



January 31, 2007

Circular 2007-04

To: All Members

### **Servicing Carrier Bid Process**

The ICRB will be conducting a competitive bid process to select servicing carriers with a proposed three year term beginning January 1, 2008. The Request for Proposal (RFP) will again contain options specific to Indiana. For instance, in prior bids, a ten percent weighting factor is applied to a carrier with operations in Indiana.

The selection process generally rewards those carriers offering the most competitive pricing balanced with effective service to employers in the assigned risk market and their injured workers. Service is defined by the servicing carrier performance standards and includes:

- Underwriting the assigned risk market employer properly
- Adjusting claims fairly and timely
- Providing quality loss control/prevention services
- Collecting appropriate premium
- Providing “quality” customer service
- Managing and containing medical costs
- Identifying and deterring premium fraud, claims fraud, and third-party fraud

The ICRB will again utilize the NCCI Servicing Carrier Selection and Oversight System (SCSOSSM Service). The system automates basic bid processes including: distribution of the RFP, the carriers’ proposal submissions, scoring, and award communication. Numerous states have successfully utilized this method in recent years (26 bids in 22 states from 2004-2007). We believe that it provides an objective method for the selection process. ICRB management will make the final selection of servicing carriers.

Please also refer to [NCCI Circular PLAN-2007-02](#) dated January 26, 2007 which provides more information. The circular notifies potential participants of a pre-certification requirement, an NCCI Assigned Carrier Preconference on February 7, 2007, and notice of interest to participate in the bid process received by February 15, 2007.

Sincerely,

Ronald W. Cooper, CWCP  
President

Attachment: [NCCI Circular PLAN-2007-02](#)



# Circular

JANUARY 26, 2007

PLAN INFORMATION

PLAN-2007-02

## Plan--2007 Servicing Carrier Selection Announcement

### ACTION NEEDED

If you are a carrier interested in participating in the bid process for one or more of the states listed below and have been precertified to participate, please send a letter, e-mail, or fax to the Plan Administrator's office as indicated below under **Person to Contact**.

Please provide your:

- Contact name
- Company name
- Street address (no PO box)
- Fax and telephone number
- E-mail address (if available)
- Name(s) of the state(s) for which you wish to receive a Request for Proposal (RFP)

In order to participate, your request must be received by February 15, 2007. If you are not currently a servicing carrier and are interested in becoming one, you must complete a precertification process prior to being allowed to bid in any state. This process ensures that all potential carriers are capable of handling the residual market requirements. Please contact the Plan Administrator's office as soon as possible regarding the precertification program and mandatory attendance at the Assigned Carrier Preconference on February 7, 2007.

It is strongly recommended that you know all of the states you intend to bid in and what affiliate you intend to use in each state when you provide your request. Respondents can provide responses to multiple states' bids simultaneously as long as all states' proposals have been activated at the same time. Changes to the designated affiliate for a bid during the proposal preparation period will result in the bidder having to reenter all bid information for that state.

### BACKGROUND

The following states plan to conduct a bid process to select servicing carriers with a proposed effective date of January 1, 2008. The RFPs will be released in May 2007 via the Servicing Carrier Selection and Oversight System (*SCSOS<sup>SM</sup> Service*) on NCCI's Web site, **ncci.com**.

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|------------|------------------|
| • Arkansas | • Iowa           |
| • Idaho    | • North Carolina |
| • Illinois | • South Dakota   |
| • Indiana  |                  |

### IMPACT

Servicing carriers will be selected based on their proposals, according to the RFP criteria and specifications.

### NCCI ACTION

NCCI will provide eligible carriers with access to *SCSOS<sup>SM</sup> Service*, distribute the RFP via the Internet, and conduct the selection process.

**PERSON TO  
CONTACT**

If you have any questions, please contact:

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