



Santa Barbara County Employees' Retirement System

Request for Proposal

Insurance Broker Services

March 2022

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I. Introduction

The Santa Barbara County Employees' Retirement System ("SBCERS") invites proposals from qualified firms to provide insurance brokerage services.

SBCERS is a public retirement system established in 1944, organized under and governed by the County Employees' Retirement Law of 1937 ("CERL"). SBCERS provides members with retirement, disability, death, and cost-of-living benefits. Approximately 9,300 members are served by SBCERS, who consist of employees and retirees of Santa Barbara County, the Santa Barbara Superior Courts and 10 special purpose governments. The Board of Retirement ("The Board") consists of eleven members, four of whom are appointed by the County's Board of Supervisors, four who are elected by the active and retired members of SBCERS, the County Treasurer who serves as an ex officio member, and two alternates. The Board is responsible for establishing policies, investing retirement fund assets, and determining eligibility for disability retirement and benefit related matters.

SBCERS employs approximately 23 staff members located in two office buildings: SBCERS Headquarters and a Member Services Center. The SBCERS Headquarters are located at 130 Robin Hill Road, Suite 100 in Goleta, California. SBCERS owns the property through Robin Hill Road, LLC, an entity wholly owned and operated by SBCERS. There are two buildings comprising approximately 40,000 square feet of office and light industrial space. SBCERS occupies approximately 8,500 square feet of office space and leases the rest. The Member Services Center is located at 2236 S. Broadway, Suite D in Santa Maria, California, where SBCERS leases an approximate 1,663 square foot space.

SBCERS' employees are employees of the County of Santa Barbara and SBCERS currently participates in Santa Barbara County's workers' compensation coverage program, which is excluded from the scope of this request for proposal. In all other respects, SBCERS acts independently in obtaining insurance coverages with respect to its operations. A schedule of SBCERS' current coverages is attached as Exhibit A.

A copy of the SBCERS Annual Comprehensive Financial Report (ACFR) as of June 30, 2021 is available to review at www.sbcers.org.

II. Scope of Services

SBCERS is seeking a qualified insurance broker firm to perform the following services:

A. Insurance Brokerage

1. Act as an independent insurance advisor to SBCERS and proactively provide ongoing unbiased professional advice and recommendations that benefit SBCERS.
2. Proactively provide ongoing review and analysis of SBCERS's insurance programs and identification of risk and recommendations for risk mitigation strategies.
3. Be familiar with SBCERS' lines of insurance and general risk exposures to SBCERS.
4. Assure that insurance policies are placed in a timely manner, without lapses in coverage periods, with reputable and financially responsible insurers.
5. Service all policies placed for SBCERS, including processing all changes and endorsements, and verification of the accuracy of invoices.
6. Provide early warning of potential rate and coverage changes or renewal problems, including prompt advice to SBCERS of any changes in exposure during the policy year that would require revisions to existing insurance coverages.
7. Upon the request of SBCERS, but at least once a year, provide a comprehensive report of all SBCERS insurance programs serviced.
8. Be available to answer questions or obtain answers from underwrites for policy coverage questions and meet with SBCERS staff, counsel, the Board, and Board Committees when requested.
9. Provide consultation services and written reports as normally expected of a professional Broker to a similar size and nature of government client such as SBCERS.
10. Provide loss control consultation services and assist with claims as requested by SBCERS. Assist in analyzing loss exposures from existing or any new operations, and determine the appropriate risk management alternatives, including types, availability, cost, and the extent of coverages that should be considered.

B. Design, Marketing, and Implementation

Develop policies and coverages to protect SBCERS, and when necessary, its consultants, contractors, and subcontractors. Perform all necessary marketing services, including but not limited to the following:

1. Monitor expiration dates of policies and provide SBCERS with written notification at least 60 days prior to the expiration, including a description of information needed to process the renewal.
2. Develop and implement a marketing strategy, including identifying potential markets for program renewals at least 60 days before policy expiration.

3. Develop underwriting information and assist in gathering and organizing exposure and loss data for renewals of policies placed.
4. Work with carriers to design policies and programs most advantageous to SBCERS for coverage of exposures, policy form, exclusions, deductibles, self-insured retentions, coordination with other policies, costs, and other pertinent factors.
5. Market renewal coverages for SBCERS by obtaining timely and competitive quotations from at least three (3) available and responsible insurers.
6. Provide quotation proposal for SBCERS at least 60 days prior to an insurance policy expiration unless otherwise approved by SBCERS.
7. When more than one market is approached for a line of coverage, provide SBCERS with copies of declination letters and all premium questions received with a summary of coverages explaining deficiencies and/or benefits of the quote compared to the recommended insurance program.
8. Provide quotations for specialized types of insurance, as requested by SBCERS.
9. Place, cancel, and otherwise handle all placements, binders, policies, and endorsements.
10. Review policies upon receipt to verify conformance to the specifications and negotiations and request and monitor required changes.

C. Policy Review

1. Review policies and other documents in detail within 14 days of receipt of the documents to check the wording and accuracy of each policy, binder, certificate, endorsement, or other document received from insurers to ensure that the intended coverage is provided. Ensure that all coverage, terms and conditions, and other wording is complete and accurate, and in compliance with financial arrangements and administrative procedures acceptable to SBCERS.
2. Obtain revisions needed to achieve compliance with coverage request.
3. Provide a timeline for issuance of policy forms.
4. Advise in writing of any changes to insurance policy/policies within 14 days of issuance from the insurance carriers.
5. Send electronic policies to SBCERS within 14 days of issuance from the insurance carriers.
6. The document for insurance Brokerage services shall recommend, among other things, the structure of the insurance and self-insurance, appropriate coverages, limits, and deductibles to be carried. Each insurer must have and maintain an A.M. Best's rating of not less than A-, unless otherwise approved by SBCERS. The Broker shall provide recommendations for cost, deductible options, coverage limits, and coverage enhancements, among other items, for the following, which is limited to SBCERS unless stated otherwise.

D. Manual Preparation and Revision for Coverage in Place

Prepare and revise for the approval of SBCERS all information necessary to assure the proper functioning of SBCERS' insurance program, including but not limited to:

1. Information as to the scope and limits of insurance policies for SBCERS
2. Details on claims and loss procedures.
3. Define the responsibilities of all parties participating in the program.

E. Policy Administration and Maintenance

1. Review and approve all premium audit statements and invoices, including verification of all premiums and provide notices of changes in premiums or terms and conditions, cancellation, and all communications from insurers.
2. Review and process riders, exceptions, and other changes to insurance policies, including, without limitation, explanation, and recommendations to SBCERS.
3. Issue required certificates of insurance to all insured parties as requested by SBCERS.
4. Provide advice to SBCERS including, assistance in connection with litigation or other proceedings for the settlement of disputes as it pertains to insurance coverage(s).
5. Assist in administering the insurance program by reviewing the adequacy and limits of insurance coverages. Maintain and update insurance policies, risk management information and provide insurance administrative services as needed, including but not limited to policy placement, certificate issuance, claims processing, and premium administration.

F. Risk and Claims Management

1. Policy and Contract Review: assist SBCERS in the review and development of provisions in contractual agreements relative to insurance, liability and risk allocation.
2. Loss Exposures: periodically review and identify changes in loss exposure
3. Loss Prevention: assist SBCERS in developing, administering, and monitoring a loss prevention program.
4. Assist staff, as necessary, in filing claims.
5. Promptly notify SBCERS of any losses or accidents reported to the Broker.
6. Assist SBCERS with the review of claim reserves, including self-insured reserves if any, and present SBCERS to the insurer regarding requested explanation or reduction of reserve amounts.
7. For all lines of insurance where loss runs are not otherwise available, provide regular loss runs and summary information.

8. Review loss runs for claims on all coverages. Evaluate loss history for trends or other indicators that might dictate changes in coverage strategy. Identify any relevant issues and advise SBCERS in writing.
9. Maintain information to gather, record, and report data relating to claims and all related costs, claims, and settlements. Prepare such reports, explanatory booklets, studies, plans, manuals, polices, rate determinations and analyses as may be necessary or requested by SBCERS in connection with its insurance, risk management, safety and loss prevention program, or other ancillary programs.

G. Stewardship

Provide SBCERS with a written annual summary of the policy year to include:

1. A schedule of coverage showing the nature of coverage, limits, deductibles, insurer, policy number, premium, and other relevant information.
2. Summary of the team servicing the account.
3. Anticipated renewal terms and conditions and other indications of market conditions, trends, and anticipated changes.
4. Identified problem areas such as claim handling, safety hazards, insurer financial problems, etc.
5. Recommendations for improved program design.
6. Services performed for the current year and planned for the next year.
7. Accounting of all income on the account, whether direct or indirect.

H. Other Requirements

1. Attendance at meetings at the request of SBCERS is expected. SBCERS staff and counsel administer the insurance program; however, interaction with and presentation to the Board of Retirement will be expected.
2. The selected respondent shall designate an account manager who shall have overall responsibility for the supervision of the Brokers performance of this program. The account manager shall give prompt attention and regard to the instructions, directions, and requests of SBCERS.
3. All reports, calculations, estimates, and other documents, data or information prepared by the respondent shall remain the property of SBCERS and the respondent shall not have the right to use, duplicate, or disclose such data or materials without the prior approval of SBCERS.

III. Submission Requirements

All terms, conditions, requirements and procedures included in the RFP must be met for a proposal to be qualified as responsive.

A. Time and Place for Submission of Proposals

Proposals must be submitted and received by 5:00 p.m. on April 15, 2022 as follows: an electronic pdf file via e-mail and 1 printed copy in a sealed envelope or box marked "Insurance Broker Services RFP"

Proposals may be mailed to:

SBCERS
Attn: Cristal Rodriguez, Deputy General Counsel
130 Robin Hill Road, Suite 100
Goleta, Ca 93117
email: crirod@sbcers.org

All proposals submitted will be considered public documents.

B. Minimum Qualification and Experience

All respondents must clearly show and document in the proposal the following minimum qualifications:

1. Current insurance Broker license issued by the California Department of Insurance, to be provided with this response.
2. At least ten (10) years of experience with commercial insurance policies.
3. At least ten (10) years of experience with working with governmental entities
4. Must have experience procuring insurance and providing insurance consulting services for medium to large defined public and/or private pension plan clients with at least \$3 billion in assets.
5. No prior history of corrective action with the California Department of Insurance.

C. Questionnaire

1. Firm Overview: Provide an overview of your company including:

- a. A brief history of your firm. Include in your response the year the firm was formed and began providing insurance broker services to institutional clients.

- b. Whether the firm is local, national, or international.
- c. Number of employees.
- d. Number of years the respondent has been in business under the present name, as well as related prior business names.
- e. Describe the structure and ownership of your firm. State whether the firm is an individual proprietorship, partnership, limited liability company, corporation, or joint venture.
- f. State all financial interests in other lines of business and/or entities related to the services to be provided.
- g. Description of the scope of services the firm provides. What are the firm's specialties, strengths, and limitations? What distinguishes your firm from your competitors?
- h. The name, title, experience, and qualifications of the officers, directors, and owners (if involved in management) of your firm.
- i. A brief summary of any investigations by regulatory agencies resulting in any penalty imposed by the agency.
- j. A brief summary of criminal filings against your firm and/or its principles in the past ten (10) years.
- k. List and describe any professional relationship your firm or any of your staff may have with any member of the SBCERS Board of Retirement, staff, legal counsel, or Plan Sponsors. Describe in detail any potential conflicts of interest your firm might have with respect to a SBCERS account.
- l. Why should SBCERS hire your firm? What is the firm's competitive advantage? Why your firm is most qualified to perform the services being requested by SBCERS?

2. Staffing

- a. List the name, title, and office location of the primary individual(s) who would be responsible for the SBCERS account.
- b. Provide biography/profile/resume for each person identified above.
- c. For each individual assigned to SBCERS, provide a description of responsibilities with the firm, years with the firm, years of relevant experience for this engagement, degrees and professional designations (including the name of the awarding institution) and any publications authored. What percentage of time will be allocated to each individual assigned to the SBCERS account to provide services to SBCERS? What other clients does each individual assigned to SBCERS also serve?
- d. Describe what role each key person will play in providing the required SBCERS services.

3. Qualifications

Provide evidence that your firm meets the minimum required qualifications (see section III-B).

4. Methodology

Describe your understanding of the scope and level of services required by the RFP and provide a description of the specific methodology and/or process to be used for providing the scope of services including the following:

- a. Schedule for procuring insurance, including meeting with insurers and interactions with SBCERS staff, counsel, and Board Trustees.
- b. Process for determining SBCERS insurance needs including the factors that will impact your analysis.
- c. Describe the process for determining the various layers of coverage that are used in designing a comprehensive insurance plan.
- d. Process for evaluating and making recommendations as to other insurance products for SBCERS' consideration.
- e. Identify the ongoing administrative process for managing insurance policies and any claims.
- f. Describe how your firm would support SBCERS in the event of a catastrophic claim.
- g. Explanation of any services described in Section II of the RFP that cannot be provided by your firm.

5. Relevant Experience and Understanding of SBCERS

- a. Provide a description of the firm's experience with public sector pension plans or other similar organizations or governmental entities.
- b. By utilizing the information contained in this RFP and at www.sbcers.org, assess SBCERS's risk profile and provide samples of report to be used to communicate the results. What are the top three (3) risk exposures that you anticipate will concern the insurers? How do you propose that SBCERS mitigate those risk?
- c. Discuss the current market trends in fiduciary liability insurance that may be of interest to SBCERS as it considers purchasing this coverage. How will these factors impact SBCERS' decision to purchase coverage?
- d. Describe the practical and financial impact to SBCERS when purchasing insurance with various retention levels.
- e. Provide a summary of any relevant research or white papers that your firm has produced in the past three (3) years on a topic relevant to SBCERS.

6. Compensation/Fee Proposal:

Provide your firm’s fee proposal in the following format:

	Year1	Year 2	Year 3	Option Year 1	Option Year 2
Total Fixed Fee Proposal					

The proposal must include a not-to-exceed estimate of the total compensation required by the proposer for the entire scope of work being proposed. The total compensation must reflect all direct and indirect income, including fees-for-service, premium commissions, contingent commission, contingent fees, and any other sources.

In the alternative, the proposal may propose a commission-based fee structure. Any such proposal shall contain detail as to how commissions are calculated and charged and an estimate of annual fees for a five-year period based on placement of coverages described in Exhibit A.

7. References

Provide a list of at least three (3) government or private organizations for which your company has provided similar services. Provide the name of the organization, a point of contact, address, telephone number, and email address.

8. Proposed Contract

- a. Provide a copy of your company’s standard professional services contract. Please indicate if there are any terms in the contract that are not negotiable.
- b. If applicable, a description of additional services your firm offers which are not covered within this document.

IV. Evaluation and Selection Criteria

A. Evaluation Criteria

SBCERS will convene a review panel consisting of SBCERS staff and counsel to evaluate all proposals and develop recommendations to the Board of Retirement. Proposals will be evaluated on the quality of responses and in consideration of the following factors:

- Firm’s Experience, Capabilities, and References
- Quality and Experience of Assigned Professional Personnel
- Understanding of SBCERS, Methodology, and Qualify of Proposal Submitted
- Fee Proposal

B. Selection Process

SBCERS will initially review all RFP responses on the criteria stated above. Any response that does not address all requested requirements or is otherwise incomplete will be rejected. The review panel may afford respondents the opportunity to clarify proposals for the purpose of assuring a full understanding of their responsiveness to the RFP.

All respondents will be notified in writing once selections have been made.

V. Schedule

RFP Issued	March 17, 2022
RFP Submission Deadline	April 15, 2022
Evaluation of Responses	April 18-22, 2022
Broker presentations and interviews	May 2022
Broker selection and notification	May 2022
Commencement of Work	June 2022

SBCERS reserves the right to modify this schedule at any time.

VI. Terms and Conditions

A. Inquiries Regarding RFP

From the date of issuance of this RFP until the selection of vendor is completed and announced, respondents are not permitted to communicate, for any reason, with any SBCERS staff member or Board Trustee regarding this procurement, except through the point of contact provided below. SBCERS shall reserve the right to disqualify any respondent who violates this provision from further participating in this procurement.

Inquiries or questions regarding the RFP should be directed to:

Santa Barbara County Employees’ Retirement System
 Attn: Cristal Rodriguez, Deputy General Counsel
 130 Robin Hill Road, Suite 100
 Goleta, Ca 93117
 email: crirod@sbcers.org

B. Financial Responsibility

SBCERS accepts no financial responsibility for any costs incurred by a firm in responding to this RFP. Submissions of the RFP and associated materials will become the property of SBCERS and may be used by SBCERS in any way deemed appropriate.

C. California Public Records Act

Information provided which is subject to the California Public Records Act will be made available to the public upon request.

D. Reservations of Rights by SBCERS

The issuance of this RFP does not constitute an agreement by SBCERS that any contract will actually be entered into by SBCERS. SBCERS expressly reserves the right at any time to:

- Waive or correct any defect or informality in any response, proposal, or proposal procedure;
- Reject any or all proposals;
- Reissue a Request for Proposals;
- Prior to submission deadline for proposals, modify all or any portion of the selection procedures, including deadlines for accepting responses, the specifications or requirements for any materials, equipment or services to be provided under this RFP, or the requirements for contents or format of the proposals; or
- Procure any services specified in this RFP by any other means.

SBCERS
Liability Program - 1/1/2021 - 1/1/2022



130 Robin Hill Road, LLC

Liability Program - 6/6/2021 - 6/6/2022

