

PART 9

INSURANCE PROCUREMENT

9-101 Standard Bidding Method.

All new or renewal liability insurance purchases regardless of premium size (in accordance with Section 63-30-32, Utah Code Annotated, 1953) and all other new or renewal insurance purchases over \$5,000 annual premium will be made after advertisement for public bid, in accordance with these regulations, except in cases of emergency for nonliability policies. In awarding the bid, the purchasing agent shall consider the following.

(1) financial resources of agent, broker and underwriting company;

(2) quality of prior service rendered to the state;

(3) service facilities available in-state;

(4) service reputation;

(5) insurance experience and expertise;

(6) coverages and services to be provided; and

(7) any other reasonable factors which will provide the best possible coverage and service to the purchasing agency.

9-102 Alternate Bidding Method.

To avoid oversaturation of limited primary or reinsurance markets, a two-step bidding method may be used at the option of the purchasing agent.

(1) All interested agents and brokers would be required to qualify for final bidding according to reasonable selection criteria such as: similar accounts in office; size of firm; background of firm principles; specialized knowledge or expertise; and any other reasonable factors which will provide the best possible coverage for the purchasing agency. At least three unaffiliated brokers or agents must qualify for final bidding.

(2) The prequalified group of final bidders must submit a list of markets to the purchasing agent in order of preference. The purchasing agent will then, as equitably as possible, assign no more than five and no less than three markets to each final bidder, based upon their preferences.

Bidders will then submit an official bid for each assigned market, according to bid specifications.