



citycounty insurance services  
cisoregon.org

## Request for Proposals (RFP)

### **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

**REQUEST FOR PROPOSALS  
FOR  
Reinsurance Broker Services  
Property & Related Coverages**

**Table of Contents**

- I. [Introduction](#)
  
- II. [Scope of Work](#)
  
- III. [Schedule and Submittal](#)
  
- IV. [General Instructions](#)
  
- V. [Proposal Format and Content](#)

[Appendix A – CIS Contract Considerations](#)

## I. INTRODUCTION

### A. PURPOSE

The purpose of this Request for Proposals (RFP) is to solicit offers from qualified vendors for reinsurance brokerage services.

### B. BACKGROUND

CIS is a public entity that provides insurance and risk management services to Oregon cities and counties and other public entities created by cities and counties. Based in Wilsonville, Oregon, CIS was formed in 1981 by its parent organizations, the League of Oregon Cities and Association of Oregon Counties. The majority of cities and counties in Oregon participate in one or more CIS programs (liability, property, and health benefits). These participating entities are considered CIS members.

The successful broker will provide consulting and brokerage services to include placements for property, crime, and equipment breakdown, marketing other coverage(s) such as cyber, and review of direct placement coverages.

We do not expect proposers to analyze CIS' current reinsurance programs or contracts as part of the proposal process. The successful proposer will receive current coverage agreements, schedules, COPE, and reinsurance policies. We will not be providing this information during the selection process.

Claims are adjusted by in-house adjusters. CIS has good loss experience. Here are CIS' top 10 property single and multi-claim events since program inception:

Coverage Year	Total Incurred ↓	Loss Type
2020-2021	\$4,831,836	Wildfire
2020-2021	\$4,463,857	Fire/Smoke Damage
2017-2018	\$2,759,734	Fire/Smoke Damage
2007-2008	\$2,151,455	Windstorm
2016-2017	\$1,726,505	Ice/Snow Damage
2016-2017	\$1,656,369	Ice/Snow Damage
2023-2024	\$1,410,661	Water Damage
2010-2011	\$1,356,738	Fire/Smoke Damage
2022-2023	\$1,283,469	Hailstorm
2008-2009	\$1,055,497	Water Damage

### Direct Purchases

CIS purchases liability and cyber reinsurance from the Oregon Public Entity Excess Pool and from NLC Mutual on a direct basis. We also purchase a corridor deductible from NLC Mutual for property. It is necessary for the consultant broker to review these coverages and premiums to ensure they are appropriate and competitive with the insurance market.

### Property

CIS currently has \$14.1 billion in property values for 306 members. Each property valued over \$500,000 is appraised on a three-year cycle. We purchase \$600 million in property limits and \$400 million in earthquake and flood limits. We have a \$1 million self-insured retention (SIR). We have a longstanding relationship with RSUI and RPS for the first \$100 million of coverage.

CIS values excellent relationships with reinsurers. CIS staff anticipates traveling to meet with underwriters and expects the broker to facilitate meetings at a recommended cadence. Meetings with reinsurers will be done with guidance from the selected broker given the program structure and market conditions.

CIS purchases \$100 million in earthquake and flood to sell individual dedicated DICs in \$10 million limits. This \$100 million is part of the \$400 million limits noted above. Nine members currently have DIC coverage. The broker may be asked to provide individual members with DIC coverage.

Terrorism is purchased as a stand-alone product.

The annual premium is \$15.6 million.

### Excess Crime

CIS makes available to members excess crime coverage above \$50,000. Currently, excess crime is with AIG. The annual premium is \$175,000.

### Equipment Breakdown

CIS uses Chubb for Equipment Breakdown coverage. The annual premium is \$382,000.

### Wholesale Brokers

CIS desires to have wholesale brokers on a fee basis with the broker serving as a pass-through agent.

### Fee

We expect an annual fee proposed by the broker. We understand some underwriters will only work on a commission basis. All income received from the broker must be disclosed and deducted from the fee.

## II. SCOPE OF WORK

The successful vendor will broker the placement of CIS P/C Trust reinsurance and provide consulting services to CIS. Services provided will include, but not be limited to, the following:

1. Market and place property, excess crime, and equipment breakdown for CIS, with capacity to reach insurance/reinsurance markets worldwide.
2. Maintain strong relationships with RSUI and other CIS reinsurers. Set up meetings with reinsurance underwriters at recommended intervals.
3. Review coverages and premiums from CIS direct markets to ensure they remain competitive and accurate.
4. Provide consulting and advice on how CIS can be competitive with other carriers in the marketplace.
5. Provide access to markets, including parametric solutions, and the ability to find and/or create market opportunities that meet the needs of Oregon cities and counties.
6. Assemble options and alternatives for CIS and members on emerging risks and coverages.
7. Identify, review, and evaluate risks and exposures facing CIS.
8. Identify deficiencies in insurance coverages.
9. Market other coverages, such as cyber, as necessary.
10. Provide assistance with underwriting data.
11. Have a strong working relationship with reinsurance underwriters.
12. Assure financial strength of reinsurance companies.
13. Provide recommendations on placements, limits, and retentions.
14. Provide an annual stewardship report.
15. Provide consultation to CIS management, underwriters, risk management consultants, and claims staff.
16. Meet with CIS management. Historically, the broker has not attended CIS Board meetings, but an occasional Board presentation may be needed.

- 17. Assist with marketing and development of new insurance products, as requested.
- 18. Respond timely to questions and issues from underwriting staff.
- 19. Provide catastrophic modeling every other year with a variety of return periods.
- 20. Provide ongoing reconciliation statements of premiums owed and due.

**Conflicts of Interest**

CIS values our working relationships with Oregon agents and we support Oregon companies. We do not want a real or perceived conflict of interest from a broker that represents both CIS members and CIS. If a broker represents CIS members, it will need to provide a plan for avoiding a conflict of interest.

Transparency is key. The broker must disclose any wholesalers, MGAs, or intermediaries working on this account and the expected commission/fee.

**III. SCHEDULE AND SUBMITTAL**

**A. RFP AND EVALUATION SCHEDULE**

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>

**B. CIS CONTACT PERSON**

**Trent McGath**  
**Underwriting and Analytics Director**  
 15875 Boones Ferry Rd #1469  
 Lake Oswego, OR 97035  
 (503) 763-3800  
 Email: [tmcgath@cisoregon.org](mailto:tmcgath@cisoregon.org)  
 Phone: 503-763-3896

## C. WRITTEN QUESTIONS

If proposers have questions about the RFP, they are encouraged to submit them as soon as possible, but no later than **5:00 p.m. (PT) on June 10, 2024**. Questions must be in writing and may be emailed to the Contact Person above. CIS will not be obligated to answer any questions received after the deadline, or any questions submitted in a manner other than as instructed above.

## D. PROPOSAL SUBMITTAL

### 1. General

Proposals must be received by **5:00 p.m. (PT) on June 26, 2024**. Any proposal received after this date and time will not be considered.

Delivery of proposals by the specified deadline is the sole responsibility of the Proposer. CIS will not be responsible for, nor accept as a valid excuse, any delay in the method of delivery used by the Proposer except where it can be established that CIS was the sole cause of the late receipt.

### 2. Method of Submittal

The proposal must be submitted in electronic form in an email to the [Contact Person](#) with **"Reinsurance Brokerage Services RFP"** in the subject line.

### 3. Evaluation Criteria

All proposals received in accordance with these RFP instructions will be evaluated to determine if they are complete and meet the requirements specified in this RFP. An award will be made to the Proposer whose offer is judged to be the most advantageous to CIS, though CIS expressly reserves the right to reject all proposals and make no award under this RFP.

The following criteria will be considered in evaluating the proposals:

- Quality of the proposal, including an expressed understanding of CIS' requirements;
- Qualifications;
- Experience, particularly with similar projects;
- Interviews, if conducted;
- References;
- Staffing & Project Organization;
- Work Plan/Technical Approach;
- Fee Schedule;
- Miscellaneous, including exceptions/deviations

## IV. GENERAL INSTRUCTIONS

### A. ORAL COMMUNICATIONS

Any oral communication by CIS' [Contact Person](#) or designee concerning this RFP is not binding and shall in no way modify the RFP or the obligations of CIS, a proposer, or selected firm(s).

### B. CHANGES TO RFP

If it is necessary to make material changes to the RFP, CIS will issue a written RFP addendum. This includes responses to written questions received by the specified deadline. All such addenda issued shall become part of the RFP.

CIS will email written RFP addenda to all recipients of record of the original RFP and post such addenda on CIS' website ([www.cisoregon.org/About/RFS](http://www.cisoregon.org/About/RFS)). Recipients of record are those parties to whom CIS directly sent a copy of the RFP.

It is the responsibility of each proposer to ensure they have all addenda CIS has issued. This may be done by going to the website listed above prior to the proposal submittal deadline.

### C. EXCEPTIONS / DEVIATIONS

Any exceptions to or deviations from the requirements set forth in this RFP, must be declared in the proposal submitted by the Proposer. Such exceptions or deviations must be segregated as a separate element of the proposal under the heading "**Exceptions and Deviations**".

### D. AUTHORIZATION TO DO BUSINESS

The Proposer must be authorized to do business in the State of Oregon and in the local jurisdiction in which it is located or where the work will be performed.

### E. PRE-CONTRACTUAL EXPENSES

CIS shall not be liable for pre-contractual expenses incurred by a proposer in the preparation of its proposal, and proposers shall not include any such expenses in their offers. Pre-contractual expenses are defined as expenses incurred by the Proposer to: (1) prepare and submit its proposal to CIS; (2) negotiate with CIS on any matters related to this RFP; and (3) any other expenses incurred by the Proposer prior to the date of award, if any.

Issuance of this RFP and receipt of proposals does not commit CIS to award a contract. CIS reserves the right to postpone the award for its own convenience, to accept or reject any or all proposals received in response to this RFP, to negotiate with more than one proposer simultaneously, or to cancel all or part of this RFP.



## **F. WITHDRAWAL; PROPOSAL IRREVOCABLE FOR 90 DAYS**

A proposer may withdraw its proposal at any time prior to the submittal deadline by sending CIS a request in writing from the same person who signed the submitted proposal. As of the deadline for submittal, any proposal received by CIS and not withdrawn becomes an irrevocable offer available for acceptance by CIS immediately and for **90 days** thereafter. The Proposer is responsible for the accuracy of the proposal submitted, and no allowance will be made for errors or price increases that the Proposer later alleges are retroactively applicable.

## **G. DISPOSITION OF PROPOSALS**

All materials submitted in response to this RFP become the property of CIS, except for information identified by the Proposer as being proprietary. A blanket statement that all contents of the proposal are proprietary will not be honored by CIS. Please note that as a public entity, CIS is subject to Oregon public records law, which may require the disclosure of information regarding proposals or a subsequent contract.

## **H. IMMATERIAL DEFECTS IN PROPOSAL**

CIS may waive any immaterial deviation or defect in a proposal. CIS' waiver shall in no way modify the RFP documents or excuse the Proposer from full compliance with the RFP if awarded the contract.

## **I. WRITTEN AGREEMENT**

The Proposer selected for contract award through this RFP shall be required to enter into a written agreement with CIS governing the provision of professional services to CIS members and other eligible entities. The agreement will include pertinent terms and conditions set forth in this RFP and will reflect the Proposer's offer or the outcome of contract negotiations. The agreement will also include, to the extent applicable, the provisions described in [Appendix A](#) and any terms or conditions added by addendum.

It is anticipated that the Proposer may enter into separate agreements with subcontractors to fulfill the terms of this contract. CIS will not be a party to those separate agreements, nor in any fashion a guarantor or indemnitor of them.

## **J. TERM OF CONTRACT**

If a contract is awarded through this RFP, it will be effective upon full execution of the agreement, which CIS expects to be **in September 2024 for an October 2024 effective date.** The anticipated term of the contract is **five years**. No agreement with CIS shall be in effect until a contract has been approved by the CIS Board of Trustees or designee, and has been signed by both parties.

## K. NEWS RELEASES

News releases pertaining to any award resulting from this RFP may not be issued without the prior written approval of CIS.

## V. PROPOSAL FORMAT AND CONTENT

The proposal submitted in response to this RFP must contain the information required in Sections A through E below. Brevity is preferred. For the questions in Sections B through D, please precede your answers with a restatement of the question. If you intend to use any subcontractors in fulfillment of services, information should be furnished for both your firm and the subcontractors where appropriate.

Submitting general marketing materials about your firm in lieu of providing specific answers to questions will not be acceptable. If you wish to submit marketing materials, you should do so as a separate addendum rather than as part of the formal response.

### A. COVER LETTER

All proposals must include a cover letter addressed to the [Contact Person](#) in Section III(B) above. At a minimum, the cover letter must contain the following:

- Identification of the Proposer, including business name, address and phone number.
- Name, title, address, phone number, and email address of a contact person during the period of proposal evaluation.
- Acknowledgment of RFP addenda received, if any.
- A statement that the proposal shall remain valid for a period of not fewer than **ninety (90) days** from the due date for proposals.
- Any exceptions to any specified criteria in this RFP.
- Identification of any information contained in the proposal which the Proposer deems to be confidential or proprietary and wishes to be withheld from disclosure. A blanket statement that all contents of the proposal are confidential or proprietary will not be honored by CIS.
- Signature of a person authorized to bind the offering firm to the terms of the proposal.

## **B. QUALIFICATIONS, RELATED EXPERIENCE AND REFERENCES**

1. Furnish background information about your firm, including date of founding, legal form (i.e., sole proprietorship, partnership, LLC, corporation/state of incorporation), number and location of offices, principal lines of business, number of employees, days/hours of operation and other pertinent data. Disclose any conditions (e.g., bankruptcy or other financial problems, pending litigation, planned office closures, impending merger) that may affect your ability to perform contractually. Certify that the firm is not debarred, suspended or otherwise declared ineligible to contract by any federal, state, or local public agency.
2. Describe your firm's experience and qualifications for providing the required services to CIS. Specifically highlight those qualifications that distinguish you from your competitors. The focus should be on recent experience within the last **five (5) years** that is relevant to the scope of work outlined in this RFP.
3. Oregon insurance license.

## **C. STAFFING AND PROJECT ORGANIZATION**

1. Identify the key personnel from your firm who would be assigned to this project. Include a brief description of the number of years with your firm, qualifications, professional certifications, job functions, current pools represented, and office location(s). Designate Engagement Manager(s) who would be ultimately responsible for the relationship and a Project Manager who would provide day-to-day direction of the required work. Furnish brief resumes (not more than two (2) pages long) for all key personnel; include these as an appendix, not in the body of the proposal.
2. Please include a simple organization chart that clearly delineates communication and reporting relationships among the project staff.
3. Describe how you use wholesalers, how they are chosen, and how they are compensated.
4. All compensation to wholesalers must be disclosed. Flat fees to wholesalers are encouraged.

## **D. WORK PLAN / TECHNICAL APPROACH**

1. Describe in detail what information, documents, staff assistance, facilities, or other resources you would require from CIS or its members to complete your work; declare any critical assumptions upon which your work plan is based. Describe your experience working with municipal pools in providing relevant services.

2. Describe succinctly how your firm would accomplish the work and satisfy CIS' objectives described in this RFP. If appropriate, divide the work into segments or tasks to represent milestones for measuring progress.
3. Describe the work products and other deliverables you would provide to CIS and our members. State the purposes for which the work products could be used and any limitations your firm would impose on their usage.
4. CIS prefers to submit renewal data electronically. Describe your electronic methods to bring CIS and underwriters together.

## **E. FEE SCHEDULE**

The Proposer's fee schedule must be submitted with the proposal.

All fees and costs are to be contained in this schedule. For each service element, include a cost and provide a grand total for all service elements. Include any applicable fees, such as administration fees.

The schedule should also include the method used to charge for any special requests, reports, or broadening of the scope of the work beyond that described in this RFP, including the methodology for extension of rates in subsequent contract years.

This section must also include payment terms required for services rendered and a preferred schedule of billing dates.

If you wish to propose rate studies, stochastic analysis, capitalization studies, actuarial evaluations, please price separately. We have not obtained these types of services from our broker in the past.

## **F. SAMPLE CONTRACT**

Submit a copy of your proposed written agreement for the provision of professional services to CIS with your response. Required provisions for the agreement are described in [Section IV\(I\)](#) above and [Appendix A](#) below.

## APPENDIX A – CIS CONTRACT CONSIDERATIONS

CIS contracts will be subject to the following standards. These are not exclusive and other contract clauses and provisions will obviously be applicable as well. However, these are areas respondents to CIS RFPs should be aware of in considering and preparing responses.

### A. MANDATORY PROVISIONS:

1. Indemnity Provision. There shall be no provision requiring CIS to indemnify contractor for contractor's acts or omissions. Indemnity provisions should be mutual and reciprocal. Our standard indemnity clause is as follows:

**Contractor agrees to hold harmless, indemnify, and defend CIS, and its officers and employee from and against all claims, suits, actions, losses, damages, liabilities, costs, and expenses of any nature resulting from, arising out of, or related to the acts or omissions of Contractor or its officers, employees, subcontractors, or agents in performance of services pursuant to this Contract. CIS agrees to hold harmless, indemnify, and defend Contractor and its officers and employees from and against all claims, suits, actions, losses, damages, liabilities, costs, and expenses of any nature resulting from, arising out of, or related to the acts or omissions of CIS or its officers, employees, subcontractors, or agents pursuant to this Contract.**

2. Independent Contractor Status. The following shall be included in CIS contracts:

**Contractor shall perform the required services as an independent contractor and not as an "officer, employee, or agent" of CIS as those terms are used in ORS 30.260 through 30.300. Although CIS reserves the right to evaluate the quality of the service provided by Contractor, CIS will not control the means or manner of Contractor's performance.**

3. Governing Law and Venue. CIS contracts shall subject to the laws of Oregon and venue for any disputes arising out of the contractual relationship. The contract shall include the following clause or the substantial equivalent:

**This contract shall be governed by the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding between CIS and Contractor arising from or related to this contract shall be brought and conducted in the Circuit Court of Marion County for the State of Oregon; provided, however, if a claim must be brought in a federal forum, then it shall be brought in the U.S. District Court for the State of Oregon.**

4. Insurance. Except under special circumstances, and with the approval and consent of CIS Executive Director, the following minimum insurance provisions shall be specified in the contract:

During the term of this Contract, Contractor shall maintain in force insurance coverage compliant with the requirements listed below:

- a. Professional Liability insurance coverage applicable to services provided to CIS with a limit of at least \$10,000,000 per occurrence.
- b. Workers' Compensation insurance in compliance with ORS Chapter 656 if Contractor employs "subject workers".
- c. Comprehensive General Liability insurance applicable to the services provided to CIS, with a combined single limit, or the equivalent, of not less than \$2,000,000 each occurrence for Bodily Injury, Personal Injury, and Property Damage, including contractual liability coverage applicable to the indemnity provided under this contract.
- d. Automobile Liability insurance applicable to the operation of Contractor's trucks or automobiles with a combined single limit of not less than \$1,000,000 each accident for Bodily Injury and Property Damage, including coverage for owned, non-owned, and hired vehicles, as applicable.
- e. Notice of Cancellation or Change. There shall be no cancellation, material change, or reduction of limits without 30 days' prior written notice from the Contractor or its insurer(s) to CIS.
- f. Certificates of Insurance. As evidence of the insurance coverages required by this contract, the Contractor shall provide acceptable insurance certificates to CIS as soon as practicable upon written request by CIS. If requested, complete copies of insurance policies, shall be provided to CIS.

#### **B. OTHER CONTRACT CONSIDERATIONS:**

1. Limitations on Liability and Warranties. Responses to RFP's should include a description of any limitations on liability to either CIS or purported third party liability limitations contractor would propose to include in a contract with CIS. These provisions are disfavored and will be a consideration in our review and comparison of RFP responses.
2. Termination. While termination provisions are negotiable, any provision that would not permit CIS to terminate the contract with a reasonable notice period, without further obligation, would be strongly disfavored and allowed only with the consent of the Executive Director. Our preferred termination provision is as follows:
  - a. **This Contract may be terminated at any time by mutual written consent of the Parties.**

- b. CIS may, at its sole discretion, terminate this Contract, in whole or in part, upon 30 days' written notice to Contractor. In the event of such a termination, CIS agrees to pay Contractor the fees and expenses reasonably incurred prior to such termination.
  - c. CIS may terminate this Contract immediately upon notice to Contractor, or at such later date as CIS may establish in such notice, if Contractor commits any material breach or default of any covenant, warranty, obligation or agreement under this contract, or fails to perform in a timely manner the services under this contract, and such breach, default, or failure is not cured within 10 business days after delivery of CIS' notice, or such longer period as CIS may specify in such notice.
  - d. Contractor may terminate this Contract upon 10 days' written notice to CIS if CIS fails to pay Contractor pursuant to the terms of this Contract and CIS fails to cure within 30 days after receipt of Contractor's written notice, or such longer period as Contractor may specify in such notice.
3. Dispute Resolution. Mandatory arbitration provisions are disfavored. Our position is that alternative dispute resolution is encouraged, but arbitration should be undertaken only when both parties agree to it at the time of the dispute. If arbitration is undertaken, we would not consent to the rules and procedures of the American Arbitration Association. Other standard rules are available, or the parties can simply agree to rules and procedures as they deem appropriate. Provisions requiring mediation as a precedent to other legal action are acceptable.