

CITY OF SEDRO-WOOLLEY
REQUEST FOR PROPOSALS (RFP)
FOR
INSURANCE SERVICES

PROPOSAL DUE DATE – July 15, 2008

I. Introduction/Request

The City of Sedro-Woolley is soliciting proposals to provide the City with comprehensive insurance services. The City is currently a member of the Cities Insurance Authority of Washington (CIAW) risk pool but gave its 12 month notice of intent to withdraw membership effective August 30, 2008. The purpose of that notice was to provide the City with an opportunity to review competitive proposals for service effective September 1, 2008.

It is the intent of the City of Sedro-Woolley to base its selection on coverage, services and cost. The eight sections that follow under Part 2 are directed at identifying the services and condition of the pool; the City wants to know how effectively your pool operates. The questions under Part 1 are intended to identify the costs and levels of coverage.

The questions and requests for information in this attachment are directed at meeting Sedro-Woolley's goal of obtaining information so that we can identify the best possible coverage and services available to the City.

You are encouraged to provide brief responses to the questions and requests for information. The City's evaluation team will review your responses, and will be prepared to discuss them at the interviews scheduled in late July or early August. Once an interview is scheduled, you will be requested to provide a presentation. Once completed, the interview will focus on issues and questions.

PART 1 (coverage/limits and costs):

Coverage/Limits
Financial Information
Total Assets
Total Reserves
Total Cash and Investments
Pool Retention
General, Auto, and Police Liability
Total Limit
Annual Aggregate Limit
Occurrence or Claims Made Coverage?
Deductible
Terrorism Coverage
Employment Practices Liability
Total Limit
Annual Aggregate Limit
Occurrence or Claims Made Coverage?
Deductible

Public Officials Liability (E&O)
Total Limit
Annual Aggregate Limit
Occurrence or Claims Made Coverage?
Deductible
Property
Loss Limit Per Occurrence
Pool Aggregate Limit
Newly Acquired Locations
Builders Risk
Unscheduled Property
Accounts Receivable
Fine Arts
Mobile and Contractors Equipment
Business/Tax Interruption
Extra Expense
Electric Data Processing
Demo and Increased Cost of Construction
Dbris Removal
Flood Limit and Annual Aggregate Pool Wide
Flood Limit and Aggregate in Flood Zones A or V Pool Wide
Earthquake Limit and Annual Aggregate Pool Wide
Flood Deductible
Earthquake Deductible
All Other Perils Deductible
Valuation
Auto Physical Damage
Valuation

Deductible
Comprehensive and Collision Coverage
Boiler and Machinery
Equipment Breakdown Including Property Damage
Business Interruption Limit
Extra Expense Limit
HazMat Sub Limit
Deductibles
Crime and Fidelity
Employee Dishonesty Limit
Theft, Disappearance, & Destruction Limit
Computer Fraud
Forgery and Alteration
Blanket Basis
Deductible
Employment Defense Services/Pre-Defense Review
Pre-Defense Review Current Budget
Member Services Risk Management Current Budget

Pricing
Insurance
Broker Fee (if required)
Liability Deductible Losses
Employment Defense Services
Total Annual Cost for the period September 1, 2008 to August 30, 2009

PART 2 (services and pool conditions):

1. Financial Strength and Liabilities

- Please provide a copy of the most recent State Financial Audit Report
- Please provide a copy of the most recent State Compliance Audit Report
- Please provide a copy of your most recent annual report, including Statement of Assets and Liabilities
- Please provide a copy of your most recent Statement of Revenues and Expenditures

- What is the actuarial confidence level funded at _____% for all year loss reserves?
- What is the pool's overall financial strength?
- Describe total liability limits for individual members and the pool as a whole.
- What are the pool's liability rate increases over the past 3 years?
- How does the pool's financial strength affect services to members?
- Please provide a copy of the administrative budget, (line item), as approved by your Board.

2. Assessment Formula

- What is the pool's assessment formula?
- What is provided by the annual assessment of members?
- Please provide a list of member assessments for the past five years.
- How was the assessment formula developed?
- Please describe the role of the Board of Directors in setting and approving annual assessments to members.

3. Risk Management and Services Required and Offered

- What is the pool's overall risk management strategy? What are the pool's training and risk management solutions that support this strategy?
- Describe how this strategy is implemented.
- Describe how this strategy is funded.
- List the benefits of this strategy to members of the pool.
- Please list all requirements that members of the pool are expected to meet annually
- How does the pool help members meet these requirements?
- Please list all of the support services provided by the pool and list the professional qualifications of the individuals providing the member support services.
- Does the pool have a formal training program applicable to the entire membership? If so, please list the programs that will be required for the next three years.
- How do members access the services provided by the pool?
- Please explain your policy relative to claims made versus occurrence.
- Please explain "tail" costs, if any.
- Please explain your vehicle replacement costs versus actual cash value policy.

4. Litigation

- What is the pool's litigation philosophy?
- What are the defense strategies that the pool has in place to support the litigation philosophy?
- What is the pool's financial commitment in meeting the litigation philosophy and defense strategies?
- Does the pool charge for the cost of defense?

5. Claims

- What are the pool's limits of liability?
- What are the requirements of pool members to report claims and incidents?
- How are claims processed?
- What is the cost to the member for meeting the pool's requirements?
- How does the claims history affect the member's annual assessment?
- Does your pool have a pre-defense review program related to land use, employment, police or other actions that create liability?
- What, if any, is the cost to the member for the pool's pre-defense program?
- How many field service representatives does the pool have?
- What is the average number of field service representatives per member?
- What, if any, coverage exclusion or coverage limitations does the pool have?

6. Services Offered to Members

- What, if any, deductible does the pool have? Please list by type of coverage and the deductible amount.
- What are the member voting rights?
- What is the relationship of the members of the Board of Directors and how is the Board elected?
- What is the role and authority of the Board of Directors?
- How many members are on the Board?
- How is the Board of Directors nominated and elected?

7. Group Insurance Purchase Program

- Does the pool have optional group purchase programs for members? If so, please list the type of coverage available.

8. Other

- Please provide a copy of the pool's organization chart.
- Please provide a list of 5 references (name, address and phone number) that are members of your pool and are approximately the same population size as Sedro-Woolley.

II. RFP Administrative Requirements

A. Contacts

All communications concerning this RFP should be directed to:

Eron Berg
 City Supervisor/City Attorney
 City of Sedro-Woolley
 325 Metcalf Street

Sedro-Woolley, WA 98284
Telephone: (360) 855-9922 FAX: (360) 855-9923
Email: eberg@ci.sedro-woolley.wa.us

Candidates responding to this RFP should provide the following information (i.e., by submitting a photocopy of a business card) at the time they respond:

Name of contact person
Name of firm
Mailing address
Telephone number
FAX number
E-mail address

B. Delivery of Proposals

Proposals must be received by the City of Sedro-Woolley, at City Hall, 325 Metcalf Street, Sedro-Woolley, WA no later than 12:00 p.m. PST on Tuesday, July 15, 2008. Proposals may be accepted by email at eberg@ci.sedro-woolley.wa.us.

Candidates are solely responsible for ensuring that proposals are delivered on time. Delays caused by any delivery service will not be grounds for an extension of the proposal due date and time. Proposals received after the due date and time will be returned unopened.

C. Cost of Proposal

This RFP does not commit the City to pay any costs incurred by any candidate in the submission of a proposal. The candidate is responsible for all costs associated with its response to this RFP.

D. Rejection of Proposal

The City reserves the right to reject any or all proposals at any time with no penalty and/or to waive immaterial defects and minor irregularities in proposals.

E. Requests for Information

Entities who are interested in responding to this RFP are welcome to seek additional information from the City as needed to make a complete and accurate response to this proposal. Requests for information should be received by the City no later than close of business on June 27. Additional information will be provided to all entities who have requested it. Requests may be made by email to Eron Berg at the address provided above.