

# REQUEST FOR QUALIFICATIONS AND PROPOSALS

**INSURANCE BROKER**  
**FOR**  
**PROPERTY, CASUALTY, FIDELITY AND OTHER INSURANCE**



*Strength, Dignity, Quality of Life*

**MISSOURI HOUSING**  
DEVELOPMENT COMMISSION

**RESPONSES DUE:**  
**Friday, February 6, 2009, by 5:00 P.M. Central time**

**Missouri Housing  
Development  
Commission:**

The Missouri Housing Development Commission (“MHDC” or the “Commission”) was established in 1969 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 is a governmental instrumentality of the state of Missouri and a body corporate and politic. The Commission’s authority is derived from Section 215.030, *et seq.*, of the Revised Statutes of Missouri, as amended and supplemented.

The Missouri Housing Development Commission, created by the 75th General Assembly, has invested almost \$4 billion for rental housing developments, preservation of affordable rental housing, home mortgages, home improvement loans, grants to neighborhood housing groups, and other housing programs. MHDC functions as a bank, providing financing directly to borrowers or through a network of private lending institutions.

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.

**The Commission has never filed a claim on its property, casualty, general liability or fidelity insurance policy or coverage.**

**Purpose of RFP:**

The purpose of this Request for Qualifications and Proposals (“RFP”) is to obtain statements of qualifications and proposals (“Proposals”) from qualified companies to be the insurance broker on behalf of the Commission for its various insurance policies.

**Term of Engagement:** 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.

**Proposal Due Date:** **Friday, February 6, 2009, by 5:00 P.M. Central time**

**Submission of Proposal:** [Five (5)] copies of the proposal must be submitted by the Proposal Due Date noted above to:

Missouri Housing Development Commission  
3435 Broadway  
Kansas City, Missouri 64111  
Attn: Marilyn Lappin, Director of Finance

Proposals must be submitted in written or printed bound form, along with one electronic copy on a CD-ROM, in a sealed envelope marked "Proposal to Serve as Insurance Broker to MHDC" and shall include all information required pursuant to this RFP. The envelope shall be marked with the name of the firm submitting the Proposal.

*(Neither faxed copies nor electronic submissions will be accepted.)*

<b>Anticipated Timetable for RFP and Proposals:</b>	Release RFP	January 22, 2009
	Proposals Due	February 6, 2009
	Evaluation Committee Selection (initial selection of limited number of brokers to evaluate & propose insurance coverage)	February 20, 2009

## Section II: Procedures and Instructions

- Questions:** Questions regarding this RFP should be directed to the Commission in writing by mail, facsimile or electronic mail, as follows:  
Marilyn Lappin  
Director of Finance  
Missouri Housing Development Commission  
3435 Broadway  
Kansas City, Missouri 64111  
(816) 759-6872 (fax)  
[mlappin@mhdc.com](mailto:mlappin@mhdc.com)
- Standards of Conduct:** Please refer to the Commission's "Standards of Conduct" for information regarding contact with MHDC Commissioners or staff in connection with this RFP. The Commission's "Standards of Conduct" are available on MHDC's website at [www.mhdc.com](http://www.mhdc.com).
- Modifications to Proposals:** A respondent 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:** If it becomes necessary to revise or clarify any part of this RFP, the Commission will provide an addendum to each firm receiving this RFP.
- Expense of Preparation of Proposals:** The Commission is not responsible for any expense incurred in preparing and submitting a Proposal or taking any action in connection with the selection process, or for the costs of any services performed in connection with submission of a Proposal.
- Public Records:** Firms responding to this RFP should be aware that the Proposals are public records in accordance with state law after the evaluation and selection process has been completed.
- Reservation of Rights:** The Commission reserves the right to conduct any investigation of the qualifications of any firm 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 commission schedule, or related compensation, payable to a broker in connection with this engagement.** The engagement described in this RFP is not necessarily exclusive and MHDC expressly retains the right at any time to retain any other firm to provide the services described herein, including obtaining coverage directly from providers, and to terminate any firm's position as Insurance Broker or provider at any time without violating the engagement contemplated by this RFP.
- Visits and Interviews** All firms responding to this RFP must be prepared to schedule a visit to their offices or to another location, including MHDC's offices, upon request by the Commission.

**Selection Process**

The Commission anticipates selecting at least two and not more than four respondents to this RFP. The selected brokers will each independently 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. The Commission will then determine which of those recommendations to accept and develop the coverage package it wishes to obtain. Each of the selected brokers will then approach the insurance markets to obtain bids from insurers and present those bids to the Commission, which will include full disclosure of the fees and commissions payable to the broker in connection with the policy. The Commission will allocate overlapping markets among the selected brokers, to the extent necessary and appropriate. Based on the bids submitted by each broker, the Commission will select one broker for its insurance coverage.

Those respondents selected to participate in the bidding round under this RFP are not entitled to any consideration for any work performed during the Selection Process under this RFP.

MHDC, may after receiving all responses to this RFP, choose not select any respondent(s) for participation in either the bidding phase or the final award phase of RFP process.

**Initial Selection  
Criteria for Brokers**

The selection of the two to four respondents will be based on multiple factors including:

1. The personnel assigned to MHDC's account;
2. The firm's experience with similar governmental and financial institutions;
3. The financial strength and protection offered by each respondent;
4. Demonstrated access to domestic and international markets,
5. Availability of claims personnel and technology available to assist the Commission;
6. References provided to MHDC;
7. Demonstrated understanding of the scope of services sought; and
8. Such other factors as the Commission may deem appropriate after completing its review of the proposals.

**Final Selection  
Criteria for Broker  
and Policies**

In addition to the selection criteria listed above under “Initial Selection Criteria for Brokers”, MHDC will base its selection of the broker or brokers whose insurance coverage bid it will accept based on:

1. Its interaction with representatives of the selected firm(s) during the assessment process;
2. The relative cost of the insurance bids obtained by it and the financial strength of the firms providing those bids;
3. The creativity and problem solving exhibited during the assessment and bid process; and
4. Any other factors the Commission shall deem appropriate based on the circumstances at that time.

### Section III: Scope of Services

The Commission is seeking proposals for an Insurance Broker for its property, casualty, fidelity bond, general liability, umbrella 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 those bids and present to the Commission 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) Administer claims submittals, if any, from the Commission in a manner best representing the interests of the Commission.
- (5) 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.
- (6) 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.
- (7) Solicit quotes from multiple insurers at the time of any renewal upon request of the Commission.
- (8) 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.

- (9) 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.
- (10) Provide such other services related to the insurance coverage as the Commission may reasonably request.

## Section IV: Structure of Response

- A. The Commission desires to consider Proposals in a consistent and easily comparable format as established in this RFP. Proposals not organized as set forth in this RFP may, at the Commission's discretion, be considered non-responsive. Do not refer to other parts of your Proposal in lieu of answering a specific question. Do not provide references to filings or forms publicly available, including on the firm's website, in lieu of providing specific information in the Proposal.
- B. Each Proposal shall include a transmittal letter signed by an authorized representative of the firm. In the transmittal letter the firm shall certify (i) that no elected or appointed official or employee of the Commission is financially interested, directly or indirectly, in the performance of the services specified in the RFP, (ii) that the information included in the Proposal is true and correct to the best of its knowledge and (iii) that the person signing the transmittal letter is authorized to execute the Proposal on behalf of the firm.
- C. Proposals should be organized in the same manner as the individual information request contained in **Section V: Proposal Details**. Responses to each lettered question shall begin on a separate page (e.g., answers to Question B should begin on a separate page from the response to Question A).
- D. Exhibits containing additional information may be attached to provide a more detailed response to a question, but only if clearly identifiable as a response to a specific question.

## Section V: Proposal Details

Firms responding to this RFP should prepare clear and complete responses to each of the following questions and information requests. Brevity and clarity of responses will be appreciated.

- A. Location and Personnel. List the location of your firm's main office and the locations of offices in the State of Missouri. Provide the address of the office location that will service the Commission. Identify the person directly responsible as the primary representative on behalf of the Commission and provide contact information for that person and include a brief description of the representative's background, experience and qualification, as well as an explanation of the representative's role and responsibilities for the firm. Provide a brief overview of other representatives of the firm that will be assigned to the Commission's account, their roles and responsibilities and their background and experience.
- B. Firm Overview. Provide an overview of the firm, including the full legal name of the institution, state of organization and supervisory and regulatory authorities that oversee the institution. Provide a summary of the ownership and management of the firm. Describe any significant changes in the management and/or structure of your firm, including mergers that have occurred during the past three years. Does your firm foresee or anticipate any organizational changes in the next 24 months?
- C. 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 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.
- D. 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 your firm's specific experiences providing services to each of those clients. Describe your experience, if any, 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 you 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.
- E. 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. Describe the firm's errors and omissions insurance, including the coverage amount, any deductible amounts and the provider.

- F. Customer Support. Describe and discuss your staff available to support the Commission. How much of that staff is located in the state of Missouri? How many dedicated claims support staff does the firm maintain? What portion of the claims support staff is located in the state of Missouri? 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 your firm and describe the advantages those tools offer the Commission. Describe how your firm monitors insurer solvency and steps it would take in the event an insurer's solvency was weak or deteriorating or their rating downgraded.
- G. Legal, Regulatory and Ethics Actions. Provide a summary of any litigation, arbitration and regulatory proceedings, pending, adjudicated or settled that your firm has been subject to within the last three years involving services your 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 (for those matters not yet resolved) in excess of \$25,000.
- H. Scope of Service. Respond to each of the Scope of Services in **Section III** and indicate whether or not your firm can provide those services and describe the process by which you would provide those services. Provide a detailed explanation of any service described in **Section III** the firm will not or cannot provide. As a part of your discussion of the assessment of the Commission's insurance needs, describe any loss prevention, loss control and related services you provide and any cost of risk analysis you offer. Describe any additional services you would provide or that you believe are necessary to the engagement described in this RFP.
- I. Access to Insurance Markets. Provide a list in order of preference from most to least preferred of the insurance markets you would seek to access on behalf of MHDC for each of the following:

Property and Casualty  
Fidelity Bond/Mortgage Bankers Liability  
General Liability  
Umbrella  
Automobile Usage

Identify those markets on the list, if any, which will submit bids through only one broker.

- J. 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.

- K. 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 you provide MHDC.
- L. Co-Broker. If your 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 your firm's historic relationship with each co-broker or sub-broker.
- M. Selection Process. Provide your assessment of the Selection Process and Selection Criteria outlined in Section II of this RFP. Are there any reasons the Commission should consider a different process or criteria? If so, please describe the recommended approach and the rationale for that approach.
- N. Rationale for Selection. Present the case for the selection of your 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 your 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 your firm provides that others do not, particular insights into the Commission that will enhance your firm's ability to serve the Commission, special technologies offered by your firm or other characteristics of your 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.
- O. Undocumented Workers. All respondents to this RFP shall provide MHDC with an affidavit stating that the respondent does not employ any person who is an unauthorized alien in conjunction with the contracted services and that the respondent is enrolled in and participating in a federal work authorization program with respect to the employees working in connection with the contracted services. This affidavit shall be updated and executed again at the time the engagement of the selected respondent is memorialized in a contract.

Thank you for reviewing and considering this RFP. As noted above, please adhere to the Commission's Standards of Conduct. Any questions should be directed to:

Marilyn Lappin  
Director of Finance  
Missouri Housing Development Commission  
3435 Broadway  
Kansas City, Missouri 64111  
(816) 759-6872 (fax)  
[mlappin@mhdc.com](mailto:mlappin@mhdc.com)