



REQUEST FOR PROPOSALS  
CYBER INSURANCE BROKERAGE SERVICES  
AND INSURANCE QUOTES  
AUGUST 29, 2016

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I. INTRODUCTION

The Board of Trustees of State Institutions of Higher Learning (IHL) is seeking proposals for cyber insurance brokerage and advisory services. IHL seeks to utilize a competitive process to obtain the best and lowest quote for cyber breach insurance and related services. IHL has determined that the most beneficial procurement method for these services is a competitive Request for Proposal (RFP) process. For purposes of this RFP, IHL shall mean both the IHL Board Office and the public universities.

The Board of Trustees is the governing board which exercises oversight, management, and control over the State of Mississippi's public universities. Those universities include Alcorn State University, Delta State University, Jackson State University, Mississippi State University, Mississippi University for Women, Mississippi Valley State University, The University of Mississippi, The University of Mississippi Medical Center, and The University of Southern Mississippi. Over 80,000 students enrolled in IHL last fall, and IHL currently employs more than 27,500 employees.

IHL has not previously purchased cyber insurance, whether on a system-wide or individual basis, although universities have been exploring related insurance options. The purpose of this RFP is to solicit quotes to create an insurance program that provides cyber insurance for the benefit of the IHL as a system by using its collective purchasing power to generate lower costs to be equitably shared by university participants. Although IHL expects that the greatest efficiency may arise from a program that includes all institutions, IHL may also seek a pooled program option that includes less than all its institutions, or with individual institutions selecting differing terms or limits.

This RFP process will be divided into three stages, which will be discussed in detail elsewhere in this RFP. In overview, the first stage of the process will solicit interested brokers for the purpose of broker selection. It is, therefore, a competitive process for broker selection. The selected broker will advise IHL in regard to information needed by markets so underwriters will have adequate information to provide their lowest and best quotes. The second stage or subpart of the process will involve the selected broker advising IHL regarding the sufficiency of information provided as well as the benefit of obtaining additional information through the use of a third party contractor. This second stage will include an opportunity for insurers to receive specific information related to IHL's cyber security-related risks. The third and final stage or subpart of this process will be the obtainment of cyber insurance quotes as a result of the selected broker marketing the program to insurers and soliciting quotes for IHL's consideration. If a quote is selected by IHL, the broker will perform customary work in regard to coverage placement, advocacy, and customer service.

## II. PURPOSE

The purpose of this RFP is to secure the services of a qualified broker with the experience and expertise necessary to assist IHL (which includes its individual universities) in obtaining cyber liability and breach insurance that meets the needs of the IHL system. The desired outcome will be the selection of a broker as well as procurement of insurance coverage and related services.

## III. CONTRACT PERIOD

This RFP seeks to enter a three-year agreement with a term from July 1, 2017, through June 30, 2020, for the selected broker, although the selected broker will perform services prior to July 1, 2017. The agreement dates above are used to correspond with the projected annual, renewal, or multi-year insurance policy term or terms. The broker's fee may be based upon a flat rate, or may be based upon a commission connected with the insurance placement. Because the broker's fee may likely be combined with or charged at the same time as the policy premium, brokerage services would pre-date the policy term dates that apply to the policy years. The IHL Board Office reserves the right to enter an agreement for a lesser term if deemed advantageous to IHL. The Agreement for brokerage services may be terminated by the broker, with or without cause, upon 120 days' prior written notice. The IHL Board Office may terminate the Agreement upon lesser notice, as specified in this RFP or any resulting contract.

## IV. TIMELINE

The following is an outline of pertinent dates in this three-stage process. Dates are subject to change. Notification of any changes will be provided in writing to all brokers who have provided a notice of intent to propose and have not withdrawn from the process as of the time of the clarification or change.

August 15, 2016 August 22, 2016	RFP advertised
August 29, 2016	RFP released
September 19, 2016	Intent to Propose and all questions regarding the RFP due to IHL by 4:00 p.m. CDT
On or before September 26, 2016	Responses to appropriate questions sent
October 10, 2016	Proposals from brokers due to IHL by 4:00 p.m. CDT
Week of October 24, 2016	Onsite broker presentations, if requested by IHL
October 31, 2016	Selection of broker
November 11, 2016	Submission to IHL of requests for information requested by insurers, beneficial to underwriters, or needed by broker

November 25, 2016	Information requested of IHL and universities provided to broker
November 28, 2016, through December 12, 2016	Period set aside for insurers who wish to, by appointment, visit facilities or interview IHL and/or university staff related to cyber security. The broker will advise IHL if additional time is needed for this opportunity.
January 6, 2017	Proposals/Quotes due to IHL by 4:00 CST
Week of January 23, 2017	On-site presentations, if deemed in the best interest of IHL
January 31, 2017	IHL will select the best and lowest quote, unless IHL Board approval is required. If IHL Board approval is required or preferred, the selection will be a recommendation for IHL Board approval, which will be submitted as an agenda item for approval. The submission would most likely be for the Board's March meeting.
February 1, 2017	Preferred effective date of coverage. If Board approval is required, effective date will be as soon as possible after Board approval.

All organizations that submit proposals in response to this RFP will be notified in writing of the outcome of the process. IHL may contact the top proposers to negotiate the best and final offer as well as final agreement terms.

## V. INTENT TO PROPOSE AND SUBMISSION OF PROPOSAL

- A. All potential brokers are requested to indicate in writing their intention to propose by September 19, 2016, to the address in the following Section VI. Only those who provide notification of intent to propose will receive copies of responses to questions, changes, clarifications, and/or updates. Your notification of your intent to propose shall contain: (1) confirmation that your organization meets or exceeds the Minimum Required Broker Qualifications outlined in Section IX; (2) your organization's primary contact's name, title, address, telephone number, and email address; and (3) any questions regarding clarifications or additional information you may need to best respond to this RFP.
- B. A broker's Intent to Propose and all proposals must be submitted either via e-mail, in CD format, or hard copy and received at the address indicated in the following Section VI no later than the stated deadline. Electronic responses are the preferred method, and must be in Word or PDF format.
- C. The successful proposal(s) will be incorporated into the resulting Agreement(s). The proposals are subject to the "Mississippi Public Records Act of 1983", codified as section 25-

61-1 et seq., Mississippi Code Annotated. This means that proposals, if requested, will be released as public records unless you or the owner of information in the proposal seeks a protective order from a court within the time stated by law.

## VI. COMMUNICATIONS

Any verbal communications by IHL shall not be relied upon in any way to alter, amend, or expand the content or requirements of this RFP. Any modifications or clarifications will only be valid if in writing. During this RFP process, participating brokers and insurers are not permitted to, and thus agree not to, communicate with IHL (which includes each individual university) regarding this procurement except in connection with the described RFP process and its designated point of contact. Questions regarding the RFP and your Intent to Propose should be submitted in writing electronically or hard copy by September 19, 2016, 4:00 p.m. Central Daylight Time.

If mailing a CD or hard copy, address to:

Office of Procurement and Property  
Mississippi Institutions of Higher Learning  
3825 Ridgewood Road  
Jackson, MS 39211

Please enclose 3 copies of your proposal if sending a hard copy.  
If sending via e-mail, send to [pcumberland@mississippi.edu](mailto:pcumberland@mississippi.edu)

Responses to questions will be emailed to competing brokers at approximately the same time. IHL may request clarifications in regard to any proposal and IHL reserves the right to reject any or all proposals. Any proposal received that does not meet the general instructions may be considered to be “non-responsive” and be disqualified.

During this procurement process, competing brokers will not communicate or coordinate with each other in regard to the substance of their proposal. Communication to IHL in regard to the substance of this proposal shall only be in writing so that responses can be provided in writing to all brokers contemporaneously and transparently.

## VII. PROCESS OVERVIEW - THREE STAGE PROCUREMENT

### Stage One - Broker Selection

IHL will advertise in *The Clarion-Ledger* and either mail or email a notice regarding this RFP to brokers who have expressed a prior interest in providing cyber insurance brokering services to the IHL. Brokers wishing to participate will submit Intents to Propose, including the information requested in Section IX, as well as any questions. Questions will be responded to as appropriate, with all participating brokers receiving the responses contemporaneously. Brokers then will submit their proposals, including information demonstrating their ability, and specifically including the requested information in Section X of this RFP. IHL may invite or require top-scoring brokers to provide an on-site presentation prior to selecting the winning broker on or about October 31, 2016.

### Stage Two - Gathering and Submitting Additional Information

The selected broker will communicate with viable markets and determine what information the insurer will need or want in order to provide its lowest and best quote. The broker will provide that information to IHL, and IHL will compile the information and ask each institution to provide the information to IHL. IHL will share the information with its selected broker.

IHL's broker will advise IHL in regard to whether sufficient information has been provided, and assist in getting additional information if in the best interest of IHL. The broker will utilize IHL's information to effectively promote the program to insurers.

IHL's broker will provide advice regarding the recommended levels of insurance (amount of coverage, types of cyber coverage and services, recommended policy terms or endorsements, deductibles) and recommended insurance structures (primary and excess, single insurer or layered, single IHL policy or one policy per each institution). The broker will provide consultation regarding the most effective plan to achieve IHL's objectives.

### Stage Three - Procurement of Cyber Insurance

IHL will communicate with its broker to clarify the desired levels and structural considerations regarding the insurance sought. Such clarification will include whether the quote is for the entire system or a specific portion, as well as other relevant details.

Brokers will communicate with viable markets to promote and solicit the best and lowest quote possible. The quote will be submitted to IHL as a proposal which shall include the information requested from the insurer in Section XI. The proposal shall also confirm or demonstrate that the quoted policy and services will provide the specifications communicated by IHL at the beginning of Stage Three.

IHL will evaluate the submitted proposals, which may or may not include a selection committee. Insurers and related service providers that are determined to be finalists may be asked, at IHL's discretion, to make an onsite presentation at the IHL office in Jackson, Mississippi. Such presentation may be considered in the selection by IHL of the best and lowest quote. If appropriate, IHL will recommend the best and lowest quote to its Board for approval. Following approval, the winning broker will provide an Order to Bind or otherwise secure the coverage and related services in accordance with IHL's direction.

After the insurance is placed, the broker and insurer will perform services during the term of the insurance policy, unless a party terminates the relationship in accordance with this RFP.

## VIII. GENERAL INSTRUCTIONS

In preparing your response to any question or request for information in this RFP, you shall repeat each question followed by your response. Questions and answers shall be in the same order as found in the RFP. Provide complete answers and explain all issues in a concise, direct manner. If you have additional information you would like to provide that was not relevant to the question and answer sections, you may include it in the back of your proposal as an appendix.

All documentation submitted in response to this RFP and to any subsequent requests for information pertaining to this RFP will become the property of IHL and will not be returned to the proposer.

The selected proposal will become an integral part of the Agreement and all representations made in the proposal will be binding if selected. If you cannot provide a direct response to a question (e.g. your company does not collect or furnish certain information), please indicate the reason that you are unable to fully respond rather than providing general information that fails to answer the question.

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

## IX. MINIMUM BROKER QUALIFICATIONS

Failure to meet any of these requirements will result in the disqualification of the RFP response submitted by your organization. Respond by restating each requirement and 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.

- A. Broker must currently provide cyber insurance brokerage and risk advisory services to at least one large client. Provide a definition of what you mean by large client, but the client should be of comparable size and complexity as IHL. Provide the client name, address, contact, title, phone number, email address, and number of years the services have been rendered by your organization to this client. Broker must specifically state its definition of large client for purposes of its response.
- B. Broker must be appropriately licensed in the State of Mississippi and/or have legal authority to render the proposed services. Provide a copy of the pertinent license, certificate of appointment, or other such documentation to demonstrate qualifications.
- C. Broker must have at least five (5) years of experience as an organization in brokering insurance for programs similar to the IHL. Similar to the IHL shall be interpreted broadly for purposes of this minimum qualification, but the proposing broker must describe in detail how it meets this requirement.
- D. Broker must have no real or perceived conflict of interest in regard to its relationship with IHL.
- E. Broker must maintain professional liability insurance in an amount not less than \$3,000,000 per occurrence and in the aggregate through an insurer with an A.M. Best rating of A-/VII or better. The broker's insurance shall be primary to IHL's insurance.
- F. Broker must accept the standard IHL Board Office contract provisions in their entirety as shown in Exhibit 1. Additions or modifications to the boilerplate provisions may or may not be negotiated prior to award.

## X. RFP BROKER QUESTIONNAIRE

- A. Contact Information. List the name, title, mailing address, telephone number and email address of the contact person for this RFP response.
- B. Company Information. State the full name of your organization. Describe your legal organizational structure. If it is incorporated, include the state in which it is incorporated. If you are a subsidiary or part of a parent company or other entities with significant financial interest, provide information for all relevant entities.
- C. Broker Experience. How long has your organization been providing cyber insurance services to organizations comparable or similar to the Mississippi public university system? In your response, specify your organization's experience providing cyber insurance brokerage services for (1) large entities, (2) institutions of higher learning, and (3) public entities. After providing the experience of your organization in regard to the three categories above (large accounts, universities/higher education, public entities), specifically describe the experience of your primary one or two key staff members (who would service the IHL program if selected) in regard to the same categories. Identify the individual who will serve as the primary contact for the account.
- D. Understanding and Recommended Structure. State your understanding of the scope of work required by IHL as presented in this RFP. Describe the structure you recommend and whether you recommend and plan to seek a single IHL policy and/or separate policies for each institution. State that you agree that you will provide advice to IHL regarding specifically what information is needed or requested by insurers in order to provide a competitive quote. Based on the information provided by IHL, state that you will advise IHL in regard to recommended limits and any applicable insuring structures (single insurer, layered approach, desired significant coverage terms, and related matters). Discuss your recommendation or recommendations regarding structural considerations and the benefit of such structure to IHL.
- E. Experience with Specific Insurers. List the insurers that you intend to approach for the purpose of providing cyber insurance coverage to IHL. For each insurer, describe in detail your relationship with and experience in placing similar coverage within the last five years. Include, to the extent possible, quantifiable information that you believe to be pertinent in evaluating your ability to secure a competitive quotation from the carrier(s) requested. Indicate whether you place coverage directly with the listed insurers or if you use a wholesale broker or other intermediary in such placements.
- F. Loss Response Experience. Describe your claims advocacy and claims consulting services and how such services will be deployed in the event of a major breach or loss covered by cyber insurance. Describe how your claims personnel interface with your day-to-day service team as well as with the insurers on a pre-loss and post-loss basis in order to expedite the claims response and recovery process. Provide one specific example of a cyber breach experience which demonstrates the effectiveness of your team's ability to timely advise and advocate for an insured client in response to a cyber breach occurrence.
- G. Broker Resources. Describe value-added services or capabilities in the area of analytics and technology that enables your entity to provide superior services for the benefit of IHL.

- H. Comparable References. List three cyber insurance clients for whom you are providing (or have provided) services similar to those requested in this RFP. For each reference, list the name, title, address, phone number, and email address of a contact person.
- I. Negative References. To the extent such former clients exist, provide a list of three former large clients that have discontinued using your services related to cyber insurance (or where you have otherwise lost a large client's cyber insurance business) since January 1, 2014. Provide a contact name and number for each client listed, and provide a brief explanation of why the business was lost by your organization. If you are a large national or global entity, your response may be limited to the regional office that will service the IHL account.
- J. Ownership Interests. Disclose and describe any ownership interest your firm has in any insurer, re-insurer or other entity that you may use in placing coverage for IHL.
- K. Broker Ownership. List the name of any entity or person owning 10% or more of your organization.
- L. IHL Conflict Information. State for your entity if any officers or principals and/or their immediate families are, or have been within the preceding 12 months, employees or Board members of IHL or any of its universities. If so, please disclose the specifics of the person's position and relationship.
- M. Material Litigation. During the past five years, has your firm, related entities, principals or officers been a defendant in any material civil or criminal litigation which is related to the services described in this RFP? If so, provide non-privileged details including dates and outcomes. For your response, material shall mean any criminal matter which alleged conduct that would constitute a felony upon conviction, and, in a civil matter, any case which resulted in an award or settlement of over \$100,000. If you are a large national or global entity, your response to this question may be limited to your regional office, but it must include any material legal matters involving the individuals who will directly provide services to IHL.
- N. Best Efforts. Confirm that you will use your best effort to solicit competitive quotes from qualified insurers.
- O. Cost and Fees. State in detail how you will be paid for your services. If you will be paid by commission based upon premiums, state your commission percentage as well as an estimated range of annual system premiums. If you provide brokerage services based upon a flat rate, disclose your rate, including a maximum annual cap, for providing these brokerage and advisory services. If you are willing to provide these services on either a commission or flat rate basis, please describe in detail the payment structure(s) you are offering. Confirm that you will coordinate with and advise IHL to ensure fees and premiums are allocated, divided, billed, or assessed equitably between participating IHL entities.
- P. Customary Services. Confirm that if selected you will provide brokerage services customarily expected by a large client, specifically to include an annual presentation to the IHL Board, if requested. Costs related to such presentation, including travel, shall be at no additional cost to, and not reimbursable by, IHL.



## XI. MINIMUM INSURER QUALIFICATIONS

- A. The insurer must be authorized to do business in the State of Mississippi.
- B. The insurer must have current A.M. Best ratings of at least A-/VII.
- C. Non-insurer service providers who bundle services for cyber response must be reputable in their field.

## XII. INSURER QUESTIONNAIRE

This section may be responded to by the selected broker or the insurer, but all representations will become binding and part of the Agreement if the insurer's quote is selected by IHL.

- A. Financial Ratings. Affirm that the insurer is authorized to do business in Mississippi and state the company's A.M. Best's ratings.
- B. Subcontractors. List any third party subcontractors that will potentially provide any services related to the benefits and response of the quoted insurance policy. Specifically include company and key individual information regarding breach response services of any nature which are included in the cost quoted. If some services are optional and at additional cost, specifically describe those services, who would be performing them, and any and all additional costs to IHL beyond the quoted price. Third parties may include legal staff, public relations professionals, computer forensics firms, mail notification vendors, call center operators, credit or identity theft monitoring and restoration services, and any other third parties that will perform services as a benefit of the policy in the event of a loss or event.
- C. Related Services. List and describe all significant related services that are being purchased or provided under the quoted insurance policy. Describe why the services provided are superior to quotes that include other services from competing insurers. Explain why the services are important and add value, and specify whether the services are provided for the quoted premium or if the services are subject to any additional charges. If additional fees are related to the services, state whether the services are optional as well as the specific fees which may apply if the services are elected by IHL.
- D. Coverage. State or provide a list of applicable coverage limits, applicable sub-limits, and coverage exclusions. If the insurer is providing multiple quotes with different limits, specify which limits relate to each quote.
- E. Mississippi Law. Confirm that the policy will contain a provision to the effect that its terms shall conform to Mississippi law, or state that any terms contrary to Mississippi law will be stricken or amended so as not to be contrary to Mississippi legal requirements.
- F. Insurance Quote. Clearly state the overall quote for the IHL to include all costs to IHL, including premiums, fees, and surplus lines taxes, if any, for all services and insurance included for the corresponding quote. Specify whether the quoted amount is for one year, multiple years, or if the quote is guaranteed for one or more renewal options. If IHL is quoted an option for renewal, specify all conditions of the optional renewal quote. If significant additional but optional services are offered, but which include additional cost or

fees, state those in this cost section also. Finally, whether the quote is for a single system policy or individual policies for each institution, state how the premium will be allocated among universities and the IHL board office. The premium allocation should equitably reflect each university's contribution to premium based upon the insurer's underwriting work.

- G. Sample or Specimen Policy. Provide a specimen policy.
- H. Willingness to Quote a Smaller Group of Institutions. The quote sought in this RFP is for a cyber liability and response policy that covers the entire system. In the event that some, but not all, universities choose to purchase the offered insurance, state whether the insurer would be interested in providing a quote to the smaller subset of institutions. IHL understands that the insurer would be provided an additional opportunity to tailor a separate quote and premium allocation applicable to the particular group of insured institutions.
- I. Other Information. Competing insurers shall use their best effort to provide relevant information requested by IHL's broker.

### XIII. CALCULATION OF COST

For the broker selection process, brokers must clearly state the cost for the services for each of the years proposed or quoted. If one price is submitted without specification as to each of the three policy years, then the proposed price shall mean the same price for each year, unless the response clearly states otherwise. Broker fees should be based upon policy years 2017-2018 through 2019-2020. In the event of termination of the contract resulting from this RFP, the broker's fee may be prorated as stated in Section XV. H.

Proposing brokers are encouraged to propose flat broker fees, or if fees are based upon a commission, percentage, or contingency, to agree to a maximum dollar amount or ceiling per policy year. Proposals with contingent fees are subject to IHL's discretion when assigning a value for RFP scoring purposes. All fees or charges for the services described in this RFP must be disclosed and included in the proposal.

For Insurers, the quote must be clear whether the quote is for one policy year, multiple policy years, or if the quote is for one policy year with renewal options. The details and contingencies related to any optional renewals must be clearly stated in the proposal/quote.

Both brokers and insurers may list additional services which are not included as part of the services described in this RFP and which are available at additional cost. The proposal should provide the specific cost for any additional service listed.

When weighing cost in the scoring system, points will be awarded based upon the relative disparity in cost between proposals received.

#### XIV. EVALUATION CRITERIA

Proposals that meet all of the minimum qualifications will be evaluated based on the information provided in the proposal, although IHL may also utilize other information from any source or reference.

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**Broker Selection Criteria:** IHL will select a broker based upon the following criteria which utilizes a 100 point scale. After applying the following criteria, IHL may elect to utilize on-site presentations to determine the best broker from among the top-scoring participants.

- A. Cost for brokerage services – 30 points
- B. Experience brokering cyber insurance services for comparable entities – 25 points
- C. Example of response to a breach and assistance provided to a client – 15 points
- D. Demonstrated past ability with specific identified insurers – 10 points
- E. Understanding of the scope of work, plan, and explanation of recommendations – 10 points
- F. Broker analytic and technology resources that add value – 5 points
- G. References and/or disclosed legal issues – 5 points

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**Insurance Selection Criteria:** IHL will compare quotes and, at its discretion, select the lowest and best quote based upon the following criteria, based upon a 100 point scale.

The initial evaluation criteria will be scored out of 100 possible points with relative weights described below. Scoring will be on a curve, based upon the perceived difference between the quote being evaluated and other competing quotes which were received. Stated differently, points will be scored by IHL based upon the relative strengths or weaknesses of the proposals submitted. The points awarded for each scoring category will be reflective of how the particular proposal compares to other submissions for each category below. If IHL elects, finalist presentations may be required, which will allow IHL to select the quote it deems best and lowest from the top-scoring quotes.

- A. Cost – 50 points
- B. Value of differences in coverage terms or included services – 30 points
- C. Experience and quality of key staff and primary service providers who provide breach response-related services as part of the coverage package – 20 points

## XV. OTHER TERMS

- A. IHL Standard Contractual Terms. The proposer must agree to IHL's standard contractual terms. Prior to the award of a contract, IHL may or may not negotiate some of the standard terms. A copy of IHL's standard contractual Agreement is attached as Exhibit 1. Additions to the boilerplate provisions may be negotiated at the stage of best and final offers but before the award. In no event shall a broker submit its own standard contract terms and conditions as a response to this RFP if such terms conflict with IHL's terms. The proposer should submit with its proposal additions to the contract terms that it wishes to negotiate. IHL may negotiate for best and final offer(s) with the best proposer or best proposers.
- B. Modifications to the RFP. IHL reserves the right to modify the RFP at any time prior to final award. Any modification will be communicated in writing to all entities which submitted an intent to propose (unless a specific proposer has withdrawn from the process). No oral communications will modify this RFP.
- C. RFP Cancellation or Proposal Rejection. IHL reserves the right to not select any proposal or to otherwise cancel this RFP process within its discretion.
- D. Withdrawal of Proposal. Any broker may withdraw its proposal prior to October 30, 2016. Such withdrawal must be communicated in writing as set forth under Section VI. of this RFP. Proposals to provide brokerage services which have been received by IHL and not timely withdrawn before October 30, 2016, shall be firm offers and binding upon the proposer if accepted by IHL. Quotes from insurers shall be firm offers that shall remain open for not less than 90 days.
- E. Single Broker. IHL shall have a single point of contact for each competing entity during this procurement process which shall be responsible for all deliverables specified in the RFP and proposal. Any intent by the proposing broker to utilize subcontractors or third parties in performing the services described in this RFP must be described in detail as an appendix, addendum, or exhibit to its proposal (if not already clearly described in its proposal). Information required of the broker under the terms of this RFP shall also be required for each subcontractor or third party intended to perform the brokerage services. The prime contractor shall be the single point of contact for all subcontracted or third party work. A subcontractor or third party may only be used if disclosed specifically in the proposal or if prior express written consent is later provided by IHL. For partnerships that are competing for brokerage services, there must be a single point of contact and each participating entity must be disclosed in the proposal.
- F. Award and Execution. IHL reserves the right to enter into a contract without further discussion of the proposal submitted based on the initial offers received. All proposals shall be considered valid for acceptance for a time period of at least 90 days from the date of submission. IHL reserves the right to contract for all or a partial list of services offered in the proposal. The RFP and proposal of the selected proposer shall become part of any contract initiated by IHL.
- G. Cost of Preparing Proposals. IHL shall not be liable for any costs incurred by proposers in connection with participating in this competitive process. Costs associated with developing the proposal, preparing for oral presentations (if necessary), and any other expenses

incurred by the proposer in responding to this RFP are entirely the responsibility of the proposer and shall not be reimbursed in any manner by IHL.

- H. Contract Terminations. IHL may terminate the brokerage services in its discretion, with or without cause, upon 30 days' written notice. If IHL terminates the brokerage services without cause, the broker shall be entitled to its fee or compensation through the current policy year which was negotiated by the broker. However, to the extent that the policy was a multi-year policy, or to the extent the policy terms contained a renewal option, the broker shall not be entitled to payment for more than the one-year policy period, which for purposes of broker compensation shall end each year as of the annual anniversary of the policy's effective date.

If the broker is terminated for cause, the broker will be notified of that fact in writing, and compensation shall only be due through the date such notification is provided. The intent of this provision is that the broker be compensated for satisfactorily performed work during the policy period, on a pro-rata basis, up until the notification of termination.

The continuance of this contract is contingent upon the appropriation of funds to IHL. If the legislature fails to appropriate sufficient monies to provide for the continuation of the contract, the contract shall terminate upon 10 days' written notice from IHL. If termination occurs due to non-appropriation of funds, the broker shall only be entitled to compensation on a pro-rata basis through the effective date of termination.

The insurance policy resulting from this process may be terminated by IHL based upon the policy's standard terms, or by IHL upon 90 days' notice without cause, whichever is more favorable to IHL. Insurer may not terminate coverage with less than 120 days' notice to IHL, except for the non-payment of premiums, which shall require only a 10 days' written notice. To the extent that the quoted insurance policy includes additional services for which cost was agreed to and is separately determined from the insurance coverage, IHL may terminate such services under the same terms and conditions under which IHL may terminate its brokerage services discussed above.

# **EXHIBIT 1**

## **MISSISSIPPI BOARD OF TRUSTEES OF STATE INSTITUTIONS OF HIGHER LEARNING CONTRACT ADDENDUM**



**MISSISSIPPI BOARD OF TRUSTEES OF STATE INSTITUTIONS OF HIGHER LEARNING  
CONTRACT ADDENDUM**

This standard contract addendum between the Institutions of Higher Learning (IHL) and \_\_\_\_\_(Contractor) entered into on \_\_\_\_\_(Date), is an integral part of the contract. This addendum shall be incorporated into this contract and the following contractual terms take precedence over all parts of IHL's contracts:

1. IHL contracts are governed by the laws of the State of Mississippi. Any provision that purports to set venue outside the State of Mississippi is deleted.
2. IHL is an equal opportunity employer. Executive order 11246 requires that IHL do business with organizations that are in compliance with Title VII of the 1964 Civil Rights Act, as amended. During the performance of any contract with IHL Contractor agrees to be bound by provisions of Section 202 of Executive Order 11246, as amended and Executive Orders 11701, 11625 and 11758.
3. The continuance of any IHL contract is based on the availability of funds. Should there be no funds available for any succeeding funding period; the contract will be cancelled as of the end of the funding period with no further obligation on the part of IHL. Therefore, this contract is cancellable with thirty (30) days notice to the vendor at the end of the fiscal period in the event funds are not appropriated by the funding authority. (Any property covered by a lease shall be returned to lessor).
4. The Contractor is liable for all taxes. Mississippi Code of 1972 (as amended) Sections 27-65-1, et seq. and 27-67-1 et. seq. exempts IHL from state sales and use taxes. Likewise, IHL will not pay excise or personal property taxes and if the Contractor is liable for these, they should be taken into consideration in formulating pricing for the contract. It is the Contractor's responsibility to contact local taxing authorities in the state and county where equipment will be located (in the event of a lease) to determine possible taxing liabilities in connection therewith.
5. Any references to payment of attorney's fees by IHL are deleted. Any references to payment of liquidated damages by IHL are deleted.
6. Any references to IHL indemnifying or holding harmless the Contractor are deleted.
7. Any provisions limiting the timeframe upon which IHL can bring a suit are deleted.
8. Any references to IHL waiving any cause of action it may have against Contractor or any other party as a result of Contractor's breach of the contract, or Contractor's own negligence or willful misconduct or the negligence or willful misconduct of Contractor's employees or agents are deleted.
9. Any references to the IHL limiting remedies are deleted.
10. Any provisions giving the Contractor exclusive control over litigation are deleted.
11. All references to IHL being required to buy insurance are deleted. IHL is self-insured under the Mississippi Tort Claims Act and will not be required to purchase casualty and liability insurance. Any provision which requires IHL to name the Contractor as an additional insured is deleted.
12. Any references to IHL submitting to arbitration and/or mediation are deleted.



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13. With the exception of any expressed limitation of remedies for breach of implied warranties of merchantability and fitness for a particular purpose concerning computer software and services performed on computer hardware and computer software, which are sold between merchants, any provisions which would limit the liability to IHL are deleted.
14. In the event that Contractor does not furnish products/services as agreed upon in the contract documents, IHL may terminate the contract immediately in its sole discretion, or require the Contractor to make modifications as necessary to make the products/services satisfactory. This is to be done at Contractor's expense.
15. IHL will deliver payments to Contractor no later than forty-five (45) days after receipt of invoice and receipt, inspection and approval of Contractor's products/services. Any provision that requires IHL to pay Contractor any late charges are governed by Mississippi Code of 1972 (as amended) Sections § 31-7-305.
16. *Omitted*
17. Neither party may assign its rights or delegate its duties under the contract without the prior written consent of the other party, which shall not be unreasonably withheld.
18. IHL is a public agency of the State of Mississippi and is subject to the Mississippi Public Records Act, Mississippi Code of 1972 (as amended) § 25-61-1, *et seq.* and the Mississippi Accountability and Transparency Act of 2008, Mississippi Code of 1972 (as amended). § 27-104-151, *et seq.*
19. Contractor/Seller represents and warrants that it will ensure its compliance with the Mississippi Employment Protection Act, Section 71-11-1, *et seq.* of the Mississippi Code Annotated (Supp 2008), and will register and participate in the status verification system for all newly hired employees. The term "employee" as used herein means any person that is hired to perform work within the State of Mississippi. As used herein, "status verification system" means the Illegal Immigration Reform and Immigration Responsibility Act of 1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program, or any other successor electronic verification system replacing the E-Verify Program. Contractor/Seller agrees to maintain records of such compliance and, upon request of the State and approval of the Social Security Administration or Department of Homeland Security, where required, to provide a copy of each such verification to the State. Contractor/Seller further represents and warrants that any person assigned to perform services hereunder meets the employment eligibility requirements of all immigration laws of the State of Mississippi. Contractor/Seller understands and agrees that any breach of these warranties may subject Contractor/Seller to the following: (a) termination of this Agreement and ineligibility for any state or public contract in Mississippi for up to three (3) years, with notice of such cancellation/termination being made public, or (b) the loss of any license, permit, certification or other document granted to Contractor/Seller by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year, or (c) both. In the event of such termination/cancellation, Contractor/Seller would also be liable for any additional costs incurred by the State due to contract cancellation or loss of license or permit.





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20. Any provision penalizing the IHL for hiring an employee who works for the Contractor is deleted.
21. Upon expiration or earlier termination of the contract, Contractor agrees that IHL may elect to have Contractor migrate any stored IHL's data to an IHL computer at no cost to IHL, or for Contractor to provide the data to IHL in another form which is acceptable to IHL at no cost to IHL.
22. Contractor recognizes that IHL, as a political subdivision of the State of Mississippi, enters into this contract only to the extent authorized by Mississippi law, including the opinions of the Mississippi Attorney General. Any provision of this contract that is not authorized by or inconsistent with Mississippi law, including the opinions of the Mississippi Attorney General, is deleted.

**CONTRACTOR**

By: \_\_\_\_\_  
(Original Signature of Principal or General Agent)

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

COMPANY: \_\_\_\_\_

DATE: \_\_\_\_\_

**INSTITUTIONS OF HIGHER LEARNING**

By: \_\_\_\_\_  
(Original Signature of Authorized Representative)

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_