

REQUEST FOR PROPOSAL

WORKERS' COMPENSATION CLAIMS AUDIT SERVICES

CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY

The California Sanitation Risk Management Authority (CSRMA) is seeking professional service proposals from qualified claims auditing firms to provide a Workers' Compensation claims audit. This project arises out of CSRMA's desire to be assured that the third party claims administrator is doing an effective job in adjusting the JPA's claims, using sound and accurate reserving practices, and that the price for service is comparable to that offered by other qualified claims administrators.

CSRMA is a Joint Powers Authority that provides Workers' Compensation coverage to forty one (41) sanitation districts in accordance with the attached Memorandum of Coverage.

The claims are administered by Athens Administrators, Inc., out of its Concord, CA office, (866) 482-3535.

The audit shall focus on the administrator and its claims management program.

It is anticipated that an appropriate sampling of claim files will be reviewed. The final report will apprise CSRMA as to whether or not the third party administrator's program is in accordance with acceptable claims administration practices and standards. The report will make recommendations to improve the program.

OBJECTIVES

The overall objectives of the audit are to:

1. Assess the efficiency and effectiveness of the present claims administrator.
2. Review a minimum of 50 open indemnity claims, 15 open medical only claims and 15 closed claims for claims administration efficiency, effectiveness and reserve accuracy. The majority of the claims reviewed should have a total incurred cost of \$25,000 or more. As of June 1, 2026, CSRMA had 192 open claims.
3. Make certain the adjusters have the experience and competence to protect CSRMA's retained limit of \$250,000 per accident.
4. To ensure that all provisions of the contract for services are met.

AREAS OF EXAMINATION

To achieve these objectives, the audit shall include, but not be limited to, the following areas of examination:

1. Accuracy or excessiveness of payments.
2. Evaluation of reserve accuracy.
3. An audit of the administrative system used to pay claims. Identification of bottlenecks, delays and weakness in procedures. Promptness of payments.
4. Proper case monitoring procedures.
5. Degree and use of outside services including legal services. Monitoring of outside service. Review of approved litigation panel.
6. Accuracy, completeness, and timeliness of computer claims runs.
7. Timely notification of all claims that need to be reported to CSRMA's excess insurers.
8. Accessibility of administrator during non-working hours.
9. Processing claims or potential claims in accordance with CSRMA's policy.
10. Reasonableness of administrator's fees.
11. Utilization Review and Nurse Case Management.
12. Are adjusters trained and proficient in determining permanent disability ratings?
13. Technical competence and expertise of personnel handling the claims.
14. Diary system maintenance.
15. Indexing of claimants.
16. Timely contact with claimant.
17. Determination that administrator is keeping members of CSRMA informed and involved as to the status and development of claims.
18. Quality control mechanisms in place.
19. Pursuit of subrogation opportunities and collection success.
20. Adequacy of claim file documentation, including properly executed releases.
21. Determine that the administrator carries adequate professional liability and liability insurance.
22. Evaluate mechanisms to monitor attorney's costs and activities.
23. Case load is within industry standards for good to excellent adjusters.

CONDITIONS

1. The auditing firm selected will be considered as an independent contractor, and although the results and scope of the work will be under the control of CSRMA, in no way is it to be construed that the auditing firm is an agent or employee of CSRMA while providing services.

California Sanitation Risk Management Authority
c/o ALLIANT INSURANCE SERVICES, INC.
560 Mission Street, 6th Floor, San Francisco, CA 94105

Insurance License No.: 0C36861
Tel: 415.403.1400

2. The auditing firm shall hold CSRMA and its member agencies, its officers, agents and employees harmless and shall defend and indemnify CSRMA, against any and all claims which may arise, excluding sole negligence of CSRMA. Proof of Liability coverage and Professional Liability coverage in the amounts of \$1,000,000 shall be provided to CSRMA prior to commencement of work.
3. The audit report shall be the sole property of CSRMA and not used or reproduced for any other purpose without the written permission of CSRMA.
4. The claims audit should be performed within the period as outlined in the timeline under Exhibit A of this RFP.
5. A copy of the most recently valued loss run will be provided to you prior to the actual audit.
6. Your proposal will be evaluated based on the knowledge and experience of the firm and its personnel in conducting similar audits, scope of services offered, references, costs and other such factors. CSRMA reserves the right to reject any and all proposals.
7. See Exhibit A for CSRMA's proposal timeline.

PROPOSAL FORMAT

Please e-mail an electronic version of your response to P.J. Skarlanic at pskarlanic@alliant.com. The proposal shall be divided into three sections:

1. **Recommendations.** Recommendations as to specific areas you will examine and the anticipated results. List the number of open and closed claims you would propose to examine to properly audit the program. Suggest any other areas you propose to examine as a part of the audit.
2. **Qualifications.** Describe the scope and approach of previous similar audits by your company and the individuals who would perform the audit. Outline your experience in auditing self-insurance programs and particularly public entities.
3. **Cost of Service.** Costs should be quoted on a flat rate basis. Time and expense may be quoted, but only in addition to a flat fee quotation.

Questions regarding preparation of the proposal should be referred to P.J. Skarlanic at (415) 403-1455 / pskarlanic@alliant.com. Your proposal must be received no later than 5:00 p.m. on August 28, 2026.

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Exhibit A

CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY WORKERS' COMPENSATION CLAIMS AUDIT	
<i>TIMELINE</i>	
DATE	ACTION
July 23, 2026	RFP Issued
August 28, 2026, 5:00pm PST	Responses Due
August 28 – October 14, 2026	Review of Responses
October 14, 2026	Contract Awarded
November – December 2026	Audit Period
January 7, 2027	Final Report Due
February 2027	In-person (or virtual) Presentation of Final Report to Workers' Compensation Committee at Alliant Insurance Services Offices in San Francisco, CA.