



CARL WARREN & COMPANY
Claims Management and Solutions

December 1, 2016

City of Carson
Edwin Holton – Sr. Risk Management Analyst

Via email only: eholton@carson.ca.us

Re: Carl Warren & Company TPA Services

Dear Mr. Holton:

Thank you for the opportunity to submit this proposal to adjust the fees for Third Party Claims Administration services for the upcoming year.

The current agreement dated July 1, 2014 was based on an estimated number of reported claims annually of 55. At that time, Carson was averaging about 50 claims per year for the three years prior to 7/1/14. The agreement reads that if the number of claims reported varies +/- 10% in a given year then the annual fee could be negotiated (Exhibit B-2). The following is a summary of the claims reported during the term of this agreement to date.

2014/15: 77 claims reported (40% increase over expected)

2015/16: 68 claims reported (24% increase over expected)

2016/17: as of 11/28/16, 27 claims reported (on pace for 65 claims reported through 6/30/17)

Because the frequency of claims reported has increased on average by 30% over what was expected, and what Carl Warren based it fees on, we are asking for a 6% increase for the 2017-18 option year. This would place our annual fee, Exhibit B-1 Year 4, at \$58,950 for the 2017-18 term. We would propose that all other contract terms would remain the same.

We truly value our long term partnership with the City of Carson and serving its residents and hope to do so for many more years to come. Should you have any questions, or wish to discuss our proposal further, please contact me.

Sincerely,

Brandon Schlenker
AVP/Account Manager

EXHIBIT NO. 03

HUMAN RESOURCES
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CITY OF CARSON