



Framingham
State University

Insurance Broker of Record
Request for Proposal
RFP-FSU-18-05

Date of Issuance: February 5, 2018

Proposal Due Date: March 5, 2018 at 2:00 PM EST

About Framingham State University

Overview

Framingham State University (FSU) prepares students for a productive life, enhanced by learning and leadership that will contribute to the culturally diverse world of the twenty-first century.

Established by Horace Mann in 1839 as America's first public teacher preparation school, Framingham State University today offers undergraduate and graduate programs encompassing the arts and sciences and professional studies.

At Framingham State University teaching is the primary role of the faculty, who engage in their disciplines through instruction, scholarship and service on campus and in their professional communities. The University serves as an important educational and cultural center in the MetroWest region of Massachusetts.

A Framingham State University education cultivates thoughtful, responsible local and global citizens, prepares students for a career, and positions them for success.

Framingham State University, located just 20 miles west of Boston, is a vibrant comprehensive liberal arts institution offering 30 undergraduate degree programs in arts, humanities, science, social sciences, and professional fields. More than 6,000 students attend Framingham State, including 2,000 graduate students. Framingham State University offers graduate degrees in 28 fields, including an extensive graduate program for teachers at international schools. The University takes pride in its 36,000 alumni, most of who live and work in Massachusetts. The University is just the right size – small enough for learning to be personal and collaborative, yet large and diverse enough to broaden students' understanding of their world. This broadening of perspectives and appreciation of diversity is one of the hallmarks of a first-rate undergraduate education.

Introduction

The Broker of Record will assist FSU in identifying and evaluating existing and emerging exposures to risk. This risk assessment work will be used to guide existing or to develop new, risk financing programs. FSU wishes to be proactive rather than reactive and thus expects its supplier to bring it cost-effective ideas that add value.

The Broker will be authorized to assist the Client in discussions and transactions with insurance companies, provided that the Broker shall not place any insurance coverage on behalf of the Client unless authorized by the Client to do so. The Broker may utilize the services of any intermediaries to assist in the placement of the Client's insurance coverage, including brokers in London and other markets, provided such intermediaries shall be compensated directly by the applicable insurance company out of premiums paid by the Client. Client requires all commissions, fees or others forms of compensation be disclosed as a part of the cost. The parties acknowledge that the Broker sells insurance and that the Client is under no obligation to purchase any insurance through the Broker and that the Broker does not have the authority to make binding commitments on behalf of any particular insurance company. Upon request, the Broker shall provide to the Client additional information about its licensure status and the companies by which it is appointed to sell.

Please be advised that as a public institution of higher education in the Commonwealth of Massachusetts, Framingham State University is subject to the provisions M.G.L. ch. 258, more commonly known as the Massachusetts Tort Claims Act, and as such, is self-insured.

Scope

The Broker on behalf of the Client shall include but not be limited to the following services:

- 1- Will assist the client in reviewing and assessing the Client's insurance needs, objectives and goals;
- 2- Will make recommendations to the Client in connection with the Client's insurance coverage;
- 3- At Client's direction, will develop, recommend, negotiate and place insurance for all insurance policies illustrated on the attached addendum – Schedule of Insurance
- 4- Will assist Client in the gathering and preparation of underwriting information and completion of insurance applications. Broker will not assume responsibility for the accuracy or completeness of such information and shall be entitled to rely on information provided by Client, its subsidiaries and its employees. The necessary officer or employee of the Client shall sign applications requiring a signature.
- 5- Will administer and review for accuracy all aspects of the Clients relationship with insurance companies including but not limited to such issues as policy issuance, billings, audits, dividends, and adjustments for loss sensitive programs.
- 6- Will issue certificates of insurance on a timely basis.
- 7- Will conduct semi-annually (or quarterly) open item meetings which will include an Open Items report coverage line by policy year and for each renewal process during a coverage renewal, all endorsements/coverage changes, and large loss updates.
- 8- Will conduct an annual stewardship report for Client which will include but not be limited to the following;
 - a- A complete list of insurance coverages in force that includes coverage limits in force by insurer
 - b- A forecast of market conditions and renewal costs
 - c- A discussion of modifications, if any, needed in Broker services provided
 - d- A schedule of insurance coverage not maintained by client
 - e- Proposed renewal strategies for each insurance policy

- f- A market security analysis of all insurers currently underwriting a policy for Client
- 9- It is understood that the Broker will have the right, but not the duty, to participate on Client's behalf in all settlement discussions and or communications with insurance carriers. If the Broker is excluded from such discussions or communications, they shall be deemed to be released from any responsibility of liability for any deficiency in payment or failure to collect the claim, or claims which are subject of such negotiations, discussions or other communications whether such deficiency or failure is alleged to arise out of conduct of negotiations or placement of the insurance or otherwise.
- 10- As requested by the Client, the Broker will review written contracts and comment in the insurance, indemnification, waiver, transportation and limitation of liability language under the contracts
- 11- If requested, the Broker will provide on an annual basis a policy handbook, a policy schedule, a schedule of premiums and a claim summary to Client's auditors.
- 12- Will provide other services as agreed to by the Broker and the Client.
- 13- The Broker shall make available to the Client upon its request documents and information reasonably requested related to the Client's account. The Client shall provide to the Broker all information reasonably requested by the Broker in order to fulfill its obligations under this Agreement.

Insurance Administration Services Requested

- 1- Assist FSU to develop, recommend, and negotiate insurance coverage.
- 2- Attend and present insurance renewal alternatives annually to FSU; a minimum of 2 – 3 quotes per type of coverage will be required annually each with the cost of commission/fee or other types of compensation disclosed.
- 3- Assist the FSU Insurance Manager in preparing insurance renewal specifications and underwriting submissions.
- 4- Assign an account person for regular daily activities e.g. policy review, questions, claims, etc.
- 5- Annual review of all existing insurance policies for seamless coverage where possible. Provide advice on gaps in coverage and unnecessary duplication of coverage.
- 6- Bind coverage as requested.
- 7- Perform general risk management consulting services including educational institution benchmarking with respect to all lines of insurance coverage placed by the Broker.

Minimum Qualifications

Statement of Qualifications – Company background and general information

- 1- How many Higher Education accounts does your firm currently handle as broker of record?
Please include:
 - a. Lines of coverage written
 - b. Years of service to each higher education account
 - c. Approximate size of your education accounts (# of students and FTE)
 - d. Identify two specific instances where your services have shown a benefit to a higher education client

- e. Describe the firm's experience and knowledge regarding the Commonwealth of Massachusetts' Tort Claims Act (MGL Chapter 258).

Firm Specifics

1. List the address from which the FSU account will be handled
2. What is the size of your firm, i.e. number of employees/locations, overall volume in numbers of bound coverage annually.
3. What is your firm's A. M. Best rating?
4. Are you aware of any merger or acquisition plans for your firm?
5. Is there any outstanding litigation or insurance department or client complaints filed against your firm? If so, please explain.
6. How long has the brokerage firm been in business?
7. Percentage of commercial vs. personal lines of coverage written.
8. Total property and casualty premium placed annually by your firm.
 - a. How much of the premiums placed is for higher education institutions?
9. List top 5 insurers with whom you place business by type of coverage
10. As normal practice does your firm conduct an annual big picture review of higher education risk management and insurance needs and bring those forth to the client for consideration at least each renewal period? If so, would this include benchmarking to other higher education institutions and best practices?
11. What is your philosophy and process in identifying insurance issues or exposures for FSU?
12. How do your services differentiate your firm from competitors?
13. What do you view as FSU's top risk exposures and how would your firm suggest handling them?

General Supplier Information-

- a. Describe who the key team members of the account will be, their length of service with the firm, their experience representing higher education institutions, their roles and responsibilities if awarded this contract. Please provide biographies for each individual team member.
- b. Provide a brief historical perspective on your company (years in business, growth via mergers and acquisitions, key industry innovations.) Provide an overview of your company's growth over the past five years.
- c. Provide a list of your various locations and key roles of select office that you propose will service FSU.
- d. Describe other ideas or more effective ways of handling our current program.

Provide us with name and contacts of 3 clients who in the past twelve months have ended their relationship with you. Please provide the following information: Contact name, Company, Street, City-State, Zip, Telephone, Served since, Services provided.

Fees/Revenues

All fees/commissions or other types of compensation earned from each type of coverage must be disclosed.

If the Broker will strictly be paid an annual fee from the client, provide your proposed fee schedule and any considerations for a 5 year contract term.

Clearly articulate what services are included in your proposed fee.

Would your firm receive any compensation from insurance carriers outside the fee you would receive from FSU? If yes, please describe how transparency will be achieved and disclose the percentage amount of additional compensation received by type of coverage.

Expression of Interest

If your company is considering submitting a proposal in response to this RFP, please email jbudron@framingham.edu of your intent to participate. Please include in your email:

Your Name
Title
Company Name
Telephone number
Email address
Fax number

Submission of your interest is not a prerequisite for submitting a proposal, but it is necessary to ensure future communication regarding this RFP.

Selection Process

A Selection Committee of University Personnel will meet to review the Proposals submitted in response to this Request for Proposal. Each Proposal submitted must be signed by an official of the institution who is authorized to bind the offer. The solicitation for proposals does not commit Framingham State University to award a contract to pay any cost incurred in the preparation of the proposal. The University reserves the right to select any proposal it deems in its best interest. Further, the University may accept or reject any or all proposals received and waive any formalities in the evaluation process.

Criteria to be used in the evaluation process include, but are not limited to the following:

Compliance with RFP Requirements
Financial Condition, Experience, and References
Customer Service and Creative Solutions

Upon review of the Technical Proposals, semi-finalists will be selected to best evaluate current policy coverage and recommend changes to reduce potential risk to the University. Present coverage is offered toward the end of this document.

A rating system of highly advantageous, advantageous, not advantageous and unacceptable will be utilized in reviewing TECHNICAL PROPOSALS. PRICING PROPOSALS will be opened after the review and rating of the TECHNICAL PRPOSALS is completed. The University will select the company offering the best value to the University.

The University, at its discretion, may request responding vendors to make oral presentations. The University will schedule the time and location if presentation is deemed necessary.

You are advised that FSU will not reimburse your firms for any proposal preparation costs or other work performed in connection with this RFP, whether or not your firm is awarded a contract.

Contract

The contract term shall be for 2 years with the possibility of three annual renewals at the discretion of the University for a maximum of five years. The implementation date shall be as soon as practical; the successful respondent should be prepared to bind coverage, effective 07/01/18 or sooner. The University may negotiate such additions, deletions or changes as may be necessitated by law or changed circumstances. The successful respondent is encouraged to present new or enhanced products and services for consideration by the University during the life of the Agreement.

The University reserves the right, in its sole discretion; to terminate the contract that results from this RFP with thirty (30) days written notice to the successful company should the Agreement no longer be deemed beneficial to the University.

State law prohibits the University from agreeing to indemnification of the contracted party. Additionally, it is mandatory that the Commonwealth of Massachusetts laws apply to the performance of the contract and that jurisdiction and venue be in Boston, Massachusetts for State and Federal courts.

All other public state universities and colleges shall have the right to piggy-back on the contract resulting from this RFP. Framingham State University shall have no financial or other responsibility for any such arrangement.

Process Schedule

Issuance of Request for Proposal	February 5, 2018
Submission of Questions	February 14, 2018
Responses to Questions	February 21, 2018
Submission of Written Proposals	March 5, 2018
Oral Presentations (if necessary)	TBD
Implementation	July 1, 2018

Submission of Proposals

Completed proposals, both Technical Proposal and Pricing Proposal, must be delivered by 2:00 PM EST, March 5, 1028 to:

John Budron
Director of Procurement and Contracts
Framingham State University
Dwight Hall Room 201
100 State Street
Framingham, MA 01701

Any responses received after this time shall be considered non-responsive.

You will submit two separate proposals, in two separate sealed envelopes, one (1) Technical Proposal and a separate Pricing Proposal. These proposals must be **clearly** identified as such on the outside of the envelope containing each document. Failure to follow these instruction could result in a proposal deemed non-responsive.

Technical Proposal

Please provide one original paper response and 4 copies to facilitate our evaluation process as well as an electronic copy on one flash drive (separate from the Pricing Proposal).

Pricing Proposal

Please provide one original paper response and 4 copies to facilitate our evaluation process as well as an electronic copy on one flash drive (separate from the Technical Proposal).

This RFP is being advertised on COMMBUYS, the statewide electronic marketplace, strictly for the benefit of trying to reach the widest possible audience. All communication involving this RFP should be directed to Framingham State University as noted in this RFP.

Any and all communication regarding this Request for Proposal shall be directed to John Budron, Director of Procurement and Contract Management. He can be reached at jbudron@framingham.edu. Failure to follow this instruction shall result in immediate disqualification of the interested party.

Questions and inquiries should be mailed to jbudron@framingham.edu and must be submitted by February 15, 2018. The subject line should be: **Insurance Broker of Record**. Any oral communication shall be considered unofficial and non-binding on the University. Written responses will be copied to all respondents submitting an expression of interest.

As a public institution we are subject to all State and Federal regulations regarding the release of public records and information

Required Proposal Information and Format

Technical Proposal

1. Brief transmittal letter.
2. Statement of Qualifications
3. Description of Services and Miscellaneous Information
4. Technical Proposal must be thirty-five (35) pages or less.

Pricing Proposal

1. Cost of each service
2. Statement of Ongoing Fees
3. Other Pricing Information

Framingham State University Insurance Coverage

Type of Insurance	Limits
Educator's Legal Liability	\$1,000,000 Each Loss \$1,000,000 Annual Aggregate
Crime	\$500,000
General Liability	\$1,000,000 Each Occurrence \$2,000,000 General Aggregate (we want \$3M) \$1,000,000 Products – Completed Operations Aggregate (we want \$2M) \$1,000,000 Personal & Advertising Injury \$ 100,000 Damage to Premises Rented to you <u>Claims-made</u> \$1,000,000 Employee Benefits Liability – Each Employee \$2,000,000 Employee Benefits Liability – Aggregate
Foreign Package Policy	\$1,000,000 Employer's Liability per Occurrence \$ 250,000 Excess Repatriation Expense
Automobile Policy	\$ 900,000 Liability Per Accident
Liquor Liability Policy	\$1,000,000 Per Person Occurrence \$1,000,000 Per Occurrence \$2,000,000 Aggregate
Fine Arts Policy	\$ 200,000 McCarthy Center, FSU \$ 200,000 Any other location, worldwide \$ 200,000 while in transit on any one conveyance, worldwide \$ 200,000 in any one loss or disaster, either in case of partial or Total loss, or salvage charges, or expenses or all Combined.
Healthcare Student Professional Liability	\$1,000,000 Each Incident or Occurrence \$3,000,000 Aggregate
Healthcare Provider Professional Liability	\$2,000,000 Each Occurrence \$6,000,000 Aggregate
Sports Accident	N/A

Exhibit A Required Forms

Please complete the required attached forms. These forms are required by the Commonwealth of Massachusetts Operational Services Department. Failure to submit completed forms along with your TECHNICAL PROPOSAL will result in your proposal being deemed non-responsive. The Commonwealth Standard Agreement and Terms and Conditions cannot be negotiated.