

**COUNTY OF LUZERNE  
200 NORTH RIVER STREET  
WILKES-BARRE, PA 18711**

**Request for Proposal  
January 1, 2010 – December 31, 2010**

**Luzerne County Employees' Retirement Plan & Trust  
Fiduciary Liability Insurance**

**Insurance Renewal for 2010  
Request for Proposals**

Enclosed you will find a copy of our specifications concerning insurance needs for Luzerne County. To be considered six (6) copies, one (1) unbound, must be received no later than 12:00 p.m. on Monday, November 30<sup>th</sup>, 2009 at:

Luzerne County Employees' Retirement Plan & Trust  
Attn: Rick Hummer, Pension Coordinator  
Penn Place Building  
20 North Pennsylvania Avenue  
Wilkes-Barre, PA 18701

Pursuant to Commonwealth of Pennsylvania statutes, any company entering into a contract with Luzerne County must agree to make available to duly authorized representatives of Luzerne County, for the purpose of audit examination, documents, records and papers of the company that are pertinent to the provisions of the services under the agreement. The company must further agree to maintain all such records for three years after receipt of final payment and the closing of all other related matters. In addition, the company must agree to comply with Luzerne County's affirmative action policy and agree to abide by all pertinent state and federal statutes, rules and regulations dealing with data privacy, including, but not limited to, the Pennsylvania Data Practices Act in all rules promulgated pursuant thereto. Please be advised that bidders may submit quotations for partial coverage in the event that the bidder is unable to furnish bids on all coverage specified. Luzerne County reserves the right to accept or reject any or all bids, or any part of a bid, and to waive any defects of technicalities or to advertise for new bids where the acceptance, rejection, waiving or advertising of such would be in the best interest of Luzerne County. Luzerne County also reserves the right to award in whole or in part where such action serves Luzerne County's best interests.

Any questions regarding this RFP should be directed to Rick Hummer, at (570) 825-1628.

I. Background Information

A. Claims Investigation and Management Philosophy

Luzerne County supports the following claims management philosophy:

1. To process all claims in accordance with local, state and federal laws and to provide the highest professional level of responsive claims administration
2. To conduct the necessary investigation of each claim using competent and qualified personnel. Luzerne County reserves the right to require additional investigation and services of persons or firms for special work in connection with insurer investigators.
3. To address all claims in a prompt manner in order to discourage unnecessary litigation
4. To identify and aggressively defend against those claims which are fraudulent or clearly lack any negligence on the part of Luzerne County
5. To maintain appropriate and continuous communication between claims manager, risk manager, attorneys and claimants

II. Insurer Selection Criteria

- A. All insurers should have an A.M. Best financial rating of at least A.
- B. The amount of Errors & Omissions Insurance carried by the broker may be a factor in determining the County's final selection.
- C. Insurer must be licensed to do business in the Commonwealth of Pennsylvania
- D. Status as admitted or nonadmitted insurer in the Commonwealth of Pennsylvania must be stated in the proposal. Preference may be given to admitted insurers.

III. Instructions for Bidders

- A. Due care and diligence have been used in the preparation of this information, and it is believed to be substantially correct. However, the responsibility for determining the full extent of the exposure and verification of all information presented herein shall rest solely upon the bidder. Luzerne County and its representatives will not be responsible for any errors or omissions in these specifications, nor for the failure on the part of the bidder to determine the full extent of the exposures.

- B. Proposals must conform to specifications. **ANY EXCEPTIONS SHOULD BE SPECIFICALLY NOTED.**
- C. All proposed policies must be nonassessable.
- D. Any corporate relationship between broker and insurer shall be fully divulged.
- E. Complete specimen copies of all policies, endorsements, dividend disclosure statements and other coverage documents must be included with proposal. If coverage is divided among more than one insurer, specimen copies must be provided for each insurer. All limits and deductibles on sample policies should be stated. **FAILURE TO PROVIDE COMPLETE SPECIMEN POLICIES MAY DISQUALIFY A PROPOSAL.**
- F. A notice of loss provision must clearly indicate what the requirements of notice are.
- G. Proposals must clearly show all amounts of insurance, including any separate limits or sub-limits. For each coverage and sub-line, you must clearly show:
  - 1. Annual premium, minimum earned premium, rate basis and rate
  - 2. Premium payment terms (NO premium will be earned or paid until all binders, policy and endorsement specimens are received, approved and accepted by Luzerne County.)
  - 3. **Luzerne County is interested in remaining with the successful insurer for a three-year period in order to maintain stable premium levels and allow the insurer an opportunity to develop some continuity in handling the risk. Therefore, any guarantee of rates for a three-year period by an insurer would be looked upon favorably by Luzerne County. This award is for one policy year / term and two one year / term extension options that the county may exercise with the insurer at the county's discretion.**
- H. Policies shall be endorsed that in no event shall notice of cancellation be provided less than 60 days prior to cancellation.
- I. Timeline for insurance renewal process:
- J. **Six (6) copies** must be provided for review, with one unbound.
- K. The information shall be organized and assembled in the following order to assist in comparison:
  - 1. Table of contents

2. A letter of transmittal indicating the firm's interest in providing the service and any other information that would assist Luzerne County in making a selection. This letter must be signed by a person legally authorized to bind the firm to a contract.
  3. A statement demonstrating understanding and your capability of providing the services of each section of this proposal.
  4. Supporting documentation
- L. All costs associated with responding to this RFP are strictly the responsibility of the responding brokers and insurer. There is no implied or express guarantee that any broker or insurer will receive any compensation or remuneration for their response.
- M. After evaluation of the responses by the Retirement Board solicitor and/or independent consultant, Luzerne County will select the firm having the proposal which best meets the needs of Luzerne County, in the sole discretion of the County. This Request for Proposals is not intended to create a public bidding process, and the proposal with the lowest quoted fees will not necessarily be accepted, nor will any reason for the rejection of any proposals be indicated. Luzerne County reserves the right to privately negotiate with any firm with respect to the review outlined in this Request for Proposals.

### Requested Coverages, Limits, and Deductibles

\$5,000,000 Aggregate Limit of Liability (Inclusive of "Defense Costs, Charges and Expenses")

\$ 50,000 Sublimit of Liability for Cap Penalties

\$ 0 Retention

Continuity Date: September 14, 2005

Include the following:

- Waiver of Recourse
- Duty to Defend Clause
- HIPAA Extension

### Quoted Premium

**Total Premium:** \$ \_\_\_\_\_

**Premium Breakdown:** Please indicate the premium charges for each of the requested coverage provisions and additional premiums, if applicable: \_\_\_\_\_

**Premium Payment Plan:** Please provide the details of any available premium payment plans: \_\_\_\_\_