



# CITY OF SAN ANTONIO

P.O. BOX 839966  
SAN ANTONIO, TEXAS 78283-3966

May 13, 2011

**RE: REQUEST FOR PROPOSAL (RFP) FOR THIRD PARTY CLAIMS ADMINISTRATOR AND  
MEDICAL COST CONTAINMENT SERVICES DATED APRIL 17, 2011**

**ADDENDUM III:**

The following questions were received in accordance with Section X, Restrictions on Communication. The questions are restated below, followed by the response:

Question 1: Can the City provide a breakdown for automobile liability claims providing the number of bodily injury claims and property damage claims for 2007-2010, including the total incurred?

Response:	# BI Claims/Total Incurred	# PD Claims/Total Incurred
FY 2007	89 – 587,864	304 – 429,289
FY 2008	127 – 2,313,079	367 – 439,277
FY 2009	127 – 1,927,269	364 – 538,265
FY 2010	98 – 1,490,547	362 – 429,598

Question 2: Can the City provide a breakdown for general liability claims providing the number of bodily injury claims and property damage claims for 2007-2010, including the total incurred?

Response:	# BI Claims/Total Incurred	# PD Claims/Total Incurred
FY 2007	144 – 1,721,057	751 – 2,576,660
FY 2008	96 – 1,282,046	515 – 3,290,728
FY 2009	123 – 760,770	455 – 1,268,538
FY 2010	128 – 1,604,328	702 – 1,155,357

Question 3: Can the City provide a breakdown for automobile liability and general liability claims by severity as follows for 2007-2010.

- a. Automobile Liability Claims – Property damage total incurred over \$50,000
- b. Automobile Liability Claims – Bodily injury total incurred over \$50,000
- c. General Liability Claims – Property damage total incurred over \$50,000
- d. General Liability Claims – Bodily injury total incurred over \$50,000

Response: For the period 1/1/07 – 12/31/10:

- a. None
- b. 26
- c. 14
- d. 33

- Question 4: Can the City provide a breakdown of litigated claims vs. non-litigated claims for automobile liability for 2007-2010?  
 Response: For the period 1/1/07 – 12/31/10, 92 litigated, 1,709 non-litigated
- Question 5: Can the City provide a breakdown of litigated claims vs. non-litigated claims for general liability for 2007-2010?  
 Response: For the period 1/1/07 – 12/31/10, litigated 258, non-litigated 2,571
- Question 6: Can the City provide a breakdown of how many closed automobile liability claims were denied or no indemnity payment was made for 2007-2010?  
 Response: FY 2007 – 152  
 FY 2008 – 176  
 FY 2009 – 183  
 FY 2010 – 193
- Question 7: Can the City provide a breakdown of how many closed general liability claims were denied or no indemnity payment was made for 2007-2010?  
 Response: FY 2007 – 794  
 FY 2008 – 524  
 FY 2009 – 509  
 FY 2010 – 712
- Question 8: Can the City provide the total dollar value of salvage recoveries from automobile liability claims 2007-2010?  
 Response: This is handled by the City and the results are not documented in our system.
- Question 9: Can the City provide the total dollar value of salvage recovery from general liability claims 2007-2010?  
 Response: See response to Question 8.
- Question 10: Can the City provide the total dollar value of subrogation recovery from automobile liability claims 2007-2010?  
 Response: Risk Management does not separate amount of subrogation by auto liability and general liability. Total subrogation recovery are:
- |          | Liability | Workers' Comp. |
|----------|-----------|----------------|
| FY 2007: | \$201,430 | \$160,990      |
| FY 2008: | \$527,932 | \$132,377      |
| FY 2009: | \$362,359 | \$230,735      |
| FY 2010: | \$355,495 | \$146,484      |
- Question 11: Can the City provide the total dollar value of subrogation recovery from general liability claims 2007-2010?  
 Response: See Question 10.

Question 12: Can the City provide more detail as to the number of claimants involved with each automobile liability occurrence? Please provide for 2007-2010.

Example: In 2010 there were 460 auto liability claims involving \_\_\_\_\_ claimants.

Response: For the period 1/1/07 – 12/31/10, 1,401 claims, 1,841 claimants

Question 13: Can the City provide more detail as to the number of features or exposures are involved with each general liability occurrence? Please provide for 2007-2010.

Example: In 2010 there were 830 general liability claims involving \_\_\_\_\_ claimants.

Response: For the period 1/1/07 – 12/31/10, 2729 claims, 2887 claimants

Question 14: Under Section II page 4, the RFP states that "the maximum caseload by adjuster shall be no more than:" and then list maximum caseloads by line of insurance and claim type.

- a. Is there any discretion by TPA to exceed the maximum caseloads?
- b. Is so, what is the maximum timeframe to exceed caseload maximums?
- c. For example, Exhibit 5 loss runs reflect a total of 592 open Liability claims. The maximum caseload for a Liability adjuster is "170 Occurrences". This could suggest the need for 3.48 adjusters. Will the City expect the TPA to dedicate 3 or 4 adjusters based on this scenario?
- d. What is the current dedicated staffing model handling the City claims?
  - a. The caseload limit provision is a material term of the anticipated contract, not subject to discretionary adjustment.
  - b. The City would expect the TPA to address any temporary excessive caseload circumstance deliberately and expeditiously in conformance with contract terms.
  - c. We would expect the TPA to conform its practices to the material terms of the contract. If a one-half FTE dedicated position contributes to the required staff level, that would be acceptable.
  - d. The current TPA contract specifies caseload limits consistent with the RFP limits and requires dedicated staffing.

Response: