

QUESTIONS & EXPLANATION To CBS-CM-01-2024

(January 2, 2024)

- Q.1** Section C.1.F(10) please provide the number of certificates of insurance issued annually by the broker.
- A.1** Approximately 20 certificates of insurance are issued annually by the broker. This number can vary by year based on the number of coverage lines and requests by covered health clinics under the medical malpractice line.
- Q.2** Section C.1.F(14) how many property site surveys are conducted per year? Are these surveys managed by the current property carrier at no cost, or at an additional cost?
- A.2** The number of site surveys varies by year, generally between five (5) and 12 sites, which can include multiple structures at each site. The surveys will be conducted at the agreed locations, determined by the carrier and the DC Office of Risk Management (DCORM). The surveys will typically include the evaluation of facility construction, occupancy, protection, and exposures (COPE), the review of human element programs, and the development of recommendations and loss estimates. The surveys are part of the Risk Engineering Fee between the District and the carrier, not the eventual Contractor(s) under this Solicitation.
- Q.3** Section B.1.B-please describe the underwriting assistance necessary for the medical malpractice coverage, for example how many health clinics and clinicians are insured, what is the scope of their practices, what are their specialties, how many COIs are issued annually and who manages their claims activity?

- A.3.** Please see Section C.1.2, specifically C.1.2 C, D, H, I, J, and K for underwriting expectations. Currently there are two qualified health clinics insured under the Captive’s medical malpractice insurance policy. They are MetroHealth and Family Medical Counseling Services. At a minimum one COI per clinic is issued annually and as requested throughout the policy term. Claims activity is managed by the DCORM and the respective insurance broker.
- Q.4** Section C.1.2(C)-who is the current captive manager and what are their responsibilities? Are they providing day to day captive management (such as transactions, accounting, filing of books and records) or is this being managed internally by DCORM? Would the med mal consultant be expected to serve on the Advisory Council for the captive?
- A.4** The Captive Manager is Robert Preston, the Insurance Program Administrator for DCORM. The responsibilities of the Captive Manager include, in conjunction with the Chief Risk Officer, overseeing the operations of the captive, drafting insurance and other policies, hiring a third party administrator to adjudicate claims, conducting research and analysis, and reporting on the status and financial condition of the captive to the Commissioner of DC Department of Insurance, Securities and Banking (DCDISB), in accordance with all governing laws and regulations, including the “District of Columbia Medical Liability Captive Insurance Agency Establishment Act of 2008”. The day-to-day captive management is done in conjunction with the Insurance Program Administrator, Chief Risk Officer, various other DCORM staff, and the insurance broker. It is possible that

the Med Mal Consultant would serve on an Advisory Council for the Captive.

Q.5 Section C.1.2(D) what is DCORM's definition of "business, technical" services? Would this entail interfacing with DISB with respect to business plan changes and meeting regulatory requirements or something else, please explain.

A.5 “[B]usiness” services refer to day-to-day operations (see answers to Q.3 and Q.4 above). “[T]echnical” services refer to insurance expertise, for example, structuring insurance program, claims management, and understanding of various insurance lines.

Q.6 Section C.1.2(F) what is the expected frequency and scope of feasibility studies and actuarial services for DCORM?

A.6 The current expected frequency of feasibility and actuarial studies is annually. The scope of the feasibility study will be developed between DCORM and the insurance broker. The scope of the actuarial services must comply with the regulatory requirements as set forth by DCDISB.

Q.7 Section C.1.2(G) requests the broker to review contracts, leases and agreements as requested, what is the expected number of requests to be reviewed annually by the broker?

A.7 DCORM reviews approximately 3,000 to 5,000 contracts, leases, agreements, and other types of documents annually for insurance requirements. The insurance broker can expect to be assigned documents for review up to this number.

Q.8 Section C.1.2(H) are there regulatory requirements of DCORM's captive that are outside of the typical DISB requirements which include annual report and premium tax filing, business plan changes, etc? Is the captive exempt from DC premium taxes?

A.8 The captive has no additional filing requirements other than the annual filing requirement for any DC registered captive. Yes, the captive is exempt from DC premium taxes.

Q.9 Section C.1.2(M) please describe the quarterly updates and reviews expected of the captive consultant.

- Review the Captive's medical malpractice insurance policy and other Agency documents provided by the Captive for review.
- Draft suggested modifications to the documents as requested by the Captive.
- Participate in meetings with the Captive as reasonably requested.
- Review and make suggested revisions to the Captive's insurance template.

Q.10 Section B.3.1, CLIN 003 category cross references Section C.1.2.O, there is no description provided in the RFP for this section, please advise.

A. The correct reference should have been C.1.2 M and N.

Q.11 With respect to Attachment J.1 Medical Liability Captive Insurance Agency Establishment Act of 2008, as amended, and incorporated into the contract, please provide a current copy of the captive plan of operations.

A.11 You can find the most current Captive Plan of Operation at <https://orm.dc.gov/publication/captive-plan-operation> . For additional Captive information, please see DCORM's website: <https://orm.dc.gov/page/captive-insurance-agency-medical-malpractice-non-profit-health-centers> .

Q.12 Section L.21.1.1 Section 1: Official Offer requires offer to sign the proposal and print/type its name on the form entitled: "AWARD/CONTRACT." Please provide a copy of this form.

A.12 See attached document.

Q.13 Section L.21.1.10 Section 10 Certifications and Affidavits: we are asked to complete and return Attachment J.2 (First Source Employment Agreement) and Attachment J.4 (Equal Opportunity Information Report). Will providing signed Forms K.5 (Certification as to Compliance with Equal Opportunity Obligations, incorporating Mayor's Order 85-85) and K.8 (First Source Employment Contract Certification) comply with this requirement? If no, please provide copies of Attachments J.2 and J.4 for our completion (the links provided in the document for both forms go to a "Page Not Found" website).

A.13 Yes. Providing signed Forms K.5 and K.8 will comply with the requirements under J.4 and J.2, respectively.

Q.14 Section L.6.3 asks to complete all applicable blanks in the OFFER section of the form at page 1, please provide a copy of this form.

A.14 See answer to question Q.12 above.

Q.15 Would the DC ORM consider hiring a broker that responded to only one product line? Our thoughts would be to focus on working with you for your cyber insurance needs. [The Company] services a number of large customers where we work with the Risk Management team to develop strategies supported through quantification of risk models to utilize their captive. It is often the case we are not the captive manager, but provide our clients the necessary frequency and severity analysis to consider where the captive may support or replace certain aspects of their cyber risk, furnishing the details of loss probabilities and associated capital and premiums to be used by the captive manager and regulator. Would the DC ORM be open to working with [the Company] solely for your cyber risk?

A.15 No. In order to be selected as a Contractor under this Solicitation, the Offeror must respond to all requirements.

Q.16 What methods has DC ORM utilized to assist in quantifying your risk to privacy and data security, as well as Business Interruption? Benchmarking, Probable Maximum Loss analysis, statistically based scenario modeling or other?

A.16 From an insurance perspective, DCORM relies on services and products provided by the insurance broker to assess cyber related exposure. The DC Office of the Chief Technology Officer manages cyber related exposures.

Q.17 To what extent has DC ORM established a risk appetite for the District of Columbia? Is there a specific number or range and Key

Performance Indicators used to measure your risk retention threshold?

A.17 DCORM is open to working with the insurance broker pursuant to Section C.1.2 F to evaluate the risk appetite and develop respective indicators to measure the risk retention threshold.

Q.18 In evaluating responses, how much weight is given to the broker's compensation? Will the broker's fee scoring have any adjustment or consideration when taking into consideration the impact the broker's services may have on your Total Cost of Risk?

A.18 Please see Section M of the Solicitation regarding evaluation and scoring.

Q.19 Is DC ORM open to a fee agreement where the broker places a substantial portion of its fee at risk depending upon meeting certain program milestones and service levels?

A.19 No. See Price Schedule under Section B.

Q.20 Are there any particular pre-breach services you would like to consider as part of the RFP? Some services can have a significant impact on underwriting and premiums such as table-top exercises, maturity audits, validation and testing.

A.20 See Section C for Solicitation requirements.

Q.21 What is the current compensation amount(s) and structure for the existing programs and services?

A.21 This is proprietary information, which the Agency will not share.

Q.22 Please provide current Property, Builders Risk and Aviation schedules of values

A.22 This is proprietary information, which the Agency will not share.

Q.23 Please provide 10 years of claims loss runs for all lines of coverage included in this RFP

A.23 This is proprietary information, which the Agency will not share.

Q.24 Please identify any substantial changes to your program's property experience for the past two years such as major premium increases or coverage placement challenges.

A.24 This is proprietary information, which the Agency will not share.

Q.25 Do you have any international exposures?

A.25 The Agency currently does not insure international exposures.

Q.26 What loss control or other services does The District currently receive under its current brokerage contract? What loss control services does the District wish to utilize under the new contract?

A.26 Please see Section C1.1 E for loss control services.

Q.27 Could we please obtain the most recent audited financial statements for the captive?

A.27 Please see filings on DCORM website:
<https://orm.dc.gov/node/856862>

Q.28 Within the request we do not clearly see the requirement of the captive manager to prepare financial statements or provide the treasury function for the captive. Is this correct? If not, could you please provide the scope of services requested of the captive manager related to the preparation of the financial statement (specifically the frequency), and the scope of services for the captive treasury function?

A.28 Please see answers above, specifically answers to Q.3, Q.4, Q.5, Q.6, and Q.8.

Q.29 As a DSLBD certified agency, please provide clarification of Section B.1.1's reference to (b) Small and Certified Business Enterprise Development Enterprise exemption.

A.29 See B.1.1, which provides that any contract issued under this Solicitation is **exempt** from from the Small and Certified Business Enterprise Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-218.01 et seq.).