

MISSISSIPPI LOTTERY CORPORATION

REQUEST FOR PROPOSALS NO. 3

REQUEST FOR PROPOSALS FOR INSURANCE AND BENEFIT PLAN BROKER/AGENT AND CONSULTING SERVICES

RESPONSE SUBMISSION DEADLINE: MAY 6, 2019 (2:00 P.M. CST)

**RESPONSE DUE TO: DR. MICHAEL J. MCGREVEY, CHAIRMAN
C/O BALCH & BINGHAM LLP
188 E. CAPITOL STREET, SUITE 1400
JACKSON, MS 39201**

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BACKGROUND

The Alyce G. Clarke Mississippi Lottery Law, Senate Bill 2001 (First Extraordinary Session 2018) (“the Act”), formed the Mississippi Lottery Corporation (the “Corporation”) to administer the State of Mississippi’s first lottery. The Corporation’s Board of Directors (“the Board”) governs the Corporation. The Board is comprised of five (5) members appointed by the Governor, with the advice and consent of the Senate, in addition to the Commissioner of the Department of Revenue and the State Treasurer as ex officio members. Composing the current Board are Dr. Michael J. McGrevey, Dr. Cass Pennington, Kimberly LaRosa, Gerard Gibert, Philip Chamblee, Commissioner Herb Frierson, and Treasurer Lynn Fitch.

INTRODUCTION

1. Purpose

The purpose of this Request for Proposals (“RFP”) is to invite proposals from qualified, full-service insurance benefit plan broker/agent and consulting agencies desiring to provide comprehensive insurance and benefit plan broker/agent and consulting services. All respondents must fully acquaint themselves with the Corporation’s needs and requirements and obtain all necessary information to develop an appropriate solution and to submit responsive and effective proposals.

2. Responses and Proposal Acceptance Period

Each proposal shall be signed by an individual authorized to bind the respondent to a resultant contract and submitted in a sealed envelope or package as described in this RFP no later than the time and date specified for receipt on the cover page hereto. Timely submission is the responsibility of the respondent. The envelope or package shall be marked with the name of the respondent and the RFP number. Each page of the proposal and all attachments shall be identified with the name of the respondent. The Board reserves the right to decide, on a case-by-case basis, whether to reject a proposal with modifications or additions as nonresponsive. As a precondition to proposal acceptance, the Board may request the respondent to withdraw or modify those portions of the proposal deemed nonresponsive that do not affect quality, quantity, price, or delivery of the services. The Board is under no obligation to enter into a contract or otherwise engage any respondent as a result of this RFP process and may cancel this RFP process when it is determined to be in the best interest of the Board.

(a) Timeline*

April 17, 2019	RFP posted to the website of the Mississippi Lottery Corporation (mslotteryhome.com)
April 23, 2019	Deadline for questions related to RFP No. 3
April 29, 2019	Deadline for responses to all questions related to RFP to be posted to the website of the Mississippi Lottery Corporation (mslotteryhome.com)
May 6, 2019	Closing date for RFP. All proposals due (2:00 PM CST)
May 14, 2019	Proposal responses evaluated and oral presentations held (if requested).
May 14, 2019	Board decision and notification of Board action

(*) – Dates are estimated and are subject to change. Additionally, the Corporation reserves the right to request clarification and seek follow-up information once proposals are submitted.

(b) Late Submissions

A proposal received at the place designated in the RFP for receipt of proposals after the exact time specified for receipt will not be considered. Proposals received after the specified time shall be rejected and returned to the respondent unopened.

3. Procedures for Delivery of Proposals

The respondent shall submit eight (8) copies of its proposal in an envelope(s) or package(s) marked “Proposal Package.” The envelope or package shall also be clearly labeled with the name of the respondent, the services to be provided, and directed to the attention of the named contact person. Responses shall be mailed or hand-delivered to the person listed on the title page. No email or facsimile responses will be accepted.

4. Expenses Incurred in Preparing Statement of Qualifications

The Board accepts no responsibility for any expense incurred by the respondent(s) in the preparation and presentation of a proposal. Such expenses shall be borne exclusively by the respondent(s).

5. Registration with Mississippi Secretary of State

By submitting a proposal, the respondent certifies that it is registered to do business in the State of Mississippi as prescribed by the Mississippi Secretary of State or, if not already registered, that it will do so within seven (7) business days of being offered an award.

6. Debarment

By submitting a proposal, the respondent certifies that it is not currently debarred from submitting proposals for contracts issued by any political subdivision or agency of the State of Mississippi or Federal government, and that it is not an agent of a person or entity that is currently debarred from submitting proposals for contracts issued by any political subdivision or agency of the State of Mississippi.

7. Additional Information

Questions about this RFP must be submitted in writing as detailed in Section 15 below. Respondents are cautioned that any statements made by contact persons that cause a material change to any portion of the RFP shall not be relied upon unless subsequently ratified by a formal written amendment. All questions and answers shall be published to respondents on the website of the Mississippi Lottery Corporation by the deadline prescribed herein.

8. Release of Information

The Board will not release information submitted in response to this RFP during the evaluation process or prior to an award of a contract. After all respondents have been notified of the award of a contract, respondents' proposals will be available for public review, subject to the limitations of the Mississippi Public Records Act of 1983, as amended. It is the responsibility of the respondent to identify all trade secrets or confidential commercial or financial information.

9. Non-Discrimination

There shall be no discrimination as to race, sex, color, religion, national origin or disability in the operations proposed to be conducted under any engagement arising out of the responses to this RFP.

10. Joint Selections

The Board may entertain joint or complementary proposals for the insurance and benefit plan broker/agent and consulting services sought. The Board may make a joint selection of two or more respondents to provide insurance and benefit plan broker/agent and consulting services or may select two or more respondents to provide services that together comprise all or part of the services sought.

11. Supplementation

Each respondent must supplement its response to its RFP within seven (7) days of any material change to the information contained in its response.

12. Administration of Contract

The contract(s) resulting from the RFP process will be administered by the Board.

13. Terms and Conditions of Contract

The terms and conditions of any contract resulting from a response to this RFP will contain, by reference, the terms of this RFP and the respondent's response thereto.

14. Obligation to Award

By this RFP, the Board has not committed itself to contract with any vendor for any or all of the matters described in this RFP, nor does the suggested scope of services or term of agreement require that any vendor be selected for any purposes.

15. Questions and Quiet Period

Questions relative to this RFP should be submitted by email to rsanford@balch.com no later than April 23, 2019. The Corporation is under no obligation to respond to all questions presented; however, responses will be posted on the Corporation's website on or before April 29, 2019.

Upon the release of the RFP, applicants or their representatives shall not contact Corporation Board members or Corporation counsel regarding the RFP, other than through the process for questions provided pursuant to this RFP. This quiet period will end upon the selection of the agency or agencies for the services provided for in this RFP. A violation of this quiet period may result in the disqualification of the violator's Response to the RFP.

RESULTING CONTRACT

1. Period of Performance

The term of the engagement shall be indefinite. Any agency selected pursuant to this RFP shall serve at the pleasure of the Board, and the services of any institution selected may be terminated, at the sole discretion of the Board, upon delivery of written notice of such termination to the selected agency.

2. Indemnity

The selected agency shall agree in the resulting contract to indemnify the Corporation and its directors, officers, employees, agents and representatives relative to any injury or damage that occurs as a result of any acts or omissions by the selected agency, including its agents, employees, and assigns.

3. Corporation Objectives

The public's trust relative to the operations of the Mississippi lottery is essential. The Corporation must maintain control over all functions and be assured that they are performed to provide the greatest long-term benefit to the State of Mississippi and to provide the best service and products for the public, in a manner consistent with the integrity of the State of Mississippi.

All proposals shall reflect the following overall goals and objectives of the Corporation:

- To annually increase revenue and associated net lottery proceeds;
- To market high quality products that provide entertainment and customer satisfaction;
- To ensure that the successful respondent is capable of providing the services called for in this RFP, and that the successful respondent will be capable of continuing to provide those services; and
- To provide for innovation and the ability to respond to changes in the industry and the demands of the marketplace.

4. Successful Relationship

The nature of this RFP and the resulting contract will result in a relationship between the successful respondent and the Corporation, which relationship must be founded in mutual trust, respect and concern for the integrity, security and quality of the Mississippi lottery. In selecting an agency, the Corporation desires to partner with an agency that demonstrates quality and responsiveness in its customer service.

REQUESTED SERVICES

PROPERTY, CASUALTY AND MANAGEMENT INSURANCE

The Corporation seeks proposals from qualified agencies for insurance and benefit plan broker/agent and consulting services, including but not limited to insurance placement and servicing and risk exposure analysis, as well as general insurance advisory services and claims assistance. The Corporation anticipates securing insurance coverage including, but not limited to the following:

• Business Property (Real and Personal) • Wind and Flood • General Liability Coverage • Employee Benefits Liability • Stock Throughput (Instant Tickets) • Automobile • Umbrella • Errors and Omissions Liability • Cyber Liability • Social Engineering • Crime • Workers' Compensation • Storage Tank Liability • Fiduciary Liability

The selected agency will solicit a full suite of insurance coverages on behalf of the Corporation from insurance carriers and provide support services to the Corporation's risk management personnel. The selected agency will be relied upon as a content expert for the analysis of risk exposures for organizations similar to the Corporation and provide recommendations from a risk management perspective in order to minimize funds utilized for insurance and claims. The selected agency will be expected to offer or help facilitate the following insurance/broker and consulting services:

1. Assign experienced staff immediately upon selection and contract execution.

2. Serve as broker for obtaining and servicing competitive placements for coverage. Serve as agent and consultant for preparation of renewal applications, policy administration and support services. Serve as broker and consultant to advise the Corporation of other risks or exposures not currently protected under the insurance program considered or in place. For placements, make recommendations regarding the appropriate types of insurance, the levels of coverage necessary to protect the Corporation from reasonable risks, and the levels of deductible for each policy to provide the best balance of risk limitation and lower premiums. Recommend the most efficient utilization of risk management and risk control services available through insurance carriers or through other third-party entities.
3. Organize, develop, and present the Corporation's insurance coverage requirements to insurance vendors and obtain price quotes from responsible insurers that are appropriately licensed. Provide evaluation of proposed insurance policies and present insurance policy terms, conditions and premiums to the Corporation that best reflect the goals and objectives of the Corporation.
4. Represent the Corporation in any negotiations with insurers or prospective insurers and other parties regarding insurance matters.
5. Become familiar with Risk Management and Risk Control services available from insurance carriers and advise the Corporation how to best utilize the available resources.
6. Act as a liaison and advocate for the Corporation with underwriters and claims staff of insurance companies.
7. Answer coverage and program questions from the Corporation and/or its consultants or contractors in a timely manner.
8. Be responsible for notifying the Corporation of invoicing of premiums for all outstanding policies to assure that no policy lapses inadvertently.
9. Assess insurance company stability, solvency and service records.
10. Meet with the Corporation at least annually or as requested to audit/review existing Corporation insurance policies to determine adequacy of coverage/value of insurable and limits, appropriate deductible levels, overlap or gaps in coverage, restrictions in coverage, and notify the Corporation of any new developments in the industry or markets that affect the Corporation.
11. Upon request, provide timely, verbal or written interpretation of coverage.
12. Provide such other services related to the insurance coverage as the Corporation may reasonably request.

GROUP HEALTH INSURANCE AND EMPLOYEE BENEFITS

Further, the Corporation seeks proposals from qualified agencies for insurance and benefit plan broker/agent and consulting services, including but not limited to benefit plan

placement and servicing, as well as general insurance advisory services and claims assistance. The Corporation anticipates offering employee benefits which may include, but not be limited to the following:

• Medical • Dental • Vision • Life (Basic and Voluntary) • Wellness • EAP • FSA • Disability • Long Term Care • Retirement

The selected agency will solicit employee benefits on behalf of the Corporation from benefit plan providers and provide support services to the Corporation's human resources personnel. The selected agency will be relied upon as a content expert for the analysis of employee benefits for organizations similar to the Corporation and provide recommendations from a human resources perspective in order to maximize benefits for its employees at a reasonable cost to the Corporation and/or its employees. The selected agency will be expected to offer or help facilitate the following insurance/broker and consulting services:

1. Assign experienced staff immediately upon selection and contract execution.
2. Serve as broker for obtaining and servicing competitive placements for benefits. Serve as agent and consultant for preparation of renewal applications, plan administration and support services. Serve as broker and consultant to advise the Corporation of other benefits not currently provided under the benefit plan considered or in place. For placements, make recommendations regarding the appropriate types of benefits, the levels of coverage necessary to protect the Corporation's employees from reasonable risks, and the levels of deductible for each benefit plan to provide the best balance of risk limitation and lower premiums.
3. Organize, develop, and present the Corporation's benefit plan requirements to benefit plan providers and obtain price quotes from responsible benefit plan providers that are appropriately licensed. Provide evaluation of proposed benefit plans and present benefit plan terms, conditions and premiums to the Corporation that best reflect the goals and objectives of the Corporation.
4. Represent the Corporation in any negotiations with benefit plan providers or prospective benefit plan providers and other parties regarding benefit matters.
5. Become familiar with health and wellness services available from benefit plan providers and advise the Corporation how to best utilize the available resources.
6. Act as a liaison and advocate for the Corporation with representatives of benefit plan providers.
7. Answer benefit and program questions from the Corporation and/or its consultants or contractors in a timely manner.
8. Be responsible for notifying the Corporation of invoicing of premiums for all outstanding benefit plans to assure that no policy or plan lapses inadvertently.
9. Assess benefit plan and benefit plan provider stability, solvency and service records.

10. Meet with the Corporation at least annually or as requested to audit/review existing Corporation benefit plans to determine adequacy thereof, and notify the Corporation of any new developments in the industry or markets that affect the Corporation.
11. Support group health plan open enrollment processes.
12. Provide such other services related to the benefit plans as the Corporation may reasonably request.

REQUIRED INFORMATION

1. Minimum Qualifications

To be eligible to respond to this RFP, each respondent must certify in writing that it meets each of these requirements:

- (a) It has a minimum of five (5) years' experience related to insurance broker/agent and consulting services;
- (b) It remains abreast of the latest ideas and trends in property, casualty and management insurance coverage, risk management and control, and group health insurance and employee benefit plans;
- (c) It is financially sound;
- (d) It meets the requirements of the Act; and
- (e) It is not currently debarred from submitting proposals for contracts issued by any political subdivision or agency of the State of Mississippi or the Federal government, and that it is not an agent of a person or entity that is currently debarred from submitting proposals for contracts issued by any political subdivision or agency of the State of Mississippi.

2. Qualifications, Experience and Disclosures

- (a) Provide a general overview and brief history of your organization, including parent and/or subsidiary companies and the number of employees.
- (b) Provide, as applicable, the names and addresses of the officers, directors and each owner of your organization.
- (c) Provide a disclosure of all of the jurisdictions in which the agency does business.
- (d) Provide a disclosure of all of the jurisdictions in which the agency has contracts to supply insurance and benefit plan broker/agency and consulting services to a lottery entity and a description of the nature of the services involved for each jurisdiction.

- (e) Provide a disclosure of all of the jurisdictions in which the institution has applied for, has sought renewal of, has received, has been denied, has pending or has had revoked a lottery or gaming license of any kind or had fines or penalties assessed to the institution's license, contract or operation and the disposition of such in each jurisdiction. If any lottery or gaming license or contract has been revoked or has not been renewed or any lottery or gaming license or application either has been denied or is pending and has remained pending for more than six (6) months, all of the facts and circumstances underlying the failure to receive a license shall be disclosed.
- (f) Provide a disclosure of the details of any bankruptcy, insolvency, reorganization or corporate or individual purchase or takeover of another corporation, including, without limitation, bonded indebtedness, and any pending litigation of the agency.
- (g) Provide a disclosure of any civil or criminal litigation or indictment involving the agency.
- (h) Provide the address of the office location(s) that will service the Corporation.
- (i) Describe the experience of the agency in providing similar services for other lotteries or for governmental entities or quasi-governmental entities. Specify experience with governmental employee benefit plans.
- (j) Provide a copy of the agency's most recently audited financial statements.
- (k) Provide a list of the agency's current top five (5) clients. The list should include a contact name and phone number, as well as a description of the services provided by the agency.
- (l) Provide a list of any clients that would otherwise have been listed in the top five (5) clients, but the agency lost the business of that client within the past three (3) years.

3. Personnel

- (a) Provide the name, title, address, phone number, and email address of the primary contact person(s) assigned to this account and please provide any experience relevant to servicing lottery corporations or quasi-governmental or governmental entities.
- (b) Describe your agency's policy on changing the primary contact person on an account.
- (c) Name the individuals who will work with the Corporation on a day-to-day basis, including: biographical information, proposed role, number of years of experience in this field, number of years with the agency and the level of decision-making authority these individuals have to handle emergency needs of the Corporation as they arise. Provide an organizational chart with respect to these individuals.

- (d) Describe the chain of command for problem resolutions.

4. General Insurance and Benefit Plan Broker/Agency and Consulting Services

- (a) Please provide a listing of agency offices located within the State of Mississippi, and the service area of those offices.
- (b) Identify which, if any, personnel working with your agency are certified or licensed to provide insurance and benefit plan broker/agency and consulting services?
- (c) How does the agency stay abreast of changes within federal and state statutes, rules, regulations and governmental standards related to property, casualty and management insurance coverage, risk management and control, and group health insurance and employee benefit plans?
- (d) What is your agency's approach when shopping for bids or negotiating renewals, and how would you differentiate the Corporation to insurers and benefit plan providers? How would the Corporation benefit from your agency's market position?
- (e) Briefly describe the agency's system of quality control to ensure the work meets a high quality standard.
- (f) Briefly describe the familiarity of your agency with products, carriers and providers for all lines of coverage including property, casualty and management insurance coverage, risk management and control, and group health insurance and employee benefit plans, and the manner in which your agency determines which carrier's and provider's products to review for renewal purposes.
- (g) Describe whether you have experience with clients that are similar to the Corporation's industry and employer type.

5. Control

- (a) Describe the security procedures for the agency's information reporting system, both for access and information protection.
- (b) Describe the agency's backup and recovery capabilities for this information.
- (c) Is an audit trail report available, showing all activity, by whom and when, for each system?
- (d) Describe the types of insurance and bonding carried by the agency.

6. Fees and Expenses

Describe the proposed compensation to be paid to the agency for undertaking and providing the services requested in this RFP. Agencies are reminded that compensation quotes should cover all services and costs to be paid by the Corporation for the term of the contract. The agency shall present monthly invoices to the Corporation detailing all costs, fees, and expenses incurred in the month prior. Further:

- (a) Wholesale broker commissions. The Corporation acknowledges coverage may be purchased through the assistance of a third party, such as a wholesale broker. Your organization agrees to disclose within ten (10) days any commissions or compensation paid to or retained by such third party. The selected agency acknowledges that this amount shall not be paid by the Corporation and is not included in the selected agency's compensation paid by the Corporation.
- (b) Catastrophic Event. The Corporation acknowledges that in the event of a catastrophe whereby the Corporation shall require additional services, the Corporation's risk management personnel and your organization agree to negotiate and agree upon a Catastrophic Event fee, whether hourly or flat rate to be billed monthly during the time of services. The Corporation and your organization must agree that a catastrophic event has occurred before proceeding with the terms of this section. Your organization agrees to provide a breakdown of hours, clerical and professional services for services provided as a Catastrophic Event, no matter if billed as flat fee or hourly fee.
- (c) Services Added. The Corporation and your organization acknowledge that the requirements of the Corporation may warrant the need for additional service outside of the existing Requested Services provided herein. Broker services, whether for existing or new coverages or benefit plans, shall not alter the agreed upon compensation. Consulting services, as provided within the Requested Services provided herein, shall not alter the agreed upon compensation. However, should the Corporation require additional services, your organization and the Corporation's risk management or human resources personnel, as the case may be, will agree upon the scope of the additional services and the fee to apply for such additional services. Your organization agrees to provide a breakdown of hours, clerical and professional services for services provided as a Services Added, no matter if billed as flat fee or hourly fee.

7. Out of Pocket Expenses

Describe any anticipated out-of-pocket expenses associated with the provision of requested services that the agency anticipates charging to the Corporation. Out-of-pocket expenses include but are not limited to items such as postage, shipping/delivery charges, travel, and supplies associated with the performance of services under this RFP. General overhead expenses, including but not limited to internet connectivity, electricity, telephone, office supplies, and storage shall not be charged to the Corporation.

8. References

Provide a list of the names, telephone numbers and addresses of not less than three (3) clients of similar size or in a business similar to the Corporation. Include the length of time they have been clients of the agency.

9. Additional Information

Provide any additional information that your agency believes to be pertinent, but not specifically requested elsewhere in the RFP.

EVALUATION AND AWARD CRITERIA

This RFP seeks agencies to provide comprehensive insurance and benefit plan broker/agent and consulting services to the Corporation. A preliminary evaluation will be conducted identifying the agencies deemed fully qualified and best suited among those submitting proposals on the basis of the evaluation factors listed below (not in priority order):

- Operational requirements – understanding the needs and operation requirements of the Corporation; scope of services offered.
- Experience – experience, resources and qualification of the agencies and individuals assigned to the account; relevant experience; quality and responsiveness of customer service; local decision-making authority to handle emergency needs.
- Innovation – value of any service suggestions or ideas.
- Compliance with the requirements of RFP and quality of the proposal submitted.
- Fees and rates.

During the evaluation process, the Board may request certain of the respondents reasonably susceptible of being selected for award to make oral presentations to the Board for the purpose of clarification to assure full understanding of, and responsiveness to the RFP requirements. If the Board determines that further clarifications are needed or desirable, it may solicit Best and Final Offers from respondents, whether oral presentations are held or not.

The authority to make the final selection of a respondent under this RFP and approve the terms of a resulting contract resides solely with the Board. The Board reserves the right to award the contract to the agency that best meets the requirements of the RFP and not necessarily to the lowest cost proposer. Further, the Board reserves the right to reject any and all responses to this RFP, with or without cause.

Any award to any respondent will be contingent upon successful negotiation of fees and rates and other terms, subject to ratification and approval of the Board. If a contract with the selected agency is not finalized within fifteen (15) days, the Board reserves the right to open negotiations with another respondent.