



## AGENDA

**LEGEND:** A - Action may be taken  
I - Information  
1 - Included  
2 - Handout  
3 - Separate  
4 - Verbal

**JPA:** ACCEL CLAIMS COMMITTEE MEETING

**DATE/TIME:** Monday, January 9, 2022 at 2:30 PM

**LOCATION:** Teleconference

Link: <https://alliantinsurance.zoom.us/j/94470117642?pwd=RFZUemlnOUxnTm85MGk0elhxUUU3UT09>

Meeting ID: 944 7011 7642

Passcode: 281642

Dial: (669) 900-6833

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***In accordance with the requirements of the Brown Act, notice of this meeting must be posted in publicly accessible places, 72 hours in advance of the meeting, at the office of ACCEL's Secretary.***

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*Per Government Code section 54954.2, persons requesting disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Alliant Insurance Services at (415) 403-1400, 24 hours in advance of the meeting. Access to some buildings may require routine provision of identification to building security. However, ACCEL does not require any member of the public to register his or her name, or to provide other information, as a condition to attendance at any public meeting and will not inquire of building security concerning information so provided. See Government Code section 54953.3.*

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- MEMBER** • **City of Anaheim**, 201 South Anaheim Blvd., Suite 503, Anaheim, CA 92805  
**LOCATIONS** • **City of Bakersfield**, 1600 Truxtun Ave., 4<sup>th</sup> Floor, Bakersfield, CA 93301  
**VIA TELE -** • **City of Burbank**, 275 E. Olive Ave., Burbank, CA 91510  
**CONFERENCE** • **City of Santa Cruz**, 1200 Pacific Ave., Suite 290, Santa Cruz, CA 95060  
• **City of Santa Monica**, 1685 Main Street, Room 131, Santa Monica, CA 90401

### PAGE

#### **A. CALL TO ORDER**

#### **B. CONSENT CALENDAR**

(A)

3-5

- 1 1. Approval of Minutes for the December 5, 2022 Claims Committee Meeting  
*The Committee will review these minutes and will take action to approve or give direction.*

#### **C. REPORTS**

##### **1. CLAIMS COMMITTEE'S REPORT**

6 1 & 3 a) 2022 ACCEL Claims Audit Draft (A)

*Members will be given a draft of the Claims Audit report that will be presented to the Board. Action may be taken to provide a recommendation to the Board or direction given.*

7 1 b) Claims Auditor Contract Term (A)

*The Claims Auditor Contract executed in 2021 for a two year term with R.E. Powers & Company LLC is now expiring, and has a one year option to extend. Action may be taken to provide a recommendation to the Board or direction given.*

15-16 1 c) Reservation of Rights Letters – Legal Counsel (A)

*The Committee will receive a memo from an attorney regarding reservations of rights letters. Action may be taken or direction given.*



17-19            1        d) George Hills Proposed Senior Claims Adjustor (A)  
*The Claims Committee will receive a letter from George Hills regarding the senior claims adjustor and may make a recommendation to the Board or provide direction.*

20-35           1        e) Proposed Changes: Claims Reporting and Handling Policy and Procedure (A)  
*The Committee will discuss proposed changes to the policy and procedure. Action may be taken or direction given.*

3                f) **CLOSED SESSION – Pursuant to Gov’t Code 54956.95** (A)  
*Members will review the following Closed Session items and may take action or give direction.*

- i.            Perkins v. Anaheim
- ii.           Morales v. Bakersfield
- iii.          Rosenfeld v. Burbank
- iv.          Powell v. Santa Monica
- v.            George Hills iMetric Report

**D. PUBLIC COMMENTS** (I)  
4    *The public is invited at this point to address the Committee on issues of interest to them.*

**ADJOURNMENT**



**MINUTES OF THE  
ACCEL CLAIMS COMMITTEE  
MEETING**

Item No. B.1  
Claims Committee  
January 9, 2023

**Monday, December 5, 2022 at 2:30 PM**

**LOCATION:  
TELECONFERENCE**

Link: <https://alliantinsurance.zoom.us/j/92826347852?pwd=WDIROVA5TG5HUFpUVHVONVV2UzhlQT09>

Meeting ID: 928 2634 7852

Passcode: 425199

Dial: (669) 900-6833

**MEMBERS PRESENT:**

Tracey Matthews, City of Anaheim  
Jena Covey, City of Bakersfield  
Ross Brandon, City of Santa Cruz  
Oles Gordeev, City of Santa Monica

**MEMBERS ABSENT:**

Betsy McClinton, City of Burbank

**GUESTS AND CONSULTANTS:**

Ben Oram, George Hills Company  
David Tratuz, George Hills Company  
Conor Boughey, Alliant Insurance Services  
Lorissa Huey, Alliant Insurance Services

**A. CALL TO ORDER**

Jena Covey called the meeting to order at 2:30 PM.

**B. Consent Calendar**

**B1. Approval of Minutes for the October 4, 2022 Claims Committee Meeting**

A motion was made to approve the consent calendar.



**MOTION:** Ross Brandon    **SECOND:** Oles Gordeev    **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Ross Brandon	Oles Gordeev
Aye		X		X	X
Nay					
Abstain					

### C. REPORTS

#### C1. Claims Committee’s Reports

##### C1a. Litigation Update

Ben Oram, George Hills presented the 2022 fourth quarter Litigation Update on pertinent case law.

The Committee requested that Ben provide these reports quarterly.

##### C1b. Proposed Changes: ACCEL Claims Reporting and Handling Policy and Procedure

Lorissa Huey reminded the Claims Committee that the Board directed it to implement three tiers of authority in the new proposed section VII. Settlement Authority Process, bullet point 4 of the Claims Reporting and Handling Policy and Procedure.

A motion was made to recommend to the Board to adopt the proposed changes subject to adding to bullet point 4.a., “\$1,000,000 to \$2,000,000 - Claims Committee Chair or the Claims Committee in an event there is a conflict situation.”

**MOTION:** Oles Gordeev    **SECOND:** Ross Brandon    **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Ross Brandon	Oles Gordeev
Aye	X	X		X	X
Nay					
Abstain					

##### C1c. Closed Session – Pursuant to Gov’t Code 54956.95

A motion was made to enter into Closed Session at 2:49 PM.



**MOTION:** Ross Brandon    **SECOND:** Oles Gordeev    **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Ross Brandon	Oles Gordeev
Aye	X	X		X	X
Nay					
Abstain					

A motion was made to come out of Closed Session at 3:59 PM.

**MOTION:** Jena Covey    **SECOND:** Tracey Matthews    **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Ross Brandon	Oles Gordeev
Aye	X	X		X	X
Nay					
Abstain					

Conor Boughey reported out of Closed Session that direction was given to the Claims Administrators.

**D. PUBLIC COMMENTS** - No public comments were made.

### ADJOURNMENT

Tracey Matthews adjourned the meeting at 4:00 PM.



**Item No. C.1.a**  
**Claims Committee**  
**January 9, 2023**

### 2022 ACCEL CLAIMS AUDIT DRAFT

**ISSUE:** Rob Powers, ACCEL’s Claim Auditor will walk through a draft of the 2022 Claims Audit. This audit will be reviewed by the Claims Committee at today’s meeting and then presented to the Board at the January 19, 2023 Board Meeting. Rob will be at the January Board Meeting.

**RECOMMENDATION:** Staff recommends the Committee review the draft Claims Audit and take action to make a recommendation to the Board at the January 19, 2023 Board Meeting to “Receive and File” the report, or provide direction as appropriate.

#### Additional Consideration:

**In favor:** The Committee may vote to form a recommendation to the Board to “Receive and File” the attached “Draft” to complete this year’s audit cycle and allow the production of the “Final” Claims Audit. Once approved by the Board, the audit will be finalized and posted on the ACCEL Website.

**Against:** Upon Committee review, if any further questions, edits or comments may change the results of findings of the report, the Committee may vote to instruct the Auditor or Administrators to take further action prior to presenting it to the Board for acceptance.

**FISCAL IMPACT:** No financial impact is expected from the recommended action. The fee for FY 22/23 is \$57,958.

**BACKGROUND:** This is the fifth year that Rob Powers at R.E. Powers & Company, LLC will perform the Claims Audits. Rob’s contract was renewed in January 2021 for a two-year period with a one-year additional option. The 2017 and prior Claim Audits were conducted by Tim Farley from Farley Consulting Services.

**SEPARATE:** 2022 ACCEL Claims Audit Draft



**Item No. C.1.b**  
**Claims Committee**  
**January 9, 2023**

### CLAIMS AUDITOR CONTRACT TERM

**ISSUE:** The current Claims Auditor Contract with Rob Powers at R.E. Powers & Company LLC was executed in 2021 for a two year term, with a one year option to extend will expire once Rob presents the 2022 Claims Audit Report to the Board at the January 19 and 20, 2023 Board Meeting.

Rob Powers has expressed interest in continuing auditing ACCEL's claims.

**RECOMMENDATION:** The Committee may take action to form a recommendation to the Board to consider to authorize the extension(s), negotiate a new contract, or issue a request for proposal (RFP).

#### Additional Consideration

**In favor:** The proposed action would extend the contract by one year with same fee as the prior two years. Many service providers have been looking to increase fees due to inflationary pressures. Approving this may offer a financial benefit to ACCEL.

**Against:** If the contract is not extended, ACCEL may engage in a new contract and there may be a fee increase or ACCEL would engage in an RFP process to obtain services from either the incumbent auditor, or a new auditor. The last RFP process yielded few qualified candidates.

**FISCAL IMPACT:** The current contract fees are as follow:

#### Annual Fee

2021 - \$57,958

2022 - \$57,958

2023 - \$57,958 (Option Year)

**BACKGROUND:** At the August 29, 2018 Special Board Meeting, the Board authorized a contract with Rob Powers for a three-year duration. In January 2021, the Board authorized a new contract with Rob for another two years with a one-year option to extend.

**ATTACHMENT:** Current Contract and the Proposed Extension

**AUTHORITY for CALIFORNIA CITIES EXCESS LIABILITY  
R.E. POWERS & Company, LLC- CLAIMS CONSULTING & AUDITING SERVICES  
AGREEMENT**

**CONTRACT AMENDMENT**

This **CONTRACT AMENDMENT** is made this \_\_\_\_\_ day of January 2023, by and between the Authority for California Cities Excess Liability hereinafter called "**ACCEL**" and R.E. Powers & Company LLC, hereinafter called "**R.E. Powers.**"

**Recitals**

WHEREAS,

- R.E. Powers has been providing claims auditing services to ACCEL pursuant to a contract dated March 2, 2021, incorporated herein by reference as the **ORIGINAL CONTRACT.**
- That contract was for two (2) years (2021, 2022) with an optional third year for 2023.
- ACCEL wishes to exercise that option for 2023.

NOW, WHEREFORE,

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

**ARTICLE IV- TIME FOR PERFORMANCE is hereby AMENDED to include ACCEL's option to extend the CONTRACT for a third year (2023) as stated.**

All other provisions, terms and conditions to remain the same as the **ORIGINAL CONTRACT.**

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 original.

Executed this \_\_\_\_\_ day, of \_\_\_\_\_ 2023

**Authority for California Cities Excess Liability**

**R.E. Powers & Company, LLC**

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

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

Print Name \_\_\_\_\_

Robert E. Powers  
President/CEO

ACCEL Claims Committee Chair

**AUTHORITY for CALIFORNIA CITIES EXCESS LIABILITY  
R.E. POWERS & Company, LLC- CLAIMS CONSULTING & AUDITING SERVICES  
AGREEMENT**

This agreement is made this 2<sup>nd</sup> day of March 2021, by and between the Authority for California Cities Excess Liability hereinafter called "ACCEL" and R.E. Powers & Company LLC, hereinafter called "**R.E. Powers.**"

**Recitals**

WHEREAS,

- R.E. Powers has been providing claims auditing services to ACCEL since June 18, 2018 via an assigned contract from Praxis Claims Consulting.
- R.E. Powers and ACCEL wish to incorporate terms and conditions from that contract into an entirely new contract which is contained herein.
- Prior amendments are fully incorporated into this entirely new contract.
- There are no fundamentally different or substantiative changes from the prior existing agreements.
- The parties will consider this agreement as encompassing the entirety of duties and responsibilities of R.E. Powers claims consulting auditing services.
- ACCEL's intent for auditing services is more fully explained in the January 2, 2018 Request for Proposal (RFP) and incorporated herein by reference.

NOW, WHEREFORE,

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

**ARTICLE I- SCOPE**

**R.E. Powers** shall provide, and ACCEL shall be responsible for paying for the following described services: Liability Claims Auditing Services, as more fully described in hereinafter attached as **Exhibit A** for agreed **Scope of Work**.

**R.E. Powers** 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 **RFP**, Exhibit A and all other requirements which may appear in this Agreement Document.

## **ARTICLE II- CONSIDERATION**

A flat annual fee of **\$57,958.00** for the **TERM** of the contract, based upon the current Membership of thirteen Cities and one Third Party Administrator (TPA). The first payment shall be due once **R.E. Powers** has begun the scheduling of the Members' audits and completed at least 30% of the audits (**\$17,387.40**). The second payment would be due upon the completion of the remaining Members and TPA audits and receipt and acceptance of the final audit report(s) (**\$40,570.60**). All payments will be invoiced would be payable within 30 days of **ACCEL** receiving **R.E. Powers'** invoice.

## **ARTICLE III- 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

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

## **ARTICLE IV- TIME FOR PERFORMANCE**

Each year, **R.E. Powers** shall fully perform all of its obligations, and without limitations, of all required services outlined in the RFP, Exhibit A during the period beginning from the signing date of this Agreement. The **TERM** for the contract will be for two (2) years with an option to extended by **ACCEL** only for an additional year:

- Year 2021
- Year 2022
- Year 2023 (Option Year)

**ACCEL** may use this option upon written notice by **ACCEL's** Program Administrators after Board of Directors' action. Either party may terminate the contract upon 60 days written notice.

## **ARTICLE V- CONFIDENTIALITY**

During the term of this Agreement, **R.E. Powers** 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 **R.E. Powers**, 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 **R.E Powers'** 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**. **R.E. Powers** 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 **R.E. Powers'** possession must be destroyed/deleted within five working days of the termination of this Agreement and upon written request of **ACCEL**.

#### **ARTICLE VI- 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 **R.E. Powers** related to the services performed for **ACCEL**; or
  - iii. Any act or omission by **ACCEL** related to the services performed by **R.E. Powers**.
  
- 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 VII- INSURANCE**

- **Commercial General Liability:** \$1,000,000 per occurrence.
- **Automobile Liability:** \$1,000,000 per accident for bodily injury and property damage.
- **Workers' Compensation:** Workers' Compensation insurance as required by the State of California, with Statutory Limits and Employers' Liability Insurance with limits of no less than \$1,000,000 per accident for bodily injury or disease
- **Professional Liability:** Insurance appropriate to the Consultant's profession with a limit of not less than \$1,000,000 per occurrence.

Details more fully explained in the January 2, 2018 Request for Proposal (RFP).

**ARTICLE VIII- ASSIGNABILITY**

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

**ARTICLE IX- CONFLICTS**

Parties agree that any conflicts or potential conflicts will be disclosed as soon as possible upon becoming aware of the potential for conflicts.

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.

**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

R.E. Powers & Company, LLC

DocuSigned by:  
*Oles Gordeev*  
AC5667003509407...  
By: \_\_\_\_\_

*Robert Powers*  
By: \_\_\_\_\_

Oles Gordeev  
ACCEL Claims Committee Chair

Robert Powers  
President

## **Exhibit A**

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

#### **Scope of Services**

The consultant will annually audit the Claims Administrator and all thirteen 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;
  - Monitor and reconcile claims in which ACCEL's Claims Administrator has placed an ACCEL reserve, against each Members' loss run to be sure there is an appropriate Member reserve;
  - 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 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: Ontario, Palo Alto, Salinas, 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 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.

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.

Further, R.E. Powers agrees to review and provide input on, where appropriate:

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.



**Item No. C.1.c**  
**Claims Committee**  
**January 9, 2023**

### RESERVATIONS OF RIGHTS LETTERS – LEGAL COUNSEL

**ISSUE:** On ACCEL’s behalf, Ben Oram requested Steve Brower, from Brower Law Group, to consider working with ACCEL to provide legal assistance with claim related work such as creating Reservations of Rights (RORs) letters. Steve Brower currently works on a case where an ACCEL Member is in litigation with an excess carrier.

Steve’s response is in the Background section and explains the issue is the rate is much higher than what ACCEL currently pays, and has offered to work on one ROR for free and then ACCEL can provide feedback on his work.

**RECOMMENDATION:** Discuss Steve Brower’s proposal and form a recommendation to the Board to consider.

#### Additional Consideration

**In favor:** Steve Brower has offered to respond to one ROR for free. This allows the Board an opportunity to consider his work and pay a higher hourly fee of \$550 to \$750. ACCEL currently pays at \$185/hr.

**Against:** ACCEL currently pays \$185/hr for the same type of work done by Byrne Conley, ACCEL’s legal counsel. ACCEL should consider seeking more reasonable rates.

**FISCAL IMPACT:** If approved, the low-end hourly rate would be \$550, down from a standard billing rate of \$750. ACCEL currently pays a rate of \$185 for coverage decisions and responses to ROR from various excess carriers.

**BACKGROUND:** Steve Brower’s response:

*First, I want to thank you, and the board, for being kind enough to ask for our input.*

*The delay has been my thinking about the financial aspects. Because I have no doubt about our ability to move quickly on inquiries or to provide actual answers. That is, we might be guilty of saying “you can never be sure” BUT we will almost always follow with “BUT, my best estimate is that xxxxx and yyyyyy is what the insurer will say and we suggest that you zzzzzz in response.” That is, [removed name] and others will confirm that we are willing to actually give advice.*

# ACCEL

## Authority for California Cities Excess Liability

c/o Alliant Insurance Services, Inc.  
Corporation Insurance License No. 0C36861  
560 Mission Street, 6th Floor, San Francisco, CA 94105



*However, the rate is an issue. As you know, from the [ACCEL Member] matter, our regular rates for complex work, billed to municipal clients, is generally \$550 per hour for me (discounted from my full rate of \$750/hr), with lower rates for my colleagues. But this is the kind of work which would either be done by me or by Tae Im, who is \$500 per hour (he has 30+ years with insurance coverage).*

*BUT, we want an opportunity to impress you and, more importantly, all the members of ACCEL. So we are willing to offer the following. Send us your next coverage decision or ROR (even if you still send it to your current counsel). We will process it for FREE. We will tell you how much time we spent (because the hourly rate isn't everything) and we will send you our results (which you can compare to what you are receiving from your other counsel – without telling them or us.) If the Board thinks that our work would have been worth the extra cost of \$350 per hour (special for review of coverage opinions and RoR – NOT for litigation), then we would like to be your “regular” counsel for those items, with the understanding that we would still charge our regular discounted rates for litigation.*

*Please let me know your thoughts. I would also be willing to come and meet with you and/or the Board if that would be helpful.*

**Steven Brower**

*Brower Law Group, A Professional Corporation*  
23601 Moulton Parkway, Suite 220  
Laguna Hills, CA 92653  
Office: 949-668-0825  
Direct: 714-549-5150 (cell and voicemail)  
[Steve@BrowerLawGroup.com](mailto:Steve@BrowerLawGroup.com)

**ATTACHMENT:** None



**Item No. C.1.d**  
**Claims Committee**  
**January 9, 2023**

### **GEORGE HILLS PROPOSED SENIOR CLAIMS ADJUSTER**

**ISSUE:** ACCEL executed a new agreement with George Hills (GH) for Claims Administration and Litigation Management effective January 1, 2023 to June 30, 2026 with two (2) one-year option to extend. As part of entering into the new contract, ACCEL requested the ability to review and approve the Senior Claims Adjuster. The contract was approved at the October 2022 Board Meeting and at that time the candidate for the position was still to be determined.

George Hills has provided the attached letter regarding the proposed Senior Claims Adjuster, Richard Santana who will be part of the ACCEL claims team.

**RECOMMENDATION:** The Committee may take action to form a recommendation to the Board to consider to approving or provide direction.

#### **Additional Consideration**

**In favor:** A vote in favor of taking action to recommend Richard as the Senior Claims Adjuster would finalize the newly executed contract process.

**Against:** If the Committee has reservations making a recommendation, the Committee may provide feedback to George Hills.

**FISCAL IMPACT:** No financial impact is expected from the recommendation. The newly executed contract's fee includes the addition of a Senior Claims Adjuster, subject to ACCEL's approval. The annual fixed fee is \$195,000. The prior contract's flat fee was \$108,448 plus \$16,000 for Travel.

**BACKGROUND:** In June 2022, GH presented an option to the Board to execute a new contract, in order to restructure the service team and align the goals of ACCEL with the contract in place for Claims Administration. The Board then directed the Claims Committee to evaluate the proposal from GH. The Claims Committee met twice, on September 1 and October 4, 2022 to discuss the proposal. The Committee made a recommendation to the Board at the October 2022 to approve the new contract from January 1, 2023 to June 30, 2026 with two (2) one-year option to extend, and with the ACCEL claims service team as follows (\* indicates Key Personnel) :

# ACCEL

## Authority for California Cities Excess Liability

c/o Alliant Insurance Services, Inc.  
Corporation Insurance License No. 0C36861  
560 Mission Street, 6th Floor, San Francisco, CA 94105



Ben Oram – Litigation Manager \*

David Trautz – Claims Supervisor \*

Richard Santana (***Proposed***) – Sr. Claims Adjustor

Patti Schneider – Claims Processor

**ATTACHMENT:** Letter from GH

December 19, 2022

Attn: Conor Boughey - [cboughey@alliant.com](mailto:cboughey@alliant.com)  
Alliant Insurance Services  
560 Mission Street, 6th Floor  
San Francisco, CA 94105

Dear Mr. Boughey:

On 10/12/22, the ACCEL Board of Directors approved the ACCEL Claims Administration and Litigation Management contract proposed by George Hills and as modified based on ACCEL Claims Committee feedback from 09/01/22. One of the modifications based on Claims Committee feedback was the ability to review and approve the Senior Claims Adjuster.

George Hills has recently hired Richard Santana as a Senior Claims Adjuster, and we believe that he will be an ideal fit for ACCEL.

Richard Santana brings decades of experience in claims to ACCEL, including California municipal general liability claims experience. Richard had an excellent introductory interview with Litigation Manager Ben Oram and Claims Supervisor David Trautz for the position of Senior Claims Adjuster for ACCEL. He is an ideal candidate due to his experience and enthusiasm, both of which are key factors in his anticipated success with the ACCEL program. His experience in coordinating reporting with multiple excess carriers is particularly relevant given ACCEL's reporting preferences.

In addition to taking and passing the George Hills University Public Entity Claims Professional (PECP) Certification Program, Richard Santana is training with Claims Supervisor David Trautz in the particulars of setting up and handling ACCEL claims. Our goal is for Richard to take on the ACCEL claims with David Trautz's close supervision effective January 1, 2023.

We recommend that ACCEL approve Richard Santana for the position of Senior Claims Adjuster for ACCEL's claims.

Should you have any questions, please do not hesitate to call.

Thank you,



John Chaquica  
GEORGE HILLS COMPANY, INC.



**Item No. C.1.e**  
**Claims Committee**  
**January 9, 2023**

**PROPOSED CHANGES:**  
**CLAIMS REPORTING AND HANDLING POLICY AND PROCEDURE**

**ISSUE:** A Member is requesting that ACCEL pre-fund a large judgement. ACCEL's Memorandum of Coverage is reimbursement based. Within the current Claims Reporting and Handling Policy and Procedure, under the section VII. Claims Reimbursement Requests, there is a section for special circumstances that may allow ACCEL to process pre-funding requests when agendized for the Committee or Board to consider.

ACCEL may want to clarify that pre-funding requests fall under the existing language, or create new language to specifically address pre-funding of large reimbursements.

**RECOMMENDATION:** The Claims Committee may make a recommendation to the Board to adopt changes or provide direction to the Program Administrators within the current language.

**Additional Consideration:**

**In favor:** If a Member is subject to a large settlement or judgement, the Member may want to request pre-funding from ACCEL. The current P&P language allows these special circumstances and no changes are needed.

**Against:** If the Committee does not feel the current language addresses pre-funding requests, the Committee may want to recommend new language for the Board to consider. The new language would outline the process to obtain authority to pre-fund a member's claim reimbursement.

**FISCAL IMPACT:** No financial impact is expected from the recommended action.

**BACKGROUND:** To our knowledge, ACCEL has not been asked to prefund claims in the past 10 years. However, as ACCEL retains additional excess limits and claims values grow, it is likely that additional requests will be made.

**ATTACHMENT:** Claims Reporting and Handling Policy and Procedure – Redlined with current proposed changes for the Board's consideration.

# ADMINISTRATIVE POLICY AND PROCEDURE

## SUBJECT: CLAIM REPORTING AND HANDLING

DATE: May 1, 1987

AMENDED DATE: ~~January 20, 2022~~ January 19, 2023

REVIEWED DATE: ~~January 11, 2022~~ December 5, 2022

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#### I. Statement

It is the policy of the Authority for California Cities Excess Liability Joint Powers Authority (hereinafter referred to as “Authority”) that:

1. Each Member Agency will report all occurrences, claims, and lawsuits (hereinafter referred to as “claims”) meeting the Authority’s reporting criteria to its Claims Administrator as soon as possible and in accordance with the Authority’s Memorandum of Coverage (“MOC”).
2. Each Member Agency will assume primary responsibility for managing all reported claims filed against the Member Agency. However, the Authority reserves right to associate in or participate with a Member Agency in the negotiation, investigation, defense, appeal, or settlement of a claim subject to the terms and conditions of the Authority’s MOC.
3. The Authority’s Claims Administrator is responsible for notifying the Authority’s excess insurance carriers of all Member Agency claims with the potential to exceed the Authority’s retained limit in accordance with excess carriers’ claims reporting and handling policies. However, each Member Agency is responsible for notifying and complying with all insurance policies unaffiliated with the Authority, and purchased individually by the Member Agency (i.e., Non-Authority purchased coverage).
4. Should a discrepancy arise between this document and the Authority’s MOC, the MOC will govern.

## **II. Role of Claims Committee**

The Claims Committee is composed of Board Members appointed by the Executive Committee and approved by the Authority; the Committee Chair is selected by Committee members. Committee membership shall not meet or exceed a quorum of the Board. The Claims Committee, with support from the Authority's claims management firm, is responsible for the following activities:

1. Monitoring all claims reported by Member Agencies to the Authority to ensure reserves are adequate, defense strategies are sound, coverage issues are promptly identified and communicated to Member Agencies, and excess carriers are promptly notified of claims with potential to exceed the Authority's retained limit;
2. Reporting key developments and/or concerns regarding active claims to the Authority's Board of Directors;
3. Providing recommendations to the Board of Directors on claims and claims matters requiring Authority action, including, but not limited to, coverage determinations, reserve levels, defense strategies, settlement offers, and decisions to try or appeal lawsuits;
4. When appropriate, soliciting and reviewing coverage opinions and other related coverage matters (e.g. reservation of rights letters). The Claims Committee Chair may approve releasing the coverage statement to the Member, to be ratified at the following Claims Committee Meeting;
5. Overseeing the activities of the Authority's claims management firm; and
6. Assisting with the selection of the Authority's claims management firm and claims auditor.

The Claims Committee will meet at least quarterly to fulfill its designated responsibilities.

## **III. Role of Claims Administrator**

The Authority will retain the services of a claims management firm to oversee all claims reported by its Member Agencies. The claims management firm, in turn, will assign a claims administrator to the Authority. The Claims Administrator will serve as the Authority's point of contact for all reported claims and be responsible for fulfilling the scope of work contained in the service contract between the Authority and the claims management firm. The Claims Administrator will notify the excess carriers of claims in accordance with excess carriers' claims reporting and handling policies.

It is the duty of the Claims Administrator to report any claim or occurrence to each excess carrier, without regard to liability, that meets the reporting requirements in each of the excess policies, (e.g. death, traumatic brain injury, paralysis, burns, and other severe injuries, or a reserve of half or more of the retention) or which meet ACCEL's reporting requirements in Section IV below.

#### IV. Reporting Requirements for Member Agencies

1. Member Agencies will report to the Authority's Claims Administrator as soon as possible all events meeting any of the criteria identified below, without regard to liability:
  - a. Claims<sup>1</sup> in which the ultimate net loss is estimated to exceed 25% of the Member Agency's retained limit.
  - b. Claims<sup>1</sup> falling within any of the following classifications:
    - i. one or more fatalities;
    - ii. spinal cord injuries (paraplegic or quadriplegic);
    - iii. amputations;
    - iv. loss of sight or hearing;
    - v. severe burns or disfigurement;
    - vi. serious head injuries;
    - vii. serious loss of use of any body part or function;
    - viii. allegations of sexual misconduct, molestation or similar;
    - ix. long term hospitalization (30 days or more); or
    - x. multiple claims arising out of the same occurrence in which the aggregate ultimate net loss is estimated to exceed 25% of the Member Agency's retained limit.
  - c. Lawsuits or writs involving employment practices liability.
  - d. Any class action lawsuits.
  - e. Demands in excess of \$250,000 arising out of any of the following settings:
    - i. Statutory demand;
    - ii. Post closed discovery (not expert) demand;
    - iii. Mandatory Settlement Conference demand;
    - iv. Mediation demand; or
    - v. Arbitration demand.
2. Member Agencies will ensure that the initial report provided to the Claims Administrator contains a brief description of what occurred, along with all available/relevant documents (e.g., claim, investigative reports, photos, medical reports, etc.) and a reserve recommendation.

Member Agencies will provide the initial report and all future reports to the Authority's Claims Administrator:

George Hills Company  
P.O. Box 278  
Rancho Cordova, CA 95741  
Phone: (855) 442-2357  
Attention: Ben Oram / David Trautz  
[Ben.Oram@georgehills.com](mailto:Ben.Oram@georgehills.com) / [David.Trautz@georgehills.com](mailto:David.Trautz@georgehills.com)  
(916) 269-4108 / (747) 282-2810

<sup>1</sup> See page 1 of this policy – the definition of “claim” includes occurrences, claims, and lawsuits.

Once a reported claim is litigated, Member Agencies will promptly advise the Claims Administrator of legal counsel selection and forward a copy of the lawsuit along with any additional relevant documents available that were not provided with the initial report.

3. Member Agencies will ensure that assigned legal counsel provides the Claims Administrator with a case analysis report (“CAR” – sample attached) or equivalent as soon as reasonably possible after receipt of the lawsuit and status reports every ninety days thereafter or when an action occurs that could change the value of a lawsuit, whichever occurs first. Further, Member Agencies will ensure that status reports are complete and contain sufficient information for the Claims Administrator to properly evaluate the lawsuit and keep the Claims Committee informed of key developments that may require its action. If Member Agencies fail to comply with these requirements, the Claims Administrator will promptly alert the Claims Committee and may request intervention.

## **V. Coverage Determinations**

The Claims Administrator will promptly evaluate all reported claims to determine whether coverage is available under the Authority’s MOC.

If this review reveals a potential coverage issue(s), the Claims Administrator will send the affected Member Agency a partial disclaimer of uncovered damages and provide a copy to the Program Administrator. Upon further review of claim details, the Claims Administrator will request Claims Committee approval to issue a reservation of rights letter that clearly states the basis and justification for the finding; a copy of the letter will be provided to the Program Administrator and each Claims Committee Member. The Claims Chair has Authority to approve the issuance of a Reservation of Rights if circumstances dictate that the Claims Committee may not be able to approve. Any Reservations of Rights approved by the Claims Chair will be presented to the Claims Committee for ratification at the next Claims Committee meeting. The Claims Committee, in turn, will apprise the Board of Directors of all reservation of rights letters issued to Member Agencies and will provide regular status updates until matters resolve. All denials of coverage must be approved by the Authority.

Member Agencies can dispute a reservation of rights letter by contacting the Authority’s Board President and requesting that an item be placed on the next available Board of Directors meeting agenda to discuss the matter. In the event of a conflict (i.e., the Board President’s Member Agency is disputing a reservation of rights letter), the Vice President will assume the Board President’s responsibilities.

## **VI. Duty to Disclose a Potential Conflict of Interest**

Members have a duty to disclose a conflict of interest if a conflict of interest or potential conflict exists.

## **VII. Settlement Authority Process**

As stated in the ACCEL Bylaws Article XI Settlement of Claims:

All claims settlement recommendations shall be presented by the Claims Committee to the Board of Directors for its approval prior to final settlement.

ACCEL's Board will review claims covered by ACCEL's Memorandum of Coverage and take the following steps to review and grant authority to resolve claims:

1. The TPA will review claims for exposure to ACCEL's shared risk layer.
2. Claims which are likely to exceed the member retention and require ACCEL funds to resolve will be brought to the Claims Committee for review.
3. For claims in which an ACCEL reserve is being requested, the claim shall be brought to ACCEL's Board for review and action. If a reserve is approved, the reserve will be posted on ACCEL's loss run and indicates ACCEL's level of approval to resolve the claim.
4. If an opportunity to resolve a claim arises, and the amount is less than the approved reserve, ACCEL authorizes the following levels of authority. If the claim involves the Chair's own city, the President will have authority to approve.
  - a. \$1,000,000 to \$2,000,000 - Claims Committee Chair or the Claims Committee in an event there is a conflict situation.
  - b. \$2,000,000 to \$5,000,000 - Claims Committee
  - c. \$5,000,000 to Authority's Retained Limit - ACCEL Board
5. If a claim resolution exceeds the Board approved reserve, the claim must be brought back to the Board for further discussion and potential action.
6. Any claim involving ACCEL's funds requires a final report to the Board, informing the Board of the claim resolution and financial impact to ACCEL.
7. Claims payments will be processed in accordance with ACCEL's Accounting Guide.

Confirmation of Authority: Prior to attending a settlement conference, the Claims Administrator should provide written notification to the Member Agency and to the Claims Committee of the settlement plan including the details of the mediation or settlement conference, if applicable, the reserves set by ACCEL, confirmation on the potential target settlement value, and where applicable, confirmation that the remainder of the Member Agency SIR may be tendered in the course of finding a resolution.

## VIII. Claims Reimbursement Requests

For claims that fall under the Policy Year 2015-16 and after, the Authority's MOC allows for a Member Agency to seek reimbursement from the Authority.

When seeking reimbursement Member Agencies are required to provide the Authority's Claims Administrator a summary as well as all invoices and documentation to substantiate the exhaustion of the Member SIR and the amount requested in the claim reimbursement.

The statement above does not change any agreement between the Authority and a Member Agency which allows the Member Agency (such as a flat fee agreement) to provide a summary report of the amount requested as part of the claim reimbursement along with a signed affidavit that all bills have been reviewed for accuracy, appropriateness, and reasonableness.

The Authority will reimburse Members or credit their Self-Insured Retentions (SIRs) for reasonable attorney fees and necessary litigation expenses incurred while managing, investigating, defending or litigating covered claims.

ACCEL Members are required to notify the Claims and Program Administrators regarding any claim in which attorney rates are in excess of \$400/hour. The Program Administrators will agendize the claim for the Claims Committee to review rates for reasonableness. The Committee may take action or provide direction.

- 1) Once prior written authorization is given to settle an excess case, or a judgment puts it into the Authority or other excess layers, the Member or its administrator must submit:
  - a) Copies of all settlement documents, including releases, annuity forms (if structured), and properly filed dismissals.
  - b) Copies of all itemized bills from defense attorneys, claims administrators, expert witnesses and any other cost bills. (*see attached sample billing procedures*)
  - c) Copies of valid evidence of payment properly matched to the bills and settlement documents. Valid evidence of payment can take the form of check copies, data processing runs, Member warrant registers, department payment records, TPA claim payment screen printout, identifying the following:
    - a. Check or warrant number
    - b. Issue date
    - c. Payee
    - d. Paid amount
- 2) A cover letter requesting reimbursement of the net amount after deducting the SIR, must be submitted with the above documentation.
- 3) Once the figures are reconciled, a check request will be made to reimburse the Member in the appropriate amount. When issued this check will be mailed to the Member contact person, with a copy to the claims administrator (if applicable).
- 4) If special circumstances arise, which require exceptions or interpretation, the Program Administrators will agendize for Committee or Board consideration.

## **IX. Claims Audits**

All Member Agencies are required to complete an annual claims audit. Such audits will be conducted by a qualified outside audit firm recommended by the Claims Committee and approved by the Authority. The cost of the audits will be shared equally by Member Agencies.

The Claims Auditor will issue a written report summarizing the findings and recommendations for each Member Agency. This report will be presented and approved by the Authority's Board of Directors at a regular Board meeting. The Authority may require a Member Agency to formally respond to an audit finding contained in the report. A Member Agency shall submit its response to the Authority within sixty days of the request.

## **X. Attachments**

- 1) Sample CAR and Budget Form
- 2) Sample Billing Procedures

**APPENDIX 1  
CASE ANALYSIS REPORT**

**Caption of Lawsuit:** \_\_\_\_\_

**Court:** \_\_\_\_\_

**Court Case Number:** \_\_\_\_\_

**Date Suit Filed:** \_\_\_\_\_

**Date of Service:** \_\_\_\_\_

**Fast Track?** \_\_\_\_ Yes \_\_\_\_ No

**Excess TPA Claim Number:** \_\_\_\_\_

**Date of Loss:** \_\_\_\_\_

**Primary TPA Claim Number:** \_\_\_\_\_

**I. PARTIES**

**A. Plaintiffs:**

**B. City and City-Related Defendants:**

**C. Third-Party and Other Defendants:**

**II. TRIAL DATE AND OTHER IMPORTANT DATES**

**III. JURISDICTION AND EVALUATION**

**IV. TRIAL JUDGE AND EVALUATION**

**V. EVALUATION OF COUNSEL**

**A. Plaintiff's Attorney's Name and Evaluation:**

**B. City's Defense Attorney's Name:**

**C. Co-Defendants' Attorneys' Names and Evaluations:**

**VI. STATEMENT OF FACTS**

**VII. INJURIES**

**VIII. SPECIAL DAMAGES**

**A. Medical Expenses:**

**1. Past:**

**2. Future:**

**B. Loss of Earnings:**

**1. Past:**

**2. Future:**

**C. Other (specify);**

**IX. LIABILITY ALLEGATIONS**

- A. Plaintiff's Contentions:**
- B. Defenses:**
  - 1. Legal Defenses:**
  - 2. Factual Defenses:**
- C. Plaintiff's Expert Witnesses and Opinions:**
- D. Defense Expert Witnesses and Opinions:**

**X. VERDICT EXPOSURE**

- A. Chances of Defense Verdict:**  
[Note: a percentage number shall be provided.]
- B. Gross Verdict Range as to all Defendants:**
- C. Potential Offsets and Credits:**
- D. Net Verdict Range to City after Offsets, Credits and Allocation of Fault:**
- E. Plaintiff's Attorney's Fees (if applicable):**
- F. Punitive Damages (if applicable):**

**XI. SETTLEMENT HISTORY**

- A. Last Demand:**
- B. Last Offer:**
- C. History of Settlement Negotiations:**

**XII. RECOMMENDATIONS OF COUNSEL**

- A. Reasonable Settlement Value:**
- B. Proposed Litigation Strategy:**
- C. Other Recommendations:**

**XII. BUDGET**

- A. Fees and Costs Invoiced to Client as of the Date of this Report:**
- B. Fees and Costs from this Date to Trial:**
- C. Fees and Costs of Trial:**
- D. Initial Case Budget:**
- E. Experts' Fees and Costs to Date:**

**F. Experts' Fees and Costs through Trial:**

**G. Litigation Budget Summary Form (see Attachment 1):**

**XIII. MISCELLANEOUS**

**A. Does Complaint Conform to the Tort Claim Filed?**

**(If not, specify differences)**

**B. Is Indemnification, Subrogation, or Contribution Available?**

**(If so, specify by whom, and in what amounts)**

**Attachment**

**1 – Litigation Budget Summary Form**

# ATTACHMENT 1 -- LITIGATION BUDGET SUMMARY FORM

Name of Attorney: \_\_\_\_\_ Case Name: \_\_\_\_\_

Est Hrs / Cost

1. **Preliminary Activity**  
(Review File, Interview Witnesses, Case Analysis, Litigation Plan, Budget)
2. **Initial Pleadings**  
(Answer, Cross-Complaint, Demurrer)
3. **Fact Finding – Information Gathering**  
(Document Review, Research, Strategy Development, Sub Rosa, Travel)
4. **Discovery**  
(Interrogatories, Depositions [by individual], Other Requests)
5. **Law & Motion and Pre-Trial Activity**  
(Motions [specify], Arbitrations, Settlement Conferences, Mediations, Court Hearings, Pre-Trial Reports)
6. **Experts**  
(Identify Each Expert [if known] and Area of Expertise)
7. **Documentation – Administrative Support**  
(Correspondence, Copies, Faxes, Other Costs)
8. **Trial Activity**  
(Trial Preparation, Trial Attendance, Briefings, Exhibits, Post-Trial Report)

**TOTAL** \_\_\_\_\_

## BUDGET SUMMARY:

- |   |    |
|---|----|
| 1. Preliminary Activity                   | \$ |
| 2. Initial Pleadings                      | \$ |
| 3. Fact Finding-Information Gathering     | \$ |
| 4. Discovery                              | \$ |
| 5. Law & Motion and Pre-Trial Activity    | \$ |
| 6. Experts                                | \$ |
| 7. Documentation – Administrative Support | \$ |
| 8. Trial Activity                         | \$ |

**TOTAL**

\$ \_\_\_\_\_

**SUBMITTED BY:**

**Defense Counsel:**

\_\_\_\_\_ Date: \_\_\_\_\_

Signature

\_\_\_\_\_

Printed Name

## **SAMPLE DEFENSE COUNSEL GUIDELINES – Billing Procedures**

### **BILLING PROCEDURES**

All invoices are to be submitted on a [monthly/quarterly] basis and directed to [name of person or position to whom invoices should be sent]. Billings that do not comply with the billing guidelines will not be paid. Payment of any bill by the [entity name and/or the TPA] does not constitute a waiver of the [entity name's] right to question, dispute, obtain reimbursement, compromise, or request repayment or future credit, for any bill or invoice previously paid.

Invoices for counsel fees and expenses should be submitted [monthly/quarterly], within thirty (30) days of the end of the billing period. Final invoices should be submitted within thirty (30) days from receipt of a filed Dismissal. Defense Counsel is responsible for obtaining all outstanding invoices from outside vendors, including experts, before submitting the final bill. Receipts must be submitted for all travel and other expenses.

Firm staffing on all cases should be as limited as possible. Absent prior approval, the [entity name] will not pay for more than one (1) attorney performing the same task. For example, the [entity name] will not pay for two (2) or more attorneys to attend the same deposition. Work should be assigned to those individuals who are most appropriate for the task in terms of their competency and experience.

There should be no more than two (2) attorneys and one (1) paralegal performing work on a case at any given time. Other firm personnel may occasionally have to work on a case due to job departures, vacations, illnesses, schedule conflicts, etc., but this is the exception, not the rule. [Entity name] will not pay for “training” time for new attorneys or “learning” time or “orientation” time as new billers become involved in a matter and are learning the facts and issues. If a firm has summer associates, their time should not be billed to a case without first being approved by the [entity name and/or TPA]

#### **A. Invoices**

Invoices should accurately itemize, in detail, all work performed on a matter. Each invoice must include the following:

- Law firm name and address
- Date of the bill
- Law firm tax identification number
- The TPA and/or entity claim number
- Plaintiff(s) name(s)
- Each billing entry must state the name or initials of the timekeeper who performed the work, the date the work was performed, the hours billed, a detailed description of the services performed, and the total amount billed for that entry
- Attorneys and paralegals should bill actual time spent in increments, no greater than 1/10<sup>th</sup> of an hour for each entry
- Summarize at the end of the bill, the number of hours for each specific biller

- Summarize at the end of the bill the totals for fees, costs, and experts
- Narrative or block/bundled billing is not permitted
- Final bills should be clearly marked
- Invoices must reflect activity for only one (1) case
- Billing entries should be listed chronologically in order of occurrence and not sub-divided by individual or task
- If a number of different tasks are undertaken in one day, each task must be separately identified with a specified time for performing that task, e.g., “telephone conference with John Doe (.30); Attend conference with Jane Doe (1.20), etc.”
- Entries regarding telephone conferences must specify the participants and the subject matter discussed

Vague descriptions such as “work on file,” “telephone call,” “conference,” and “research,” without further explanation, are not acceptable.

Vendor invoices (e.g. experts, mediators, photocopy services, court reporters, and others) in an amount up to [insert amount here] dollars (\$XXXX) per case should be paid by the law firm and included with the monthly attorney billing. Defense Counsel must review and approve all vendor invoices.

## **B. Maximum Allowable Charges and Travel**

The following guidelines are provided regarding maximum allowable charges:

- The [entity name] will only pay the actual cost incurred for reasonable expenses without any markups.
- A firm may conduct necessary and appropriate research up to five (5) hours per case without prior approval by the [entity name and/or its TPA].
- Photocopy costs should not exceed ten cents (\$0.10) per page. Firms are expected to limit the making of photocopies and, wherever cost effective, to use the resources of designated copy services. Billing entries for photocopies must provide the number of copies made, the per page rate, and the total amount billed.
- Mileage should be billed at the applicable Federal rate at the time of travel. The invoice should state the number of miles actually driven.
- Telephone and Fax: Actual long distance charges only. No charges for an incoming fax and no per-page fax charge.
- Air travel is limited to coach or economy rate. Receipts for airfare should allow a reviewer to identify the fare as economy/coach class.
- Rental cars are acceptable only if such vehicles are the most economical means of accomplishing necessary business. Reimbursement is limited to the mid-size class.
- Incidentals, such as movies, alcohol, and entertainment are not allowed.
- Travel time shall be pro-rated if the travel includes time spent on non-[entity name] business.

### **C. Disallowed Charges**

In addition to items listed above in sections A and B, the [entity name] will not reimburse for the following:

- Local telephone calls and all cellular phone charges.
- Routine postage, such as the U.S. Postal Service rates for letters. Any necessary extraordinary postage charges (such as certified mail, overnight service, or oversized packages) must be delineated on the bill with an explanation of the nature and purpose of the charge. Any postage charges that are not explained will not be reimbursed.
- File opening, file organization, or other administrative charges.
- Interoffice conferences between members of the firm, including assigning files or tasks to members of the firm.
- Case administration (e.g. reviewing status of assignments given to associates and paralegals; directing associates, paralegals, or secretaries; preparing or reviewing bills).
- Clerical tasks (e.g. transcription, pulling files, photocopying documents, arranging for copying, labeling documents for production, communication with court clerks, updating master case caption, preparing proofs of service, indexing pleadings, faxing).
- Meals, except in conjunction with out-of-town travel (alcohol will not be reimbursed in conjunction with any travel).
- Routine legal research, including issues considered to be common knowledge among reasonably experienced counsel in the local jurisdiction.
- All work customarily performed by secretaries and other administrative personnel including but not limited to, photocopying, date stamping documents, scanning documents, transcription, retrieving files, indexing pleadings, updating case captions, making travel arrangements, calendaring, and preparing bills/invoices.
- Subscription services (e.g. Westlaw, Lexis-Nexis, or other legal database charge).
- Responding to requests from [entity name and/or TPA] and/or their auditors relating to case file management and/or billing issues.