

RFP #11-MISC-13
PROPERTY AND CASUALTY INSURANCE

FACT SHEET

A. Overview: Sealed technical proposals were received on May 25, 2011, for property and casualty insurance coverage, for Frederick County Public Schools. A prebid meeting was held on April 20, 2011.

1. RFP participation:

- 46 companies notified
- 2 companies bid
- 2 companies submitted a "no bid" response

2. Proposals were received from:

BB&T Frederick Underwriters (Frederick, MD)
Wells Fargo Insurance Services USA, Inc. (Richmond, VA)

3. Other facts:

- Proposals were requested for property and casualty insurance from qualified brokers, agents and underwriters for various property and casualty insurance coverage to be effective July 1, 2011.
- Coverage will be extended and renewed on an annual basis.
- Mr. Peter Hudson of the Hudson Group is the consultant for the project.
- This insurance contract will provide protection for loss/damage to real and personal property, including business interruption; data processing; boiler and machinery; business automobile; commercial general liability; crime coverage; builder's risk; errors and omissions and others.
- Two offers were received. The most complete offer was submitted by BB&T Frederick Underwriters which is being recommended for award and is the current provider.
- Bids were requested to have a \$5,000 deductible for Property insurance. The quoted offer from BB&T was for a \$5,000 deductible with a policy limit of \$1,516,105,132, the quoted offer from Wells Fargo was for a \$10,000 deductible with a policy limit of \$500,000,000 (loss pick). Based on historical data the \$5,000 difference in deductible will cost FCPS approximately \$36,000 more in deductible payments.
- The offer from BB&T also included a fixed rate guarantee for two years. This means that the rate at which FCPS Premium is calculated will not change for two years. This guarantee is especially attractive in today's property insurance environment.
- BB&T quoted the entire insurance package, but stated that "all Ohio Casualty policies are inseparable and must be taken as a package". Wells Fargo only quoted Property insurance.
- Information was provided by Mr. Peter M. Hudson, President & Senior Consultant, Hudson Group, Inc. on the proposals for this solicitation. See Attachment A for an analysis provided by Mr. Hudson.

4. Source of Funding: FY'12 Approved Board Operating Budget, Category 10, Operations, \$704,141 and Category 12, Fixed Charges, \$331,565.

B. Recommendation: The Facilities and Finance Committee recommends award to BB&T Frederick Underwriters (Frederick, MD) with a \$5,000 deductible for \$907,471.00.

C. Action taken by the Board (Purchasing Department use):

____ Approved ____ Denied ____ Deferred ____ Other
____ Date ____ Date ____ Date ____ Date

SB/jpl BOE Mtg: 6/22/11

PREMIUM COMPARISON
Attachment A

	CURRENT	BB&T	WELLS FARGO
	\$5,000 Deductible Policy Limit \$1,100,271,541	\$5,000 Deductible Policy Limit \$1,516,105,132	\$10,000 Deductible Policy Limit \$500,000,000
REAL AND PERSONAL PROPERTY	\$ 433,667.00	\$ 424,227.00	\$ 424,948.00
LOSS OF INCOME	\$ 1,807.00	\$ 1,620.00	Included
ELECTRONIC DATA PROCESSING	Included	\$ 15,000.00	Included
VALUABLE PAPERS	\$210.00	\$ 21.00	Included
ACCOUNTS RECEIVABLE	\$14.00	\$ 14.00	Included
BOILER & MACHINERY	\$ 45,987.00	\$ 42,691.00	Included
INLAND MARINE	\$ 56,497.00	\$ 29,905.00	Included
SUB-TOTAL	\$ 538,182.00	\$ 513,478.00	\$ 424,948.00
CRIME	\$ 6,240.00	\$ 6,240.00	N/Q
GENERAL LIABILITY	\$ 56,560.00	\$ 55,083.00	N/Q
IMPROPER SEXUAL CONTACT	Included in GL	Included in GL	N/Q
BUSINESS AUTO	\$ 300,470.00	\$ 305,043.00	N/Q
EMPLOYMENT PRACTICES	Included	Included	N/Q
SCHOOL LEADERS E&O	\$ 41,664.00	\$ 26,386.00	N/Q
STUDENT MEDICAL	\$ 2,346.00	\$ 1,241.00	N/Q
GRAND TOTAL	\$ 945,462.00	\$ 907,471.00	Incomplete