



Oregon Public  
Entity Excess Pool

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**Request for Proposals (RFP)**

**REINSURANCE BROKER SERVICES**  
**Liability and Cyber Liability**

OPEEP  
1212 Court St. NE  
Salem, OR 97301  
(503) 763-3800

<b>RFP Schedule</b>	
Issuance of RFP:	<b>August 18, 2021</b>
Deadline to Submit Written Questions about the RFP:	<b>August 31, 2021, 5:00 p.m. (PT)</b>
Proposal Due Date:	<b>September 29, 2021, 5:00 p.m. (PT)</b>
Evaluation of Proposals, Finalists Selected:	<b>October 6, 2021</b>
Finalist Interviews (if needed):	<b>October 11-15, 2021</b>
Anticipated Contract Award:	<b>October 15, 2021</b>
Commencement of Contract:	<b>November 1, 2021</b>



**REQUEST FOR PROPOSALS  
FOR  
REINSURANCE BROKER SERVICES  
Liability and Cyber Liability**

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## I. INTRODUCTION

### A. PURPOSE

The purpose of this Request for Proposals (RFP) is to solicit offers from qualified vendors for reinsurance brokerage services.

### B. BACKGROUND

The Oregon Public Entity Excess Pool (OPEEP) began providing liability coverage to Oregon cities and counties effective July 1, 2015. The membership is currently comprised of three Oregon counties and CIS (Citycounty Insurance Services). The program concept began in 2011 – 12 self-insured public entities participated in a feasibility and actuarial studies. Four founding members agreed to join forces and launched operations effective July 1, 2015. In 2017, an optional purchase reinsurance program for cyber liability was offered. In 2018, an optional purchase reinsurance program for excess liability, with limits over the underlying layer, was offered.

The goals of OPEEP are as follows:

1. Provide liability reinsurance and cyber liability to CIS and other pools, as well as self-insured counties and cities in the State of Oregon.
2. Provide excess casualty pricing at a competitive rate and provide pricing stability to its members.
3. Offer a long-term insurance solution to Oregon cities and counties.
4. Offer broader coverage than the conventional marketplace.
5. Build equity over time so that OPEEP can manage risk.

OPEEP is supported by CIS, the League of Oregon Cities, and the Association of Oregon Counties. The four founding OPEEP members are CIS, Washington County, Clackamas County, and Deschutes County. OPEEP has a growth plan that includes additional cities and/or counties located in Oregon.

OPEEP is legally formed as an Oregon public entity under ORS Chapter 190. The regulatory statutes for OPEEP can be found under ORS 30.282. OPEEP by statute is exempt from the Insurance Code by ORS 731.036(5).

OPEEP is managed by a governing Board of Directors with day to day administration provided by CIS and Scott Moss, CIS P/C Trust Director. All participants in the program have full time risk management and loss control staff.

#### Liability Reinsurance

Currently, OPEEP purchases liability reinsurance from GEM. Each OPEEP member retains the first \$1 million, CIS retains \$2 million. OPEEP retains a \$1 million annual aggregate



deductible. GEM provides up to \$9 million of reinsurance. Coverage is provided in the OPEEP Liability Coverage Agreement. The premium is \$2,264,809.

*IMPORTANT NOTE: OPEEP is comfortable working with GEM directly. The broker will be expected to determine if the GEM premium is "fair" given market conditions. At least every other year, the broker will perform a market premium analysis and report expected options and premiums to the OPEEP Board. This activity should be reflected in the proposed fee.*

#### Excess Liability Reinsurance

Great American provides excess liability reinsurance from \$10 million up to \$20 million. Currently, only four entities purchase this higher limit. The premium is \$239,038.

#### Cyber Liability Reinsurance

OPEEP purchase cyber liability reinsurance from Markel. Each OPEEP member has separate retentions and limits. The cyber reinsures the OPEEP Cyber Liability Coverage Agreement. Markel has told us they will non-renew in 2022. At the time of issuing this RFP the final cyber liability premium is unknown but may be available in response to a question. The premium ranges is between \$300,000 to \$350,000.

## **II. SCOPE OF WORK**

The successful vendor will broker the placement of OPEEP reinsurance and provide consulting services to OPEEP. Services provided will include, but not be limited to, the following:

1. Market and place liability and cyber liability for OPEEP, with capacity to reach insurance/reinsurance markets worldwide. PLEASE SEE "IMPORTANT NOTE" UNDER LIABILITY REINSURANCE ABOVE.
2. Organize meetings with reinsurance underwriters annually. Usually these are held at the Association of Government Risk Pools (AGRIP) staff conference.
3. Provide consulting and advice on how OPEEP can be competitive with other carriers in the marketplace.
4. Provide access to markets and the ability to find and/or create market opportunities that meet the needs of Oregon cities and counties.
5. Assemble options and alternatives for OPEEP and members on emerging risks and coverages.
6. Identify, review, and evaluate risks and exposures facing OPEEP.



7. Identify deficiencies in insurance coverages.
8. Provide assistance with underwriting data.
9. Have a strong working relationship with reinsurance underwriters.
10. Assure financial strength of reinsurance companies.
11. Provide recommendations on placements, limits, and retentions.
12. Provide an annual stewardship report.
13. Provide consultation to OPEEP management, underwriters, risk management consultants, and claims staff.
14. Attend quarterly meetings with the OPEEP Board. A minimum of two meetings shall be in-person.
15. Respond to questions and issues from underwriting staff on a regular basis.
16. Provide ongoing reconciliation statements of premiums owed and due.

### **Wholesale Brokers**

The OPEEP Board must approve any wholesale brokers and associated fees.

### **Fee**

OPEEP expects an annual fee proposed by the broker. OPEEP understands some underwriters will only work on a commission basis. All income received from the broker must be disclosed and deducted from the fee.

### **Conflicts of Interest**

OPEEP values its working relationships with Oregon agents and supports Oregon companies. OPEEP does not want a real or perceived conflict of interest from a broker that represents both OPEEP members and OPEEP. If a broker represents OPEEP members, it will need to provide a plan for avoiding a conflict of interest. CIS is concerned about using the same broker for both CIS and OPEEP.

Transparency is key. While the OPEEP Board does not anticipate the use of wholesalers. If used, the broker must disclose any wholesalers, MGAs, or intermediaries working on this account and the expected commission/fee. OPEEP prefers the use of wholesalers that



are not owned by the broker, but may approve the use, if warranted. OPEEP prefers domestic wholesalers that are on a fee basis.

III. SCHEDULE AND SUBMITTAL

A. RFP AND EVALUATION SCHEDULE

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B. OPEEP CONTACT PERSON

**Scott Moss**  
**CIS P/C Trust Director**  
 Email: [smoss@cisoregon.org](mailto:smoss@cisoregon.org)  
 Phone: 503-763-3840

C. WRITTEN QUESTIONS

If proposers have questions about the RFP, they are encouraged to submit those as soon as possible, but no later than **5:00 p.m. (PT) on August 31, 2021**. Questions must be in writing and may be emailed to the Contact Person above. OPEEP will not be obligated to answer any questions received after the deadline, or any submitted in a manner other than as instructed above.

D. PROPOSAL SUBMITTAL

1. General

Proposals must be received by **5:00 p.m. (PT) September 29, 2021**. Any proposal received after this date and time will not be considered.

Delivery of proposals by the specified deadline is the sole responsibility of the Proposer. OPEEP will not be responsible for, nor accept as a valid excuse, any delay in the method



of delivery used by the Proposer except where it can be established that OPEEP was the sole cause of the late receipt.

## 2. Method of Submittal

The proposal must be submitted in electronic form in an email to the [Contact Person](#) with “OPEEP Reinsurance Brokerage Services RFP” in the subject line.

## 3. Evaluation Criteria

All proposals received in accordance with these RFP instructions will be evaluated to determine if they are complete and meet the requirements specified in this RFP. An award will be made to the Proposer whose offer is judged to be the most advantageous to OPEEP, though OPEEP expressly reserves the right to reject all proposals and make no award under this RFP.

The following criteria will be considered in evaluating the proposals:

- Quality of the proposal, including an expressed understanding of OPEEP's requirements
- Qualifications
- Experience, particularly with similar projects
- References
- Staffing and Project Organization
- Work Plan/Technical Approach
- Cost Schedule
- Miscellaneous, including exceptions/deviations

## IV. GENERAL INSTRUCTIONS

### A. ORAL COMMUNICATIONS

Any oral communication by OPEEP's [Contact Person](#) or designee concerning this RFP is not binding and shall in no way modify the RFP or the obligations of OPEEP, a proposer, or selected firm(s).

### B. CHANGES TO RFP

If it is necessary to make material changes to the RFP, OPEEP will issue a written RFP addendum. This includes responses to written questions received by the specified deadline. All such addenda issued shall become part of the RFP.



OPEEP will email written RFP addenda to all recipients of record of the original RFP and post such addenda on CIS' website ([www.cisoregon.org/About/RFS](http://www.cisoregon.org/About/RFS)). Recipients of record are those parties to whom OPEEP directly sent a copy of the RFP.

It is the responsibility of each proposer to ensure they have all addenda OPEEP has issued. This may be accomplished by visiting the website listed above prior to the proposal submittal deadline.

### **C. EXCEPTIONS / DEVIATIONS**

Any exceptions to or deviations from the requirements set forth in this RFP, must be declared in the proposal submitted by the Proposer. Such exceptions or deviations must be segregated as a separate element of the proposal under the heading "Exceptions and Deviations."

### **D. AUTHORIZATION TO DO BUSINESS**

The Proposer must be authorized to do business in the State of Oregon and in the local jurisdiction in which it is located or where the work will be performed.

### **E. PRE-CONTRACTUAL EXPENSES**

OPEEP shall not be liable for pre-contractual expenses incurred by a proposer in the preparation of its proposal, and proposers shall not include any such expenses in their offers. Pre-contractual expenses are defined as expenses incurred by the Proposer to: (1) prepare and submit its proposal to OPEEP; (2) negotiate with OPEEP on any matters related to this RFP; and (3) any other expenses incurred by the Proposer prior to the date of award, if any.

Issuance of this RFP and receipt of proposals does not commit OPEEP to award a contract. OPEEP reserves the right to postpone the award for its own convenience, to accept or reject any or all proposals received in response to this RFP, to negotiate with more than one proposer simultaneously, or to cancel all or part of this RFP.

### **F. WITHDRAWAL; PROPOSAL IRREVOCABLE FOR NINETY (90) DAYS**

A proposer may withdraw its proposal at any time prior to the submittal deadline by sending OPEEP a request in writing from the same person who signed the submitted proposal. As of the deadline for submittal, any proposal received by OPEEP and not withdrawn becomes an irrevocable offer available for acceptance by OPEEP immediately and for **ninety (90) days** thereafter. The Proposer is responsible for the accuracy of the proposal submitted, and no allowance will be made for errors or price increases that the Proposer later alleges are retroactively applicable.





## G. DISPOSITION OF PROPOSALS

All materials submitted in response to this RFP become the property of OPEEP, except for information identified by the Proposer as being proprietary. A blanket statement that all contents of the proposal are proprietary will not be honored by OPEEP. Please note that as a public entity, OPEEP is subject to Oregon public records law, which may require the disclosure of information regarding proposals or a subsequent contract.

## H. IMMATERIAL DEFECTS IN PROPOSAL

OPEEP may waive any immaterial deviation or defect in a proposal. OPEEP's waiver shall in no way modify the RFP documents or excuse the Proposer from full compliance with the RFP if awarded the contract.

## I. WRITTEN AGREEMENT

The Proposer selected for contract award through this RFP shall be required to enter into a written agreement with OPEEP, governing the provision of professional services to OPEEP members and other eligible entities. The agreement will include pertinent terms and conditions set forth in this RFP and will reflect the Proposer's offer or the outcome of contract negotiations. The agreement will also include, to the extent applicable, the provisions described in Appendix A and any terms or conditions added by addendum.

It is anticipated that the Proposer may enter into separate agreements with subcontractors to fulfill the terms of this contract. OPEEP will not be a party to those separate agreements, nor in any manner a guarantor or indemnitor of them.

## J. TERM OF CONTRACT

If a contract is awarded through this RFP, it will be effective upon full execution of the agreement, which OPEEP expects to be **in October 2021 for a November 1, 2021, effective date**. The anticipated term of the contract is **five years**. No agreement with OPEEP shall be in effect until a contract has been approved by the OPEEP Board or designee, and has been signed by both parties.

## K. NEWS RELEASES

News releases pertaining to any award resulting from this RFP may not be issued without the prior written approval of OPEEP.



## V. PROPOSAL FORMAT AND CONTENT

The proposal submitted in response to this RFP must contain the information required in Sections A through E below. Brevity is preferred. For the questions in Sections B through D, please precede your answers with a restatement of the question. If you intend to use any subcontractors in fulfillment of services, information should be furnished for both your firm and the subcontractors where appropriate.

Submitting general marketing materials about your firm in lieu of providing specific answers to questions will not be acceptable. If you wish to submit marketing materials, you should do so as a separate addendum rather than as part of the formal response.

### A. COVER LETTER

All proposals must include a cover letter addressed to the [Contact Person](#) in Section III, B above. At a minimum, the cover letter must contain the following:

- Identification of the Proposer, including business name, address and phone number.
- Name, title, address, phone number, and email address of a contact person during the period of proposal evaluation.
- Acknowledgment of RFP addenda received, if any.
- A statement that the proposal shall remain valid for a period of no less than **ninety (90) days** from the due date for proposals.
- Any exceptions to any specified criteria in this RFP.
- Identification of any information contained in the proposal which the Proposer deems to be confidential or proprietary and wishes to be withheld from disclosure. A blanket statement that all contents of the proposal are confidential or proprietary will not be honored by OPEEP.
- Signature of a person authorized to bind the offering firm to the terms of the proposal.

### B. QUALIFICATIONS, RELATED EXPERIENCE AND REFERENCES

1. Furnish background information about your firm, including date of founding, legal form (i.e., sole proprietorship, partnership, LLC, corporation/state of incorporation), number and location of offices, principal lines of business, number of employees, days/hours of operation, and other pertinent data. Disclose any conditions (e.g., bankruptcy or other financial problems, pending litigation, planned office closures, impending merger) that may affect your ability to perform contractually. Certify that the firm is not debarred, suspended or otherwise declared ineligible to contract by any federal, state, or local public agency.



2. Describe your firm's experience and qualifications for providing the required services to OPEEP. Specifically highlight those qualifications that distinguish you from your competitors. The focus should be on recent experience within the last **five (5) years** that is relevant to the scope of work outlined in this RFP.
3. Indicate whether you have an Oregon insurance license.

### **C. STAFFING AND PROJECT ORGANIZATION**

1. Identify the key personnel from your firm who would be assigned to this project. Include a brief description of the number of years with your firm, qualifications, professional certifications, job functions, current pools represented, and office location(s). Designate Engagement Manager(s) who would be ultimately responsible for the relationship and a Project Manager who would provide day-to-day direction of the required work. Furnish brief resumes (not more than two (2) pages long) for all key personnel; include these as an appendix, not in the body of the proposal.
2. Please include a simple organization chart that clearly delineates communication and reporting relationships among the project staff.

### **D. WORK PLAN / TECHNICAL APPROACH**

1. Describe in detail what information, documents, staff assistance, facilities, or other resources you would require from OPEEP or its members to complete your work; declare any critical assumptions upon which your work plan is based. Describe your experience working with municipal pools in providing relevant services.
2. Describe succinctly how your firm would accomplish the work and satisfy OPEEP's objectives described in this RFP. If appropriate, divide the work into segments or tasks to represent milestones for measuring progress.
3. Describe the work products and other deliverables you would provide to OPEEP and its members. State the purposes for which the work products could be used and any limitations your firm would impose on their usage.
4. OPEEP prefers to submit renewal data electronically. Describe your electronic methods to bring OPEEP and underwriters together.

### **E. COST SCHEDULE**

The Proposer's fee schedule must be submitted with the proposal.



All fees and costs are to be contained in this schedule. For each service element, include a cost and provide a grand total for all service elements. Include any applicable fees, such as administration fees.

The schedule should also include the method used to charge for any special requests, reports, or broadening of the scope of the work beyond that described in this RFP, including the methodology for extension of rates in subsequent contract years.

This section must also include payment terms required for services rendered and a preferred schedule of billing dates.

If you wish to propose rate studies, stochastic analysis, capitalization studies, or actuarial evaluations, please price separately. OPEEP has not obtained these types of services from its broker in the past.

The current broker fee is \$50,000 per year. This does not include placing cyber liability reinsurance.



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## APPENDIX A – OPEEP CONTRACT CONSIDERATIONS

OPEEP contracts will be subject to the following standards. These are not exclusive and other contract clauses and provisions will be applicable as well. However, these are areas respondents to OPEEP RFPs should be aware of in considering and preparing responses.

### A. MANDATORY PROVISIONS:

1. Indemnity Provision. There shall be no provision requiring OPEEP to indemnify contractor for contractor's acts or omissions. Indemnity provisions should be mutual and reciprocal. OPEEP's standard indemnity clause is as follows:

**Contractor agrees to hold harmless, indemnify, and defend OPEEP and CIS, and its officers and employee from and against all claims, suits, actions, losses, damages, liabilities, costs, and expenses of any nature resulting from, arising out of, or related to the acts or omissions of Contractor or its officers, employees, subcontractors, or agents in performance of services pursuant to this Contract. OPEEP agrees to hold harmless, indemnify, and defend Contractor and its officers and employees from and against all claims, suits, actions, losses, damages, liabilities, costs and expenses of any nature resulting from, arising out of, or related to the acts or omissions of OPEEP or its officers, employees, subcontractors, or agents pursuant to this Contract.**

2. Independent Contractor Status. The following shall be included in OPEEP contracts:

**Contractor shall perform the required services as an independent contractor and not as an "officer, employee, or agent" of OPEEP as those terms are used in ORS 30.260 through 30.300. Although OPEEP reserves the right to evaluate the quality of the service provided by Contractor, OPEEP will not control the means or manner of Contractor's performance.**

3. Governing Law and Venue. OPEEP contracts shall be subject to the laws of Oregon and venue for any disputes arising out of the contractual relationship. The contract shall include the following clause or the substantial equivalent:

**This contract shall be governed by the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding between OPEEP and Contractor arising from or related to this contract shall be brought and conducted in the Circuit Court of Marion County for the State of Oregon; provided, however, if a claim must be brought in a federal forum, then it shall be brought in the U.S. District Court for the State of Oregon.**



4. Insurance. Except under special circumstances, and with the approval and consent of the OPEEP Administrator, the following minimum insurance provisions shall be specified in the contract:

**During the term of this contract, Contractor shall maintain in force insurance coverage compliant with the requirements listed below:**

- a. Professional Liability insurance coverage applicable to services provided to OPEEP with a limit of at least \$10,000,000 per occurrence.
- b. Workers' Compensation insurance in compliance with ORS Chapter 656, if Contractor employs "subject workers".
- c. Comprehensive General Liability insurance applicable to the services provided to OPEEP, with a combined single limit, or the equivalent, of not less than \$1,000,000 each occurrence for Bodily Injury, Personal Injury, and Property Damage, including contractual liability coverage applicable to the indemnity provided under this contract.
- d. Automobile Liability insurance applicable to the operation of Contractor's trucks or automobiles with a combined single limit of not less than \$1,000,000 each accident for Bodily Injury and Property Damage, including coverage for owned, non-owned, and hired vehicles, as applicable.
- e. Notice of Cancellation or Change. There shall be no cancellation, material change, reduction of limits without thirty (30) days prior written notice from the Contractor or its insurer(s) to OPEEP.
- f. Certificates of Insurance. As evidence of the insurance coverages required by this contract, the Contractor shall provide acceptable insurance certificates to OPEEP as soon as practicable upon written request by OPEEP. If requested, complete copies of insurance policies shall be provided to OPEEP.

**B. OTHER CONTRACT CONSIDERATIONS:**

1. Limitations on Liability and Warranties. Responses to RFPs should include a description of any limitations on liability to either OPEEP or purported third-party liability limitations contractor would propose to include in a contract with OPEEP. These provisions are disfavored and will be a consideration in OPEEP's review and comparison of RFP responses.
2. Termination. While termination provisions are negotiable, any provision that would not permit OPEEP to terminate the contract with a reasonable notice period, without further obligation, would be strongly disfavored and allowed only with the consent of the OPEEP Board of Directors. OPEEP's preferred termination provision is as follows:



- a. **This contract may be terminated at any time by mutual written consent of the Parties.**
  - b. **OPEEP may, at its sole discretion, terminate this contract, in whole or in part, upon thirty (30) days written notice to contractor. In the event of such a termination, OPEEP agrees to pay Contractor the fees and expenses reasonably incurred prior to such termination.**
  - c. **OPEEP may terminate this contract immediately upon notice to Contractor, or at such later date as OPEEP may establish in such notice, if Contractor commits any material breach or default of any covenant, warranty, obligation or agreement under this contract, or fails to perform in a timely manner the services under this contract, and such breach, default, or failure is not cured within ten (10) business days after delivery of OPEEP's notice, or such longer period as OPEEP may specify in such notice.**
  - d. **Contractor may terminate this contract upon ten (10) days' written notice to OPEEP if OPEEP fails to pay Contractor pursuant to the terms of this contract and OPEEP fails to cure within thirty (30) days after receipt of Contractor's written notice, or such longer period as Contractor may specify in such notice.**
3. Dispute Resolution. Mandatory arbitration provisions are disfavored. OPEEP's position is that alternative dispute resolution is encouraged, but arbitration should be undertaken only when both parties agree to it at the time of the dispute. If arbitration is undertaken, OPEEP would not consent to the rules and procedures of the American Arbitration Association. Other standard rules are available, or the parties can simply agree to rules and procedures as they deem appropriate. Provisions requiring mediation as a precedent to other legal action are acceptable.