



The following documentation is an electronically-submitted vendor response to an advertised solicitation from the *West Virginia Purchasing Bulletin* within the Vendor Self-Service portal at wvOASIS.gov. As part of the State of West Virginia's procurement process, and to maintain the transparency of the bid-opening process, this documentation submitted online is publicly posted by the West Virginia Purchasing Division at WVPurchasing.gov with any other vendor responses to this solicitation submitted to the Purchasing Division in hard copy format.

Header @ 2

List View

- General Information**
- Contact
- Default Values
- Discount
- Document Information
- Clarification Request

Procurement Folder: 1361009

Procurement Type: Central Contract - Fixed Amt

Vendor ID: 000000187684

Legal Name: EIDE BAILLY LLP

Alias/DBA:

Total Bid: \$392,000.00

Response Date: 02/07/2024

Response Time: 10:39

Responded By User ID: EideBailly

First Name: Elaine

Last Name: Burnett

Email: eburnett@eidebailly.com

Phone: 208-383-4734

SO Doc Code: CRFQ

SO Dept: 0704

SO Doc ID: INS2400000003

Published Date: 2/1/24

Close Date: 2/7/24

Close Time: 13:30

Status: Closed

Solicitation Description: Audit Service for Fiscal Year 2024

Total of Header Attachments: 2

Total of All Attachments: 2

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
1	Audit Services 2024				92000.00

Comm Code	Manufacturer	Specification	Model #
84111600			

Commodity Line Comments: More information can be found in our uploaded Cost Proposal document.

Extended Description:

To audit the financial records and statements of the agency.
For fiscal year 2024

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
2	Audit Services 2025				96000.00

Comm Code	Manufacturer	Specification	Model #
84111600			

Commodity Line Comments: More information can be found in our uploaded Cost Proposal document.

Extended Description:

To audit the financial records and statements of the agency.
For fiscal year 2025

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
3	Audit Services 2026				100000.00

Comm Code	Manufacturer	Specification	Model #
84111600			

Commodity Line Comments: More information can be found in our uploaded Cost Proposal document.

Extended Description:

To audit the financial records and statements of the agency.
For fiscal year 2026

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
4	Audit Services 2027				104000.00

Comm Code	Manufacturer	Specification	Model #
84111600			

Commodity Line Comments: More information can be found in our uploaded Cost Proposal document.

Extended Description:

To audit the financial records and statements of the agency.
For fiscal year 2027



Cost Proposal for Audit Services for Fiscal Year 2024

WEST VIRGINIA OFFICES OF THE INSURANCE COMMISSIONER

Solicitation No. CRFQ 0704 INS240000003

February 7, 2024

Submitted By:

Eide Bailly LLP

Price Proposal

ESTIMATED HOURS AND FEES

This pricing proposal is submitted as part of a proposal response to the Request for Proposal (RFP) issued to provide audit for West Virginia Offices of the Insurance Commissioner (WVOIC).

Our fees are based on the complexity of the issue and the experience level of the staff members necessary to address it. If you request additional services, we'll obtain your agreement on fees before commencing work to avoid surprises or hidden fees.

We propose the following fees based on our understanding of the scope of work and the level of involvement of WVOIC's staff:

Engagement Total All-Inclusive Fees

Professional Services	2024	2025	2026	2027
Audit Services	\$92,000	\$96,000	\$100,000	\$104,000

Out-of-Pocket Fees

The professional fees listed above are inclusive of all out-of-pocket expenses and our technology fee. You will not be billed in addition for expenses such as travel time, mileage and meals.

Billing Policy Regarding Inquiries

We know clients appreciate access to all their service team members. We embrace this opportunity for constant communication and will ensure our team members are available when you have questions and issues. This service is included in the scope of the engagement. If a particular issue surfaces that falls outside the scope of this engagement, we'll bring it to your attention and obtain approval before proceeding.

Manner of Payment

Invoices are presented as the work progresses, with an initial invoice at the completion of the interim fieldwork, a second invoice at the completion of fieldwork and a final invoice following issuance of the audit report.

Future Year Pricing Guarantees

Our fee increases are consistent with inflationary increases in the industry. They are contingent upon no major changes to WVOIC, and that significant accounting and auditing rule changes and procedures remain consistent with current requirements. Fees do not include additional time that could be incurred due to changes to the scope of the engagement.

The Best Value for Your Dollar Spent

Eide Bailly understands we may not be the lowest cost provider; however, our fees encompass far more than just the requested services. With year-round communication, invitations to educational events, access to resources on any accounting and regulation changes and information on other topics of interest to your industry, our staff work hard at building a trusting relationship with WVOIC. Our current clients value this all-encompassing approach over lower fees, with additional charges for involvement beyond the conclusion of an engagement.



INSPIRED TO STAY AHEAD OF THE CURVE



February 7, 2024

**Proposal for Audit Services for Fiscal Year 2024 | Solicitation No. CRFQ 0704 INS240000003
WEST VIRGINIA OFFICES OF THE INSURANCE COMMISSIONER**

Submitted By:

Eide Bailly LLP
Jason Lindstrom, CPA
Partner

TABLE OF CONTENTS

Executive Summary 3

Required Forms 5

Qualifications 7

 Independence 7

 Licensed to Practice 8

 Insurance Industry Experience 9

 Peer Review 14

 Licensed CPA 15

 AICPA Government Audit Quality Center 15

 Subcontractors 15

 Actuarial Examination Experience 15

 Team Qualifications 17

Service Approach 19

The Right Choice for West Virginia Offices of the Insurance Commissioner 22

Appendix A: Peer Review 23

Appendix B: Team Profiles 24

Appendix C: Solicitation Form 31

Appendix D: Exceptions 32



Executive Summary

WE WANT TO MEET YOUR NEEDS

Thank you for giving Eide Bailly the opportunity to propose on audit services for West Virginia Offices of the Insurance Commissioner (WVOIC). You'll discover in the following response the depth and breadth of resources Eide Bailly can offer WVOIC. and why we are confident the WVOIC will benefit from the experience we provide. Eide Bailly has the qualifications to be the firm of choice for this engagement for the following reasons:

▶▶▶ **Extensive Insurance Industry Experience:** Eide Bailly has been working with workers compensation, property casualty, life and health insurance companies for more than 60 years. In addition to our partners, we have a team of 60 staff members with significant industry experience and dedication to the insurance industry. Over the years, our practice has included process improvement reviews, system implementations, specialized tax credit and service, outsourced and managed services, internal audit, Enterprise Risk Management (ERM) services, due diligence, merger and acquisition specialty services, preparation of the annual filings for insurance companies, System and Organization Controls (SOC) 1, 2 and 3 audits of claims operations, tax, audit and a variety of management consulting.

We service over 900 insurance entities with annual premiums ranging from \$2 million for captives and self-insurance trusts to \$7 billion for traditional insurers and over \$1 trillion for captive state workers compensation agencies. We have multiple risk pools, insurance trusts and captives that follow generally accepted accounting principles (GAAP), as well as several statutory filers that present both financials.

As a result of our experience in the insurance industry, **Eide Bailly is consistently ranked among the top 10 audit firms by A.M. Best for the Amount of Statutory Premiums Audited.** This prestigious ranking validates our position as a leading provider of these services and how clients depend on us for their multiple insurance audit needs.

As a valued client, you'll also experience:

- **National Presence:** WVOIC will also have access to national resources, including more than 3,000 professionals with diverse skill sets and experiences across the firm.
- **Proactive Communication:** Your Eide Bailly service team will keep you informed of changes affecting WVOIC. Eide Bailly's customer service is founded and focused on communication which includes timely or real-time responses, ongoing customer-centric support and a service team that exceeds expectations.
- **Senior-Level Involvement:** You can anticipate partner and senior staff involvement not only during the audit engagement, but also throughout the year as issues, questions and opportunities arise.



EXPERIENCE

Our experienced professionals are committed to the industries we serve. We focus on training, and we like to think of ourselves as thought leaders.

PEOPLE

We're a team of collaborators and innovators. Our culture is the heart of our firm, and we're always working together to do things differently and better.

COMMUNICATION

Open, honest, frequent communication ensures that you're not in for any surprises. We'll stay in touch throughout the year so you feel understood, connected and confident.

CORPORATE RESPONSIBILITY

We consider ourselves good corporate citizens—caring for our people, giving back to our communities, and taking care of our environment.

▶▶▶ **Timeliness:** We will meet your deadlines. Our professionals are trained to anticipate, identify and respond to your needs in a timely manner. We'll work closely with your management team to customize our services to your needs. We believe in clear, up-front and open communication with no surprises. We understand and will comply with the schedules and scope for the audit, as outlined in your solicitation, and will perform all work within the timeframes outlined.

▶▶▶ **Unmatched Client Service is Our Passion:** Our history of high staff continuity — significantly higher than most firms — means you'll work consistently with the same team, all of whom have been chosen because of their experience serving and advising insurance entities similar to WVOIC. Working with Eide Bailly means all your service needs will be addressed within a single, core team, resulting in greater efficiency and scale.

▶▶▶ **Thought Leadership:** We are leaders in the insurance industry, offering valuable perspectives beyond our core strength of accounting and tax compliance. We're business advisors who want to help guide the strategy and operations of your organization, and we'll make sure you feel connected and understand the process. Our professionals work closely together so you receive valuable service from people who understand your needs and know your business.

▶▶▶ **Authorized Representatives/Primary Contact:** Jason Lindstrom will serve as your primary contact and as a partner of Eide Bailly, is authorized to make representations and contractually bind the firm.

<p>Eide Bailly LLP 877 W. Main St., Ste. 800 Boise, ID 83702</p>
<p>Jason Lindstrom, CPA Partner 208.383.4727 jlindstrom@eidebailly.com</p>

We Want to Work with You

We've developed the following proposal with West Virginia Offices of the Insurance Commissioner in mind, and we'll provide timely, personalized audit services for you. We'll also get to know you and your staff and take the time to understand your specific challenges and opportunities. We deliver honest and insightful advice beyond what is normally experienced in the public accounting industry. Our tagline, **what inspires you, inspires us**, is more than words to add to marketing materials. We gain energy from those we serve, which turns into a passionate interest in our clients' success.

We affirm that we do not currently, nor for the duration of the proposed engagement, participate in a boycott of Israel. The following pages highlight our firm's strengths and solutions we can provide for WVOIC We believe this demonstrates why Eide Bailly merits serious consideration. You'll be a highly valued client, and we would be proud to work with West Virginia Offices of the Insurance Commissioner, building a trusting relationship with your team. Please contact me if you would like to discuss any aspect of this proposal.

Sincerely,



Jason Lindstrom, CPA | Partner
208.383.4727 | jlindstrom@eidebailly.com

Required Forms

DESIGNATED CONTACT: Vendor appoints the individual identified in this Section as the Contract Administrator and the initial point of contact for matters relating to this Contract.

(Printed Name and Title) Jason Lindstrom, Partner

(Address) 877 W. Main St., Ste. 800, Boise, ID 83702

(Phone Number) / (Fax Number) 208.383.4727 | 208.344.7435

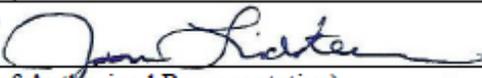
(email address) jilindstrom@eidebailly.com

CERTIFICATION AND SIGNATURE: By signing below, or submitting documentation through wvOASIS, I certify that: I have reviewed this Solicitation/Contract in its entirety; that I understand the requirements, terms and conditions, and other information contained herein; that this bid, offer or proposal constitutes an offer to the State that cannot be unilaterally withdrawn; that the product or service proposed meets the mandatory requirements contained in the Solicitation/Contract for that product or service, unless otherwise stated herein; that the Vendor accepts the terms and conditions contained in the Solicitation, unless otherwise stated herein; that I am submitting this bid, offer or proposal for review and consideration; that this bid or offer was made without prior understanding, agreement, or connection with any entity submitting a bid or offer for the same material, supplies, equipment or services; that this bid or offer is in all respects fair and without collusion or fraud; that this Contract is accepted or entered into without any prior understanding, agreement, or connection to any other entity that could be considered a violation of law; that I am authorized by the Vendor to execute and submit this bid, offer, or proposal, or any documents related thereto on Vendor's behalf; that I am authorized to bind the vendor in a contractual relationship; and that to the best of my knowledge, the vendor has properly registered with any State agency that may require registration.

By signing below, I further certify that I understand this Contract is subject to the provisions of West Virginia Code § 5A-3-62, which automatically voids certain contract clauses that violate State law; and that pursuant to W. Va. Code 5A-3-63, the entity entering into this contract is prohibited from engaging in a boycott against Israel.

Eide Bailly LLP

(Company)



(Signature of Authorized Representative)

Jason Lindstrom, Partner

February 1, 2024

(Printed Name and Title of Authorized Representative) (Date)

208.383.4727 | 208.344.7435

(Phone Number) (Fax Number)

jilindstrom@eidebailly.com

(Email Address)

ADDENDUM ACKNOWLEDGEMENT FORM
SOLICITATION NO.: CRFQ INS24*03

Instructions: Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

Acknowledgment: I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

Addendum Numbers Received:

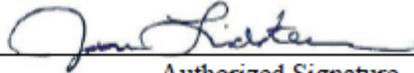
(Check the box next to each addendum received)

- | | |
|--|--|
| <input checked="" type="checkbox"/> Addendum No. 1 | <input type="checkbox"/> Addendum No. 6 |
| <input type="checkbox"/> Addendum No. 2 | <input type="checkbox"/> Addendum No. 7 |
| <input type="checkbox"/> Addendum No. 3 | <input type="checkbox"/> Addendum No. 8 |
| <input type="checkbox"/> Addendum No. 4 | <input type="checkbox"/> Addendum No. 9 |
| <input type="checkbox"/> Addendum No. 5 | <input type="checkbox"/> Addendum No. 10 |

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

Eide Bailly LLP

Company



Authorized Signature

February 5, 2024

Date

NOTE: This addendum acknowledgment should be submitted with the bid to expedite document processing.
Revised 6/8/2012

Qualifications

WHAT INSPIRES YOU, INSPIRES US

Your experience will be different than working with other CPA firms because we offer knowledge and skills backed by more than 100 years of service. Our professionals deliver industry and subject matter expertise resourcefully, ensuring we're providing guidance that directly reflects your needs. Our clients benefit from local, personal service and, at the same time, enjoy access to more than 3,000 professionals with diverse skill sets and experiences.

Navigating a Path to Success Together

By embracing change and focusing on innovative ideas, we've grown along with our clients to become one of the top 25 accounting firms in the nation. Accounting is about numbers, but our business is about relationships.

We'll be there for you every step of the way. Talented, down-to-earth people work at our firm, and we're inspired to deliver outstanding expertise and care. We're driven to help you take on the now and the next with inspired ideas, solutions and results.

Our work with clients is more than an engagement. It's a relationship, built on values and trust — and results. When working with Eide Bailly, you'll:

- Work with professionals who truly care about your business and will take the time to get to know you and your organization.
- Gain insight from our industry and service specialists to accomplish your objectives, address challenges and leverage new opportunities.
- Make better business decisions knowing you're guided by advisors who care about your success.
- Appreciate our hands-on service style; we're always looking for new ways to solve your problems or help you embrace opportunities.

INDEPENDENCE

Eide Bailly is independent of West Virginia Offices of the Insurance Commissioner as defined by the generally accepted auditing standards and the U.S. Government Accountability Office's *Government Auditing Standards*. Within the past five years, the firm has not had any relationships involving West Virginia Offices of the Insurance Commissioner.

The second general standard for auditing requires the audit organization and the auditors be free from personal and external impairments to independence. As defined by these standards, Eide Bailly is independent in fact and in appearance, and no relationships, either personal or professional, exist that would cause our firm to not be impartial in dealing with West Virginia Offices of the Insurance Commissioner.

Should Eide Bailly enter into any professional relationships deemed relevant during the course of this engagement, we will notify you in writing of such relationship.

AT A GLANCE



TOP 25 CPA FIRM



40+ OFFICES IN U.S. & INDIA



375+ PARTNERS



3,000+ STAFF MEMBERS



FOUNDED IN 1917

LICENSED TO PRACTICE

Eide Bailly and each of the professional staff assigned to WVOIC are properly registered and licensed to practice in West Virginia.

Firm Registrations:

West Virginia Secretary of State Registration Number: 9AXY9

West Virginia State Board of Accountancy Permit Number: F0403

A majority of states, including West Virginia, have adopted mobility legislation — a practice privilege that generally permits a licensed CPA in good standing from a substantially equivalent state to practice outside of his or her principal place of business without obtaining another license. All assigned key professional staff have complied with insurance qualification standards, including continuing education requirements.

Team Certifications	State	Certificate Number	Years of Experience
Jason Lindstrom	ID	5974	12+
Ryan Donahue	ND	4152	18+
John Hagen	ND	5527	8+

We understand and affirm that all additional staff assigned to WVOIC’s engagement will be supervised by a licensed CPA.

Staff Continuity

One of the attributes most valued by our clients is our commitment to provide continuity on their engagements. Since we generally staff our engagements with a higher percentage of manager and partner time than is typical for the industry (especially when compared to larger firm leverage models), you’ll be working with individuals who on average are more likely to be dedicated to working in the insurance industry and committed to a career at Eide Bailly. We continually review our partner involvement, rotation options and staffing to ensure high quality audits that provide value and fresh perspective to you throughout our relationship. Eide Bailly has a quality recruitment and onboarding process that gives new team members a thorough understanding and grasp of their job duties and responsibilities.



Should the need arise to change any of the key engagement personnel, we’ll notify you in writing and provide the qualifications of the proposed replacement. Upon the written approval of the Insurance Commissioner, or applicable designee, new engagement personnel will join your service team and work with a current member of your team that will assist in acclimating them to WVOIC’s engagement, staff and preferences.



INSURANCE INDUSTRY EXPERIENCE

Eide Bailly has been working with life, accident and health, property and casualty insurance entities and insurance agencies for more than 60 years. We have been providing services to some of our current clients dating back to the 1960s. Over the years, our practice has included process improvement reviews, system implementations, specialized tax credit and service, outsourced and managed services, internal audit, Enterprise Risk Management (ERM) services, due diligence, merger and acquisition specialty services, preparation of the annual filings for insurance companies, System and Organization Controls (SOC) 1, 2 and 3 audits of claims operations, tax, audit and a variety of management consulting. Our extensive experience guarantees a strong knowledge of generally accepted accounting principles (GAAP) and statutory accounting principles (SAP). We service 900 insurance clients, including insurance companies with annual premiums ranging from \$2 million for captives and self-insurance trusts to \$7 billion for traditional insurers and over \$1 trillion for captive state workers compensation agencies.

As a result of our experience in the insurance industry, **Eide Bailly is consistently ranked among the Top 10 in the United States by A.M. Best for the Amount of Statutory Premiums Audited.** This prestigious ranking validates we're a top provider of these services and clients depend on us for their multiple insurance audit needs.

With seasoned actuaries, regulators, ex-industry professionals and tax specialists employed by our firm we're well positioned to be more than just your audit firm, as a trusted collaborator. Our insurance professionals' diverse backgrounds provide us with an understanding of accounting principles and the regulatory environment that is unique to this industry. We have developed relationships with regulators in a number of states. This provides our team a unique perspective balancing both financial and regulatory considerations during our audit process.



Examples of Clients We Work With

Workers Compensation

- Minnesota Counties Intergovernmental Trust
- Montana State Fund
- South Dakota Public Assurance Alliance
- Washington State Department of Labor & Industries
- Workforce Safety & Insurance

Property & Casualty

- American Farmers & Ranchers Mutual Insurance Co.
- Bayside National Insurance Co.
- Captive Assurance Solutions
- Cardinal Point Insurance Co.
- Farmers Mutual Fire Insurance Co.
- Farmers Mutual Insurance Co. of Montana
- Iowa Medical Mutual Insurance Co.
- North Dakota Insurance Reserve Fund
- North Star Mutual Insurance Co.
- Suecia Insurance Co.
- Trans City Casualty Insurance Co.
- Western Skys Insurance Co.

As a top 25 public accounting firm in the country, Eide Bailly operates in a number of industries some of which include insurance, dealerships, government, manufacturing, healthcare and financial institutions. By working within these varying industries, we have extensive knowledge of the requirements in completing GAAP audits. In addition to our knowledge of these requirements, Eide Bailly communicates staff trainings and accounting updates on a standard firmwide basis. Furthermore, to effectively understand statutory accounting, it is important to have a good comprehension of GAAP due to SAP modifying or rejecting various GAAP accounting pronouncements and updates.

Eide Bailly’s strong insurance industry team allows us to offer clients relevant and valuable services including:

 CORE SERVICES		
AUDIT AND ASSURANCE	<ul style="list-style-type: none"> • Financial Statement Audits • Reviews • Internal Audits • Employee Benefit Plan Audits • Performance Audits • Compilations • International Financial Reporting Standards 	<ul style="list-style-type: none"> • Agreed-Upon Procedures • Financial Statement Preparation • System & Organization Control Examinations • Targeted Examinations • Regulatory Mock Audits and Preparation
TAX	<ul style="list-style-type: none"> • Energy Incentive Credits • Business Continuation Services • Cost Segregation Studies • Estate, Trust & Giving Services • Executive Compensation Planning • Payroll and Information Reporting • Research & Development Tax Credits • Unrelated Business Income Tax Analysis • Tax Planning for Transactions Amongst • Nonprofit and For-Profit Subsidiaries 	<ul style="list-style-type: none"> • Repair Regulations • S Corporation Planning • State and Local Tax (SALT) • International Tax • Tax Analysis Related to Mergers & Acquisitions • Tax Authority Assistance • Tax Planning and Preparation • Tax Research
CONSULTING	<ul style="list-style-type: none"> • Lean and Process Improvement Methodologies • Technology Consulting • Provider Enrollment • Claim Analytics • Risk Based Capital Modeling • Contract Negotiation and Core Evaluation • Corporate Governance • Enterprise Risk Management • Forensic and Valuation 	<ul style="list-style-type: none"> • FASB/Statutory/GASB Consulting • Cybersecurity Consulting • Compliance Consulting • Compliance Helpline • Human Resources Consulting • Succession Planning • Transaction Services – Due Diligence, Sell Side • Wealth Management • Process Engineering
TECHNOLOGY	<ul style="list-style-type: none"> • Cybersecurity Risk Assessment • External Penetration Testing • Internal Vulnerability Assessment • Digital Strategy and Data Analytics 	<ul style="list-style-type: none"> • Information Technology Controls Review • Policy Development • Social Engineering Assessment

Involvement in Insurance Industry Associations

Many of our team members regularly attend National Association of Insurance Commissioners (NAIC) national meetings and participate in key working groups to ensure our staff is current on issues discussed and decisions made by the regulatory community. We actively participate in the development and implementation of SAP and other issues of concern to regulators on a national level.

We are also regularly involved in various associations as event attendees, members of committees and presenters on technical topics. Such associations include Insurance Accounting & Systems Association, Inc. (IASA), National Association of Mutual Insurance Companies (NAMIC), Insurance Regulatory Examination Society (IRES), Information Systems Audit and Control Association (ISACA), Association of Governmental Risk Pools (AGRIP), American Association of State Compensation Insurance Funds and Society of Financial Examiners (SOFE). We have also been invited to present and attend various meetings of the Delta Dental Association and Blue Cross and Blue Shield Association.

Keeping Up with Changes

We continually monitor changes in the insurance and government industries through attendance at the NAIC meetings, discussions with industry experts and various state regulatory personnel. Eide Bailly approaches new accounting and reporting issues by first obtaining all relevant information about the change, then having internal discussions with industry group personnel to gather insights, followed by communicating proposed or adopted changes to our clients. We are also committed to staying abreast of all legislative and judicial changes that may affect our clients.

Property and Casualty Insurance Experience

We have worked specifically with property and casualty insurance companies for over 60 years. The products under the property and casualty umbrella include house, auto, farm, workers compensation, liability etc. We understand these market niches, the products offered, how they affect our clients and the accounting necessary to accurately reflect their financial position.

Reinsurance Experience

Reinsurance is complex and unique to insurance situations. A reinsurer provides coverage for certain risk classes or levels depending on the agreement entered into by a company. Eide Bailly has audit programs that encompass the entire reinsurance cycle from reinsurance premium to recoverable attachment to collection of the reinsurance recoverable balances. Reinsurance involves reinsurance premiums payable, netting of direct written premiums with reinsurance paid, as well as reinsurance recoverables on a claims paid basis.

Our customized audit program allows us to integrate the reinsurance process across all financial statements as well as ensures the link back to the claim and reserving processes. We will gather all reinsurance agreements, determine that risk transfer exists, and perform testing at the claim level detail to ensure that reinsurers are being properly and timely notified of the attachment.

At a Glance

INSURANCE



60
YEARS EXPERIENCE



900
INDUSTRY CLIENTS



RANKED IN THE
TOP 10 BY A.M. BEST

As reinsurance companies tend to be large international organizations testing the financial strength of the reinsurer is a key item to consider when looking at the collectability and ultimate valuation of reinsurance recoverables.

IT Examination Experience

The ultimate objective of the IT review is to determine the effectiveness of the IT General Controls (ITGC) environment to determine the level of reliance the examination team can place on ITGC during the examination and assess WVOIC's business continuity and data/cybersecurity.

Having performed numerous ITGC reviews of insurance companies around the country, our experienced professionals are familiar with the unique uses of information technology by insurance companies. In addition, Eide Bailly Regulatory team members have conducted SOC reviews and cybersecurity reviews that enhance information technology examination services.

We have performed cybersecurity reviews as part of financial exams for state insurance departments, and as standalone services for regulators in connection with insurer IT systems security breaches. Our experience and understanding of the insurance industry further enhance the success of our services. Beyond their experience, our team members build on their knowledge through being active with the SOFE and participating as interested parties on NAIC Working Groups.

Dedicated Cybersecurity Practice

In addition to our insurance regulatory resources, Eide Bailly has IT professionals dedicated to providing cybersecurity services in the areas of advisory, integration, and threat management. Eide Bailly's cybersecurity professionals have deep IT security career backgrounds specializing in a broad range of cybersecurity services, which allows them to tailor services and solutions to specific client needs. Our cybersecurity team works with professionals at every level of the organization; with boards and executives, technical IT administrators and general users to provide insight and guidance to clients so they can feel confident that the organization's critical data and systems are protected.

Government Industry Experience

The government industry represents one of Eide Bailly's largest niche areas — with more than 1,300 government clients firmwide. We provide audit services for a variety of state agencies, cities, counties, school districts, colleges and universities, fire relief agencies, housing authorities and tribal entities. Through serving these clients, our professionals have gained focused expertise in the government industry and will provide you with insightful advice that aids in managing the finances of WVOIC.

The firm has more than 275 full-time professionals who participate in our Government Industry Group. These professionals share information, learn from others and stay up to date on industry developments. To gain the greatest benefit, the knowledge is shared with professionals across the firm. We'll proactively meet the needs of WVOIC and can act as not only your auditors, but also as business advisors when new pronouncements, standards or laws become applicable. With the vast array of services we offer our government clients, our team has the experience and knowledge to address any of your concerns.

Thought Leadership

A number of Eide Bailly partners are nationally recognized state and local government thought leaders who present at dozens of national venues throughout the year. These venues include: GFOA; National Association of State Auditors, Comptrollers and Treasurers; California Society of CPAs; California Society of Municipal Finance Officers; Oregon Government Finance Officers Association; California State Association of County Retirement Systems; California Association of Public Retirement Systems; AGA National Professional Development Conference; National Association of Housing and Redevelopment Officials (NAHRO); Iowa Society of CPAs; Idaho Society of CPAs; Utah Society of CPAs; and Colorado GFOA.

VISIT OUR WEBSITE TO SIGN UP FOR NEWSLETTERS, E-BLASTS AND WEBINARS:
www.eidebailly.com

We also provide training for state and local agencies, including the Controllers' offices of the State of Tennessee, Texas State Auditor, State of Montana, Commonwealth of Massachusetts and the State of Nevada.

Furthermore, **Eric Berman**, Partner, is the author for the entire Governmental Library for Commerce Clearinghouse Wolters Kluwer (CCH). This library serves as the interpretative reference on government Generally Accepted Accounting Principles (GAAP), government best practices and government audits for governments, auditors and educators nationwide. Eric will be an additional resource and is available to assist or consult as needed.

Online Publications: We publish articles related to hot issues within the government accounting arena. Below is a list of some of the recent articles posted to our website and emailed to our clients:

- [Additional Transition Year for 1099-K Reporting Requirements](#)
- [Public Safety Equipment Contracts and GASB-96](#)
- [Best Practices for Governmental Financial Management Policies](#)

GOVERNMENT UPDATES

www.eidebailly.com/gasb2023

Our complimentary recorded webinars provide a comprehensive overview of the latest GASB updates and implementation strategies, issues affecting governments, best practices, and pitfalls to avoid.

Recorded Webinars

States and Local Governments Have Risks (Nov. 2023)
Best Practices for Public Sector ERP Modernization Initiatives (Oct. 2023)
How States and Local Governments Can Take Advantage of Energy Credits (Sept. 2023)
June 30th is Coming: Are You Ready? (June 2023)
GASB Public Retirement Plan Update (April 2023)
GASB 87, 94 and 96 An Intro and Comparison (Feb. 2023)
GASB Update for Year-End 2022 (Dec. 2022)
Subrecipient, Beneficiaries and Federal Grant Operations (Nov. 2022)
Government 101: Back to Basics (Sept./Oct. 2022)
GASB-87, Leases: One Last Look for Lessors (June 2022)
GASB-87, Leases: One Last Look for Lessees (March 2022)
A Government's Risks and What is GASB Proposing to Disclose? (March 2022)
GASB 87, Leases: Your Frequently Asked Questions and Potential Issues (Jan. 2022)

Implementation of New Standards

In an industry where standards continually evolve and change, Eide Bailly makes it a priority to stay current and assist our clients with necessary changes. In addition to helping clients implement new standards, we also help them adapt to changes within the existing standards.

Several of our professionals serve on committees that have direct input into writing new standards. This enables our involvement from the beginning and ability to influence the final outcome. Our clients benefit from our strong understanding of the standards and how they may affect their organization. We will work with WVOIC to create a plan to address new standards one to two years prior to implementation.

References

As a top 25 CPA firm, we've built our business on relationships and believe our clients to be the best critics of our service. The clients below have similarities to your organization, and we encourage you to contact them to learn about their Eide Bailly experiences.

Similar Clients

Client Entity Name	Contact Name, Title, Phone & Email	Services Provided
MONTANA STATE FUND 855 Front St. Helena, MT 59604	Rene Martello Director of Finance and Actuary 406.495.5354 rmartello@mt.gov	GAAP and Statutory Audits
IDAHO INDIVIDUAL HIGH RISK REINSURANCE POOL 301 Meadow Ridge Dr. Eagle, ID 83616	Laren Walker Chief Financial Officer 208.947.9600 larenwalker@gmail.com	GAAP Audit
WASHINGTON DEPARTMENT OF LABOR AND INDUSTRIES PO Box 44005 Olympia, WA 98504	Rob Cotton Chief Accounting Officer 360.902.5743 cotr235@lni.wa.gov	Statutory Audit
WORKFORCE SAFETY & INSURANCE 1600 E. Century, Ave., Ste. 1 Bismarck, ND 58503	John Halvorson Chief Operating Officer 701.328.3800 jhalvorson@nd.gov	GAAP Audit

PEER REVIEW

Eide Bailly is a member of the American Institute of Certified Public Accountants (AICPA) which requires a third-party peer review of our audit and accounting practice every three years. Our past two quality reviews included several insurance engagements and received a rating of 'Pass', the highest rating possible. A copy of our firm's most recent peer review is included in **Appendix A** of this proposal. We are in the process of having our latest peer review performed and can share that report once it has been published.

LICENSED CPA

Eide Bailly has almost 1,000 CPAs firmwide and affirm we meet the requirements for audit CPA per location. Our Boise, Idaho office has over 40 team members and our Fargo, North Dakota office has more than 90 team members who perform assurance services.

AICPA GOVERNMENT AUDIT QUALITY CENTER

Eide Bailly is a member in good standing with the AICPA's Government Audit Quality Center. What does this mean to you? Membership in this prestigious organization requires adherence to strict professional standards, education standards, and peer review requirements that assure quality in performing services in this specialized auditing field.

Even before the Audit Quality Center was formed, Eide Bailly had systems and procedures in place that incorporated the significant standards suggested by the Audit Quality Center. Such membership and procedures are just one component of our commitment to providing services to our clients.

Furthermore, our service leaders regularly attend and/or speak at the AICPA conferences. This ensures we stay current on developments and issues related to benefit plan audits and can provide the most current guidance to clients.

SUBCONTRACTORS

After carefully reviewing the requirements of the engagement, we're confident Eide Bailly has the resources and experience needed to fulfill the requested services in a timely fashion without the need to subcontract any portion of the engagement.

All services for this engagement will be performed by staff in the contiguous United States. If we're selected for your engagement, we'll meet with WVOIC to discuss timing needs and structure our commitment of resources accordingly. We have reviewed our workload and are confident that through the size of our firm and the resources we have — not only in our Boise and Fargo offices, but also across the firm — we have the capacity to serve WVOIC now and in the future. Although we're committed to other projects, we're adept at managing workflow and projects and are flexible in allocating staff time.

ACTUARIAL EXAMINATION EXPERIENCE

Having performed numerous actuarial reserves reviews of insurance companies around the country, our experienced team of in-house actuarial professionals are familiar with the unique standards and assumptions utilized by an insurance company to estimate reserves. Our actuarial team has extensive experience reviewing, opining and consulting on insurer reserving practices as part of financial examinations, external audit of firm clients and general consulting projects. Our experience working with insurance departments around the country means understand the examination processes and objectives to further enhance the efficiency and effectiveness of these reviews.

Because of our extensive work in the insurance industry, Eide Bailly can provide WVOIC your specific needs. Eide Bailly has a dedicated group of professionals who provide reserves, IT and financial examination services to regulators in numerous states.

Our actuarial team members are also active with the relevant actuarial societies and participate as interested parties on NAIC Working Groups to monitor refinements to the NAIC risk-based capital (RBC) formulas for the life, health, and property/casualty companies and monitor related changes to the *Accounting Practices and Procedures Manual*. Additionally, our team monitors NAIC activities to implement Principals-Based Reserving (PBR) and its effect on reserving requirements. Our insurance professionals' diverse backgrounds provide us with an understanding of complex reserving standards and related accounting requirements unique to the insurance industry.

For WVOIC's engagement, we have **Peter Royek** as part of our team, who brings more than 30 years of experience, including 17 years as the appointed actuary for an international reinsurer. As part of the audit team within the firm's Insurance Industry Practice, Peter reviews the financial statements of the client, along with the actuarial work undertaken to produce those statements. He supports the audit by ensuring that loss liabilities of the client have been fairly stated and determined using reasonable methods, assumptions and judgments. Peter is a Member of the American Academy of Actuaries and an Associate of the Casualty Actuarial Society. We have provided his full profile in **Appendix B**.



TEAM QUALIFICATIONS

AN EXPERIENCED SERVICE TEAM

We're passionate about our work — and your success. We've selected professionals for your service team who are the right fit for your engagement, based on their knowledge and experience in the insurance industry.

You'll work with a team that has extensive knowledge and experience in your industry. **Jason Lindstrom** will serve as the Engagement/Audit Partner, **Ryan Donahue** will serve as the Consulting Partner, **John Hagen** will serve as Manager, and as previously noted, **Peter Royek** will serve as the Actuarial Lead. These professionals bring strong credentials and a desire to work with WVOIC. If awarded this engagement, these individuals will serve as your primary contacts. We have provided their profiles in [Appendix B](#). Additional resources will support the project team as necessary.

Senior and Staff Associates

Once we determine the timing that works best for you, we'll assign a senior and staff associates to your engagement. Our seniors are experienced in public accounting, with several who specialize in the insurance industry. All members of our staff are required to comply with necessary continuing professional education (CPE) requirements, and most members of our staff significantly exceed their required amount.

Continuing Education

Because we're committed to the industries we serve, we provide our professionals with specific, ongoing training. This investment ensures our people stay current on the unique challenges and opportunities within their industries so that they are in the best position to help clients address these issues. We have included specifics about your engagement team members' CPE with their profiles in [Appendix B](#).

Firmwide, our CPE program requires all professional staff obtain education that exceeds the requirements of the AICPA and where applicable, *Government Auditing Standards*. The firm places a strong emphasis on lifelong learning and recognizes the importance of developing our professionals to best serve our clients. We continually provide yearly CPE credits for our staff at a rate higher than the industry average. In addition, we regularly share information among the audit teams in different offices to ensure we are providing clients with the latest thinking and best possible solutions. By expanding our knowledge of industry issues, we are able to provide more in-depth, knowledgeable solutions to our clients. Additional communication, webinars and training are provided throughout the year on a variety of topics important to WVOIC.

10.1 Contract Manager: During its performance of this Contract, Vendor must designate and maintain a primary contract manager responsible for overseeing Vendor's responsibilities under this Contract. The Contract manager must be available during normal business hours to address any customer service or other issues related to this Contract. Vendor should list its Contract manager and his or her contact information below.

Contract Manager: Jason Lindstrom

Telephone Number: 208.383.4727

Fax Number: 208.344.7435

Email Address: jlindstrom@eidebailly.com

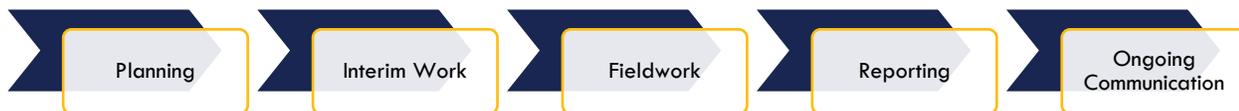
Firm Insurance

Eide Bailly carries standard levels of insurance and is able to meet all of your insurance requirements as listed in your RFQ. If awarded the work, we will provide the appropriate certificates of insurance, upon request.



Service Approach

AUDIT WORK PLAN



At Eide Bailly, we tailor our approach based on the needs of each client. Our audit approach is designed to collaborate with WVOIC to achieve optimal results. The approach consists of five major components: Planning and Pre-Work, Interim Work, Fieldwork, Reporting and Ongoing Communication. The objectives and timing of each component are described in the following:

Planning and Pre-Work

- Gain knowledge of organization and environment.
- Perform analytical procedures to identify audit risk areas.
- Consider fraud through inquiry and brainstorm.
- Develop audit budget by individual areas.
- Determine audit procedures by area, based on results of audit planning.
- Determine confirmation needs.
- Prepare listing of audit information requested from organization.

Interim Work

- Perform walk-throughs of internal controls.
- Test internal controls as determined during planning.
- Review minutes, resolutions and ordinances.
- Perform tests of legal compliance.
- Coordinate actuary schedules, preliminary conversations with actuarial.
- Substantively test balances when possible.

Fieldwork

- Substantive testing of audit areas based on risk assessment.
- Update the internal control testing from interim work to test through year-end.
- Analyze all manual entries using technology tools to identify potential fraudulent entities.
- Obtain and prepare schedule and analyses supporting the financial information.
- Discuss findings with management, if any.
- Discuss proposed journal entries with management, if any.

Reporting

- Prepare draft of financial report and management letter.
- Provide report to management for review and comment.
- Present final report to designated representatives.

Ongoing Communication

- Obtain interim financial statements throughout the year for review.
- Analyze significant changes and identify areas to further tailor our audit plans and to keep us up to date with continuing changes.
- Compare the interim results to year-end results for the past few years to identify potential issues in the financial reporting process.

Audit Schedule

Eide Bailly commits to you that if your team is prepared for the audit when our team is in the field, we will meet your deadlines. We will work closely with your team through the planning stages to clearly define expectations and the items required from your team in order to facilitate an efficient audit to enable us to meet your deadline. The following table identifies the structure of our audit for WVOIC reports and the timing of each section:

Engagement Timeline

Activity	Timing
Planning	Upon engagement
Interim Fieldwork	To be completed prior to July 1, 2024
Fieldwork	September 2024
Exit Conference	At the end of fieldwork
Reporting	October
Ongoing Communication	Throughout the Year

We will meet your deadlines. By engaging in thorough audit planning and communications with management, we begin each engagement with a strong understanding of the various deadlines for each of the financial and single audits and the steps involved along the way to meet these deadlines. An audit project plan will be developed between our team and WVOIC and then followed closely, and we will work with WVOIC's management team to customize our auditing services and specific timelines to your needs. We believe in clear, up-front and open communication with no surprises.

Use of Technology

Eide Bailly staff utilizes progressive and effective software to streamline processes and make them as efficient as possible. These technologies include:

Suralink

Suralink is an interactive Provided by Client (PBC) software solution aimed at improving the client experience for document exchange. This addition to our suite of tools has the potential to save a substantial amount of time managing PBC documents, creating increased efficiencies during your engagement.

Data Extraction Software

TeamMate: Eide Bailly designs our approach to incorporate the use of TeamMate Analytics to maximize efficiency while conducting a very effective audit. Through TeamMate, we can extract information from related databases and create databases that check for duplicate payments, summarize payments, extract journal entries from specific accounts, develop expectations for analytical procedures and recalculate system calculations, among a host of other procedures developed by our audit team.

DataSnippet: Eide Bailly's audit approach is enhanced by the use of DataSnippet, a powerful Excel add-in that improves efficiency and fosters effective auditing practices. This innovative tool allows us to leverage artificial intelligence (AI) for automated document matching. With configurable templates for standardized audit procedures, DataSnippet streamlines workpaper preparation and review while enhancing collaboration within our audit practice.

CCH ProSystem fx Engagement by Wolters Kluwer

This software is used to perform the audit, retains the electronic workpapers and supporting documentation, performs project tracking and facilitates quality engagement review.

Flexibility in Services

Eide Bailly performs all engagements in a paperless environment. As a technology-driven firm, we've seen no issues in performing audit procedures off-site from our clients. We've taken advantage of technology, such as using Microsoft Teams, which allows us to communicate with our clients face to face, while sharing screens, to make the process as seamless as possible. We're utilizing Zoom to host webinars and assist our clients on changing circumstances and how to successfully navigate those changes. As a result, we have no concerns completing this audit remotely should the need arise. We'll discuss with management which approach, remote versus on-site, works best for you.



The Right Choice for West Virginia Offices of the Insurance Commissioner

WE WANT TO WORK WITH YOU

To us, work isn't just work; we see it as a chance to help you solve problems, achieve goals and pursue passions. After thoughtfully reviewing your needs and taking the time to understand your business, we think we're the best fit for this opportunity.

We can connect you with the knowledge, resources and solutions that help bring confidence to your business decisions. We want to work with you!

If you have questions or would like additional information, don't hesitate to contact us. We want to make sure you have everything you need to make your decision.



Jason Lindstrom, CPA

Partner

208.383.4727

jlindstrom@eidebailly.com

We Want to Work with You

We're driven to help clients take on the now and the next with inspired ideas, solutions and results. We look forward to working with you.

Appendix A: Peer Review

PEER REVIEW



Report on the Firm's System of Quality Control

January 20, 2021

To the Partners of Eide Bailly LLP and the
National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Eide Bailly LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended July 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, audits performed under FDICIA, an audit of a broker dealer, and examinations of service organizations [SOC 1 and SOC 2 engagements].

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Eide Bailly LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended July 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Eide Bailly LLP has received a peer review rating of *pass*.

Cherry Bekaert LLP

Appendix B: Team Profiles

CONNECTING YOU WITH THE RIGHT RESOURCES

JASON LINDSTROM, CPA

Partner

INSPIRATION: I find great fulfillment in helping others discover solutions that benefit them for years to come.

208.383.4727 | jlindstrom@eidebailly.com

Jason serves as engagement partner for external audits and other accounting services. He coordinates testing to be performed and assists clients in implementing difficult accounting requirements.

When you work with Jason, you can expect him to respond to you in a timely manner, to take the time to understand your situation, to dig deep into what makes your organization run and to thoughtfully analyze how you can improve your internal control processes.

Outside of work, Jason enjoys being outdoors (fishing & hiking), playing and watching sports and spending time with his wife and children.

Client Work

Has more than 12 years of experience providing statutory and GAAP audit services to insurance companies, preparing financial statements and footnote disclosures in accordance with GAAP, Statutory Accounting Principles, income tax basis, modified cash and pure cash basis.

Reviews internal controls, assess the risk of fraud for identified weaknesses and recommends improvements to management and those charged with governance.

Insurance industry experience includes Property/Casualty, Life, Health, Blues Plans, Workers Compensation, Reinsurance Companies, Government Risk Pools, Dental and Vision insurance companies.

Provided insurance company risk retention group and captive regulatory examination services.



Memberships

American Institute of Certified Public Accountants

Idaho Society of Certified Public Accountants

Designation/Licensures

Certified Public Accountant

Education

Bachelor of Science, Accounting - Brigham Young University, Provo, UT

Community

BYU Management Society - Boise Chapter, President


Relevant CPE Courses for Jason Lindstrom

Course Title	Sponsor	Date	Total Credits
2024			
Peer Review, OneConnect, Report Review Process, Scoping Guidelines, SAS 143/145 Updates	Eide Bailly LLP	01/12/2024	1.5
2023			
Insurance Training	Eide Bailly LLP	12/06/2023	2.5
SAS 143 Auditing Accounting Estimates and Related Disclosures, SAS 145 Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement, Workpaper Templates.	Eide Bailly LLP	09/22/2023	1.5
Government Basics Session 5	Eide Bailly LLP	09/14/2023	1.0
SAS 143, 144, 145, & 148	Eide Bailly LLP	08/25/2023	1.5
Government Basics Session	Eide Bailly LLP	07/25/2023	1.0
2023 Nonprofit Audit Update	Eide Bailly LLP	07/10/2023	1.0
Single Audit Basic Training	Eide Bailly LLP	Various dates	4.0
SOC Training	Eide Bailly LLP	06/15/2023	4.5
Spring A&A Update 2023	Eide Bailly LLP	05/23/2023	3.5
Government Update	Eide Bailly LLP	05/16/2023	6.0
ERISA Industry Update	Eide Bailly LLP	05/03/2023	3.0
Economic and Market Update - A Look Back & Ahead	Eide Bailly LLP	01/23/2023	1.0
2022			
Insurance Training	Eide Bailly LLP	12/09/2022	6.0
GASB Update for Year End 2022	Eide Bailly LLP	12/05/2022	2.0
Economic and Market Update	Eide Bailly LLP	11/21/2022	1.0
Applying Uniform Guidance: Determining Major Programs; Internal Control (Yellow Book Compliant)	AICPA	11/07/2022	1.5
Government Basic Training	Eide Bailly LLP	Various dates	5.0
NPO Audit	Eide Bailly LLP	Various dates	3.0
Government Update	Eide Bailly LLP	07/12/2022	4.5
The Future of Blockchain and Blockchain Trends	AICPA	06/29/2022	1.5
Blockchain Controls	AICPA	06/28/2022	1.0
Risks and Challenges of Blockchain	AICPA	06/27/2022	1.5
Blockchain Opportunities Beyond Crypto Assets	AICPA	06/22/2022	2.0
GASB-87, Leases – One Last Look for Lessors	Eide Bailly LLP	06/22/2022	2.0
Understanding, Using, and Securing Crypto and Digital Assets	AICPA	06/17/2022	2.0
Blockchain Evolution and Technology Concepts	AICPA	06/14/2022	3.0
ERISA Industry Update	Eide Bailly LLP	05/23/2022	2.0
ERISA Industry Update	Eide Bailly LLP	Various dates	4.0
GASB – 87 Leases – Your Frequently Asked Questions and Potential Issues	Eide Bailly LLP	01/19/2022	2.0

RYAN S. DONAHUE, CPA, CISA, AFE
Partner/Insurance Industry Leader

INSPIRATION: My passion is to serve clients at a level that leaves all of their needs addressed, even before they realize they have the need. By melding my public accounting experience with my CFO experience, I offer a unique perspective to my audit, attest and consulting clients.

701.476.8826 | rdonahue@eidebailly.com

As Partner-in-Charge of the Insurance Industry Practice at Eide Bailly, Ryan works closely with clients in the insurance industry, conducting financial, internal control and IT audits, as well as consulting on regulatory matters and strategic business planning. He has extensive experience with large health insurers and large worker compensation organizations.

Ryan understands the rules and regulations governing the insurance industry from every angle, so when you work with him, you get a seasoned and tested professional joining your team. His mastery of audit and compliance services, not to mention his CFO experience, will prove invaluable to your organization.

When not in the office or traveling for work, Ryan enjoys traveling with his two kids. You'll also find him and his family at the lake throughout the year, enjoying hikes through the woods, boating and tinkering with various motorized vehicles.

Client Work

Directed the Finance, IT and Operations departments as CFO for regional health plan that administered approximately \$850 million in claims.

Provided audit and compliance services, including Service Organization Control Audits, to insurance industry clients.

Completed various Market Conduct Examinations for the Division of Insurance in Massachusetts, Iowa and Florida.

Participated in multiple Exhibit C examinations (IT examinations) for several large international insurance companies.



Memberships

American Institute of Certified Public Accountants

North Dakota Society of Certified Public Accountants

Information Systems Audit and Control Association

Society of Financial Examiners

Designation/Licensures

Certified Public Accountant

Certified Information Systems Auditor

Accredited Financial Examiner

Education

Bachelor of Accountancy—
North Dakota State University,
Fargo

Community

ISACA Fargo Chapter, Inc.
Treasurer

Association of Governmental Risk Pools

National Association of Insurance Commissioners

Insurance Accounting and Systems Association


Relevant CPE Courses for Ryan Donahue

Course Title	Sponsor	Date	Total Credits
2024			
Peer Review, OneConnect, Report Review Process, Scoping Guidelines, SAS 143/145 Updates	Eide Bailly LLP	01/22/2024	1.5
2023			
Insurance Training 2023	Eide Bailly LLP	12/06/2023	2.5
Internal Inspection Results	Eide Bailly LLP	10/27/2023	1.5
SAS 143 Auditing Accounting Estimates and Related Disclosures, SAS 145 Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement, Workpaper Templates.	Eide Bailly LLP	09/22/2023	1.5
SAS 143, 144, 145, & 148	Eide Bailly LLP	08/25/2023	1.5
Single Audit Update	Eide Bailly LLP	07/17/2023	2.0
2023 Nonprofit Audit Update	Eide Bailly LLP	07/10/2023	2.0
System and Organization Controls (SOC), Journal Entries, Firm Resources	Eide Bailly LLP	06/23/2023	1.5
Single Audit Basic Training	Eide Bailly LLP	Various dates	6.0
Spring A&A Update 2023	Eide Bailly LLP	05/23/2023	6.0
Revenue Testing, Analytical Procedures, and Auditing in the current economic environment	Eide Bailly LLP	01/13/2023	1.5
2022			
Accounting for Endowments	Eide Bailly LLP	5/25/2022	1.0
A&A Update	Eide Bailly LLP	5/24/2022	6.0
Single Audit Basic Training	Eide Bailly LLP	5/23/2022	11.0
GASB-87, Leases: One Last Look for Lessees	Eide Bailly LLP	5/18/2022	2.0
How to Identify and Eliminate Bottlenecks Holding Your Business Back	Eide Bailly LLP	5/12/2022	1.0
Leasing Standard: Where do you go from here?	Eide Bailly LLP	5/10/2022	1.0
Employee Stock Ownership Plan (ESOP): Is it a Good Fit for Your Organization?	Eide Bailly LLP	5/3/2022	1.0
Creation and Management of Endowments: The Legal Side	Eide Bailly LLP	4/26/2022	1.0
Tax Controversy Summit 2022	Eide Bailly LLP	4/13/2022	1.0
Financial Examiners Handbook Updates & Hot Topics	NAIC	2/22/2022	1.0
Retaining Your Talent During the Great Resignation	Eide Bailly LLP	2/17/2022	1.0
Business Ethics	AICPA	2/3/2022	1.0
GASB 87 Leases: Your Frequently Asked Questions and Potential Issues	Eide Bailly LLP	1/19/2022	2.0

JOHN HAGEN, CPA
Manager

INSPIRATION: I enjoy the continuous challenge of fulfilling our clients' needs. I take pride in providing a service that is both valued and appreciated by the client.

701.239.8674 | jhagen@eidebailly.com

John provides audit and assurance services primarily to clients in the governmental sector, focusing primarily on county and city governments, school districts and special purpose districts. He is also well versed in single audit compliance testing required by Uniform Guidance and assisting clients with the implementation of new GASB standards.

John has experience leading audit teams and takes pride in his ability to be responsive and understanding of client needs. He takes an active interest in his clients and appreciates the relationships that are built through his services throughout the entire year.

Outside of work, John enjoys spending time with family and friends, but mostly spends his time trying to keep his four-year-old son and newborn daughter out of trouble! He is also an avid and passionate fan of all things sports, primarily cheering on Minnesota-based teams. In the summer, John makes it a priority to spend time outside on the golf course, as well as at the family lake cabin.

Client Work

Leads and supervises teams in providing audit services to clients, specializing in the government industry. Several of the local governments he has worked with prepare an Annual Comprehensive Financial Report (ACFR) and receive the GFOA's Certificate of Achievement for Excellence in Financial Reporting (COA).

Has experience providing insight and guidance to entity's in implementing new GASB standards and ensuring financial statements meet the requirements of *Government Accounting Standards*.

Promotes staff development through facilitating internal trainings.



Memberships

American Institute of Certified Public Accountants

North Dakota Society of Certified Public Accountants

Designation/Licensures

Certified Public Accountant

Education

Bachelor of Science, Accounting - North Dakota State University, Fargo, ND

Bachelor of Science, Finance - North Dakota State University, Fargo, ND


Relevant CPE Courses for John Hagen

Course Title	Sponsor	Date	Total Credits
2024			
Peer Review, OneConnect, Report Review Process, Scoping Guidelines, SAS 143/145 Updates	Eide Bailly LLP	01/12/2024	1.0
2023			
Internal Inspection Results	Eide Bailly LLP	10/27/2023	1.5
SAS 143 Auditing Accounting Estimates and Related Disclosures, SAS 145 Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement, Workpaper Templates.	Eide Bailly LLP	09/22/2023	1.5
Government Basics	Eide Bailly LLP	Various dates	5.0
How States and Local Governments can Take Advantage of Energy Credits	Eide Bailly LLP	09/14/2023	2.0
SAS 143, 144, 145, & 148	Eide Bailly LLP	08/25/2023	1.5
Single Audit Update	Eide Bailly LLP	07/17/2023	2.0
System and Organization Controls (SOC), Journal Entries, Firm Resources	Eide Bailly LLP	06/23/2023	1.5
Government Update	Eide Bailly LLP	05/16/2023	6.5
DataSnipper, Suralink Policies & Updates, Independence Safeguards, Internal Inspections & Peer Review Process	Eide Bailly LLP	05/05/2023	1.5
GASB 87 and 96: An Intro and Comparison	Eide Bailly LLP	02/15/2023	2.0
Revenue Testing, Analytical Procedures, and Auditing in the current economic environment	Eide Bailly LLP	01/13/2023	1.0
2022			
Internal Inspection, Inventory Observation, Analytics and Expectation of precision for review engagements	Eide Bailly LLP	10/28/2022	1.5
Eide Bailly Fall A&A Update	Eide Bailly LLP	Various dates	6.0
IT Controls, Information Technology Risk Advisory Services Group, SAS 142 Update, Lease Template, and Suralink Demo	Eide Bailly LLP	08/26/2022	1.5
Government Basic Training	Eide Bailly LLP	Various dates	7.0
Region 1 ESV	Region I	07/28/2022	2.0
Government Update	Eide Bailly LLP	07/12/2022	4.5
GASB-87, Leases: One Last Look	Eide Bailly LLP	Various	4.0
Overview of Governmental Accounting	Checkpoint	06/15/2022	10.0
101 Financial Solutions - Diagnosis and Remedy	Checkpoint	06/13/2022	8.0
Single Audit Basic Training:	Eide Bailly LLP	05/19/2022	4.0

PETER A. ROYEK, ACAS, MAAA
Senior Manager

INSPIRATION: "There is no greater feeling in business than completing a project, knowing you have worked as hard as possible for the client and leave them 100% satisfied. That is my goal on every engagement."

701.239.8568 | proyek@eidebailly.com

As part of the audit team within the firm's Insurance Industry Practice, Peter reviews the financial statements of the client, along with the actuarial work undertaken to produce those statements. He supports the audit by ensuring that loss liabilities of the client have been fairly stated and determined using reasonable methods, assumptions and judgments.

When you work with Peter, you can expect that he has the client's interests in mind and will always do so with integrity and the highest professionalism standards.

Outside of work, Peter loves to volunteer! He makes annual trips to Rafiki Foundation schools across Africa to tutor and/or teach mathematics. He also helps out athletes at Special Olympics New Jersey sports competitions all year round.

Client Work

Acted as liaison between a reinsurer and various auditors, regulators and consultants for 30 years.

Served as Appointed Actuary for an international reinsurer of 17 years.

Fostered collaboration among various departments and functions.



Memberships

Casualty Actuarial Society
Professional Education
Working Group

International Actuarial
Association Africa Task Force

Designation/Licensures

Associate of the Casualty
Actuarial Society

Member of the American
Academy of Actuaries

Education

Bachelor of
Statistics/Mathematics -
Rutgers University, New
Brunswick, New Jersey

Community

Special Olympics New Jersey,
volunteer

Rafiki Foundation in Africa,
volunteer

Appendix D: Exceptions

SOLICITATION EXCEPTIONS

Based on feedback from our firm’s legal counsel, we have noted the following suggested modifications to the provided solicitation documents. In addition to the exceptions described herein, in order to ensure compliance with applicable professional standards, the firm will also require the West Virginia Offices of the Insurance Commissioner (WOIC) to sign an annual engagement letter on commercially reasonable terms to be negotiated. We would be happy to discuss in more detail upon request.

Category		Page
DM0064 Solicitation Docs 1-19-2024		
8. INSURANCE	<p>The apparent successful Vendor shall furnish proof of the insurance identified by a checkmark below prior to Contract award. The insurance coverages identified below must be maintained throughout the life of this contract. Thirty (30) days prior to the expiration of the insurance policies, Vendor shall endeavor to provide the Agency with proof that the insurance mandated herein has been continued. Vendor must also provide Agency with immediate prompt notice of any changes in its insurance policies, including but not limited to, policy cancelation, policy reduction, or change in insurers.</p> <p><i>Reason: A standard of immediate is administratively unworkable. The firm can agree to prompt notice.</i></p>	14
	<p>Professional/Malpractice/Errors and Omission Insurance in at least an amount of: <u>One Million Dollars</u> per occurrence. Notwithstanding the forgoing, Vendor’s are not required to list the State as an additional insured for this type of policy.</p> <p><i>Reason: For clarification, our policy is set up for \$1,000,000 per claim / \$1,000,000 in aggregate.</i></p>	14
28. WARRANTY	<p>The Vendor expressly warrants that the goods and/or services covered by this Contract will be performed in accordance with applicable professional standards: (a) conform to the specifications, drawings, samples, or other description furnished or specified by the Agency; (b) be merchantable and fit for the purpose intended; and (c) be free from defect in material and workmanship</p> <p><i>Reason: An auditor cannot under applicable standards warrant that its work is “free from defects” but can warrant that the work was performed in accordance with professional standards.</i></p>	17
31. PRIVACY, SECURITY, AND CONFIDENTIALITY	<p>The Vendor agrees that it will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the Agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the Agency’s policies, procedures, and rules, unless required by law or applicable professional standards. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in www.state.wv.us/admin/purchase/privacy, subject to attached exceptions.</p> <p><i>Reason: Some disclosures are required by law (e.g., subpoena) or professional standards (e.g., mandatory peer review, where the reviewers are held to the</i></p>	17

WEST VIRGINIA OFFICES OF THE INSURANCE COMMISSIONER

Category		Page
	<p><i>same level of confidentiality as the firm providing the services to the client). See exceptions.</i></p>	
<p>35. VENDOR RELATIONSHIP</p>	<p>Vendor shall hold harmless the State, and shall provide the State and Agency with a defense against any and all claims including, but not limited to, the foregoing payments, withholdings, contributions, taxes, Social Security taxes, and employer income tax returns.</p> <p><i>Reason: The firm should not have to provide a defense in this scenario, as the State is in a position with more control over whether vendor would not be considered an independent contractor under applicable law.</i></p>	<p>19</p>
<p>36. INDEMNIFICATION</p>	<p>The Vendor agrees to indemnify, defend, and hold harmless the State and the Agency, their officers, and employees from and against:</p> <p><i>Reason: The firm cannot assume the duty to defend a client for claims arising from the firm’s actual or alleged errors and omissions in the performance of professional services. The firm’s professional liability insurance policies provide a defense to the firm; they do not provide a defense to firm’s clients. Assuming a duty to defend places professional liability coverage at risk (problematic for both the firm and the client) and puts firm in position where any defense obligation is borne solely by firm and its partners.</i></p>	<p>19</p>
<p><u>SPECIFICATIONS</u> 3. QUALIFICATIONS</p>	<p>3.2.2 No change in personnel assigned to the project will be permitted without the written approval of the Insurance Commissioner or his/her designee, which shall not unreasonably be withheld.</p> <p>3.9.3. Vendor must disclose the names and experience of the individuals that will perform the actuarial component of the audit described in Section 3.9, and subsections 3.9.1 and 3.9.2. Vendor must obtain approval from WVOIC for the individuals named in response to this subsection prior to making any substitutions for the persons identified, which shall not be unreasonably withheld.</p> <p><i>Reason: The firm must retain at least some control over the personnel appropriate for the engagement. Client ability to remove or approve auditor personnel constitutes potential undue influence threat to auditor independence under AICPA Code of Conduct Rule 1.000.010.16.</i></p>	<p>26</p> <p>27</p>
<p>8. FACILITIES ACCESS</p>	<p>8.4. Anyone performing under this Contract on State premises will be subject to Agency's security protocol and procedures.</p> <p><i>Reason: Clarification added to what we believe is the intent.</i></p>	<p>30</p>
<p>Notice of State of West Virginia Confidentiality Policies and Information Security Accountability Requirements</p>		
<p>2.0 DEFINITIONS</p>	<p>2.3 Security Incident means any known successful or unsuccessful attempt by an authorized or unauthorized individual to inappropriately use, disclose, modify, access, or destroy any Confidential Information.</p> <p><i>Reason: This term is incompatible with the reality of today's cybersecurity environment. The firm is frequently subject to things such as pings and other broadcast attacks on its firewall which do not result in unauthorized access. This should be limited to Confidential Information as described hereunder in the document.</i></p>	<p>1</p>
<p>3.0 BACKGROUND</p>	<p>... At these times, vendors must be accountable for the loss of data in their possession by immediately promptly reporting the incident surrounding the loss, and by absorbing any cost associated with the appropriate response</p>	<p>1-2</p>

WEST VIRGINIA OFFICES OF THE INSURANCE COMMISSIONER

Category		Page
	<p>actions deemed by the State to be reasonable and necessary required by law. Additional vendor funding may be needed for required activities, such as: rapid notification to affected persons, and provision of a call center to handle inquiries. Notification and call handling will use a State-specified method, format, language, and personnel staffing level.</p> <p><i>Reason: Immediate notice is administratively unworkable. The firm can agree to prompt notice. In the unlikely event of a security incident, the firm cannot accept the specifications of a single client but will handle the incident in accordance with the law.</i></p>	
4.0 POLICY	<p>4.1 All vendors for the Executive Branch of West Virginia State government shall sign both the RFP or RFQ, as applicable, and the Purchase Order which contain the confidentiality statement, incident response accountability acknowledgement, and adopt this policy, as amended, by reference.</p> <p><i>Reason: See exceptions herein.</i></p>	2
	<p>4.3.1 Confidential Information shall only be used or disclosed for the purposes designated in the underlying contract and at no time shall it be disclosed or used for a personal, non-work or non-contract related reason, unless specifically authorized in writing by the Agency or required by law or applicable professional standards.</p> <p><i>Reason: Some disclosures are required by law (e.g., subpoena) or professional standards (e.g., mandatory peer review, where the reviewers are held to the same level of confidentiality as the firm providing the services to the client).</i></p>	2
	<p>4.3.4 The State may periodically monitor and/or audit use of the information systems and other record-keeping systems at a vendor location or a State location in an effort to ensure compliance with this policy. In addition, the State may audit, and require strengthening of, vendor policies and/or practices as they impact security of State data within the vendor's possession.</p> <p><i>Reason: The firm is happy to make its personnel available to answer reasonable security questions in lieu of allowing third-party testing of its systems. Further, the firm is a custodian of confidential information for thousands of clients. Unfettered access to the firm's documents or premises may compromise the security of other clients' confidential information.</i></p>	3
	<p>4.4.2 Notification of Breach.</p> <p>4.4.2.1 Upon the discovery of Breach of security of Confidential Information, if the Confidential Information was, or is reasonably believed to have been, acquired by an unauthorized person, the vendor shall notify the individuals identified in 4.4.2.3 immediately promptly by telephone call plus e-mail, web form or fax; or,</p> <p>4.4.2.2 Within 24 hours by e-mail or fax of any suspected Promptly after discovery of any Security Incident, intrusion or unauthorized use or disclosure of Confidential Information, in violation of the underlying contract and this Notice, of potential loss of confidential data affecting the underlying contract.</p> <p><i>Reason: The firm recognizes its duty to investigate potential security incidents, however, notification requirements for these situations could result in frequent, repeated required contacts which is administratively impractical for</i></p>	3

WEST VIRGINIA OFFICES OF THE INSURANCE COMMISSIONER

Category		Page
	<p><i>both the State and the vendor. Immediate notice is practically and administratively unworkable. The firm can agree to prompt notice or notice as soon as practicable.</i></p>	
	<p>4.4.2.4 The vendor shall immediately investigate such actual or suspected Security Incident, Breach, or unauthorized use or disclosure of Confidential Information. Within 72 hours of the discovery, if an actual Breach has occurred, the vendor shall notify the individuals identified in 4.4.2.3 of the following, to the extent this knowledge is available:</p> <p><i>Reason: Some of this information may not be fully available within 72 hours after discovery of a breach.</i></p>	4
	<p>4.4.2.6 All associated costs as a result of Security Incident or Breach caused by vendor shall be borne by the vendor. This may include, but not be limited to costs associated with notifying affected individuals.</p> <p><i>Reason: Clarification added.</i></p>	4
	<p>4.5 The State may require that a vendor provide evidence of adequate background checks, including a nationwide record search, for individuals who are entrusted by the vendor to work with State information.</p> <p><i>Reason: The firm conducts industry standard background checks on its personnel at the inception of employment.</i></p>	4
	<p>4.6... Vendor policy should articulate all safeguards in place for the State Confidential information, including provisions for destruction of all data, including backup copies of the data, at the end of the vendor's legitimate need to possess the data. All State-owned media containing State information will be returned to the State when no longer legitimately needed by the vendor, provided that, where required by law or applicable standards, vendor shall be entitled to keep one archival copy of Confidential Information disclosed hereunder.</p> <p><i>Reason: The firm has a policy in place for handling confidential information, but it is not specific to the data of a particular client. Professional/industry standards require the firm to keep engagement documentation for a certain period of time.</i></p>	4



Caring for our external and internal clients with a passion to go the extra mile.

Respecting our peers and their individual contributions.

Conducting ourselves with the highest level of integrity at all times.

Trusting and supporting one another.

Being accountable for the overall success of the firm,
not just individual or office success.

Stretching ourselves to be innovative and creative, while managing the related risks.

Recognizing the importance of maintaining a balance between work and home life.

Promoting positive working relationships.

And, most of all, enjoying our jobs ... and having fun!



What inspires you, inspires us.
eidebailly.com