

**REQUEST FOR PROPOSALS**

**ADDENDUM # 2**

**ISSUED: December 6, 2011**

**RFP NUMBER: CSP904612**  
**INDEX NUMBER: DAS071**

**The State of Ohio, through the Department of Administrative Services, Office of Procurement Services, for the Office of Risk Management is requesting proposals for a:**

**Property and Casualty Insurance, Broker of Record, for the State of Ohio**

**Reason for Addendum. Acknowledge the date of initial Contract on Page 2 of the RFP is from the date of award through June 30, 2014.**

**PROPOSAL DUE DATE: October 19, 2011 by 1:00 p.m.**

**OPENING LOCATION: Department of Administrative Services  
General Services Bid Desk  
4200 Surface Road  
Columbus, Ohio 43228-1395**

## PART ONE: EXECUTIVE SUMMARY

**PURPOSE.** This is a Request for Competitive Sealed Proposals (RFP) under Section 125.071 of the Ohio Revised Code (ORC) and Section 123:5-1-08 of the Ohio Administrative Code (OAC). The Department of Administrative Services (DAS), Office of Procurement Services, on behalf of the Office of Risk Management (the Agency), is soliciting competitive sealed proposals (Proposals) for Property and Casualty Insurance, Broker of Record, State of Ohio and this RFP is the result of that request. If a suitable offer is made in response to this RFP, the state of Ohio (State), through DAS, may enter into a contract (the Contract) to have the selected Offeror (the Contractor) perform all or part of the Project (the Work). This RFP provides details on what is required to submit a Proposal for the Work, how the State will evaluate the Proposals, and what will be required of the Contractor in performing the Work.

This RFP also gives the estimated dates for the various events in the submission process, selection process, and performance of the Work. While these dates are subject to change, prospective Offerors must be prepared to meet them as they currently stand.

\*Once awarded, the term of the Contract will be from the award date through June 30, 2014. The State may solely renew this Contract at the discretion of DAS for a period of one month. Any further renewals will be by mutual agreement between the Contractor and DAS for any number of times and for any period of time. The cumulative time of all mutual renewals may not exceed six (6) years and are subject to and contingent upon the discretionary decision of the Ohio General Assembly to appropriate funds for this Contract in each new biennium. DAS may renew all or part of this Contract subject to the satisfactory performance of the Contractor and the needs of the Agency.

Any failure to meet a deadline in the submission or evaluation phases and any objection to the dates for performance of the Project may result in DAS refusing to consider the Proposal of the Offeror.

**BACKGROUND.** This Request for Proposals (RFP) is for the services of a property & casualty insurance Broker of Record (BOR) for the State of Ohio. The Ohio Department of Administrative Services (DAS), Office of Risk Management (ORM), is requesting proposals for a Broker of Record (BOR) to market and place existing and emerging insurance programs, including the creation of alternative risk financing and/or integrated programs to supplement or replace existing programs by creating a comprehensive risk management plan and support ORM with removing silos of risk.

Authority for the state's insurance, self-insurance, and risk management programs covered by this RFP is found in Ohio Revised Code Sections 9.82, 9.821, 9.822, 9.823, and 9.83.

The State of Ohio is a diverse government organization, comprised of over 90 agencies, performing a wide range of functions and operations, with an overall annual budget of \$26 billion, and approximately 55,000 employees, serving over 11 million residents of the state.

The state currently has a blend of policies covering real and personal property, inland marine, auto physical damage and general liability insurance. The state also has individual policies covering special agency needs, such as directors & officer's liability and fiduciary liability.

### SUMMARY OF CURRENT PROGRAM.

The following information is a summary of policies placed through ORM. Once the Contract is awarded, the Contractor will receive a full copy of all policy information and actuarial reports.

**Risk Management Reserve Fund:** Effective 07/01/11, the state is self-insured through the ORM fund. The fund pays all losses, regardless of the amount, so long as it is a covered claim. Exposures include premises liability, medical malpractice, and public official liability. In addition, the fund covers all vehicle liability claims. The state has approximately 17,000 licensed and off-road self-propelled vehicles, including emergency and law enforcement vehicles.

**Property Insurance:** The state purchases a policy with a \$350,000,000 limit of liability with a \$100,000 per occurrence deductible. Once the Contract is awarded, the selected BOR will receive the property inventory/statement of values.

**Public Employee Dishonesty & Faithful Performance of Duty:** Privately insured with a \$250,000 limit of liability, subject to a \$5,000 per occurrence deductible.

**Public Official Bonds:** Penal sums vary depending on the statutory requirement.

**Other Coverages:** When requested by state agencies, ORM purchases other coverages through various agents and brokers. A list of the policies will be made available to the successful Offeror, along with the scope of coverage. It is ORM's goal to procure excess casualty cover. The BOR will have the responsibility to recommend the most efficient and cost effective manner to consolidate coverages, including self-insuring, self-insured retention (SIR) and purchase of excess coverage, and alternative risk financing options. A summary of all policies will be available at the pre-proposal meeting

\*Change award date through 2014.