

Texas Association of Counties Risk Management Pool

REQUEST FOR STATEMENT OF QUALIFICATIONS AND BID FOR BROKERAGE SERVICES

ADDENDUM 1: Broker RFP Questions

INTRODUCTION:

Texas Association of Counties has compiled a list of questions submitted by prospective bidders. The questions, and TAC's response to each, are included in the Addendum. This information is being emailed to each prospective bidder that submitted a question.

- 1) Who is current broker? *There is no broker currently.*
- 2) What is current fee? *None, see above.*
- 3) What is definition of insurable entity as it relates to non-compete? *Any current member of the TAC RMP and any prospective Texas county. We do not want a situation where the broker for the Pool is competing with us for a prospective member.*
- 4) Why is the Pool looking for a broker now? *The Pool has been purchasing all reinsurance/excess coverage through a captive for many years. We would like a broker to assist in accessing other markets to ensure we have the right coverage at the best price.*
- 5) What services is the Pool looking for in a broker? *The primary role of the selected broker will be to analyze and recommend a reinsurance/excess insurance program, market the program to the commercial reinsurance/excess markets, place coverage as directed by the pool, and assist with any issues that arise related to those contracts. The broker may also be called on to assist with placing coverage for pool members when the pool does not offer coverage (e.g. Pollution Coverage for underground storage tanks). The TAC staff will continue to handle day-to-day management of the pool and member services.*
- 6) Is there any interest in having a broker to assist with the health and benefits pools? *No.*
- 7) Confirm current broker/consultant and annual fee paid. *None.*
- 8) Provide details of all services provided by current broker and/or consultant. *None.*

Texas Association of Counties Risk Management Pool

- 9) Are current loss control, safety and risk management services provided by current broker and/or consultant? If no, who provides these services? *No, provided by TAC staff.*
- 10) Does TAC RMP staff a RM department? *Yes, this includes underwriting, claims, member service, marketing and risk control.*
- 11) Provide the types of first dollar coverage's members may request but not offered by TAC RMP. *Coverage for underground storage tanks as required to meet TCEQ requirements. Cyber liability, airport liability, fiduciary liability.*
- 12) Please estimate number of visits to TAC RMP members, boards, committees, and staff annually. *Since there is no current broker, this is undetermined. I would estimate 4-6, but this could vary depending on the service model of the selected firm.*
- 13) Please estimate how many leases and contracts the BOR is expected to review annually. *Undetermined, but I would estimate 3-4 reinsurance/excess policies, and less than 10 coverage documents that the pool issues to its members.*
- 14) Please estimate how many marketing visits the BOR is expected to attend annually. *Undetermined. I would estimate less than 10.*
- 15) Please forward the TAC RMP 2010-11 CAFR and 2011-12 Budget. *The pool is not a taxing entity. We do not have a CAFR. The pool budget is not required to quote on these services and will not be provided to prospective bidders.*
- 16) Qualifications #3 – We currently have an employee located in San Antonio who works from their home. Would this qualify or would we need to co-broker the account with a Texas agent? *The coverage is placed in Texas, therefore a Texas license is required. The licensed individual may or may not reside in Texas.*
- 17) Information Requested #10 & #11 – these two questions seem to be more geared toward the service side rather than placing reinsurance. Are you also looking for risk management and claims consulting services? We have a full risk management staff and also TPA (the Texas based employee works for the TPA) so we do provide these services but they are typically separate and distinct from the reinsurance placement. *The pool may take advantage of expertise and resources available through the selected firm. Firms may elect either to offer a package that is inclusive of these services, or separately priced.*

Texas Association of Counties Risk Management Pool

18) Consulting Services #1 – would you be looking for onsite marketing for new members or simply meeting with large accounts for annual reviews? *The pool would be more interested in the latter.*

19) Format – our firm has several divisions including Reinsurance Broker, TPA, Risk Management consultants and program administration / brokerage. We manage a very similar program in <state> and the <state> Counties Risk Management Trust. When asking for resources and services available we can do everything from placing the reinsurance to issuing policies and compiling data for actuarial purposes. We do not want to overshoot on the RFP nor do we want to come up short on the service we provide. The fee would therefore be different based on what we provide. We are looking for direction on exactly what additional services you would need. I have listed the services we provide below, can you indicate those which you would like us to include in the RFP:

- Reinsurance placement. *Yes, primary interest.*
- Claims Consulting *Our interest here would be primarily on claims advocacy when an issue arises with one of the reinsurers.*
- Claims Management Supervision & Litigation Management *No.*
- TPA services *No.*
- TPA System resources *No.*
- Risk Management program design. *Yes.*
- Risk Management consulting with TAC. *Yes.*
- Risk Management Policy & Procedure development – by exposure. *Not at this time.*
- Risk Management service to members. *No.*
- Underwriting, data management and policy issuance *No.*

20) What are the current premiums & retentions for each line of coverage? *TAC is not releasing this information with the RFP.*

Texas Association of Counties Risk Management Pool

- 21) Please explain the relationship between CRL and TAC? *The TAC Pool was one of the founding members of CRL. As with most group captives, the Pool maintains equity in CRL and has voting rights proportionate to its share of the equity. At present, the TAC executive director is a member of the CRL board of directors.*
- 22) Who is CRL's reinsurer for public officials? *Chartis*
- 23) What are the limits of coverage the entities are purchasing? *Most members purchase \$1 M or \$2 M for PO and LE. The highest limit for PO is \$8 M.*
- 24) Can we obtain a copy of the current policies placed by TAC? *TAC is not releasing this information with the RFP.*
- 25) Are there any HUB requirements? *No.*
- 26) Please provide a rough estimate of the current number of ancillary policies placed for TAC RMP's members. *We are unable to estimate as these are not currently placed through the Pool. We typically receive 10-20 requests a year for some type of coverage that is not offered through the Pool.*
- 27) Please provide a copy of the most recent Statement of Values. *TAC is not going to release this information at this time. It may be provided to finalists if it is determined to be of value in the decision making process.*
- 28) Please provide a copy of TAC RMP's financial statements, if available. *TAC is not going to release the financial statements as part of the RFP process.*