

PE Partners – Brokerage RFQ

Responses to questions submitted on 9.5.2024 and 9.6.2024

Question 1: Under section IV, Required Services, item 17 – Can you clarify the role of the broker in the audits? Does the broker contract with, and compensate, the auditors? How many audits are typical on an annual basis?

Answer 1: PE Partners seeks to establish a routine departmental audit for loss control, underwriting, and claims processes to evaluate common metrics. It is the desire of PE Partners that facilitation of this process be included within the brokerage relationship. The successful broker from the RFQ process would work with the PE Partners Executive Team to establish the audit criteria and process.

Question 2: Are the team bios included in the 20-page limit, or can they be included in the appendix?

Answer 2: Team bios may be attached as an appendix and outside the 20-page proposal limit.

Question 3: Can you clarify the Catastrophic Medical Coverage listed in the schedule of coverages? Is it akin to an Accidental Death and Dismemberment coverage, or is it a true medical policy? We want to make sure we include the most appropriate team members.

Answer 3: Please see the attached flyer regarding PE Partners Catastrophic Medical coverage.

Question 4: Section VII, Broker Compensation – Can you clarify the preferred broker compensation structure? The RFQ does not appear to request a fee, but rather that the proposing broker will collect commission, without any limitations, from the markets.

Answer 4: PE Partners does not have a preferred broker compensation structure but is instead seeking to engage a broker with the best qualifications to serve the role. Any negotiation related to broker compensation will be done after the initial RFQ process.

Question 5: Since the RFQ does not require commissions be disclosed until the renewal, can you clarify how you will evaluate the compensation proposed by various respondents to this RFQ? For example, are you requesting a global maximum commission percentage be proposed to allow for retail and wholesale compensation for domestic or foreign owned/affiliated or third-party wholesalers?

Answer 5: Compensation negotiation will take place after the Board of Directors makes an initial selection of the RFQ respondent that has the qualifications most closely aligned with the key considerations outlined within the RFQ.

Question 6: Will you consider an RFQ response that includes a fee in lieu of commission proposal?

Answer 6: All proposals will be considered, but compensation negotiation will take place after the initial evaluation of qualifications is completed.

Question 7: Are the Appendix and Cover Letter included in the 20-page limit? Such as bios/resumes, sample reports etc.

Answer 7: The appendix and cover letter can be separate from the 20-page limit. We ask that respondents try to be concise in their responses.

Question 8: How much of the \$90M in premium dollars referenced in the solicitation are true transfer of risk premium and not contributions to self-insurance/deductible or loss fund?

Answer 8: PE Partners written premium for the fiscal year ending June 30, 2024 was over \$90 million. This is not reflective of contributions to self-insurance/deductible or loss fund.

Question 9: What is the total payroll for all the members combined?

Answer 9: Total payroll for all members combined is reported to reinsurance, but is considered proprietary and can only be shared with the selected brokerage. PE Partners workers compensation program insures approximately 36,500 local government employees.

Question 10: How many drones are in the current fleet and what are the drones used for?

Answer 10: PE Partners members utilize drones for a host of uses ranging from police, fire, utility, and marketing purposes. While the number of insured drones is reported to reinsurance, more details are considered proprietary and will only be shared with the selected brokerage.

Question 11: Are the pilots professional pilots?

Answer 11: In order to qualify for coverage, members must comply with FAA standards. Generally, members must either have a pilot with a Remote Airmen Certificate or Certificate of Authorization from the FAA.

Question 12: Is there a formal Safety Management System (SMS) in place for the members regarding UAVs?

Answer 12: Members must qualify for coverage. PE Partners does not have a formal SMS in place for members regarding UAVs.

Question 13: What frequency of claims reviews/audits will be required for policies included in the RFQ?

Answer 13: In the RFQ, item 17 of the requirements states that audits of loss control, underwriting, and claims should be conducted annually on a rotating basis. The intent of this requirement is that each department would have an independent review, facilitated within the relationship of the

selected brokerage once every three years. Review of claims submitted to reinsurance should be on a more frequent basis.

Question 14: Can you provide more detail relative to “Monitor claims submitted by PEP to its carriers and advocate on behalf of PEP for their prompt and successful resolution”? What are the triggers or thresholds for which the incumbent broker monitors claims on behalf of PEP?

Answer 14: Reinsurance reporting requirements are dictated by the reinsurance carrier and vary by line of coverage. PE Partners broker is copied on each claim that is required to be reported and assists with reimbursements. Unless carrier reporting requirements are triggered by a given claim, the broker has no other involvement in claims.

Question 15: What are your biggest concerns relative to the claim administration/claim management aspect of your program?

Answer 15: Service to members and consistency are central tenants to governmental pooling and ongoing goals of all PE Partners programs.

Question 16: What metrics are you using to measure the success of your workers compensation, auto, and general liability programs?

Answer 16: PE Partners uses various internal metrics to measure the success of each of our coverages. Details of those metrics are considered proprietary and will only be shared with the selected brokerage.

Question 17: The RFQ does not reference safety or engineering services. Is the incumbent broker providing those to you? If so, can you provide details on those?

Answer 17: PE Partners has a robust internal loss control program. Brokerages are encouraged to share information/ proposals of services offered that would benefit PE Partners programs and its members.