PART II – COST PROPOSAL

Request for Qualifications: 3495 Property and Casualty Brokers

State of Nevada

October 25, 2017

Empower Results®

Section I – Title Page

Part II – Cost Proposal	
RFQ Title:	Property and Casualty Brokers
RFQ:	3495
Vendor Name:	***Aon Risk Insurance Services West, Inc.***
Address:	***1900 16th Street, Suite 1000, Denver, CO 80202***
Opening Date:	October 25, 2017
Opening Time:	2:00 PM

Section II – Cost Proposal

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?

Aon does not have a preferred method of compensation. Our philosophy is that our compensation should be based on whatever method is most advantageous to the State. Generally, we believe it is best for the client if their broker is compensated on a flat fee basis (except for certain placements where the carrier won't remove the broker commissions) to ensure that the broker is negotiating the lowest premium possible. To that end, in order to develop a fee, we would need to be provided with certain program details which we requested during the Question and Answer process but unfortunately that information was not made available so it's difficult at this point to propose a fee. Therefore, we are suggesting a commission structure at this time; however we are open to discussing a cap on commissions or converting to a flat fee once we are provided with the previously requested program details.

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	***Commission***	***Varies, 7.5-17%***
Fine Arts/Museum Collections Floater	***Commission***	***Varies, 10-17%***
Cyber (Primary/Excess)	***Commission***	***Varies, 10-20%***
General/Excess Liability	***Commission***	***Varies, 10-20%***
Aviation Liability/Hull Insurance (including unmanned aircraft)	***Commission***	***Varies, 10-20%***
Crime(Employee Dishonesty)	***Commission***	***Varies, 10-20%***
Other (Please describe)	***Commission***	***Varies, 10-20%***

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.

As described in Part IA—Technical Proposal, Section IX—Other Informational Material—Optional Services, as a full service insurance brokerage and risk management consulting firm, we offer a wide array of consulting services. These optional services are available to the State as described. For those services not included in our proposed fee, we will work with the State to develop a scope of work and pricing on a per project basis subject to the following hourly rates:

Title	*Hourly Rate*
Account Executive	***$250***
Account Specialist	***$125***
Brokerage	***$250***
Claims/Risk Control Consulting	***$220-280***
Ergonomics Consulting	***$230-300***
Actuarial Consulting	***$220-325***
Analytics Consulting	***$200-250***
Forensic Accounting/Property Claims Preparation	***$220-280***
On-site Appraisal Services	***$220-280***
Cyber Assessments (Stroz Freidberg)	***$250-500***