

**CITY OF BERE A, KENTUCKY
REQUEST FOR PROPOSALS
INSURANCE AGENT OF RECORD**

Introduction

The City of Berea (City) invites written proposals from insurance brokers (Broker) to act as the Agent of Record on behalf of the City for the General Liability, Property/Casualty and Workers Compensation insurance for three (3) years, with an option for one (1) additional year term beginning March 02, 2020. The City will make its selection of an agent of record based on the insurance agency or broker's qualifications, experience, references, and cost of the service and coverage.

Procurement Process

The issuance of this Request for Proposal (RFP) constitutes an invitation to submit a proposal to the City. The City reserves the right to determine, in its sole and absolute discretion, whether any aspect of the proposal sufficiently meets the criteria established in this RFP, the right to seek clarification from any Broker, the right to negotiate with any Broker whether or not they submitted a proposal, the right to reject any or all proposals with or without cause, and the right to cancel and/or amend, in part or entirely the RFP.

In the event that this RFP is withdrawn by the City for any reason, the City shall have no liability to Broker for any costs or expenses incurred in connection with this RFP or otherwise. Accordingly, each proposal should be submitted in the most favorable terms and costs and programmatic considerations and in a complete and understandable form. The City reserves the right to request additional data, oral discussion, or presentation in support of the written proposal. The City is not obligated to respond to any proposal submitted nor is it legally bound in any manner whatsoever by the submission of a proposal. It is the intention of the City to enter into a contract with the Broker with which the City can make the most satisfactory arrangements for its needs.

The City may at its sole discretion, contract with more than one Broker to provide the contemplated services and may, at its sole discretion, reduce or expand the scope of requested services.

Proposal Submission

The Broker shall provide three (3) bound copies of their proposal by Monday, January 13th at 4:00 pm, local time to: City Clerk's Office, 212 Chestnut Street, Berea, KY 40403.
Attn: David Gregory, City Administrator

All correspondence, questions, or requests for interpretation shall be directed to David Gregory. Brokers responding to this RFP are to direct all communications to City Administrator and not other City staff.

Scope of Services

Background

The City is requesting insurance consulting and brokerage services to assist in the acquisition of liability, property/casualty and worker's compensation insurance coverage. Brokerage and consulting services must be provided for annual policy renewal on an as needed basis. The selected broker must provide a thorough renewal presentation each year with policy recommendations to include an analysis of available alternatives in consideration of the City's exposures. Brokerage service must also include insurance market research, policy endorsements, certificates of insurance and coverage consultation on City claims.

The City of Berea insurance coverages for the current policy period are as follows:

<u>Coverage</u>	<u>Limits</u>	<u>Deductibles</u>
Property	\$73,000,000	\$1,000 per occurrence
General Liability	\$10,000,000	\$0 per occurrence
Public Officials Liability	\$10,000,000	\$10,000 per occurrence
Automobile Liability	\$10,000,000	\$000/\$000 per occurrence
Workers Compensation	\$4,000,000	Payroll Exposure @ approximately \$8,400,000

A copy of the City's current insurance endorsements binder is available for review by the respondent.

Broker Duties and Responsibilities

1. Identify, evaluate and recommend appropriate markets for various coverages. Assess insurance company stability, solvency and service records. Provide initial evaluation and listing of markets being approached for coverage to the City's Administrator by March 1st of each year. Identify and obtain approval from the City for use of any excess or surplus lines broker or reinsurance intermediary to be used in the placement of the insurance.
2. Prepare the annual renewal applications/specifications including assessments of City exposures for the solicitation of insured/self-insured coverage's and programs. Analyze, evaluate and recommend coverage based on quotes and proposals submitted. Work with

City officials in negotiating policies. Provide full access to Broker's working files on City insurance at the City's request.

3. Negotiate with insurance carriers the issuance of policies, premium audits, billings, endorsements, certificates of insurance, claims consultations, and all such matters customarily handled by insurance brokers.
4. Provide a complete review/audit of policies for conformance with specifications and any negotiations conducted with underwriters. Verify accuracy of policy language, coverage endorsements, exclusions and other terms and conditions consistent with placement noting variation/changes from previous year. Identify coverage gaps if such exist and make recommendations.
5. Provide estimates of renewal rates and assist City staff in preparation of budget estimates for insurance coverage.
6. Monitor City claim activity and provide assistance where needed, including but not limited to reviewing claim reserves for appropriateness as needed, arrange and coordinate a periodic actuarial review of outstanding property/casualty and worker's compensation claims.
7. Other usual functions expected of an insurance broker such as, but not limited to, accurately amending policies, providing interpretation of coverage, policy maintenance, binders and certificates, timely delivery of policies and/or binders, providing unbiased recommendations, answering questions and resolving issues.
8. Additional services not contained within the scope of these services, but that may be provided at an additional hourly rate.

Pricing Information

1. Selected Broker will provide rate quotes for all the lines of coverage listed above.
2. Broker's quotes will be listed on the industry standard Indication Sheet listing both the premium cost for each line of insurance and Broker's fees, expressed in both percentage and total dollar terms.
3. Broker shall list standard hourly rates for other consulting services normally associated with insurance brokerage services.
4. Broker certifies that the proposal has been prepared independently and has been submitted without collusion with any other Broker.

RFP Submittal Format

Firm's submitting proposals shall adhere to the following format:

- Cover Page with Firm's Name, Address, and Telephone Number, and clearly stating that it is in response to the City's RFP for Insurance Services
- Introductory letter from the firm's principal summarizing background and experience.
- Firm's background, history, and staff.
- List of current and previous governmental clients with contact names and telephone numbers.
- List of Risk Management services that can be provided to City.
- Detail of claims processing procedures.
- Methods for soliciting rate quotes and presenting options and recommendations to clients.

CITY'S EVALUATION AND AWARD OF CONTRACT

Contract(s) maybe awarded to the lowest and/or best evaluated bidder, who in the discretion of the City of Berea meets any or all, or a combination thereof, of the specifications and conditions set out in this Request for Proposal, on a per item basis or a total basis, whichever is deemed to be in the best interest of the City of Berea. The City reserves the right to reject any or all proposals which it determines fail to meet the specifications and conditions set out in this RFP and similarly, the City of Berea reserves the right to waive or excuse non-compliance with any specifications or proposal requirement if such action is deemed by the City to be in its best interests.

Factors that may be considered in the selection of Broker include:

- Ability of the City to have control and input into claims management, including decisions as to settlement of claims and input into approved counsel.
- Extent of Insurer's experience with Kentucky Statutory Law, including civil rights, public employment law, zoning, open meeting and open records and governmental immunities.
- Extent of Broker's experience and success in representing Kentucky governmental clients in claims management.
- Insurer's experience in representing Kentucky cities, counties and/or governmental employees in state and federal courts.
- Premium quotes and Broker's fees.
- Client references.

Miscellaneous

The Broker must be in good standing with the Kentucky Department of Insurance and must possess all necessary accreditation and credentials.

The City may request interviews as part of the evaluation process.

Responses to this RFP are considered working documents and will not be open for public review until a contract is executed with selected firm.

Any award as a result of this RFP shall be contingent upon the execution of an acceptable contract prepared by the City.