



STATE OF TENNESSEE  
TREASURY DEPARTMENT

**REQUEST FOR PROPOSALS # 30901-59024  
AMENDMENT # 1  
FOR PROPERTY AND CYBER INSURANCE  
ADJUSTING SERVICES**

**DATE: May 28, 2024**

**RFP # 30901-59024 IS AMENDED AS FOLLOWS:**

1. This RFP Schedule of Events updates and confirms scheduled RFP dates. Any event, time, or date containing revised or new text is highlighted.

EVENT	TIME (central time zone)	DATE	UPDATED OR CONFIRMED
1. RFP Issued		May 10, 2024	CONFIRMED
2. Disability Accommodation Request Deadline	2:00 p.m.	May 15, 2024	CONFIRMED
3. Pre-response TeleConference	10:00 a.m.	May 16, 2024	CONFIRMED
4. Notice of Intent to Respond Deadline	2:00 p.m.	May 17, 2024	CONFIRMED
5. Written "Questions & Comments" Deadline	2:00 p.m.	May 22, 2024	CONFIRMED
6. State Response to Written "Questions & Comments"		May 28, 2024	CONFIRMED
7. Response Deadline	2:00 p.m.	June 4, 2024	CONFIRMED
8. State Completion of Technical Response Evaluations		June 10, 2024	CONFIRMED
9. State Opening & Scoring of Cost Proposals		June 11, 2024	CONFIRMED
10. Negotiations (Optional to the State)		June 12, 2024 – June 13, 2024	CONFIRMED
11. State Notice of Intent to Award Released <u>and</u> RFP Files Opened for Public Inspection		June 20, 2024	CONFIRMED
12. End of Open File Period		June 27, 2024	CONFIRMED
13. State sends contract to Contractor for signature		June 28, 2024	CONFIRMED
14. Contractor Signature Deadline	2:00 p.m.	June 29, 2024	CONFIRMED

**2. State responses to questions and comments in the table below amend and clarify this RFP.**

Any restatement of RFP text in the Question/Comment column shall NOT be construed as a change in the actual wording of the RFP document.

QUESTION / COMMENT	STATE RESPONSE
1. Are there time requests or deadlines to build the Claims Procedure Manual and Subro Litigation Management Guidelines?	No.
2. What are the estimated number of “take over claims” at the time of the current contract end date? Est numbers for property vs cyber claims?	Please refer to the claim loss runs (which are attached) to determine the numbers of take over claims for property and cyber programs.
3. Does current service provider – Aon – have the ability to link via API or export claims into a spreadsheet?	Aon Insurance Managers (USA) Inc. is the captive manager of the State of Tennessee Captive Insurance Company whereby Aon performs the day-to-day operations of the Captive. Aon can export loss runs into Excel.
4. Is there a requirement to house/onboard/transition closed claims as part of this RFP? If so, how many of those records are anticipated?	No.
5. What is the requested timeline for this transition from previous contractor to new contractor?	90 days.
6. What are the number of claims reported each year per line of business- property vs cyber?	Please reference the loss runs for each program to determine the average yearly number of claims that are open each FY.
7. Are digital signatures sufficient for signing all documents?	Electronic or facsimile signatures are acceptable. See e.g., Sections 3.1.2.3 and 3.2.2.2 of the RFP, and RFP Attachment 6.1.
8. Attachment 6.2 – Section A, number A.5 – 20,000 individual employees receiving adjusting services from us. Is this a requirement?	Item A.5 of the Mandatory Requirements requires a respondent to provide a written statement confirming that the <u>respondent has at least three clients</u> for which the respondent currently provides adjusting services. Those three clients must have (i) total insured values over \$25 billion and (ii) have more than 20,000 employees.
9. Attachment 6.2 – Section A, number A.6 – do all employees need to report from the TN office? Will you consider remote?	Item A.6 of the Mandatory Requirement requires a respondent to provide a statement confirming it will maintain at least one office in the State of Tennessee whereby the Respondent’s staff can perform services under the contract. For property with all the large losses we have had the past four years, it is imperative that all employees reside in Tennessee to respond without delay to large loss events across the State of Tennessee. If it is management or administrative personnel, then those employees are

QUESTION / COMMENT	STATE RESPONSE
	not as vital as individuals that need to respond to urgent disasters or property losses. The respondent must have an office and the appropriate amount of people to respond in Tennessee. The respondent can allow its employees who reside in Tennessee to work remotely where they do not have to be in an office setting. For cyber claims, it does not matter if the employees are out of state or not since those claims will essentially be desk adjusted.
10. Can you post or send Attachment 6.14? I cannot find on the procurement website.	RFP Attachment 6.14 is attached.
11. Will you provide excess carrier reporting requirements (referenced in contract section A.2.a.	The State is asking the winning respondent to provide the excess reporting requirements to the excess carriers on behalf of the State. The respondent should be tracking all the claims expenses, scope of work, claims issues, disputes, coverage issues, and reserving for all property losses and cyber losses and report them to the excess carriers or captive manager.
12. Is Additional Insured with the state/state agencies required on our insurance policies?	See Item 3 below for an amendment to Section D.32 of the <i>Pro Forma</i> Contract (RFP Attachment 6.6).
13. Would the state consider direct access to our claims system to save on reporting?	No.
14. Will you consider past contracts in addition to current contracts for References?	<p>The RFP asks that you provide references from individuals who are <u>not</u> current State employees of the procuring State Agency for projects similar to the goods or services sought under this RFP and which represent:</p> <ul style="list-style-type: none"> <li>▪ two (2) contracts Respondent currently services that are similar in size and scope to the services required by this RFP; <u>and</u></li> <li>▪ three (3) completed contracts that are similar in size and scope to the services required by this RFP.</li> </ul> <p><u>References from at least three (3) different individuals are required to satisfy the requirements above, e.g., an individual may provide a reference about a completed project and another reference about a currently serviced account.</u></p>
15. What is the current pricing?	The adjusting services we currently receive are substantially different from the adjusting services being requested in this RFP. Consequently, the pricing under the current arrangement will not assist the respondents in responding to this RFP.
16. Seek some clarity on what exactly a takeover claim is and if they are projected.	"Take-Over Claims" mean claims already received by the State prior to the commencement date of this Contract for which a decision as to compensability has not been made or for which a decision as to

QUESTION / COMMENT	STATE RESPONSE
	<p>compensability has been made but which is still open. For Take-Over Claims, the State seeks adjustment of all cyber liability Take-Over Claims received by the State after July 1, 2022 and the adjustment of all property Take-Over Claims regardless of receipt date. A respondent can determine the projection of claims by using the five-year loss runs to determine the yearly average for both cyber and property programs.</p>
<p>17. How many cyber claims were received annually in the past five years? (Didn't see those in the loss runs provided)</p>	<p>Please see the attached loss runs relative to cyber.</p>
<p>18. How many call center / FNOL calls were received on average monthly in the past year?</p>	<p>Claims are not called in. Instead, they are emailed to the State; namely, to the Division of Claims and Risk Management ("DCRM") of the Tennessee Treasury Department. DCRM then notifies the adjusting vendor.</p>
<p>19. What are the current adjusting rates?</p>	<p>See response to Question 15 above.</p>
<p>20. Are the numbers alongside the blanks on the Pricing worksheets estimated number of hours?</p>	<p>If you are referring to the evaluation factors on the Cost Proposal &amp; Scoring Guide (RFP Attachment 6.3), those evaluation factors are the <i>estimated</i> number of hours per year. However, those evaluation factors do not and should not be construed as any type of volume guarantee.</p>
<p>21. <u>Section:</u> A. Scope A.2. (c) Claim Adjudication Decisions.</p> <p><u>Requested Deviation:</u></p> <p>(1) The Contractor shall make recommendations to the State on the property and cyber liability insurance claims. Such recommendations include, but are not limited to:</p> <p>(A) approvals of the compensability of a claim;</p> <p>(B) denials of the compensability of a claim;</p> <p>(C) discontinuance of subrogation collection efforts; and</p> <p><del>(D) prior to entering into settlement discussions with an excess insurance carrier, the Contractor shall obtain the State's approval of the settlement conditions to be proposed.</del></p> <p><u>Explanation:</u></p> <p>Propose deleting (D) as this could create a conflict of interest when Contractor adjusts excess claims on behalf of excess carriers.</p>	<p>See Item 4 below for an amendment to Section A.2.c.(1) of the <i>Pro Forma</i> Contract (RFP Attachment 6.6).</p>

QUESTION / COMMENT	STATE RESPONSE
<p>22. <u>Section:</u>  A. Scope  A.2. (f)  Communications Between Contractor and State.</p> <p><u>Requested Deviation:</u></p> <p>Monthly. The Contractor shall further provide to the State monthly electronic reports containing the following information: (i) loss run information summarizing the number of claims opened, closed and pending; (ii) the amounts below or above the State's self-insurance retentions; (iii) the amounts paid and reserved; (iv) loss analysis by Claimant Agency showing number of claims, amount paid, amount incurred, type of claim, location and etc.; (v) caseload count by adjuster; and (vi) subrogation recoveries and refunds. The monthly report shall be due on the <del>last Business Day of the month</del> <u>fifth day of each month, or the next business day following the fifth</u>, and shall cover the information described in this paragraph as of the previous month end. These same monthly electronic reports shall be provided to the applicable Claimant Agency, the State's broker of record, the State's captive manager vendor (if different from the State's broker of record) and to the Tennessee Comptroller's Office.</p> <p><u>Explanation:</u></p> <p>Propose changing the due date to allow for accurate claim information and reserving.</p>	<p>See Item 5 below for an amendment to Section A.2.f.(2)(E) of the <i>Pro Forma</i> Contract (RFP Attachment 6.6).</p>
<p>23. <u>Section:</u>  C. PAYMENT TERMS AND CONDITIONS  C.4.Travel Compensation.</p> <p><u>Requested Deviation:</u></p> <p>The Contractor shall <del>not</del> be compensated <del>or reimbursed</del> for travel time, <del>travel expenses, meals, or lodging and mileage for daily trips subject to IRS mileage rates.</del> <u>Overnight travel expenses will be reimbursed based on GSA per diem rates for the local jurisdiction of the travel destination.</u></p> <p><u>Explanation:</u></p> <p>Travel and related expenses make up a significant portion of time needed to handle property claims, thus fair reimbursement for these costs is requested.</p>	<p>See Items 6, 7, and 8 below for an amendment to Sections C.2, C.3 and C.4 of the <i>Pro Forma</i> Contract (RFP Attachment 6.6).</p>
<p>24. <u>Section:</u>  D. MANDATORY TERMS AND CONDITIONS  D.19.Hold Harmless.</p>	<p>See Item 9 below for an amendment to Section D.19 of the <i>Pro Forma</i> Contract (RFP Attachment 6.6).</p>

QUESTION / COMMENT	STATE RESPONSE
<p><u>Requested Deviation:</u></p> <p>The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of <b>negligent</b> acts, omissions, or <b>negligence willful misconduct</b> on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys' fees, court costs, expert witness fees, and other litigation expenses for the State to enforce the terms of this Contract. The Contractor shall only be required to indemnify and hold harmless the State of Tennessee to the extent of the negligent acts, omissions, or willful misconduct on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract.</p> <p><u>Explanation:</u></p> <p>These changes are consistent with the Agreement Sedgwick currently has with the State of Tennessee on the expiring Cyber contract. Contractor will indemnify to the extent of its negligent acts, omissions or willful misconduct.</p>	
<p>25. <u>Section:</u>  D. MANDATORY TERMS AND CONDITIONS  D.32. Insurance.</p> <p><u>Requested Deviation:</u></p> <p>Contractor shall maintain insurance coverage as specified in this Section. The State reserves the right to amend or require additional insurance coverage, coverage amounts, and endorsements required under this Contract. Contractor's failure to maintain or submit evidence of insurance coverage, as required, is a material breach of this Contract. If Contractor loses insurance coverage, fails to renew coverage, or for any reason becomes uninsured during the Term, Contractor shall immediately notify the State. All insurance companies providing coverage must be: (a) acceptable to the State; (b) authorized by the Tennessee Department of Commerce and Insurance ("TDCI"); and (c) rated A- / VII or better by A.M. Best. All coverage must be on a primary basis and noncontributory with any other insurance or self-insurance carried by the State. Contractor agrees to name the State as an additional insured on any insurance policy with the exception of workers' compensation (employer liability) and</p>	<p>See Item 3 below for an amendment to Section D.32 of the <i>Pro Forma</i> Contract (RFP Attachment 6.6).</p>

QUESTION / COMMENT	STATE RESPONSE
<p>professional liability (errors and omissions) insurance. All policies must contain an endorsement for a waiver of subrogation in favor of the State. <del>Any deductible or self insured retention (“SIR”) over fifty thousand dollars (\$50,000) must be approved by the State.</del> The deductible or SIR and any premiums are the Contractor’s sole responsibility. The Contractor agrees that the insurance requirements specified in this Section do not reduce any liability the Contractor has assumed under this Contract including any indemnification or hold harmless requirements.</p> <p><u>Explanation:</u></p> <p>We do not disclose or seek approval for our retentions and deductibles. We carry SIRs and deductibles that are appropriate for our size and financial strength.</p>	
<p>26. <u>Section:</u> D. MANDATORY TERMS AND CONDITIONS D.32. Insurance.</p> <p><u>Requested Deviation:</u></p> <p>Contractor shall provide the State a certificate of insurance (“COI”) evidencing the coverages and amounts specified in this Section. The COI must be on a form approved by the TDCI (standard ACORD form preferred). The COI must list each insurer’s National Association of Insurance Commissioners (NAIC) number and be signed by an authorized representative of the insurer. The COI must list the State of Tennessee – CPO Risk Manager, 312 Rosa L. Parks Ave., 3rd floor Central Procurement Office, Nashville, TN 37243 as the certificate holder. Contractor shall provide the COI ten (10) business days prior to the Effective Date and again <del>within five (5) days of thirty (30) calendar days before</del> renewal or replacement of coverage. Contractor shall provide the State evidence that all subcontractors maintain the required insurance or that subcontractors are included under the Contractor’s policy. At any time, the State may require Contractor to provide a valid COI. The Parties agree that failure to provide evidence of insurance coverage as required is a material breach of this Contract. If Contractor self-insures, then a COI will not be required to prove coverage. Instead Contractor shall provide a certificate of self-insurance or a letter, on Contractor’s letterhead, detailing its coverage, policy amounts, and proof of funds to reasonably cover such expenses. The State reserves the right to require complete copies of all required insurance policies,</p>	<p>See Item 3 below for an amendment to Section D.32 of the <i>Pro Forma</i> Contract (RFP Attachment 6.6).</p>

QUESTION / COMMENT	STATE RESPONSE
<p>including endorsements required by these specifications, at any time.</p> <p><u>Explanation:</u></p> <p>Contractor cannot provide certificate of insurance (COI) 30 days prior to renewal since Contractor will not have access to the COI.</p>	
<p>27. Section: D. MANDATORY TERMS AND CONDITIONS D.32 (d) Professional Liability Insurance</p> <p><u>Requested Deviation:</u></p> <p>1) Professional liability insurance shall be written on an occurrence basis or on a claims-made basis. If this coverage is written on a claims-made basis, then:</p> <p>i. The retroactive date must be shown, and must be on or before the earlier of the Effective Date of the Contract or the beginning of Contract work or provision of goods and services;</p> <p>ii. Insurance must be maintained and evidence of insurance must be provided for at least five (5) full years from the date of the final Contract payment; and</p> <p>iii. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date on or prior to the Contract Effective Date, the Contractor must purchase “extended reporting” or “tail coverage” for a minimum of five (5) full years from the date of the final Contract payment.</p> <p>2) Any professional liability insurance policy shall have a limit not less than one million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) in the aggregate; and</p> <p><del>i.—If the Contract involves the provision of services by medical professionals, a policy limit not less than three million (\$3,000,000) per claim and three million dollars (\$3,000,000) in the aggregate for medical malpractice insurance.</del></p> <p><u>Explanation:</u></p> <p>Contractor does not carry medical malpractice insurance since we do not practice medicine, and we cannot comply with this requirement.</p>	<p>The State respectfully declines in as much as this is a standard state of Tennessee government contract provision and the language only applies <i>if applicable</i>. Consequently, it is not necessary to delete the language.</p>

**3. Delete Section D.32. of the *Pro Forma Contract (RFP Attachment 6.6)* in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):**

D.32. Insurance. Contractor shall maintain insurance coverage as specified in this Section. The State reserves the right to amend or require additional insurance coverage, coverage amounts, and endorsements required under this Contract. Contractor’s failure to maintain or submit evidence



of insurance coverage, as required, is a material breach of this Contract. If Contractor loses insurance coverage, fails to renew coverage, or for any reason becomes uninsured during the Term, Contractor shall immediately notify the State. All insurance companies providing coverage must be: (a) acceptable to the State; (b) authorized by the Tennessee Department of Commerce and Insurance ("TDCI"); and (c) rated A- / VII or better by A.M. Best. All coverage must be on a primary basis and noncontributory with any other insurance or self-insurance carried by the State. Contractor agrees to **name include** the State as an additional insured on any insurance policy with the exception of workers' compensation (employer liability), and professional liability (errors and omissions) insurance. All policies must contain an endorsement **or policy wording** for a waiver of subrogation in favor of the State. Any deductible or self insured retention ("SIR") over fifty thousand dollars (\$50,000) must be **disclosed to approved by** the State. The deductible or SIR and any premiums are the Contractor's sole responsibility. The Contractor agrees that the insurance requirements specified in this Section do not reduce any liability the Contractor has assumed under this Contract including any indemnification or hold harmless requirements.

To achieve the required coverage amounts, a combination of an otherwise deficient specific policy and an umbrella policy with an aggregate meeting or exceeding the required coverage amounts is acceptable. For example: If the required policy limit under this Contract is for two million dollars (\$2,000,000) in coverage, acceptable coverage would include a specific policy covering one million dollars (\$1,000,000) combined with an umbrella policy for an additional one million dollars (\$1,000,000). If the deficient underlying policy is for a coverage area without aggregate limits (generally Automobile Liability and Employers' Liability Accident), Contractor shall **advise the State and allow the State to view provide** a copy of the umbrella insurance policy documents to ensure that no aggregate limit applies to the umbrella policy for that coverage area. In the event that an umbrella policy is being provided to achieve any required coverage amounts, the umbrella policy shall be accompanied by an endorsement at least as broad as the Insurance Services Office, Inc. (also known as "ISO") "Noncontributory—Other Insurance Condition" endorsement or shall be written on a policy form that addresses both the primary and noncontributory basis of the umbrella policy if the State is otherwise named as an additional insured.

Contractor shall provide the State a certificate of insurance ("COI") evidencing the coverages and amounts specified in this Section. The COI must be on a form approved by the TDCI (standard ACORD form preferred). The COI must list each insurer's National Association of Insurance Commissioners (NAIC) number and be signed by an authorized representative of the insurer. The COI must list the State of Tennessee – CPO Risk Manager, 312 Rosa L. Parks Ave., 3<sup>rd</sup> floor Central Procurement Office, Nashville, TN 37243 as the certificate holder. Contractor shall provide the COI ten (10) business days prior to the Effective Date and **shall endeavor to provide it again thirty (30) calendar days on before the date of renewal or replacement of coverage, but no later than seven (7) business days after the renewal or replacement of coverage.** Contractor shall provide the State evidence that all subcontractors maintain the required insurance or that subcontractors are included under the Contractor's policy. At any time, the State may require Contractor to provide a valid COI. The Parties agree that failure to provide evidence of insurance coverage as required is a material breach of this Contract. If Contractor self-insures, then a COI will not be required to prove coverage. Instead, Contractor shall provide a certificate of self-insurance or a letter, on Contractor's letterhead, detailing its coverage, policy amounts, and proof of funds to reasonably cover such expenses. ~~The State reserves the right to require~~ **The Contractor shall permit the State to review** complete copies of all required insurance policies, including endorsements required by these specifications, at any time.

The State agrees that it shall give written notice to the Contractor as soon as practicable after the State becomes aware of any claim asserted or made against the State, but in no event later than thirty (30) calendar days after the State becomes aware of such claim. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give

notice. This Section shall not grant the Contractor or its insurer, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.

**The insurance obligations under this Contract shall be: (1)—all the insurance coverage and policy limits carried by the Contractor; or (2)—the minimum insurance coverage requirements and policy limits shown in this Contract; whichever is greater. Any insurance proceeds in excess of or broader than the minimum required coverage and minimum required policy limits, which are applicable to a given loss, shall be available to the State. No representation is made that the minimum insurance requirements of the Contract are sufficient to cover the obligations of the Contractor arising under this Contract. The Contractor shall obtain and maintain, at a minimum, the following insurance coverages and policy limits.**

a. Commercial General Liability (“CGL”) Insurance

- 1) The Contractor shall maintain CGL, which shall be written on an ISO Form CG 00 01 occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from property damage, premises and operations products and completed operations, bodily injury, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).  
The Contractor shall maintain single limits not less than one million dollars (\$1,000,000) per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this policy or location of occurrence or the general aggregate limit shall be twice the required occurrence limit.

b. Workers’ Compensation and Employer Liability Insurance

- 1) For Contractors statutorily required to carry workers’ compensation and employer liability insurance, the Contractor shall maintain:
  - i. Workers’ compensation in an amount not less than one million dollars (\$1,000,000) including employer liability of one million dollars (\$1,000,000) per accident for bodily injury by accident, one million dollars (\$1,000,000) policy limit by disease, and one million dollars (\$1,000,000) per employee for bodily injury by disease.
- 2) If the Contractor certifies that it is exempt from the requirements of Tenn. Code Ann. §§ 50-6-101 – 103, then the Contractor shall furnish written proof of such exemption for one or more of the following reasons:
  - i. The Contractor employs fewer than five (5) employees;
  - ii. The Contractor is a sole proprietor;
  - iii. The Contractor is in the construction business or trades with no employees;
  - iv. The Contractor is in the coal mining industry with no employees;
  - v. The Contractor is a state or local government; or
  - vi. The Contractor self-insures its workers’ compensation and is in compliance with the TDCI rules and Tenn. Code Ann. § 50-6-405.

c. Automobile Liability Insurance

- 1) The Contractor shall maintain automobile liability insurance which shall cover liability arising out of any automobile (including owned, leased, hired, and non-owned automobiles).
- 2) The Contractor shall maintain bodily injury/property damage with a limit not less than one million dollars (\$1,000,000) per occurrence or combined single limit.

d. Professional Liability Insurance

- 1) Professional liability insurance shall be written on an occurrence basis or on a claims-made basis. If this coverage is written on a claims-made basis, then:
  - i. The retroactive date must be shown, and must be on or before the earlier of the Effective Date of the Contract or the beginning of Contract work or provision of goods and services;
  - ii. Insurance must be maintained and evidence of insurance must be provided for at least five (5) full years from the date of the final Contract payment; and
  - iii. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date on or prior to the Contract Effective Date, the Contractor must purchase "extended reporting" or "tail coverage" for a minimum of five (5) full years from the date of the final Contract payment.
- 2) Any professional liability insurance policy shall have a limit not less than one million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) in the aggregate; and
  - i. If the Contract involves the provision of services by medical professionals, a policy limit not less than three million (\$3,000,000) per claim and three million dollars (\$3,000,000) in the aggregate for medical malpractice insurance.

**4. Delete Section A.2.c.(1) of the *Pro Forma Contract (RFP Attachment 6.6)* in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):**

c. Claim Adjudication Decisions.

- (1) The Contractor shall make recommendations to the State on the property and cyber liability insurance claims. Such recommendations include, but are not limited to:
  - (A) approvals of the compensability of a claim;
  - (B) denials of the compensability of a claim; and
  - (C) discontinuance of subrogation collection efforts; and
  - (D) prior to entering into settlement discussions with an excess insurance carrier, the Contractor shall obtain the State's approval of the settlement conditions to be proposed.

**5. Delete Section A.2.f.(2)(E) of the *Pro Forma Contract (RFP Attachment 6.6)* in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):**

(E) Monthly. The Contractor shall further provide to the State monthly electronic reports containing the following information: (i) loss run information summarizing the number of claims opened, closed and pending; (ii) the amounts below or above the State’s self-insurance retentions; (iii) the amounts paid and reserved; (iv) loss analysis by Claimant Agency showing number of claims, amount paid, amount incurred, type of claim, location and etc.; (v) caseload count by adjuster; and (vi) subrogation recoveries and refunds. The monthly report shall be due on the ~~last Business Day of the month~~ fifth day of each month, or the next business day following the fifth and shall cover the information described in this paragraph as of the previous month end. These same monthly electronic reports shall be provided to the applicable Claimant Agency, the State’s broker of record, the State’s captive manager vendor (if different from the State’s broker of record) and to the Tennessee Comptroller’s Office.

**6. Delete Section C.2 of the *Pro Forma Contract (RFP Attachment 6.6)* in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):**

C.2. Compensation Firm. ~~The payment methodology in Section C.3 shall constitute the entire compensation due the Contractor for all goods or services provided under this Contract regardless of the difficulty, materials or equipment required.~~ The payment methodology in Section C.3 and the Travel Compensation provided in Section C.4 shall constitute the entire compensation due the Contractor for all goods or services provided under this Contract regardless of the difficulty, materials or equipment required. The payment methodology includes all applicable taxes, fees, overhead, and all other direct or indirect costs incurred or to be incurred by the Contractor.

**7. Delete Section C.3 of the *Pro Forma Contract (RFP Attachment 6.6)* in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):**

C.3. Payment Methodology. The Contractor shall be compensated based on the payment methodology for goods or services authorized by the State in a total amount as set forth in Section C.1.

- a. The Contractor’s compensation shall be contingent upon the satisfactory provision of goods or services as set forth in Section A.
- b. The Contractor shall be compensated based upon the following payment methodology:

	July 1, 2024 — June 30, 2025	July 1, 2025 — June 30, 2026	July 1, 2026 — June 30, 2027	July 1, 2027 — June 30, 2028  (If the State exercises its right under Section B.2 above to extend the Contract Term)	July 1, 2028 — June 30, 2029  (If the State exercises its right under Section B.2 above to extend the Contract Term)
Executive General Adjuster  Note: An Executive General Adjuster is defined as an adjuster who handles losses internationally of any size or complex national account.	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour
National General Adjuster  Note: A National General Adjuster is defined as an adjuster who handles losses nationally regardless of	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour

size, including having the ability to address any complex adjustment issue.					
<b>Regional General Adjuster</b> Note: A Regional General Adjuster is defined as an adjuster who handles losses regionally (generally statewide) unassisted up to \$10M, including having the ability to address the most complex adjustment issues pertaining to damages and coverage and assist on even larger losses.	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour
<b>General Adjuster</b> Note: A General Adjuster is defined as an adjuster who handles complex losses locally unassisted up to \$1M and assists on larger losses, including the ability to handle accounting-based losses (business interruption and stock).	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour
<b>Senior Adjuster/Adjuster</b> Note: A Senior Adjuster is defined as an adjuster who handles full adjustment losses of limited complexity locally unsupervised. An Adjuster is defined as an adjuster who handles losses under the general supervision of a regional manager or a designated mentor.	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour
<b>Staff Accountant</b> Note: A Staff Accountant is defined as a person who has a degree in accounting, finance or related field and who verifies submitted documentation on property damage losses to validate unit costs, labor hours, materials and sub-contractor data. A Staff Accountant also evaluates business interruption and extra expense claims and works with the adjustment team.	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour

<p>Executive Building Consultant</p> <p>Note: An Executive Building Consultant is defined as an individual who assists in scope development, cost validation and analysis, apply engineering findings, coordinates with the adjustment team and facilitates contractor accountability on losses of any size.</p>	<p>\$ _____ per hour</p>	<p>\$ _____ per hour</p>	<p>\$ _____ per hour</p>	<p>\$ _____ per hour</p>	<p>\$ _____ per hour</p>
<p>The Contractor shall not be compensated for travel time to the primary location of service provision.</p>					

**8. Delete Section C.4 of the *Pro Forma Contract (RFP Attachment 6.6)* in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):**

C.4. Travel Compensation. ~~The Contractor shall not be compensated or reimbursed for travel time, travel expenses, meals, or lodging.~~ Compensation to the Contractor for travel, meals, or lodging shall be subject to amounts and limitations specified in the current "State Comprehensive Travel Regulations."

The Contractor must include (in addition to other invoice requirements of this Contract) a complete itemization of requested travel compensation and appropriate documentation and receipts as required by the "State Comprehensive Travel Regulations."

**9. Delete Section D.19 of the *Pro Forma Contract (RFP Attachment 6.6)* in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):**

D.19. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of ~~negligent or willful acts, or omissions, or negligence~~ on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys' fees, court costs, expert witness fees, and other litigation expenses for the State to enforce the terms of this Contract.

In the event of any suit or claim, the Parties shall give each other immediate notice and provide all necessary assistance to respond. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.

**10. RFP Amendment Effective Date.** The revisions set forth herein shall be effective upon release. All other terms and conditions of this RFP not expressly amended herein shall remain in full force and effect.