



Managing Your Broker Relationship

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Agenda

- Broker RFP
- Onboarding Your Broker
- Maximizing Your Broker Services

Broker RFP Preparation

- Get with your Procurement Team
- Partner with Stakeholders
- Talk to your peers in the Industry
- Draft your Statement of Work (SOW)
- Have a strategy for the RFP

**By failing to prepare, you are preparing to fail.
- Benjamin Franklin**

Broker RFP – What info do I need?

Experience, Qualifications & Project Team

- Experience
- References
- Project Team
- Experience with emerging technologies and available risk management tools

Great things in business are never done by one person. They're done by a team of people.

- Steve Jobs

Broker RFP – What info do I need?

Ability to meet RFP requirements

- Ability to meet the Scope of Work (SOW)
 - Be clear on expectations
 - Don't assume it's clear, walk through expectations
 - If not sure, ask or clarify before awarding contract
 - Get it in writing

**It's the little things that are vital.
Little things make big things happen.
- John Wooden**

Broker RFP – What info do I need?

Pricing - What's Included?

- Fees
- Commissions
- Additional Fees
- Additional Services (Ex. Loss Engineering, Benchmarking, Research, & ERM Support)
- Verify alignment to your Scope Of Work

Trust, but verify.

- Ronald Reagan

Broker RFP – What info do I need?

Reputation & Financial Soundness

- Audited Financial Statements
- Disclosure of any Judgements or Citations
- Disclosure of any Conflicts of Interest

**Excellence is the result of habitual integrity.
- Lennie Bennett**

RFP Matrix Example

Broker Services RFP Matrix

<i>Evaluation Criteria (Examples)</i>	<i>% Value</i>	<i>Max points available</i>	<i>Brokers Who Responded to RFP</i>				
			<i>Broker 1</i>	<i>Broker 2</i>	<i>Broker 3</i>	<i>Broker 4</i>	<i>Broker 5</i>
Experience, Qualifications, and Project Team	35%	35	0.00%	0.00%	0.00%	0.00%	0.00%
Years of experience	10%	10	0	0	0	0	0
Utility References	10%	10	0	0	0	0	0
Project team knowledge and expertise	10%	10	0	0	0	0	0
Experience with Emerging Utility Technologies and the use of Risk Management Solutions/Tools	5%	5	0	0	0	0	0
The ability to meet RFP requirements	35%	35	0.00%	0.00%	0.00%	0.00%	0.00%
Score according to ability to meet Statement of Work	35%	35	0	0	0	0	0
Pricing (fees and commissions)	25%	25	0.00%	0.00%	0.00%	0.00%	0.00%
Rate Schedule	25%	25	0	0	0	0	0
Reputation and Financial Soundness	5%	5	0.00%	0.00%	0.00%	0.00%	0.00%
Financial Review Analysis	5%	5	0	0	0	0	0
Total	100%	100.00	0%	0%	0%	0%	0%



Onboarding Your Broker – Now that the RFP is in the books...

Review and Finalize the Contract –

- RFP services/expectations should be included in the broker contract
- Have Legal review contract to ensure best interests of your organization are represented
 - Contract represents a legal written understanding and expectation between both parties
 - Top contractual items you should pay attention to:
 - Scope of Services
 - Confidentiality
 - Insurance
 - Termination
 - Fees/Commissions
 - May need to determine if any disagreements are “deal-breakers”
 - Some items may not be negotiable



Onboarding Your Broker – New Broker? Let the transition begin...

Incoming broker should have a transition plan moving from the incumbent broker:

- Assume control of policies with current underwriters (Broker Of Record Letter)
- Send current policies to the new broker for coverage review
- Establish key contacts for both parties
 - Day-to-Day
 - Specific Coverages
 - Loss Control
 - Claims
 - Certificate of Insurance requests, etc.
- Tour essential facilities and meet key department heads
- Set-up & access broker/client portal
- Communicate broker change to key internal/external contacts & do introductions



Onboarding Your Broker – New Broker? Let the transition begin...

Client Service Team		
Broker 1	Broker 2	Broker 3
<i>Title</i>	<i>Title</i>	<i>Title</i>
City, State	City, State	City, State
Phone (Office)	Phone (Office)	Phone (Office)
Phone (Mobile)	Phone (Mobile)	Phone (Mobile)
email address	email address	email address
Utility Industry Resources		
Broker 4		
<i>Title</i>		
City, State		
Phone (Office)		
email address		
Property Placement (LES)		
Broker 5		
<i>Title</i>		
City, State		
Phone (Office)		
email address		
FINEX Placement (LES)		
Broker 6		
<i>Title</i>		
City, State		
Phone (Office)		
email address		

Analytics		
Broker 7	Broker 8	
<i>Title</i>	<i>Title</i>	
City, State	City, State	
Phone (Office)	Phone (Office)	
email address	email address	
Loss Control		
Broker 9		
<i>Title</i>		
City, State		
Phone (Office)		
email address		
Claims		
Broker 10	Broker 11	Broker 12
<i>Title</i>	<i>Title</i>	<i>Title</i>
Phone (Office)	Phone (Office)	Phone (Office)
email address	email address	email address
LES Contacts		
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Onboarding Your Broker – New Broker? Let the transition begin...

Sample Transition/Renewal Timeline			Jan '18				Feb '18				March '18			
ACTION ITEM	RESPONSIBILITY	WEEK of DUE DATE	1	2	3	4	1	2	3	4	1	2	3	4
TRANSITION TIMELINE														
Issue BOR letters to Broker & request 5 day waiting period waived														
Executed BOR letters received and filed with current program carriers														
Team contact information provided (Including Certificate Center)														
Obtain and review all existing policies – electronically														
Client Fee Agreement delivered and executed														
Certificate holder list provided														
Certificate Center set-up for requests														
Initial transition, service and claims strategy meeting														
Setup ongoing open items calls – weekly or bi-weekly?														
Contract Review expectations and contacts														
Online portal setup and training														
Issue internal memo announcing new Broker														
CLAIMS & LOSS CONTROL														
Establish claim reporting protocol and contacts														
Agree on high priority open claims														
Set up of carrier/Claim review meetings														
POLICY ADMINISTRATION														
Service Questions														



Onboarding Your Broker – Develop your Annual Strategy Plan

- Establish short & long-term strategies and expectations
 - Perform analysis of current policies (Review coverage, identify gaps, appropriate limits)
 - Current policy recommendations
 - Current policy renewal timelines
 - Renewal strategies for the upcoming year
 - Document & track expectations identified during the RFP & contract negotiations
 - List each expectation
 - Due date/ Date of Completion
 - Schedule meetings for the year and establish timelines/milestones
 - Weekly, bi-weekly, monthly
 - Track and document open items for future follow-up
 - Establish milestone dates to review performance; adjust if necessary
 - What's working; what's not working
 - Adjust annual strategy document, if necessary
 - Be open and honest with your broker's performance
 - Be involved and don't sit back



Onboarding Your Broker – Develop your Annual Strategy Plan

Lincoln Electric System - Service Plan		APR 2018	MAY 2018	JUNE 2018	JULY 2018	AUG 2018	SEPT 2018	OCT 2018	NOV 2018	DEC 2018	JAN 2019	FEB 2019	MAR 2019	APR 2019
2018-2019 Policy Term	Goal Date													
Open Items Meetings	Bi-Weekly	x	x	x	x	x	x	x	x	x	x	x	x	x
Service Plan Kickoff Meeting	May '18		x											
Analytics	May '18		x											
Educational Training Courses	Quarterly / As Needed		D&O				PROP			PROF		ENV		
Pre-Renewal Meeting for 9/1 Renewals (LES) + Complex Items Discussion	June '18			x										
Page-Turn Policy Review for 9/1 Renewals (LES)	October '18							x						
Property Carrier Stewardship Meeting	March '19												x	
Broker Stewardship Meeting + Complex Items Discussion	March '19												x	
LES Policies														
Property (9/1/17 - 9/1/18)							x							
Umbrella (9/1/17 - 9/1/18)							x							
Special Event - Lineman Rodeo (8/1/18 - 9/1/18)						x								
Contractor's Pollution (4/21/16 - 4/21/19)														x
Travel Accident - Benefits (4/27/17 - 4/27/20)														
Travel Accident - Commercial (4/27/17 - 4/27/20)														

Onboarding Your Broker – Develop your Renewal Strategy Plan

- Pre-renewal meeting
 - Develop renewal strategy/marketing plan
 - What is your goal for renewal?
 - Any changes since last renewal? (Internal/External)
 - Are there new gaps that need to get addressed during renewal?
 - What trends are happening in the market?
- Document timeline for renewal process
 - Loss reports
 - Complete application(s)
 - Bidding process
 - Negotiation of coverages, limits, premiums
 - Binding



Onboarding Your Broker – Develop your Renewal Strategy Plan

Lincoln Electric System - 9/1 Renewal Timeline			June '18				July '18				Aug '18			
ACTION ITEM	RESPONSIBILITY	WEEK of DUE DATE	1	2	3	4	1	2	3	4	1	2	3	4
RENEWAL TIMELINE														
Pre-Renewal discussions to determine marketing approach, establish program goals	Broker & LES													
Exposure/data gathering request from Broker	Broker													
Pull Loss Runs	Broker													
Client Provide renewal exposure data to Broker	LES													
Submission to the insurance markets	Broker													
Follow up with markets, address underwriting questions	Broker													
Attend carrier meetings as needed	LES & Broker													
Update Client on marketing efforts	Broker													
Finalize program & obtain revised quotes	Broker													
Deliver written proposal to Client	Broker													
Broker receives an Order to Bind	LES													
Broker will issue an Evidence/Confirmation of Coverage with Binders	Broker													
Invoices issued and delivered to Client	Broker													
Deliver policies to Client (within 30 days of receipt from carriers)	Broker													



Maximizing Your Broker's Services

- Industry Updates
 - State
 - Regional
 - National
- Compliance Opportunities
 - Economies of scale with other clients
 - Health insurance

Maximizing Your Broker's Services

- **Maintain Open Communication**
 - Let your broker into your world
 - Regular update meetings
 - Your broker should know what is going on and how they can help
- **Include Broker on Industry Communications**
 - Email updates
 - Upcoming conference information

Maximizing Your Broker's Services

- Include Broker in Key Internal Meetings
 - Safety Committee
 - Employee Communication Committee
 - Strategic Planning
- Consider Consolidation
 - One broker with access to multiple carriers
 - Compare apples to apples easily

Maximizing Your Broker's Services

- Clock Management
 - Ensure timeliness of claims
 - Broker has only a certain amount of time to make a play
- Annual Review
 - Pros and cons of all services provided
 - Utilized services vs. non-utilized services
 - KPI review (organization vs. others)