

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 LIABILITY COVERAGES
RFP # LIA-06052012**

QUESTIONS AND ANSWERS

June 18, 2012

Q-1 What specific Loss Control Services is the State looking for in each Category?

A-1. A State Agency may request specific loss control services of the carrier or broker; however, the carriers usually provide loss control services that may include inspections. Offerors submitting a proposal in response to this RFP should explain the loss control services they intend to offer the State.

Q-2. How often are the services required?

A-2. The frequency of loss control services varies by policy size and exposures. Loss control needs of the policies and/or the carriers tend to be higher for larger policies, and may require up to three or more visits per year.

Q-3. If selected as broker will prior Loss Control Reports be forwarded to the new broker?

A-3. Yes, if permitted by applicable law or contract, and the new broker can demonstrate a legitimate need.

Q-4. Will the State provide the existing drawings, studies, specifications, estimates, maps, designs, graphics, etc. to a new broker?

A-4. A copy of the current policy will be provided to the Broker. Additional information needed to understand the exposure and market the coverage, and any other pertinent information that may be legally disclosed, may be provided by the Office upon request.

Q-5. If selected as a new broker, are we to assume responsibility for existing claims?

A-5. Yes. As each of the prior brokers' policies expires, they are no longer expected to provide claim-related services. The new broker will be our sole contact for claim-related services once they begin handling each of the policies, including claims filed under previous policies.

Q-6. If so how many are open claims?

A-6. Category A- Those with open claims are:
Lawyers Professional Liability has 1 open claim in 5 years.

Foster Parents liability has 2 known open claims in 3 years.
Category B- No known open claims.
Category C- From the 2009/10 policy to date, there are 4 open claims.

Q-7. How do I go about procuring insurance carriers for our agency?

A-7. Your agency will need to work directly with the insurance carriers.

Q-8. Are you expecting one "Volume I - Technical Proposal" and one "Volume II - Price Proposal" for each Category (A, B, and C)? That is, are you expecting up to three two-volume responses?

A-8. Yes.

Q-9. Can you please provide us with the total premiums paid for all policies in each category, separately by category? That is, can you provide the sum of the premiums for all eight policies in Category A, the total annual premium for the policy in Category B, and the total annual premium for the policy in Category C?

A-9. Please see attached premiums by category.

Questions Specific to Category A

Q-10. With ten items listed in Category "A" how are they bundled into five policies?

A-10. As stated in section 3.05 there are 10 separate policies.

Questions Specific to Category B

Q-11. Are there any plans to build or perform any major repairs on the bridges or tunnels?

A-11. See current and future construction projects listed by region on the MDTA website. Please go to www.mdtamaryland.gov, and click Projects and Studies on the left side of the screen.

Q-12. On the bridges and tunnels, what is the current broker's fee?

A-12. The current annual broker fee for MDTA's toll facilities is \$47,000.

Question Specific to Category C

Q-13. Has the Port assumed the liability for the Container Trailers?

A-13. No. The container trailers are owned and operated by the Steamship Lines.

Q-14. If so, is there a plan for inspection and repair?

A-14. Not applicable.

Q-15. How often does the Port receive Loss Control visits?

A-15. Frequency varies from year to year; however, historically there have been up to two visits annually depending on the services required by the Port. The broker, carrier and the Insurance

Division assess the Ports needs annually. The carrier may also request loss control visits if there is an exposure they believe merits inspection.

Q-16. Is the Maryland Department of Transportation a named insured on this policy or an additional insured on this policy?

A-16. The Maryland Department of Transportation (MDOT) is a named insured for Category C – Maryland Port Administration. The MDOT is not a named insured for Category B – Maryland Transportation Authority.

Q-17. A. We note under Category C that a large part of the placement, the Bumbershoot, is placed through Lloyd's of London. Seeing that the "local" Broker must utilize and compensate a Lloyd's broker to access that market, how is that compensation to the Lloyd's broker identified/divulged to The State?

B. To put into other words, does the fee associated with Category C include this compensation or not? Is the Lloyd's placement "net" of any and all commissions?

A-17. A. Intended intermediary use and estimated compensation, if known, is usually included in the renewal strategy.

B. No. Our net quote requirement applies to the awarded broker. The broker fee requested in the Pricing Proposal will be for the Offeror's services only and is not intended to include intermediary compensation.

Q-18. If the Broker is utilizing an owned wholesaler for any placements, is that compensation divulged to the State?

A-18. Yes. The State may request information on the commission rate to be paid to the intermediary. As part of the renewal strategy, the broker will identify any intended intermediary to be used and the estimated compensation to be paid or commission rate. The State may request information on the final commission rate paid after the policy is placed.

	<u>Misc Liability RFP # LIA-06052012</u>			
	<u>Policy Premiums</u>			
			<u>Current Policy</u>	
	<u>Category A</u>	<u>Effective:</u>	<u>Premiums:</u>	
1	MIEMSS	2/18/2012-13	\$ 2,500	
2	Dept AG- Special Events	3/10-13/2012	\$ 318	
3	Dept of Ag Farmers Market	7/1/2012-13	\$ 13,929	
4	UMB & UB Law Clinics	10/10/2011-12	\$ 20,441	
5	MPT - GL	10/11/2011-12	\$ 8,639	
6	MPT - Umbrella	10/11/2012-13	\$ 2,000	
7	MPT- Broadcasters E&O	10/11/2011-12	\$ 10,250	(Annual pymt on 2010/2013 policy)
8	Foster Parent- DHR & DJS	3/15/2012-13	\$203,415	
9	Allied Health	9/1/2011-12	\$121,951	
10	MFRI	12/5/2011-12	\$ 39,193	
	<u>Category A total</u>		<u>\$422,636</u>	
	<u>Category B</u>			
	MdTA-Liability-toll facilities	10/17/2011-12	<u>\$452,667</u>	
	<u>Category C</u>			
	MPA- Port liability incl WTC	1/31/2012-13	<u>\$660,812</u>	