

# **Request For Qualifications (RFQu)**

## **Florida Hurricane Catastrophe Fund**

### **State Board of Administration of Florida**

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#### **Exposure Examination and Consulting Services**

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**Issue Date:** March 19, 2019

**Response Deadline:** April 9, 2019 2:00 p.m. ET

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**Designated Contact:**

Linda Guyas  
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**Purpose of the RFQu:**

Section 215.555, Florida Statutes, created the FHCF with the purpose of maintaining a viable and orderly private sector market for residential property insurance in Florida by providing reimbursements to insurers for a portion of their hurricane losses. All authorized insurers in Florida that write “covered policies,” as defined in Section 215.555, Florida Statutes, are required annually to enter into a reimbursement contract with the SBA, to report their exposure, and to pay premiums. The administration of the FHCF is assigned under the law to the SBA. The FHCF shall examine participating insurers to ascertain compliance with the reporting requirements of the FHCF and to detect any non-compliance issues that may affect the actuarial soundness of the FHCF. The law and rules applicable to the FHCF reporting requirements are available on the FHCF web site.

**Scope of Services:**

The SBA is seeking approximately four (4) to five (5) different vendors to provide examination and exam-related consulting services which may include both full-time and part-time work. The term of the contract is anticipated to be five (5) years. The contract will be subject to termination by the SBA upon written notice given under the terms and conditions of the contract. Respondents should be prepared to provide, at a minimum, the following services as assigned or directed by SBA staff:

1. Conduct on-site and off-site exposure examinations of participating companies to ascertain compliance with FHCF reporting requirements;

2. Analyze large volumes of data, develop queries to test specific objectives, and prepare recommendations to improve future reporting;
3. Submit workpapers, including complete supporting documentation of examination work and results, and examination reports, outlining the findings and recommendations, in electronic format;
4. Conduct special examinations including, but not limited to, companies that have assumed business from Citizens Property Insurance Corporation;
5. Provide advice to the FHCF on a number of matters pertinent to the examination process;
6. Participate in FHCF conferences and workshops;
7. Provide technical assistance in reviewing companies' data including, but not limited to, reviewing resubmissions and reconciling data files;
8. Assist participating insurers in reconstructing, rewriting, recording or posting records; and
9. Other consulting services as requested by the FHCF.

**Qualifications:**

The Respondent's examiner performing an exposure examination must have at least five (5) years of property insurance audit/examination experience (financial or market conduct), be proficient in Microsoft Word, Microsoft Excel and Microsoft Access and possess one or more of the following professional designations in order to be considered for selection:

1. Certified Insurance Examiner (CIE)
2. Accredited Insurance Examiner (AIE)
3. Certified Financial Examiner (CFE)
4. Accredited Financial Examiner (AFE)
5. Certified Public Accountant (CPA)
6. Chartered Property and Casualty Underwriter (CPCU)

**Submission:**

Any information submitted in conjunction with this RFQu will become the property of the SBA and will be a public record pursuant to Chapter 119, Florida Statutes, absent a clear statutory exemption.

The SBA retains sole discretion to decide not to utilize the services of the selected Respondent or to terminate the selection process prior to any Respondent being selected without cause and without penalty.

**Required Information:**

In response to the RFQu, identify the Respondent's name and principal address. Provide the name, telephone number, and email address of a person authorized to represent the Respondent regarding all matters related to the proposal.

**Fee Proposal:**

The fee proposal must include a separate price for each type of exam listed below, based on the estimated number of hours on-site and off-site and the estimated number of travel days. Exhibit A is an excel spreadsheet that must be completed by each Respondent to show the fee proposal for each type of exam. The proposed fees are an estimate and the actual costs to an examiner may vary depending on the complexity of the exam, the proximity of the exam to the

Respondent's work location, and the costs incurred while on-site. The SBA would expect Respondents to offer a fair proposal that accounts for these variables to the benefit of both parties.

1. Expanded exams (estimated 102 total hours on-site and off-site – 4 to 5 days travel)
2. Standard exams (estimated 73 total hours on-site and off-site – 3 to 4 days travel)
3. Limited exams (estimated 55 total hours on-site and off-site – 2 to 3 days travel)
4. Desk exams (estimated 30 hours – assuming no travel)
5. An hourly rate for consulting services, exclusive of travel costs

If travel is required for a desk exam or consulting services, the SBA will reimburse travel costs in accordance with state travel guidelines in Section 112.061, Florida Statutes.

The SBA is not responsible for any expense incurred by an individual or firm in preparing and submitting this information, any expense incurred as a result of the selection process, or the cost of any services performed prior to the execution of a contract.

The fee proposal is for informational purposes only and will not be a factor in the selection process. See Exhibit A.

The SBA reserves the right to negotiate concurrently or separately with competing Respondents any time after the finalists are selected. The SBA reserves the right to reject any and all responses. The SBA reserves the right to withdraw this RFQu without selecting a vendor. The SBA will enter into a contract with the selected Respondent(s).

**Specific Information:**

Please submit five (5) bound copies of your response, an unbound original document, and an electronic copy of your response on a CD/DVD or USB flash drive in PDF format. Submit these responses to the SBA at the delivery address provided at the end of this document. Facsimile and electronic transmissions are not acceptable. All responses must be submitted in a sealed envelope or box and must be marked "RFQu for Exposure Examination and Consulting Services." The response must include the following items in the order listed below. In your response, restate each numbered item in bold face type and using no smaller than a 12 point font, with the response directly below. Any omitted or incomplete responses may eliminate a Respondent from evaluation.

A. The Respondent

1. Describe briefly the Respondent's background/history, ownership structure, and experience conducting the services requested in the Scope of Services.
2. If you currently do not have a contract with the SBA to provide examination services, list three (3) client references (name, phone number, description of services provided, and mailing address) whom the SBA may contact.

## B. Personnel – Availability and Qualifications

1. If the Respondent is a firm/corporation, state the names and locations of key personnel who will be assigned to this project. Provide resumes on each person and include any other professional or academic qualifications and related experience. Also, indicate their length of employment with the firm/corporation and the amount of time the personnel will be assigned to the FHCF work. If the Respondent is an individual, provide a resume and include any other professional or academic qualifications and related experience.
2. If the Respondent is a firm/corporation, indicate the level of commitment and availability of the Respondent to the FHCF to conduct exams (i.e., commit to assign one or more key personnel full-time to FHCF exams). If the Respondent is an individual, indicate the level of commitment and availability to the FHCF to conduct exams, considering other work assignments and clients unrelated to the FHCF.
3. Provide evidence of current professional designations. For a firm/corporation, this would be provided for all key personnel assigned to FHCF work. If a license renewal is not required for the designation, provide confirmation from the licensing organization that the individual holds the designation and that they are a member in good standing.
4. Provide the location of the office from which the work will be performed.
5. Describe any plans to use subcontractors or third parties for any of the services to be provided to the SBA. The SBA reserves the right to approve any subcontractors as part of the negotiation process.
6. Describe the Respondent's experience preparing reports in Microsoft Word, preparing spreadsheets and analyzing data in Microsoft Excel, importing data and designing database queries in Microsoft Access, and documenting errors on PDF documents. List any additional technology that may be helpful to the FHCF in the examination process.
7. For a firm/corporation, describe the steps that will be taken to ensure the work of all key personnel will be supervised and reviewed. For an individual, describe the steps that will be taken to ensure work is reviewed prior to submitting to the FHCF. The FHCF staff will communicate changes in reporting requirements; however, it is the responsibility of the Respondent to ensure these requirements are met in the examination work.

## C. Other Advisory Roles

1. The Respondent is expected to stay current with industry trends and developments that affect our business environment or exams. Describe how the Respondent will accomplish this task. Describe how the Respondent identifies and shares industry best practices for exams.

## D. Protection of Confidential Information

1. Any information made available to the selected Respondent(s), which is received or reviewed while performing examination services on behalf of the FHCF, is confidential in accordance with Section 215.557, Florida Statutes, and the Rules of the FHCF, and shall not be disseminated to anyone outside the SBA. The strict confidentiality of any information made available while performing such services

shall be maintained. This confidentiality shall not expire upon termination of the awarded contract, but shall survive unless and until written permission is received from the SBA to release or disseminate information to individuals outside the SBA. Describe the Respondent's capability to comply with the FHCF's expectation of maintaining confidentiality and define measures for protecting and destroying confidential information.

#### E. Litigation

1. Provide information on any litigation or administrative proceeding, as it relates to providing auditing/examination services, to which the Respondent was a party, within the last five (5) years.
2. Provide information on any other litigation or administrative proceeding which could impact the Respondent's ability to provide examination services to the SBA.
3. Is the Respondent currently being or has it been investigated by the Florida Department of Financial Services, the Attorney General of the State of Florida, or any other court or regulatory body, within the last five (5) years? If yes, please explain.
4. Describe any disciplinary action taken or pending against the Respondent during the past three (3) years with state regulatory bodies or professional organizations.

#### F. Insurance

1. Describe the levels of coverage for errors and omissions insurance and/or professional liability insurance the Respondent carries. List the insurance carriers, insurance type and coverage amounts.

#### G. Work Relationships/Conflicts of Interest

1. List and describe the Respondent's professional or financial relationships involving the SBA or any participant in the FHCF, including any direct or indirect ownership interest in any participant, for the past five (5) years. A list of companies participating in the FHCF can be located on the FHCF website.
2. Indicate whether the Respondent has provided exposure examination and consulting services to the FHCF within the last five (5) years.
3. Explain in detail any potential conflict of interest or appearance of a conflict that would be created if the Respondent were selected to provide services for the SBA/FHCF. Include any potential conflict of the Respondent; any potential conflict of any affiliated, subsidiary or parent organizations of the Respondent; any potential conflict of a principal or officer or other key personnel of the Respondent; and any other client relationships that might impact services to the SBA/FHCF. A conflict is generally defined to mean a situation in which regard for a private interest tends to lead to disregard of a public duty or interest, and for purposes of this RFQu specifically includes any current or ongoing professional or financial relationship and any stock ownership or other direct or indirect ownership interest other than through a mutual fund.
4. The Respondent must disclose within its proposal whether any officer, director, employee, or agent is also a current or former employee of the SBA.
5. Indicate whether the Respondent ever had a contract with the SBA that was terminated.

H. Other Information

1. The SBA contemplates that the contract will not include binding arbitration provisions, such as those typically found in Alternative Dispute Resolution Procedures. Please indicate the Respondent's position related to this provision.

I. Fee Proposal

1. Set forth a fee structure proposal using Exhibit A of this document. Be sure the proposal meets the requirements listed under this RFQu.

**Responses should be mailed to:**

BY OVERNIGHT DELIVERY OR CERTIFIED MAIL:

Linda Guyas  
Florida Hurricane Catastrophe Fund  
1801 Hermitage Boulevard, Suite 100  
Tallahassee, Florida 32308

BY U.S. MAIL:

Linda Guyas  
Florida Hurricane Catastrophe Fund  
P.O. Box 13300  
Tallahassee, Florida 32317-3300

Any questions should be emailed to the designated contact: [linda.guyas@sbafla.com](mailto:linda.guyas@sbafla.com)

Do not contact the SBA or FHCF staff regarding this RFQu. Direct all correspondence during the proposal process to the designated contact.