

**ARKANSAS STATE HIGHWAY AND TRANSPORTATION DEPARTMENT**

**Equipment and Procurement Division**

**REQUEST FOR PROPOSALS (RFP) No: 08-006P**

**Automobile and Homeowner Benefits Carrier**

Proposals must be submitted  
no later than **2:00 p.m. CDT**  
**March 19, 2008**

To constitute a valid submission, proposal must:

- (1) Be submitted by the prescribed date and time (Paragraph 2.3),
- (2) Address all the requirements set forth herein, and
- (3) Contain Page 6 completed as indicated.

For further information regarding this RFP contact  
Danny Keene, Division Head  
AHTD Equipment and Procurement Division  
at (501)569-2672

Arkansas State Highway and Transportation Department  
RFP Number 08-006P Automobile and Homeowner Benefits Carrier

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ARKANSAS STATE HIGHWAY AND TRANSPORTATION DEPARTMENT  
Equipment and Procurement Division

Request for Proposals Number 08-006P

Automobile and Homeowner Benefits Carrier

**Section 1.0 INTRODUCTION**

- 1.1 **Scope of Proposal:** The Arkansas Highway and Transportation Department, hereinafter called “AHTD” and/or “the Department,” is soliciting proposals for an Automobile and Homeowner Benefits Provider for eligible employees and retirees. Plan coverage will be for the industry standard time period for industry insurance policies. The agent submitting the bid will hereinafter be called “proposer” and the insurance company will hereinafter be called “writing insurance company ” and/or “Auto and Homeowner carrier”.
- 1.2 **Point of Contact:** This Request for Proposals (RFP) is issued by the Arkansas State Highway and Transportation Department, Equipment and Procurement Division. Questions concerning submission of a proposal in response to this RFP should be addressed to the AHTD official named below:

Danny Keene, Division Head  
Equipment and Procurement Division  
Arkansas State Hwy. and Transp. Dept.  
P. O. Box 2261  
Little Rock, AR 72203  
Phone: (501) 569-2672  
Fax: (501) 569-2679

Larry Dickerson, CPA  
Chief Fiscal Officer  
Arkansas State Hwy. and Transp. Dept.  
P. O. Box 2261  
Little Rock, AR 72203  
or  
Wayne.Whitley@arkansashighways.com

Inquiries may be referred to the above employees of the Department for detailed answers or clarifications and must be made in writing or in electronic format. Oral communications shall not be binding on the Department and can in no way modify the terms, conditions, or specifications of this RFP or relieve the successful Contractor of any obligations resulting from this RFP. Proposers are expected to raise any questions they have concerning the RFP document at this point in the RFP process. In the event that it becomes necessary to provide additional clarifying data or information, or to revise any part of this RFP, revisions, amendments, or supplements will be provided to all recipients of this initial RFP and all who have requested information in writing.

- 1.3 **Proposer Qualifications:** Proposals shall contain all pertinent data relating to the proposer’s organization, personnel, experience, and the writing insurance company to provide the services requested in this RFP. Proposers that do not provide the following information will be considered non-responsive and their proposals will be disqualified.

1.3.1 **Details of Proposer and Writer Insurance Company background:**

- 1.3.1.1 Full name, address, telephone, and fax numbers of the proposer.
- 1.3.1.2 List Corporate Officers and profiles of the writing insurance company.
- 1.3.1.3 Provide brief history of the writing insurance company.
- 1.3.1.4 Provide a copy of your most recent financial statements for the writing insurance company.
- 1.3.1.5 Provide a history of the work experience of the proposer in providing payroll deductions for insurance premiums.
- 1.3.1.6 Proposer and the writing insurance company must provide proof that they are licensed by the Arkansas State Insurance Commissioner.

1.3.2 **Proposer Financial & Contractual Information:**

- 1.3.2.1 Provide the names of the carrier(s) and the levels of coverage for General Commercial Liability and Errors and Omissions Liability, if any.
- 1.3.2.2 Provide information involving any pending legal action your organization may have relating to the delivery of proposed services to your clients.
- 1.3.2.3 Will there be any minimum participation requirements by the proposer or the writing insurance company?
- 1.3.2.4 Description of your record retention policy and what medium (paper, microfiche, diskette, etc.) the records are retained.

- 1.4 **Information Restrictions:** All information received by AHTD regarding this RFP is restrictive and will not be available before award of the project to the successful Contractor.
- 1.5 **Choice of Law & Choice of Forum:** This RFP and any resulting contract shall be governed by and construed in accordance with the laws of the State of Arkansas. Any proceeding relating to any cause of action of any nature arising from or relating to this RFP or contract may be brought only before the appropriate forum in Pulaski County, Arkansas.
- 1.6 **Ethics:** *“It shall be a breach of ethical standards for a person to be retained, or to retain a person, to solicit or secure a State contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies maintained by the contractor for the purpose of securing business.”* Ark.Code.Ann. § 19-11-708(a).

## **Section 2.0 PREPARING AND SUBMITTING A PROPOSAL**

- 2.1 **General Instructions:** The evaluation and selection of a Contractor will be based on the information submitted in the Proposer’s proposal plus resources, experience and performance. Failure to respond to each of the requirements in the RFP may be the basis for rejecting a proposal. All bidders are requested to submit one original and two (2) copies of their bid.
- 2.2 **Incurring Costs:** The Department is not liable for any cost incurred by Proposers in replying to this RFP.
- 2.3 **Time and Place for Submission of Proposals:** Proposers must submit a completed proposal, along with all materials required herein for acceptance of their proposal by **2:00 p.m. CDT, on March 19, 2008**

**Mail To:**

Arkansas State Highway and Transportation Department  
Equipment and Procurement Division  
P.O. Box 2261  
Little Rock, AR 72203

**Deliver To:**

Arkansas State Highway and Transportation Department  
Equipment and Procurement Division  
11302 W. Baseline Road  
Little Rock, AR 72209

- 2.4 **Late Proposals:** Proposals received after the date and hour established will be considered late proposals and will be automatically disqualified. Late proposals will be returned unopened.
- 2.5 **Unsigned Proposals:** Page 6 of this RFP must be signed and included with proposal to constitute a valid submission. The signature must be legible, original (not stamped or photocopied) and in ink. Unsigned and improperly signed proposals will be automatically disqualified.
- 2.6 **Withdrawing or Modifying Proposals:** A proposal may be withdrawn, modified, or corrected by a Proposer after it has been submitted only if a written request to do so is filed with the AHTD Equipment and Procurement Division prior to the date and time set for opening. Telegrams or letters received before the date set for opening of proposals will be accepted and attached to the unopened proposal, and the proposal will be considered withdrawn, modified, or otherwise changed accordingly. No proposal may be withdrawn, modified, corrected, or otherwise changed after the date and time set for opening.

- 2.7 **Assignment:** No award resulting from this RFP may be assigned, sold, or transferred without the prior written consent of AHTD. Furthermore, no obligation incurred pursuant to this RFP and resulting contract may be delegated without prior written consent of AHTD.
- 2.8 **Default and Remedies:** Non-performance of any requirement, term or condition resulting from this RFP shall constitute default. Upon default, the Department shall issue a written notice of default providing a period in which the Vendor/Contractor shall have seven (7) days to cure said default. If the Vendor/Contractor remains in default beyond the seven (7) days, or if the default is repeated during the term of the contract or any extension thereof, the Department may, in its sole discretion, terminate the contract(s) or remaining portion thereof and exercise any remedy provided by law.

### **Section 3.0 EVALUATION AND AWARD**

- 3.1 **Evaluation:** The department will select a short list based on proposals evaluated on the extent of services offered, ability to provide those services, references, and experience.
- 3.2 **Award:** The proposers asked to be interviewed will be given additional information to provide the department prior to the interview. Any award will be based upon information provided during the interview. The Department reserves the right to accept or reject in whole or in part any and all proposals submitted, to award to more than one Proposer, to waive any minor technicalities when it is in the best interest of the State, and to negotiate the terms of the contract, including the award amount, with the selected Proposer(s).

### **Section 4.0 – CLAIMS ADMINISTRATION SERVICES**

- 4.1 **General Issues** – Provide the following information about the specific location from which claims administration services will be provided:
- 4.1.1 Address, telephone and fax numbers
  - 4.1.2 Name and title of the individual responsible for the daily operations.
  - 4.1.3 Number of covered persons per client served.
  - 4.1.4 Number of claims processors
  - 4.1.5 Hours of operation (please be time zone specific) for the office that will service this account.
- 4.2 **Claim Office Performance—Quality and Accuracy**
- 4.2.1 Provide a description of the auditing program currently in place in the claims location identified above and include information on the following:
- 4.2.1.1 Auditing procedures (both internal and external)
  - 4.2.1.2 Definition of auditing categories
  - 4.2.1.3 Frequency/percentage of production audited
  - 4.2.1.4 Description of staff performing the audits
  - 4.2.1.5 Communication of audit results (to processors and to client)

4.2.2 Provide standards for claims processing accuracy and formula used for determining response:

- 4.2.2.1 Payment accuracy
- 4.2.2.2 Procedural accuracy
- 4.2.2.3 Financial accuracy
- 4.2.2.4 Volume per day

4.2.3 Provide 2006 results for claims processing accuracy for the office proposed to process claims for this client and formula used for determining response:

- 4.2.3.1 Payment accuracy
- 4.2.3.2 Procedural accuracy
- 4.2.3.3 Financial accuracy
- 4.2.3.4 Volume per day

4.2.4 Provide your definition of claims turnaround.

4.2.5 Indicate the average number of days in which 90% of your claims are paid. Indicate the average number of days for 95%.

4.3 **Customer Service** – Provide the following information about the specific location from which customer service will be provided for the proposer and for the writing company:

4.3.1 Address, telephone and fax numbers

4.3.2 Hours of operation (please be time zone specific) for the office that will service this account.

4.3.3 Describe provisions for “after-hours” customer service.

4.3.5 Describe the standard training provided to the customer service representatives (both initially and on-going).

4.4 **Billing**

4.4.1 Does the billing software provide flexibility for customized billing? Provide examples.

4.4.2 What is the provider’s experience with helping the client reconcile the billing?

**Section 5.0 – PROPOSAL INFORMATION AND SPECIFICATIONS**

The AHTD requires that the following specifications be met in response to the RFP:

5.1 Due to the extensive geographic distribution of AHTD employees, their dependents and retirees, will the Automobile and Homeowner carrier and the proposer provide sufficient access for all AHTD employees with a toll free telephone number?

- 5.2 Will the writing insurance company ever apply surcharges to the department's account or policies issued under this contract?
- 5.3 Does the Automobile and Homeowner carrier have reserves adequate to meet all necessary financial and claims obligations?
- 5.4 Does the writing insurance company have at least 5 years of experience with payroll deductions for property and casualty for employers with more than 500 employees?
- 5.5 Does the staff of the proposer have at least 5 years of experience with payroll deductions for property and casualty for employers with more than 500 employees?
- 5.6 Under this contract, will the auto and homeowner carrier allow premiums to be collected in arrears with no advanced payment? (Explain)
- 5.7 Does the Automobile and Homeowner carrier have the ability to separate the billing between active and retirees?
- 5.8 Does the Homeowner carrier have the ability to have payroll deduction or escrow for the homeowner insurance?
- 5.9 Provide an explanation of how the proposer intends to write coverage for manufactured homes and renters insurance coverage.
- 5.10 Will the Automobile and Homeowner carrier have the ability to cover boats, ATVs and other recreational vehicles or explain?
- 5.11 Will the writing insurance company and proposer bind coverage for extended non-owned coverage?
- 5.12 What vehicle class is covered with the extended non-owned coverage?
- 5.13 Does the Automobile and Homeowner proposer have agent(s) who are available to travel to all 75 counties of Arkansas, especially during the annual renewal?
- 5.14 Who administers the annual enrollment? Is it an in-state agent, out-of-state agent, national company or independent contractor?
- 5.15 The proposer should explain below their experience with payroll deductions for property and casualty products.
- 5.16 Who does the insured initially report claims to? Is it an in-state agent, out-of-state agent, national company or independent contractor?
- 5.17 Who will the insured contact for provider services? Is it an in-state agent, out-of-state agent, national company or independent contractor?

Arkansas State Highway and Transportation Department  
Request for Proposals Number 08-006P  
Automobile and Homeowner Carrier

**\*\*\*\*\*This Page MUST be completed, properly signed, and returned for proposal to be considered.\*\*\*\*\***

**Section 6.0 OFFER AND ACCEPTANCE**

**6.1 Offer:**

I, the undersigned, affirm that this proposal is made on behalf of the below-named individual/company, for whom I have legal authority to commit to the terms and conditions set forth in the RFP and this response, to which I/we agree to be bound if this proposal is found acceptable by the Department; and that this proposal is made without any collusion or coercion on the part of any person, firm, corporation or other entity.

Company: \_\_\_\_\_ Address: \_\_\_\_\_

Representative: \_\_\_\_\_ City: \_\_\_\_\_

Title: \_\_\_\_\_ Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Federal Tax ID or Social Security No.: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
**(Must be legible, original, no photocopies, and in ink)**

**6.2 Acceptance: (FOR AHTD USE ONLY)**

Accepted: \_\_\_\_\_

By: \_\_\_\_\_ Date: \_\_\_\_\_

**ARKANSAS STATE HIGHWAY  
AND TRANSPORTATION DEPARTMENT**

**NOTICE OF NONDISCRIMINATION**

The Arkansas State Highway and Transportation (Department) complies with the Americans with Disabilities Act of 1990, Section 504 of the Rehabilitation Act of 1973, Title VI of the Civil Rights Act of 1964 and other federal equal opportunity laws and therefore does not discriminate on the basis of race, sex, color, age, national origin, religion or disability, in admission or access to and treatment in Department programs and activities, as well as the Department's hiring or employment practices. Complaints of alleged discrimination and inquiries regarding the Department's nondiscrimination policies may be directed to James B. Moore, Jr., Section Head - EEO/DBE (ADA/504/Title VI Coordinator), P. O. Box 2261, Little Rock, AR 72203, (501) 569-2298, (Voice/TTY 711), or the following email address: [james.moore@arkansashighways.com](mailto:james.moore@arkansashighways.com).

This notice is available from the ADA/504/Title VI Coordinator in large print, on audiotape and in Braille.