



REQUEST FOR PROPOSALS #2026-01-02

INSURANCE BROKER

ADDENDUM #1

Washington State Transit Insurance Pool (WSTIP) is providing information and/or making modifications as an Addendum to the above listed RFP.

The following changes, clarifications and WSTIP responses to questions posed to date are hereby provided to interested proposers:

1. **Question:** The RFP states that WSTIP pays a broker fee. How much is the current annual broker fee? Except for the individual member placements, is the incumbent broker required to rebate or credit all commissions against the fee? If so, kindly state how that is facilitated.

Response: Current broker fee for pooled placements is \$101,200.

The current broker bids net of commission when appropriate and does rebate commissions if they are not able to net the commission. WSTIP will require the awarded Contractor for this solicitation to bid in the same manner.

There are 5 policies which are allowed to receive commission on the pool placement as they came about after the broker fee was established (and so a commission was permitted). For this intended new Contract, WSTIP desires the policies with an asterisk will be included as part of the broker fee for pooled placements:

1. Excess Auto Physical Damage* (annual): \$17,790.40
2. Pollution* (2024-2027): \$ 2,296.25
3. Terrorism* (annual): \$11,712.31
4. Professional Liability APPL (annual): \$ 4,613.13
5. Cyber Retention Buy-Down* (annual): \$10,920.00

2. **Question:** For the APIP program, the broker receives commissions for that program as a whole. Are they required to return or offset those commissions as well?

Response: The APIP program is part of the pooled placement, and the cost is part of the broker fee. The broker is not allowed to receive indirect income on pooled placements. WSTIP will enforce this prohibition in the new Contract as well.



3. **Question:** The RFP states that the crime & fidelity policy is a group placement. Are there other entities participating besides WSTIP and its members who share the limits (i.e. other pools and entities)?

Response: No.

4. **Question:** The RFP states that property program including: property, APD, B&M, cyber, terrorism, pollution, UST, are obtained through the Alliant APIP program. Does WSTIP and its members share the limits with others (i.e. other pools and entities)?

Response: No, WSTIP and its Members do not share limits with other pools or entities. The APIP provides property, B&M, business interruption, flood, earthquake and cyber coverage. WSTIP and its Members are the insureds for this policy, and the limits are only for these insureds. The exception is the cyber coverage, that coverage limit is shared with all entities (insureds) who participate in APIP. Terrorism, Pollution and UST are all policies separate from APIP where WSTIP and its Member are the insureds and the limits are only for these insureds.

5. **Question:** Regarding the liability placement, please provide the annual premium paid to GEM for the \$3.5m x \$1.5m layer. Is it anticipated that GEM will continue to offer \$3.5m?

Response: The premium for the 2026 GL and POL coverage through GEM (\$3.5M excess of \$1.5M) was \$2,263,000. It is anticipated that GEM will continue to offer \$3.5M in limits.

Annually WSTIP gets quotes for \$3.5M excess of \$1.5M, \$3M excess of \$2M, \$2.5M excess of \$2.5M and \$2M excess of \$3M to allow the Pool to determine which combination best fits with the Self-Insured Retention options.

6. **Question:** Is the \$18.5m in premium for the liability placement 100% reinsurance premiums? If not, please provide additional information as to how that \$18.5 is allocated.

Response: For 2026, the coverage from \$1.5M to \$20M is 100% reinsurance.



7. **Question:** Is the selected broker required to provide property appraisal services as part of their fee? If yes, please provide the guidelines, including frequency of appraisals and how many properties are appraised each year. Is it acceptable to outsource those services to a third party appraisal firm?

Response: The Pool desires the selected broker to provide the appraisal service directly with their own workforce as part of the scope of this work. Alternatively, under Proposal Content and Structure, Section 6, Proposers are asked to identify their sub-contractors, in the event a sub-contractor is required to perform appraisals.

Under Scope of Services & Deliverables #1, the appraisals will be performed annually on pre-determined member properties. WSTIP has three (3) appraisal routes ensuring each Member property is appraised every three (3) years.

1. The 2026 appraisal group: Community, Skagit, Whatcom, Island, C-Tran, RiverCities, and Pacific.
2. The 2027 appraisal group: Kitsap, Jefferson, Clallam, Grays Harbor, Mason, Intercity, Pierce, WSTIP.
3. The 2028 appraisal group: Asotin, Ben Franklin, Columbia, Grant, Link, Spokane, and Valley.

This cycle repeats with the 2026 group being appraised again in 2029. Appraisals are typically the 5-7 business days following Memorial Day. WSTIP staff schedules the visits with Pool Members, WSTIP staff schedules the hotels for WSTIP staff and the appraiser, WSTIP staff will accompany the appraiser during site visits (often driving the appraiser to the locations). Each party pays for their hotels and meals (the travel costs of the appraiser have not been subject to reimbursement as it was included as part of the overall cost of the service offered).

In the current arrangement, the broker fee covers the cost of the appraisals for locations where the real property value being appraised is greater than \$5M. WSTIP pays \$250 each for locations where the real property value being appraised is between \$1M and \$5M. WSTIP pays \$150 for locations where the real property value being appraised is less than \$1M.

WSTIP has revised Exhibit 2 Price Proposal to be used to price Appraisal services in the event they are not included in the Annual Fee. The REVISED exhibit must be completed and returned for the proposal to be considered responsive.



8. **Question:** Some brokers collect revenue that they don't consider commissions or broker fees so they may not include them as total compensation in the broker selection processes. Examples are Underwriting fees and Business Services fee (to pay for services such as appraisals), and owned wholesaler commissions - all generate revenue to the broker directly or indirectly. These sources of revenue can be significant. Are you requiring such revenue to be disclosed and included in the overall broker compensation for this RFP?

Response: Yes, WSTIP requires such revenue to be disclosed and included in the overall broker compensation for this RFP.

9. **Question:** Scope of Services & Deliverables #11: what are WSTIP's property appraisal guidelines?

Response: See response to question 7.

10. **Question:** Contract Requirements Professional Liability & Other Insurance: [PROPOSER] does not provide copies of our insurance policies to third parties as they are confidential and proprietary. Certificates of insurance will be provided detailing that our coverages meet the requirements outlined in the RFP.

Response: WSTIP will accept that.

11. **Question:** Exhibit 4: Conflict of Interest Statement refers to *Whatcom Transportation Authority*; assume you will be issuing an addendum/revised Exhibit 4 identifying the correct agency?

Response: A REVISED Exhibit 4 has been issued. The REVISED exhibit must be completed and returned for the proposal to be considered responsive.

12. **Question:** Financial Statements – page 2 of 46 – Total Insurance Services of \$9.3M. Reviewing the premiums outlined in pages 2 – 4 of the RFP; liability premiums are listed as \$18.5M on page 2; including the additional coverages listed with the member specific policies (page 4), total premiums over \$23M. Please clarify the estimated spend on reinsurance and insurance premiums for all lines of coverage.

Response: Included in the \$18.5M liability premium is \$12.5M for the claims and loss adjustments (the loss fund) for 2026.



Most of the individual placements are pass-through costs to WSTIP Members where either the Member paid the cost directly (in which case the cost is on the Members financial statement) or WSTIP paid and then billed the member and the cost is on WSTIPs financial statement with a corresponding revenue (the result is a net zero on WSTIP’s financial statement).

Through the current broker agreement, the total premiums paid by either WSTIP or its Members is approximately \$10.5M.

13. **Question:** Financial Statement – page 45 of 46 includes \$846,601 for Risk and Loss Prevention. Can you detail what is included in these expenditures?

Response: Risk management grants, network security grants, technology risk reduction grant, pre-litigation funding, technical assistance for members, guest rider program (to identify improvements), recognition programs and sponsorships.

14. **Question:** Regarding fees/commissions/expenses paid to your current broker, please list per year for each of the past 5 years:

Response:

	2021	2022	2023	2024	2025
Annual Fee	\$101,200	\$101,200	\$101,200	\$101,200	\$101,200
Commission	\$ 80,544	\$ 72,198	\$117,862	\$199,263	\$202,570
Travel	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$181,744	\$173,398	\$219,062	\$300,463	\$303,770

15. **Question:** Can you provide a 5-year loss run for each line of coverage?

Response: Due to confidentiality provisions permitted under RCW, WSTIP will not release this information during the solicitation process. The information will be provided to the successful contractor.

For a proposal to be considered responsive, all Addenda must be acknowledged in the form provided in the RFP packet.

All other specifications, terms and conditions remain unchanged.

By: Washington State Transit Insurance Pool

Rfp@wstip.org

April 6, 2026



EXHIBIT 2 - REVISED PRICE LIST

RFP# 2026-01-02 Insurance Broker

Instructions: Please complete this form to provide your proposed price for the criteria listed in the specification attachment to this solicitation.

Annual Fees	Unit	Unit Price (USD)
YEAR 1	Lump Sum	
YEAR 2	Lump Sum	
YEAR 3	Lump Sum	
YEAR 4	Lump Sum	
YEAR 5	Lump Sum	

Total

Appraisal Services - if NOT included in Annual Fee above

Property Value Greater Than \$5million	EACH	
Property Value Between \$1M and \$5M	EACH	
Property Value Less Than \$1Million	EACH	

Additional Services

Item/Description	Quantity	Unit	Unit Price (USD)	Extended Price (USD)
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -

Proposer understands and agrees that, by his/her signature, if awarded the contract for the project, he/she is entering into a contract with WSTIP that incorporates the terms and conditions of the entire Request for Proposal package and the submitted response.

The person signing this Price Proposal in response to the RFP certifies that he/she is authorized by the Proposer to sign on the Proposer's behalf, and that the Proposer shall be bound contractually by that signature.

Proposer

Signature of Authorized Representative

Date

Printed Name

Title/Position



EXHIBIT 4: CONFLICT OF INTEREST STATEMENT_REVISED

The undersigned declares under penalty of perjury under the laws of the state of Washington that the foregoing is true and correct to the best of their knowledge and belief.

1. Conflict of Interest

The Proposer, by entering submitting these qualifications to Washington State Transit Insurance Pool (WSTIP) to perform or provide work, services or guarantees, ensures that it has no direct or indirect financial or proprietary interest in the forthcoming award of Contract as outlined in the request Documents. Proposer shall not acquire any such interest, which conflicts in any manner or degree with the services required to be performed under a Contract. Proposer shall not employ any person or agent having such interest on any WSTIP specific work. In the event that the Proposer or its agents, employees or representatives finds such a conflict of interest, it shall immediately disclose such interest to WSTIP and take action immediately to eliminate the conflict or to withdraw from this Contract, as WSTIP may require. Should WSTIP discover a disclosable conflict post award, it will be grounds for immediate Contract termination under the terms of the Contract.

2. Contingent Fees and Gratuities

The awarded Proposer, by entering into a contract with WSTIP to perform or provide services or materials for WSTIP has thereby guaranteed, and by this affidavit does again promise and assure:

That no person or selling company except bona fide employees or designated agents or representatives of the Proposer has been employed or retained to solicit or secure this Contract with an agreement or understanding that a commission, percentage, brokerage, or contingent fee would be paid; and

That no gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Proposer or any of its agents, employees or representatives, to any official, member or employee of WSTIP or other governmental agency with a view toward securing this Contract or securing favorable treatment with respect to the awarding or amending, or the making of any determination with respect to the performance of this Contract.

<u>Signature of Authorized Officer/Agent</u>	<u>Date</u>
<u>Print Name & Title</u>	<i>The individual named herein is duly authorized to obligate the firm to a contract.</i>