

**MARYLAND STATE TREASURER'S OFFICE**

**Louis L. Goldstein Treasury Building  
80 Calvert Street, Room 109  
Annapolis, Maryland 21401**

**REQUEST FOR PROPOSALS FOR INSURANCE BROKER SERVICES  
FOR PROPERTY/PACKAGE COVERAGES  
RFP # PROP/PKG-06192014**

**QUESTIONS AND ANSWERS**

July 11, 2014

Q-1. Who is (are) the current broker(s)?

A-1. Aon, Risk Services, Inc. is the current broker.

Q-2. What are the current broker fees by line of business for each category?

A-2. Please see Exhibit 1 regarding fees.

Q-3. Please provide an electronic copy of the State's primary insurance policies for each line of insurance. If electronic copies are not available, will the State allow us to view these documents in person or make copies?

A-3. Policies are available for review upon written request under the Maryland Public Information Act. Per Section III., Scope of Services and Requirements of the RFP, this procurement is for broker services only and full details on the specific coverages including policies, will be provided to the selected broker(s).

Q-4. What is the status of any open claims?

A-4. Any claims that are currently open will be adjusted under the current commercial carrier policy. Open claims do not carry-over into the next Contract.

Q-5. In Section 3.05, A. IV, B., the CBNR Blanket Limit and Self Insured Retention are the state at \$1,000,000.

A-5. Correct, they are the same.

Q-6. Please provide a current copy of the State's Schedule of Values for both the Statewide Property and Bridges/Tunnels Programs.

- A-6. Per Section III., 3.05 and 3.06 of the RFP, this procurement is for broker services only. Full details on the specific coverages, values and losses will be provided to the selected broker(s) for marketing purposes
- Q-7. What is the current Total Insured Value for the Bridges and Tunnels program? Please also provide a listing of the current carriers and participations.
- A-7. The 2013/2014 total insured value for the property is \$3,814,911,000 and for loss of revenue is \$441,357,500. Full details will be provided to the selected broker. Some additional information is available on the Office' website at: <http://www.treasurer.state.md.us> by clicking the link to the Insurance Division.
- Q-8. What is the anticipated capital improvement plan budget projection over the next 4 years?
- A-8. Information on capital improvements and budget information is available on the website of the Department of Budget and Management website at: <http://www.dbm.maryland.gov>.
- Q-9. Are there currently any construction projects in excess of \$25,000,000?
- A-9. Procurement of broker services conducted by the Treasurer's Office does not include insurance coverage for projects during the construction phase and therefore data on current and future construction projects is not maintained. Information relating to construction projects may be found on certain State agency websites and also the Department of Budget and Management at: [www.dbm.maryland.gov](http://www.dbm.maryland.gov).
- Q-10. Are there any other Excess Property policies in force above these limits?
- A-10. No. There are not any other excess property policies for the values provided.
- Q-11. In Category A.V in Section 3.05, are the Boiler Safety seminars completed annually?
- A-11. Boiler safety seminars are conducted on an as needed basis. These types of seminars have not been frequent in past years.
- Q-12. Please elaborate on the expectation for the liaison on loss control services in Section 3.02, #7 of the Scope of Services. Is there an expected number of days or hours for this service?
- A-12. No, there is no expected number of days or hours for this service. Loss control inspections and recommendations are not frequent, however, the State reserves the right to request a broker to be present when it is appropriate for certain exposures.

- Q-13. Please elaborate on the expectation for training classes as outlined in #18 in Section 3.02 of the Scope of Services. Is there an expected number of days or hours for this service?
- A-13. Classes on maintenance and loss prevention will be conducted on an “as needed” basis. Number of days or hours is not defined since it would be unusual to conduct more than one training class in any contract period. However, if a State-wide training class is needed, the Office may offer training on three different dates to accommodate the maximum number of attendees.
- Q-14. What are the current brokerage fees for Category A and B? What additional fees/commissions are earned by intermediary brokers (such as brokers required for the Lloyds of London placements)?
- A-14. See Exhibit 1 for the broker fee schedule. The State does not contract directly with intermediaries, therefore fees/commissions may vary based on the coverage or intermediary used. Full details will be provided to the selected broker.
- Q-15. Are Fine Arts included in this property program?
- A-15. No.
- Q-16. Copy of the current Lexington Policy and copies of current excess policies for the \$250M x/s \$250M.
- A.16. Policies are available for review upon written request under the Maryland Public Information Act. Per Sections 3.05 and 3.06 under Section III – Scope of Services and Requirements of the RFP, this procurement is for broker services only and full details on the specific coverages including policies, will be provided to the selected broker(s).
- Q-17. Ground up losses (including details) and not just a loss summary.
- A-17. For the self-insured and commercial carrier, a detailed loss report is not easily extracted and would be onerous to produce in response during this question and answer period. Further, certain data is maintained with the carrier. As indicated for other detailed information, this will be provided to the selected broker when necessary.
- Q-18. Description of operations housed at the applicable street address level. While certain locations such as libraries, police stations, etc., are generally clearly marked there are normally numerous locations where the occupancies are not noted.
- A-18. This level of detail will be provided to the selected broker(s) with a property schedule (building, contents, etc) by State Agency.

- Q-19. Business Income worksheets or other documentation to determine the true BI/Extra Expense exposures.
- A-19. The State determines its exposures and whether the exposure is to be insured by the State's self-insurance or by a commercial carrier. For the broker(s) selected to perform the services outlined in the RFP, the State will provide all detailed information to the broker for that exposure for marketing purposes.
- Q-20. Is there any specific Historical Buildings wording included currently?
- A-20. Yes.
- Q-21. Are there any wholesalers/intermediaries involved in the placement?
- A-21. Yes.
- Q-22. Which Lloyds Broker is currently being used to access the London Market and how are they being compensated?
- A-22. The State is not currently under contract with brokers in the London Market.
- Q-23. Is there currently an MBE involved? Who is the MBE firm and what is their level of participation? Can you please elaborate on what they do in both categories A and B?
- A-23. Yes, the MBE working with the current Broker is MFL Technology Solutions, LLC. The goal is 25% on the existing Contract and is currently being met. The duties assigned to the MBE which best fit the services required in the RFP will be the responsibility of the prime contractor to determine.
- Q-24. If we intend to respond to both Categories A and B, can we submit one combined technical proposal? Or must we submit technical proposals for each category separately?
- A-24. As stated in section 4.03 of the RFP, **each** volume containing a proposal must be submitted for each coverage category for which the Offeror is submitting a proposal.

**Exhibit 1**

<b>Premiums and Broker fees for the current Property/Package RFP</b>			
<b>Coverage</b>	<b>Term</b>	<b>Premium</b>	<b>Broker Fee</b>
Excess Property	4-1-2014/15	\$4,567,258	\$ 110,000
Terrorism for Excess Property	10-13-2013/14	\$ 315,000	none
Terrorism for MDTA Toll Bridges, Tunnels, and ICC ONLY	10-13-2013/14	\$ 145,000	none
Chemical, Biological, Nuclear, & Radiological	10-13-2013/14	\$ 36,000	none
Boiler & Machinery	9-30-2013/14	\$ 313,570	\$ 10,000
MDTA Toll Bridges & Tunnels Property	12-1-2013/14	\$3,479,226	\$ 20,000