**[COMPANY LOGO HERE]**

**RISK MANAGEMENT AND INSURANCE BROKERAGE SERVICES SELECTION PROCESS**

**REQUEST FOR PROPOSAL**

**Responses due by**

[INSERT DATE HERE]

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**DESCRIPTION OF OPERATIONS**

**Websites:**

<http://www.abc.com/>

<http://www.xyz.com/>

**History & Description of Operations:**

[INSERT A DESCRIPTION OF YOUR COMPANY HERE.]

**Overview of Insurance Program / Enclosures**

**Coverage / Policies:**

* Property
* Boiler & Machinery
* General Liability
* Auto
* Workers Compensation
* Pollution Legal Liability
* Products Recall
* Director’s & Officers Liability
* Employment Practices Liability
* Fiduciary Liability
* Commercial Crime

**Loss Overview:**

1. General Liability Claims Frequency and Average Losses –
2. Commercial Property Claims Frequency and Average Losses –
3. Commercial Auto Claims Frequency and Average Losses –
4. Workers Compensation Claims Frequency and Average Losses –
5. Other Lines of Coverage Claims Frequency and Average Losses –

**Exposure Overview:**

1. Revenue Range –
2. Number of Locations –
3. Total Insured Value –
4. Number of Commercial Auto Power Units –
5. Number of Employees –
6. Total Workers Compensation Payrolls –

**Strategic Risk Management Initiative**

ABC Company (“ABC”) is evaluating all areas of our business to strategically manage costs and maximize value. Our objective is to work with select vendors who can assist ABC in maximizing the value and service quality of the goods and services we procure, while identifying opportunities to reduce the costs of externally purchased goods and services and improving our vendor selection and management processes.

We believe that the ultimate outcome will enhance the value of ABC’s relationship with its vendors. As part of this program, we are reviewing our procurement of Risk Management and Insurance Brokerage services. We believe there is significant value to be gained from reviewing the current broker arrangement, with the goal of assuring that our program is providing us with superior service at a competitive price.

**RFP Goals**

ABC has identified the following project goals:

* Ensure the Company’s brokerage arrangements are priced competitively;
* Assemble a broker service team that will assist the Company in the development and execution of its Risk Management Strategy;
* Evaluate and identify a broker team with the capabilities to design and implement, as appropriate, alternative risk management options.
* Identify partners with the capability and expertise to actively participate in assisting with the strategic direction of our company and identify opportunities to add additional value to the organization.

**Scope of This Project**

The competition will focus on the broker’s capabilities, ability to add value to ABC, industry expertise, experience of team members and broker compensation. **SPECIFICALLY, YOU ARE NOT TO APPROACH ANY INSURANCE MARKETS OR SERVICE PROVIDERS ON OUR BEHALF OR IN CONNECTION WITH THIS PROJECT. Failure to adhere to this requirement will result in an automatic disqualification from this project.**

**Section I – Timeline & Response Guidelines**

1. **Critical Dates**

|  |  |
| --- | --- |
| **Activity** | **Target Date** |
| 1. RFP Sent to Brokers | [200 DAYS PRIOR TO RENEWAL] |
| 1. Deadline for Initial Questions to RFP | [193 DAYS PRIOR TO RENEWAL] |
| 1. Qualifications and Proposals received from Respondents | [180 DAYS PRIOR TO RENEWAL] |
| 1. Notification of Selection of Respondents to Final Phase | [165 DAYS PRIOR TO RENEWAL DATE] |
| 1. Meeting with Finalists Completed | [150 DAYS PRIOR TO RENEWAL DATE] |
| 1. Selection of broker | [145 DAYS PRIOR TO RENEWAL DATE] |
| 1. Execution of broker services Agreement | [DATE 145 DAYS PRIOR TO RENEWAL DATE] |

1. **Submittal Date and Location**

Your response must be submitted no later than [INSERT DATE HERE] to:

Mail 3 copies to:

[insert name here]

[title here]

ABC Company

[address here]

Electronically:

[email address here]

Following the receipt of responses, your proposal will be evaluated and your firm may be asked to provide additional information or respond to follow up questions. Your response should be tailored specifically to address the questions outlined in the RFP.

Following the broker evaluation process, the broker to handle ABC’s program will be selected. The selected broker will be expected to provide services as outlined in the sample broker service agreement presented in the RFP response.

1. **Proposal Contact**

Your primary contact for any questions or comments regarding the attached document is [name / email / phone number of person coordinating the effort].

**Section II – RFP Eligibility & Selection Criteria**

1. **Selection Process and Participation Requirements**
   1. Comply with all instructions
   2. Complete all required sections of the RFP
   3. Respond to all questions in reasonable detail
   4. Meet the deadline for submission of RFP to ABC
2. **Selection Criteria**

The successful respondent will be selected for further consideration based upon, but not limited to, the following criteria:

* 1. Quality of the response to the RFP
  2. Expertise with advising clients on evaluating risks and structuring and managing insurance programs
  3. Ability to provide cost-effective solutions to meet the needs of ABC
  4. Coverage Expertise and ongoing Coverage Quality Control Process
  5. Loss Control Support
  6. Claims Support
  7. Overall expertise within our industry
  8. Willingness to work with existing insurance underwriters as necessary
  9. Financial strength
  10. Stability
  11. Reputation
  12. Amount, nature, visibility, and appropriateness of compensation
  13. Demonstrated exceptional level of customer service and support to clients
  14. Quality and experience of assigned account personnel
  15. Accuracy of proposal as demonstrated by documentation, presentations, and telephone references

1. **Evaluation Process**

ABC will systematically review and evaluate your proposal. ABC reserves the right to select, or not select, a broker for any reason.

1. **Submission Effort**
   1. **Date of Submission**: Responses to the RFP received after the designated date will not be considered.
   2. **Proposal Acceptance:** ABC reserves the right to accept or reject any proposals made to it in response to this RFP whether in whole or in part. ABC makes no guarantee whatsoever implied or otherwise that it will contract or agree to contract with any party as a result of this RFP.
   3. **Cancellation of the RFP:** ABC reserves the right, in its sole discretion, to cancel this RFP at any time prior to the execution of a written agreement with the successful respondent.
   4. **Waivers:** In the interests of furthering competition, ABC may waive minor procedural requirements or informalities during the process of soliciting, evaluating, or negotiating this award.
   5. **Submitted Materials:** Materials provided to ABC by brokers will remain at ABC. At the end of the proposal RFP process, all materials submitted will become the property of ABC, unless alternative agreements have been reached in writing.

**Section III- Broker Qualifications**

All participants must complete this Qualification form to be eligible to participate in our selection process. Please provide answers to the following questions.

1. **Overview of Company Structure/ History/ Philosophy**
   1. Describe the structure of your organization, including number of employees and available resources, locally, nationally and globally
   2. Describe your areas of specialization, specifically including the resources your organization possesses in support of these areas of specialization
   3. How many accounts does your specific office service?
   4. How many employees does your specific office have?
   5. How many of these employees in your office have new business responsibilities versus service?
   6. What is your employee to account ratio in each department including claims, loss control and account management?
2. **Competitive advantage**
3. Outline your perceived strengths and weaknesses in the marketplace.
4. How are you different from your competitors?
5. **Service Team**
6. Illustrate the account team structure.
7. List the names of the proposed day-to-day account service team and describe each member’s service role.
8. Attach resumes of the service team members. Include:
9. **Qualifications**
10. Expertise; technical/industry specific
11. Describe how you will act as an extension of ABC’s Finance Department in the area of Risk Management.
12. Discuss and describe the experience your office has in servicing and understanding the unique needs and exposures of ABC’s size and resources.
13. **Marketing**
14. Provide your thoughts on the state of the insurance market ABC will be experiencing for our renewal.
15. Who are your top markets?
16. Provide a timeline and transition plan if you were selected to represent ABC on our lines of coverage.
17. Based on the information provided and your experience with similar companies, provide conceptual program options and rationale.
18. **Risk Management**
19. Describe specific techniques and procedures, which you will use to assist us in identifying current and anticipated new exposures to accidental loss.
20. Describe how your firm ensures its clients receive the broadest coverage available in the marketplace at an economical cost.
21. Explain and give an example of the skills and experience your firm has in designing insurance or other risk transfer techniques that fit with the ABC’s business.
22. Describe the steps you would take in reviewing our current program.
23. How would you keep us informed of current developments in the risk management arena?
24. **Risk Control Services -** -Describe your approach to loss control and the services to be provided:
25. *Casualty*: Describe in detail how you will assist ABC design and implement casualty loss control techniques that will reduce loss frequency and severity and ensure compliance with our client’s requirements and various regulatory agencies.
26. *Property*: Describe in detail how you will assist ABC design and implement property loss control techniques that will reduce the potential for loss.
27. *Professional Services*: Describe in detail how you will assist ABC design and implement risk management to reduce the loss for this area of our business.
28. Describe your approach to the providing or managing unbundled loss control services.
29. **Claims Management** – Describe your approach to claims management and the services to be provided:
    1. Discuss how you will assist in claim audits and other file reviews as deemed necessary for current insurer services. Provide details of the services provided and available for this type of program.
    2. Discuss your experience and approach to analyzing and improving claims management programs.
    3. Describe your involvement in the selection of unbundled claims services.
    4. What role does your organization play in first party property claims?
    5. Describe how you will assist ABC to actively manage open claims to assure timely and cost effective closure.
    6. How many accounts do each of your claims persons serve on average?
    7. How many claims are your claims persons actively monitoring on average?
30. **References**

Please provide at least 4 references (company name, contact name and title, address, phone number, email) References will be contacted. Please notify them accordingly.

1. **Quality Control**

Discuss how your organization will ensure accuracy and timely delivery of:

* 1. Submissions to markets
  2. Binders/advices of insurance
  3. Policies, program agreements, resume of insurance and other “insurance related” documents.
  4. Certificates of insurance, auto ID cards, accident kits, posting notices, etc.
  5. 8Detail how your organization monitors insurer market quality and solvency. How is this information disseminated?

1. **Other Insurance/Risk Management Related Services**
   1. Describe the step by step process your firm would use to set up and administer an effective Certificates of Insurance Program including software, if any that would be part of this process.
   2. Describe how your firm would provide analysis of ABC data to assist us in obtaining the most favorable position with respect to insurance rates.
   3. How do you determine limits and retention levels to recommend to your clients?
   4. Provide samples of your presentations such as your proposals and claims reviews.
   5. Global considerations:
      1. Explain how your organization could accommodate the increasing international needs of ABC.
      2. Detail the extent of your international network as it would apply to ABC. What internal controls are in place to ensure consistent servicing of an international account by your network? Are your international operations corporate owned offices, affiliate offices or other arrangements?

**Section IV – Broker Compensation**

Participants are requested to provide thoughts about compensation including:

1. Preference for commission or fee.
2. Compensation: Please provide a compensation amount/arrangement you believe to be fair to all parties involved. Be specific as to what activities and services are included in your compensation. Also, specify the services and/or activities that would be subject to additional charges or fees, and the approximate dollar amount of all fees. Please avoid generalizations.
3. Explain any contingent commission structure you may have with service providers.
4. Describe your Company’s transparency policy/ initiatives, if any.
5. Please include a specimen service agreement.

Before final broker selection we will progress with further compensation negotiation. We realize that all compensation issues require further dialogue.

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