April 9, 2020

Re: RFP #11 – Governance Review

The Interstate Insurance Product Regulation Commission (Insurance Compact) is soliciting proposals for a firm to provide consulting services by performing an independent review of the governance of the Insurance Compact and recommending revisions or improvements to comply with governance best practices of comparable organizations and to enhance the Insurance Compact’s ability to support and fulfill its statutory purposes and obligations to its member states. The background and specifications for this request are outlined in the Scope of Work.

To receive consideration, proposals should be sent electronically to IIPRCProposals@insurancecompact.org by 5:00 pm Eastern on Monday, May 11, 2020. Submission of questions should be sent via email by 5:00 pm Eastern on Friday, April 24, 2020. In addition to ensuring your proposal addresses each item within the scope of work, the proposal should clearly state the price plus any ancillary service charges or fees that could be incurred in the delivery of this service.

Request for Proposal Schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thursday, 04/09/2020</td>
<td>Release of RFP</td>
</tr>
<tr>
<td>Friday, 04/24/2020</td>
<td>Submit questions to <a href="mailto:IIPRCProposals@insurancecompact.org">IIPRCProposals@insurancecompact.org</a></td>
</tr>
<tr>
<td>Tuesday, 04/28/2020</td>
<td>Responses to questions provided via email or conference call</td>
</tr>
<tr>
<td>Monday, 05/11/2020</td>
<td>Proposal due to the Insurance Compact via email by 5pm EST</td>
</tr>
<tr>
<td>June 2020</td>
<td>Vendor Selection and Award of RFP</td>
</tr>
<tr>
<td>Wednesday, 07/01/2020</td>
<td>Target Date to Commence Work</td>
</tr>
<tr>
<td>Friday, 11/13/2020</td>
<td>Presentation of Consultant’s report and recommendation</td>
</tr>
</tbody>
</table>

Please submit questions regarding any aspect of this project to IIPRCProposals@insurancecompact.org by close of business on Friday, April 24, 2020. All questions will be consolidated, and answers provided to all potential vendors and posted to the Insurance Compact website by close of business on Tuesday, April 28, 2020.

Selection Criteria

A committee of Insurance Compact Commissioners will review the proposals and award the project.

Terms and conditions will be mutually agreed to upon award, before a contract is signed.
The selection of the firm will be based on the following criteria:

- Experience with similar projects and ability to understand the scope of the engagement;
- Ability to meet the project schedule;
- Professional reputation of the firm;
- Proposed project costs; and;
- Completeness of proposal.

The Insurance Compact reserves the right to reject any or all proposals, request new proposals or request additional information. The Insurance Compact also reserves the right to further negotiate with any or all bidders.

Thank you for your consideration of this Request for Proposal.

Sincerely,

Karen Z. Schutter
Executive Director
**Organization**

The Interstate Insurance Product Regulation Commission (Insurance Compact) is a multi-state public body which serves as an instrumentality of the Compacting States pursuant to enabling legislation to enact the Interstate Insurance Product Regulation Compact. Each Compacting State is an official member – usually represented by the Insurance Commissioner / Director / Superintendent – of the Insurance Compact. The purpose of the Insurance Compact is to develop uniform standards for covered insurance product lines, promptly review filed products and approve those product filings that satisfy applicable uniform standards on behalf of the members of the Insurance Compact. Today, forty-four states, the District of Columbia and Puerto Rico have enacted the Insurance Compact and are referred to as the member states.

**Purpose of Engagement**

The Insurance Compact conducted a year-long strategic planning process and in December 2019, adopted the *Insurance Compact Compass: Strategic Plan 2020-2022*. One of the strategic action items is for the Insurance Compact to conduct review of the *Insurance Compact Bylaws to assess consistency with current governance structure and with governance best practices and solicit feedback from the Compacting States to develop a report and recommendation regarding the effectiveness of the current structure, procedures, communications and opportunities for improvements*. This scope of work outlines the consulting services expected to assist in completion of this action item.

Additional information concerning the Insurance Compact, its governing documents, rule making information, the committee structure and product operations activities can be found at [www.insurancecompact.org](http://www.insurancecompact.org).

**Scope of Work**

The Insurance Compact will engage a consultant to perform a review of its governing documents, organizational structure, management, decision-making and reporting processes and recommend revisions or improvements to comply with best practices for comparable organizations and to enhance the Insurance Compact’s effectiveness of the current structure, procedures, communications and opportunities for improvement. The review will focus on the roles of the: Management Committee; the Officers; the Executive Director and management; the Audit Committee; Other Committees; and individual Members.

Specific steps to be performed by the Consultant will include:

1. Review of organizational documents including:
   a. Insurance Compact Law (state enactments);
   b. Insurance Compact Bylaws;
   c. Insurance Compact Code of Ethics;
   d. Audit Committee Charter and Other Committees information;
e. Rules, Operating Procedures, Uniform Standards, as applicable;
f. Commission-adopted guidelines;
g. Minutes, Annual Reports, Annual Budgets, as applicable;
h. Outside counsel legal opinions and tax exemption correspondence; and
i. Internal controls documentation, as applicable.

2. Analysis of the role and authority of the: Insurance Compact Commission; Management Committee; Insurance Compact Officers; Audit Committee; Other Committees (Other Committees include the Product Standards Committee, Rulemaking Committee, Finance Committee, Regulatory Counsel Committee, and Actuarial Working Group); and the Insurance Compact Executive Director and management including communications, reporting structure, and requirements.

3. Assessment of whether the current structure, roles, authority and reporting requirements are consistent with the current organizational documents and identify areas where improvements can be made to better align with the current governance procedures.

4. Assessment of how the current structure, roles, authority and reporting requirements compare with the best practices of comparable organizations, where practicable, and identify where improvements can be made to better align with these best practices of comparable organizations.

5. Analysis of the duty owed by Officers, members of the Management Committee and members of the Insurance Compact, respectively, and whether it is different depending on whether the member automatically serves on the Commission and/or Management Committee pursuant to the Insurance Compact legislation and Bylaws or otherwise.

6. Analysis of the risk and implications of third-party litigation and court rulings to the Insurance Compact and in relation to the ability of a member of the Insurance Compact to carry out its statutory purposes and obligations under the Insurance Compact and to its fellow Compacting States.

7. Assessment of the organization’s tax and legal structure and changes to be considered with respect to its entity and tax-exempt status.

8. Assessment of changes to be considered to the: Insurance Compact Bylaws; Code of Ethics; Audit Committee Charter; Rules and Operating Procedures; and internal control documentation or other guidelines and practices to enhance the effectiveness of the Insurance Compact’s current communications, reporting and decision-making structure and processes.

9. Development of a report and recommendation regarding the effectiveness of the current structure, procedures, communications and opportunities for improvements.
10. Presentation of this report and response to questions during the Annual Meeting of the Insurance Compact and performance of any follow up work as necessary and agreed to by the parties.

Consultants wishing to submit proposals for this project should have significant experience and expertise performing work for comparable organizations specifically in the areas of legal analysis of corporate structure, governance and best practices of member organizations, and organizational and business strategy analysis. Familiarity with interstate compacts or intergovernmental organizations preferred.

A committee of Insurance Compact Commissioners, including the Insurance Compact Officers, will review the proposals and select a firm for the assessment. This committee will also conduct regular progress meetings with the selected firm during the assessment.

This engagement is intended to begin in early July. Consultant shall present its initial report and recommendations to the Insurance Compact Commission at its Annual Meeting in November.

Content of Proposal to be submitted

- A biography of the firm including its history and general expertise related to governance and organizational analysis
- A biography of each person on the team including their role, and their specific experience and expertise
- A list of references for which the bidder has provided similar services
- A brief description of your firm’s past work for or interaction with the insurance industry, current and former state insurance regulators, the Insurance Compact or the National Association of Insurance Commissioners or National Insurance Producer Registry
- A general description of how the services would be provided covering all the points in the Scope of Work
- Pricing/fee information should include a detailed and complete cost for the project. If expenses are to be billed separately, please provide a list of expected expenses and their costs
- If you make assumptions regarding your fees for the project, please list those assumptions in the proposal
- Any sample analysis or other data the bidder believes would be beneficial to the Insurance Compact
- Any supplemental information you believe would be helpful
- W-9 Form (Rev. 10/2018)
- Certificate of Insurance for Worker’s Compensation
- Certificate of Insurance for Professional Liability
- Signed Conflict of Interest (see attached)
## IIPRC CONFLICT OF INTEREST FORM
### FOR RETENTION OF CONSULTANTS OR PURCHASES
#### SUBJECT TO BID

**RFP 11**

Any *Entity* that desires to contract with the IIPRC must complete this form, including suppliers, consultants and purchasers of goods or services. All potential conflicts must be disclosed and approved before contract execution.

### CERTIFICATION

- ______________ (“*Entity*”) did not provide gifts, favors, membership points or any other benefits to any management committee member, employee or representative of the IIPRC to affect the bidding and selection process for this contract.

- *Entity* did not and will not receive gifts, favors, membership points or any other benefits from any management committee member, employee or representative of the IIPRC in connection with the negotiation or implementation of this contract.

- *Entity* owners, principals and employees negotiating or implementing this contract on behalf of *Entity* are not former IIPRC employees unless disclosed below.

- *Entity* owners, principals and employees negotiating or implementing this contract on behalf of *Entity* are not immediate family members of IIPRC employees unless disclosed below.

The signatory below is a duly authorized representative of *Entity* and hereby certifies to the authenticity and veracity of this disclosure.

<table>
<thead>
<tr>
<th>Authorized Entity Signature</th>
<th>Date</th>
</tr>
</thead>
</table>

**Print Name & Company Name**

### DISCLOSURE OF POTENTIAL CONFLICT

<table>
<thead>
<tr>
<th>IIPRC Executive Director</th>
<th>Date</th>
</tr>
</thead>
</table>