



REQUEST FOR PROPOSAL

**Kentucky Employers' Mutual Insurance
Request for Proposals (RFP) No. 2026-110
Purpose: Investment Management Services**

The procurement by competitive negotiation is desired by Kentucky Employers' Mutual Insurance (hereinafter "KEMI") for Investment Management Services.

Responses must be submitted electronically, in a single PDF document limited to 100MB, via KEMI's online procurement submission portal at: www.kemi.com/rfp

The online procurement submission portal utilizes a two-step process to upload responses. Vendors must complete the access request form by providing contact information and a valid email address. An access link will be sent to the email address provided. Vendors must then follow the access link to the proposal submission form.

Proposals must be submitted on or before: **12:00 PM Eastern Time on November 5, 2026**

Table of Contents

- I. RFP Specifications
- II. Proposal Requirements
- III. Instructions
- IV. General Information

Addendum:

Offeror Information
Sworn Statement Regarding Campaign Finance Laws
Mandatory Requirements Statement
Proposal Submission Checklist
Business Continuity Form
Personal Services Contract (PSC) Template



REQUEST FOR PROPOSAL

I. RFP SPECIFICATIONS

A. Purpose and Scope of Services

Pursuant to KRS 342.825, KEMI must retain an independent investment counsel or managers. The selected Offeror will review and make recommendations regarding KEMI's investment policy and procedures and provide investment advisory services and discretionary asset management services.

The following qualification is MANDATORY for an Offeror's proposal to be considered:

- **The Offeror must be an SEC registered investment advisor or be exempt from registration. If exempt, the nature of the exemption must be provided.**

All proposals must adequately demonstrate that an offeror is capable of providing the following scope of services:

1. The selected Offeror must have investment advisory capabilities that demonstrate an understanding of various issues that affect the insurance industry, as well as issues specific to the workers' compensation segment of the property and casualty industry.
2. The selected Offeror must have discretionary asset management capabilities that will facilitate execution of KEMI's investment strategy, consistent with the investment policy approved by the KEMI Board of Directors. This must include the ability to optimize KEMI's portfolio, within an appropriate level of risk, given the various business issues with which KEMI is involved on a day-to-day basis.
3. The selected Offeror must have investment reporting capabilities that will provide timely and accurate information, as well as meeting the reporting needs of Senior Management and the KEMI Board of Directors.

B. General Information

KEMI's audited financial statements can be found on our website at www.kemi.com. KEMI prepares its financial statements using accounting practices prescribed or permitted by the Department of Insurance of the Commonwealth of Kentucky (the Department). The Department requires that all annual filings shall be completed in accordance with the National Association of Insurance Commissioners' Accounting Practices and Procedures Manual, as amended, pursuant to KRS 304.3-240. KEMI is also annually audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.



REQUEST FOR PROPOSAL

C. Scoring

A committee will evaluate all responses to ascertain which Offeror(s) best meets KEMI's business needs and requirements based on the selection criteria below:

	Maximum Points Possible
Organizational Background	20
Information Technology Structure	20
Proposed Services	20
Cost	35
Business Continuity Form	5
MAXIMUM POINTS POSSIBLE	100
Interviews/Discussions, if selected	100
MAXIMUM POINTS POSSIBLE With Interviews/Discussions	200

D. Schedule of Events

The following schedule of events represents KEMI's best estimate of the schedule that shall be followed. KEMI, in its sole discretion, may alter and/or amend this schedule at any time, including not conducting virtual interviews/discussions. Any adjustments to the schedule of events will be emailed to the prospective offeror's contact on record with Sarah Kosin at rfp@kemi.com.

- RFP Publication Date – Thursday, October 1, 2026
- Deadline for Inquiries – Thursday, October 8, 2026
- KEMI Response to Inquiries – Thursday, October 15, 2026
- Deadline for Submission of Proposals – Thursday, November 5, 2026
- Virtual Interview/Discussions (Optional) – November 30 – December 4, 2026
- Estimated Contract Award – July 1, 2027

REQUEST FOR PROPOSAL

II. PROPOSAL REQUIREMENTS

A. Organizational Background

1. Provide the business name, primary address, branch addresses, website, phone and fax numbers, and the number of years for which the business has been operating under this name as a registered investment advisory organization, or an otherwise exempt entity.
2. Provide the name, title, business address and telephone number of the individual(s) who will be KEMI's principal contact for all aspects of the contract.
3. Provide the name, title, business address, telephone number and resume for each person who the Offeror proposes to have handling matters assigned by KEMI. Provide relevant information regarding their experience.
4. Provide a general background of the Offeror and describe the Offeror's experience in providing the requested services to clients.
5. Describe the basic organizational structure of the Offeror, including insurance company relationships similar to this engagement.
6. Describe the Offeror's customer service philosophy. Explain the structure and nature of the client support function.
7. Describe the Offeror's quality control program and how it ensures that KEMI will receive the highest quality professional service.
8. Provide a copy of the Offeror's most recent ADV Part II. Describe the registration status of the Offeror.
9. Provide a copy of the Offeror's most recent Statement on Standards for Attestation Engagements (SSAE) No. 16 report.
10. Describe material litigation, regulatory or legal proceedings in which the Offeror or any of its principals are, or have been, involved over the last five years which relate to the asset management and reporting business.
11. Describe affiliations and financial associations of an investment nature with other money managers, brokers/dealers, banks or insurance companies. Discuss the Offeror's relationships with custodial banks and provide a list of those custodial banks with which the Offeror has established relationships.
12. Provide a list of all insurance enterprises, including insurance carriers, group self-insured funds, or individual self-insureds served by the proposed engagement team. Indicate the types of services provided to each client.
13. Provide a listing of all workers' compensation insurance clients. Describe the services the Offeror provides to workers' compensation insurance carriers, including state workers' compensation insurance funds.
14. Provide the number of employees who have expertise in the area of insurance and provide the approximate percentage of the Offeror's business that is derived from the insurance industry.

B. Information Technology Structure

1. Describe your computer operating environment including software, hardware, communications networks and data links, size of installation and other pertinent information.

REQUEST FOR PROPOSAL

2. Describe your disaster recovery plan, including the maximum expected outage time. In addition, discuss procedures used to safeguard client records against potential loss or destruction.
3. Describe your system's delivery and reporting features.
4. How often is investment information updated in your system and from what sources? Describe the Offeror's security practices for its information reporting system. Discuss your policies and procedures for safeguarding client data from unauthorized access, data corruption or loss. Have you had any computers breaches in the last five (5) years, which have impacted the integrity of client data. Please explain.

C. Proposed Services

1. Discuss the Offeror's investment philosophy and process. Specifically:
 - a) Describe the overall investment management philosophy of the Offeror; discuss the Offeror's approach to balancing risk/reward.
 - b) Describe the Offeror's asset/liability management philosophy. What tools does the Offeror utilize for asset/liability management of property and casualty insurance companies?
 - c) Describe the Offeror's expertise in insurance industry economics, regulation and investment selection. Specifically:
 - (i) insurance company expertise of investment professionals
 - (ii) actuarial staff, number of actuaries and experience
 - (iii) insurance company analytic models
 - d) Describe in detail the fixed income investment management process, particularly with regard to the strategy being presented as most effective in attaining the client's objectives as a workers' compensation carrier. Specifically address the following policies and procedures:
 - (i) buy and sell disciplines
 - (ii) securities utilized
 - (iii) credit research
 - (iv) yield curve analysis
 - (v) yield spread analysis
 - (vi) maturity and duration selection
 - (vii) trading process
 - (viii) sector analysis
2. Describe in detail the equity investment management process, particularly with regard to the strategy being presented as most effective in attaining the client's objectives as a workers' compensation carrier.
3. Describe the Offeror's credit research capabilities as they would pertain to the assignment.
4. Describe risk control techniques used in the portfolio construction process.
5. Detail processes and policies designed to assure the control of portfolio management quality and compliance.
6. Provide specific recommendations as to the "model" structure of KEMI's portfolio or, alternatively, a representative portfolio as of a recent date for an actual client with similar operating characteristics (portfolio size, workers' compensation and property/casualty companies).



REQUEST FOR PROPOSAL

7. Discuss the Offeror's investment performance history and provide specific investment results for both fixed income and equity portfolios for insurance clients of similar size and scope to KEMI, over the last ten (10) years (ending December 31, 2026). Describe how actual performance measured up industry-recognized benchmarks over that same timeframe and explain any business assumptions being made in providing for this comparison.
8. Articulate how the Offeror is uniquely qualified to provide the best services to KEMI. Describe what your approach and strategy would be to maximize success for KEMI, as opposed to your other clients.

D. Cost

Address the fees for the investment management services requested in this RFP as follows:

1. Describe your standard fee schedule as it would relate to this assignment. Fees should include advisory services and discretionary asset management.
2. State clearly what is included in your fee quotation and attach a summary of services entitled "Services/Deliverables".
3. Provide a sample invoice based on the recommended portfolio structure for KEMI in Section II.C.6.
4. State clearly any additional fees or expenses that could be associated with this assignment.
5. What other services are available from the Offeror (if any)? What are the fees for these services?
6. What other value might we derive from a relationship with the Offeror beyond asset management? What are the fees for these services?
7. Describe the frequency and timing of your fee arrangements.

E. Business Continuity Form

1. Complete the Business Continuity Form which is attached to this RFP, and return it as a separate attachment with your response. You must utilize the Business Continuity form for your answers.

F. References

KEMI reserves the right to, in its sole discretion, contact references as needed, prior to making a final decision about the proposed services. Please provide at least three (3) executive-level client references for which the Offeror has provided similar services (to those outlined in this RFP). Include the name, email, and phone number of a specific contact person at the client reference.

III. INSTRUCTIONS

**READ ALL INSTRUCTIONS CAREFULLY.
FAILURE TO DO SO WILL BE AT THE OFFEROR'S RISK.**

- A. Proposals must set forth full, accurate, and complete information as required by this RFP. Failure to follow these requirements may be cause for rejection of the proposal.
- B. KEMI is not liable for any expenses incurred in the preparation and presentation of the proposal.



REQUEST FOR PROPOSAL

- C. The Offeror Form located in the addendum must be signed by the person submitting the proposal and must include the signee's printed or typed name, business address, email address, company website, telephone number, and date. This form must be submitted with your proposal.
- D. The Sworn Statement Regarding Campaign Finance Laws Form located in the addendum must be signed, notarized, and submitted with your proposal.
- E. The Mandatory Requirements Statement located in the addendum must be signed, attesting to compliance with KEMI's mandatory requirements for this RFP, and returned with your proposal.
- F. The Proposal Submission Checklist located in the addendum is included to ensure accurate and complete submissions.
- G. Proposals must be submitted electronically via KEMI's online submission portal as specified on the first page of this RFP. Unless stated otherwise in the RFP, it is **strongly preferred** that the entire proposal is submitted in a single PDF document. If separate attachments are also submitted, they must be clearly labeled and timely submitted. Please note that only a maximum of ten (10) attachments can be submitted through the online submission portal. The proposal must not contain hyperlinks; no material contained within a hyperlink will be considered. No other method of correspondence will be accepted.
- H. **The Proposal Deadline Date and Time are the date and time indicated on the first page of this RFP. The date and time that KEMI actually receives the proposal will determine whether the applicant has met the deadline for response.**
- I. All inquiries concerning the form and method or specific services/products as well as requests for copies of the RFP must be made in writing to:

Sarah Kosin
rfp@kemi.com

Responses to inquiries will be shared with all potential Offerors having received a copy of this RFP from KEMI. Therefore, distribution of this RFP must be handled directly by KEMI. Any unauthorized contact with any KEMI staff other than as specified above may disqualify the Offeror from further consideration.

IV. GENERAL INFORMATION

A. Background

KEMI was created in 1994 by the Kentucky General Assembly to provide workers' compensation insurance to Kentucky employers. KEMI is Kentucky's largest writer of workers' compensation insurance with its headquarters located in Lexington, Kentucky. For additional information about KEMI, please visit www.kemi.com.

B. Discussions with Offeror

Discussions may be conducted with all responsible Offerors who submit proposals and are determined to be reasonably qualified and susceptible of being selected for award. Discussions may be for the purpose of clarification to assure full understanding of, and conformance to, the proposal requirements; however, Offerors will not be permitted to change their original proposal. Offeror should clearly understand that



REQUEST FOR PROPOSAL

any verbal representations made or assumed to be made during any oral discussion held between Offeror and KEMI are not binding.

KEMI may require Offerors among the top scoring proposals to participate in a virtual interview. See aforementioned Schedule of Events. The principal contact for KEMI will be required to participate in the interview.

C. Proposal Modifications

Any changes, amendments or modifications to a proposal after it has been submitted must be made prior to the deadline for receipt of proposals, must be in writing, and must be submitted in the same manner as the original proposal.

Proposals or modifications received by KEMI after the exact hour and date specified shall not be considered.

D. Confidentiality

Matters relating to this RFP and any resulting contracts shall not be discussed with anyone other than KEMI staff without the prior written consent of KEMI. No opinions, reports, summaries, letters, or other documents prepared with respect to the RFP shall be released without approval of KEMI, except as required by state or federal law.

Except as required by law, information furnished by any Offeror in response to this RFP will not be disclosed by KEMI without the prior written consent of the Offeror.

E. Reservation of Rights

KEMI reserves the right to:

- I. Reject any or all proposals and waive any requirement, informality, or condition of proposals.
- II. Cancel the RFP and not award the RFP.
- III. Prohibit sub-contractors of the Offeror from performing any of the Services outlined in this RFP without the prior written consent of KEMI.
- IV. Categorize Offeror as an independent contractor, denying any employee/employer relationship between KEMI and Offeror.
- V. Approve the time and format of payment for the Offeror(s). KEMI will audit fees for reasonableness and accuracy.
- VI. Add items or services within the scope of the resultant contract if mutually agreeable by both the Offeror and KEMI.
- VII. Amend this RFP. Any amendment or information provided to a prospective Offeror will be provided to all prospective Offerors. If necessary, an RFP based on revised specifications will be issued as promptly as possible.



REQUEST FOR PROPOSAL

- VIII. Perform services in-house, or to contract with another company to perform like services.
- IX. Require a contract with the winning Offeror(s). Contract negotiations will commence at the conclusion of the RFP process.

F. Type of Contract

Contracts entered into as a result of this RFP will be Personal Service Contracts pursuant to KEMI's procurement policy, and a Personal Service Contract will be filed with the Commonwealth of Kentucky Legislative Government Contract Review Committee. The personal service contract template is available on the KEMI RFP Website.

G. Registration with the Kentucky Secretary of State

By responding to this RFP, the Offeror agrees and acknowledges that:

1. If the Offeror is a foreign entity as defined under Kentucky Revised Statute (KRS) 14A.1-070(10), and it is awarded a contract, it will ensure that it is properly registered with the Kentucky Secretary of State in accordance with KRS 14A.9-010 during the life of any contract awarded, or otherwise document the legal exemption which applies.
2. If the Offeror is a Kentucky entity as defined under KRS 14A.1-070(7), and it is awarded a contract, it will ensure that it is properly registered with the Kentucky Secretary of State in accordance with KRS Chapter 14A, or otherwise document the legal exemption which applies.

The aforementioned information shall be maintained during the life of any contract awarded and provided to KEMI upon request.

H. Protest

Any offeror who is aggrieved in connection with the solicitation or award of a contract may file a written protest to KEMI's Internal Auditor within fourteen (14) calendar days after such aggrieved offeror knows or should have known of the facts giving rise to the protest.

Patrick Simpson
psimpson@kemi.com



REQUEST FOR PROPOSAL

OFFEROR INFORMATION:

IMPORTANT: SUBMISSION MUST CONTAIN ORIGINAL SIGNATURE

Signed by: _____
Date: _____
Type or Print Name: _____
Company: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone No. _____ (Area Code) _____
Fax No. _____ (Area Code) _____
Email Address: _____
Company Website: _____
Federal ID or SSN # _____
Type of ownership: _____ Individual _____ Sole Proprietorship
_____ Corporation _____ Partnership

In addition to the principal contact listed above, please include below any additional contacts you would like to receive communication regarding the RFP. KEMI will only send communication regarding the RFP to the principal contact and the contact(s) listed below. The information includes, but is not limited to, KEMI's responses to inquiries, status updates about the RFP, any modifications to the RFP, requests for interview scheduling, etc.

Contact Name(s) for RFP Communication:

Contact Email(s) for RFP Communication:



REQUEST FOR PROPOSAL

MANDATORY REQUIREMENTS:

IMPORTANT: SUBMISSION MUST CONTAIN ORIGINAL SIGNATURE.

OFFERORS MUST MAKE AN AFFIRMATIVE STATEMENT THAT THEY MEET THE FOLLOWING REQUIREMENT. THIS REQUIREMENT IS MANDATORY, AND NO SUBSTITUTIONS WILL BE PERMITTED.

- The Offeror must be an SEC registered investment advisor or be exempt from registration. If exempt, the nature of the exemption must be provided.

The undersigned hereby affirms the above statement is accurate, understanding that any violation of the validity of the above statement will result in the dismissal of Proposal.

OFFEROR

(Signature)

(Title)

(Name of Company or Corporation)



REQUEST FOR PROPOSAL

PROPOSAL SUBMISSION CHECKLIST

The vendor **MUST** include the following with the proposal submission.
If the items below are not submitted with the proposal submission,
KEMI will reject the proposal and the Offeror will be disqualified.

☐ **SIGNED OFFEROR INFORMATION FORM**

☐ **SIGNED AND NOTARIZED SWORN STATEMENT REGARDING CAMPAIGN FINANCE LAWS**

☐ **SIGNED MANDATORY REQUIREMENTS STATEMENT**

☐ **COMPLETED BUSINESS CONTINUITY FORM**

☐ **ORIGINAL COPY OF THE PROPOSAL**
(prepared in accordance with the Specifications and Requirements described in this RFP)