



Proposal for Insurance Consulting and Risk Management

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1. Introduction

At **Charlesworth Consulting**, we specialize in independent public entity risk management and insurance consulting. Collectively, our consultants have over one hundred years of experience in delivering personalized results for our clients. **Charlesworth** is not an insurance broker, and **we do not sell insurance**. We provide fee-for-service advice and consulting to municipalities, school districts and counties across Texas and the Midwest.

Charlesworth is about relationships. Most of our clients have been with us for years, and we are fanatical about providing a more personal customer experience and exceptional service. We are here to help you navigate the insurance world and manage your risk, so you can focus on your City. With our knowledge of public entities and insurance expertise, we know we can bring value to your organization.

We know public entities. We will work with staff to establish clear timelines and expectations and stick to those deadlines. We think of ourselves as an extension of staff, and we try to integrate into your organization as seamlessly as possible. We are cognizant of packet materials deadlines and work hard to make sure your staff has the information they need when they need it.

2. Qualifications

A. History of Charlesworth Consulting

Our history goes back to 1977, when Art Charlesworth founded Charlesworth & Associates. His idea was to focus on consulting, not selling insurance products... a concept we still adhere to today.

In the 1980's, three of Art's children joined the family business. James, Connie, and Bob each developed their own niches and expertise and took over the business when Art retired in 2000.

In 2017, **Charlesworth Consulting** was born when we became a subsidiary of Holmes Murphy & Associates. We moved offices to Kansas City, Missouri, but not much else has changed. We still follow our core values of providing objective, innovative, and personal service.

We have continued to grow over the last years and have been retained by multiple new clients to provide comprehensive services. We continue to specialize in public entity risk management and consulting services.

Today, our public-entity client's range in population from under 5,000 to nearly 200,000. For school districts, our client's range in size from 5,000 students to over 50,000. Our larger retainer-based clients form the core of our business and typically have student populations over 30,000 or resident

C. Your Charlesworth Team

Charlesworth Consulting is a collection of people **dedicated to helping you**. If we are lucky enough to work with Mount Vernon, James will be the lead consultant on the project with Bob assisting. Connie, Sarah and Darla will also assist behind the scenes.

Your Charlesworth Consulting Team



James Charlesworth, ARM

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President

James has served clients since 1989 and has expertise in public-entity risk management, contract analysis, self-funding workers' compensation, cyber; law enforcement; claims, and subrogation. James has designed and implemented risk management programs for well over twenty-five public entities in Kansas, Missouri, Nebraska, Oklahoma, South Dakota, and Texas, plus numerous not-for-profit and for-profit organizations. He regularly presents to management teams, city councils, and school boards.



Bob Charlesworth, CPCU, ARM, ALCM, AIS

816.857.7850

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Senior Consultant – Public Retirement Systems & Benefits

Bob has served as a consultant with Charlesworth since 1984 and in addition to his employee benefit specialization (health, life and disability), he has special training in underwriting, risk financing alternatives and evaluations, safety program, loss control, committee development, and risk management seminars. Bob holds multiple Risk Management Consultant Licenses and is a well-known speaker for public entity and public retirement groups as well as speaking to the Missouri Association of Public Employee Retirement System group on several occasions.



Connie Sargent, ARM

816.857.7831

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Account Manager

Connie has been with Charlesworth since 1988 and specializes in designing loss reporting systems and loss control programs, deductible/SIR claims management, subrogation recoveries, workplace safety, and insurance review for contracts and commercial underwriting. Connie has a knack for chasing down subrogation claims and recovers over a quarter million dollars a year for our clients.



Sarah White

816.857.7875

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Client Coordinator

Sarah joined the Charlesworth team in 2021, specializing in workers' compensation and client management. Sarah has extensive governmental entity experience having worked for a large Kansas City metropolitan municipality.



Darla Mose

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Client Service Specialist

Darla is the newest member of the Charlesworth team, with over 20 years of insurance experience, including earning her Certified Risk Manager (CRM) and Certified Insurance Counselor (CIC) designations.

We do not subcontract our services and have not served as a subcontractor on any recent projects.

Our approach to client services is different from our competitors in two key respects: (1) Points of Contact; and (2) Dual Coverage.

- **Points of Contact**

Our model is different than our competitors. If we are selected, you will have at least two interchangeable points of contact for all things risk management: You don't need an organizational chart to figure out who to contact for which issue. This model is simple to understand for you and easy to implement. Let us worry about which one of us will respond or who we need to loop in behind the scenes. We want to focus on your organization, and you shouldn't have to spend time trying to understand ours.

- **Dual Coverage**

James or Bob are almost always available, either by email or cell phone. Believe it or not, we enjoy getting calls from members of our client organizations because it means we are having an impact. Information and communication are key to effective risk management, and if people are thinking to pick up the phone and give us a call, we know we are doing our jobs!

3. Retainer Services

At **Charlesworth**, we are about relationships. Many of our clients have worked with us for years, and we've developed a deep, working knowledge of their organization and risk management program. Over the years, we've found that retainer-based services are more effective long-term because of the institutional knowledge we can leverage to achieve better results. This leads to lower losses and lower costs over time. We believe we can bring the best value to your entity through a long-term relationship.

As public entity risk managers and insurance consultants, we've developed strategies for assisting you in administering your risk management program. We want to help your City develop a customized program to meet your needs. Every client is unique, but **Charlesworth Consulting** can help. The following outlines some of the services we perform for our municipal clients. We are encouraging participation in an interlocal cooperative agreement to drive efficiencies and lower each member's overall cost.

Property

- Assist in notifying TML of schedule changes.
- Regularly review building valuations. Coordinate and procure periodic appraisals on major locations.
- Develop a loss fund strategy for property losses. Address changes in coverage trends, like higher wind/hail deductibles and catastrophic events.
- Develop standard internal process for construction projects that address Builders Risk coverage and ramifications of each.
- Facilitate carrier inspections and communicate any required remedial measures to appropriate staff.
- Stay abreast of changes in risk and the property insurance landscape.

Liability

- Analyze the current liability program, including deductibles, self-insured retentions, self-insurance, and non-insurance.
- Utilize loss history and insurance premiums to prepare budget projections.

- Understand the tort claim process against public entities. Have a working knowledge of sovereign immunity, state tort claims acts and applicable tort limits, and common federal claims.
- Be a resource for department questions on new or existing exposures and operations.

Workers' Compensation

- Understand the workers compensation claim process. Have a working knowledge of statutory benefits, presumptions of liability, and any labor union or collective bargaining agreement obligations.
- Utilize loss history and insurance premiums to prepare budget projections.
- Stay abreast of changes to the workers' compensation law and landscape (e.g. developments in exposure related illnesses and presumptions of liability).

Contracting, RFPs, and Licensing

- In consultation with legal department, develop and maintain standard insurance and bond requirements for standard types of public entity contracts (e.g. professional services, software as a service, vertical construction). We can help standard insurance requirements for all vendors, contractors, and professional service providers.
- Review and provide risk management guidance on non-standard contracts, insurance, and bond requirements.
- Request from broker or carrier certificates of insurance for third parties. Only TML can issue certificates of insurance, but we can assist to process and help departments get certificates in a timely manner.
- Assist procurement office in designing insurance requirements for RFPs/RFIs/RFQ's.
- Train staff as requested on how to review certificates of insurance and serve as a resource for questions.
- Stay abreast of changes to coverage or trends (e.g. COVID-19 riders, pollution liability, cyber insurance).

Insurance Renewals

- Manage the renewal of insurance coverage, including property insurance, liability insurance, workers compensation, auto, excess/umbrella, cyber, crime, fiduciary, drone, flood, earthquake and unique coverages. Public entities operate on fixed timelines, particularly for procurement and matters that require governing body approval. Early on, we will work with staff to confirm the timeline and stick to it.
- Evaluate renewal proposals and coverage options utilizing loss history and trends. Present options to staff.
- Prepare packet memos for approval of insurance program. Present results to the governing body as needed.
- Direct brokers or trust organizations to bind coverage and review binders for accuracy.
- Review policies for accuracy. Understand coverage, endorsements, exclusions, and limits.
- Manage and continuously evaluate your insurance carrier relationship and serve as a liaison between the entity and carrier as necessary. A truly effective insurance program requires attention year-round, not just the month before renewal. We are in constant communication with the carrier, including scheduled meetings providing a chance to talk about the program, discuss objectives, and identify trends. We try to meet at least twice a year with your TML representative to address any ongoing issues.

Insurance Procurement (Outside Standard Retainer Fee)

- Work with procurement department to issue RFP's and RFQ's for insurance policies and insurance related services. Develop marketing or renewal timeline.
- Understand the various insurance procurement methods and the applicable legal and regulatory requirements.
- Establish insurance specifications for RFP's. Understand the applicable coverage trends and issues.
- Prepare applications, loss runs, and schedules for underwriting. Timely respond to follow-up questions. Even with a broker, you are still responsible for preparing insurance applications and schedules, and it can take significant staff time to. We can assist in preparing the applications and updating schedules, reducing the load on the staff.

- Evaluate proposals and coverage options. Present options to selection committee. Arrange and conduct interviews as necessary. We also know what questions to ask so you can make an informed decision.
- Prepare packet memos for approval of insurance program. Present results to the governing body. Perhaps the most valuable service we provide is translating insurance jargon into plan language. We regularly present to management teams, city councils, and school boards and strive to make our presentations comprehensible to our audiences who usually don't deal with insurance every day.

Subrogation (Charged at 15% of recovery)

- Investigate possible subrogation claims; work with departments to gather necessary facts, and documents to substantiate the subrogation claim.
- Pursue claims on behalf of the entity. Prepare demands and communicate with the responsible party or their insurance carrier. Negotiate settlements and releases. When appropriate, request restitution in pending criminal cases, both municipal and state. Communicate with Department of Motor Vehicles regarding licenses suspensions where allowed.
- Provide regular reports to stakeholders and track recovery trends.

General

- Provide overall service and management. The efficient and open flow of information is key to effective risk management, and we strive to streamline to process for you as much as possible, reducing your need to devote internal resources to program administration. We are very efficient and effective at working with members of the insurance industry on your behalf – it's what we do!
- Understand and foster comprehensive risk management philosophy.
- Understand risk management financing and cost allocation practices.
- Communicate with stakeholders and staff and coordinate resources. If we've learned one thing over the years, it's the importance of coordination and communication. We work hard to make sure all stakeholders understand the risk management program and philosophy and have as much information as possible. We also work with outside providers to make sure all the pieces fit together.

- Identify long term trends and effectiveness. Year-to-year, we can monitor the cost effectiveness of the City's risk management program and recommend new programs and/or structures to help the City maximize resources without adversely impacting risk exposure.

Insurance Placement

- As a wholly owned subsidiary of Holmes Murphy Associates, one of the nation's largest employee-owned insurance brokers, a HMA broker is available for the placement of any insurance products including cyber, fiduciary, environmental or other coverage not currently purchased from TML. This relationship is completely separate from our consulting services and would be at the sole discretion of the City. Charlesworth Consulting would receive no revenue from the placement of insurance products on your behalf.

4. Proposed Fee

At Charlesworth, we are firm believers in flat retainer fees. Our philosophy is the best customer experience is created when there is unparalleled communication. Hourly billing can be tricky. There are times when researching a complex risk takes several hours and, conversely, for the same risk analysis may only take minutes because of prior experience. The result is the same but generates a different fee. We believe the velocity of the work is more important than the duration, and hourly billing has an inherent conflict of interest whereby the client is best served by a quick response, but the consultant's financial interest is served by a lengthy review.

Our standard hourly rate is a blended \$165 per hour. This includes all employees ranging from clerical to a senior consultant. Individual rates can be provided, but it is our preference to negotiate a flat fee for services to be performed, either on a project basis, or on an annual retainer basis.

For a city of your operations, if we were to provide standard risk management services outside the cooperative interlocal program, the annual retainer fee to be \$24,000 per year. If the City elects to participate and endorse the cooperative interlocal, including an agreement that members will attempt to coordinate in-person meetings to increase efficiency, and information considered relevant and not confidential can be shared with other members, would be \$12,000 per year. Although it is our intent to keep any fee increases in future years as low as possible, this fee is subject to an annual review based on member utilization.

The fee would be payable at contract inception. All members would have a common contract date, with the first term pro-rated based on each when they join. If a member joins less than 6-months from the annual contract period, the fee will be billed through the following contracts term. If subrogation services are provided, these will be billed quarterly, as needed.

5. References



City of Waco, Texas (Pop. 136,000)

Missie Pustejovsky, Director of Human Resources
254.750.5791
missiep@wacotx.gov



City of Carrollton, Texas (Pop. 137,000)

Adrian Perez, Workforce Services Manager
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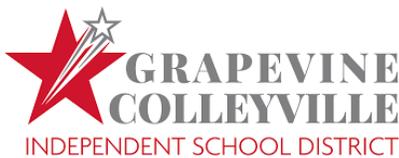
Cameron County, Texas (Pop. 423,163)

Anthony Lopez, Assistant Administrator
956.983.5098
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Lewisville Independent School District (50,000 students)

Shawna Nevins, Risk Management Analyst/Senior Buyer
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Grapevine-Colleyville ISD (14,000 Students)

Michele Linn, Director of Risk Management
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Houston Community College, Texas (57,200 students)

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charlesworth consulting

Respect
the
unexpected.

— Talk to us today
about how we **objectively**
manage risk.