



INDEPENDENT CITIES RISK MANAGEMENT AUTHORITY

3780 KILROY AIRPORT WAY, SUITE 870, LONG BEACH, CA 90806
(562) 508-4400 • (800) 541-4591 • FAX (562) 508-4399

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REQUEST FOR PROPOSAL TO PROVIDE LIABILITY, EXCESS WORKERS COMPENSATION AND PROPERTY INSURANCE BROKERAGE SERVICES

NOTICE IS HEREBY GIVEN that the Independent Cities Risk Management Authority (ICRMA) is soliciting proposals from qualified firms to provide Liability, Excess Workers' Compensation, and Property Insurance Brokerage Services.

IMPORTANT NOTE: This Request for Proposal (RFP) is not an authorization to approach the insurance marketplace or service agencies on behalf of ICRMA. ICRMA directs that no solicitation of insurance markets or market reservations be made on behalf of ICRMA. Failure to comply with this condition will be grounds for disqualification from this RFP process.

BASIS OF AWARD: ICRMA reserves the right to award a contract, or make no award, whichever is in the best interests of ICRMA. ICRMA also reserves the right to negotiate the terms and conditions of any contract resulting from this solicitation. Final award, if any, will be made by the ICRMA Governing Board.

EVALUATION CRITERIA: All proposals received by the closing date and time, will be evaluated by a committee of ICRMA members which will review and judge the merit of the proposals received in accordance with all criteria and specifications contained in the RFP.

The ad hoc Broker Selection committee will create a short list of not more than three qualified firms from the proposals received in accordance with all criteria and specifications contained in the RFP document. An oral presentation and/or additional information may be required from the firms on the short list.

DEADLINE: Paper proposals must be received in the ICRMA offices at the street address shown below prior to the deadline of 5:00 P.M. Pacific Time, September 12, 2011. It is the responsibility of the respondent to see that any proposal sent through the mail shall have sufficient time to be received by the specified date and time. A PDF copy of the proposal should also be sent via electronic mail. Please contact David Luke, ICRMA Assistant Manager, at 562-366-8231, for instructions on electronic submission.

ICRMA ADMINISTRATOR

BICKMORE RISK SERVICES

Michael Kaddatz, General Manager
David Luke, Assistant General Manager
Deborah Diller, Accounting Manager
Kristen Vanscourt, Workers' Compensation Manager
Terrie Norris, Risk Control Manager
Chris Retama, Executive Assistant

COSTS INCURRED BY PROPOSERS: All expenses involved in the preparation and submission of the proposal to ICRMA, or any work performed in connection therewith, shall be borne by the proposer(s). No payment will be made for any responses received, or for any other effort required of or made by the proposer(s) prior to the commencement of work as defined by a written agreement approved by the Governing Board.

INSURANCE REQUIREMENTS: The successful firm must meet all insurance requirements of ICRMA.

A handwritten signature in black ink, reading "Michael M. Kaddatz". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Michael M. Kaddatz
ICRMA General Manager

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BROKERAGE SERVICES**

I. PURPOSE

The Independent Cities Risk Management Authority (ICRMA) is seeking proposals from qualified firms to provide Liability, Excess Workers' Compensation and Property insurance brokerage services.

II. DESCRIPTION OF ICRMA

ICRMA is a joint powers authority of 22 cities in Los Angeles, Orange and San Bernardino counties joined to protect member resources through efficient and effective risk finance programs and risk management practices.

A. Coverage Programs

The coverage programs that renew each July 1 are outlined below. A schedule of coverages is attached to this RFP. See **Attachments 1 and 2**.

1. Liability Program

This program provides general liability, automobile liability, public officials' liability, employment practices liability, and law enforcement liability coverage on an occurrence basis. Program limits are \$30 million per occurrence, per member, with a per member annual aggregate of \$30 million on the public officials liability and employment practices liability. Each of the 22 members retains risk at levels ranging from \$250,000 per occurrence to \$5,000,000 per occurrence. ICRMA retains risk between the member self-insured retention (SIR) and \$30,000,000, but reinsures the risk above \$5,000,000.

2. Workers' Compensation Program

There are 16 members in the Workers' Compensation Program. Each member retains risk from \$350,000 per occurrence to \$1,000,000 per occurrence. ICRMA provides coverage from the member SIR to \$5,000,000. Commercial excess insurance covers above the ICRMA layer to \$100,000,000 per occurrence.

3. Property Program

ICRMA members group purchase commercial property insurance. There are essentially two property programs, with one member (the City of Inglewood) buying its own policy, as well as three members purchasing stand-alone Difference in Conditions (DIC) coverage. These are detailed below:

- a. The All Risk Program provides a per occurrence limit of \$700,000,000 (with various sub-limits) with a \$10,000 deductible. This limit includes boiler and

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machinery. This policy excludes the perils of earthquake and flood. Seven members participate in this program.

- b. The Aggregate Program provides \$125 million per occurrence limits with a \$10,000 deductible (two cities elected deductibles of \$25,000 and \$50,000). Coverage includes boiler and machinery perils up to \$25 million. Blanket earthquake, and flood limits of \$75 million are included. Eleven members participate in this program.
- c. Three All Risk Program cities purchase stand-alone DIC policies. These are Hermosa Beach (parking structure), Manhattan Beach (police and fire stations), and Monrovia (multiple locations).
- d. The City of Inglewood has a separate policy with a \$100,000,000 per occurrence limit, and a \$25,000 deductible. Coverage includes boiler and machinery perils and a \$100,000,000 per occurrence and annual aggregate limit for earthquake and flood.

4. Ancillary Policies

Members individually purchase auto physical damage, special events and other miscellaneous property and casualty coverages. The selected broker may or may not be requested to place these policies on the members' behalf.

B. ICRMA Governance

A Governing Board composed of one Delegate, an official appointed by each member city directs ICRMA. Each City also appoints a Governing Board Alternate, which can be an elected official or a staff person, to act in the absence of the Delegate. Additionally, each City can appoint a Substitute Alternate to act in the absence of the Delegate and Alternate. However, only one vote is allowed per City. The Governing Board has established Administrative, Claims, and Marketing & Member Services Committees to help carry out its responsibilities.

C. Other ICRMA Information

Firms are invited to peruse ICRMA's web site to gather additional information about ICRMA's membership, governance, programs and services, located at www.icrma.org.

For additional information, questions should be directed to:

Mr. David Luke, Assistant General Manager, ICRMA
562-366-8231
dluke@brsrisk.com

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OR

Mr. Michael Kaddatz, General Manager, ICRMA
562-508-4382
mkaddatz@brsrisk.com

III. REQUIRED SERVICES

1. Market the insurance and reinsurance with commercial coverage sources, including providing renewal insurance and reinsurance quotations by April 1, each year, unless otherwise agreed.
2. Assist member cities and potential member cities in the completion of applications and compilation of data for marketing purposes. Annually tabulate all such data for members for inclusion in the renewal marketing package.¹
3. Monitor published financial information of ICRMA's current and past insurers and alert ICRMA when the status of one or more of its insurers falls below your minimum financial guidelines.
4. Assist with mid-term coverage additions and changes.
5. Review invoices received from carriers to determine accuracy and use best efforts to resolve accounting differences or discrepancies.
6. Provide premium renewal estimates as required for budgeting purposes no later than March 1.
7. Provide ICRMA staff with copies of all quotations received from insurers.
8. Review all ICRMA insurance policies to assure that policy language is accurate and in conformity with negotiated terms and conditions, and use best efforts to deliver all policies within 90 days.

¹ Loss data is obtained by staff from the members who self-administer or the member TPAs. The members use five different workers' compensation TPAs and four different liability TPAs. Two members self-administer their liability claims. Exposure data includes, for example, by city: # of employees and elected officials, population, operating budget, payroll, miles of streets/roads, number of maintained bridges, law enforcement and fire payroll, # of FT and PT law enforcement, # of fire volunteers, # of paramedics, # of jails and public housing projects, electric utility, water utility and public housing payroll, # of athletic centers, zoos, racetracks swimming pools, diving boards, lifeguards, cemeteries, daycare centers, reservoir storage facilities, landfills/dumps, wastewater facilities, and numerous other exposure categories.

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9. Present renewal proposals no later than the ICRMA Administrative Committee Meeting in May.
10. Assist ICRMA with resolving coverage, claim and insurance-related issues arising from policies placed by the Broker.
11. Monitor claims filed by ICRMA against insurance policies placed by Broker. Broker shall not be responsible for notifying carriers unless requested in writing by ICRMA.
12. At least annually, with losses valued as of December 31, secure loss runs from each current and previous carrier.
13. Attend ICRMA's Governing Board meetings, and other meetings as mutually agreed.
14. Prepare annual stewardship report on a policy year basis by the October following the end of the July policy year.
15. Use best efforts to cause the development and issuance of endorsements to the coverage document as requested. Said documents will be subject to the approval of ICRMA or persons designated by ICRMA.
16. Work with staff on coordinating ICRMA Memorandum of Coverage and commercial reinsurance policy verbiage as needed.
17. Issue certificates of insurance on policies placed by Broker requested by members within ten (10) days of receipt of request and renewal certificates within 5 day of policy renewals.
18. Provide an annual disclosure report of any and all commissions, rebates, or other earnings on ICRMA placements by August 15 of each year.
19. Assist in the recruitment and marketing of new member cities, as requested by General Manager. Report the results of all contacts made on behalf of ICRMA.
20. Assist with feasibility studies and possible implementation of self-funded pooling vehicles as alternatives to the purchase of insurance as necessary. Also, present optional risk financing strategies that ICRMA should consider.
21. Disclose on a timely basis all real or potential conflicts of interest.

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IV. PROPOSAL CONTENT

Proposers shall submit proposals not exceeding 20 pages. Proposers are encouraged to not submit boilerplate marketing material. The proposal shall include:

- A. A work plan to address what will take place in the first year of your contract.
- B. A work plan that addresses what will take place in subsequent years of your contract.
- C. A brief profile of the firm and its important features relative to serving ICRMA.
- D. The names of each ICRMA account team member expected to provide significant services to this account, the location of each team member, and the relevant experience and professional credentials of each team member.
- E. The names and contact information for at least three current JPA, governmental entity or other clients served by team members in the past five years. ICRMA plans to contact such references during this process. Please also identify clients of the service team leader lost in the last five years.
- F. Your team's conceptual ideas for potential changes to ICRMA's reinsurance and insurance program structure and markets.

V. BROKER COMPENSATION

Based on your understanding of ICRMA's required services, please provide the method and amount of compensation you propose, including how the compensation will be adjusted over time. Compensation shall be presented for each of the four ICRMA fiscal years of the agreement and divided into liability, excess workers' compensation, and property insurance components. Compensation for any optional services shall be shown separately.

VI. SELECTION PROCESS

All proposals must be received **no later than 5:00 p.m. on September 12, 2011.** It is requested that nine (9) identical copies be directed to:

Independent Cities Risk Management Authority
ATTN: Michael Kaddatz, General Manager
3780 Kilroy Airport Way, Ste. 870
Long Beach, CA. 90807
(562) 508-4382
mkaddatz@brsrisk.com

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It is requested that a PDF copy of the proposal be submitted via email. Please contact David Luke at (562) 366-8231 for electronic submission instructions. All responsive proposals delivered to ICRMA by the required date will be advanced to an ad hoc Broker Selection committee. The committee will recommend not more than three firms to be interviewed by ICRMA's Administrative Committee (AC). The AC will make a recommendation to the Governing Board for final selection.

A. Proposed Timeline

**ICRMA Broker RFP
Proposed Timeline
2011**

Activity	Completion Dates
Issue RFQ	August 8, 2011
Receive proposals from brokers	September 12, 2011
Notify brokers to be interviewed	September 30, 2011
AC interview of finalist brokers	October 4, 2011
Governing Board selects final insurance broker and instructs staff to execute contract with selected firm	October 19, 2011

Interviews may be held with selected firms that are determined to best meet ICRMA's needs. Interviews are tentatively scheduled for **October 4, 2011, in the Los Angeles area**. ICRMA reserves the right to cancel and/or modify the above dates at any time.

B. Evaluation Criteria

Proposals will be evaluated based on the following criteria:

1. Qualifications of the Firm

Experience working with JPA's/public agencies or other relevant accounts; strength, stability, experience, and access to markets; responses of client references.

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2. Staffing and Project Organization

Qualifications and relevant experience of staff to be assigned to ICRMA; adequacy of staff resources; willingness to accommodate ICRMA approval of assigned team.

3. Work Plan

Depth of Proposer understanding of ICRMA's service needs and overall quality (i.e. logic, clarity and specificity) of work plan; reasonableness of proposed schedule,

4. Cost and Price

Reasonableness of the total price in relation to the value of services proposed and the credentials and reputation of firm and service team members.

5. Conceptual Proposal

Concepts presented by the Proposer will be evaluated for their depth, application and demonstrated benefits. Such concepts could include new markets, new coverages, new program structures and other features.

C. Additional Information

ICRMA reserves the right to reject any or all proposals.

The Insurance Brokerage Agreement would be effective November 1, 2011 through June 30, 2015 and will include provisions for renewal.