

# **RHODE ISLAND LOTTERY**

## **REQUEST FOR PROPOSALS**

### **COMPREHENSIVE INSURANCE PACKAGE**



[www.rilot.com](http://www.rilot.com)

**1425 PONTIAC AVENUE  
CRANSTON, RI 02920  
401-463-6500**

Bid Number 16-05A

Date: April 14, 2016

Insurance Bid to Brokers:

The Rhode Island Lottery (RIL), a Division of the State of Rhode Island Department of Revenue, is an enterprise fund of the State of Rhode Island. The RIL is seeking competitive bids for its insurance program. The bid is requested for a three-year period, July 1, 2016 through June 30, 2019.

If interested in bidding, each broker/agent is requested to submit its top ten insurance companies – in priority order, by line of business - from which the agent will request prices. In order to obtain competitive bids and allow each agent the chance to obtain bids in a competitive environment, the RIL will assign each agent eight of its ten companies from which to procure bids. A lottery may be used if more than one agent lists the same company to obtain a bid. The list of companies is requested by **Friday, April 22, 2016**, and will be opened on **Tuesday, April 26, 2016**, at 2:00 p.m. at the RIL Headquarters.

The RIL is also requesting a statement from each agent on its qualifications to bid and its capabilities to write the insurance and service the account.

The first year of the insurance coverage is for the period July 1, 2016 to June 30, 2017. The insurance policies to be included in the bid are identified in the following document.

Current policies may be reviewed at the RIL office upon request. It is recommended and requested current policies be reviewed to ensure current insurance coverage has been properly identified in the bid request.

Additionally, the list of current insurance carriers is included. These carriers are not available for obtaining quotations with the exception of the carrier providing Workers' Compensation.

Please pay particular attention to State of Rhode Island vendor requirements.

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Daniel Sarro, Finance Administration Manager  
Rhode Island Lottery

## **SECTION A – GENERAL INFORMATION**

### **1. LOCATION**

- A. The Department of Revenue, Division of Lotteries of the State of Rhode Island, (hereinafter “RIL”) is located at 1425 Pontiac Avenue, Cranston, Rhode Island 02920.

### **2. BACKGROUND**

- A. The purpose of this Request for Proposal (RFP) is to solicit proposals from corporations and organizations for a comprehensive insurance package as described in the attached schedule of insurance specifications.

### **3. PERIOD COVERED – JULY 1, 2016 TO JUNE 30, 2019**

- A. Bidders must quote annual premiums and include a three (3) year rate guarantee or three (3) year policies if possible.

## **SECTION B – VENDOR REQUIREMENTS**

### **1. RATING**

- A. All insurance must be issued by companies which are at least A-rated by A.M. Best & Co., duly licensed, admitted, and authorized to conduct business in the State of Rhode Island and are acceptable to the RIL.

### **2. VENDOR QUALIFICATIONS**

- A. It is the policy of the RIL to make every effort possible to assure the participation of small, minority, and female-owned businesses, as outlined in the Procurement Regulations, promulgated pursuant to Chapter 37-2 of the General Laws of the State of Rhode Island, and as mandated in Title 37, Chapter 14.1 of the General Laws of the State of Rhode Island, entitled “Minority Business Enterprise”.

## **SECTION C – CONTRACT AWARD**

### **1. CONTRACT AWARD**

- A. The RIL prefers to award the bid to one (1) agent. Please provide the costs for the insurance coverages and policy limits as requested. Deviations from coverage and limits may result in the bid being unacceptable.

## **SECTION D – RESPONSES**

### **1. RESPONSE REQUIREMENT**

- A. In order to be considered for selection of a contract award, bidders must submit a complete response to this RFP according to the specifications described. Please provide a quote on each individual coverage but also recommend and separately quote package insurance policies meeting the minimum coverage requirements.
- B. Per the attached form, interested agents must submit a list of their top ten (10) companies from which the RIL will assign eight (8) from which to obtain bids.

### **2. REJECTION OF PROPOSALS**

- A. The RIL reserves the right to reject any and all proposals received as a result of this RFP or to negotiate separately with any source whatsoever in any manner necessary to serve the best interests of the RIL.

## **SECTION E – SUBMITTAL DATE AND FORMAT**

### **1. INSTRUCTIONS FOR RESPONSE SUBMITTAL**

- A. Sealed proposals must be received by the RIL no later than 4:00 p.m., Eastern Daylight Time, on **Friday, June 10, 2016**. A public opening will be held on **Monday, June 13, 2016**, at 9:00 a.m.
- B. Any proposals received after 4:00 p.m. on **Friday, June 10, 2016**, will not be accepted.
- C. The words **“Sealed Bid”** should be clearly marked on the outside of the envelope and addressed to:

Gerald S. Aubin  
Director  
Rhode Island Lottery  
1425 Pontiac Avenue  
Cranston, RI 02920

## **INSURANCE COVERAGE FOR THE FOLLOWING LOCATIONS**

### **LOCATION 1:**

Rhode Island Lottery  
1425 Pontiac Avenue  
Cranston, RI 02920

### **Location 2:**

Rhode Island Lottery  
100 Twin River Road  
Lincoln, RI 02865

## **CONTINGENT BUSINESS INCOME LOCATIONS**

### **Location 3:**

Newport Grand  
150 Admiral Kalbfus Road  
Newport, RI 02840

### **LOCATION 4:**

Twin River Casino  
100 Twin River Road  
Lincoln, RI 02865

**PROPERTY AND BUSINESS INCOME**  
**CONTINGENT BUSINESS INCOME**

**EFFECTIVE:**

July 1, 2016 to June 30, 2019

**BUILDING AND CONTENTS:**

1425 Pontiac Avenue, Cranston, Rhode Island

**LIMITS:**

Values 100%

Building: \$2,369,000

Personal Property: \$710,000

**SUBJECT TO:**

Deductible: \$10,000

Special Form Coverage, Terrorism Excluded

Replacement Cost Valuation

100% Coinsurance, Agreed Amount Endorsement

**INCLUDE:**

Utility Services, Building, Personal Property: \$2,500,000 Limit

Flood Coverage: \$50,000,000/\$100,000

Deductible

Earthquake Coverage: \$50,000,000/\$100,000

Deductible

Crime and Employee Theft: \$25,000 per Occurrence

Personal Effects, Property in Transit,

Property at Other Locations, Ordinance, Law: \$1,000,000 Coverage A, B, and C

Valuable Papers: \$250,000

**COMPUTER EQUIPMENT:**

Blanket Hardware, Electronic Property,  
and Media, Blanket Software and Media: \$175,000

Extra Expense: \$10,000

Transit: \$5,000

Replacement Cost

Agreed Amount Applies

Special Forms Coverage

## **BUSINESS INCOME**

### **SUMMARY**

The RIL generates income primarily from three revenue sources:

1. Online games, which include Keno, Bingo, PowerBall®, Mega Millions®, Daily Numbers, Wild Money, and Lucky 4 Life®,
2. Instant Lottery Tickets, and
3. Video Lottery and Table Games - Video Lottery Terminals at both Newport Grand and Twin River, and Table Games at Twin River.

Over 90% of the RIL's gross revenues are generated from the Video Lottery and Table Game operations at Twin River and Newport Grand. Although privately owned, by law, the RIL operates the two facilities; and the law requires a percentage of the revenue generated from Video Lottery and Table Game operations be transmitted monthly to the State of Rhode Island.

The RIL and the State of Rhode Island would experience significant loss of revenue should there be an interruption of operations at Twin River and/or Newport Grand. Therefore, the insurance program needs to be structured to provide Business Income and Extra Expense Coverage, not only for the RIL's operations at 1425 Pontiac Avenue but also for the Income and Extra Expense (contingent) exposure presented by their interest in the ongoing operations at Twin River and Newport Grand.

### **COVERAGE:**

Business Income and Extra Expense and Contingent Business Income and Extra Expense

### **EFFECTIVE:**

July 1, 2016 to June 30, 2019

### **LOCATIONS:**

1425 Pontiac Avenue, Cranston, RI  
Contingent – 100 Twin River Road, Lincoln, RI  
Contingent - 150 Admiral Kalbfus Road, Newport, RI



**OTHER COVERAGES:**

Pollutant Cleanup and Removal: \$100,000  
Off Premises Utility Failure: \$2,500,000  
Deductible: 120 Hours Waiting Period

**COVERED UTILITIES:**

Water Supply Service  
Communication Supply Service  
Power Supply Service Including Overhead Transmission Lines

## **SIGN/EQUIPMENT AND OTHER**

### **COVERAGE:**

Special Form, Subject to Policy Provisions and Exclusions

### **LOCATION:**

1425 Pontiac Avenue  
Cranston, RI 02920

### **VALUATION:**

Replacement Cost

### **DEDUCTIBLE:**

\$10,000

### **ITEMS INSURED:**

|  |             |
|--|-------------|
| Detached Sign:                                   | \$25,000    |
| Newly Acquired/Constructed<br>Property Building: | \$2,500,000 |
| Valuable Papers:                                 | \$250,000   |
| Outdoor Property:                                | \$100,000   |
| Personal Effects:                                | \$100,000   |
| Contractors' Equipment:                          | \$8,000     |

## **BOILER AND MACHINERY EQUIPMENT BREAKDOWN**

### **COVERAGE:**

Comprehensive Form

### **LOCATION:**

1425 Pontiac Avenue  
Cranston, RI 02920

### **LIMITS:**

Direct Damage:       \$25,000,000  
                          Included Business Income/Extra Expense  
                          (12 Months Loss of Business Income)

### **VALUATION:**

Repair or Replacement

### **DEDUCTIBLES:**

Property:                                       \$10,000  
Business Income/Extra Expense: 120 Hours Waiting Period

### **ADDITIONAL COVERAGES:**

Hazardous Substance Limitation:       \$100,000  
Ammonia Contamination Limitation:   \$100,000  
Water Damage Limitation:               \$100,000

## **COMMERCIAL GENERAL LIABILITY INSURANCE**

### **LIMITS OF LIABILITY:**

|                                  |                                     |
|----------------------------------|-------------------------------------|
| Each Occurrence:                 | \$1,000,000                         |
| General Aggregate:               | \$2,000,000                         |
| Personal and Advertising Injury: | \$1,000,000                         |
| Employee Benefits:               | \$1,000,000 (\$1,000,000 Aggregate) |
| Deductible:                      | \$1,000 (Retro Date July 1, 2005)   |
| Fire Damage Legal Liability:     | \$500,000                           |
| Medical Payments:                | \$15,000                            |

### **COMPREHENSIVE COVERAGE TO INCLUDE:**

Premises/Operations  
Products/Completed Operations  
Blanket Additional Insured if Required by Written Contract  
Unintentional Failure to Disclose Hazard

### **PREMISES/OPERATIONS:**

|             |                                      |             |
|-------------|--------------------------------------|-------------|
| Location 1: | 1425 Pontiac Avenue, Cranston:       | 15,523 S.F. |
|             | Building or Premises – Lessor's Risk | 3,085 S.F.  |
| Location 2: | 100 Twin River Road, Lincoln:        | 3,024 S.F.  |

## **BUSINESS AUTOMOBILE INSURANCE**

### **LIMITS OF LIABILITY:**

|                                     |             |
|-------------------------------------|-------------|
| Combined Single Limit:              | \$1,000,000 |
| Medical Payments -All Vehicles:     | \$5,000     |
| Uninsured Motorist-Each Accident:   | \$1,000,000 |
| Uninsured Motorist-Property Damage: | \$25,000    |
| Underinsured Motorists – Included   |             |
| Glass Repair Form                   |             |

### **COMPREHENSIVE:**

None

### **COLLISION:**

None

### **COVERAGE:**

Symbol 1 Liability  
Owned Vehicles  
Non-Owned Vehicles  
Hired Car Coverage - If Any  
Hired Car Physical Damage: \$75,000  
Comprehensive Form (BAP)  
30-Day Notice of Cancellation, Except for Non-Payment  
Towing Private Passenger: \$50 per Disablement  
Employees as Insured

### **ADDITIONAL ITEMS:**

Annual Loss Runs on Paid Claims and Open Reserves

### **SCHEDULE OF VEHICLES:**

See below

**SCHEDULE OF VEHICLES**

| <b>YEAR/ MAKE/MODEL</b> | <b>VEHICLE IDENTIFICATION NUMBER</b> |
|-------------------------|--------------------------------------|
| 2013 E-150              | 1FTNE1W1DDB1701                      |
| 2014 DODGE RAM          | 2C4RRGAG8ER412262                    |
| 2014 DODGE RAM          | 2C4RRGAG6ER412261                    |
| 2013 E-150              | 1FTNE1EW5DDB11698                    |
| 2012 FORD TRANSIT       | NM0LS6AN9CT109304                    |
| 2013 E-150              | 1FTNE1EW3DDB11697                    |
| 2012 FORD TRANSIT       | NM0LS6AN3CT109377                    |
| 2009 E-150              | 1FTNE14W89DA26122                    |
| 2014 DODGE RAM          | 2C4RRGAG4ER412260                    |
| 2013 E-150              | 1FTNE1EWXDDB11700                    |
| 2014 DODGE RAM          | 2C4RRGAG8ER412259                    |
| 2013 E-150              | 1FTNE1EW7DDB11699                    |
| 2012 FORD TRANSIT       | NM0LS6AN0CT109305                    |
| 2012 FORD TRANSIT       | NM0LS6AN5CT109378                    |
| 2014 DODGE RAM          | 2C4RRGAGXER412263                    |
| 2012 FORD TRANSIT       | NM0LSANXCT108811                     |
| 2007 CHEVY IMPALA       | 2G1WT58N679220413                    |
| 2014 TOYOTA CAMRY       | 4T1BD1FK9EU124856                    |
| 2006 CHEVY MALIBU       | 1G1ZS51836F117797                    |
| 2008 CHEVY IMPALA       | 2G1WB58K181316510                    |
| 2012 FORD FUSION        | 3FAHPOHG9CR356165                    |
| 2013 FORD FUSION        | 3FA6POLU6DR349194                    |
| 1996 GMC                | 4KDB4B1R4TJ000647                    |
|                         |                                      |

## **COMMERCIAL UMBRELLA**

### **LIMITS OF LIABILITY:**

General Aggregate Limit: \$10,000,000

Each Occurrence Limit: \$10,000,000

Products-Completed Operations Aggregate: \$10,000,000

Coverage Must be Excess of: Commercial General Liability

Commercial Auto Liability

Workers Compensation Employers Liability

## WORKERS' COMPENSATION

### COVERAGE & LIMITS OF LIABILITY:

Coverage A: Statutory – Rhode Island  
Coverage B: Employers Liability - \$500,000/\$500,000/ \$500,000  
30-Day Notice of Cancellation, Except for Non-Payment of Premium

### RATING BASIS:

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| CLASSIFICATION                     | CODE RATE | PAYROLL PREMIUM |
|------------------------------------|-----------|-----------------|
| 1. Chauffeurs NOC                  | 7380      | \$473,600       |
| 2. Clerical/Office Employees NOC   | 8810      | \$4,107,200     |
| 3. Police Officers and Drivers     | 7720      | \$65,300        |
| 4. Building NOC Operation by Owner | 9015      | \$95,000        |
| 5. Store-Wholesale                 | 8018      | \$118,300       |
| 6. Radio/TV Station                | 7610      | \$216,300       |

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The Experience Modification factor for the period July 1, 2015 to July 1, 2016 was .85. The proposal for insurance includes a brief summary of coverage for informational purposes but is not intended to supersede policy language. Thus, in the event of any questions regarding coverage, conclusions would be based on policy language.

If you have any questions, please contact Daniel Sarro, Finance Administration Manager, at (401) 463-6500, Extension 134.

A pre-bid conference will be scheduled if requested by agents.

Review of current insurance policies is available upon request.

**RHODE ISLAND LOTTERY BID RECAP**  
**EFFECTIVE JULY 1, 2016**

|   | <b><u>RENEWAL</u></b><br><b><u>2016-17</u></b> | <b><u>INSURANCE</u></b><br><b><u>CARRIER</u></b> |
|---|--|--|
| 1. Property, Business Income,<br>and Inland Marine Coverage | \$ _____                                       | _____  |
| 2. Commercial General Liability                             | \$ _____                                       | _____  |
| 3. Commercial Automobile                                    | \$ _____                                       | _____  |
| 4. Boiler and Machinery                                     | \$ _____                                       | _____  |
| 5. Umbrella Liability                                       | \$ _____                                       | _____  |
| 6. Workers' Compensation                                    | \$ _____                                       | _____  |
| <b>Total Premium</b>  | <b>\$ _____</b>                                |  |

**AGENCY NAME:** \_\_\_\_\_

**AGENCY CONTACT:** \_\_\_\_\_

**PHONE NUMBER:** \_\_\_\_\_

**BID NUMBER 16-05A**

**DATE:** \_\_\_\_\_

List of current insurance companies through June 30, 2016:

The Travelers Insurance Companies  
Hanover Insurance Group  
Selective Insurance Company of South Carolina

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Daniel Sarro, Finance Administration Manager  
Rhode Island Lottery

**BID Number 16-05A**

Date:

List of Current Insurance Companies through June 30, 2016:

The Travelers Insurance Companies

Hanover Insurance Group

Selective Insurance Company of South Carolina

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Daniel Sarro, Finance Administration Manager  
The Rhode Island Lottery

## **VENDOR REQUIREMENTS**

The Rhode Island Lottery reserves the right not to award a Bid based solely on cost, but may award a Bid based on a combination of quality of product, services, and experience of the vendor.

All proposals are submitted at the vendor's sole risk and expense. The Rhode Island Lottery shall not be responsible for any costs or expenses incurred by a vendor in submitting a response.

All vendors must include, with their bid, confirmation that they have registered as a State vendor on the State Purchasing website – [www.purchasing.ri.gov](http://www.purchasing.ri.gov)

The Rhode Island Lottery reserves the right, without liability, to reject any and all proposals at any point prior to the award of a Bid contract.

Prior to the final award of a bid a successful out-of-state vendor(s) providing services will be required to file an Application for Certificate of Authority as a Business Corporation/Foreign Business Corporation at the Rhode Island Secretary of State's website - [www.sos.ri.gov](http://www.sos.ri.gov) - and must remain a member in good standing. This will require an initial filing fee as well as yearly filing.

Foreign corporations, LLC's and LLP's are required to register and be in good standing with their home state's Secretary of State. In addition, if travel to and services are to be provided in Rhode Island, they must register with the Rhode Island Secretary of State.

Prior to the final award of a bid a successful vendor must complete and return a W-9 Form which will be supplied by the Rhode Island Lottery.

Government/Non-Profits are required to register and be in good standing with their home state's Secretary of State.

Rhode Island corporations, LLC's, LLP's, and non-profits are required to register and be in good standing with the Rhode Island Secretary of State.