

# Missouri Housing Development Commission

## REQUEST FOR PROPOSALS FOR INSURANCE BROKER SERVICES



*Strength, Dignity, Quality of Life*

**MISSOURI HOUSING**  
DEVELOPMENT COMMISSION

### **RESPONSE DEADLINE:**

Five (5) hard copies and one (1) electronic copy by email  
Due by Wednesday, February 11, 2015 by 3:00 p.m. Central time

### **SUBMIT RESONSES TO:**

Marilyn Lappin, Director of Finance  
Missouri Housing Development Commission  
920 Main, Suite 1400  
Kansas City, Missouri 64105  
email: [mlappin@mhdc.com](mailto:mlappin@mhdc.com)

# REQUEST FOR PROPOSALS FOR INSURANCE BROKER SERVICES

## I. INTRODUCTION

The Missouri Housing Development Commission (“MHDC” or the “Commission”) is a governmental instrumentality of the state of Missouri and a body corporate and politic. In 1969, the 75th General Assembly of Missouri, in the face of a general housing shortage severely affecting low and moderate income persons, established the Commission in order to increase the availability of decent, safe and sanitary housing at prices within the means of low and moderate income persons. The Commission’s authority is derived from Chapter 215 of the Revised Statutes of Missouri, as amended and supplemented. Chapter 215 provides general information about the Commission and is available on-line at [www.moga.mo.gov/statutes/c215.htm](http://www.moga.mo.gov/statutes/c215.htm). Further information about the Commission and its programs is available on the Commission’s website at [www.mhdc.com](http://www.mhdc.com).

The Commission makes loans to non-profit and limited-dividend sponsors of residential housing to provide affordable housing for underserved Missourians. The Commission also makes funds available for the purchase of homes for first-time buyers at advantageous terms. The funds for mortgage financing are generally provided through the sale of tax-exempt and taxable notes and bonds that the Commission is authorized to issue. The Commission provides advisory, consultative, training and educational services to non-profit housing organizations.

The Commission also administers the federal Low Income Housing Tax Credit, Missouri Low Income Housing Tax Credit and the Affordable Housing Assistance Tax Credit; and operates a housing trust fund for very low-income Missourians to help prevent homelessness and provide emergency housing assistance.

The Commission receives and administers federal funding for housing, including U.S. Housing and Urban Development programs such as the HOME Investment Partnership Program and Project Based Section 8 Housing Assistance Payments.

### ***Purpose of Request for Proposals for Insurance Broker Services (RFP)***

The Missouri Housing Development Commission is seeking proposals from qualified firms to be the insurance broker on behalf of the Commission for its various insurance policies.

### ***Term of Service***

It is anticipated that the selected firm or firms will be retained by the Commission for a period of three years with up to three additional one-year options of the Commission, for a total of up to six years.

## II. GUIDELINES AND INSTRUCTIONS

### *Anticipated Timetable for RFP and Proposals*

Release RFP	January 12, 2015
Proposals Due	February 11, 2015
Evaluation Committee Selection	March 6, 2015

**Proposal Due Date:            Wednesday February 11, 2015 by 3:00 p.m. Central time**

### *Form of Response*

The Commission desires to consider responses to this RFP in a consistent and easily-comparable format. Proposals not organized in the manner set forth in this RFP may be considered, at the Commission's sole discretion, as unresponsive. Respondents should not refer to other parts of their proposal, to information that may be publicly available elsewhere, or to the submitting entity's website or another website in lieu of answering a specific question. The proposal must be accompanied by a cover letter stating that: (a) the information submitted in and with the proposal is true and accurate, and (b) the person signing the letter is authorized to submit the proposal on behalf of the firm.

Interested qualified firms are invited to submit proposals that contain information submitted in the order of Section IV below. Brevity and clarity of responses will be appreciated.

### *Proposal Submission*

Completed proposals must be submitted to the Commission electronically and in hard copy. Prospective bidders shall transmit completed proposals to the Commission by email to [mlappin@mhdc.com](mailto:mlappin@mhdc.com) in PDF file format along with the spreadsheet listing in Excel file format of the bidding firm's owners pursuant to Section IV.B.2. The "Subject" line of the email should state, "2015 Insurance Broker Proposal."

Five (5) printed copies of the firm's proposal — *marked as, "Response to Request for Proposal for Insurance Broker"* — must also be submitted by the Proposal Due Date to:

**Ms. Marilyn Lappin  
Director of Finance  
Missouri Housing Development Commission  
920 Main, Suite 1400  
Kansas City, MO 64105**

Completed responses to the RFP must be received by the Commission no later than **3:00 p.m. Central time on Wednesday, February 11, 2015**. Proposals must be received by the bid submission deadline. Proposers are responsible for ensuring actual receipt of the proposal by the Commission by the time designated above.

### ***Standards of Conduct***

This RFP is considered a “Competitive Matter” as that term is defined in the Commission’s “Standards of Conduct” Policy (the “Standards of Conduct”). Further, every Respondent, including, but not limited to, their respective principals, key employees and agents acting on their behalf are considered “Interested Parties” (as defined in the Standards of Conduct). As a result, every Respondent (including, but not limited to, its principals, key employees and agents) under this RFP is obligated to abide by the rules and restrictions imposed by the Standards of Conduct, including the rules governing contact with Commissioners and MHDC employees. The failure of any Respondent to abide by the rules and restrictions established by the Standards of Conduct may result in the disqualification of that Respondent’s proposal. Therefore, Respondents are strongly encouraged to review and familiarize themselves with the Standards of Conduct. The Standards of Conduct is available on MHDC’s website at [www.mhdc.com/about/commission/policies/standards\\_of\\_conduct.htm](http://www.mhdc.com/about/commission/policies/standards_of_conduct.htm).

Furthermore, pursuant to the Standards of Conduct, any response under this RFP shall disclose the name of the individual, entity and/or entities having ownership interests in the Respondent. All entities identified in this disclosure shall be reduced to their human being level irrespective of the number of entity layers which may be present for any disclosed entity. Notwithstanding the previous sentence, to the extent any Respondent under this RFP is a publicly traded corporation, such a Respondent may limit this disclosure to all board members, officers (and other key employees) and any shareholders owning or controlling ten percent (10%) or more of the corporation. Questions regarding this requirement or any other requirements or restrictions imposed by the Standards of Conduct may be directed to the Commission’s General Counsel, Weylin Watson, by phone at 816-759-6624 or email at [wwatson@mhdc.com](mailto:wwatson@mhdc.com).

### ***Inquiries***

**The Commission will provide responses to inquiries submitted by firms to the Commission’s contact person, Marilyn Lappin. All questions must be submitted in writing via email to Ms. Lappin at [mlappin@mhdc.com](mailto:mlappin@mhdc.com) and received no later than Wednesday, January 21, 2015, 3:00 p.m. CT. The “Subject” line of the email should be, “RFP for Insurance Broker Questions.”** Questions submitted after the deadline will not receive a response. Responses will be provided by January 28, 2015, 5:00 p.m. CT to all interested bidders that have provided an email address to Ms. Lappin prior to the above deadline for the submission of questions.

For inquiries regarding this RFP or to contact the Commission, please contact:

Ms. Marilyn Lappin  
[mlappin@mhdc.com](mailto:mlappin@mhdc.com)

All inquiries must be submitted by email, citing the particular proposal section and paragraph number. Respondents should note that all clarifications and exceptions are to be resolved prior to submission of the proposal. A list of all substantive inquiries received with relevant responses will be provided to interested bidders.

Other than the contact person identified herein and except as provided in Section IV.B.2 below, prospective proposers shall not approach the Commission's employees, managers or board members after the publication of this RFP and before the announcement of a selection about any matters related to the RFP or any proposal submitted pursuant thereto.

***Public Records***

Respondents should be aware that the proposals are public records, in accordance with state law, after the evaluation and selection process is completed.

***Modifications to Proposals***

Respondents may not modify or correct its proposal any time after the Proposal Due Date, except in direct response to a request from the Commission for clarification.

***Revisions to this RFP***

In the event that it becomes necessary to revise any part of the RFP, MHDC will provide an addendum to each firm receiving this RFP. Any additional information required to clarify portions of this RFP will be issued in the form of an addendum.

***Expenses Relating to Proposals***

All costs directly or indirectly related to the preparation of a response to this RFP shall be the sole responsibility of and shall be borne by the Respondent. MHDC shall not be liable for any expenses incurred by Respondents in replying to this Request.

***Visits and Interviews***

Respondents must be prepared to schedule a visit to its offices or to another location upon request by the Commission. In addition, Respondents may be interviewed by the Commission as a part of the selection process.

***Reservation of Rights***

The Commission reserves the right to conduct any investigation of the qualifications of any Respondent that it deems appropriate; negotiate modifications to any of the items proposed in the proposal; request additional information from any firm; reject any or all proposals; and waive any irregularities in any proposal. **The Commission retains the right to negotiate the fees and compensation arrangements for its insurance broker services.** At the Commission's sole discretion, the selection of a proposal by the Commission may be cancelled at any time prior to the complete execution of a contract or agreement. If the Commission cancels its selection of a proposal, the Commission may reissue this or a similar RFP and seek additional or revised proposals.

### III. SCOPE OF SERVICES

The Commission is seeking proposals for an Insurance Broker for its property, casualty, fidelity bond, general liability, umbrella, cyber liability and other insurance coverage. In order to implement the above program, the Insurance Broker will be expected to:

1. Assign experienced staff immediately upon proposal acceptance to assess the Commission's insurance needs and provide recommendations regarding the appropriate types of insurance for the Commission, the levels of coverage necessary to protect the Commission from reasonable risks, the levels of deductible for each policy to provide the best balance of risk limitation and lower premium and such other factors as the broker shall recommend.
2. Based on the insurance coverage selected by the Commission, organize develop and present to markets the Commission insurance coverage requirements and obtain bids from responsible insurers for that coverage. Evaluate and provide a summary of those bids to the Commission. Recommend the package of insurance policy terms, conditions and premiums that best reflects the goals and objectives of the Commission.
3. Represent the Commission, as directed, in any negotiations with insurers or prospective insurers and other parties regarding insurance matters.
4. Verify the accuracy and adequacy of all binders, policies, policy endorsements, invoices, claim runs and other insurance-related documents prior to delivery.
5. Issue certificates of insurance.
6. Administer claims submittals, if any, from the Commission in a manner best representing the interests of the Commission.
7. Be responsible for notifying the Commission of invoicing of premiums for all outstanding policies to assure that no policy lapses inadvertently because the Commission is unaware that an invoice is due.
8. Meet with the Commission at least semi-annually to review the outstanding coverage of the Commission to assure the Commission maintains appropriate levels of insurance and shall notify the Commission of any new developments in the industry or markets generally that affect the Commission in any way or that impact the insurance coverage or policies sought by the Commission.
9. Solicit quotes from multiple insurers at the time of any renewal upon request of the Commission.
10. Provide the Commission with an annual report within 45 days of the end of the Commission's fiscal year, detailing a schedule of the policies in force, the coverage amounts, deductible amounts, premiums paid and fees and commissions (including bonuses or other supplemental, volume or loss-related commissions or payments) received by the Insurance Broker in connection with each policy.

11. The primary account representative and other account team members for the Insurance Broker shall be reasonably available to the Commission and its staff to address questions related to this account.
12. Provide such other services related to the insurance coverage as the Commission may reasonably request.

#### IV. STRUCTURE AND CONTENT OF PROPOSAL

Respondents interested in providing Insurance Broker services to MHDC should submit the following information:

- A. Cover Letter stating that: (a) the information submitted in and with the proposal is true and accurate, and (b) the person signing the letter is authorized to submit the proposal on behalf of the Respondent.
- B. Proposal including the following information:
  1. Firm Information. Provide an overview of the firm, including the full legal name of the firm, state of organization and supervisory and regulatory authorities that oversee the firm. Provide a summary of the ownership and management of the firm. Describe any significant changes in the management and/or structure of the firm, including mergers that have occurred during the past three years. Indicate if any organizational changes are anticipated in the next 24 months.
  2. Firm Ownership. Pursuant to the Standards of Conduct (see Section II of this RFP), any response under this RFP shall disclose the name of the individual, entity and/or entities having ownership interests in the Respondent. All entities identified in this disclosure shall be reduced to their human being level irrespective of the number of entity layers which may be present for any disclosed entity. Notwithstanding the previous sentence, to the extent any Respondent under this RFP is a publicly traded corporation, such a Respondent may limit this disclosure to all board members, officers (and other key employees) and any shareholders owning or controlling ten percent (10%) or more of the corporation. **For purposes of providing firm ownership information, please complete Attachment 1 in spreadsheet format to include a listing of the firm's owners/shareholders.** Questions regarding this requirement or any other requirements or restrictions imposed by the Standards of Conduct may be directed to the Commission's General Counsel, Weylin Watson, by phone at 816-759-6624 or email at [wwatson@mhdc.com](mailto:wwatson@mhdc.com).
  3. Contact Person and Staffing. Provide the name, mailing address, telephone number, fax number, and email address of the primary contact person regarding the Respondent's proposal and the primary contact person for day-to-day operations regarding MHDC's account. List personnel and location(s) of staff that would be assigned to perform the services required. Please

attach relevant resumes or give brief descriptions of the insurance experience of the personnel that would be responsible for this account.

4. Financial Position. Provide the most recent annual financial statement of the firm (audited preferred) and unaudited year-to-date financial statements for the most recent quarter since the close of the fiscal year represented by the annual financial statement.
5. Experience. Include general discussion of the Respondent's experience providing insurance brokerage services.
6. Volume of Business. Provide a summary of the firm's premium volume for each of the past three years by the following categories: property and casualty, fidelity bond and mortgage bankers' liability, general liability, umbrella, cyber liability and automobile usage. If the office that will be service the Commission's account is a branch or subsidiary of a national or regional firm, the above information should be provided for both the office providing services to the Commission and the entire firm.
7. Scope of Service. Respond to each of the Scope of Services in **Section III** and indicate whether or not the firm can provide those services and describe the process by which those services would be provided. Include a detailed explanation of any service described in **Section III** the firm will not or cannot provide. As a part of the discussion of the assessment of the Commission's insurance needs, describe any loss prevention, loss control and related services the firm provides and any cost of risk analysis offered. Describe any additional services the firm would provide or that are necessary to the engagement described in this RFP.
8. Access to Insurance Markets. Describe the firm's access to insurance markets, including each of the following:
  - Property and Casualty
  - Fidelity Bond/Mortgage Bankers Liability
  - General Liability
  - Umbrella
  - Cyber Liability
  - Automobile Usage
9. Fees and Costs. Provide a range of fees for insurance brokerage services to be provided including the scope of services described in Section III of this RFP. In addition, describe any measures proposed by the firm to reduce the costs to MHDC for its insurance broker services and insurance premiums.
10. Customer Support. Describe and discuss the staff available to support the Commission, including which staff are located in the state of Missouri. Indicate how many dedicated claims support staff the firm maintains, what portion of the claims support staff is located in the state of Missouri and how many claims support staff are located in the office that will service the Commission. Identify the average number of claims support staff per

customer account and the average number of claims handled by each claims support staff member each year. Identify any technology or related tools available from the firm and describe the advantages those tools offer the Commission. Describe how the firm monitors insurer solvency and steps it would take in the event an insurer's solvency was weak or deteriorating or their rating downgraded.

11. References. Provide a list of at least five clients with insurance needs similar to the Commission, which may include governmental entities and financial institutions. Describe the firm's specific experiences providing services to each of those clients. Describe what experience, if any, the firm has providing insurance brokerage services to state housing finance authorities. Describe any issues or problems that have impacted any of the client accounts described in this section. Identify ways in which the firm added unique value or problem solving to any of the client accounts. Provide contact information to enable MHDC to contact those accounts as references. Identify any new accounts for governmental entities and financial institutions obtained in the past three years and any such accounts that the firm has lost. Provide an explanation for the lost accounts.
12. Licenses. Provide evidence that the broker and persons performing the work for the Commission maintain all Missouri licenses in order to broker the insurance sought pursuant to this RFP.
13. Professional Liability Insurance. Provide a Certificate of Insurance evidencing the firm's General Liability and Errors and Omissions insurance coverages.
14. Legal, Regulatory and Ethics Actions. Provide a summary of any litigation, arbitration and regulatory proceedings, pending, adjudicated or settled that the firm has been subject to within the last three years involving services the firm provided as an insurance broker. Please describe each regulatory proceeding in detail and any litigation or arbitration proceeding resulting in judgments, settlements or damage claims in excess of \$25,000 (including those matters not yet resolved that may exceed \$25,000).
15. Conflicts of Interest. Provide a statement disclosing: (i) any political contribution or gift valued in excess of \$250 (singularly or in the aggregate) made by or on behalf of respondent or executive officers of the respondent to any statewide elected official of the State of Missouri in the past two years; (ii) any current or proposed business transaction between respondent and any MHDC member, officer, or employee (attach list); and (iii) any other conflict or potential conflict or claim of conflict of interest that may exist between respondent and any MHDC member, officer, or employee (attach list). Identify any preferential or other relationships with insurers that may influence any recommendations the firm provides MHDC.

16. Co-Broker. If the firm will utilize the services of a co-broker or sub-broker, identify the firm or firms that will provide those services, describe the specific services to be provided by such broker, how fees and commissions will be allocated and the firm's historic relationship with each co-broker or sub-broker.
17. Rationale for Selection. Present the case for the selection of the firm as MHDC's insurance broker. Please do not repeat the information provided above. Instead, use this opportunity to share with the Commission the unique qualifications, experience, approach, background or other characteristics of the firm that make it the best choice for MHDC. Among other things these characteristics may include the firm's presence in the Missouri marketplace, the firm's status as a minority or woman owned firm, utilization of a minority or woman owned co-broker, special services the firm provides that others do not, particular insights into the Commission that will enhance the firm's ability to serve the Commission, special technologies offered by the firm or other characteristics of the firm that make the Commission's best choice. Please include any suggestions for innovative ideas or suggestions for ways to provide the Scope of Services in a convenient, efficient and cost-effective manner.
18. RFP Interview. Indicate if a member of the firm, preferably the person(s) who would be responsible for the account, would be willing to travel at the firm's expense, for an interview with MHDC staff.
19. Federal Work Authorization Program. Pursuant to *Mo.Rev.Stat. §285.530.2*, the firm selected pursuant to this RFP shall provide MHDC with an affidavit stating that the firm does not employ any person who is an unauthorized alien in conjunction with the contracted services, and that the firm is enrolled in and participating in a federal work authorization program with respect to the employees working in connection with the contracted services. Prior to execution of any agreement contemplated herein, the firm shall provide evidence of participation in a federal work authorization program. Questions regarding this requirement may be directed to the Commission's General Counsel, Weylin Watson, by phone at 816-759-6624 or email at [wwatson@mhdc.com](mailto:wwatson@mhdc.com). **In the proposal, please indicate whether the firm is currently enrolled in and participating in a federal work authorization program such as E-Verify.**

## V. RFP REVIEW AND SELECTION CRITERIA

The Insurance Broker Services Agreement will be awarded to the firm which, in the opinion of MHDC, is the best qualified to provide such services.

The criteria to be used in evaluating the proposals will include, but are not limited to, the following:

1. The firm's experience with similar governmental and financial institutions;
2. The personnel assigned to MHDC's account;
3. The financial strength and protection offered by each respondent;
4. Demonstrated access to applicable insurance markets,
5. Demonstrated understanding of the scope of services sought;
6. Availability of claims personnel and technology available to assist the Commission;
7. The Commission's prior experiences, if any, with the firm and the personnel to be assigned MHDC's account, perspectives provided by references, information provided by other governmental or housing finance professionals regarding the performance of an firm and any other factors the Commission believes would be in its best interest to consider.
8. Regulatory issues and legal actions taken against the firm.
9. Such other factors as the Commission may deem appropriate after completing its review of the proposals.

**There is no additional information requested. Thank you for reviewing this RFP.  
We look forward to your response.**