



Request for Proposals Insurance Brokerage or Consulting Services

INTRODUCTION

Through this Request for Proposals (“RFP”), Rhode Island Housing and Mortgage Finance Corporation (RIHousing) seeks proposals from qualified firms to provide brokerage and/or consulting services for insurance placement related to RIHousing’s operations.

RIHousing currently draws upon the services of two insurance brokers. If practical and economical, RI Housing may consider obtaining all insurance services from one firm. Described below are the major components of RIHousing’s current insurance program:

1. Property and Liability on Buildings and Equipment
2. Fidelity Bond
3. Mortgage Impairment
4. Directors and Officers Liability
5. Professional Liability for Mortgage Banker activities
6. Foreclosed Property including Flood (Forced Placed)
7. Workers Compensation
8. Cyber Insurance
9. Umbrella/Excess Coverage
10. Automobile
11. Employment Practices
12. Social Engineering Fraud
13. Fiduciary Insurance

RIHousing was created in 1973 by the Rhode Island General Assembly as a public corporation and instrumentality and agency of the State of Rhode Island. The purpose of RIHousing is to encourage the investment of private capital and stimulate the construction and rehabilitation of housing for persons and families of low and moderate income. RIHousing uses its resources to provide loans, grants, education and assistance to help Rhode Islanders find, rent, buy, build and keep good homes.

As of its fiscal year ended June 30, 2019, RIHousing reported total assets of \$2.2 billion which included \$730 million of single-family mortgage loans and \$860 million of multi-family mortgage loans. These assets were financed by the issuance of more than \$1.6 billion of long-term bonds and \$335 million of retained earnings accumulated since the founding of the company in 1973.

On the single-family side of the business our primary activity is providing low- and moderate-income Rhode Islanders with the capital to acquire their first home. On the multi-family side, we assist developers (both for-profit and nonprofit) to create, rehabilitate and maintain clean, safe rental housing for low- and moderate-income Rhode Islanders. In addition, through our Ancillary finance programs, we work with communities, developers, local and state governments and agencies, civic groups and other local and state-wide organizations to promote far-reaching collaboration for the creation of living places where neighbors meet, people work, children play.

INSTRUCTIONS

Please submit one hard copy proposal to Rhode Island Housing, 44 Washington Street, Providence, RI 02903-1721, Attn: Kara Lachapelle, Chief Financial Officer with an electronic courtesy copy to Kara Lachapelle at klachapelle@rihousing.com. Proposals should be concise and include all attachments and work samples. Proposals must be presented on business letterhead.

Proposals must be received at RI Housing no later than 3:00 p.m. on June 19, 2020.

Questions regarding this RFP or the selection process may only be directed to Kara Lachapelle at the above-listed email address. No individual or firm submitting a proposal may make inquiries with respect to this matter of any member of the Board of Commissioners of RIHousing, any elected official in the State of Rhode Island or any other RIHousing staff member.

Respondents are advised that all submissions (including those not selected for engagement) may be made available to the public on request upon completion of this RFP process and award of a contract.

SCOPE OF WORK

The Scope of Work is provided as Attachment A hereto.

ITEMS TO BE INCLUDED WITH YOUR PROPOSAL

A. General Firm Information

1. Provide a brief description of your firm, including but not limited to the following:
 - a. Name of the principal(s) of the firm.

- b. Name, telephone number and email address of a representative of the firm authorized to discuss your proposal.
- c. Address of all offices of the firm.
- d. Number of employees of the firm.

B. Experience and Resources

1. Describe your firm and its capabilities. Support your capacity to perform the Scope of Work.
2. Indicate which principals and associates from your firm would be involved in providing services to RIHousing. Provide appropriate background information for each such person and identify his or her responsibilities.
3. Please provide a detailed list of references including a contact name and telephone number for organizations or businesses for whom you have performed similar work, including major lines of insurance placed and length of relationship.
4. Describe your firm's expertise and/or exposures with clients in the financial services industry.
5. Outline the strategy, process and timeline your firm will use to assess RIH's needs and renew policies.
6. RIH expects to use insurers that have an investment grade rating from one of the three major rating agencies. Describe how your firm monitors financial stability & solvency of insurers.
7. Identify any conflict of interest that may arise as a result of business activities or ventures by your firm, its associates, employees, or subcontractors as a result of any individual's status as a member of the board of directors of any organization likely to interact with RIHousing.
8. Identify any material litigation, administrative proceedings or investigations in which your firm is currently involved. Identify any material litigation, administrative proceedings or investigations, to which your firm or any of its principals, partners, associates, subcontractors or support staff was a party, that has been finally adjudicated or settled within the past two (2) years.
9. Describe how your firm will handle actual and or potential conflicts of interest.

C. Fee Structure

The cost of services is one of the factors that will be considered in awarding this contract. The information requested in this section is required to support the reasonableness of your fees.

1. Please review the Scope of Work at Attachment A and provide a cost proposal for the services you propose to offer to RIHousing. Cost proposal shall assume a three-year agreement with RIHousing with an option to extend for two additional one-year periods at RIHousing's discretion.
2. Provide an itemized breakdown of billing rates and hourly costs, list of key personnel and their hourly rates, reimbursable expenses, etc. for any services that may be requested in addition to the services previously described.
3. Please include brokerage fees, commission rates and/or an option for an annual all-inclusive fee.
4. Describe your firm's policy on transparency of income as well as its position on acceptance of contingency fees, bonus commissions or other income not directly related to insurance placements.
5. Please provide any other fee information applicable to the engagement that has not been previously covered that you wish to bring to the attention of Rhode Island Housing.

D. Miscellaneous

1. Rhode Island Housing encourages the participation of persons of color, women, persons with disabilities and members of other federally and State-protected classes. Describe your firm's affirmative action program and activities. Include the number and percentage of members of federally and State-protected classes who are either principals or senior managers in your firm, the number and percentage of members of federally and State-protected classes in your firm who will work on RIHousing's engagement and, if applicable, a copy of your Minority- or Women-Owned Business Enterprise state certification.

2. Discuss any topics not covered in this Request for Proposals that you would like to bring to RIHousing's attention.

E. Certifications

1. RIHousing insists upon full compliance with Chapter 27 of Title 17 of the Rhode Island General Laws, Reporting of Political Contributions by State Vendors. This law requires State Vendors entering into contracts to provide services to an agency such as RIHousing, for the aggregate sum of \$5,000 or more, to file an affidavit with the State Board of Elections concerning reportable political contributions. The affidavit must state whether the State Vendor (and any related parties as defined in the law) has, within 24 months preceding the date of the contract, contributed an aggregate amount in excess of \$250 within a calendar year to any general officer, any candidate for general office, or any political party.
2. Does any Rhode Island "Major State Decision-maker," as defined below, or the spouse or dependent child of such person, hold (i) a ten percent or greater equity interest, or (ii) a Five Thousand Dollar or greater cash interest in this business?

For purposes of this question, "Major State Decision-maker" means:

(i) All general officers; and all executive or administrative head or heads of any state executive agency enumerated in § 42-6-1 as well as the executive or administrative head or heads of state quasi-public corporations, whether appointed or serving as an employee. The phrase "executive or administrative head or heads" shall include anyone serving in the positions of director, executive director, deputy director, assistant director, executive counsel or chief of staff;

(ii) All members of the general assembly and the executive or administrative head or heads of a state legislative agency, whether appointed or serving as an employee. The phrase "executive or administrative head or heads" shall include anyone serving in the positions of director, executive director, deputy director, assistant director, executive counsel or chief of staff;

(iii) All members of the state judiciary and all state magistrates and the executive or administrative head or heads of a state judicial agency, whether appointed or serving as an employee. The phrase "executive or administrative head or heads" shall include anyone serving in the positions

of director, executive director, deputy director, assistant director, executive counsel, chief of staff or state court administrator.

If your answer is “Yes,” please identify the Major State Decision-maker, specify the nature of their ownership interest, and provide a copy of the annual financial disclosure required to be filed with the Rhode Island Ethics Commission pursuant to R.I.G.L. §§36-14-16, 17 and 18.

3. Please include a letter from your president, chairman or CEO certifying that (i) no member of your firm has made inquiries or contacts with respect to this Request for Proposals other than in an email or written communication to Kara Lachapelle at klachapelle@rihousing.com seeking clarification on the Scope of Work set forth in this proposal, from the date of this RFP through the date of your proposal, (ii) no member of your firm will make any such inquiry or contact until after XXXX, (iii) all information in your proposal is true and correct to the best of her/his knowledge, (iv) no member of your firm gave anything of monetary value or promise of future employment to a RIHousing employee or Commissioner, or a relative of the same, based on any understanding that such person’s action or judgment will be influenced and (v) your firm is in full compliance with Chapter 27 of Title 17 of the Rhode Island General Laws, Reporting of Political Contributions by State Vendors.

EVALUATION AND SELECTION

A selection committee consisting of RIHousing employees (the “Committee”) will review all proposals and make a determination based on the following factors:

- Professional capacity to undertake the Scope of Work
- Proposed fee structure
- Experience, continuity and expertise of account team in terms of insurance needs and scope of work
- Experience with RIHousing or similar organizations
- Recommendations by references
- Firm minority status and affirmative action program or activities
- Other pertinent information submitted.

RIHousing may invite one or more finalists to make presentations.

In its sole discretion, RIHousing may negotiate with one or more firms who have submitted qualifications to provide more detailed proposals on specific projects as they arise.

By this Request for Proposals, RIHousing has not committed itself to undertake the work set forth. RIHousing reserves the right to reject any and all proposals, to rebid the original or amended scope of services and to enter into negotiations with one or more respondents. RIHousing reserves the right to make those decisions after receipt of responses. RIHousing's decision on these matters shall be final.



Attachment A

Scope of Work

RIHousing seeks to engage qualified insurance brokerage and/or consulting firms to perform the following services:

1. Analysis of Risk

- a. Assist RIHousing staff in an annual assessment of internal and external systemic risk.
- b. Identify the appropriate balance of coverage and co-insurance and self-insurance.
- c. Assist staff in the assessment of costs and benefits of insuring the identified systemic risks.
- d. Match insurance programs and policies to Rhode Island Housing's systemic risk profile.
- e. Provide annual benchmarking of similarly sized and types of organizations.

2. Acquire Appropriate Insurance Coverage

- a. Develop an insurance plan incorporating the risk assessment described in Section 1 above.
- b. Help develop a communications plan to explain our conservative operational profile.
- c. Develop a list of highly rated insurers capable of meeting our insurance needs.
- d. Develop a plan to solicit proposals from an approved list of insurers.
- e. Solicit competitive bids from these insurers.
- f. Assist staff in the assessment and selection of policies and insurance providers.
- g. Negotiate the terms and cost of the selected policies with selected insurers.

3. Post Selection

- a. Review policies for standard versus non-standard coverage restrictions and carve-outs.
- b. Craft amendments and adjustments to standard coverage as needed.

Rhode Island Housing will consider proposals to provide services on either, but not both, of the following basis:

- a. Respondent's firm may act as RIHousing's insurance broker and such firm's compensation shall be in the form of commissions paid by the insurers from whom RIHousing purchases coverage, or alternatively,
- b. Respondent's firm may act as RIHousing's consultant and RIHousing shall compensate such firm pursuant to a contract for services to be negotiated upon selection.

Regardless of the structure selected, the successful respondent shall provide RIHousing with professional advice on identifying and quantifying systemic risks as well as the best available mix of insurance policies and insurers to mitigate such risks.