

SCOPE OF SERVICES

I. INTRODUCTION

The RTA provides public transportation services to the City of New Orleans, the Parishes of Orleans, St. Bernard and Jefferson, and the City of Kenner. The RTA system includes five streetcar lines, 34 bus routes, paratransit service, and two ferry lines. RTA currently has a fleet of 417 revenue and non-revenue vehicles, with 820 employees.

RTA seeks a Third Party Administrator (“TPA”) to provide claims administration services for all new automobile/general liability (“AL/GL”) and workers’ compensation claims. TPA will handle claims with dates of occurrences beginning January 1, 2025. **(The prior TPA will continue to manage all pending claims with dates of occurrence before January 1, 2025.)** The current number of open AL/GL claims is approximately 350; the current number of workers’ compensation claims is approximately 40.

II. OVERALL RESPONSIBILITY

The RTA requires TPA to open, investigate and ultimately conclude, through settlement or case closure, all automobile/general liability and workers’ compensation accident claims in the manner set forth below.

Typically, TPA shall receive a telephone call, a notice by fax or an e-mail from RTA relative to an accident or incident. TPA is then required to open a claim in connection with this accident or incident and begin its investigation immediately. The scope of the investigation shall be appropriate to the severity and extent of loss involved.

In the majority of automobile liability cases, a TPA adjuster will be required to attend the scene of the incident or accident in order to gather appropriate information and data. In other cases, the assigned adjuster shall not be required to attend the accident site but rather commence case investigation from their office. Required TPA activities include, but are not limited to, the securing of statements from parties and witnesses, the investigation of the accident scene as appropriate to the matter in question (photographed and scoped as necessary), the securing of medical authorizations and wage loss information, the inspection of property damage and the appraisal of all physical damage, and appropriate case reserve setting and adjustment. Settlements or denials of losses shall be made as appropriate and shall be dependent upon the result of liability decision and damage assessment.

In workers’ compensation cases, upon notification by RTA, the TPA investigation shall include coverage confirmation, three- or four-point contact as described below, reserve setting (and adjustment as necessary), obtaining recorded statements from appropriate parties and witnesses, and relevant reporting to third parties.

Whether TPA receives a telephone call, a notice by fax or an e-mail loss report, it shall begin all investigations as soon as possible after notice. A TPA Claims Manager or Supervisor shall review each claim for coverage and/or liability consideration(s) as appropriate and assign each respective loss to an adjuster. Prompt contact (i.e., normally within 24 hours) shall be made with all relevant parties. Decisions regarding the scope and type of investigation shall be made in course, pursuant to TPA's investigation and results.

TPA will use its best practices, and in any event, not less than best industry practices, in handling and adjusting claims. TPA will take appropriate measures to notify RTA of any potential excess or claims that for any reason may not be covered by available insurance.

III. AUTOMOBILE/GENERAL LIABILITY (“AL/GL”) CASES

A. Case Notification

RTA will typically notify TPA of any accident involving RTA-owned vehicles via:

- 1) Telephone contact from the RTA Dispatcher's Office; or
- 2) RTA Accident Report and Injury Form and/or other industry standard form(s).

RTA will typically notify TPA of any accident involving general liability in a similar fashion.

RTA is responsible for providing the appropriate Accident/Incident Report to TPA no later than the close of business on the day following the accident/incident.

B. Case Reserving Practices/Loss Information

Liability (Auto/GL) reserves shall be set as soon as practicable. Reserves must be reviewed and adjusted as appropriate, every sixty (60) to ninety (90) days at a minimum. However, case progress, activity, and additional information obtained during and throughout the case investigation shall dictate the necessity for reserve review and adjustment.

RTA must be notified immediately if a reserve is set or adjusted to an amount equal to or exceeding \$200,000 or when a matter is deemed "catastrophic". (See below).

Further, RTA requires TPA to maintain loss runs. All claims should be reserved based upon a reasonable assessment of the amount expected to be paid for each respective claim, including indemnity and claims expense, without regard to the limits of liability. Loss information shall be kept on a paid, reserved, claims expense, and total incurred basis. All loss entries should contain the date of loss, description of the allegations, and should briefly state the nature of the injuries or damages. With respect to coverage written on a claims-made basis, the date that RTA first receives notice of the claim should also be included. Monthly, by the 10th of the following month, RTA staff shall receive updates on the above-stated claims information.

C. Witness Statements

It is essential that the assigned adjuster secures a statement or statements, as appropriate, when any case involves fatality, serious injury and/or serious issue. In all cases of catastrophic injury, statements must be obtained as soon as practicable (in most cases no later than 72 hours post-incident). All efforts will be made to protect attorney-work product and attorney-client confidentiality.

D. Random File Reviews

RTA-designated person or persons will schedule and conduct file reviews of claim files on a random basis or as needed. A list of specific files to be reviewed at each file review session will be e-mailed or faxed to TPA five (5) days before the scheduled file review is to take place. Accordingly, files shall be available and ready for review upon arrival by RTA designees at the TPA office.

E. Litigation Management

All Automobile/GL litigation shall be handled and directed by RTA General Counsel and/or RTA Chief Legal Officer. Upon service of suit on RTA, RTA General Counsel and/or RTA Chief Legal Officer will notify TPA to prepare file for submission to assigned counsel. TPA shall continue to handle all outstanding claims activity within the file in conjunction with assigned counsel and timely update reserves as adjusted by handling counsel. Moreover, any and all file investigative activity shall remain ongoing unless otherwise directed. All financial detail relating to litigated matters is to be maintained by TPA, inclusive but not limited to reserves, legal fees and related case costs.

F. "Catastrophic" Cases

Appropriate handling of catastrophic matters is particularly critical to RTA. Catastrophic diagnoses require detailed reporting and immediate notification to RTA General Counsel and/or RTA Chief Legal Counsel. Further, as noted in "Case Reserving Practices", above, appropriate RTA personnel must be notified when a reserve is set or adjusted in a catastrophic matter.

Expedited reporting is essential so RTA may report such matters to the Federal Transportation Administration (FTA), the State of Louisiana (DOTD), and/or the National Transportation Safety Board (NTSB), as necessary, within extremely limited time constraints.

Relative to catastrophic matters, TPA will provide to RTA a report twenty-four (24) hours post-incident; seven (7) days post-incident; thirty (30) days post-incident, and every sixty (60) days thereafter until a matter has been concluded in full.

G. Reporting Requirements

- 1) Similar to the excess insurance requirements relative to loss runs, RTA independently requires loss runs to be submitted by TPA to RTA every thirty (30) days. TPA must comply with any and all reasonable loss run requests by RTA to ensure a smooth and cohesive claims administration process by and between RTA and TPA.
- 2) Relative to rail incidents/accidents, RTA is required to notify the State of Louisiana (DOTD) within two (2) hours of any incident or accident involving a rail transit vehicle or taking place on rail transit-controlled property through Initial Investigation Report when one (1) or more of the following occurs:
 - a. A fatality at the scene, or where an individual is confirmed dead within thirty (30) days of a rail transit-related incident;
 - b. Injuries requiring immediate medical attention away from the scene for two (2) or more individuals;
 - c. Property damage to rail-transit vehicles, non-rail transit vehicles, other rail-transit property facilities and non-transit property that equals or excess \$25,000;
 - d. An evacuation due to life safety reasons;
 - e. A collision at a grade crossing;
 - f. A main-line derailment;
 - g) A collision with an individual on a rail right of way; or
 - h) A collision between a rail-transit vehicle and a second rail-transit vehicle, or a rail-transit non- revenue vehicle.
- 3) Relative to a catastrophic matter, TPA will provide to RTA an initial report seven (7) days post-incident and every sixty (60) days thereafter until a matter has been concluded in full.
- 4) RTA requires TPA to provide loss runs and/or reserve reports to the RTA Insurance Broker of Record for obtaining any and all appropriate insurance coverages.
- 5) RTA requires TPA to provide loss runs and/or required reports to RTA's external financial auditors.

H. Case Denials

RTA recognizes that TPA will regularly deny automobile/GL claims for a variety of reasons. However, RTA General Counsel and/or RTA Chief Legal Counsel shall be notified of all case denials so they may independently review and/or assess reasons for case denial. As such, RTA General Counsel and/or Chief Legal Counsel require electronic notification of each case denial so as to make possible this independent review. TPA shall provide specific reasons for each case denial. Case information shall be submitted by TPA to RTA General Counsel and/or Chief Legal Counsel no later than seven (7) business days after a matter has been denied.

I. Settlement Authorization

Relative to automobile/general liability matters, TPA shall have settlement authority in the amount up to \$20,000 per claimant. Any additional settlement authority shall be sought in writing from RTA General Counsel and/or RTA Chief Legal Counsel.

IV. WORKERS' COMPENSATION CASES

A. CASE NOTIFICATION, OPENING & INITIAL CONTACT

Typically, TPA shall be notified by RTA of a work-related accident or incident by telephone call, a notice by fax, or an e-mail. TPA is then required to open a claim in connection with this accident or incident and begin its investigation immediately. Per RTA procedures, accidents or incidents involving possible injuries/illnesses to one or more employees will be forwarded immediately for TPA handling.

- COVERAGE CONFIRMATION (Within 24 hours of Receipt of Assignment)

Within 24 hours of receipt of assignment, the assigned TPA Adjuster is to confirm coverage.

Any question of coverage is to be immediately discussed with the TPA Claim Manager.

The TPA Claim Manager will advise client of the coverage issue via telephone, e-mail, or in writing.

Any declination of coverage will be approved, authorized, and confirmed by e-mail or in writing by the RTA prior to the issuance of any denial of coverage letter.

- CONTACT (Within 24 Hours of Receipt of Assignment)

Three- or four-point contact with the employee (#1 below) , employer (#2 below), and medical provider(s) (#3 below) via telephone shall be made within 24 hours of receipt of assignment.

Timely and thorough contacts are key components that allow the TPA Adjuster to maintain control of many facets of the developing claim.

A minimum of two follow-up contact efforts are required to contact those parties not reached within five (5) working days of assignment. Follow-up contacts will be made by phone, unless a personal visit is appropriate, in which case an assignment will be made to an on-site investigator and/or TPA Case Manager. All contacts shall be detailed in the Claim Progress Notes.

1) Claimant Contact

Early contact with the claimant should reduce the likelihood of an adversarial relationship and of future attorney involvement. Timely contact also leads to early determination of compensability issues and timely payment of benefits, as well as early managed care involvement. The Adjuster is required to obtain, as may be appropriate in each case:

- a) Facts of the accident
- b) Identification of witnesses
- c) Job information, to include title, occupation description, job requirements, equipment utilized, etc.
- d) Information concerning injury and treatment, including subjective comments concerning pain, prior injuries, identification of medical providers, concurrent treatment issues, etc.
- e) A determination of severity of injury and potential for extended work loss
- f) Employee's attitude toward employer, medical treatment, timely return to work, etc.
- g) A signed medical release
- h) An explanation of benefits and the future course of action to the injured employee

2) RTA/Employer Contact

The following points will be addressed with the RTA at the time of initial contact:

- a) Disability status of the employee
- b) Prior claims (Index Bureau)
- c) Verification of information on RTA's First Report
- d) Employer's Supervisor's Report
- e) Employee's personnel records (non-confidential)
- f) Identification of potential witnesses
- g) Police report/Security report
- h) Subrogation issues
- i) Description of job duties
- j) Length of employment
- k) Confirmation of lost time
- l) Verification of wages
- m) Obtain wage statement/compute average weekly wages

Note that for "RTA/Employer Contact", it is the RTA Director of Talent Acquisition and Leave Management or other designee of the RTA Chief of Human Resources who shall serve as such contact.

3) Medical Provider/Physician Contact(s)

The Adjuster will determine who the primary treating physician is, contact them, and:

- a) Determine the extent and severity of the injury
- b) Identify a treatment plan and prognosis
- c) Ensure that the injured worker is receiving effective, medically appropriate treatment
- d) Establish anticipated length of disability and cost of treatment to set accurate reserves
- e) Notify the physician of utilization management requirements
- f) Refer the claim to utilization review for pre-certification of treatment
- g) Identify work restrictions and limitations
- h) Identify other factors or preexisting problems affecting or influencing disability duration
- i) Target an appropriate return-to-work date that is based on disability guidelines and category of work

B. CASE INVESTIGATION AND RECORDED STATEMENTS

RTA requires TPA to pursue investigation and obtain recorded statements as follows:

Investigation shall involve coverage verification, case creation, three- or four-point contact, and securing recorded statement(s). The scope of the investigation shall be appropriate to the severity involved.

- INVESTIGATION TIME REQUIREMENTS (within 24-48 Hours of Receipt of Assignment)

1. Within 24 hours of receipt of assignment, the Adjuster shall begin the claim investigation addressing compensability, exposure, and potential subrogation.
2. Within 24 hours of receipt of assignment, the need for outside investigation shall be determined and tasks assigned accordingly. The assignment of outside investigation shall be made on a case-by-case basis.
3. Within 48 hours of receipt of assignment, the Adjuster shall initiate action to obtain records and send the necessary forms, based on the information obtained during the three-point contact.

- RECORDED STATEMENTS

Issues to consider when deciding if a recorded statement is appropriate shall include:

- a) Inappropriate or excessive medical treatment
- b) Stress claims
- c) Subrogation as an issue
- d) Fatality
- e) Severe injury
- f) Pre-existing condition
- g) Suspected fraud
- h) Cumulative trauma if short duration of employment
- i) Serious occupational disease
- j) Compensability issues

C. CASE RESERVING TIME REQUIREMENTS

RTA requires the TPA to set and adjust reserves as follows:

The Adjuster shall use the information gathered in the first 72 hours to set initial reserves. Continual follow-up will be made to obtain more information as the claim progresses in order that more accurate reserves be set within 14 calendar days of assignment.

Reserves shall be reviewed minimally every 60-90 days, however, case progress, activity, and additional information obtained during and throughout the investigation will dictate the necessity for a reserve review.

D. LITIGATION MANAGEMENT

Litigation management and coordination thereof is essential to the TPA's responsibilities.

1. The Adjuster will notify the Claim Manager of any summons, petition and/or any other litigation notification.
2. The Adjuster is required to assess the case for ultimate case exposure, identifying next steps, options, and an action plan.
3. The RTA-assigned counsel will proceed with handling of the matter

E. SUBROGATION TIME REQUIREMENTS

RTA requires the TPA to follow the following guidelines:

1. Immediately upon receipt of the assignment, the Claim Manager/Supervisor will review the first report of loss for potential subrogation.
2. If subrogation potential exists, the file will be noted as "Subrogation" and a statute of limitations date will be clearly posted on the front of the file jacket.
3. Within 24-48 hours, the Adjuster will identify potential third parties, evaluate the probability of recovery, and place all third parties on notice of clients' lien interest(s).

F. REPORTING

RTA requires TPA to handle reporting as follows:

1. An acknowledgement of receipt of case assignment shall be sent to RTA in each matter.
2. Per the State Worker's Compensation Board/Commission, all required filings will be made in accordance with jurisdictional requirements and timeframes.
3. Regardless of reserves, the following losses, defined as "catastrophic", must be reported to the RTA:
 - a) Fatalities
 - b) Spinal cord injuries resulting in paraplegia or quadriplegia
 - c) Brain Damage affecting mentality, including, but not limited to, such conditions as permanent disorientation, behavior disorder, personality change, seizure, motor deficit, aphasia hemophilia or unconsciousness
 - d) Third Degree Burns covering at least 10% of the body or Second-Degree Burns covering at least 30% of the body

- e) Amputations
- f) Impairment of vision or hearing by 50% or more
- g) Nerve Damage causing paralysis or loss of sensation in arm, hand, or leg
- h) Massive Internal Injuries affecting a body organ or organs
- i) Multiple fractures involving more than one member, mal-union or significant shortening of the limbs
- j) Fracture of both heel bones
- k) Occupational Disease such as asbestosis, black lung disease and long-term chemical exposure
- l) Back injury claims requiring surgery or with a disability of one year or more
- m) Any disability of more than one year
- n) Permanent Total Disability
- o) Cardiac Failure
- p) Paralytic Stroke
- q) Sexual Assault and Molestation
- r) Any controversy as to coverage, state law, reserving, settlements, or an allegation of bad faith made to the adjustment company

G. SUPERVISION

Immediately upon receipt of a first report of loss, RTA requires the Claim Manager to review the First Report of Injury and outline a plan of action for timely and thorough investigation by the Adjuster. The Claim Manager's review shall focus on the following issues:

1. Special Client Instructions (within 24 Hours of Receipt of First Report)
2. Coverage Confirmation (within 24 Hours of Receipt of First Report)
3. Contact (within 48 Hours of Receipt of First Report)
4. Determine Compensability (within 72 Hours of Receipt of First Report)
5. Evaluate Claim and Establish Initial Reserves (within 72 Hours of Receipt of First Report)
6. Calculation of Average Weekly Wage ("AWW") (within 72 Hours of Receipt of First Report)
7. Request and obtain needed wage statements to calculate AWW and indemnity benefits. File is documented to reflect how AWW was calculated.
8. Subrogation Addressed (within 72 Hours of Receipt of First Report)
9. Initial Supervisory File Review (within 14 days of Receipt of First Report)
10. On-going Thirty Day Supervisory File Review Until Closed

H. ON-GOING CLAIMS MANAGEMENT

RTA requires the TPA to manage on-going claims as follows:

File reviews are required every 30-60 days and shall address the following information:

- a) Lost time/Disability Benefits
- b) Injury/Medical Treatment
- c) Third Party/Subrogation Recommendation

- d) Medical/Vocational Rehabilitation Management (if applicable)
- e) Litigation Management (if applicable)
- f) Settlement Evaluation (if applicable)
- g) Action Plan (to include timeframes)

I. CASE CLOSURE

RTA requires TPA to proceed to case closure as follows:

A case shall be closed when:

- The claimant returns to full duty with the employer of the injury and medical treatment ends.
- The injured worker returns to full duty with a new employer and medical treatment ends.
- The injured worker reaches maximum medical improvement/stationary status and settlement is reached.

V. TERM

The term of the Agreement herein shall be three (3) base years, with an option by RTA to renew for an additional two (2) year term, for a total contract period of five (5) years.