

City of Proctor

Minnesota

Request for Proposals

Insurance Agent of Record Services

For the periods of

January 1 - December 31, 2025

January 1 - December 31, 2026

January 1 - December 31, 2027

January 1 – December 31, 2028

January 1 – December 31, 2029

Leslie Brunfelt
Finance Director

100 Pionk Drive
Proctor MN 55810

218-624-3641
lbrunfelt@proctormn.gov

PROPOSALS MUST BE RECEIVED BY 4:00 PM, MONDAY OCTOBER 28, 2024

I. INTRODUCTION

A. General Information

The City of Proctor's insurance coverage for property, liability, and automobiles is provided by the League of Minnesota Cities Insurance Trust (LMCIT). LMCIT requires member cities to utilize the services of an agent of record to assist and advise the city on matters related to insurance coverage. The City of Proctor (City) invites written proposals from insurance brokers (Broker) to act as the Agent of Record (Agent) on behalf of the City for property, liability, and automobiles insurance for a five (5) year period beginning on January 1, 2025. The City currently acts as its own agent for Workers' Compensation insurance; however, the Broker may include Agent services for Workers' Compensation insurance as an optional service. The City will make its selection of an agency based on the agency or broker's qualifications, experience, references, and cost of providing service to the City.

B. Scope of Services

Background

The City is requesting insurance consulting and brokerage services to assist in the acquisition of property, liability, and automobile insurance coverage. Brokerage and consulting services must be provided for annual policy renewals on a as needed basis. The selected broker must provide a thorough renewal presentation each year with policy recommendations to include an analysis of available alternatives in consideration of the City's exposures. Brokerage services must also include insurance market research, policy endorsements, certificates of insurance and coverage consultation on City claims.

A copy of the City of Proctor's insurance coverage and premium for 2024 is included as Appendix A for reference.

Broker Duties and Responsibilities

1. Assist with the completion of the LMCIT renewal forms using the data supplied by the City.
2. Advise and assist the City in evaluating and selecting coverage alternatives such as deductibles, limits, optional coverage, alternative coverage forms, etc. Advise the City on potential gaps or overlaps in coverage. Provide the City's Finance Director with access to the broker's working files of City business upon request, at the City's convenience and discretion.
3. Review the LMCIT insurance policies for completeness and accuracy. Confirm the schedules have been updated for the new data supplied during the renewal process.

4. Provide the City with a recap of insurance costs and an explanation of premium increases for each renewal.
5. Provide explanations of insurance coverage, coverage options and make recommendations as requested.
6. Conduct reviews of open claims. Review claim reserves for appropriateness.
7. Assist the City in identifying risk exposures and developing appropriate strategies to address those exposures.
8. Assist as requested with safety and loss control activities.
9. Evaluate and advise the City on whether comparable insurance can be provided by someone other than the League of Minnesota Cities.
10. Other usual functions expected of an insurance broker and requested by the City such as, but not limited to, accurately amending policies, providing interpretation of coverage, policy maintenance, binders and certificates, timely delivery of policies and/or binders, providing unbiased recommendations, answering questions and resolving issues.

C. Fees

The broker shall indicate in its proposal the commission required to service the City's LMCIT insurance coverage for the policy periods of:

January 1 - December 31, 2025

January 1 - December 31, 2026

January 1 - December 31, 2027

January 1 – December 31, 2028

January 1 – December 31, 2029

The commission percentage proposed for each period shall be listed on the form attached as Appendix B to this proposal. It is anticipated the agent will be appointed for a minimum of a five-year period. An annual review process will be required with the understanding the City or Agent reserves the right to cancel the contract with 30 days written notice.

D. Rights of Review

The City of Proctor reserves the right to reject any or all proposals or to request additional information from any or all applicants as determined to be in the best interest of the City.

The City of Proctor reserves the right, where it may serve the City of Proctor's best interest, to request additional information or clarification from proposers or to allow corrections of errors or omissions. At the discretion of the City, firms submitting proposals may be requested to make oral presentations as part of the evaluation process. Following a review of the proposals, a recommendation for the award will be made by the Finance Director and City Administrator to the City Council. A final decision for award of the work will be made by majority vote of the City Council.

The City of Proctor reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the proposing firm of the conditions contained in this request for proposal, unless clearly and specifically noted in the proposal submitted and confirmed in the letter of engagement between the City of Proctor and the firm selected.

E. Term of Engagement

A five-year engagement is requested, subject to annual review and renewal. Based on satisfactory performance, the concurrence of the City Council and the annual availability of an appropriation, the City may extend the agreement annually without solicitations from other firms. In the event of unsatisfactory performance, or when in the best interest of the City, proposals may be solicited before the end of the five year period.

The agreement between the City of Proctor and the broker shall be in the form of a written contract.

F. Subcontracting

Following the award of the contract, no subcontracting will be allowed without the express prior written consent of the City.

II. INSTRUCTIONS

A. Proposal Submission and Evaluation

One (1) electronic copy of the proposal must be received by 4:00 PM on October 28, 2024, to Leslie Brunfelt lbrunfelt@proctormn.gov

All questions, correspondence and responses shall be directed to Finance Director Brunfelt. In the interest of fairness, do not contact other staff or elected/appointed officials with respect to this RFP.

B. Schedule

- | | |
|---|--------------------|
| 1. City distributes Request for Proposal | September 19, 2024 |
| 2. Proposal due date | October 28, 2024 |
| 3. Review of RFP's completed | November 2024 |
| 4. Interviews (if necessary) | November 2024 |
| 5. Final decision/Contract negotiation | November 2024 |
| 6. Contract consideration by City Council | December 2, 2024 |

NOTE: ALL PROPOSALS MUST BE RECEIVED VIA EMAIL BY 4:00 PM, OCTOBER 28, 2024.

C. Proposal Format

Responses to this request should include the information in the format and order prescribed on Appendix B and Appendix C to this RFP.

D. Evaluation Criteria

The City shall select a broker with the qualifications and proposal best meeting the needs of the City. Proposals shall be evaluated based several criteria including, but not limited to:

1. The fees listed in Appendix B.
2. The responses to the questions listed in Appendix C.
3. Number of years the broker has been in business.
4. Experience of working with municipalities insured by the LMCIT during the last five years.
5. The qualifications, experience, and professional designations of the broker's staff proposed to service the City's account.
6. Broker premium volume excluding personal lines of coverage (health, life, etc.).
7. Present limit of errors and omissions coverage in place for the broker
8. At least three references from clients, preferably municipalities.

9. Any other broker resources or special qualifications that would be advantageous to the City, such as health insurance, life insurance and disability insurance.

III. CONTRACT EXECUTION

The information below is being provided as part of this Request for Proposal to give proposers an understanding of the City's expectations with respect to contract execution.

A. Negotiations and Contract Execution

The City reserves the right to negotiate the final terms and conditions of the contract to be executed. Should the City and agency be unable to agree upon the entire contract, the City reserves the right to discontinue negotiations, select another agency, or reject all the proposals. Upon completion of negotiations agreeable to the City and the agency, the Broker shall enter into a Professional Services Contract with the City (see Appendix D).

B. Contracting Ethics

1. No elected official or employee of the City of Proctor who exercises any responsibilities in the review, approval, or implementation of the proposal shall participate in any decision which affects his or her direct or indirect financial interests.
2. It is a breach of ethical standards for any person to offer, give, or agree to give any City of Proctor employee or Council person, or for any City of Proctor employee or Council person to solicit, demand, accept, or agree to accept from another person or firm, a gratuity or an offer of employment whenever a reasonable prudent person would conclude that such consideration was motivated by an individual, group or corporate desire to obtain special, preferential, or more favorable treatment than is normally accorded the general public.
3. The agency shall not assign any interest to this contract and shall not transfer any interest in the same without the prior written consent of the City.
4. The agency shall not accept any private client or project which, by its nature, places it in ethical conflict during its representation of the City of Proctor.
5. The Broker(s) agrees, as a condition of being awarded this RFP, to require each of its agents, officers and employees to abide by City, state and federal laws and regulations pertaining to sexual harassment, firearms and smoking, as well as all other reasonable work rules, safety rules or policies regulating the conduct of persons on City property at all times while performing duties pursuant to this Contract. The Broker agrees and understands that a violation of any of these policies or rules constitutes a breach of the Contract and sufficient grounds for immediate termination of the Contract by the City.

**CITY OF PROCTOR
2024 INSURANCE COVERAGE**



January 12, 2024

Eric Madson

Covered Party: City of Proctor

Effective Date: 1/1/2024

RENEWAL PREMIUM SUMMARY
Common Coverages

Coverage	Limit	Deductible	Premium
• Property		\$ 1,000.	\$33,429.
• Mobile Property		1,000.	2,218.
• First Party Cyber	500,000	500.	1,457.
• Municipal Liability		1,000.	29,945.
• Automobile Liability		1,000.	7,308.
• UM/UIM \$200,000 all owned autos		1,000.	Included.
• Basic Economic Loss Benefits (PIP) all owned autos		1,000.	Included.
• Automobile Physical Damage		1,000.	9,823.
• Crime	250,000	500.	Included.
• Petrofund		NA.	Included.
• Defense Cost Reimbursement		NA.	Included.

Auto Experience Mod: 1

Municipal Liability Experience Mod: 0.914

The modifiers are calculated with a formula which compares the city's actual loss history with the amount of losses that would be expected for a city of that size if the city were a perfectly average LMCIT member. If the city's losses and expenses are better than average the city receives a premium credit. If the city's losses and expenses are worse than average, the city receives a premium debit.

Optional Coverages

Coverage	Limit	Deductible	Premium
• Bond	\$ 100,000.	1,000.	402.
• Equipment Breakdown		1,000.	2,251.
• Excess Liability	\$	NA.	Not Covered.
• Liquor Liability	\$ 1,000,000.	NA.	Not Covered.
• Fireworks		1,000.	250.
• No Fault Sewer Back Up Limit:	\$		Not Covered.
• Airport Liability			Not Covered.
TOTAL:			\$87,083.

DO NOT PAY UNTIL YOU RECEIVE INVOICES

TORT LIMIT: \$500,000/\$1,500,000

LEAGUE OF MINNESOTA CITIES
 INSURANCE TRUST

145 UNIVERSITY AVE. WEST PHONE: (651) 281-1200 FAX: (651) 281-1298
 ST. PAUL, MN 55103-2044 TOLL FREE: (800) 925-1122 WEB: WWW.LMC.ORG

Optional Coverage Quotes

Coverage	Deductible	Approximate Premium
Liquor Store (property coverage)	\$1,000	\$1,446.
Liquor Liability Premium		\$1,361.
\$1M Excess Liability (Including Liquor)		\$10,173.
\$1M Excess Liability (Excluding Liquor)		\$9,837.

Optional coverage(s) are not bound unless the covered party has requested that coverage be bound and LMCIT has sent a written confirmation. Optional coverage quotes are valid for 30 days after the date of this letter.

Sincerely,

Underwriter

**CITY OF PROCTOR
AGENT OF RECORD RFP FEE PROPOSAL**

Policy Period	Commission %
January 1 – December 31, 2025	
January 1 – December 31, 2026	
January 1 – December 31, 2027	
January 1 – December 31, 2028	
January 1 – December 31, 2029	



Invoice

Member Name and Address

Proctor, City Of
100 Pionk Drive
Proctor, MN 55810-1701

Invoice Date

02/23/2024

Agent

Eric Madson
309 W Superior St
Duluth, MN 55802-1608
(218)628-3135

Account Number: 10002853
Account Type: Property/Casualty Coverage Premium
Current Balance: \$ 97,625.00
Minimum Due: \$ 97,625.00
Due Date: 04/01/2024

Summary of activity since last Billing Invoice	Date	Activity	Account Balance	Minimum Due
See reverse side and attachments for additional information		Previous Invoice Balance	-2,182.00	
		Payments Received	-0.00	
		Total of Transactions and Fees shown on reverse or attached	97,625.00	
		Current Balance	\$ 97,625.00	\$ 97,625.00

Detach and return this Payment Coupon with your payment

Account Number
10002853

Invoice Date
02/23/2024

Due Date
04/01/2024

Current Balance
\$ 97,625.00

Minimum Due
97,625.00

Amount Enclosed
\$ _____

Member Name Proctor, City Of

BILLING INVOICE - Return stub with payment - make checks payable to:

Mail payment
7 days before
Due Date to
ensure timely
receipt

League of MN Cities Insurance Trust P&C
c/o Berkley Risk Administrators Company
222 South Ninth Street, Suite 2700
P.O. Box 581517
Minneapolis, MN 55458-1517



Invoice

Detail of activity since last Invoice	Package	Agreement Period	Transaction Amount	Minimum Due
	1000684-8	01/01/2024 - 01/01/2025		
		Agreement Previous Balance	\$ 0.00	
		Renewal - PR 02/22/2024	\$ 86,355.00	
		Agreement Ending Balance	\$ 86,355.00	\$ 86,355.00
	1000686-8	01/01/2024 - 01/01/2025		
		Agreement Previous Balance	\$ 0.00	
		Agreement Ending Balance	\$ 0.00	\$ 0.00
	1005423-1	01/01/2024 - 01/01/2025		
		Agreement Previous Balance	\$ 0.00	
		New Business - PR 02/22/2024	\$ 1,361.00	
		Agreement Ending Balance	\$ 1,361.00	\$ 1,361.00
	1005424-1	01/01/2024 - 01/01/2025		
		Agreement Previous Balance	\$ 0.00	
		New Business - PR 02/22/2024	\$ 9,909.00	
		Agreement Ending Balance	\$ 9,909.00	\$ 9,909.00
		Total Current Balance	\$ 97,625.00	
		Total Minimum Due		\$ 97,625.00

**CITY OF PROCTOR
AGENT OF RECORD RFP RESPONSE FORM**

INFORMATION ON THE FIRM	
Name of Firm:	
Branch Office Address	National Office Address
List Prior Names of Business if changes have been made:	
Telephone Number of Office:	Email Office:
Branch:	Branch:
National:	National:
Number of Years in Business:	
Describe your firm's experience and expertise regarding public entity risks by relating the markets to which the firm has access, the information technology capabilities of your firm, other public sector clients with whom you have a relationship and which of the clients are self-funded.	
Describe the steps you would take in reviewing our current program and designing changes in the program. Include specific techniques and procedures your firm may use to assist in identifying current and anticipated new loss exposures to the City. Describe the Loss Control, Risk Management, Wellness and Legal service offered by your firm.	
What are the transition expectations if the City uses your services?	

**CITY OF PROCTOR
AGENT OF RECORD RFP RESPONSE FORM**

After the risk assessment is complete, how does your organization formulate a long-term Risk Management strategy for the next five years?

Please comment on your anticipated involvement in monitoring and assisting in claims preparation, management, negotiation and settlement.

What services would you classify within the fee income and what services would you classify outside the fee income? List your fees for any additional services which may exceed the scope of duties and responsibilities contemplated within the set fee?

**CITY OF PROCTOR
AGENT OF RECORD RFP RESPONSE FORM**

PERSONNEL INFORMATION	
Provide the names, professional qualifications and educational background of the Account Executives and key support personnel who would be responsible for our account:	
Branch:	National:
Total Personnel:	Total Personnel:
Branch:	National:
Licensed Broker:	Licensed Broker:
Branch:	National:
Claims Administrator:	Claims Administrator:
Branch:	National:
Safety/Loss Control Personnel:	Safety/Loss Control Personnel:
Branch:	National:
Licensed Insurance Consultant:	Licensed Insurance Consultant:
Branch:	National:
Licensed Excess & Surplus Lines Broker:	Licensed Excess & Surplus Line Broker:
Branch:	National:
Legal Personnel:	Legal Personnel:
Branch:	National:
Wellness Personnel:	Wellness Personnel:
Branch:	National:

**CITY OF PROCTOR
AGENT OF RECORD RFP RESPONSE FORM**

AGENCY PERSONNEL INFORMATION
List principals in firm and denote those who would work with the City of Proctor.
List the number of clerical/support staff in the service office.
Discuss the claims process as it relates to your firm.
In no more than 100 words, offer any additional information related to why your firm should be the City of Proctor's selected broker.

**CITY OF PROCTOR
AGENT OF RECORD RFP RESPONSE FORM**

INSURANCE COMPANY INFORMATION

Names of governmental entities insured by the agency through the LMCIT during the last five years. For each client reference, include the scope of the service, time performed, and name, title, address and phone number of the principal contact person.

**CITY OF PROCTOR
AGENT OF RECORD RFP RESPONSE FORM**

REFERENCES	
List three references:	
1.	Entity: Coverage/Service: Contact (Name, Title, Address & Tel. No.):
2.	Entity: Coverage/Service: Contact (Name, Title, Address & Tel. No.):
3.	Entity: Coverage/Service: Contact (Name, Title, Address & Tel. No.):

**CITY OF PROCTOR
STANDARD PROFESSIONAL SERVICES CONTRACT**