State of Nevada

Department of Administration

Purchasing Division

515 E. Musser Street, Suite 300

Carson City, NV 89701

Brian Sandoval

Governor

Patrick Cates

Director

Jeffrey Haag

Administrator

State of Nevada

Purchasing Division

Request for Qualifications: 3495

For

PROPERTY AND CASUALTY BROKERS

Part II – Cost Proposal	
RFQ Title:	Property and Casualty Brokers
RFQ:	3495
Vendor Name:	Willis Towers Watson
Address:	600 University Street, Suite 3100 Seattle, WA 98101
Opening Date:	October 25, 2017
Opening Time:	2:00 PM

COST SHEET

RFQ 3495

Brokers can be paid a fee or by commission for insurance policy placements and other insurance program services.

What method does your firm prefer and why?

Willis Towers Watson prefers fee for brokerage service or commission. We fully disclose to each client all income received for each service and/or placement of insurance. Fees are preferable on the larger premium placements in particular. Fees are preferable when the insurance market constricts. The function of a broker's expertise for a client should be evaluated on its own merit – not as a percentage of the insurance premium a client pays to an insurer. When insurance premiums increase or decrease, the broker's revenue should stand alone and not rise or fall based on market pressures. Further, by separating Broker compensation as fee, not as a commission percentage of the premium - the conflict of interest with regard to premium increases and commission increases is removed. A fixed fee also provides client certainly for budgeting purposes.

Please provide the cost of service fee or percentage of commission that would be expected for each type of insurance policy.

INSURANCE PROGRAM	**COST BASIS** (fee or commission)	**COST**
All Risk Property including Boiler & Machinery	**Fee**	**$75,000**
Fine Arts/Museum Collections Floater	**Fee**	**$6,500**
Cyber (Primary/Excess)	**Fee**	**$30,000**
General/Excess Liability	**Fee**	**$40,000**
Aviation Liability/Hull Insurance	**Commission**	**$16,548**
Crime (Employee Dishonesty)	**Fee**	**$5,000**
Other (Please describe)		

Please provide describe other program services (bundled or unbundled) offered in conjunction with the insurance policies shown above and provide approximate cost range for those services below.

Our proposal provides many components of optional program services available to the State of Nevada. The scope and the cost of the optional services are broad in nature. Should the State be interested to consider any of the optional services offered – we would be pleased meet to discuss and tailor the options to the needs of the State.