



Response to Request for Proposal for Property & Casualty/Risk  
Management Brokerage/Consulting Services  
**Tipton Community School Corporation**

February 18, 2022

Submitted by:

Mark E. Gary, CSRM  
Senior Consultant

USI Insurance Services  
601 South High Street, Suite 122  
Muncie, IN 47305  
Phone: 765.221.2909  
Email: mark.gary@usi.com

[www.usi.com](http://www.usi.com)



THE USI  ONE ADVANTAGE<sup>®</sup>





## *Agency Questionnaire*



**Agency Questionnaire – (Please respond to the questions in the RFQ in the same order as listed below)**

1. Provide a brief description of your agency and the agency servicing office for Tipton Community Schools, including the office location.

USI is a leading local and national insurance brokerage and consulting firm, delivering property and casualty, employee benefits, personal risk and retirement solutions throughout the United States, including five office in Indiana. USI has over \$2.0 billion in revenue, employs more than 6,400 professionals and operates out of 140 local offices serving every state. USI has become a premier insurance brokerage and consulting firm by leveraging the **USI ONE Advantage<sup>®</sup>**, an interactive platform that integrates proprietary and innovative client solutions, networked local resources and enterprise-wide collaboration to deliver customized results with positive, bottom line impact. USI attracts **best-in-class industry talent** with a long history of deep and continuing investment in **our local communities**. For more information, visit [usi.com](http://usi.com). Tipton Community School's service team would be handled out of our Muncie, IN office.

2. Provide the account service team and the background of those that would be working directly on the Tipton Community Schools account.

**Primary contact:**

Mark Gary  
Account Executive, Property/Casualty

Tipton Community School Districts' size and scope falls into the core of USI's middle market focus, therefore we have vast experience placing coverage's for schools similar to TCSC.

As the Team Leader, Mark Gary, CSRM (Certified School Risk Manager) will develop and direct the marketing strategy and process, and would personally negotiate final terms and conditions of coverage. We feel strongly that those who possess the most knowledge of your insurance program and business should perform the marketing role.

USI operates on a pre-underwriting platform. Instead of simply identifying interested markets and transferring data from you to them, we take a significant interim step by pre-underwriting your account. A specialist is assigned to each line of coverage to forensically analyze and determine the viability of existing coverage, and recommends changes and enhancements prior to market selection. By identifying the needs first, we can selectively engage insurance companies and drive our coverage and structure to those that are most likely to respond. In this way we do not fatigue the marketplace by sending them accounts in which the underwriters cannot participate. This creates credibility in the marketplace for USI and TCSC.

USI personnel are available 24 hours a day, seven days a week. Full emergency resources are always readily available.

The USI Service Team dedicated to your business will consist of the following personnel:

Contact Information	Responsibilities
Mark Gary, CSRM Account Executive USI Insurance Services, LLC 302 East Jackson Street Muncie, IN 47305 Email: <a href="mailto:Mark.Gary@usi.com">Mark.Gary@usi.com</a> Direct Phone: 765-221-2909	<ul style="list-style-type: none"> <li>• Ultimate account responsibilities</li> <li>• Insurance program design</li> <li>• Insurance market selection and negotiation</li> <li>• Certified School Risk Manager</li> <li>• 25+ years of experience</li> </ul>
Anita Routh <i>Commercial Account Manager</i> USI Insurance Services, LLC 302 East Jackson Street Muncie, IN 47305 Email: <a href="mailto:Anita.Routh@usi.com">Anita.Routh@usi.com</a> Direct Phone: (765) 372-5370	<ul style="list-style-type: none"> <li>• School Specialist</li> <li>• Processes all client transactional requests and account invoicing</li> <li>• Assists with client requests and transaction processing</li> <li>• Maintains electronic client file</li> </ul>
Carrie Surface Claims Specialist USI Insurance Services, LLC 11611 N. Meridian Street Carmel, IN 46032 Email: <a href="mailto:carrie.surface@usi.com">carrie.surface@usi.com</a> Direct Phone: (317) 559-9232	<ul style="list-style-type: none"> <li>• Assist with claim handling service issues</li> <li>• Obtain and review claim status to ensure most effective claim resolution.</li> <li>• Analyze policies for coverage, your rights and obligations</li> <li>• Schedule and participate in periodic claim reviews</li> </ul>
Scott Knoll Risk Control Services USI Insurance Services, LLC 1611 N. Meridian Street Carmel, IN 46032 Email: <a href="mailto:scott.knoll@usi.com">scott.knoll@usi.com</a> Direct Phone: (317) 766-9573	<ul style="list-style-type: none"> <li>• Risk Assessments</li> <li>• Safety Program Development</li> <li>• Regulatory Compliance</li> </ul>

Another key component of our overall approach is that these specialists are closely tied to their counterparts across the organization and the nation. They participate in regular meetings to discuss ways to improve, share ideas and best practices and create committees to drive communication outside of their own niche.

This synergy among the local and national team allows TCSC access to the best minds in the industry who have an open platform for sharing information and are available for consultation at all times. As TCSC's growth brings along new locations, exposures and challenges, we are positioned to provide sound guidance.

3. Provide a listing of your directly contracted insurance carriers that write Property, General Liability, School Leaders Errors and Omissions, Auto, and Umbrella for Public Schools in the State of Indiana. Please note how many districts that your agency writes in Indiana with each carrier noted.

Liberty Mutual	13
EMC	6
Hanover	3
WRM	3
Accident Fund	5

4. Please list the public school districts handled directly by the proposed service team for the TCSC account along with the primary contact's name, phone number, email address and where they are located.

	Frankton-Lapel Community Schools 7916 W 300 N Anderson, In 46011 Bobby Fields – Superintendent 765-734-1261
	South Madison Community Schools 203 Heritage Way Pendleton, IN 46064 Ken McCarty – Business Manager 765-778-2152
	Alexandria Community Schools 202 E Washington St Alexandria, In 46001 Cheryl Harvey – Business Manager 765-724-4496
	Muncie Community Schools 2501 N Oakwood Ave Muncie, In 47304 Brad DeRome - CFO 765-747-5222

5. Provide your proposed annual service plan.

USI and TCSC will work together to establish an annual service plan that includes our mutual performance goals and objectives. This plan will detail the activities, team members and due dates of all services and risk management activities that USI will perform. With a April 26<sup>th</sup> effective date, we would develop the annual service plan on a calendar year basis. A component of this plan is the renewal timeline which begins 180 days prior to the effective date (see appendix #1 sample renewal timeline)

### Measurement and Team Work

Our success depends on effective communication and accountability. Of course our desire is to align our service model with that of TCSC's. We have experienced exceptional results when we implement the following practices:

1. **Regular update on open items reports.** We would conduct regularly scheduled calls and meetings with TCSC staff to review our progress on any open items that arise in servicing TCSC. In the early stages of the transition, we would recommend weekly or bi-weekly scheduled meetings. As our relationship matures, we might consider less frequent intervals (perhaps monthly), but always at the direction and need of the TCSC team.
2. **Disciplined execution of USI's 180 day Renewal Calendar.** The renewal process is a demanding and rigorous process. We use a 34 step calendar as a way to communicate status to TCSC and to hold ourselves accountable for delivering an effective and timely renewal. The most critical step in this process is a USI/TCSC strategy meeting that is designed to establish the clear direction and agreement on how USI will carry out the renewal process.
3. **Mid-year Stewardship Meeting.** This meeting is typically conducted mid-year between selected members of the USI Team and TCSC's executive team. It is designed to provide a status of activity and results for the first half of the policy year and to gain agreement on direction and priorities for the second half of the policy year including a discussion on market and business issues related to the upcoming renewal. USI will solicit feedback on its performance throughout the year, but this meeting in particular is designed to solicit feedback from TCSC to ensure that USI is meeting all of its commitments to TCSC.

6. Please explain any special areas of expertise you have developed regarding coverage aspects of writing public school districts in Indiana.

USI has focused its energy in ensuring the smartest minds in the industry are assisting our clients in their risk management planning and analysis. Specific to TCSC, our focus



on the middle market organizations means that TCSC will be a significant client for us. It also means that given our size and resources, we are in a position to deploy our unique OMNI Knowledge Engine and our network of experts for TCSC. This is something the jumbo brokers will not do for middle market clients and that smaller, regional brokers cannot do. Areas relevant to public school districts include USI employees with expertise and certifications in the following areas:

- *Two Certified School Risk Managers*
- *Cyber and technology expert*
- *Coverage attorney for contractual review and coverage analysis*
- *Public transportation safety expert – Certified Director of Safety (CDS)*

7. Please explain how you remain current on school issues happening in the Indiana insurance marketplace.

- Through continuing education requirements for Certified School Risk Managers
- Litigation issues
- USI's National Network verticle of school experts that discuss and identify trends and issues that help us examine how to manage the risk. Examples: use of drones, sports related concussions, transportation safety, violent events at schools

8. Explain any benchmarking you provide for your school districts from a loss and coverage standpoint.

Client data can be compared to peer data sets via USI's national subscription database system. The resulting comparatives provide insight into peer coverage limits, premium costs, and retention limits which are useful for program structuring.

Total Cost of Risk (TCOR) is a universal insurance industry measurement that quantifies the sum of :

- Premium to finance excess losses,
- Retained losses,
- Costs to mitigate losses such as loss control or claims handling, and
- Administrative expenses such as cost of collateral and salaries to manage the process.

TCOR is useful in comparing one entity to another in an effort to benchmark best practices. However, its greatest use is in comparing one entity's results on a year over year basis to highlight the improvements that have been achieved through the application of risk management techniques. Fourteen industry segments are benchmarked in the annual Advisen/ RIMS Benchmark Survey. Within each segment over a dozen coverages and other costs are identified and tracked year over year. USI, through its unique partnership with Advisen, has access to all the detailed information about those 14 industry segments.

For Executive Risk claims, USI uses sources such as NERA, Cornerstone and Towers Watson, as well as our own internal data base.

USI regularly provides benchmark information to its clients, allowing an opportunity to evaluate their insurance and risk management programs in comparison with their peers. We provide metrics on limits, retentions and premiums for all lines of coverage.

- Describe any specialty resources your agency has available to service our needs (claims, loss prevention, etc.).

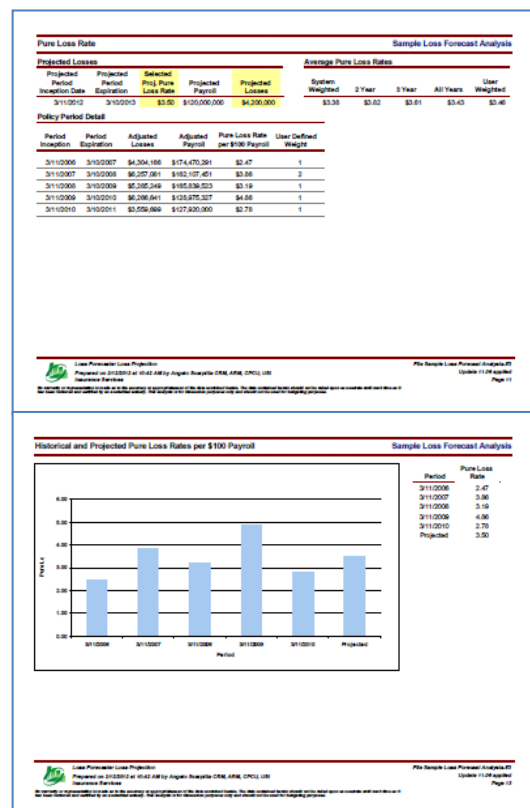
## Analytics

### Actuarial-based Analysis

USI supports its clients with actuarial-based analysis of reserves. To assist our clients in keeping track of their financial responsibility for legacy claims within their retention, USI produces a quarterly financial report that highlights the changes in casualty loss reserves. The report:

- Summarizes incurred and paid losses by policy year,
- Develops losses to an “ultimate” estimate,
- Estimates amounts to be accrued for known losses and “incurred but not reported” losses (“IBNR”),
- Reviews the amount of collateral held by insurers, and
- Discusses key claim drivers and trends from the client’s data.

This information is essential for budgeting purposes and for determining collateral needs for casualty lines of coverage.





To monitor the results from change in program design such as limits, retentions, premiums and losses, USI produces an annual Cost of Risk report that quantitatively demonstrates the improvement in the overall cost of your casualty program.

While our analysis uses the same industry-accepted methods, should an auditor require analysis by a lettered actuary, we can recommend a number of independent actuary options.

## Claims Investigation and Management

### Claims Advocacy and Legal

USI's claims advocates will consult with TCSC on claim resolution strategy and advise on how best to arrange insurer or claim administrator account instructions. We will also clarify lines of communication to speed sharing of information.

A critical element of USI's service delivery is Claims Support & Advocacy. This involves a three- phase approach to claims management at the pre-loss, during the loss, and post-loss stages of a claim. USI's Claims Advocacy role can be tailored to fit our client's specific requirements incorporating any of the below deliverables as needed:

- Gain a full understanding of the client's business and associated risk exposures.
- Analyze legacy claims to assess impact on Experience Modifier Ratio (EMR).
- Review Policy documentation to understand coverage application for each claim.
- Review Contracts associated with a claim.
- Timely and detailed First Notice Of Loss to Insurers.
- Proactive advocacy, cooperation, communication and liaison by USI Claims Consultants between TCSC, insurers, and their appointed representatives.
- Assist in claims preparation as required. Address and resolve potential coverage questions as the claim is being prepared for submittal to the Adjuster.
- Continuous monitoring and follow-up on open claims with frequent updates to TCSC.
- Facilitate approval of client's preferred Experts and Defense Counsel with your Insurers.

- Establishing and maintaining client's relationships with world Insurers and Claims Professionals that service their industry segment.
- Participate in key negotiations with insurers and their representatives on TCSC's behalf.
- Work closely with our client and adjusters to ensure proper reserving and expeditious conclusion / payment of claims. Remain proactively involved in claim settlements.
- Use our claims and industry experience to preempt potential problems.
- Review closed claims with TCSC to determine 'lessons learned' as a result of the specific loss scenario and claim settlement experience.

Claims advocacy does not mean that USI will adjust claims; however, continuously monitor claim activity, and act as a liaison between you, the adjuster, and the carrier. We monitor claim progress and the timing of indemnity payments. Our consultants analyze established reserve levels for accuracy. We review significant active claims with you in scheduled quarterly claims review meetings which include carrier representatives. This process mitigates claim settlement and associated expense increases attributed to delays or lack of diligence in monitoring file status and adjuster activity.

The USI Claims Department will always act as TCSC's advocate with insurers. Our claim professionals are experts in their respective fields, and are specially trained personnel that are exclusively dedicated to claims support. USI does not take on the role of a Third Party Administrator (TPA). Instead, we partner with our clients in an oversight, process management and, in some cases, a data collection role with the TPA. This includes tracking specific large claims in concert with the carrier claim process. It also includes taking measure of the methods and practices used by your Insurer. USI makes advisory recommendations to improve the process, control and reduce costs, eliminate systemic bottlenecks, and streamline the overall operating method as needed.

**Claims Data Services** - *USI's internal automated data collection system provides for consistent aggregation of claims data from a variety of historical sources. Once transferred, the data becomes uniform, eliminating the problems of varying reporting formats from different insurers and incomplete data sets, new data can sort to the system in real time, creating a proprietary data set for our client from which a multitude of custom reports can be created.*

## TPA audit

USI recognizes the value of claims handling and claims analysis to the financial performance of your risk and insurance program. USI becomes an extension of your risk management department by providing oversight on the claim handling process. If

and when we see any irregularities in the claims operation, the treatment of a particular claim, or a problem of any kind, USI will act as an advocate in the resolution of the matter.

- *Provide Claims Advocacy* – Act as an advocate with the TPA in reviewing the handling and monitoring of the open claims to conclusion.
- *Reserve and Settlement Evaluations* – Review all reserve changes for appropriateness based on the facts of the claim to make recommendations on settlement evaluations.
- *Monthly Claim Bill Audit* – Review the charges on the billing for applicability to each claim.
- *Monthly Claim Handling Fee Bill Audit* – Review the claim handling service fees to be sure that the charges are in compliance with the terms of the governing contract.
- *Quarterly File Reviews* – Coordinate and conduct a quarterly claim review.
- *Quarterly File Audits* – Coordinate and conduct claim file reviews accordingly to agree upon claims handling criteria that each adjuster needs to meet.

**Program Design & Placement** - We will assist TCSC in identifying exposures to loss and determining the most economical means of mitigating each risk. The outcome is a comprehensive structure that maximizes positive economic impact by creating a capital efficient structure and minimizes catastrophic exposure to the balance sheet and current year cash flow.

**Loss Control** - USI Risk Control Services will assist TCSC by supplementing or providing a range of Loss Control services for development & implementation of Risk Management strategies. Our in-house loss control professionals utilize loss and experience data to enhance safety and improve work environment risk profiles.

**Risk Management Center** – Comprehensive Risk Management, Employee Safety and Compliance Platform

## *A Holistic Solution to Manage Risk, Control Loss, and Improve Compliance*



### Online Training Library

Multitude of bilingual PowerPoints, Policies, and Training Shorts



### Certificate of Insurance (COI) Management

Manage your COI's to control liability and risk



### HR & Benefits Database

Resources and handbooks for all 50 states



### Behavior Based Safety Programs

Build behavior-based safety programs with job hazard analyses



**Incident Tracking/Trending and Claims Reporting**

Trend incidents, report claims, print OSHA Logs

**Job Description Tracking**

Access a pre-loaded library of comprehensive job descriptions; create Modified Duty assignments

**Safety Data Sheet Management**

Be compliant with OSHA hazardous material standards and the new Globally Harmonized System

**Employee Training Management**

Automate scheduling and reporting using our online training

**Succeed Services**

Have your risk and compliance programs managed by Succeed

**Client Testimonial**

Jennifer Massey talks about how the Risk Management Center has helped her organization

**Statistical Analysis and Reporting** - We utilize our analytics team (the “Network” part of our ONE Advantage) to develop a detailed report on the financial implications of the program design. Our analysis includes the implications of cash flow, TVM, retentions, collateral, as well as the premiums. This in-depth analysis enables TCSC to evaluate alternative risk financing methods available to them such as guaranteed cost, small deductible, large deductible, retro-rated plans, and captives.

Our Network includes dedicated resources at no added cost to TCSC. Examples of these resources include: Risk Control, Claims, Environmental, Property, Marketing, Legal, Management Liability, etc. as detailed earlier in this document. These individuals are domiciled locally and networked nationally. In practice, this will give TCSC access to the most experienced and skillful individuals regardless of where they are located in the organization. We do this intentionally in order to deploy those resources where and when they are needed by each client.

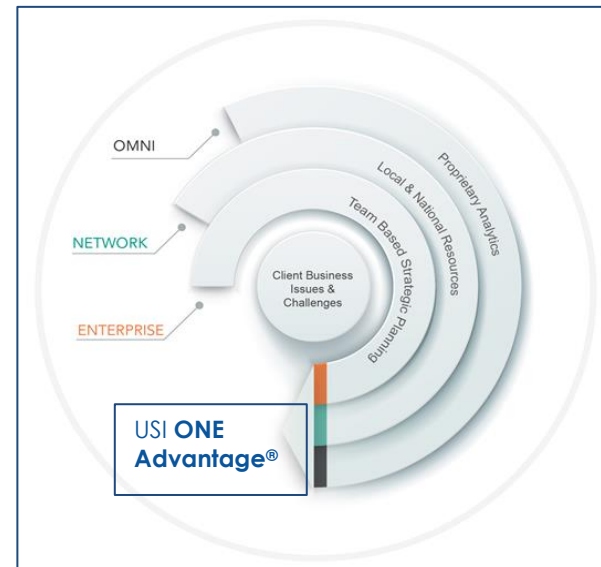
**Worker's Compensation** - USI will design and develop Key Indicator Reports (KIR) which should be presented at Workers' Compensation Claim Review meetings; with the objective of specifically identifying exposures in order to target areas of improvement which will save claim costs. The reports are:

- a) Lag Time Reports: How long does it take to report a known WC claim?
- b) PPO Penetration Reports: Are your injured employees treating at facilities that are within your provider network? – Treating outside of the network increases claim costs. This report will help to determine if there are locations that need to be soft directing / directing injured workers to providers within the network in order to lower medical claim costs to the fullest extent possible.
- c) Loss Analysis Reports: Which locations are experiencing the most losses and what was the cause of the injury? – Identifying the location and cause of loss is the first step in corrective action to mitigating future claims.

10. What differentiates your agency from your competitors?

## The USI ONE Advantage®

What truly distinguishes USI as a leading middle market insurance brokerage and consulting firm is the USI One Advantage, a game-changing value proposition that delivers clients a robust set of risk management and benefit solutions and exclusive resources with financial impact. USI ONE™ represents **Omni, Network, Enterprise**—the three key elements that create the USI ONE Advantage and set us apart from the competition.



### ***Omni – USI’s Proprietary Analytics***

Omni, which means “all,” is USI’s one-of-a-kind solutions platform—real time, interactive, dynamic and evolving, and customized for each client. Built in-house by USI subject matter experts, Omni captures the experience of more than 100,000 clients, thousands of professionals and over 100 years of business activity through our acquired agencies into targeted, actionable solutions.

### ***Network – USI’s Local and National Resources***

USI has made a very large investment in local resources and technical expertise, with more than 4,400 professionals networked nationally to build strong vertical capabilities and integrated account teams. Our local and regional experts ensure account team availability, hands-on service, and ongoing diligent follow-through so we can deliver on the solutions we customize for our clients.

### ***Enterprise – USI’s Team Based Strategic Planning***

USI’s enterprise planning is a disciplined, focused, analysis centered on our client’s issues and challenges. Highly consultative meetings integrate USI’s Omni analytics with our broad resource network to build a risk management strategy aligned with client business needs. Our enterprise process is a proven method for identifying, quantifying and minimizing client risk exposures.

The USI ONE Advantage—our **Omni** knowledge engine, with our **Network** of local and national resources, delivered to our clients through our **Enterprise** planning process gives USI fundamentally different solutions, the resources to deliver, and a process to bring

## 11. Please explain your marketing process for public schools.

Throughout the entire marketing process, our objective is to design risk management program and strategies that not only align with TCSC needs, but also exert a positive influence on underwriters' pricing decisions.

We begin by working closely with to understand your desired program structure and to develop a clearly-defined marketing strategy in support of that structure. Further, we actively explore various underwriters' appetites for your program and submit only to those with sincere interest and a commitment to the marketing process. In addition, we employ a number of analytical tools and methods which influence the marketing process and allow us to leverage data and industry insights in a way that can help favorably shape insurers' responses to your requested terms.

Our array of risk management operations includes:

### **Values & Exposures**

USI will implement our tools to help develop the most accurate exposure base to present to the marketplace.

### **Claims Review & Analysis**

USI review claims to understand the details surrounding them and to identify controls that may prevent future losses of a similar nature. We also advocate resolving open claims.

### **Financial Review**

USI review TCSC' financials to ensure risk financing programs are aligned with and support your key financial metrics.

### **Contract Review**

USI review TCSC' contracts to help you manage contractual risk and compliance intelligently.

### **Benchmarking**

USI utilizes SIC code industry available information to compare TCSC' existing program design, policy limits and retentions and compare them to other schools in mid-west to determine if current program design is within similar structure of other schools. We utilize this information to make recommendations for alternative design, if necessary.

### **Loss Forecasting**

USI utilizes the same or similar actuarial loss forecasting tools as most insurance carriers to effectively pre-underwrite the various lines of coverage being placed. The loss forecasting process is used in a two-fold process: (1) by forecasting losses and developing an expected loss pick and ultimately expected premium, we are able to include this information in our market submission to develop and substantiate our "Ask" to the market place, and (2) USI utilizes the loss forecasts to validate or dispute and to negotiate any market quotes submitted. *By use of our loss forecasting tools, USI drives*



the market place and sets our expectations vs. waiting for and accepting what the market place is willing to quote.

### **Collateral Review**

If TCSC is participating in a loss sensitive program, there is likely a collateral requirement to financially secure any anticipated claims. USI, using our loss forecasting and reserve analysis actuarial tools, evaluates outstanding and new collateral requirements instructed by the insurance markets to determine if collateral requirements are appropriate. In the case that we feel collateral requirements are excessive, USI deploys Senior Analysts to discuss and negotiate appropriate collateral amounts with the various markets credit management personnel. USI has been extremely successful in negotiating and lowering collateral requirements for clients of all sizes and industry types.

### **Experience Modification Factor Evaluation**

By subscribing to and utilizing the insurance industries widely accepted Experience Modification Factor evaluation tool, ModMaster, and analyzing the losses that are used to generate the clients Experience Modification factor, USI analyzes TCSC's Experience Modification factor issued by NCCI and other state insurance agencies to ensure, (1) the issued experience modification factor and calculation is correct, (2) determine if there are any situations or circumstances that would substantiate a re-promulgation of the experience modification, such as claims being subrogated.

### **Cost Containment Services**

One area of a TCSC's total risk management program that is often over looked is the fees and charges associated with the various cost containment services being provided by insurance carriers. The fees and pricing schemes associated with these services can vary significantly from carrier to carrier and often times generate significant revenue for the carriers, diluting the savings and increasing the total cost risk for our clients. USI personnel have extensive experience with current market trends and various pricing schemes. By evaluating these services and related fees and negotiating fair pricing and billing practices, USI brings a value-added service to an area seldom addressed by most insurance agencies.

### **Key Controls**

USI reviews key controls linked to your processes to ensure their adequacy for underwriting purposes.

### **Industry Updates & Best Practices**

USI will notify TCSC of emerging risk issues and insurance market developments such as privacy legislation, carrier solvency issues, etc., and discuss how they may have an impact on TCSC and its operations. By monitoring changes in the marketplace, TCSC can exploit opportunities and prepare for potential challenges.

## Integrated Renewal & Service Strategy

Our integrated strategy will help TCSC:

- Promote communication and collaboration
- Create efficiencies and reduce costs
- Make most efficient use of your management time
- Promote employee-centered programs in the areas of health, safety, and risk awareness

Our strategy also draws extensively on our in-house expertise and is built on a foundation of:

- **Specialist Knowledge**  
We recognize it's imperative the insurers we approach on your behalf have an exceptional understanding of the specific issues associated with TCSC.
- **Relationships**  
Your lead consultants will be directly involved in all phases of the marketing process—including submission and negotiation—and will advocate on your behalf by leveraging and building on their longstanding relationships with the leading insurance markets.
- **Market Security**  
We will rely upon our established, in-depth insurer monitoring methodology to ensure potential carriers' solvency as well as their compliance with your financial ratings requirements.
- **Capacity**  
We recognize your need for carriers with the capacity to support sizable exposures and are confident in our ability to locate and engage the carriers which are best able to meet your criteria.
- **Stability**  
We strive to identify and work with insurers who fully grasp the nature of schools and take an approach that promotes stability in underwriting philosophy and capacity.

This foundation—in combination with the other operational activities described above—is the key to our ability to negotiate the most favorable terms on behalf of TCSC. Experience clearly demonstrates that our systematic and data-driven approach to developing the underwriting submission significantly enhances our ability to negotiate the most favorable terms on behalf of TCSC.

Many brokers “market” their clients' programs by simply passing specification data on to their independent marketing division, which—in turn—submits the data to multiple markets for quotations, and then plays carriers against one another to secure the lowest possible terms. USI finds this approach to be inexact and driven primarily by market conditions, rather than by the client's actual risk profile or loss expectancy.

Our goal is to build a long-term relationship between client, carrier and broker—one that's client-centered and beneficial to all stakeholders. We believe the most beneficial

arrangement is one characterized by fair pricing, regular reevaluation and high performance by all involved parties. We partner only with carriers we are confident can sustain such arrangements.

Your account team's exceptional breadth of knowledge—in combination with USI's national scope and substantial market presence—allows us to access and provide TCSC with world-class coverage and pricing options. These outcomes are possible as a result of the foundation of sustained relationships we've built with our partners and our ability to leverage that history.

## 12. How do you analyze coverage and limits available to advise us?

USI operates on a pre-underwriting platform. Instead of simply identifying interested markets and transferring data from you to them, we take a significant interim step by pre-underwriting your account. A specialist is assigned to each line of coverage to forensically analyze and determine the viability of existing coverage, and recommends changes and enhancements prior to market selection. By identifying the needs first, we can selectively engage insurance companies and drive our coverage and structure to those entities that are most likely to respond. In this way we do not fatigue the marketplace by sending them accounts in which the underwriters cannot participate. This creates credibility in the marketplace for USI and for TCSC.

## 13. How do you monitor carrier financial strength?

USI, as a whole, requires all carrier partners to be rated 'A' or better by AM Best in order for us to place business with them. We have a carrier initiatives team that is dedicated and responsible for monitoring any changes in carrier ratings. In the event that a carrier we do business with is downgraded below 'A', communication is initiated with each and every USI office. This correspondence includes details to the carrier being downgraded and any affiliated companies, a list of clients that have coverage with said carrier and instructions for communication. USI will immediately notify our affected clients and provide an option to remain with the carrier or we will replace coverage with an acceptably rated carrier. Although this is not a common occurrence, it is vital in our approach to providing best in class service from financially strong carriers.

## 14. Give examples of how you would assist TCSC to prevent claims.

Targeted loss prevention driven by claims review outcomes and analytics improves claims trends and management of future losses. Here is the process.



Claim Advocacy	+	Risk Control	+	Analytics
<ul style="list-style-type: none"> <li>▪ Detailed review of all high impact claims</li> <li>▪ Based on review outcome, identify trends such as:               <ul style="list-style-type: none"> <li>– High frequency</li> <li>– Repetitive claims by type and coverage</li> <li>– Location concentration</li> <li>– Increased severity</li> <li>– Improper reserving</li> <li>– Claims staying open</li> </ul> </li> <li>▪ Highlight key cost drivers</li> </ul>		<ul style="list-style-type: none"> <li>▪ Evaluate financial impact of the claim trends identified with claim advocate</li> <li>▪ Design a targeted loss mitigation/elimination plan to address cost drivers behind the claim trends</li> <li>▪ Assign tasks and accountability amongst stake holders (Insurance Company, USI, Client)</li> <li>▪ Quantify the potential improvement in claim trends</li> </ul>		<ul style="list-style-type: none"> <li>▪ Review loss mitigation plan proposed by Claims and Loss Control teams</li> <li>▪ Perform analytics to calculate financial impact with and without implementing the plan</li> <li>▪ Highlight key cost drivers to guide priorities in future loss prevention</li> </ul>

## 15. Describe your claims management process.

USI's technical Claims Advocacy services are designed to reduce TCSC's cost of risk. Managing the claims effectively is one part of that process. Our focus is unique, because we look for opportunities to reduce outcomes by considering the entire continuum of activities that take place before a loss occurs as well as during the active life of a claim.

Scott Knoll, the Claims Advocate assigned to oversee TCSC, is key to your success and will significantly help drive the results of your program.

The Claims Advocates two most important functions for TCSC are: 1) validating claim payments and 2) assisting with all interactions involving TPAs / insurance companies that involve claims.

Your account team would be responsible for:

### 1. Claim Reviews

It is important that regular, in person, claim reviews occur which focus on:

- a) ensuring that a timely, complete investigation has taken place - the investigation drives the direction of the claim
- b) the adequacy of case reserves - proper reserving will provide a more accurate actuarial analysis and budgeting of claim payments
- c) ensuring a viable plan to conclude the claim is in place - typically, the longer a claim stays open the more costly the claim

## 2. Key Indicator Reports (WC)

USI will design and develop Key Indicator Reports (KIR) which should be presented at Workers' Compensation Claim Review meetings; with the objective of specifically identifying exposures in order to target areas of improvement which will save claim costs. The reports are:

- a) Lag Time Reports: How long does it take to report a known WC claim? – Delays in reporting claims increase claim costs. – This report will help to identify if certain locations need improvement.
- b) PPO Penetration Reports: Are your injured employees treating at facilities that are within your provider network? – Treating outside of the network increases claim costs. This report will help to determine if there are locations that need to be soft directing / directing injured workers to providers within the network in order to lower medical claim costs to the fullest extent possible.
- c) Loss Analysis Reports: Which locations are experiencing the most losses and what was the cause of the injury? – Identifying the location and cause of loss is the first step in corrective action to mitigating future claims.

## 3. Analysis of Reservation of Rights and Denial Letters

It is USI's responsibility to ensure our clients recover the full extent of damages they are entitled to, under the insurance agreement. USI is passionate about recommending responses on all reservation of rights (ROR) letters and fighting for as much coverage as possible on all denials.

Our process of reviewing ROR and denial letters entails a careful review of the allegations in the Complaint in conjunction with the language in the insuring agreement. This process ensures USI advocates aggressively on behalf of its clients and consistently results in a successful outcome for our clients.

## 4. A resource for all of TCSC's claim specific or program related claim matters.

USI would also propose the utilization of USI RmPro, an enterprise risk management portal software that includes a traditional Risk Management Information System (RMIS) module that can be used in managing historical and prospective incident and claim activity. The RMIS module can be integrated with current TPA/carrier systems to accept/import claim record files and/or historical reports

## \*Appendix #1 Service Timeline

Proposed Phase I – Transition		
Description of Transition Activity (Within the First 30 Days)	Responsible Party	Target Date
TCSC appoints USI Broker of Record	TCSC	2/28/2022
USI presents BOR letter(s) to insurers (there is a 10-day waiting period unless waived)	USI	3/1/2022
<ul style="list-style-type: none"> <li>Obtain TCSC contact information, obtain most recent copies of policies, exposure schedules and pertinent document from TCSC</li> <li>Review open claims</li> <li>Request copies of current pertinent contracts (Builders Risk?)</li> </ul>	TCSC/USI	Week of 3/1/2022
Review policies and provide recommendations for any improvements	USI	3/15/2022
Proposed Phase II – Renewal Process		
Description of Transition Activity	Responsible Party	Target Date
Deliver underwriting submission to insurers along with required target date for receipt of proposals	USI	3/4/2022
Receive primary quotations from the carrier(s)	USI	3/18/2022
Summarize all quotation(s) from insurers (including assessment of their financial soundness) and present recommended program	USI	3/23/2022
TCSC elects desired program option(s)	TCSC	4/1/2022
Receive binding authority from TCSC	TCSC/USI	4/15/2022
Bind coverage with insurers	USI	4/15/2022
Deliver accurate binders	USI	4/20/2022
Invoice premiums	USI	4/26/2022
Review policies for accuracy and deliver to TCSC; including any requests for required changes	USI	5/26/2022
Set objectives for future renewals	TCSC/USI	5/26/2022
Proposed Phase III – Execution		
Description of Transition Activity (Ongoing)	Responsible Party	Target Date
Pre-Renewal Work Comp (1/1/2023)	TCSC/USI	9/15/2022
Provide annual stewardship report / Claims review	TCSC/USI	10/26/2022
Pre-Renewal Property & Liability (4/26/2023)	TCSC/USI	1/15/2023