

REQUEST FOR PROPOSALS FOR

Insurance Brokerage Services

ISSUING OFFICE

Pennsylvania Turnpike Commission

Risk Management Department

RFP NUMBER

RFP 12-10260-3609

DATE OF ISSUANCE

May 7, 2012

REQUEST FOR PROPOSALS FOR

Insurance Brokerage Services

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TABLE OF CONTENTS

Part I	- GENERAL INFORMATION FOR PROPOSERS	page 1
Part II	- INFORMATION REQUIRED FROM PROPOSERS	page 8
Part III	- CRITERIA FOR SELECTION	page 10
Part IV	- WORK STATEMENT	page 12

PART I

GENERAL INFORMATION FOR PROPOSERS

I-1. Purpose. This request for proposals (RFP) provides interested Proposers with sufficient information to enable them to prepare and submit proposals for consideration by the Pennsylvania Turnpike Commission (Commission) to satisfy a need for insurance brokerage services.

I-2. Issuing Office. This RFP is issued for the Commission by the Risk Management Department.

I-3. Scope. This RFP contains instructions governing the proposals to be submitted and the material to be included therein; a description of the service to be provided; requirements which must be met to be eligible for consideration; general evaluation criteria; and other requirements to be met by each proposal.

I-4. Problem Statement. The Pennsylvania Turnpike Commission is seeking proposals from qualified companies to be the insurance broker on behalf of the Pennsylvania Turnpike Commission for its various insurance policies. A detailed work statement is provided in Part IV of this RFP.

I-5. Type of Contract. It is proposed that if a contract is entered into as a result of this RFP, it will be a fee for service structure. The broker/agent will be compensated by the Pennsylvania Turnpike Commission for the proposed fee for coverage placement and services outlined. Commissions paid, if any, by insurers shall be pro-rated over the contract term and shall serve to reduce fees charged by the broker. However, the sum of all pro-rated commissions shall not exceed the proposed fee for services herein. The Commission may in its sole discretion undertake negotiations with Proposers whose proposals as to price and other factors show them to be qualified, responsible, and capable of performing the work. Compensation on any coverage placed by the elected Proposed shall be subject to disclosure and by approval of the Commission.

I-6. Rejection of Proposals. The Commission reserves the right to reject any and all proposals received as a result of this request, or to negotiate separately with competing Proposers.

I-7. Subcontracting. Any use of subcontractors by a Proposer must be identified in the proposal. During the contract period use of any subcontractors by the selected Proposer, which were not previously identified in the proposal, must be approved in advance in writing by the Commission.

A firm that responds to this solicitation as a prime may not be included as a designated subcontractor to another firm that responds to the same solicitation. **Multiple responses under any of the foregoing situations may cause the rejection of all responses of the firm or firms involved.** This does not preclude a firm from being set forth as a designated subcontractor to more than one prime contractor responding to the project advertisement.

I-8. Incurring Costs. The Commission is not liable for any costs the Proposer incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of contract.

I.9. Questions and Answers. Written questions may be submitted to clarify any points in the RFP which may not have been clearly understood. Written questions should be submitted by email to RFP-Q@paturndpike.com with **RFP 12-10260-3609** in the Subject Line to be received no later than **12:00 PM local time on Monday, May 21, 2012**. All questions and written answers will be posted to the website as an addendum to and become part of this RFP.

I-10. Addenda to the RFP. If it becomes necessary to revise any part of this RFP before the proposal response date, addenda will be posted to the Commission's website under the original RFP document. It is the responsibility of the Proposer to periodically check the website for any new information or addenda to the RFP.

The Commission may revise a published advertisement. If the Commission revises a published advertisement less than ten days before the RFP due date, the due date will be extended to maintain the minimum ten-day advertisement duration if the revision alters the project scope or selection criteria. Firms are responsible to monitor advertisements/addenda to ensure the submitted proposal complies with any changes in the published advertisement.

I-11. Response. To be considered, proposals must be delivered to the Pennsylvania Turnpike Commission's Contracts Administration Department, Attention: Wanda Metzger, on or before **12:00 PM local time on Thursday, June 14, 2012**. The Pennsylvania Turnpike Commission is located at 700 South Eisenhower Boulevard, Middletown, PA 17057 (Street address). Our mailing Address is P. O. Box 67676, Harrisburg, PA 17106.

Please note that use of U.S. Mail, FedEx, UPS, or other delivery method, does not guarantee delivery to this address by the above-listed time for submission. Proposers mailing proposals should allow sufficient delivery time to ensure timely receipt of their proposals. If the Commission office location to which proposals are to be delivered is closed on the proposal response date, due to inclement weather, natural disaster, or any other cause, the deadline for submission shall be automatically extended until the next Commission business day on which the office is open. Unless the Proposers are otherwise notified by the Commission, the time for submission of proposals shall remain the same.

I-12. Proposals. To be considered, Proposers should submit a complete response to this RFP, using the format provided in PART II. Each proposal should be submitted in five (5) hard copies and one complete and exact copy of the technical proposal on CD-ROM in Microsoft Office or Microsoft Office-compatible format to the Contracts Administration Department. No other distribution of proposals will be made by the Proposer. Each proposal page should be numbered for ease of reference. Proposals must be signed by an official authorized to bind the Proposer to its provisions and include the Proposer's Federal Identification Number. For this RFP, the proposal must remain valid for at least 120 days. Moreover, the contents of the proposal of the selected Proposer will become contractual obligations if a contract is entered into.

Each and every Proposer submitting a proposal specifically waives any right to withdraw or modify it, except as hereinafter provided. Proposals may be withdrawn by written or fax notice (fax number (717) 986-8714) received at the Commission's address for proposal delivery prior to the exact hour and date specified for proposal receipt.

Contracts Administration Department
Attn: Donald Klingensmith
Manager, Contracts Administration
PA Turnpike Commission
700 South Eisenhower Blvd.
Middletown, PA 17057

However, if the Proposer chooses to attempt to provide such written notice by fax transmission, the Commission shall not be responsible or liable for errors in fax transmission. A proposal may also be withdrawn in person by a Proposer or its authorized representative, provided his/her identity is made known and he/she signs a receipt for the proposal, but only if the withdrawal is made prior to the exact hour and date set for proposal receipt. A proposal may only be modified by the submission of a new sealed proposal or submission of a sealed modification which complies with the requirements of this solicitation.

I-13. Economy of Preparation. Proposals should be prepared simply and economically, providing a straightforward, concise description of the Proposer's ability to meet the requirements of the RFP.

I-14. Discussions for Clarification. Proposers who submit proposals may be required to make an oral or written clarification of their proposals to the Issuing Office to ensure thorough mutual understanding and Proposer responsiveness to the solicitation requirements. The Issuing Office will initiate requests for clarification.

I-15. Best and Final Offers. The Issuing Office reserves the right to conduct discussions with Proposers for the purpose of obtaining "best and final offers." To obtain best and final offers from Proposers, the Issuing Office may do one or more of the following: a) enter into pre-selection negotiations; b) schedule oral presentations; and c) request revised proposals. The Issuing Office will limit any discussions to responsible Proposers whose proposals the Issuing Office has determined to be reasonably susceptible of being selected for award.

I-16. Prime Proposer Responsibilities. The selected Proposer will be required to assume responsibility for all services offered in its proposal whether or not it produces them. Further, the Commission will consider the selected Proposer to be the sole point of contact with regard to contractual matters.

I-17. Proposal Contents. Proposals will be held in confidence and will not be revealed or discussed with competitors, unless disclosure is required to be made (i) under the provisions of any Commonwealth or United States statute or regulation; or (ii) by rule or order of any court of competent jurisdiction. All material submitted with the proposal becomes the property of the Pennsylvania Turnpike Commission and may be returned only at the Commission's option. Proposals submitted to the Commission may be reviewed and evaluated by any person other than competing Proposers at the discretion of the Commission. The Commission has the right to use any or all ideas presented in any proposal. Selection or rejection of the proposal does not affect this right.

In accordance with the Pennsylvania Right-to-Know Law (RTKL), 65 P.S. § 67.707 (Production of Certain Records), Proposers shall identify any and all portions of their Proposal that contains confidential proprietary information or is protected by a trade secret. Proposals shall include a written

statement signed by a representative of the company/firm identifying the specific portion(s) of the Proposal that contains the trade secret or confidential proprietary information.

Proposers should note that “trade secrets” and “confidential proprietary information” are exempt from access under Section 708(b)(11) of the RTKL. Section 102 defines both “trade secrets” and “confidential proprietary information” as follows:

Confidential proprietary information: Commercial or financial information received by an agency: (1) which is privileged or confidential; **and** (2) the disclosure of which would cause substantial harm to the competitive position of the person that submitted the information.

Trade secret: Information, including a formula, drawing, pattern, compilation, including a customer list, program, device, method, technique or process that: (1) derives independent economic value, actual or potential, from not being generally known to and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use; **and** (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. The term includes data processing software by an agency under a licensing agreement prohibiting disclosure.

65 P.S. §67.102 (emphasis added).

The Office of Open Records has determined that a third party must establish a trade secret based upon factors established by the appellate courts, which include the following:

- the extent to which the information is known outside of his business;
- the extent to which the information is known by employees and others in the business;
- the extent of measures taken to guard the secrecy of the information;
- the value of the information to his business and to competitors;
- the amount of effort or money expended in developing the information; and
- the ease of difficulty with which the information could be properly acquired or duplicated by others.

See Crum v. Bridgestone/Firestone North Amer. Tire., 907 A.2d 578, 585 (Pa. Super. 2006).

The Office of Open Records also notes that with regard to “confidential proprietary information the standard is equally high and may only be established when the party asserting protection shows that the information at issue is either ‘commercial’ or ‘financial’ and is privileged or confidential, and the disclosure **would** cause substantial competitive harm.” (emphasis in original).

For more information regarding the RTKL, visit the Office of Open Records’ website at www.openrecords.state.pa.us.

I-18. Debriefing Conferences. Proposers whose proposals are not selected will be notified of the name of the selected Proposer and given the opportunity to be debriefed, at the Proposer’s request. The Issuing Office will schedule the time and location of the debriefing. The Proposer will not be compared with other Proposers.

I-19. News Releases. News releases pertaining to this project will not be made without prior Commission approval, and then only in coordination with the Issuing Office.

I-20. Commission Participation. Unless specifically noted in this section, Proposers must provide all services to complete the identified work. The Contractor shall provide qualified staffing and maintain maximum continuity during the term of the Agreement for these services.

I-21. Cost Submittal. The cost submittal shall be placed in a separately sealed envelope within the sealed proposal and kept separate from the technical submittal. **Failure to meet this requirement will result in disqualification of the proposal.**

I-22. Term of Contract. The term of the contract will commence on the Effective Date (as defined below) and will end three (3) years from that date with options of up to two (2) one-year contract extensions. The Commission shall fix the Effective Date after the contract has been fully executed by the Contractor and by the Commission and all approvals required by Commission contracting procedures have been obtained.

I-23. Proposer's Representations and Authorizations. Each Proposer by submitting its proposal understands, represents, and acknowledges that:

- a. All information provided by, and representations made by, the Proposer in the proposal are material and important and will be relied upon by the Issuing Office in awarding the contract(s). Any misstatement, omission or misrepresentation shall be treated as fraudulent concealment from the Issuing Office of the true facts relating to the submission of this proposal. A misrepresentation shall be punishable under 18 Pa. C.S. 4904.
- b. The price(s) and amount of this proposal have been arrived at independently and without consultation, communication or agreement with any other Proposer or potential Proposer.
- c. Neither the price(s) nor the amount of the proposal, and neither the approximate price(s) nor the approximate amount of this proposal, have been disclosed to any other firm or person who is a Proposer or potential Proposer, and they will not be disclosed on or before the proposal submission deadline specified in the cover letter to this RFP.
- d. No attempt has been made or will be made to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.
- e. The proposal is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
- f. To the best knowledge of the person signing the proposal for the Proposer, the Proposer, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four (4) years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as disclosed by the Proposer in its proposal.

- g. To the best of the knowledge of the person signing the proposal for the Proposer and except as otherwise disclosed by the Proposer in its proposal, the Proposer has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Proposer that is owed to the Commonwealth.
- h. The Proposer is not currently under suspension or debarment by the Commonwealth, or any other state, or the federal government, and if the Proposer cannot certify, then it shall submit along with the proposal a written explanation of why such certification cannot be made.
- i. The Proposer has not, under separate contract with the Issuing Office, made any recommendations to the Issuing Office concerning the need for the services described in the proposal or the specifications for the services described in the proposal.
- j. Each Proposer, by submitting its proposal, authorizes all Commonwealth agencies to release to the Commission information related to liabilities to the Commonwealth including, but not limited to, taxes, unemployment compensation, and workers' compensation liabilities.

I-24. Insurance.

A. General. Before the execution of a Contract, Provider must provide the Commission with certificates of insurance evidencing the coverage required acceptable to the Commission, as described below. Have all policies endorsed to contain the following clause: "Thirty (30) days written notice of any cancellation, non-renewal, limit or coverage reduction is to be sent to the Commission by Certified Mail." The preceding is subject to existing Commonwealth of Pennsylvania statutory cancellation provisions relating to non-payment of premium and misrepresentation by the insured. Maintain the insurance described herein for the entire duration of the Contract. All insurance policies must be written by an Insurance Company licensed and/or authorized to do business in Pennsylvania and acceptable to the Commission having an A.M. Best's rating of no less than A-, with a financial size category of IX, or better. Have all insurance policies and certificates signed by a resident Pennsylvania Agent of the issuing Company. However, in the case of an eligible surplus lines insurer, have all policies and certificates also signed by a party duly authorized to bind, on behalf of the eligible surplus lines insurer, the certified coverage's.

B. Commercial General Liability Insurance. Commercial general liability insurance (CGL) with limits not less than \$5,000,000 each occurrence with a \$10,000,000 aggregate. CGL insurance shall be written on the Insurance Services Office Inc. (ISO) occurrence form CG 00 01 12 07 (or substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products completed operations, personal injury and advertising injury, and liability assumed under contract (including the tort liability of another assumed in a business contract but not including breach of contract damages).

C. Business Auto Liability Insurance. Business auto liability insurance with a limit of not less than \$5,000,000 each accident. Such insurance shall cover liability, including bodily injury or death and property damage, arising out of any auto (including owned, hired, and non-owned autos). Business auto coverage shall be written on the current ISO form or a substitute form providing equivalent liability coverage.

D. Worker's Compensation and Employer's Liability Insurance. Take out, pay for and maintain during the life of the contract, Worker's Compensation Insurance in statutory required limits for the protection of all employees. Provide, pay for and maintain during the life of the contract, Employer's Liability Insurance in limits of not less than \$100,000 bodily injury each accident, \$500,000 bodily injury by disease- Policy Limit, and \$100,000 bodily injury by disease each employee

E. Professional Liability Insurance. Insurance coverage for Errors and Omissions (Professional Liability Insurance) in an amount not less than \$1,000,000. Insurance shall be provided on a form acceptable to the Pennsylvania Turnpike Commission.

F. Additional Insured. All Commercial General Liability and Automobile Liability Insurance provided hereunder shall name the Pennsylvania Turnpike Commission, the Commonwealth of Pennsylvania and Pennsylvania Department of Transportation as an additional insured party.

PART II

INFORMATION REQUIRED FROM PROPOSERS

Proposals must be submitted in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all requirements in this part of the RFP. Any other information thought to be relevant, but not applicable to the enumerated categories, should be provided as an appendix to the proposal. Each proposal shall consist of two (2) separately sealed submittals. The submittals are as follows: (i) Technical Submittal, in response to Part II-1 through II-7 hereof; (ii) Cost Submittal, in response to Part II-8 hereof.

The Commission reserves the right to request additional information which, in the Commission's opinion, is necessary to assure that the Proposer's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFP.

The Commission may make such investigations as deemed necessary to determine the ability of the Proposer to perform the work, and the Proposer shall furnish to the Issuing Office all such information and data for this purpose as requested by the Commission. The Commission reserves the right to reject any proposal if the evidence submitted by, or investigation of, such Proposer fails to satisfy the Commission that such Proposer is properly qualified to carry out the obligations of the agreement and to complete the work specified.

II-1. Statement of the Problem. State in succinct terms your understanding of the problem presented or the service required by this RFP.

II-2. Management Summary. Include a narrative description of the proposed effort and a list of the items to be delivered or services to be provided.

II-3. Work Plan. Describe in narrative form your technical plan for accomplishing the work. Use the task descriptions in Part IV of this RFP as your reference point. Modifications of the task descriptions are permitted; however, reasons for changes should be fully explained. Indicate the number of personhours allocated to each task.

II-4. Prior Experience. Include experience in Insurance Brokerage and Consultant Services. Experience shown should be work done by individuals who will be assigned to this project as well as that of your company. Studies or projects referred to should be identified and the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted.

II-5. Personnel. Include the number, and names where practicable, of executive and professional personnel, analysts, auditors, researchers, programmers, consultants, etc., who will be engaged in the work. Show where these personnel will be physically located during the time they are engaged in the work. Include through a resume or similar document education and experience in Insurance Brokerage and Consultant Services including coverage analysis, claims management and loss control. Indicate the responsibilities each will have in this project and how long each has been with your company. Identify subcontractors you intend to use and the services they will perform.

II-6. Training. If appropriate, indicate recommended training of Commission personnel. Include the personnel to be trained, the number to be trained, duration of the program, place of training, curricula, training materials to be used, number and frequency of sessions, and number and level of instructors.

II-7. DBE/MBE/WBE Participation. The Turnpike Commission is committed to the inclusion of disadvantaged, minority, and woman firms in contracting opportunities. Responding firms shall clearly identify DBE/MBE/WBE firms, expected to participate in this contract, in their Proposal. Proposed DBE/MBE/WBE firms must be certified by the Pennsylvania Department of General Services (www.dgs.state.pa.us) or the Pennsylvania Unified Certification Program (www.paucp.com) at the time of the submission of the proposal. While D/M/WBE participation is not a requirement for this RFP, inclusion of D/M/WBEs will be a factor in the evaluation determination. **If further information is desired concerning DBE/MBE/WBE participation,** direct inquiries to the Pennsylvania Turnpike Commission's Contract Administration Department by calling (717) 939-9551 Ext. 4241.

II-8. Cost Submittal. The information requested in this section shall constitute your cost submittal. The Cost Submittal shall be placed in a separate sealed envelope within the sealed proposal, separate from the technical submittal.

Provide a detailed description of compensation structure scenarios. It is anticipated that the selected Proposer will be compensated by the Pennsylvania Turnpike Commission on a fee basis or fee net of commissions basis for coverage placed and/or serviced by the selected Proposer as further detailed in Part I-5.

Proposers should **not** include any assumptions in their cost submittals. If the proposer includes assumptions in its cost submittal, the Issuing Office may reject the proposal. Proposers should direct in writing to the Issuing Office pursuant to Part I-9 of this RFP any questions about whether a cost or other component is included or applies. All Proposers will then have the benefit of the Issuing Office's written answer so that all proposals are submitted on the same basis.

Any costs not provided in the cost proposal will be assumed as no charge to the Commission.

The selected Proposer shall only perform work on this contract after the Effective Date is affixed and the fully-executed contract sent to the selected Proposer. The Commission shall issue a written Notice to Proceed to the selected Proposer authorizing the work to begin on a date which is on or after the Effective Date. The selected Proposer shall not start the performance of any work prior to the date set forth in the Notice of Proceed and the Commission shall not be liable to pay the selected Proposer for any service or work performed or expenses incurred before the date set forth in the Notice to Proceed. No Commission employee has the authority to verbally direct the commencement of any work under this Contract.

PART III

CRITERIA FOR SELECTION

III-1. Mandatory Responsiveness Requirements. To be eligible for selection, a proposal shall be (a) timely received from a Proposer; (b) properly signed by the Proposer; and (c) formatted such that all cost data is kept separate from and not included in the Technical Submittal.

III-2. Proposal Evaluation. Proposals will be reviewed, evaluated, and rated by a Technical Evaluation Team (TET) of qualified personnel based on the evaluation criteria listed below. The TET will present the evaluations to the Professional Services Procurement Committee (PSPC). The PSPC will review the TET's evaluation and provide the Commission with the firm(s) determined to be highly recommended for this assignment.

The Commission will select the most highly qualified firm for the assignment or the firm whose proposal is determined to be most advantageous to the Commission by considering the TET's evaluation and the PSPC's determination as to each firm's rating. Award will only be made to a Proposer determined to be responsive and responsible in accordance with Commonwealth Management Directive 215.9, Contractor Responsibility Program.

III-3. Evaluation Criteria. The following criteria will be used, in order of relative importance from the highest to the lowest, in evaluating each proposal

a. Understanding the Problem. This refers to the Proposer's understanding of the Commission needs that generated the RFP, of the Commission's objectives in asking for the services or undertaking the study, and of the nature and scope of the work involved.

b. Proposer Qualifications. This refers to the ability of the Proposer to meet the terms of the RFP, especially the time constraint, quality and relevancy of the proposal for services. Also considered will be Proposer's recommended insurers and its relationships with those insurers including, but not limited to, annual premium volumes and type and number of accounts placed. No sub-brokering will be permitted unless specifically authorized.

c. Personnel Qualifications. This refers to the competence of professional personnel who would be assigned to the job by the Proposer. Qualifications of professional personnel will be measured by experience and education, with particular reference to experience on studies/services similar to that described in the RFP. Particular emphasis is placed on the qualifications of the account manager.

d. Soundness of Approach. Emphasis here is on the techniques for collecting and analyzing data, sequence and relationships of major steps, and methods for managing the service/project. Of equal importance is whether the technical approach is completely responsive to all written specifications and requirements contained in the RFP and if it appears to meet Commission objectives.

e. Cost. While this area may be weighted heavily, it will not normally be the deciding factor in the selection process. The Commission reserves the right to select a proposal based upon all the factors listed above, and will not necessarily choose the firm offering the best price. The Commission will select the firm with the proposal that best meets its needs, at the sole discretion of the Commission.

f. DBE/MBE/WBE Participation. This refers to the inclusion of D/M/WBE firms, as described in Part II-7, and the extent to which they are expected to participate in this contract. Participation will be measured in terms of total dollars committed or percentage of total contract amount to certified D/M/WBE firms.

PART IV

WORK STATEMENT

IV-1. Objectives.

a. General. The Pennsylvania Turnpike Commission is seeking proposals from qualified firms to act as an insurance broker and consultant for services related to Property All-Risk, Builders Risk (non-OCIP), Fiduciary Liability and Boiler & Machinery. Coverage being currently marketed but not presently in force includes excess General Liability, excess Auto Liability and Excess Workers Compensation (over self-insured programs). Oversight and servicing of this program, assuming it is placed, should be included in your proposal.

b. Specific. List specific objectives of the proposed service. Objectives include the procurement and administration of comprehensive insurance coverage at competitive cost, expert analysis of coverage needs and technical claims and loss control support as needed.

IV-2. Nature and Scope of the Project. The insurance broker will provide an assessment of the short and long-term conditions of the marketplace, recommend and solicit quotations from certain insurers, perform risk assessments relating to existing and recommended coverage placements, enhance coverage terms and support related loss control and claims management. Insurance coverage within the scope of this RFP is as follows:

Coverage to be Managed and Placed:							
COVERAGE	INSURER	LIMITS	DEDUCTIBLE / SIR	EFFECTIVE	EXPIRATION	PREMIUM	
Boiler & Machinery	Traveler's Insurance	\$39,500,000	\$10,000	9/19/2011	9/19/2012	\$8,160.00	
Property / Builders Risk	Traveler's Ins	\$125,000,000	\$100,000 / \$200,000	10/1/2011	10/1/2012	\$1,546,038.00	
Fiduciary Liability (OPEB)	ACE/Westchester Fire	\$10,000,000	\$200,000	4/20/2012	4/20/2013	\$20,573.00	
Excess WC, GL, AL	TBD	TBD	TBD	TBD	TBD	TBD	
Other relevant coverages as recommended							
Coverage to be Reviewed:							
COVERAGE	INSURER	LIMITS	DEDUCTIBLE / SIR	EFFECTIVE	EXPIRATION	PREMIUM	AGENT
Auto Liability	Self-Insured			3/1/2012	3/1/2013	n/a	
General Liability	Self-Insured			n/a	n/a	n/a	
Employee Liability Self Insured Program (ELSIP)	Self-Insured	\$250,000	\$500	7/1/2011	7/1/2012	\$37,997.00	PA Dept of General Services
Workers Compensation	Self-Insured			6/1/2011	6/1/2012	n/a	
Public Official Bond	Traveler's Ins	various		-- 6/24/2009	6/24/2012	\$308.00	PA Dept of General Services
				-- 7/7/2009	7/7/2012	\$613.00	PA Dept of General Services
				-- 8/2/2008	8/2/2012	\$932.00	PA Dept of General Services
				-- 6/30/2010	6/30/2013	\$215.60	PA Dept of General Services
				-- 7/13/2010	7/13/2013	\$216.00	PA Dept of General Services

IV-3. Requirements. All work performed by the proposer shall be done by personnel experienced in performing their assigned functions. Proposer must list all persons working on this project including support staff and shall include their qualifications to do the work assigned them.

IV-4. Tasks. Assign experienced staff immediately upon proposal acceptance and execution of an Agreement to assess the Pennsylvania Turnpike Commission's insurance needs and provide recommendations regarding the appropriate types of insurance for the Pennsylvania Turnpike Commission.

Conduct coverage analysis and selection of appropriate Property, Contractors Equipment, Builders Risk and Business Interruption values utilizing existing Property appraisals, income statements and other available documentation. Provide risk assessments for these exposures as well as for other coverage exposures whether currently insured or not.

Evaluate on an ongoing basis the operating exposures, various insurance policy coverage terms, conditions, limits and deductibles and make recommendations to enhance coverage, improve cash flow, and reduce overall cost of risk of the Pennsylvania Turnpike Commission.

Work with the Pennsylvania Turnpike Commission to develop renewal strategies. Obtain and evaluate competitive coverage proposals from various insurance companies or other represented service providers. Minimally, 5 renewal policy quotations are required for each line of coverage proposed or renewed.

Process binders, endorsements, certificates of insurance and related insurance policies for all insurance coverage's managed by the broker on behalf of the Pennsylvania Turnpike Commission. Broker must indicate its internal standards for timely delivery of binders, policies and endorsements.

Provide general insurance and risk management consultative services including review of contractual insurance requirements to ensure that the Pennsylvania Turnpike Commission is in compliance.

Review insurance certificates of the Pennsylvania Turnpike Commission's vendors and contractors to ensure they are in compliance with the Pennsylvania Turnpike Commission's standard insurance requirements.

Benchmark the Pennsylvania Turnpike Commission's premium rates, limits, retentions and loss experience with other similar organizations.

Review individual construction projects for inclusion within existing or proposed Builders Risk program where not otherwise insured under an OCIP program.

Represent the Pennsylvania Turnpike Commission in all negotiations with insurers, underwriters and other parties with regard to the insurance program.

Assure that insurance policies are placed with reputable and financially responsible insurers in accordance with A.M. Best and other credit rating agencies. Keep the Pennsylvania Turnpike Commission informed of any changes in the financial rating of its insurers, make recommendations and take appropriate actions based upon such changes.

Coordinate and oversee the performance of all related services performed by insurance companies, underwriters, and/or other arranged or bundled service providers.

Assist the Pennsylvania Turnpike Commission in the completion of all applications, documents and gathering of data that may be requested by insurance companies.

Assign an experienced Account Manager to the Pennsylvania Turnpike Commission who will be responsible for communication with the Pennsylvania Turnpike Commission and who, along with any other team members assigned, must be available on an daily basis to the Pennsylvania Turnpike Commission for advice and consultation on insurance program related issues and concerns. Identify the office from which the Pennsylvania Turnpike Commission account would be serviced.

Provide such other services related to placed and managed insurance coverage as the Pennsylvania Turnpike Commission may reasonably request.

IV-5. Reports and Project Control.

Upon completion of their review, the Proposers will present to the Commission a detailed report on the current status of Property, Contractors Equipment, Builders Risk, Boiler & Machinery, Fiduciary Liability, Excess General Liability, Excess Auto & General Liability coverage policies and provide a certification letter to the Commission outlining their findings, recommendations and overview of the insurance program.

Addendum No. 1

RFP # 12-10260-3609

Insurance Brokerage Services

Prospective Respondents: You are hereby notified of the following information in regard to the referenced RFP:

Following are the answers to questions submitted in response to the above referenced RFP as of May 21, 2012. All of the questions have been listed verbatim, as received by the Pennsylvania Turnpike Commission.

1. Who is the current broker?

The current broker is Joyce Jackman and Bell.

2. How long have they been in place?

Joyce Jackman and Bell has been the broker of record since July 2003.

3. What is their fee?

The current compensation structure is a combination of Fee and Commission.

4. Is there a current DBE/MBE in place?

No

5. If so, who is it? What % do they receive? What role do they play?

N/A

6. Who is the current Broker/Agent handling the Insurance for the Pennsylvania Turnpike Commission?

See question 1.

7. What Carrier or Carriers are currently underwriting the risk?

See section IV-2 of the RFP.

8. From the RFP, it looks like the market selection is first come, first serve. Is that correct? If not, how is the market selection handled?

Since the PTC will only be seeking quotes from the selected broker, it is not necessary to assign markets. The selected broker would get free reign of the marketplace

9. Can we receive copies of loss runs, for the past five years, for the insurance requested?

See chart in question 12. There were no loses in any other lines.

10. Are the exposure unit lists for the insurance requested?

No

11. Section IV-1. Objectives. a. General. states “*Coverage being currently marketed [emphasis added]* but not presently in force includes excess General Liability, excess Auto Liability and Excess Workers Compensation (over self-insured programs). Oversight and servicing of this program, assuming it is placed, should be included in your proposal.”

Does this mean the Pennsylvania Turnpike Commission RFP requires the selected proposer to :

- market and provide options for placement of these coverage lines, or;
- solely oversee, service and annually solicit renewal quotations for any pre-existing placement of these lines of coverage?

Oversee, service and annually solicit renewal quotations for any pre-existing placement of these lines assuming it is placed.

Is your current broker marketing these coverage lines now?

Yes, the coverage lines are currently being marketed by the current broker.

12. The undiscounted estimated Automobile and General Liability Loss and ALAE for 5-31-11 YE is \$26.8 million. We find this figure surprising given the \$250,000/person and \$1,000,000 per accident damage limitation and our experience with other Turnpike Commissions. May we have a copy of:

- Most recent Actuary Report

Actuary Report is currently under development. Note the \$26.8 million figure includes all claims including contractual liability, employment liability, land disputes etc.

- 5 year loss report summary of paid and reserve claims including # claims open and closed by year

The below chart combines AI & GI claims but does not include litigated claims.

Period	General Liability		Auto Liability	
	Count	Paid	Outstanding	Incurred
3/1/06-07	46	\$63,212	\$0	\$63,212
3/1/07 -08	29	\$65,943	\$0	\$65,943
3/1/08-09	23	\$80,058	\$10,000	\$90,058
3/1/09-10	48	\$147,085	\$2,805	\$149,890
3/1/10-11	125	\$126,170	\$22,050	\$148,220
3/1/11-2/1/12	64	\$84,819	\$56,747	\$141,566
	335	\$567,287	\$91,602	\$658,889

13. Who are the current providers for following services:

- Insurance brokerage - **See Question 1**
- Claims management/adjustment - **Inservco Insurance Services**
- Loss control inspections and training - **Internal**

14. Who is the current Broker?

See question 1.

15. How long has the current Broker been involved with the account?

See question 2.

16. Who is the current MBE/WBE/DBE on the PA Turnpike Commission account?

See question 4.

17. How long has the current MBE/WBE/DBE been involved with the account?

See question 5.

18. What duties and responsibilities does the MBE/WBE/DBE perform?

See question 5.

All other terms, conditions and requirements of the original RFP dated **May 7, 2012** remain unchanged unless modified by this Addendum.