



**Mercy Corps**

**Request for Proposal – Insurance Broker**

Date – January 5th 2021

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## I. MERCY CORPS OVERVIEW

Mercy Corps is a global team of humanitarians, working together on the front lines of today's biggest crises to create a future of possibility, where everyone can prosper.

Our mission: to alleviate suffering, poverty and oppression by helping people build secure, productive and just communities.

In more than 40 countries around the world, our nearly 6,000 team members work side by side with people living through poverty, disaster, violent conflict and the acute impacts of climate change. We're committed to creating global change through local impact — 85 percent of our team members are from the countries where they work.

We bring a comprehensive approach to every challenge, addressing problems from multiple angles. Thanks to support from our extended global community, we've provided \$4 billion in lifesaving assistance to meet the urgent needs of more than 220 million people over nearly 40 years. We also go beyond emergency aid, partnering with local governments, forward-thinking corporations, social entrepreneurs and people living in fragile communities to develop bold solutions that make lasting change possible.

### Through our impact, influence and innovations, in 2020 we:

- Reached nearly 37 million people in more than 40 countries
- Raised \$60.5 million for our COVID-19 Resilience Fund and have reached 15.1 million people so far through our response
- Provided 1.8 million people with emergency cash assistance
- Our work in the Democratic Republic of the Congo alone reached more than 4.9 million people
- Secured \$490 million in revenue from institutional and private funders in 2019.
- Piloted the use of 3D printing to support children with disabilities in Jordan's Za'atari refugee camp.
- Sponsored the Global Fragility Act, together with a coalition of 70 grassroots organizations, which created the first-ever U.S. government strategy to tackle alarming levels of global violence around the world. The act was signed into law in December 2019 after receiving bipartisan support in Congress.

See more details about our impact in 2020: <http://www.mercycorps.org>

**Note: Under no circumstances shall any market be contacted in Mercy Corps' behalf during this RFP process.**

## II. PROJECT BACKGROUND AND CONTEXT

Through this Request for Proposals (RFP), Mercy Corps requests competitive proposals from qualified and experienced insurance brokers to market and administer Mercy Corps' worldwide commercial insurance portfolio and provide related insurance and risk management services. Mercy Corps intends to consolidate our brokerage relationships with a single Broker to assist and consult on our worldwide

insurance & risk needs. We will award an exclusive three (3) year contract to the successful Proposer in connection with this RFP.

### III. DESIRED SERVICES & SCOPE OF WORK

Mercy Corps' views its Broker as a full partner in meeting our mission and will actively engage with them for insurance advice and counsel to help mitigate our risks around the world.

#### Lines of Insurance Coverage

This Request for Proposals is entered into with respect to the following lines of insurance coverage and for which Mercy Corps agrees to retain Broker as its Broker of Record:

- Executive Risk / Directors & Officers
- General Liability
- Property
- Automobile
- International Employer's Responsibility
- Professional Indemnity
- Crime / Employee Dishonesty
- Umbrella and Excess Lines
- Fiduciary
- Cyber Liability
- Special Risks
- Business Travel Accident (BTA)
- Workers' Compensation

A list of the coverages currently maintained by Mercy Corps can be found in Appendix I.

#### Mercy Corps' Insurance Profile Highlights

**Executive risk** policies generate frequent questions to our Broker, e.g., who is covered, how our overlapping policies covers our boards, and coverage of our employees when acting on behalf of Mercy Corps. Due to high retentions our claims seldom result in payments. There is added focus to our D&O policy due to exclusions, specifically sexual abuse and molestation (SAM). We will look to our broker to help analyze solutions.

Mercy Corps has 5,600+ team members operating in over 40 countries. See Appendix II and Supplemental Data. We operate in insecure environments, often in the face of conflict, and collapsed or ineffective governments. Lack of infrastructure, political unrest, crime and terrorism challenge our ability to carry out our mission. These factors can test our international **property** coverage. We have not had any significant claims recently.

The "duty of care" of our staff is of the utmost importance to us. Our most common claim under our **Special Risk Coverage** is for evacuation of staff from locations experiencing violent conflict. Mercy

Corps' security management program is comprehensive and well-planned, involving local expertise and external consultants. We work closely with our brokers and carriers in planning for and managing our security profile and our crisis planning.

Our insurance coverage provides an allowance for crisis management trainings. We have traditionally used day-long crisis simulations to train our senior field leadership teams. Our goal is to conduct regional trainings every 18 months which are either first-time or refreshers for our teams.

**Cyber** insurance is increasingly important as the profile of cyber-attacks grow. Mercy Corps recently filed a claim related to the recent Blackbaud security incident. Our IT team continues to improve and refine our incident response planning. We will look to our brokers and carriers to provide review, consultation and recommendations of and to our plans.

International **Auto** claims for Physical Damage and Liability are by far the most common type of claim from the field, but are usually the lowest value claims. Field management staff are required to research and procure underlying policies when available, and ensure compliance with in-country compulsory insurance requirements, with minimal support from HQ (Portland, Oregon) risk management. Mercy Corps maintains an international **Excess Auto Liability** policy.

Mercy Corps operates in many countries where crime and corruption is a significant problem. We have a zero-tolerance policy for corruption and fraud in the agency and in our programs, not only to ensure compliance with donor requirements, but also because unethical business practices can hinder our ability to work safely in an area. We have periodically sustained large losses due to **crime and employee dishonesty**, but these are not the norm. It is our desire to increase our current crime policy limits.

### **Required Services of the Broker**

This section details the insurance and risk management services the Broker will be required to provide under the contract awarded from this RFP.

1. Market Mercy Corps' global insurance program to appropriate carriers; act in Mercy Corps' best interest in obtaining competitive quotes; be an effective advocate for Mercy Corps in marketing insurance coverage.
2. Evaluate and select carriers based on stability, ratings, solvency, and service records; present proposals and recommendations for placement; place and implement selected programs at Mercy Corps' direction.
3. Assure proper claim handling procedures and communication protocols; be an effective advocate for Mercy Corps in processing claims (e.g., assist in working and negotiating with insurance companies for broad interpretations of coverage, mediation of disputes, etc.).

4. Approach our insurance with a local lens. If needed local consultants or claims management is to be available to assist Mercy Corps. An example would be review of health and safety plans in respect to local laws and regulations.
5. Provide a comprehensive approach in identifying and quantifying Mercy Corps' direct and contingent exposures.
6. Research insurance markets to determine appropriateness of current coverage; audit and assess Mercy Corps' existing insurance program; and recommend additional or different coverages as needed.
7. Assist Mercy Corps to evaluate self-insurance, retention, and deductible levels; quantify recommended risk retention; help identify and quantify risk appetite.
8. Assist in preparing and submitting insurance coverage applications.
9. Administer insurance policies, including timely review for accuracy, analysis of policy terms, coverage, and processing endorsements or changes in a timely manner.
10. Provide Mercy Corps with binders, billings, and insurance policies in a timely manner.
11. Provide Certificates of Insurance as needed.
12. Provide an annual schedule of insurance by coverage.
13. Provide assistance in the form of advisory services and/or written reports as is customarily expected from an insurance broker, such as providing an annual stewardship report and regular updates on insurance market developments and legislation that may impact Mercy Corps.
14. Provide estimates and projections of future premiums for budgeting purposes.
15. Assist in review and analysis of contract, loan, grant, and other agreement-related exposures; recommend contract clauses, insurance types and limits to address exposures; review and recommend updates to Mercy Corps' standard contract insurance requirements.
16. Review loss runs for trends and/or stores that generate the most claims; assist with loss modeling, coverage scenario development, and assessing potential frequency and severity of loss exposures, including measuring the overall effectiveness of the risk management program.
17. Assist in the development and review of internal policies as it relates to risk management.
18. Assist in preparing educational and training presentations on relevant insurance, safety, and risk management-related topics.

## **Additional Services of the Broker**

In addition to the required services outlined above, Brokers may propose additional services, such as property appraisals, consulting, or loss prevention services beyond what would routinely be provided under the Contract. Proposers should specify the types of such additional services that are available in their response to Section IV.

## **IV. PROPOSAL FORMAT & REQUIREMENTS**

In order to secure information in a form, which will ensure that your proposal will be properly evaluated, you are asked to submit your proposal in the format listed below. Standard proposal formats are acceptable provided the following information is included:

1. Name, address, telephone number and email address for principal contact.
2. A brief outline of your organization and services offered, including:
  - Full legal name, jurisdiction of organization or incorporation and address of the company
  - Full legal name and country of citizenry of company's President and/or Chief Executive Officer, and all other officers and senior managers of the company
  - Year business was established
3. Name and professional qualifications of personnel who would provide the services.
4. Names, addresses, phone numbers and email addresses of at least three references, of which two clients are of similar industry and scope of operations as Mercy Corps.
5. Not to exceed 25 pages in length.
6. Completed Supplier Information Form
7. Insurance RFP Proposal Content:

### COMPANY BACKGROUND AND HISTORY

1. Provide a brief history and description of your company, including approximate annual revenues, number of offices and employees, and other information that would enable us to assess the depth of your firm's resources.
2. Provide a review of your global reach and how you can meet our local needs, in all our operating markets. Include a discussion of the firm's operating footprint and how it matches our footprint. Provide detail if insurance brokerage services are provided by the firm's network of offices or an association of offices. Describe how those respective networks are managed and compensated.
3. Provide a brief profile of your proposed servicing office (e.g., number of employees, specialties, service territory, etc.), indicating why this office was chosen and how it fits into your overall organization.

## PROGRAM STRUCTURE AND PLACEMENT

1. Based on your understanding of Mercy Corps' operational exposures and current insurance program structure, identify any major vulnerability you perceive to risk of loss and opportunities for program enhancement. Describe the approach you would take to address them.
2. Identify any aspects of Mercy Corps' current program that you believe could invite scrutiny from underwriters, regulators, or other external parties. Explain how you would address them.
3. Describe your company's business model for marketing and placement of our insurances, indicating whether you expect to place any portion of our program through centralized or syndicated brokering facilities.
4. Indicate how current and anticipated insurance conditions might influence the design or placement of our insurance program for the upcoming 3 year agreement period. Describe any impacts on the market from COVID-19, Brexit, and any other major events.
5. Provide a conceptual overview of the program structure and risk financing approach you believe would be most appropriate for our organization, based on your current understanding of Mercy Corps' operations and risk appetite.
6. Describe your firm's ability to draft specific and manuscript coverage for our exposures, and explain if you would recommend this for our account.
7. Explain how your firm can support our field offices in meeting local compulsory insurance requirements.
8. Answer the following question: Would Mercy Corps benefit from a captive insurance program specifically aimed at filling the gaps of our D&O and Crime coverages?

## EXPERIENCE

1. Identify all of your firm's personnel who will share accountability for the design placement, and servicing of our program. Provide educational and professional credentials for each individual, including approximate number of years in the insurance industry and experience with large global nonprofit risks. Provide brief biographies of the primary individuals who would be responsible for Mercy Corps' account.
2. Describe your firm's experience with international non-profits.
3. Identify three current comparably-sized clients (at least two being an international non-profits) with a global footprint who can serve as a reference for the proposed servicing office and account team, including the name, address, telephone number, and contact person for each.
4. What do you perceive to be your firm's strengths, vulnerabilities, and opportunities relative to your competitors? Include value added services.



## PROGRAM SERVICING

1. Describe how Mercy Corps would fit into your company's overall book of business, providing information about client size, stratification, specialty practices, and other data that will enable us to assess the potential "fit."
2. Describe your approach to client relationship management, including management reporting, meetings with our team, annual stewardship report, and service-level agreements.
3. Describe your firm's international brokerage and service capabilities, with emphasis on in-country operations in the countries where Mercy Corps operates. Describe the coordination between your principal servicing office and other offices that would interact with our locations, elaborating on protocols that will promote consistent quality of representation worldwide.
4. Briefly describe your marketing approach for Mercy Corps' needs to provide placement and support services for our program.
5. Explain how your firm would identify and rationalize Mercy Corps' field offices and subsidiaries from purchasing redundant insurance policies. Additionally, if other services (i.e. pension services) are being provided by carriers, describe how they might be unbundled.
6. What is your ability to recommend, access, and administer third-party vendors on crisis management training?
7. Describe any web-based tools or electronic customer service processes you provide to enhance services.
8. Outline your proposed service plan for Year 1 of a new relationship with us.
9. Propose a method by which your firm will be held accountable for performance.

## ISSUES AND OPPORTUNITIES

1. Mercy Corps encourages creative and innovative thinking that enhances operational and financial performance. While this RFP has been designed to gather a wide range of information, there may be other issues and opportunities you wish to identify as being particularly important and relevant. We encourage you to identify such issues and opportunities, the potential impacts they would have on our organization, and how you would help Mercy Corps manage them.
2. If you are the successful proposer, describe how you would transition from the incumbent brokers and how you would onboard us for the period between award and renewal of our coverages.

## COMPENSATION

1. Propose an amount and form of remuneration (i.e. fee or commission) to design, place, and manage our global insurance program annually based upon the program scope, staffing, and services you have proposed in preceding sections.
2. Indicate whether your firm will receive contingent commissions or supplemental compensation, including profit- or volume-based payments based on your overall book of business, from any insurer you reasonably expect to engage on our behalf, identifying the insurer(s) and expected amount(s) of such income.

## **V. EVALUATION OF PROPOSALS**

Proposals will be scored using the following technical criteria. Points for each question will range from 0-25 the maximum technical score is 100 points. Proposals should address each evaluation criteria.

- Adherence to the RFP Requirements: Did the bidder conform to all requirements and product or service specifications in the RFQ or RFP? (0-10)
- Technical Criteria: Includes the bidder's understanding of the service or procurement required, bidders' management plan, supplier's qualifications and bidders' overall resources. Does the supplier have the right qualifications (registration, insurance, experience)? (0-35)
- Management Criteria: Includes the bidder's experience on similar projects, bidder's performance on similar projects, bidder's available facilities and resources for the project and the bidder's plan for management and control of the project. (0-30)
- Cost Criteria: Is the cost within any pre-determined price range, such as cost estimates from a market analysis? In most cases cost is evaluated using value for money unless otherwise directed by donor requirements. (0-25)

### CONTACT FOR BID INQUIRIES

All inquiries concerning this solicitation shall be addressed to the following Designated Contacts:

- Mark Spencer | Director, Global Procurement | [m Spencer@mercycorps.org](mailto:m Spencer@mercycorps.org)

Please email an electronic version of your response (via e-mail), including all supporting documentation, and direct questions about the RFP to each of the designated contacts.

All questions should be submitted in writing (via email) citing the particular bid section and paragraph number. Bidders should note that all clarifications and exceptions are to be resolved prior to the submission of a bid.

Only questions received during the Question and Answer period (as outlined in the RFP

Calendar) will be addressed. No telephone questions will be answered. Official answers to the questions will be posted on Mercy Corps website at [www.mercycorps.org/tenders](http://www.mercycorps.org/tenders)

#### RFP CALENDAR/TIMELINE

- RFP published January 5<sup>th</sup> 2021
- Questions and Answers period January 5<sup>th</sup> to January 19<sup>th</sup> 2021
- RFP responses due January 22<sup>nd</sup> 2021
- Vendor selected and notified February 2021

## **VI. OTHER TERMS & CONDITIONS**

#### WITHDRAWAL OF RFP

Proposals may be withdrawn before the RFP submittal deadline by submitting a written request to the Contact Person. Re-submittal before the RFP submittal deadline can be made; however, they may not be re-submitted after the deadline.

#### RFP COSTS

All costs incurred in the preparation and presentation of proposals to the RFP shall be completely absorbed by the responding party to the RFP. All documents submitted as part of the RFP will become property of the Mercy Corps. Requests for specific material to be returned will be considered. Any material submitted that is confidential must be clearly marked as such.

#### AWARD BASIS

At the option of the Mercy Corps, finalists for the Agent designation may be selected for a final round of negotiations; however, applicants are encouraged to present their best offers with their initial submission. Mercy Corps reserves the right to accept or reject any and all proposals, to waive any irregularities in any proposal process, and to make an award of contract in any manner in which Mercy Corps, acting in the sole and exclusive exercise of its discretion, deems to be in Mercy Corps best interest.

#### CONTRACTUAL DEVELOPMENT

Once an applicant is approved as the exclusive Agent, the successful respondent will enter into a contract with the Mercy Corps. Contract discussion and negotiation will follow the award selection. Bidders must be amenable to inclusion, in a contract, of any information provided whether herein or in response to this RFP, or developed subsequently during the selection process.

#### CONTRACT TERMS

Firms that are selected as the exclusive Agent are eligible to enter into a service contract. Mercy Corps may terminate the contract upon written notice to the Agent of not less than thirty (30) days.

#### EQUAL OPPORTUNITY

Mercy Corps emphasizes that all respondents will receive full consideration without regard to race, color, religion, sex, national origin, sex, disability, age or sexual orientation. Minority and women-owned firms are especially encouraged to respond to this RFP.

#### LIMITATIONS

Mercy Corps, reserves the right to reject any and all Proposals and to waive any informality in the solicitation process. Total proposal length excluding cover letter, details of professionals who will provide services, and contact information of client references, should not exceed 25 pages.

