



CONTRACT NO.
12-03-05-06

INSURANCE BROKERAGE SERVICES

Bid packets must be received by

3:00 p.m.
March 30, 2012

Delaware State University
Room 321
Administration Building
1200 North DuPont Highway
Dover, DE 19901-2277

Point of Contact
Jessica Wilson
(302) 857-6272
(302) 857- 6278

TO: ALL RFP Responders

The enclosed packet contains a "Request for Proposals (RFP)" for Insurance Brokerage Services.

Your response to the RFP Section must be executed completely and correctly and returned in a clearly marked envelope by 3:00 p.m., Wednesday, March 30, 2012, to be considered.

Please review and follow the information and instructions. Should you need additional information, please call Jessica Wilson at (302) 857-6272.

Minority Business Enterprise (MBE) and Women Owned Business Enterprise (WBE) will be afforded full opportunity to submit responses and will not be subject to discrimination on the basis of race, color, national origin, or sex in consideration of this award.

Delaware State University reserves the right to extend the time and place to receive RFP responses from that described in the advertisement, of not less than two (2) calendar days notice by certified delivery, facsimile transmission, or by verifiable electronic means to those responders who obtained copies of the plans and specification or contract descriptions. Delaware State University reserves the right to reject any and all items, bids and waive all informalities.

DELAWARE STATE UNIVERSITY
Request for Proposal
Insurance Brokerage Services

Table of Contents

- I. INTRODUCTION
 - A. Overview
 - B. Background of Delaware State University/Insurance Coverage

- II. TIME AND SCHEDULE

- III. GENERAL INFORMATION
 - A. Scope of Services
 - B. Contractor Services
 - C. Deliverables
 - D. Optional Services

- IV. COMPENSATION

- V. PRE-PROPOSAL CONFERENCE/QUESTIONS
 - A. Company Background and Information
 - B. Organizational Philosophy and Consulting Approach
 - C. Expertise and Service

- VI. GENERAL PROVISIONS
 - A. Potential Selection of Finalists
 - B. Acceptance of Contractual Requirements
 - C. Investigation of References
 - D. RFP Preparation Costs
 - E. Clarification
 - F. Fight to Reject Proposals
 - G. Cancellation
 - H. Proposal Terms: All Proposals
 - I. Contract
 - J. Rejections and Withdrawals
 - K. RFP Incorporated into Contract
 - L. Communication Blackout Period
 - M. Prohibition on Commissions
 - N. Clerical Errors in Awards
 - O. Collusion

- VII. APPLICABLE LAW

- VIII. PUBLIC RECORDS

- IX. OFFER OF GRATUITIES

- X. INDEMNIFICATION

I. INTRODUCTION

A. Overview

Delaware State University (The University) is soliciting proposals from insurance brokers qualified to perform and interested in providing brokerage services for the University.

Interested and qualified brokers who have demonstrated their ability at comparable work are invited to submit proposals.

Proposals will be accepted until 3 p.m., March 30, 2012. Submittals and requests for information relative to this Request for Proposal should be addressed to:

Jessica Wilson
Delaware State University
Administration Building, Room 321
1200 North DuPont Highway
Dover, DE 19901-2277
Phone: (302) 857-6272, Fax: (302) 857-6278
Email: jwilson@desu.edu

Please note that Delaware State University is not asking for, nor authorizing your soliciting quotes from insurance carriers.

B. Background of Delaware State University

Delaware State University is a public, comprehensive 1890 land-grant university established by the Delaware General Assembly on May 15, 1891. Created under the provisions of the 1890 Morrill Act, the State College initially provided education for African-Americans in Delaware whose opportunities were limited by segregated educational facilities.

Over the last half century the University has grown in stature as a center for teaching, research and public service. The fall 2011 enrollment of 4,178 consisted of 3,744 undergraduates and 434 graduate students.

Delaware State University Insurance Coverage

General Liability
Umbrella Liability
Inland Marine
Hired and Non-owned Automobile
Educators Liability
ICS Blanket Sports Accident
Group Life Insurance
Personal Tenant Owners
Group Accident (Daycare)

Licensed Professional Liability
Student Accident & Sickness
Property
Equine
Aircraft
Personal Tenant Owners Policy (for President)
Physicians Medical Professional Liability
Day Care Group Accident Coverage
Intercollegiate Sports

II. TIME AND SCHEDULE

RFP Timeline *

RFP Issued by the University	March 5, 2012
Deadline for Advance RFP questions (Noon EST)	March 9, 2012
Answers to RFP questions available online	March 19, 2012
Proposals due (3:00 p.m. EST)	March 30, 2012
Interviews with Respondents, if needed	April 16, 2012
Finance Committee Approval	TBA
Award Announcement	April 27, 2012
Board of Trustees' Approval	June 14, 2012
Contract Commences	July 1, 2012

* Each date subject to change

Selection Timeframe

It is anticipated that the selection of Insurance Broker/ Brokers will be completed by April 2012, with action slated by the Finance Committee of the Board of Trustees at that time. Following the notification of the selected Broker, it is expected that a contract will be executed by all parties by the end of June 2012; and services to begin July 1, 2012 for a five year period.

III. GENERAL INFORMATION

All proposals and related materials become the property of the University and may be returned only at its option.

The University is not obligated to accept any proposal or to negotiate with any proposal. All transactions are subject to the final approval of the University who reserves the right to reject any and or all proposals with or without any cause.

A. Scope of Services

Delaware State University is seeking a broker to perform the full range of services related to the design, implementation, maintenance, communication, and improvement of Delaware State University's insurance program. This includes, but is not limited to:

1. Assists the Risk Manager in administering all insurance plans, responding to questions from and providing information to staff, and providing other services during the course of the plan year;
2. Reviews claims experience, claim service, and claim administration to ensure maximum benefit to the University;
3. Participates with the University in all negotiations with providers on all issues including those related to premiums, special terms, and conditions;
5. Meets and provided reports to various University representatives including Finance Office personnel;
6. Assists the University with the implementation and communication of new programs or changes to existing programs;
7. Researches any new developments in the law on an ongoing basis;
8. As requested by the University, prepares bid specifications and solicits proposals from insurance markets which specialize in higher education plans. Evaluates bids and bidders, including administration, coverage, claim payment procedures, customer service, networks, reserve establishment policies, financial soundness, and identify the most cost-beneficial package from among the various bidders;
9. Interfaces with insurance carriers as needed to assist the University in the resolution of problems;
10. Assists the University in the review of contracts and provides advice on insurance to be required of vendors, suppliers, contractors and providers of professional services;
11. Reviews all insurance policies to verify coverage as quoted, and identifies any gaps or overlaps in the program;
12. Reports on the financial condition of insurance carriers and advises the University on any change in insurance carrier financial ratings by recognized financial rating firms (such as A.M. Best). Notifies the University whenever an insurer's financial rating falls below the recommended threshold;
13. Keeps the University informed on new or changing markets, forms, products, laws, government regulations, trends and any other information that may affect insurance placements;
14. Maintains appropriate staffing levels to be responsive to the University inquiries;
15. Coordinates risk control and any other carrier-provided services with University personnel; and
16. Provides customary insurance broker functions not explicitly stated above.

B. Contractor shall perform the following services during any transition period:

1. Prior to the contract's expiration or termination, assists any subsequent broker to ensure a smooth Contract transition. All data, information, and work products provided under this Contract remain the property of the University.
2. Upon any expiration or termination of Contract, Contractor shall prepare a final report. The final report shall consist of the results of all completed projects that have not yet been reported to the University,

the status of any projects or activities not completed, and identification of necessary information related to transition issues. The final report shall be delivered no later than two weeks prior to the termination date.

C. Deliverables (Part of Required Services)

1. **Monthly Broker Activities** - Provide the University with a written periodic Open Task Report that details all outstanding tasks on current projects. Examples of items to be reported would be endorsement requests, policy issuance, upcoming renewals and pending coverage questions. The frequency for the Open Task Report may be modified by the University based upon activity.
2. **Quarterly Broker Activities** - Prepare a quarterly report detailing activities taken on behalf of the University. The report should list open items which have arisen during the quarter, closed items that have been concluded during the quarter, and a report of performance measures established for the Contractor by the University. Report must also include a comprehensive accounting of all commissions received by Contractor associated with services performed for the University, if applicable.
3. **Annual Broker Activities**
 - (a) Conduct in-person meeting with the University to discuss account. Meeting will include, but not be limited to, the following: insurance renewals, loss control issues, loss exposures, recommendations for changes to existing or additional coverage, services under this contract, and general administrative matters.
 - (b) Provide a written Stewardship Report and present it to the University at a mutually agreed upon date that includes, but, is not limited to, the following:
 - (1) Quantitative measures of productivity;
 - (2) A concise summary in a format and form acceptable to the University, including a schedule of insurance policies with policy periods, limits, deductibles, premiums, carriers, and carrier financial ratings;
 - (3) Recommendations for changes to the insurance portfolio and strategies to bring about the changes;
 - (4) A status report on the current insurance market and estimated future status;
 - (5) Recommendations on risk retention and transfer based on market conditions;
 - (6) An outline of services provided throughout the year,
 - (7) A schedule of services, including training planned for the upcoming year; and
 - (8) Recommendations for improving the University practices and suggested goals, strategies, and objectives for the program for the next year and the next five years.

- (c) Provide estimates of projected insurance costs by a specified date to the University each year.
- (d) Provide a written marketing strategy report identifying which markets will be solicited for quotes and an evaluation of present coverage compared to proposed renewal coverage at least ninety (90) calendar days prior to renewal. This provision and/or its time requirement may be waived by the University.
- (e) Provide written final marketing results including a list of each insurer's quote or declination, exact policy wording, premium, and the broker's recommended course of action at least thirty (30) calendar days prior to renewal. The University may waive this requirement at its option.
- (f) When an insurance policy is delivered to the University, provide an Insurance Summary that highlights the coverage, including, but not limited to, a brief description of the coverage, limits, applicable deductibles, premium, carrier name, policy number and exclusions.

D. Optional Services

Provide risk management-related consulting services, as requested by the University. The University does not intend to include consulting services in the initial Contract resulting from this RFP, but reserves the right to contract for these services with the successful Proposer in the future.

Requests for Clarification and Requests for Change: Proposers may submit questions regarding the specifications of the RFP. Questions must be received in writing prior to the date and time indicated in the Schedule of RFP to the Director of Purchasing.

IV. COMPENSATION

Contractor shall provide separate fee schedules for the Required Services and the Optional Services. An annual fee shall be quoted for the Required Services. Fees for the Optional Services shall be quoted at an hourly rate. In order to assist in the evaluation of multiple Proposals, if hourly fees included for Optional Services vary between individuals expected to service the University, please provide a description of the type of services associated with the individuals at each fee level.

Any Proposal that does not include fees that may be easily and fairly evaluated in accordance with these compensation guidelines may be rejected as non-responsive.

Proposers shall clearly state whether they intend to collect commissions from carriers. All commissions paid by carriers shall be disclosed to University at each policy renewal.

V. PRE-PROPOSAL CONFERENCE/QUESTIONS

Please submit your responses to the following questions:

A. Company Background and Information

1. What is your company's vision statement?
2. Provide details of your company's financial status and stability

3. Does your organization have any international locations/global capabilities?
4. What type of professional development training programs does your firm provide to its employees?
5. Provide the organization structure of the team you propose to advise our organization, include names, contact information, bios and responsibilities for the proposed service team.
6. What size clients does your practice generally support?
7. Please provide references that include: name, address, phone number, and length of time associated with your organization.

B. Organizational Philosophy and Consulting Approach

1. Please describe your brokerage approach.
2. Describe your approach to supporting our programs throughout the plan year.
4. Please provide an overview of your strategic planning services and day to day program management services.
5. How do you manage carrier and vendor relationships?
6. In your opinion, what are the major challenges companies are facing today and how will your firm help meet these challenges?
7. What resources do you use for benchmarking?
8. Do you have the ability to design, arrange and analyze employee surveys?
9. Please describe how you identify trends and issues and present recommendations based on analyses of alternative benefit strategies and plans.
10. How does your firm determine “best in class” benefit program designs and vendors?
11. What is your philosophy on customer service?
12. Describe the methods employed to obtain and disseminate information about current local and national legislation, trends, new services, new concepts, etc. to clients.
13. Do you have a process in place for tracking communications between our organizations?
14. What is your overall philosophy regarding compensation arrangements?

C. Expertise and Services

1. Please provide an overview of your regulatory compliance services.
2. How will you ensure that our plan remains in legal compliance and is fully engaged in the latest legislation?
3. Please describe your standard reporting.
4. How will you help with the management of our insurance programs, including supervision and/or preparation of claims activity reports from carriers’ executive projections for budgeting purposes; and alternative funding analyses?

VI. GENERAL PROVISIONS

A. Potential Selection of Finalists

After the initial evaluation of Proposals, the University, at its sole discretion, may:

1. Issue a Notice of Intent to Award based on the evaluation, and
 2. Select one or more Proposer(s) as designated finalists. Finalists may be required to give an oral presentation of their Proposals to the University. Oral presentations provide an opportunity for the Proposer to clarify or elaborate on the Proposal, but Proposers shall not materially alter the content or terms of the original Proposal. If the evaluation committee requests presentations to be made by the Finalists, the Director of Purchasing will schedule the time and location for the presentations. **Note:** Oral presentations are at the discretion of the evaluation committee and may not be conducted; therefore, **written Proposals should be complete.**
- B. Acceptance of Contractual Requirements: Failure of the selected Proposer to execute a contract and deliver required insurance certificates within ten (10) calendar days after notification of an award may result in cancellation of the award. This time period may be extended at the option of the University.
- C. Investigation of References: The University reserves the right to investigate all references in addition to supplied references and investigate past performance of any Proposer with respect to its successful performance of similar services, compliance with specifications and contractual obligations, completion or delivery of a project on schedule, and lawful payment of subcontractors and employees. The University may postpone the award or the execution of the contract after the announcement of the apparent successful proposer in order to complete its investigation. Information provided by references may prevail in final selection, regardless of preliminary scoring results. Despite its right to investigate the Proposer references, the University is not obligated to utilize references as part of its evaluation criteria and may decline to investigate or consider references.
- D. RFP Preparation Costs: Cost of developing the proposal, attendance at an interview (if requested by the University) or any other such costs are entirely the responsibility of the Proposer and will not be reimbursed by the University. By submitting a Proposal, each Proposer thereby accepts all risks, and waives all claims, associated with or related to the costs it incurs in Proposal preparation, submission, and participation in the solicitation process.
- E. Clarification: The University reserves the right to seek clarification of each Proposal or to make an award without further discussion of Proposals received. Therefore, it is important that each Proposal initially be submitted in the most complete, clear, and favorable manner possible.
- F. Right to Reject Proposals: The University reserves the right to reject any or all Proposals if such rejection would be in the University's interest. Whether such rejection is in the University interest will be solely determined by the University.
- G. Cancellation: The University reserves the right to cancel or postpone this RFP at any time or to award no contract.

- H. Proposal Terms: All Proposals, including any price quotations, will be valid and firm through the period of contract execution. Usage: It is the intention of the University to utilize the services of the successful Proposer(s) to provide services as outlined in the Scope of Work of this RFP.
- I. Contract: Submission of a Proposal in response to this RFP indicates Proposer's willingness to enter into a contract as drafted by the University. If the selected Proposer will not agree to the University's standard contract terms or if the University determines, in its sole discretion, that the selected Proposer will not agree to acceptable contract terms within a reasonable period of time, the University may cancel the selection and award the contract to the next highest ranking Proposer.
- J. Rejections and Withdrawals: The University reserves the right to reject any or all Proposals or to withdraw any item from the award.
- K. RFP Incorporated into Contract. This RFP will become part of the final contract between the Board and the selected Proposer (also referred to herein as the "Contractor"). The Contractor will be bound to perform according to the terms of this RFP and its Proposal.
- L. Communication Blackout Period. Except as called for in this RFP, Proposers may not communicate about this RFP with members of the evaluation committee of any employees of the University until the apparent successful Proposer is selected. If any Proposer initiates or continues contact in violation of this provision, the University may, in its sole discretion, reject that Proposer's Proposal and remove it from consideration for award of a contract under this RFP.
- M. Prohibition on Commissions – The University will contract directly with organizations capable of performing the requirements of this RFP. Contractor must be represented directly.
- N. Clerical Errors in Awards. The University reserves the right to correct inaccurate awards resulting from its clerical errors.
- O. Collusion. By responding, the Proposer states that the proposal is not made in connection with any competing Proposer submitting a separate response to the RFP, and is, in all aspects, fair and without collusion or fraud. Please complete form in Exhibit 1 and attach it with your response.

VII. **APPLICABLE LAW**

- A. The laws of the State of Delaware shall apply, except where Federal Law has precedence. The successful vendor consents to jurisdiction and venue in the State of Delaware.
- B. In submitting a proposal, Vendors certify that they comply with all federal, state and local laws in its activities and obligations including:
 - 1. The laws of the State of Delaware;

2. The applicable portion of the Federal Civil Rights Act of 1964;
 3. The Equal Employment Opportunity Act and the regulations issued thereunder by the federal government; and.
 4. The Americans with Disabilities Act of 1990, and the regulations issued there under by the Federal Government.
- C. If any vendor fails to comply with any of the applicable laws, the University reserves the right to disregard the proposal, terminate the contract, or consider the vendor in default.
- D. The selected vendor shall keep itself fully informed of and shall observe and comply with all applicable existing Federal and State laws, and County and local ordinances, regulations and codes, and those laws, ordinances, regulations, and codes adopted during its performance of the work.

VIII. PUBLIC RECORDS

Due regard will be given for the protection of proprietary information contained in all proposals received; however, vendors should be aware that all materials associated with this procurement are subject to all rules, regulations and interpretations resulting from, and any other applicable rules, regulations or judicial decisions regarding access to the records of government.

It will not be sufficient for vendors to merely state generally that the proposal is proprietary in nature and not therefore subject to release to third parties. Those particular pages or sections which a vendor believes to be proprietary and of a trade secret nature must be specifically identified as such and must be separated from other sections or pages of their proposal. **All such materials should be submitted in a separate sealed envelope and marked "CONFIDENTIAL".**

IX. OFFER OF GRATUITIES

The vendor warrants, represents, and certifies that no elected or appointed official or employee of the University has or will benefit financially or materially from this procurement. Any contract and/or award arising from this RFP may be terminated by the University if it is determined that gratuities of any kind were either offered to, or received by any of the aforementioned officials or employees from the vendor, the vendor's agent or the vendor's employees.

X. INDEMNIFICATION

- A. General Indemnification. By submitting a proposal, the proposing vendor agrees that in the event it is awarded a contract, it will indemnify and otherwise hold harmless the University, its agents and employees from any and all liability, suits, actions, or claims, together with all costs, expenses for attorney's fees, arising out of the vendor's agents and employees' performance work or services in connection with the contract, regardless of whether such suits, actions, claims or liabilities are based upon acts or failures to act attributable, solely or in part, to the University, its employees or agents.
- B. Propriety Rights Indemnification. Vendor shall warrant that all elements of its solution, including all equipment, software, documentation, services and deliverables, do not and will not infringe upon or violate any patent, copyright,

trade secret or other proprietary rights of any third party. In the event of any claim, suit or action by any third party against the University, the University shall promptly notify the vendor in writing and the vendor shall defend such claim, suit or action at vendor's expense, and the vendor shall indemnify the University against any loss, cost damage, expense or liability arising out of such claim, suit or action (including, without limitation, litigation costs, lost employee time, and counsel fees) whether or not such claim, suit or action is successful.

- C. If any equipment, software, services (including methods), products or other intellectual property used or furnished by the vendor (collectively "Products") is or in vendor's reasonable judgment is likely to be, held to constitute an infringing product, vendor shall at its expense and option either:
1. Procure the right for the University to continue using the Product(s);
 2. Replace the Product with a non-infringing equivalent that satisfies all the requirements of the contract; or
 3. Modify the Product(s) to make it or them non-infringing, provided that the modification does not materially alter the functionality or efficiency of the Product or cause the Product(s) or any part of the work to fail to conform to the requirements of the Contract, or only alters the Product(s) to a degree that the University agrees to and accepts in writing.

THIS PAGE MUST BE SIGNED AND NOTARIZED FOR YOUR BID TO BE CONSIDRED

SWORN AND SUBSCRIBED before me this _____ day of
_____20__.

City of _____

County of _____

State of _____

My Commission Expires: _____

Notary Public

This Statement must be completed and signed before contract is awarded.

EXHIBIT II

Under this exhibit, a list of services is provided. Please submit prices of these services. However, if any of the services are missing on this list, add those services in your response and submit prices.