



**Mississippi Institutions of Higher Learning  
Self-Insured Workers' Compensation Plan**

**REQUEST FOR QUOTE  
for  
Excess Workers' Compensation Insurance**

**August 6, 2009**

**INTRODUCTION**

The Board of Trustees of State Institutions of Higher Learning (IHL), through its IHL Self-Insured Workers' Compensation Plan (Plan), is seeking proposals for excess workers' compensation insurance for its self-insured workers' compensation program. The current policy expires October 31, 2009. The Office of Risk Management (RM) administers the Plan on behalf of IHL and is coordinating this Request for Quote (RFQ). RM desires to work with a broker with expertise and experience directly related to providing excess workers' compensation insurance services to public entities and large self-insured plans similar to the Plan.

The Plan currently purchases and maintains specific excess workers' compensation insurance with Statutory limits and a primary self-insured retention of \$1,000,000 per occurrence, including Employers Liability coverage of \$1,000,000. The Plan covers in excess of 24,600 employees at the eight state universities and the IHL board office with payroll of \$1,110,012,994 for the fiscal year ending June 30, 2009, and payroll of \$1,033,522,091 for the fiscal year ending June 30, 2008. The Plan's total paid losses and open claim reserves for FY09 (as of June 30, 2009) is \$3,664,141, and the total paid losses and open claim reserves for FY08 (as of June 30, 2009) is \$4,693,202. *Please be aware that the Plan does not capture and cannot provide payroll by NCCI classification codes.* Included as part of Exhibit B is the employee count by EEO category.

The purpose of this RFQ is to define the Plan's needs, provide brokers adequate information to respond to this RFQ, and solicit competitive proposals, which will ultimately result in acceptance of a policy proposal. RM desires to explore all options available to provide excess workers' compensation insurance to the Plan. The minimum coverage period for the new policy will begin November 1, 2009, and terminate October 31, 2010. Multi-year or single-year quotations will be accepted. Multi-year quotations are encouraged.

## **A. GENERAL INFORMATION**

The Plan began operations in 1989 and currently provides workers' compensation coverage and risk control services to IHL and its entities, including eight universities, representing in excess of 24,600 employees in various locations throughout Mississippi. Risk Management's goal is to provide such coverage as cost-efficiently as possible. With advice from its consulting actuary, the Plan calculates assessments to adequately fund the Plan's claims expense.

The Plan utilizes the services of F. A. Richard and Associates (TPA) as its third-party claims administrator to manage all claims-related activities, including but not limited to, claims investigations, compensability determinations, claim and expense payments, litigation management, medical case management, and internal as well as external reporting. The Plan has a Safety and Loss Control Director on staff that provides loss control services to help minimize and control losses.

The Plan provides funds for a dedicated IHL claims loss checking account maintained by the TPA to pay claims and claims expenses on behalf of the Plan. Monthly bank account reconciliation, check registers, and related reports are prepared by the TPA and provided to the Plan to reflect activity in the account. Such activity is summarized and posted to general accounting records by IHL staff. All relative accounting records are maintained by IHL in Jackson, Mississippi. Claims-related records are made available to RM in electronic medium by the TPA on CD and via on-line computer access.-

## **B. SCOPE OF SERVICES**

The broker for the selected policy will work with and be responsive to IHL for the policy term, serving as liaison between IHL and the insurance carrier.

If so requested by RM, the broker will provide testimony to IHL, the Mississippi Workers' Compensation Commission, and/or the State Legislature, as needed.

## **C. INSTRUCTIONS/SCHEDULE**

The broker has been assigned a market(s) from which to solicit quotation(s) for excess insurance coverage. The broker will submit such quotations to RM, who will determine the lowest and best quotation.

By accepting a market assignment, the broker agrees to solicit from said market the coverage on behalf of the Plan. While it is understood that not every assignment will necessarily result in a policy quotation, the broker is expected to make a good faith effort to solicit a competitive quotation for the coverage. In the event that the broker fails to make good faith coverage solicitation effort as determined by RM, they will not be allowed to participate in IHL's subsequent broker RFQ processes for a minimum of two (2) years.

The contacts for IHL for this RFQ process are only Cliff Tucker or Grace Flicker. All communication in response to and/or regarding this RFQ process should be referred in writing to the following address:

Cliff Tucker, Director of Risk Management  
IHL Office of Risk Management  
3825 Ridgewood Road, Suite 431  
Jackson, MS 39211  
Facsimile: (601) 432-6986  
Email: [ctucker@mississippi.edu](mailto:ctucker@mississippi.edu)

or

Grace Flicker, Risk Management Analyst  
IHL Office of Risk Management  
3825 Ridgewood Road, Suite 427  
Jackson, MS 39211  
Facsimile: (601) 432-6986  
Email: [glicker@mississippi.edu](mailto:glicker@mississippi.edu)

You are encouraged to utilize e-mail when submitting inquiries in order to expedite delivery and response.

The following is a schedule of important dates regarding this RFQ process. IHL reserves the right to adjust this schedule:

#### RFQ SCHEDULE OF EVENTS

<u>DATE</u>	<u>EVENT</u>
8/6/09	RFQ Released
9/10/09	Policy Quotations Due to Risk Management no later than 4:00 p.m. CDST
10/15/09	Policy Selected by IHL
11/1/09	Policy Effective Date

#### INSURANCE BROKER RESPONSIBILITIES

1. The insurance broker shall facilitate communication between the Company and IHL.
2. The insurance broker must deliver a binder of coverage detailing the coverage no later than 4:00 p.m. CDST on October 23, 2009.
3. The insurance broker shall assure all information needed by the Named Insured is delivered and fully explained.
4. The insurance broker shall provide Certificates of Coverage as requested by IHL and the Named Insureds.

5. The insurance broker shall assist the Named Insured and its employees with claims and coverage inquiries.
6. The insurance broker shall provide an insurance certificate for Errors and Omissions coverage exhibiting the limits of liability, deductibles and name of the carrier prior to inception of the coverage. The Errors and Omissions coverage shall be maintained throughout the term of this Policy in a minimum amount of Three Million Dollars (\$3,000,000) per occurrence and Five Million Dollars (\$5,000,000) annual aggregate through an insurance company licensed by the Mississippi Department of Insurance. The Certificates of Insurance shall name the Board of Trustees of State Institutions of Higher Learning as a certificate holder. The Certificates of Insurance shall be addressed to the Board of Trustees of State Institutions of Higher Learning, Office of Risk Management, 3825 Ridgewood Road, Suite 429, Jackson, MS 39211.
7. The insurance broker shall provide documentation that the firm and insurance broker are licensed by the Mississippi Department of Insurance to write this class of business.
8. The insurance broker shall provide documentation that it is able to bind the Company on the coverage requested through this RFQ.
9. An officer, principal or owner of the insurance broker's firm authorized to bind the proposed Company to provide the requested coverage must sign the Statement of Compliance (Exhibit "A"). **FAILURE TO COMPLY WITH THIS REQUIREMENT WILL AUTOMATICALLY DISQUALIFY YOUR QUOTE.**

### **General Instructions**

The proposal may be submitted via e-mail, in CD format, or hard copy, to be received no later than 4:00 p.m. CDST on September 10, 2009. If submitting electronically, the response must be in Word or PDF format. If mailing a CD or hard copy, address to Cliff Tucker, Director of Risk Management, IHL Office of Risk Management, 3825 Ridgewood Road, Suite 431, Jackson, MS 39211. If sending via e-mail, send to [ctucker@mississippi.edu](mailto:ctucker@mississippi.edu). Please enclose 3 copies if sending hard copy.

In preparing your response to this RFQ, explain all issues in a concise, direct manner. All information requested is considered important. If you have additional information you would like to provide, include it in the back of your response as an appendix. All documentation submitted in response to this RFQ and any subsequent requests for information pertaining to this RFQ shall become the property of IHL and will not be returned.

The information contained in your response to this RFQ will be used by IHL in determining the insurance broker and Company to be awarded the business. The

quote will be maintained by IHL and IHL will expect all representations made in the quote to be honored by the insurance broker and Company.

**FAILURE TO PROVIDE ALL INFORMATION REQUESTED AND IN THE MANNER REQUESTED MAY RESULT IN DISQUALIFICATION OF YOUR QUOTE.**

The quote is subject to the "Mississippi Public Records Act of 1983," codified as section 25-61-1 et seq., Mississippi Code Annotated.

IHL MAY AWARD ALL OR PART OF THE SERVICES CONTAINED IN THIS RFQ. IHL RESERVES THE RIGHT TO REJECT ANY OR ALL RESPONSES TO THIS RFQ.

**D. MINIMUM VENDOR QUALIFICATIONS**

The following broker qualifications are mandatory. Respond by restating each vendor qualification and document how your organization meets these minimum criteria. Please be specific in your responses regarding the number of years and type of experience your firm and the primary contact possess.

1. The broker must currently provide excess workers' compensation insurance brokerage services to at least one large client (individual or group) with 10,000 or more employees. Provide the client name, address, contact, title, phone number, fax number, e-mail address, size of group, and number of years the services have been rendered by your organization.
2. The broker must be appropriately licensed and/or have legal authority to render the proposed services. Provide documentation with quote.
3. Broker must have at least five (5) years experience as an organization in brokering insurance of self-insured workers' compensation groups with programs similar in size and/or complexity to the Plan. Proposing broker must describe in detail how this requirement is met.
4. The submitted insurance carrier must have an A.M. Best rating of A VIII or better, and must be legally authorized to write the requested coverage in the State of Mississippi.

**E. RFQ QUESTIONNAIRE**

1. State the full name and home office address of your organization. Describe your organizational structure (e.g., publicly held corporation, private non-profit, partnership, etc.). If it is incorporated, include the state in which it is incorporated. Provide the number of graduates from the IHL system universities employed at this location, by university. Provide a list of all employees in your organization by title, indicating race and sex.
2. List the name and occupation of those individuals serving on your organization's board of directors, and list the name of any entity or person

owning 10% or more of your organization. Provide the number of graduates from the IHL system universities involved in the ownership, by university.

3. List the name, title, mailing address, telephone number, facsimile number, and e-mail address of the contact person for this proposal.
4. How old is your organization and how long has it been providing brokering services to self-insured workers' compensation programs?
5. List the office that will service this account providing the complete address, phone number, and facsimile number for this office, along with the general functions of the office. Provide the number of graduates from the IHL system universities employed at this location, by university. Provide a list of all employees at this location by title, indicating race and sex.
6. It is essential that IHL and RM have prompt and direct access to the broker throughout the term(s) of any resulting excess insurance policies. Address in detail how the firm will provide such access.
7. How many clients currently purchase excess workers' compensation coverage from your agency? What is the largest excess workers' compensation client? How many of these are public entities? What is the largest excess workers' compensation public entity client?
8. **REFERENCES – PRIVATE SECTOR:** List three private sector workers' compensation clients for whom you are providing (or have provided within the past year) excess workers' compensation insurance coverage. For each client, the list must specify the type of work performed by your firm, the size of the client's group and the period of time retained as a client. One of the three must be the longest standing client, and one must be the client with the largest employee population. If the same client meets both of these, list additional clients so that at least three private sector clients are provided. For each reference, include the name, title, address, facsimile number, phone number and e-mail address if available of a contact person. If you do not have three references in this category, list additional governmental references (see Question 9) so that at least six total references are provided for Questions 8 and 9.
9. **REFERENCES - GOVERNMENTAL:** List three governmental workers' compensation clients for whom you are providing (or have provided within the past year) excess workers' compensation insurance coverage. For each client, the list must specify the type of work performed by your firm, the size of the client's group and the period of time retained as a client. One of the three must be the longest standing public client, and one must be the public client with the largest employee population. If the same client meets both of these, list additional clients so that at least three governmental clients are provided. For each reference, include the name, title, address, facsimile number, phone number and e-mail address if available of a contact person. If

you do not have three references in this category, list additional private sector references (see Question 8) so that at least six total references are provided for Questions 8 and 9.

10. **REFERENCES – RECENTLY DISCONTINUED SERVICES:** List all clients that have discontinued use of your company’s services since January 1, 2008, and your understanding for their discontinued use of your services. For each discontinued client, include the name, title, address, facsimile number, phone number and e-mail address if available of a contact person.
11. For the carrier(s) you submit a quote through, provide a brief description of your experience and/or relationship with that company. This description should include number, type and size of policy placements, number of years of experience, and any other information you believe to be pertinent in evaluating your ability to secure a competitive quotation from the carrier(s).
12. State for your firm if any officers or principals and/or their immediate families are, or have been within the preceding 12 months, employees or elected officials of the State of Mississippi.
13. Has your firm ever been involved in a lawsuit? If yes, provide details including dates and outcomes.
14. During the past five years, has your firm, related entities, principals or officers ever been a party in any material civil or criminal litigation whether directly related to this RFQ or not? If so, provide details including dates and outcomes.
15. Provide cost quotation(s) that includes the premium and the amount of income the agent receives as a result of this insurance coverage.
16. Confirm that your proposal is valid for 90 days subsequent to the due date of this submission.

**F. STATEMENT OF COMPLIANCE**

This section contains a Statement of Compliance that will be used in formulating the final agreement between IHL and the selected vendor. You should review all of the requirements, terms, and conditions included in this RFQ carefully to determine if your company agrees to each condition. After a complete review of the entire RFQ, an officer, principal or owner of the insurance broker’s firm authorized to bind the proposed Company to provide the requested coverage must sign the statement of compliance (Exhibit “A”). **FAILURE TO COMPLY WITH THIS REQUIREMENT WILL AUTOMATICALLY DISQUALIFY YOUR QUOTE.**

**Exhibit "A"**  
**Statement of Compliance**

Proposer agrees to adhere to all of the conditions and requirements set forth below in addition to the IHL RFQ:

1. That the attached quote is valid for at least 90 days subsequent to the due date of submission.
2. That IHL reserves the right to correct and clarify this RFQ. Any corrections and/or clarifications will be sent to all that have submitted an acceptable quote.
3. That IHL reserves the right to request clarifications or corrections to quotes. IHL reserves the right to reject any or all quotes, select or reject any, all, or none of the services discussed in this RFQ, or cancel the RFQ in its entirety at IHL's sole discretion. Any quote received which does not comply with the General Instructions may be considered to be "non-responsive" and be disqualified.
4. That IHL reserves the right to further clarify and/or negotiate with the "proposer evaluated best" following completion of the evaluation of quotes if such is deemed necessary by IHL. IHL also reserves the right to move to the next best proposer if negotiations do not lead to a final agreement with the best proposer.
5. That all costs incurred in preparing and delivering the quotes, and any subsequent time and travel to meet with IHL regarding the quote, shall be borne at the submitting party's expense.
6. That the insurance broker hereby agrees that it shall not make any delegation of its duties unless authorized in writing by RM prior to any such delegation. It is further mutually understood and agreed by both parties that IHL is free to contract with other insurance brokers to perform similar and like services as those contained in this RFQ. Payment for work performed by the insurance broker shall not be affected by this provision.
7. That all documents submitted to IHL shall become documents of IHL and shall become subject to the Mississippi Public Records Act of 1983. IHL has the right to use any and all ideas or adaptations of the ideas contained in any quote received in response to the RFQ. Selection or rejection of the quote will not affect this right.
8. That IHL and its employees reserve the right to consider all information provided by prospective contractors in response to a request for proposals, in determining the lowest and best bidder and in awarding this contract. This includes, but is not limited to, where the prospective vendor is incorporated, operations location, employment and ownership interest of system universities' graduates, and employment and ownership interest of minorities.
9. That IHL specifically reserves the right to reject any or all proposals received in response to this RFQ or to reissue an RFQ for the services requested.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Insurance Broker Firm Name

\_\_\_\_\_  
Date

Please have the appropriate officer of your firm sign this statement and include it as part of your quote.



## **Exhibit “B”**

**The following documents are included to assist you in providing a competitive quote:**

- **Fiscal year 2008 actuary report**
- **Fiscal year 2008 independent financial audit**
- **Fiscal years 1997 through 2009 annual payroll**
- **Fiscal years 1997 through 2009 total paid losses**
- **Fiscal years 1997 through 2009 total incurred losses**
- **Fiscal years 1997 through 2009 claim counts**
- **Employee counts by EEO category**
- **Current policy**
- **Fiscal years 2000 through 2009 report of claims with values of \$50,000 and greater**
- **Safety and Loss Control program summary and exhibits**
- **Third Party Administrator information**
- **Most recent lists of buildings with 200 or more employees**
- **Most recent information regarding aircraft and watercraft in the system**
- **Most recent inventory of vehicles in the system**