



MENTAL HEALTH AND MENTAL RETARDATION
AUTHORITY OF HARRIS COUNTY

Letter of Clarification #1 Insurance Agent of Records Request for Proposal (RFP)

To: All Vendors
From: Marguarette Washington, Senior Buyer
Cc: Sharon Brauner, C.P.M., Senior Buyer
Date: August 26, 2010

RE: Letter of Clarification#1 for Insurance Agent of Records, Request for Proposal (RFP),
7011 Southwest Freeway, Houston, Texas 77074

For the benefit of all Vendors submitting responses and to avoid possible confusion, the Request for Proposal (RFP) documents are clarified as follows. Please note this Letter of Clarification is hereby incorporated into the RFP document.

1. **Question:** Am I to answer the questions page 11-19, return that info to MHMRA, and then MHMRA will choose their agent passed off of this info?

Answer: See INVITATION PAGE, paragraph #3; vendors shall pay particular attention to all INSTRUCTIONS, REQUIREMENTS and DEADLINES indicated in the attached document and should govern themselves accordingly.

2. **Question:** Once the agent is chosen, the agent will then begin marketing to underwriters with underwriting information to be provided by MHMRA and providing quotes and binding coverage as the AOR for MHMRA?

Answer: With the exception of existing carriers, MHMRA is not the sole source for selecting underwriters to the AOR. MHMRA relies on the AOR to contact underwriters in the liability market in order to secure competitive quotes.

3. **Question:** When will you be sending out the renewal information?

Answer: See renewal information on page 16 of 30, Contract Period.

4. **Question:** Name of incumbent agent?

Answer: Frost Insurance

5. **Question:** Current agent method of compensation (fee of commission or both) and amount.

Answer: 2010-2011 AOR Fees are about 10% of the initial liability package: (1) \$75k fee for TCRMF (*bundled coverage*) plus approximately \$18k commission for other coverage.

6. **Questions:** Current scope of agent services, including risk management, risk control and claims consulting?

Answer: See attached (A)

7. **Question:** Schedule of insurance including schedules of exposures (locations and values, vehicles, professional staff, payrolls, outpatient visits, etc).

Answer: See attached – B, C & D

8. **Question:** Ten (1) year loss summary for Professional Liability and five (5) years for other lines, including detail on claims \$25,000.00 or greater.

Answer: See attached data for September 2003 to Present. Additional PL data is not readily available; but can be made available upon request following AOR selection.

9. **Question:** Link to CAFR

Answer: <http://www.mhmraharris.org/documents/CAFR/MHMRA%208-31-09%20CAFR%20-%20Final.pdf>

10. **Question:** Latest actuarial loss analysis (WC and CL/Professional).

Answer: Actuarial analyses were conducted on February 28, 2010 for WC and CL/Professional. Another analysis of the XPL Self-Insurance Trust was conducted for the period 9/1/04 through 8/31/06 in 2006.

11. **Question:** Are carrier services currently bundled or unbundled, by line insurance?

Answer: Current carrier services fall within both categories with TCRMF carrying the bulk of coverage. TCRMF provides bundled coverage for Auto, GL/E&O/PL/XS; WC, and Property lines. Additional lines of coverage are provided by Travelers Flood (Zones X, C), Travelers Commercial (Crime), Western Surety (Notary), and Executive Risk Indemnity, Inc. (Fiduciary). HUD/Residential programs maintain separate coverage.

12. **Question:** Current number of hours service provided by agent for loss control and claim counseling?

Answer: The AOR work is fairly labor intensive at the onset of the contract; likely between 40-50% of account managers' work time. Over the contract term(s), AOR may require fewer hours; likely about 20-25% of the account managers' time.

This Letter of Clarification #1 is hereby incorporated in the RFP document and shall supersede any previous specification or provision in conflict with the Letter of Clarification #1. All responding Vendors are directed to respond accordingly. Vendors are required to add this Letter of Clarification #1 to the original RFP document.