

City of Los Angeles
Request for Proposals for Insurance Brokerage Services
For Property and Liability Insurance Programs
Questions and Answers

1. What are drivers for the RFP?
 - *Our current brokerage services agreement expires on June 30, 2012.*
2. Is a pre-meeting available/possible?
 - *No, it is not available – any questions or issues are addressed through the Questions and Answers process outlined in the Request for Proposals.*
3. Who is the current broker/consultant?
 - *Willis Insurance Services of California, Inc.*
4. What is the current compensation and structure (fee/commission)?
 - *Information on current compensation and structure is available in the current brokerage agreement, C-115733. It is a public document that is available on the Office of the City Clerk website: <http://cityclerk.lacity.org/> via a City Contracts Search for contract C-115733.*
5. Will you provide a statement of property values with COPE (construction, occupancy, protection, exposure) information?
 - *Please see document entitled **RFP Values and COPE** available on the LABAVN website: <http://labavn.org/>. Log in to the site and go to Opportunity 13476.*
6. Can you provide five year loss history on all lines of coverage?
 - *Please see document entitled **RFP 5 Year Loss History** available on the LABAVN website: <http://labavn.org/>. Log in to the site and go to Opportunity 13476.*
7. Has your risk retention appetite changed during the last few years? Are you retaining additional risk or securing more (or less) in coverage limits?
 - *There have been no changes to risk retention levels or coverage limits in the past three years.*
8. How does the City forecast, manage and account for loss projections within your retained band?
 - *During the annual budget process the City forecasts its potential liability losses using 5-year historical costs to estimate/trend liability for future years. Each department is responsible for addressing those trends to reduce their future losses.*

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9. Would you elaborate on any notable contractual risk transfers the City has in place?
- *The City has standard indemnification provisions and insurance requirements in its contractual agreements – Please refer to the Standard Provisions for City Contracts document available on the City’s Risk Management Website: <http://cao.lacity.org/risk/>.*
10. How is the City evaluating risk as you make determinations to self-insure or transfer your risk?
- *Please refer to the Insurance Procurement document available on the City’s Risk Management Website: <http://cao.lacity.org/risk/>.*
11. Would you provide a copy of the current brokerage/consulting contract?
- *The current brokerage agreement C-115733 is a public document that is available on the Office of the City Clerk website: <http://cityclerk.lacity.org/> via a City Contracts Search for contract C-115733.*
12. We note several separate/stand-alone policies for many names, City View Channel 35, Housing Dept., Recreation and Parks etc. Would you please explain the reasoning/RM philosophy behind maintaining these as separate placements?
- *These have been small, separate/stand-alone placements due to the nature of risk/exposure involved, and since the departments pay the premium for these placements, separation of these policies provides an ease of accounting.*
13. Would you expound upon your current method of handling Risk Control and Claims Management.
- *Please refer to the Claims Management & Analysis document available on the City’s Risk Management Website: <http://cao.lacity.org/risk/>. Each City department is responsible for determining what types of risk exist within their operation and in what priority they fall as to severity to the City operations. CAO Risk Management assists departments in identifying and addressing these risks through annual cost of risk reports. Once a claim is filed against the City, the City Attorney assumes control of the claim and works directly with the department through the claims process. The department’s management is responsible for taking measures to see that this risk is mitigated.*
14. Number of hours for both Risk Control and Claims Management
- *This information is not currently quantifiable.*

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15. Does the City directly report claims or are these directed through the broker?
- *The City reports claims through its broker.*
16. For the Oral presentation, do you have a preference (or limitation) to the number of attendees from the broker participants?
- *Up to eight broker attendees can be accommodated at the oral presentation.*
17. If a firm is under contract to the City and has, in that process, provided much of the administrative information required in this Request for Proposal, does said firm need to again provide such information?
- *All the administrative information required in this Request for Proposals should be provided with your Proposal. If any required administrative information has been provided for another contract your firm has with the City, then that information can be provided for this RFP in copy form.*
18. Is sub broker required to carry same limits and lines of coverage as lead broker? In particular, the requirement for \$5,000,000 on Professional Liability.
- *Yes. Please refer to Section II General Instructions for Proposers, 6. Insurance Requirements.*
19. Where there are specific terms, conditions and ordinances the MBE is typically not charged with complying, can sub broker/MBE ride under lead broker's protocols including need to carry specific bonds?
- *The sub-broker/MBE must comply with those specific terms, conditions and ordinances with which it is charged.*
20. Who is the independent risk management consultant?
- *Bud Griffin of Warren, McVeigh and Griffin, Inc.*
21. Orals of May 22 and 23 2012; would sub broker be required to participate in orals?
- *Participation of sub-brokers in the orals is not required.*
22. Does RFP require a delineation of work/responsibility between lead and sub broker?
- *Yes.*

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23. The policies shown include broker commissions. Are these commissions currently retained by the broker or, in the alternative, are the policies issued on a "gross basis" with these commissions returned to the City and then the broker is compensated on a fee?
- *Policies are issued on a gross premium basis with commissions returned to the City. Broker is compensated on a fee basis.*
24. If commissions are retained by the broker, are commissions "capped" in any fashion or do the commissions as shown on each policy represent the total compensation earned by the current broker?
- *Not Applicable.*
25. Regarding Attachments 3 & 4, there is a message that the files are corrupt.
- *All documents for the RFP are readily available on the LABAVN website: <http://labavn.org/>. Log in to the site and go to Opportunity 13476.*
26. To do a coverage analysis we will need a copy of each of your policies as listed on Exhibit A.
- *All policies are available on the LABAVN website: <http://labavn.org/>. Log in to the site and go to Opportunity 13476.*
27. Who is your current broker and what is the current fee being paid to the broker?
- *Please refer to the Answers to Questions 3 and 4.*
28. Regarding the Outreach Program is there a minimum percentage requirement?
- *Please refer to the Request for Proposals, ADDITIONAL GENERAL INSTRUCTIONS, 2. Minority/Women/Other Business Enterprises Opportunities*
29. If the City could make one improvement to its current insurance program what would it be?
- *There is not one specific improvement to the City's current insurance program for which we are looking, beyond the ongoing direction of obtaining the broadest appropriate coverage at the most reasonable cost to protect the City's assets.*
30. What is the best and quickest way to obtain a copy of the current contract?
- *Please refer to the Answer to Question 11.*