



citycounty insurance services  
cisoregon.org

## Request for Proposals (RFP) Addendum

### REINSURANCE BROKER SERVICES Property & Related Coverages

CIS  
15875 Boones Ferry Rd #1469  
Lake Oswego, OR 97035  
(503) 763-3800

<b>RFP Schedule</b>	
Issuance of RFP:	<b>May 29, 2024</b>
Deadline to Submit Written Questions about the RFP:	<b>June 10, 2024, 5:00 p.m. (PT)</b>
Proposal Due Date:	<b>June 26, 2024, 5:00 p.m. (PT)</b>
Evaluation of Proposals, Finalists Selected:	<b>July 3, 2024</b>
Finalist Interviews (if needed):	<b>July 22 – 23, 2024</b>
Anticipated Contract Award (Board Approval):	<b>August 16, 2024</b>
Anticipated Commencement of Contract:	<b>October 2024</b>

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 May 29, 2024, CIS issued a Request for Proposals (RFP) for reinsurance brokerage services.

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 June 26, 2024.**

### B. RESPONSES TO QUESTIONS

#### Question #1

This RFP mentions “The majority of cities and counties in Oregon participate in one or more CIS programs (liability, property, and **health benefits**).” Please confirm if this bid is contemplating health benefit broker services.

#### CIS Response #1

Health benefit broker services are not part of this RFP.

#### Question #2

Would the oral interviews allow for virtual attendees?

#### CIS Response #2

Oral interviews will be conducted in-person at CIS' Wilsonville office on July 22 & 23, 2024. CIS expects that, at a minimum, key personnel, such as the Engagement Manager and Project Manager who would be assigned to CIS will attend in-person. CIS is open to other personnel, who will not be as directly involved, attending the interview virtually. CIS uses Microsoft Teams for virtual meetings.

#### Question #3

Is CIS agreeable to brokers earning commission for new placements booked during the term of the contract (who may not purchase certain coverages but seek coverage)?

#### CIS Response #3

CIS requests a detailed cost proposal and transparent pricing methods. Commission arrangements may be considered with full disclosure, and proposals should include the estimated financial impact.

**Question #4**

Are fees earned by your wholesalers capped?

**CIS Response #4**

Yes, fees were capped this year.

**Question #5**

Does CIS (Oregon) have a captive, or has it been considered in the past?

**CIS Response #5**

CIS does not have a captive for property/casualty coverages but it has been considered. CIS participates in a medical stop loss captive with other public entity pools.

**Question #6**

Has CIS experienced any pain points with the current property/terrorism, crime, and equipment breakdown coverages?

**CIS Response #6**

There is general satisfaction across these coverages but there is a desire to increase property limits, particularly earthquake limits.

**Question #7**

When was the last time the cyber reinsurance was marketed?

**CIS Response #7**

CIS purchases cyber reinsurance through our affiliate, the Oregon Public Entity Excess Pool, which last marketed the coverage for fiscal year 2022-23.

**Question #8**

Have you considered or received pressure to lower the appraisal threshold?

**CIS Response #8**

Prior to this year, the threshold was \$250,000 on a five-year cycle. CIS adjusted the cycle to three years and \$500,000 based on reinsurer feedback with plans to evaluate the threshold and cycle in two years at the end of the current three-year cycle.

**Question #9**

What limit is NLC providing on the corridor?

**CIS Response #9**

\$1M - \$5M with a \$250k AAD.

**Question #10**

Can CIS provide a program schematic? If not, can you give us an idea of what markets are on the layers above RSUI/RPS.

**CIS Response #10**

Carriers above \$100M include: RSUI, Munich Re, Starr, Axis, AXA XL, Core, Westfield, Nationwide, Markel, Lloyd's, AWAC, Swiss Re, Mitsui, Intact, Ironshore, Arch, and SOMPO

**Question #11**

Are the losses summarized on Page 1 ground up losses or excess of the pool's SIR? Can you provide total incurred losses by year for the last 10 years?

**CIS Response #11**

They are ground up losses. The following table illustrates incurred losses by coverage year for the past ten completed coverage years plus the current coverage year.

Coverage Year	Total Claims	Total Incurred
2013-2014	125	\$ 1,613,555
2014-2015	122	\$ 1,814,323
2015-2016	112	\$ 3,273,736
2016-2017	168	\$ 5,240,953
2017-2018	93	\$ 3,918,465
2018-2019	128	\$ 2,933,602
2019-2020	183	\$ 2,226,873
2020-2021	249	\$ 12,573,324
2021-2022	114	\$ 2,162,357
2022-2023	171	\$ 4,475,586
2023-2024	104	\$ 4,044,608
<b>Grand Total</b>	<b>1,569</b>	<b>\$ 44,277,382</b>
<b>Average</b>	<b>143</b>	<b>\$ 4,025,217</b>