



DATE: July 15, 2021
SUBJECT: Letter of Clarification
RE: Insurance Brokerage and Risk Management Services RFP
TO: All Prospective Proposers

Houston First Corporation (“HFC”) issues this Letter of Clarification regarding the referenced Insurance Brokerage and Risk Management Services RFP to answer questions timely received in the manner set forth below:

Question 1: Who is the current broker of record?

Answer: Arthur J. Gallagher Risk Management Services, Inc.

Question 2: Will the new broker be compensated by fee or commission, and what fees and commissions are paid to the current broker?

Answer: Please refer to the Proposal Format section of the RFP, subsection “e”, entitled “Pricing”. There are no commissions; the current broker receives a fixed annual fee for all services. Current service fees will not be made available during the selection process.

Question 3: What is the required number of service hours for claims, loss control, document/insurance certificate review, etc.?

Answer: Services are to be provided on an as-needed basis.

Question 4: Can we submit a proposal for only a portion of the scope of work?

Answer: No, although Proposers interested in providing a portion of the services required are asked to consider subcontracting opportunities with prime contractors. (Please note that a list of interested Proposers and participants from the pre-submittal meeting is available online at <https://www.houstonfirst.com/do-business>.)

Question 5: Does HFC want quotes or just agent/broker qualifications?

Answer: No quotes are being requested at this time, nor is this solicitation a request for qualifications only. As stated in the RFP, insurance coverages for the policy period of May 1, 2021 through April 30, 2022 have been placed; the Proposer selected as a result of this process is to provide risk assessment and claims management services until such time as marketing and placement services are needed for policies scheduled to expire at the end

of April 2022. For submittal requirements, please refer to the Proposal Format section of the RFP.

Question 6: Will HFC be assigning markets?

Answer: No.

Question 7: If HFC is not assigning markets, how will firms know the markets have not been blocked by one agent?

Answer: Please refer to the responses to Questions 4 and 5.

Question 8: As the claims process, including investigation and documentation, is typically performed by a third-party administrator or the insurance carrier that is hired as in connection with the individual insurance lines of coverage placed, is the expectation that a representative of the insurance broker will provide claims management services?

Answer: While the broker is not taking the place of claims adjustors, it is not acceptable for a broker to abdicate all claim management responsibilities to a third-party investigator. HFC is seeking a broker who will be responsive to HFC directly and provide oversight and diligent management of the claims process.

Question 9: Does the current broker use its owned intermediaries in the U.S. and London to place any policies?

Answer: Yes.

Question 10: Does the current broker disclose compensation it receives from its owned intermediaries to HFC?

Answer: Yes.

Question 11: Is the total income the current broker receives, including commissions from owned entities, being considered as part of the all-inclusive compensation requested in the Pricing subsection of the RFP?

Answer: The current broker credits any commissions against the agreed-upon annual fee and does not earn any fees in excess of such annual fee.

Letters of Clarification become a part of the RFP automatically upon issuance and supersede any previous specifications and/or provisions in conflict therewith. By submitting their Proposal, Proposers are deemed to have reviewed all Letters of Clarification, considered all responses, as well as any revisions, and incorporated them into their Proposal.