



Municipality of Anchorage

Dave Bronson, Mayor
Purchasing Department

October 19, 2022

REQUEST FOR PROPOSAL

RFP 2022P046

Provide Insurance Brokerage Services

ADDENDUM NO. 1

Please make the following changes to the subject project.

1. Questions and Answers

Where any requirements of the Request for Proposal conflict with an item in an Addendum, the Addendum shall govern.

All other terms and conditions of the Request for Proposal shall remain unchanged and in full force and effect.

This addendum and other documents related to this project are available by visiting the Purchasing office website at:

<http://www.muni.org/Departments/purchasing/Pages/bidding.aspx>

If you have previously submitted a response to this project and wish to have it returned, please email that request to wwpur@muni.org

All other terms and conditions remain unchanged.

Sincerely,

Chris Hunter

Chris Hunter
Deputy Purchasing Director

Question and Answers:

- 1. Page 5 Section 3.0 – Do all policies expire at the same time, if not can you provide the expiration dates for all policies.**

All policy periods are 7/1/xx through 6/30/xzx except for Excess Workers Compensation, and Merrill Field Airport and Non-Owned Aviation Liability which have a 1/1/xx-12/31/xx policy term. Also, one of the locations of tanks has a 7/1/xx Pollution Policy period when all other tanks have a 1/1/xx Pollution policy. Bond renewals varies and there are only 3.

- 2. Page 5 Section 3.0 – Is the Anchorage School District included in the exposure basis for placements of these lines of coverage or are they separate from this RFP?**

ASD markets with MOA for their policies but the risk assessment for ASD policies is separate from MOA's.

- 3. Page 5 Section 3.0 – Can the Municipality provide the Self Insured Retentions for the lines of coverage listed in this section?**

Excess Worker's Compensation policy has a \$3M SIR; Excess Auto and General Liability also has a \$3M SIR, Property has a \$100,000 deductible; Airport Owners & Operator's Liability has \$0 SIR; Cyber Liability has a \$500,000 SIR; Environmental Liability has a \$10,000 SIR (except the one tank that renews on July 1 which has a \$50,000 SIR; Fine Arts has a \$1,000 Deductible;

- 4. Page 5 Section 3.0 – Can the Municipality provide an example of any miscellaneous coverages that needed to be placed over the course of the past few years?**

Builder's Risk

- 5. Page 5 Section 3.0 – Can the municipality provide loss run data for the lines of coverage listed, all data received is confidential and is not shared with others.**

Please be specific regarding what time period and what types of losses.

- 6. Page 5 Section 3.0 – Does the Municipality use any TPA's for claims handling on any lines of coverage or are most handled in house that require in house handling, will there be a need for TPA's in the near future?**

We have self-administered since 2013; however, currently we are utilizing a TPA for time-loss worker's compensation adjusting for assistance while we seek to fill a vacant position.

- 7. Page 5 Section 3.0 – If the municipality reaches out to the references, who might be contacting them? We had a few references that had asked so that they were prepared.**

Tracy Mears, Risk Manager, will be the person who may contact references.

- 8. Page 5 Section 3.1.3 – It was mentioned that the Municipality goes direct to FM Global for their property insurance, property insurance is listed as one of the coverage placements, could we get clarity on what if any property coverage might need to be placed besides a builders risk policy?**

Fine Arts/Museum, Drone (Aviation)

- 9. Page 5 Section 3.1.3 – How often does the Municipality place builders risk policies?**

In my tenure as Risk Manager we have placed it only once for the construction at the Port of Alaska due to the modernization program.

- 10. Page 5 Section 3.1.3 – What type of Environmental coverage has been placed? Could we get a schedule of the exposures associated with the environmental placement?**

The Anchorage Regional Landfill has a Pollution Policy with Admiral which is renewed on 7/1/xx. All other tanks are covered under a Pollution Policy with Nautilus, please see attached schedule listed as attachment 1.

- 11. Page 5 Section 3.1.3 – We do not see any Marine coverage listed, it is our understanding the Municipality owns the Port of Alaska, how is this exposure insured based on the list of coverages provided in the RFP? Does the Municipality have a third party that operates the port and has the risk been transferred to that third party?**

Marine coverage is the responsibility of the users of the Port of Alaska.

- 12. Page 6 Section 3.1.9 & 3.1.10 – In order to get a better understanding of the actuarial costs needed to perform this service our sister company Oliver Wyman has asked the following question:**

Can they get 5 years of historical work comp loss run data and 5 years of payroll data.

Worker's Compensation		Auto Liability	
Year	Total Loss Incurred	Year	Total Loss Incurred
2017	\$12,748,663	2017	\$9,333,901
2018	\$ 7,028,069	2018	\$ 207,815
2019	\$ 7,642,833	2019	\$ 206,906
2020	\$ 5,202,244	2020	\$ 301,623
2021	\$ 3,652,419	2021	\$ 220,601

General Liability		Payroll	
Year	Total Loss Incurred	Year	Payroll
2017	\$362,714	2017	\$256,591,911
2018	\$544,530	2018	\$282,094,464
2019	\$539,949	2019	\$271,582,793
2020	\$874,358	2020	\$271,582,793
2021	\$264,514	2021	\$240,226,964

13. Page 6 Section 3.1.11 – Approximately how many certificate requests does the Municipality ask per year?

Approximately 65

14. Page 6,7 Section 3.1.14 – How often does the risk department reach out for contract reviews etc?

Infrequently; usually only when the contracted scope of work is unusual in nature.

How often does the department interact with their current broker?

It is more frequent during periods of policy renewal; but otherwise not typically more than several times per month.

Reference Page of the solicitation (if applicable):

Attachment 1 – schedule of tanks for pollution policy

15. The Scope of Work in Section 3.0 of the RFP requires that premium quotes are provided 90 days prior to renewal. Has that been consistently achieved by the current broker?

No.

Is there any flexibility to allow for changes in the market's inability to provide quotes within this timeframe?

Yes.

16. 3.1.3.11 in the Scope of Work describes "Miscellaneous (ie., Specific Project Insurance)" as part of required scope. Can you provide an example of what type and how many "Specific Project Insurance" programs have been placed in the past 5 years?

I can only speak to my tenure as Risk Manager for the past 3.5 years and in that time period there has been one Builders' Risk Policy which then extended for an additional time period.

How many miscellaneous placements do you expect in the next 3-5 years?

Few if any.

17. What major capital construction projects does Anchorage have planned for the next 3-5 years?

PM&E, Facilities, AWWU, and, to a lesser extent, Parks & Rec.

What is the anticipated total construction value for these capital projects and their anticipated duration?

A ballpark figure would be \$50-\$100M without taking the time to obtain exact project lists from all departments.

18. 3.1.8 requires attendance at 3 formal meetings to review Contractor's performance. Do you have specific performance review criteria that are covered in these meetings?

No.

What is the expected frequency of these meetings?

As needed.

19. Who is currently providing Insurance Brokerage Services to the Municipality of Anchorage?

RISQ Consulting.

How long has their contract been in place?

at least 10 years; unknown prior to that.

Are they paid fee or commission or a combination of both?

Fee

What was their annual total compensation over the past three years?

\$75,000 annually which includes an annual actuarial report

20. Please provide a list of the current insurance carriers and premium for each of coverage described in the Scope of Work.

Excess Workers' Compensation – Midwest Employers Casualty - \$662,248

Excess general and auto liability – multiple layers with various carriers - total premium for all layers is \$883,556

Airport Owners * Operators Liability – CHUBB –\$49,914

Cyber Liability – Allied World - \$250,000

Pollution – Nautilus - \$28,015; and Admiral - \$8,514

Fine Arts – XL Specialty Insurance Co. - \$51,156

Crime – Berkley - \$9,274

21. Please provide copies of the 2021 Annual Report and Actuarial Study.

See attached “Attachment 2”

22. What are the current attachment points and retention levels for the self-insured Workers’ Compensation/Employers Liability, General Liability and Automobile Liability?

\$3M

23. Can you describe the participants of the Selection Committee, their roles within the Municipality and the number of Committee members?

There are 5 Selection Committee Members, all of whom are Risk Management personnel including the Risk Manager, the Deputy Risk Manager, the Worker’s Compensation Coordinator, and two Claims Adjusters.

24. What are Anchorage’s top risk management goals, objectives and priorities over the next 3-5 years?

To mitigate Municipality of Anchorage risk, to transfer what risk we can, to support a robust safety program for the health and well-being of the municipal employees as well as the public (insofar as what we can control).

Reference Page of the solicitation (if applicable): sections referenced above

Attachment 2 in reference to question 7