

# Arkansas Insurance Department

Mike Beebe  
Governor



Jay Bradford  
Commissioner

February 28, 2014

Stephen J. Klingel  
President and CEO  
National Council on Compensation Insurance  
901 Peninsula Corporate Circle  
Boca Raton, FL 33487

RE: Arkansas Workers' Compensation Insurance Plan ("Insurance Plan")  
Administrator Designation

Dear Mr. Klingel:

In accordance with the provisions of A.C.A. §23-67-304(a), Act 1143 of 1997, and the award attached hereto as Exhibit "A", please be advised that I hereby appoint the National Council on Compensation Insurance, Inc. ("NCCI") as the sole administrator of the Insurance Plan ("Plan Administrator"). This appointment shall be effective July 1, 2014, and shall continue through June 30, 2017, unless extended or reappointed.

This appointment of NCCI as Plan Administrator is based upon the following criteria after review of all bids submitted:

- 1) My consideration and determination that this appointment will result in the proper administration of the Plan with the most cost effective, comprehensive operational and service capabilities available in the marketplace today due to the experience and past record of service provided by NCCI as set forth in its bid as compared to the other alternatives available from the other bidders;
- 2) My review of administrative services and reasonable underwriting standards presented in the bids and the determination that those offered by NCCI are superior;
- 3) My determination that there has been a significant improvement in Plan administration and servicing carrier performance by NCCI and those improvements shall be maintained as set forth in its bid;
- 4) My determination that NCCI as Plan Administrator is in the best interest of the people of the State of Arkansas based upon the review and analysis of all bids received.
- 5) My determination that NCCI's bid best sets forth the required administration of the Plan as follows:

Mr. Stephen Klingel

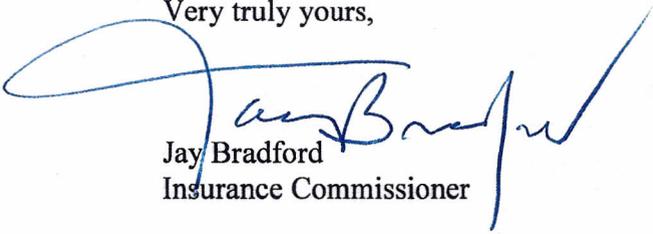
February 28, 2014

Page 2 of 2

- a) Coverages and services shall be adequately and properly provided to Arkansas employers entitled to insurance; and
  - b) Coverage in other states for employees of Arkansas employers shall be provided to the extent possible.
- 6) My determination that NCCI's Arkansas office has the experienced staff and authority necessary to properly serve Arkansas employers and the Department in accordance with the provisions of Act 1143 of 1997.
- 7) NCCI's bid best fulfilled the requirement of complete cooperation with this Department and, in this bid, NCCI agreed to further improve Plan operations so as to maximize the continued positive effect of the Plan upon Arkansas's economy.

You may signify NCCI's acceptance of this appointment by virtue of my acceptance of its bid, by executing and returning a copy of this letter to me.

Very truly yours,



Jay Bradford  
Insurance Commissioner

Cc: Ms. Lenita Blasingame, Deputy Commissioner

*Enclosure*

JB/WL/cks

ACCEPTED:

NATIONAL COUNCIL ON COMPENSATION INSURANCE, INC.

By:   
Stephen J. Klingel, President and CEO

Date: March 11, 2014

# Arkansas Insurance Department

Mike Beebe  
Governor



Jay Bradford  
Commissioner

## EXHIBIT "A"

February 14, 2014

The Arkansas Insurance Department ("Department") is vested with choosing a Workers Compensation Plan Administrator. On December 5, 2013, the Department issued a Request for Proposal, RFP wkrscmp 2014, for Vendors to Bid on this Administrator position. Written questions from Vendors were accepted by the Department until January 3, 2014, and the Department released a response to those questions January 24, 2014.

The Department has determined that NCCI is the successful bidder for RFP wkrscmp 2014.