

REQUEST FOR PROPOSAL REINSURANCE BROKER SERVICES

ASSIGNMENT

City County Insurance Services (CIS) is soliciting proposals from qualified firms to provide reinsurance broker services for the CIS Trust.

BACKGROUND

The City County Insurance Trust (CIS Trust) was established by the League of Oregon Cities (LOC) and the Association of Oregon Counties (AOC) in 1981, to manage and insure against the risks incurred and retained by their Members in the areas of tort liability, property loss and workers' compensation. Currently, the Trust provides risk financing and risk management services to over 90% of the cities and 70% of the counties in Oregon. Total member contributions supporting these three areas of coverage exceed \$35 million dollars annually.

CIS PROPERTY/LIABILITY PROGRAM STRUCTURE OVERVIEW

Coverage	Per Occurrence SIR	Aggregate Stop Loss	Carrier	Limit
Liability	\$500,000	None	Munich Re. American	Up to \$10 million per member
Property	\$250,000	None	RSUI	\$500 mil per occurrence, and \$100 mil Flood, \$100 mil Quake per occ. & agg. Also subject to per mbr limits
Boiler	\$25,000	None	HSB	\$100 mil per accident/member
Excess Crime	\$50,000	None	National Union Fire	Per Member option excess of SIR
Excess Flood/Quake	\$100 mil	None	Benfield	\$100 mil Flood, \$100 mil Quake excess of RSUI. Also subject to per mbr limits.

CIS WORKERS' COMPENSATION PROGRAM STRUCTURE OVERVIEW

Coverage	Per Occurrence SIR	Aggregate Stop Loss	Carrier	Limit
Workers Comp.	\$500,000	None	Arch Wexford	Statutory
Employers Liability	Same as above	None	Arch Wexford	\$3 million

REQUIREMENTS

Our primary goal and selection criteria in choosing a broker to place CIS Trust reinsurance is to find a person/firm with:

1. Experience in placing reinsurance for public sector organizations,
2. A track record of working with public entities and pooling organizations,
3. A demonstrated awareness of the government structure and operating conditions experienced by Oregon's cities and counties,
4. Access to markets and the ability to find and/or create market opportunities that meet the needs of Oregon cities and counties, and
5. The ability to work with CIS to assemble options and alternatives that follow CIS forms and that can be compared with current coverage, as well as the demonstrated capacity to market our needs on a worldwide basis if necessary.
6. The ability to provide the aforementioned services at a competitive compensation level.

Though not a primary focus of the assignment, we are interested in learning about other peripheral consulting services that you make available to your clients.

The following outline provides a guide for the conversation we'd like to have with the broker(s) we select to interview:

1. Identify the person or persons who will be assigned to work with the CIS Trust. Provide details of their experience working with public entities and pools similar to CIS, in Oregon and elsewhere, with particular reference to the brokering of the types of reinsurance we seek.
2. Outline your approach for placement of reinsurance for CIS Trust programs, i.e. property, liability and workers' compensation. Provide information about the reinsurance companies you work with and, on the basis of that experience, discuss what you believe might represent the best fit for CIS.

3. Outline the basis of compensation including any special financial arrangements that your firm would usually expect for placement of property, liability, and workers' compensation coverage for the CIS Trust.
4. Review how you propose to go about the following tasks:
 - a. Selecting a list of reinsurers to approach (including NLC MIC and NACo).
 - b. Evaluating their proposals for the Trust.
 - c. Setting a timeline to finalize issues.
 - d. Developing recommendations to CIS for the most appropriate provider(s).
 - e. Evaluating the financial stability of recommended reinsurers.
5. Discuss other ways in which you might assist CIS members and/or their agents with placement of specialized coverage not available through current Trust programs.

SELECTION

Oral interviews will be conducted with a selection committee including the Executive Director, General Counsel, Workers' Compensation Manager, Chief Financial Officer, and Underwriting Manager, as well as a representative from the Trustees, Underwriting staff and membership. The committee will refer their finding to the CIS Board of Trustees who will make the final selection on or before December 15, 2008.

CIS reserves the right, in its sole discretion, to waive any formalities or to accept any proposal, or to reject any or all proposals, if it feels it is in the best interest of the CIS Trust.

SUBMISSION OF PROPOSALS

Please submit 8 copies of your proposal clearly marked "Request for Proposal – Reinsurance Broker Services" to reach the CIS offices by 5.00PM on Monday, October 27, 2008 to:

Bob Kahl, Underwriting Manager
City County Insurance Services
1212 Court St. NE
Salem, Oregon 97301

Finalist interviews are expected to take place between November 10th and November 20, 2008.

Faxed proposals will not be accepted. If possible, please email a PDF format electronic version of your proposal to bkahl@cciservices.com.

For more information, please contact Bob Kahl at (503) 763-3860, or by e-mail at bkahl@cciservices.com.

Enclosed is a summary of CIS' contract requirements. The selected contractor agrees to conform to all relevant requirements.

THIRD-PARTY SERVICE CONTRACTS CHECKLIST

Each third-party service contract should be reviewed for the presence, wording, and appropriateness of the following provisions:

1. **Purpose:** General statement of the purpose of the contract.
2. **Obligations:**
 - a. State clearly the obligations of each party, and describe performance requirements, including periodic reports, if appropriate.
 - b. Require that contractor comply with professional standards and all applicable laws.
 - c. Require that contractor keep accurate and complete records of performance and reimbursable costs, and maintain the records for an appropriate period (perhaps six years, the statute of limitations for contract actions) after the work is completed.
3. **Price:**
 - a. Include price per contract year.
 - b. Include all extras, which might be anticipated.
 - c. Include method and timing of payment.
4. **Indemnification:**
 - a. Most appropriate in any context of contractor acting as CIS' agent.
 - b. May be reciprocal, requiring CIS to indemnify contractor as well.
 - c. Sample language:
[Contractor] hereby agrees to indemnify, protect, defend, and hold CIS (and its employees, agents, successors, and assigns) harmless from and against any and all loss, damage, and liability, including reasonable attorney's fees, arising out of, or resulting from, any act or omission of [Contractor] pursuant to this Agreement, which acts or omissions were caused by, or were themselves, the negligence of [Contractor], and were not within the control of CIS.
5. **Insurance:**
 - a. When contractor is self-insured, we may want some statement to that affect.
 - b. When there is no self-insurance, consider requiring proof of errors and omissions insurance, especially for contractor acting as agent.
 - c. Insurance to be kept in effect during the statute of limitations, if appropriate.
 - d. Sample language:
 - 1) [Contractor] shall, at all times, at its own expense, keep in force the following described insurance for protection against the claims of employees and other persons, insuring both [Contractor] and CIS against liability that may accrue against them or either of them in connection with [Contractor's] performance under this Agreement:

- (a) Insurance, in at least the required statutory amounts, covering claims under Workers' Compensation, disability benefits, and other similar employee benefit acts;
 - (b) public liability insurance covering bodily injury, death, and property damage with a combined single limit of not less than \$10,000,000 per occurrence; and
 - (c) professional liability insurance in an amount of not less than \$10,000,000 per occurrence.
- 2) If [Contractor] fails to comply with the insurance requirements of this Agreement, CIS may terminate the Agreement on ten days' written notice.
- 3) [Contractor] covenants to maintain all insurance policies required in this Agreement for the period of time in which a person may commence a civil action, as prescribed by the applicable statutes of limitations. The coverage required by this Agreement shall cover all claims arising in connection with the performance of [Contractor] under this Agreement, whether or not asserted during the term of this Agreement, and even though judicial proceedings may not be commenced until after the expiration of this Agreement.

6. **Duration:**

- a. Dates the contract will start and end.
- b. Provide for extensions in writing, if appropriate.

7. **Status as independent contractor:**

- a. If there could be any question of this status, it should be stated explicitly that subcontract, and all of its employees, are not CIS employees.
- b. Contractor is responsible for paying, insuring, withholding for, garnishing wages for when court-ordered, and paying workers' compensation and unemployment insurance benefits on behalf of its employees.

8. **Subcontracting:**

- a. Prohibition against subcontracting without CIS' express, written consent.
- b. Subcontractor must agree to be bound by contract terms.

9. **Assignment:**

- a. Prohibition against assignment of contract or money due thereunder, without CIS' express, written consent.
- b. Provide that the contract is binding upon the parties' successors.

10. **Documents:** Statement that CIS owns all documents produced under the contract, and may use and reproduce them freely.

11. **Termination:** Provision for how and why contract may be terminated by either side, including amount of notice needed.

12. **Waiver:** Provide that CIS' failure to enforce any part of the contract will not waive its right to enforce it subsequently.

13. **Representation:** Designation of representatives who can bind CIS and contractor, and statement that no one else is authorized to bind them.
14. **Notices:** Provide addresses and a name and title for notices to go to either party.
15. **Venue and applicable law:**
 - a. Provide that the appropriate venue is Marion County, Oregon.
 - b. Designate Oregon law as governing all disagreements between the parties.
16. **Attorneys' fees and costs:** Provide for recovery of reasonable attorneys' fees and costs incurred in successful prosecution or defense of any lawsuit and appeal arising under the contract.
17. **Integration:** Provide that the contract constitutes the parties' entire agreement, and that any change to it must be made in writing, executed by both parties, and expressly made a part of the contract.
18. **Signatures:** Provide signature lines and titles for authorized signatures.

**PROPOSAL FORM
PUBLIC ENTITY REINSURANCE BROKER SERVICES**

Submitted herewith is our proposal to perform reinsurance brokerage and placement services for the City County Insurance Services Trust.

We propose to conduct the work and submit the reports in compliance with the Request for Proposal and other documents related hereto.

Annual Costs

The work will be performed by the personnel identified in the Statement of Qualifications. The annual fee for services is as follows:

PROGRAM YEAR	BASIS OF CALCULATION	ANNUAL FEE

Optional Service Quotes

The in addition to basic broker services the undersigned offers the following optional services at the rates:

A. _____.

B. _____.

Name of Firm: _____

Signature of Authorized Agent: _____

Printed Name of Authorized Agent: _____

Title: _____

Date: _____

STATEMENT OF QUALIFICATIONS PUBLIC ENTITY REINSURANCE BROKER

1. Name of Firm: _____
2. Address: _____
3. Telephone Number: (_____) _____
4. Name and qualifications of person who will have primary responsibility for the project:

5. Personnel to be assigned to the project are:

Names of Personnel	Percentage of Assignment

6. List other local governmental entities or pools serviced by your firm either currently or in the past five years. *(Indicate those handled by you)*

Entity	Relationship/services provided	Now Under Contract	Primary Contact (incl. Phone #)

7. Indicate the experience in the area of public entity insurance and pooling possessed by the firm's staff members to be assigned in this project.

Staff Members Assigned to Project	Experience

8. Record any additional comments regarding your firm's qualifications.

Name of Firm: _____

Signature of Authorized Agent: _____

Printed Name of Authorized Agent: _____

Title: _____

Date: _____