



citycounty insurance services
cisoregon.org

Request for Proposals (RFP) Addendum

Claims Audits for Liability, Auto and Property

CIS (Citycounty Insurance Services)
15875 Boones Ferry Road #1469
Lake Oswego, OR 97035
(503) 763-3800

RFP Schedule	
Issuance of RFP:	July 30, 2024
Submission of Questions about the RFP:	August 16, 2024, 5:00 p.m. (PT)
Proposal Due:	August 30, 2024, 5:00 p.m. (PT)
Anticipated Contract Award:	September 30, 2024

15875 Boones Ferry Rd #1469, Lake Oswego, OR 97035 • Phone 503-763-3800 or 800-922-2684 • Fax 503-763-3900

ADDENDUM

A. BACKGROUND

On July 30, 2024, CIS issued a Request for Proposals (RFP) to solicit offers from qualified vendors to audit liability, auto, and property claims for CIS and the Oregon Public Entity Excess Pool (OPEEP).

CIS is issuing this Addendum to the RFP to respond to written questions we received from potential proposers. The Addendum modifies the original RFP document only to the extent indicated. All other areas of the original RFP remain in effect and can only be modified in writing by CIS. This Addendum is made an integral part of the original RFP. It is the responsibility of all proposers to conform to this Addendum. Proposers who have already submitted proposals may either: 1. Submit an addendum to their proposal; or 2. withdraw the original proposal and submit a new one. Any addendum or revised proposal must be submitted no later than the **Proposal Due Date of 5:00 p.m. (PT) on August 30, 2024.**

B. RESPONSES TO QUESTIONS

Question 1: Are there any on-site components for the audit process? The request for proposal references both remote/virtual as well as onsite. Under II. Scope of Work on page 2 it indicates, "the audit may be done remotely since we have paperless files". However, on page 4 under "Report" it indicates that, "the auditor will meet with CIS management at the conclusion of the onsite audit". Under J. Term of Contract ,on page 8, it references virtual audits.

Response 1: There are no on-site components for the audit process. All meetings will be virtual.

Question 2: Are the OPEEP claims included in the CIS Claims History chart outlined on page 4 of the request for proposal? If OPEEP claims are not included, would you be able to supply a similar history of claims for OPEEP? If OPEEP claims are included, would you be able to provide a breakout of open claims specific to each CIS and OPEEP. I am requesting that information in order to be able to calculate the appropriate number of files for each audit (*recognizing the minimum of 120 for CIS; 60 for OPEEP*).

Response 2: OPEEP claims are not included in the chart outlined on page 4. OPEEP members – Clackamas, Washington, Deschutes, Jackson, Douglas counties, Medford, & Metro will have 10 files audited each.

Question 3: How many claims were audited by Bickmore during the last claim audit?

Response 3: 120 Liability/Property claims. The firm who conducted the audit was actually Northshore International, not Bickmore.

Question 4: What methodology are you using to request a 90% confidence level target in auditing open files as you do not provide a range of current open / closed files to be audited?

Response 4: We want a sample size that is representative of the entire population of claims and have determined that 120 claims is a statistically significant representation of those claims.

Question 5: What is the current pending / open P/C claim counts of all adjusters as of 7/1/2024?

Response 5: 743 claims.

Question 6: How many firms was the claims audit RFP sent to?

Response 6: The RFP was sent to four firms in addition to being posted on CIS' website and the OregonBuys public procurement site and the AGRIP website.

Question 7: Are two separate claim audit reports requested for OPEEP and CIS?

Response 7: Yes.

Question 8: What deductible levels are in place per line of coverages offered and are the claim adjusters required to collect deductibles?

Response 8: The deductible amounts vary by member. The adjusters do not collect deductibles. They do reduce payment by deductibles on property and APD claims.

Question 9: What amount of subrogation has been collected for each year in the past three years and are the adjusters responsible for collections of subrogation?

Response 9: We have one claims consultant assigned to handle subrogation. In the past three years we have collected:

2021:	\$1,277,188
2022:	\$1,390,522
2023:	\$2,167,389

Question 10: When would the audit start? When would a draft report be requested by?

Response 10: CIS expects the audit to start in October 2024. We expect to receive a draft of the audit report by **November 30, 2024**.

Question 11: What claims handling performance standards or KPIs are in place with the adjusters for quality control?

Response 11: CIS has a PL Standards and Practices manual along with a Litigation Management Guidelines manual which will be provided to the successful firm. OPEEP also has claims guidelines very similar to CIS.

Question 12: Are adjusters responsible for excess / reinsurance reporting and collections?

Response 12: The PL Claims Director and Supervisor do most of the reporting. However, the adjusters prepare the initial report for management review and respond to questions to the reinsurers on occasion.

The PL Claims Director handles the collections from reinsurers.

Question 13: What coverages are provided by the OPEEP self-insurance program?

Response 13: General Liability, Automobile Liability, Employment Practices Liability, Employee Benefits liability and professional liability exposures.

Question 14: Do all of the CIS and OPEEP members have the same Self-Insured Retention (SIR) per line of business, or do they vary?

Response 14: All OPEEP members with the exception of CIS have a \$1 million retention. CIS has a \$2 million retention as of 7/1/2021.

CIS Members have various deductibles or retentions.

Question 15: What OPEEP coverages are to be audited by the successful vendor?

Response 15: General Liability, Automobile Liability, Employment Practices Liability, Employee Benefits liability and professional liability exposures.

Question 16: The Scope of Work of the RFP indicates that CIS employs 10 adjusters. Are all of them multi-line claims handlers? If not, can you specify how many are multi-line and identify how many of them handle only specific types of claims?

Response 16: Most adjusters are multi-line adjusters. However, we have one Senior Property Claims Consultant, a Senior Property Liability Claims Consultant who focuses

on auto physical damage and auto liability claims, and one who focuses on subrogation claims.

Question 17: The RFP requests that file sampling techniques used will provide a 90% level of confidence; what is the desired Margin of Error to accompany this confidence level?

Response 17: 5 percent.

Question 18: The table providing the CIS claims history is as of 5/31/23; why was the data as of 5/31/24 not provided?

Response 18: Claims history as of 7/31/2024 is included below.

CIS Claims History

as of 7.31.2024

Coverage Year	GL Claims	AL Claims	APD Claims	PR Claims	GL Litigated	AL Litigated
2012-2013	1,010	194	295	111	111	4
2013-2014	923	235	315	126	76	3
2014-2015	1,017	205	373	124	117	4
2015-2016	1,074	236	372	113	108	13
2016-2017	976	240	398	170	117	1
2017-2018	861	242	372	95	116	3
2018-2019	935	281	393	132	131	11
2019-2020	955	232	361	185	130	5
2020-2021	941	189	413	255	124	3
2021-2022	817	189	423	117	89	11
2022-2023	849	257	456	190	80	1
2023-2024	599	218	360	139	32	1
Grand Total	10,957	2,718	4,531	1,757	1,231	60
Open Claims	455	63	97	71	220	10
Average	913	227	378	146	103	5

Question 19: The RFP states "The auditor will meet with CIS management at the conclusion of the onsite audit to discuss any observations and conclusions." However, on page 2, II. Scope of Work, the RFP indicates "The audit may be done remotely since we have paperless files". Please explain this discrepancy - if the audit is performed remotely, can the meeting with CIS management at the conclusion of the audit also be done remotely?

Response 19: Any meetings with CIS Management can be done remotely.

Question 20: The RFP states: "CIS will e-mail written RFP addenda to all recipients of record of the original RFP and post such addenda on CIS' website (www.cisoregon.org/about/rfs).

Recipients of record are those parties to whom CIS directly sent a copy of the RFP." Can CIS share the identities of the Recipients of Record to this RFP?

Response 20: A list of proposers may be obtained after completion of the RFP.

Question 21: Does the proposer have to register with the State of Oregon prior to submitting our proposal, or register after selection?

Response 21: Proposers may register with the State of Oregon after selection.

Question 22: The RFP states: "Submit a sample of your standard agreement for services with your response." Normally, we do not have a standard contract for our services, but typically accept the client's standard contract for services prepared by the client procurement and/or legal departments. If we do not attach a draft contract in our proposal, will our submission be considered non-responsive? Is providing a statement that the proposer will accept the required provisions for the agreement described in Section IV(I) and Appendix A of the RFP meet this requirement?

Response 22: This is acceptable.

Question 23: Question 3 in Appendix B of the RFP describes the most recent audit completed in November 2020; how many claim files by line of business for both open/closed status were selected that audit?

Response 23: 120 general liability and property claims consisting of 84 open and 36 closed were reviewed.

Question 24: Question 8 states: "What is CIS' preferred timing for the performance of this audit?", and the response indicates "Need to update"; does that response mean that CIS needs to update that answer? If so, what is the updated response?

Response 24: CIS expects that the audit will begin in October 2024.