit interview at conclusion of audit, and document any follow-up items/Claim Administrator concerns, and forward to Alliant;
  - Summarize keys findings and recommendations in an annual written report due to ACCEL on December 15 of each year; and
  - Present key findings and recommendations to the ACCEL Board in January of each year.
  
- ❖ Member Cities: Anaheim, Bakersfield, Burbank, Modesto, Monterey, Mountain View and Santa Monica:
  - Audit 50% of each Member City's open claim files up to a maximum of 50 focusing on claim files with large reserves, and claim files with descriptions involving potentially costly losses (e.g., excessive force claims, employment claims, etc.);
  - Document findings for each claim file relative to investigation, reserving, litigation management, liability/damage evaluation, file management, timely negotiations, and excess reporting practices using ACCEL's audit form (See Attachment B).
  - Review staffing qualifications and caseloads and note any concerns;
  - Confer with Member City's legal staff to discuss reserving and/or litigation strategy, as appropriate;
  - Reconcile Member Cities loss data with loss data provided to Alliant and note any discrepancies;
  - Conduct an exit interview at conclusion of audit, and document any follow-up items/Member City concerns, and forward to Alliant;

- Summarize key findings and recommendations in an annual written report due to ACCEL on December 15 of each year; and
- Present key findings and recommendations to the ACCEL Board in January of each year.

❖ Member Cities: Ontario, Palo Alto, Santa Barbara, Santa Cruz, and Visalia:

- Audit 35% of each Member City's open claim files up to a maximum of 35 focusing on claim files with large reserves, and claim files with descriptions involving potentially costly losses (e.g., excessive force claims, employment claims, etc.);
- Document findings for each claim file relative to investigation, reserving, litigation management, liability/damage evaluation, file management, timely negotiations, and excess reporting practices using ACCEL's audit form (See Attachment B).
- Review staffing qualifications and caseloads and note any concerns;
- Confer with Member City's legal staff to discuss reserving and/or litigation strategy, as appropriate;
- Reconcile Member Cities loss data with loss data provided to Alliant and note any discrepancies;
- Conduct an exit interview at conclusion of audit, and document any follow-up items/Member City concerns, and forward to Alliant;
- Summarize key findings and recommendations in an annual written report due to ACCEL on December 15 of each year; and
- Present key findings and recommendations to the ACCEL Board in January of each year.

## Exhibit B



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36 East Mountain Road  
Peterborough, NH 03458  
Mobile: (603) 785-6001  
Toll free & Fax: (877) 785-6001  
[www.praxisclaims.com](http://www.praxisclaims.com)

March 22, 2018

Mr. Conor Boughey  
Program Administrator  
Authority for California Cities Excess Liability  
100 Pine Street, 11th Floor  
San Francisco, CA 94111

**RE: Liability Claims Auditing Services Proposal for ACCEL**

Dear Mr. Boughey:

We wish to extend our thanks to you for considering us as a potential auditing/consulting firm to provide liability claims auditing services to the Authority for California Cities Excess Liability (ACCEL).

Attached please find our proposal in response to your published RFP of January 2, 2018. Hopefully you will find this proposal formatted in compliance with your RFP. We have incorporated the RFP Section IV Proposal Content requirements shown in *blue* throughout this proposal. Praxis confirms that as of the date of this proposal there was no addenda issued by ACCEL other than the answers to questions asked, per Section II, H of the RFP.

This proposal shall remain valid for a period of 90 days from the due date of February 23, 2018.

Again we would like to thank you for the opportunity that you've given us, and I look forward to speaking with you should we make it to that phase of the selection process.

Very truly yours,

A handwritten signature in cursive script that reads "Brian D. Stiefel".

Brian D. Stiefel, CPCU  
President  
Praxis Claims Consulting  
[Brian@PraxisClaims.com](mailto:Brian@PraxisClaims.com)

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Consultant Information & Signatory Page.....Exhibit 1

Copy of a recent liability claims audit .....Exhibit 2

***Consultant Identification:*** Identify firm name, address of principal place of business, and the name, title, email address and telephone number of contact person for this RFP

Praxis Claims Consulting  
36 East Mountain Road  
Peterborough, NH 03458  
[www.praxisclaims.com](http://www.praxisclaims.com)

Contact Person: Brian D. Stiefel  
603-785-6001  
[Brian@Praxisclaims.com](mailto:Brian@Praxisclaims.com)

***Relevant Experience:*** Describe your firm’s experience with providing the “Scope of Services” requested in this RFP; emphasize experience with entities similar to ACCEL. Provide a copy of a recent liability claims audit completed by your firm. (See Exhibit 2)

Praxis Claims Consulting (“Praxis”) was established in New Hampshire in August 2006 as a limited liability company (“LLC”) and later became a C-corporation also domiciled in New Hampshire in 2009.

Our claims technical consultants average over 35 years experience in public official & police liability, general liability, auto liability, property, professional and medical liability, as well as workers compensation. We have all achieved insurance-specific and/or legal professional designations and have dealt with all aspects and disciplines within the industry. This breadth of experience allows us to approach each assignment with a balanced, learned and global approach.

Our core business is providing claim audits and consulting services on behalf of public entities, risk pools, risk retention groups as well as insurers, domestic reinsurers, captives, insurance cooperatives, fronting companies and UK-based reinsurers as well as Lloyd’s Underwriters.

Our auditing clients include:

- California State Assoc. of Counties Excess Ins. Authority (CSAC-EIA) - Performing several audits for CSAC members annually since 2015. Contracted through 2020.
- Government Entities Mutual (GEM) - 2017 & 2018
- American Public Entity Excess Pool (APEEP) - Conducted audits annually 2014-2017
- Colorado Intergovernmental Risk Sharing Agency (CIRSA) - Annually since 2015
- Housing Authority Insurance Group (HAIG) - Annually since 2012
- Oklahoma Municipal Assurance Group (OMAG) - June 2017
- North Carolina League of Municipalities (NLCM) - April 2017
- Vermont League of Cities & Towns (VLCT) - 2014 and 2017
- Washington Schools Risk Management Pool (WSRMP) - 2012, 2015 & 2018
- Central Ohio Risk Sharing Authority (CORSA) - 2013 & 2016
- Housing Authorities Risk Retention Pool (HARRP) - 2011, 2014 & 2017
- Washington State Transportation Insurance Pool (WSTIP) - 2011 & 2014
- Washington Cities Insurance Authority (WCIA) - 2014 & 2017

- Ohio Transit Risk Pool (OTRP) - 2011, 2014 & 2017
- Southwest Washington Risk Management Insurance Cooperative (SWRMIC) - 2010 & 2016

**Praxis' Line of Business Expertise:**

- General Liability
- Auto Liability
- Public Officials & Police Liability
- School Districts & Social Services Programs
- Auto Physical Damage
- Crime/Bond
- Boiler & Machinery
- Builders' Risk
- Habitational
- Employment Related Practices
- Sewer Liability
- Attorney's E&O
- Garage Keepers Liability
- Inland Marine
- Fidelity & Crime
- Medical Malpractice
- Professional Liability
- Commercial and Personal Lines Property Exposures
- Workers Compensation

**The above list is not all inclusive of our expertise, but rather is meant to represent the core of our auditing clients' business.**

***Project Team:** Identify all personnel to be assigned to the project and designate the individual who will serve as project manager. Describe the qualifications of each project team member, including their job titles, experience, professional qualifications, and certifications. Include a professional resume for each team member.*

Brian Stiefel, CPCU and Timothy Vincent will be the Praxis consultants utilized for this project.

**Brian will serve as the Project Manager.**

**Brian D. Stiefel, CPCU**, has over 38 years' experience in the claims industry and has held various positions with insurers including vice president of claims. Brian has conducted audits and/or provided oversight for several GL, auto liability, property and workers compensation programs including school districts, public entities, housing authorities, and public transportation. Brian has also conducted auto and general liability as well as property audits for both domestic and international clients providing general and professional liability, auto and commercial property cover in the United States.

Through his duties, Brian maintains front line claims handling experience and has been retained by an Ireland-based reinsurer, Imagine Re, to provide sole management and oversight of all of their runoff business in the U.S. He attends trials and settlement conferences with full policy limits authority to settle or proceed to judgment.

Most recently, Brian has been retained by GEM Re to manage the excess reporting process of their members. Brian has led and/or conducted audits for the California State Association of Counties - Excess Insurance Authority (CSAC-EIA), the City of San Diego, Washington Schools Risk Management Pool (WSRMP), County Risk Sharing Authority (CORSA), Ohio Transit Risk Pool (OTRP), North Carolina League of Municipalities (NCLM), Colorado Intergovernmental Risk Sharing Agency (CIRSA), Washington State Transportation Insurance Pool (WSTIP), Central Ohio Risk Sharing Authority (CORSA), Washington Cities Insurance Authority (WCIA), Housing Authority Insurance Group (HAIG), and the Vermont League of Cities & Towns (VLCT). Brian has the experience and background to exceed expectations in completing this project.

He is a member of AGRiP and has conducted webinar training for the Essentials in Risk Pool Management Course sponsored by AGRiP. This program was part of the requirement to obtain the Associate in Risk Pool Management (ARPM) designation. He conducted the claims auditing portion of this training for the initial three years.

Brian has many years' experience in the handling and auditing of claims generated by cities and towns, transportation districts, housing authorities, school districts, and other public entities in the Property/Casualty lines of business.

**Timothy Vincent** has over 19 years' experience in the claims industry and has held various positions with increasing levels of responsibility. Tim is the lead workers' compensation auditor for Praxis. He has conducted audits and/or provided oversight for several workers' compensation, general liability, auto liability, and property programs including school districts, public entities, housing authorities, and public transportation.

Tim was responsible for directing and coordinating all aspects of a multi-line risk pool that provided workers' compensation and property/casualty coverage for municipal school districts in the State of Vermont. He was entrusted with the overall management of the program including the functions of underwriting, marketing, claims, risk management, and facilitation of reinsurance placement.

He provides TPA oversight for long-term engagements providing weekly status reports and recommendations for handling. He also provides training to new supervisors/managers as to developing processes for supervising staff and implementing control policies for claims oversight.

Tim has a Professional Certificate in Leadership and Management from the University of Vermont. He is also a CPCU designation candidate completing 5 of the 8 courses.

Tim has the experience and background to exceed expectations in completing this project.

CVs are attached for both Brian and Tim.

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## Brian D. Stiefel, CPCU

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### EXPERIENCE:

**Praxis Claims Consulting  
President**

**8/06-present**

Brian formed Praxis in 2006 to provide commercial and personal lines claims auditing and consulting services to his clients who include insurers, re-insurers, Lloyd's syndicates, captives, fronting companies, public entities, RRGs, and law firms. Praxis also provides program & TPA oversight, expert witness services, TPA/MGA due diligence, bodily injury evaluation training, runoff management, litigation management reviews and training.

**Syndicated Services Co., Inc.  
Vice President, Claims**

**12/98-12/07**

Specializing in claims audits for insurers, reinsurers, risk retention groups, fronting companies and Lloyd's Underwriters. Conducted audits for GL, WC, auto and property lines of business for school districts, public entities, habitational, professional sports, construction defect, professional liability and commercial auto lines of business.

**Acadia Insurance Company  
Assistant Vice President, Claims**

**4/94-12/98**

Executed the startup of the Vermont and Massachusetts claim operations. These positions included the planning, staffing, hiring, training, budgeting, marketing and policy setting for Acadia claims handling in Vermont, Massachusetts and New York.

**The Netherlands Insurance Company  
Regional Claim Manager**

**11/90-4/94**

Responsible for the property, casualty and worker's comp claims operations in northern New England and New York. Position included the management of a 54-person office and field staff, reporting to the vice-president of field operations.

**American International Group  
Marketing Manager**

**03/90-11/90**

Managed the northeast territory. Responsible for the placement of legal, subrogation, recovery and salvage services to self-insured corporations and insurance companies.

**Allstate Insurance Company  
Claim Manager**

**09/78-12/89**

Managed claims operations in the states of Massachusetts, NH and established the Vermont claims office for Allstate in 1988.

### EDUCATION:

**Trinity College, Burlington, VT**  
**Framingham State College, Framingham, MA**  
**Insurance Institute of America**

Psychology  
Business Administration  
CPCU designation &  
INS series completed

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## Timothy Vincent

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### EXPERIENCE:

#### **Vermont School Boards Insurance Trust**

**09/09-Present**

##### **Program Manager – 04/17-Present**

Responsible for the oversight and operations of a multi-line risk pool for K-12 public schools in the State of Vermont.

##### **Manager of Risk Services - 10/11-04/17**

Responsible for the day to day operations of a multi-line insurance trust for schools. This includes supervising and directing the claims operations as well as the risk management initiatives.

##### **Assistant Program Manager - 09/09-10/11**

Managed relationship with claims TPA and instituted claims procedure manual. Performed claims audits twice a year for both workers' compensation and property casualty lines. Involved with coordinating relationships with members, service providers, and regulatory agencies.

#### **Alternative Service Concepts**

**07/04-09/09**

##### **Multi-line Claims Adjuster**

Adjudicated workers' compensation and property casualty claims for a TPA that contracted with a risk pool.

#### **State Of Vermont Risk Management Division**

**07/02-07/04**

##### **Claims Adjuster**

Adjudicated workers' compensation claims for State of Vermont employees.

#### **State Of Vermont Disability Determination Services**

**07/01-07/02**

##### **Disability Examiner**

Adjudicated social security and Medicaid disability claims.

#### **Liberty Mutual Insurance Company**

**10/00-07/01**

##### **Disability Specialist**

Adjudicated short term and long term disability claims.

### EDUCATION:

#### **Quinnipiac University, Hamden, CT**

Bachelor of Arts in Psychology

#### **University of Vermont**

Certificate in Leadership and Management

#### **The Institutes**

CPCU Candidate, 5 of 8 courses completed

## Praxis' Approach/Philosophy

**Approach:** Describe your firm's approach/philosophy to the following:

- Claims auditing for an excess pool (e.g., what techniques does your firm rely on to ensure you capture the key audit information that ACCEL needs to effectively manage its pool, etc.);
- Reserving claims in an excess pool; and
- Carrying out the work plan set out in this RFP.

Praxis' audit and review approach is designed to provide a consistent way to review and measure the performance of claims activities. The approach is a results-oriented process that measures performance on a case-by-case basis.

In order to be effective the audits must be:

- Periodic
- Consistent
- Measurable against promulgated performance standards
- Identify potential problem areas
- Recommendations should be specific and attainable
- Culminate in action plans
- Include scheduled follow-up focusing on any opportunities identified

The ultimate goal of this process is to improve quality, assure statutory compliance, stimulate the improvement of individual adjuster skills, as well as benchmark performance.

The audit process that Praxis utilizes is broken down into four phases:

- 1) Pre-Audit Preparation
- 2) On-site Audit
- 4) Report Generation
- 5) Exception Follow Up

**Pre-Audit Preparation** – Prior to the audit, Praxis will request Excel loss runs and any other information needed to begin the file selection process. Praxis will employ the requirements of the RFP when selecting files, e.g., open claim files focusing on claim files with large reserves, and claim files with descriptions involving potentially costly losses.

In order to populate our auditing database and create the individual file review worksheets, we would request an Excel spreadsheet loss run with each claim occupying only one line of the spreadsheet. We would request that the loss run include all open claims.

Data elements should include at least the following information:

- Insured/member name
- Claimant name

- Date of loss
- Date of report
- Line of business if needed
- Claim number
- Policy or certificate number if any
- Policy effective date if any
- Policy expiration date if any
- Description of loss narrative
- Suit status - Y or N
- Name or initials of the handling adjuster
- Paid loss amount
- Outstanding loss reserve
- Paid expense amount
- Outstanding expense reserve
- Recovery amounts if any

We will also ask for the following information to assist us in the review of the claim files, and to serve as reference material during the audit.

- Current claims organizational chart for the member or the TPA; in *.doc format*
- Access to the claim system including all adjuster and supervisor diary dates and notes, supervisor activity or instruction notes, adjuster activity notes, financial transactions with reserve and paid history, as well as current reserve and paid positions for each claim file reviewed. Access will also be needed to all attached documents.
- List of management and adjuster claim authorities for loss and expenses in; in *doc format*
- Copies of policy forms and endorsements regarding this particular program for reference during the claims audit; in *any electronic format*
- Confirmation that the claims handlers utilize ACCEL's claim handling procedures
- Copy of claim service instructions issued to the claims staff, i.e., any quality review, claim manager reviews, new loss assignments, management dual diary and specific account instructions; in *any electronic format*
- Copy of any written protocol that have been established regarding check draft security; in *any format*
- List of all files reportable to re-insurers; in *any format*
- Claim staff bios, management and adjusters only; in *any format*
- List of approved defense attorneys, adjusters, experts, etc.; in *any format*
- Access to re-insurance agreements that would involve the subject claim files; in *any format*

Once the claim files have been selected, Praxis will import the data from the Excel loss run(s) into our database which will allow the generation of individual worksheets for each file to be reviewed.

The database will also produce a master list of claims for all lines of business combined and will be used as an inventory reference during the audit. The use of our proprietary database will

accelerate the review process as the administrative information from the supplied loss runs will have been exported from our database to each worksheet for each claim file to be reviewed.

The proposed file selection for these audits will be in compliance with the RFP and, if needed, will be approved by ACCEL before commencement. Also if needed a pre-audit conference call will be held to discuss any concerns or conditions specific to a particular member or the TPA that we may need know in order to aid in the review and analysis of the claim files.

Praxis will review the applicable policy documents, statutes, immunities, reinsurance agreements, and ACCEL claims procedures prior to the commencement of the file reviews.

***On-site Audit*** – Praxis will capture all pertinent information from each file reviewed. This will be recorded on individual worksheets which will be input into Praxis' proprietary database. Once the claim file review is completed, various analysis reports as well as completed review sheets will be generated for each claim file reviewed. This process accelerates our ability to analyze trends and guide us on our on-site portion of the audit. Each case will have documented specifics as to the quality of the handling as compared to industry standards, existing claim manuals, and the criteria published in the RFP.

As published in the RFP the following will be assessed including, but not limited to:

*Claims handling manuals, file notes, reserve practices, payments/settlements, claims supervision, quality of investigation, litigation management, diaries, internal controls relating to adjuster authority levels, documentation, cost containment programs, excess or reinsurance reporting procedures, third party recovery, settlement practices, and subrogation practices.*

**Four of Praxis' larger clients are reinsurers. Praxis has extensive experience in the reserving of both primary files and recommending the excess of reserves that should be carried.** Praxis' basic reserving philosophy is to reserve all cases for most likely outcome as early as possible. This includes both loss and expense reserving.

***Report Generation*** – All reserve and paid transactions will be captured along with Praxis' specific reserve recommendations and will be presented to ACCEL. Loss runs will be reviewed to confirm the consistence of data sans any timing differences.

If needed, the draft audit narrative report will first be sent to ACCEL for review before distribution to the member. The year-end report (prior to December 15) will be generated to ACCEL that includes all members' audit results.

***Value Added:*** *Identify any additional services that your firm provides free-of-charge that set you apart from your competitors (e.g., training, publications, etc.).*

***Exception Follow-up*** – For any claim file that has been designated with a significant exception, Praxis, at the request of ACCEL, will re-view the file at the 90-day time frame to ensure that all concerns are or have been addressed. This would be done remotely either through system access, received documentation, and/or discussion with the individual claim handlers and/or manager. **This is a service that Praxis will provide to ACCEL without charge.**

Additional services offered by Praxis are varied and diverse. We conduct individually focused reserve/collateral reviews; “best practices” reviews, analysis of existing litigation management programs, workflow analysis, TPA due diligence reviews, runoff management, and TPA contract review and preparation assistance.

Praxis has also established classroom-oriented training programs specific to litigation management and claim reserving.

On many occasions, we have been utilized by our clients to act as their eyes and ears at trials, and have also attended mediations and settlement conferences, often with client granted settlement authority.

All of the above can be offered on a time and expense basis.

***Disclosure:*** *Disclose all conflicts of interest, apparent or real, that would prohibit or affect your firm's ability to carry out the services requested in this RFP.*

No conflicts of interest, apparent or real, exist that would prohibit or affect Praxis' ability to carry out the services requested in this RFP.

*No officer, member or employee of ACCEL and no member of its governing bodies shall have any financial interest, direct or indirect, in this contract or the proceeds thereof. No consultant or member of the consultant's family shall serve on a ACCEL board, committee, or hold any such position which either by rule, practice or action nominates, recommends, or supervises the consultant's operation or authorizes funding to the consultant.*

Praxis hereby states that it has no connection with and operates independently of ACCEL Insurance Group and its TPAs and/or any of the vendors being audited.

***Insurance:*** *Prior to commencement of contract, consultant shall provide a certificate of insurance with evidence of the following insurance coverages placed with insurers with a current A.M. Best rating of no less than A:VII, unless otherwise acceptable to ACCEL.*

If selected Praxis will provide a certificate of insurance evidencing Professional Liability coverage of \$1,000,000 per occurrence, a Business Owners policy providing General Liability coverage of \$2,000,000 per occurrence, and a combined Auto Liability limit of \$1,000,000, as well as Workers Compensation insurance coverage.

**References:** *Provide the names and telephone numbers of three public entities/companies that your firm currently provides services similar to those requested in this RFP and one public entity/company client your firm has lost in the past two years.*

Conducting the on-site file review is only one-half of the overall audit process. The completion and delivery of the final analysis and report in a time frame that would allow you to act/react while the findings are current is crucial.

It is expected that during the reference checking phase of the auditor selection process, ACCEL will discover that our references will consistently confirm that Praxis delivers a superior final product to its clients within 15 business days of the final audit wrap-up date. Praxis feels that this far outperforms the competition and it should bear out when ACCEL compares Praxis against the competition.

Praxis has never missed any promised on-site audit dates or audit report due dates. Praxis manages its relationships with existing clients through constant communication and soliciting of feedback for all assignments performed.

#### **California State Association of Counties – Excess Insurance Authority (CSAC-EIA)**

Praxis Claims Consulting has been retained by CSAC-EIA for a second three-year term through 2020 to perform annual claims audits of TPAs and various cities and counties claim staff that are members of CSAC-EIA. Praxis reports to Ms. Heather Fregeau, AIC-M, ARM, Liability Claims Manager. Praxis has reviewed general liability, employment-related practices, and other related liability exposures specific to public entities throughout California.

Contact: Heather Fregeau, AIC-M, ARM  
Liability Claims Manager  
(916) 850-7300 x7329  
[Hfregeau@csac-eia.org](mailto:Hfregeau@csac-eia.org)

#### **Government Entities Mutual Inc., PCC (GEM)**

Praxis performed an audit of GEM's P&C and WC files in 2017. Praxis is currently performing an ongoing assignment for GEM. Praxis has also audited GEM's members.

Contact: Andrew Halsall, President and CEO  
Government Entities Mutual  
116 South River Road, Building D, Unit 4, Bedford, NH 03110  
Domiciliary Office: 1444 I Street, NW, Suite 950, Washington, DC 20005  
(603) 341-3534  
[andrew.halsall@gemre.com](mailto:andrew.halsall@gemre.com)

### **American Public Entity Excess Pool (APEEP)**

Praxis Claims Consulting was retained by the APEEP board of directors to conduct a Performance and Operations Review for Claims Administration and Litigation Management. Praxis reviewed general liability and auto liability claim files at York, APEEP's contracted claims administrator. Praxis conducted all audits of a three-year contract beginning in July 2014.

Contact: Chris P. Dondzila  
Branch Claims Manager  
(248) 671-1727  
[Chris.Dondzila@yorkrsg.com](mailto:Chris.Dondzila@yorkrsg.com)

### **Colorado Intergovernmental Risk Sharing Agency (CIRSA)**

In 2015, 2016, 2017, & 2018, Praxis performed a liability and WC claims audit for CIRSA at their offices in Denver, Colorado. Praxis has been retained through 2020.

Contact: Tami Tanoue  
General Counsel  
(303) 757-5475  
[Tami@cirsa.org](mailto:Tami@cirsa.org)

### **North Carolina League of Municipalities (NCLM)**

Praxis audited 100 files involving general liability, professional liability, auto liability, first party property and workers compensation in April 2017.

Contact: Ken Canning, CPCU, AU  
Assoc. Executive Director of Risk Management Services  
NC League of Municipalities  
308 West Jones Street  
Raleigh, NC 27603  
(919) 715-2900  
[kcanning@nclm.org](mailto:kcanning@nclm.org)

### **Washington Cities Insurance Authority (WCIA)**

In July 2014 and December of 2016, Praxis reviewed claim files at the offices of WCIA. Files reviewed consisted of members' general liability claims, along with police civil rights liability claims, land use liability claims, employment claims, E&O claims and auto physical damage claims.

Contact: Reed Hardesty  
WCIA Claims Manager  
(206) 687-7902  
[ReedH@wciapool.org](mailto:ReedH@wciapool.org)

## **Housing Authority Insurance Group (HAIG)**

Praxis conducted audits of property and casualty claims that generate exposure to this client. Praxis has a three-year contract with HAI Group with the first audit conducted in October 2012 and again in October 2013 and 2014. HAIG renewed for another three years through 2017.

Contact: Stefanie C. Warner, AIC PHM  
Claims Director  
(203) 272-8220 ext. 257  
[SWarner@housingcenter.com](mailto:SWarner@housingcenter.com)

## **Ohio Transit Risk Pool (OTRP)**

In 2011, 2014 and 2017, Praxis completed audits of auto, GL, employment-related practices and property files for the Ohio Transit Risk Pool. In 2012 Praxis was asked to conduct litigation management and reserve evaluation training for the employees of the OTRP and neighboring Ohio risk pools.

Contact: Barbara Rhoades, AIC  
Chief Executive Officer  
(330) 334-6877  
[BarbaraR@otrp.org](mailto:BarbaraR@otrp.org)

## **Prior Client**

### **City of San Diego**

Praxis Claims Consulting performed a claims audit of liability files involving the exposure inherent to the management and governing this large city.

Contact: Claudia Castillo del Muro  
Program Manager  
City of San Diego  
Risk Management Department  
(619) 236-6784  
[CCDelMuro@sandiego.gov](mailto:CCDelMuro@sandiego.gov)

The proposed size and scope for this audit is based on the RFP stated percentages of open files, and answers to submitted questions.

**Based on the table provided in the RFP, Praxis proposes that approximately 526 files be reviewed.**

Member City	Open Claims	Number to be audited	Risk Management Information System
Anaheim	200	50	Systema/SIMS
Bakersfield	206	50	TPA-Claims Connect
Burbank	215	50	iVos
Modesto	214	50	JDI's Claims Manager
Monterey	26	13	Trackability
Mountain View	32	16	Systema/SIMS
Ontario	89	31	TPA-MyCarlWarren
Palo Alto	70	25	TPA-Systema/SIMS
Santa Barbara	91	32	Microsoft Office Programs
Santa Cruz	61	22	Ventiv Risk Console
Santa Monica	315	50	Origami
Visalia	48	17	Microsoft/Excel
Claim Administrator	120	120	MicroNiche
<b>Total files to be audited</b>		<b>526</b>	

*Compensation: Identify all costs associated with completing the work plan set out in this RFP:*

Proposed annual cost	Year 1	Year 2	Year 3
Audit Preparation	41,500	41,500	41,500
Travel	9,500	9,500	9,500
Total	51,000	51,000	51,000

The above fees are inclusive of all costs associated with the review of 526 +/- files in all locations. It is expected that the audits can be completed by two consultants in three or four separate trips to California. As the audits are scheduled, Praxis will notify ACCEL so that any potential conflicts in time can be resolved. Once Praxis has begun the scheduling of audits we would request that ACCEL consider the following payment schedule to be dispersed in three equal payments: The first payment would be due when audits have been scheduled. The second payment would be due upon completion of at least 50% of the member on-site audits, and the remaining payment upon receipt of the final audit report(s).

Pricing for this project includes the following:

- Initial audit database preparation, including the generation of audit review sheets and inventory lists from the database.
- Creating of any correspondence needed to secure needed loss runs, manuals, exhibits, reports, etc. from ACCEL's members or TPAs.
- Claim audit file selection based on ACCEL's selection criteria.

- Travel and all related expenses to and from California.
- Wrap up/exit meetings with each member management as needed.
- On-site review of 526 claim files, staff and procedure.
- Database input of worksheets throughout the duration of the project.
- Draft audit report creation, changes and final version completion.
- Reserve matrix report creation (compares existing reserves to recommended).
- 90 day follow-up on any major exceptions noted during the audit if needed.
- Electronic delivery of the audit reports and supporting exhibits.

If a separate trip to present to the Board of Directors is required, Praxis would invoice a **flat fee of \$2,500** to cover travel expenses and time allocated.

Should you have any questions regarding this proposal, please feel free to contact us.

Regards,



Brian D. Stiefel, CPCU  
President  
Praxis Claims Consulting  
(603) 785-6001  
[Brian@PraxisClaims.com](mailto:Brian@PraxisClaims.com)