

IFB 2026-02 – Property and Other Insurance Services

Addendum #1

Date: 04-17-2026

The following requests for information have been submitted to McAllen Housing Commission in response to **IFB 2026-02 – Property and Other Insurance Services**. The original IFB documents remain in full force and effect, except as modified by this Addendum, which is hereby made part of the above referenced IFB. The respondent shall take this Addendum into consideration when preparing and submitting its Proposal.

SECTION 1 — WHO CAN BID

1.1 Can a broker submit a bid? Section 4 requires bidders to be licensed in Texas with an A.M. Best rating of A- or better? This language appears to describe insurance carriers, not brokers. Can a Texas-licensed insurance broker submit a bid on behalf of a qualified carrier? If yes, what documentation is needed to show the broker's authority to bind coverage?

[Response: This IFB is not directed to insurance brokers.](#)

1.2 Can one broker use multiple carriers? If broker submissions are allowed, can coverage be spread across more than one carrier? For example, one carrier for property and a separate specialty carrier for cyber? As long as each carrier individually meets the A.M. Best and licensure requirements.

[Response: This IFB is not directed to insurance brokers.](#)

1.3 How will risk pool bids be evaluated? McHC's current program is with TMLIRP, an intergovernmental risk pool that does not carry an A.M. Best rating. Will bids from risk pools be evaluated alongside commercial carrier and broker bids, and does the A.M. Best requirement apply to them?

[Response: All bids will be evaluated using the IFB bid form. All insurance companies and risk pools are eligible to submit a bid.](#)

SECTION 2 — COVERAGE REQUIREMENTS

2.1 General Liability — what limits does McHC expect? The IFB lists GL as required but does not state minimum limits. Current TMLIRP coverage is \$1,000,000 per occurrence. Will McHC set a minimum, or may bidders propose their own limit structure?

Response: McHC expects proposed bids to offer coverage that is comparable to the current limits listed in the declarations of coverage. Additionally, the industry standard is typically at \$1,000,000 per occurrence.

2.2 Errors & Omissions — what limits does McHC expect? No minimum E&O limits are stated. Current TMLIRP coverage is \$300,000 per wrongful act / \$600,000 aggregate. Should bidders match these levels, or is McHC open to higher limits given the size of the portfolio and HUD compliance obligations?

Response: McHC expects proposed bids to offer coverage that is comparable to the current limits listed in the declarations of coverage

2.3 Cyber Liability — three questions. McHC does not currently have a standalone cyber policy. Please clarify: (a) Does cyber need to be on the same policy as property, or is a separately placed specialty cyber policy acceptable?

(b) What minimum limit does McHC require?

(c) If cyber is placed separately, should the premium still appear on the Attachment C bid form?

Response: McHC currently has a standalone cyber policy (attached). McHC expects proposed bids to offer coverage that is comparable to the current limits listed in the declarations of coverage. The cyber policy should be listed as a separate policy and on Attachment C bid form

2.4 Flood — is McHC open to a higher sublimit? The current flood sublimit is \$2,916,509, about 10% of total insured value. Will McHC consider bids with higher flood sublimits?

Response: McHC expects proposed bids to offer coverage that is comparable to the current limits listed in the declarations of coverage

2.5 Loss of Rents — what limit is expected? Loss of Rents is listed as required in Section 2. The current TMLIRP program has a \$50,000 loss of revenue extension. Is \$50,000 the target, or should bidders propose a limit based on the portfolio's actual annual rental income? A target number from McHC would help ensure bids are comparable.

Response: McHC expects proposed bids to offer coverage that is comparable to the current limits listed in the declarations of coverage

2.6 Wind/hail deductible — will McHC accept a commercial structure? The current TMLIRP program caps the wind/hail deductible at 0.2% of total building value in aggregate. Commercial market policies typically apply a per-building percentage with no aggregate cap. Will McHC accept a commercial structure without an aggregate cap, and is there a maximum percentage McHC will consider?

[Response: McHC expects proposed bids to offer coverage that is comparable to the current limits listed in the declarations of coverage](#)

2.7 Deductibles generally — will McHC set parameters? The IFB does not establish deductible floors or ceilings for any line. Without parameters, bids may be difficult to compare on a true apples-to-apples basis. Will McHC specify acceptable deductible ranges, particularly for property, GL, auto, and E&O?

[Response: McHC will not set parameters. All bidders are instructed to use section 5 of Attachment C bid form to propose deductible options.](#)

2.8 MHFC and MHDC — are both instrumentalities included? The IFB references two 501(c)(3) instrumentalities: McAllen Housing Facility Corporation and McAllen Housing Development Corporation. Should the winning bidder cover both entities as named or additional insureds across all lines?

[Response: The MHFC and MHDC are included in this IFB as they are instrumentalities of the McHC and own properties listed in the property schedule. All bidders should include both entities as named or additional insured.](#)

2.9 Boiler & Machinery — is \$100,000 the minimum? Current B&M coverage is \$100,000 per accident. May bidders propose higher limits, or is this the ceiling?

[Response: The Boiler and Machinery is listed as \\$100,000 per accident limit in the current declarations of coverage.](#)

SECTION 3 — LOSS HISTORY

3.1 Can McHC provide a more detailed loss run? Attachment D includes a five-year summary showing \$353,810 in total incurred losses, mostly wind claims. Can McHC provide the full TMLIRP loss run with individual claim narratives and reserve detail? This will help bidders get better underwriter terms. Would it be issued as an addendum?

[Response: The current loss run is the only information available at this time.](#)

3.2 Are there any open claims not shown? Are there open or pending claims not reflected in the Attachment D loss run that bidders should know about?

[Response: There are no open claims.](#)

3.3 Prior coverage for lines not currently with TML? For lines not currently carried through TMLIRP, particularly cyber, can McHC confirm there is no prior coverage history, or provide prior policy information if it exists?

Response: Cyber is currently carried through TML. See Cyber coverage attached.

SECTION 4 — HOW BIDS WILL BE EVALUATED

4.1 Is price the only factor? Section 8 awards to the "lowest responsive and responsible bidder." Does this mean total premium is the sole deciding factor, or will McHC also weigh coverage quality, carrier strength, limit adequacy, and risk management services? If other factors matter, how will they be scored?

Response: McHC will award to the lowest responsive and responsible bidder whose bid conforms to all material terms and conditions of the IFB.

4.2 Will risk management services be considered? [REDACTED] provides ongoing services beyond the policy itself — including loss control, claims advocacy, coverage gap analysis compliance resources, and risk education. Is there a place in the bid submission to describe these services, and will they factor into the award?

Response: Only items listed Attachment C – Bid Form will be considered for award.

4.3 How will McHC normalize bids for comparison? Bidders may propose different limits, deductibles, and coverage structures. Will McHC establish a baseline, such as matching current TMLIRP limits, so bids can be compared on equal footing?

Response: McHC expects proposed bids to offer coverage that is comparable to the current limits listed in the declarations of coverage

4.4 Can the award be split across multiple bidders? Can McHC award different lines to different bidders, for example, property to one carrier and cyber to a specialty insurer, or is a single-source award required?

Response: This IFB is for a single source award.

4.5 Will the 90-day bid validity be sufficient? Attachment C states bids are valid for 90 days. The award timeline is TBD (estimated May–June 2026). Is 90 days enough, or should bidders expect an extension request?

Response: There are no planned extensions.

4.6 How often does McHC competitively bid its insurance program? Does McHC go out to market on a regular cycle? This helps bidders understand the long-term nature of the engagement.

Response: Annually or every 5 years depending on contract terms.

SECTION 5 — HOW TO SUBMIT

5.1 Is physical delivery required, or can we also submit electronically? The IFB requires sealed bids delivered to 1200 N. 25th St. by 2:00 PM on May 12. May bidders also submit an electronic copy by email, or is physical delivery the only accepted method?

Response: Yes, physical delivery is required. Electronic submission is not an option in this IFB.

5.2 What counts as a "similar client" for references? Section 5 requires three references from similar clients. Do affordable housing nonprofits and HUD-regulated organizations qualify, or does McHC require references from other public housing authorities specifically?

Response: References from other public housing authorities are encouraged however, McHC will accept references from other similar types of nonprofits that are provide services related to affordable housing.

5.3 Does the Section 3 certification apply to an insurance provider? Attachment E includes the Section 3 Business Concern Certification. Section 3 is typically tied to construction and employment contracts. Does this certification apply to an insurance services provider, and if so, how?

Response: Section 3 Business Concerns are required with every public housing authority procurement but may not apply to insurance provider. Please omit Attachment E if Section 3 does not apply.

5.4 Which HUD forms must be completed by the bidder? Attachment E includes HUD Forms 5369-B, 5369-C, the Profile of Firm, and Form 5370-C. Are all of these required from the insurance bidder, or are some not applicable to a professional services procurement?

Response: Yes, all are required.

1. Bid specs state: All coverages *are required to begin* 10-01-2026 and end 09-30-2027? For a 10/01 property, we cannot approach markets until beginning of June, which is 120 day mark. Are you able to bind at earlier effective date?

Response: McHC is not able to bind earlier effective date.

2. As far as the property schedule, do you have re-roof dates on each location? This will help with the modeling and pricing for property coverage.

Response: The 2501 Maple building had a roof restoration in 2025. All other locations have received some type of roof patch work over the past 5 -10 years.

3. Refer to bid specs page 28-Liability Exposure class code 64500E shows Housing Authorities-Non-owned Units Section 8 (501+) reported exposure 1,259. What does the 1,259 represent? Area, number of units, etc.?

Response: The 1,259 represents the McHC Housing Choice Voucher baseline. These are vouchers for housing assistance that McHC issues to tenants to rent privately owned units within McAllen. McHC does not have any ownership interest in these units.

4. Refer to bid specs page 28-Liability Exposure class code 64500 shows Housing Authorities-Owned Units reported exposure 251. What does the 251 represent?

Response: The 251 represents McHC or affiliated (MHFC or MHDC) owned units.

5. What are the total units that need to be insured for general liability?

Response: All units listed in the Property Schedule. Note: some units are grouped together based on building type.

6. The bid specs show a total of 121 items insured for property. Assuming you are covering the owned units only, and not the section 8s.

7. Please explain operations of McAllen Housing Development Corporation and McAllen Housing Facilities Corporation

Response: These organizations operate independently as instrumentalities to McAllen Housing Commission. Both organizations are 501c3, are in good standing with all State and Federal requirements and operate to acquire and preserve affordable housing.

8. Please explain the day care exposure. Do you need the landlord's liability only, not the tenant's day care operations.

Response: The McHC or instrumentalities do not have active day care at any site.

9. Please explain the SP99991C-Non Profit exposure below for the general liability:

Response: This line item represents coverage for special events such as our annual 5k Walk / Run.





Cyber Liability and Breach Response Declarations of Coverage 2025-2026 Fund Year

Member Name:	McAllen Housing Authority
Member ID:	9685
Effective Date:	10/01/2025
Anniversary Date:	10/01/2026

Liability Expense Coverage is provided on a claims made and reported basis and applies only to claims first made against a **Covered Party** during the **Coverage Period**, the Automatic Extended Reporting Period, or the Additional Extended Reporting Period (if applicable) and reported to the **Fund** in accordance with the terms of this coverage. Amounts incurred as claims expenses will reduce and may exhaust the limit of liability and are subject to any deductibles and/or retentions. Certain coverages require prior consent and approval.

Total Policy Aggregate Limit	\$1,000,000
-------------------------------------	--------------------

\$0 Retention, 8hr waiting period for Business Interruption/12hr waiting period for Reputational Harm

Liability Expense Coverage	Limit
-----------------------------------	--------------

Liability Costs	\$1,000,000
PCI Costs	\$1,000,000
Regulatory Costs	\$1,000,000

First Party Expense Coverage	Limit
-------------------------------------	--------------

Cowbell Breach Fund	\$300,000
Data Restoration	\$300,000
Extortion Costs	\$300,000
Business Impersonation Costs	\$300,000
Reputational Harm Expense	\$100,000

First Party Loss Coverage	Limit
----------------------------------	--------------

Business Interruption Loss	\$300,000
Contingent Business Interruption Loss	\$300,000
System Failure Business Interruption Loss	\$300,000
System Failure Contingent Business Interruption Loss	\$300,000
Cyber Crime Loss	\$100,000
Social engineering, Funds Transfer Fraud, Telecommunications Fraud, Reverse Social Engineering Attack	

Bricking Costs	\$300,000
Criminal Reward Costs	\$100,000

Other Coverages:	Limit
-------------------------	--------------

Utility Fraud	\$100,000
Cryptojacking	\$100,000

Billable Contribution:	\$2,250.00
-------------------------------	-------------------



Schedule of Applicable Documents

Member Name: McAllen Housing Authority
Member ID: 9685
Coverage Period: 10/01/2025 to 10/01/2026 Shown As of 08/16/2025
Transaction Number: 0021413674

ID	Document Name	Revision Date
C100	Cyber Liability & Breach Response Declarations of Coverage	10/01/2025
X150	Schedule of Applicable Documents	06/01/2008
C500	Cyber Liability & Data Breach Response Coverage Document	10/01/2025