

REQUEST FOR PROPOSAL (RFP)

Captive Insurance Consultant (Expert)

1. STATEMENT OF PURPOSE

The FSM Insurance Board is soliciting proposals and applications from any qualified and interested individual or business for the position of captive insurance consultant. The consultant is to be recruited either through the firm or directly and to be based or relocated to FSM for at least one year.

The Insurance Board is the regulatory and supervisory authority of insurance business in the Federated States of Micronesia whose principal purposes as specified by law, and they are: to regulate insurance business in the FSM; to undertaking the licensing and supervision of insurance; to protect the interest of policyholders, and to promote a sound and functioning insurance system in the FSM. In 2006, captive insurance was introduced when the FSM Congress enacted a captive insurance law that allowed insurance companies to apply for licensing and undertake captive insurance business in the FSM.

2. BACKGROUND

The Federated States of Micronesia ("FSM") is an independent sovereign island nation consisting of four states – Pohnpei, Yap, Chuuk and Kosrae - and is a member of the United Nations. In 1986 the FSM emerged from its position in the U.N. Trust Territory system to independence. The United States provides national defense for the FSM under a treaty called the Compact of Free Association.

Micronesia, as a region, occupies a large area of the Pacific, bordering and above the equator. It includes Guam and Saipan which are part of the United States and five sovereign nations: the FSM, Palau, the Marshall Islands, Kiribati, and Nauru. The FSM itself is comprised of over 600 islands and covers over a million square miles of ocean.

Micronesia also has a very long and deep government and personal linkages to East Asia and to Japan, in particular. Japan administered Micronesia for about 30 years under a League of Nations Mandate before and during WWII. Many Micronesians have relatives living in Japan and approximately one in five Micronesians have Japanese heritage.

3. SCOPE OF SERVICES

The Captive Insurance Consultant (CIC) will be based in the Insurance Boards's office in Pohnpei, Federated States of Micronesia. The principal and broad goals and duties of the CIC are to increase the captive insurance capacity in the Insurance Board's office and to provide the Insurance Commissioner more latitude to develop the non-captive insurance industry in the FSM.

The CIC will have a 1-3-year contract, will have dual reporting responsibilities - to the FSM Insurance Board for strategic development initiatives and to the Insurance Commissioner for day-to-day

processing of captive insurance matters. The FSM Insurance Board together with the Insurance Commissioner, will be the decision-making group for the hiring of the CIC. The CIC will attend all board meetings either in person or via tele-conferences.

The CIC will be expected to carry out the following activities, but not limited to:

3.1 PROJECT TASKS. The key tasks are as follows:

- **Domicile Marketing Plan.** The CIC would be responsible for a review of the FSM's marketing of its captive insurance domicile and make recommendations on a plan to improve the domiciles competitiveness in the global marketplace. This includes a review and recommendations for the captive section of the Insurance Commission's website and making recommendations for improving the efficiency of the application and communication process via electronic applications, etc.
- **IT and Infrastructure Build-out.** The CIC will review the 2019 plan for IT infrastructure upgrades for the Insurance Commission's office, specifically targeting the procurement and roll out of an internal server, providing for appropriate levels of cyber security of data and to upgrade the office band-width to fiber-optic cable.
- **Legislative and Regulatory Advisory.** The CIC will be responsible for following global captive industry trends and identifying opportunities for or threats to FSM captive insurance industry. The CIC will work with the FSM Executive Branch, Congress and other parties, as appropriate, to develop and pass new legislation or regulations to those ends.
- **Industry Relationship Management.** The CIC will have responsibility with the Insurance Commissioner to maintain relationships within the global captive insurance industry marketplace, including captive insurance managers, FSM captive insurance companies, and industry regulators. The CIC would also attend captive insurance conferences (such as the annual CICA conference) as appropriate.
- **Technical Assistance.** The CIC will have responsibility for reviewing all new captive insurance company applications, business plan changes, loan back requests, investment policy changes, dividends and other day-to-day matters and to make recommendations on those to the Insurance Commissioner.
- **Examinations:** FSM captive insurance company law requires that the Insurance Commissioner's office executes examinations of FSM licensed captive insurance companies every three years. The CIC will be responsible for overseeing the execution of examinations. The CIC will recommend to the Insurance Commissioner whether the examinations on a case-by-case basis would be performed "in-house" or by external examiners.
- **Staff Management.** With the Insurance Commissioner, the CIC will be responsible for the day-to-day oversight and review of the captive insurance activities of the staff in the Insurance Commissioner's office. The CIC will be responsible for making recommendations to the Insurance Commissioner and the Insurance Board on matters of hiring and retention of all Insurance Commission employees with responsibilities for captive insurance.

- Capacity Building. The CIC will be responsible for developing the human resources necessary to address the needs of the rapidly growing captive insurance industry. He/she will be responsible for providing training to of the captive insurance focused staff in the Insurance Commissioner's office.
- Perform other captive related duties as mutually agreed.

5. QUALIFICATIONS AND EXPERTISE

The following are the preferred requirements for the CIC.

- (i) A Master's Degree in a related field of insurance, economics, finance or business management.
- (ii) At least 10 years relevant experience in the captive insurance industry either as a regulator or in the private sector.
- (iii) Demonstrated ability in effective client relationship management, leadership roles, and team building.
- (iv) Proficient speaking and writing professionally in English.

Other qualifications and experiences that would be advantage include:

- (i) An understanding of the cultures of Micronesia.
- (ii) An understanding of the cultures in Japan.
- (iii) Basic knowledge or proficiency in any one of the Micronesian languages.
- (iv) Basic knowledge or proficiency in the Japanese language.
- (v) certification or registration with a recognized industry organization.

6. Duration, Location, and Conditions of Assignment

This Terms of Reference is for a full time Captive Insurance Consultant.

The position is intended to be located in Pohnpei, with travels to Japan or places outside of the FSM. Based on Consultant's needs and circumstances, other arrangements are subject to negotiations.

In both cases the duration will be for 12-36 months with the opportunity to extend based on performance and continuing annual approval of funding from the FSM National Government. The position would be subject to a probationary period review of three (3) months.

The Insurance Board's office will provide office space, general office supplies and office equipment including computer, printer and photocopier. Additionally, the CIC will have access to administrative staff in the Insurance Board's office.

The total remuneration package, including salary and other benefits, will be subject to negotiation based on previous documented contracting experience and whether the applicant is based in the FSM or based outside the FSM.

7. SUBMISSION OF PREPARATION COST

The Board shall not be liable for any expense incurred in connection with the preparation of a submittal to this request. Applicant or Firm shall prepare a straight forward and concise description of the applicant or firm's ability to meet the requirements of this document.

8. EVALUATION CRITERIA

Specific evaluations will be made primarily according to the responsiveness and completeness of the proposal. Proposals should contain cover letter, resume, fees schedule, implantation plan, summary of past experiences, and other documents that may deem necessary.

10. REQUIREMENTS FOR CONTENT OF PROPOSAL

All interested parties (Applicant or Firm) should submit the following:

- Statement of Intent
- Overall Approach and Plan of Activities
- Qualifications of the Applicant or Firm under signature
- Description of detailed Applicant's Resume' or Firm's Profile and Qualification
- Cost Breakdown
- The original copy of the proposal

11. SUBMISSION OF PROPOSAL

One (1) signed copy plus a copy of the proposal must be received no later than 5 pm, June 26, 2020. The proposal shall be addressed to:

Attn: Insurance Commissioner
Office of the FSM Insurance Board
Government of the Federated States of Micronesia
P.O. Box K-2980
VB Building No. 1, Suite 2A, Pohn Umpomp Place
Nett, Pohnpei FM 96941
Tel: (691) 320-5426/3423
Fax: (691) 320-1523
Website: www.fsminsuranceboard.com

Unsigned proposals will not be considered. Selection and Notification of award is expected to be in July 2020.