



**National Association *of*
Insurance Commissioners**

SEALED BID - Cost Proposal

Buyer: Shelly Murray
Req#: INS09019
Opening Date: 06/18/2009
Opening Time: 1:30 pm



State Based Systems

Section XI — COST PROPOSAL (ORIGINAL)

RFP requirements state that the Vendor must include, within Firm Fixed Price for Technology service activities, tasks and preparation for deliverables, pricing based on proposed approach, tools and methodology. As the following chart will illustrate, the project itself is available at no cost to the state for the duration of the contract. This offer is made based on our understanding of project requirements as defined within the RFP. Detail as to pricing is as follows:

Activity, Deliverable or Milestone	Deliverable Type	Percent Total	Payment Amount	Cumulative Amount
Project Work Plan	Written	0.00%	\$0.00	\$0.00
Consortium Membership Costs	Written	0.00%	\$0.00	\$0.00
Vendor equipment and license purchases needed to support hosted systems	Non-Software	0.00%	\$0.00	\$0.00
Additional purchases necessary to support failover	Non-Software and Software	0.00%	\$0.00	\$0.00
Data Migration relating to licensing	Written	0.00%	\$0.00	\$0.00
Data Conversion Plan and Design	Written	0.00%	\$0.00	\$0.00
Deployment Plan	Written	0.00%	\$0.00	\$0.00
Training Plan	Written	0.00%	\$0.00	\$0.00
Conduct Testing	Non-Software	0.00%	\$0.00	\$0.00
In-bound/Out-bound interfaces	Software	0.00%	\$0.00	\$0.00
Data load	Software	0.00%	\$0.00	\$0.00
Conduct Training	Non-Software	0.00%	\$0.00	\$0.00
Licensing	Non-Software	0.00%	\$0.00	\$0.00
Project Status Reports	Written	0.00%	\$0.00	\$0.00
Total Amounts Charged to the State		0%	\$0.00	\$0.00
Total Amounts Charged to Agents and/or Companies via NIPR*		95.2%		\$295,913.00
Total Amounts Charged to Agents and/or Companies via SBS*		4.8%		\$15,000.00

*See Cost Proposal Exhibit A for fixed price information for each transaction type offered to Agents and/or Companies. Since the West Virginia Office of the Insurance Commissioner has specified that the state wishes to leverage NIPR where applicable and the RFP also stated we must include NIPR costs, we have included them here. The NIPR cost represents payment of transaction fees by license applicants and would be incurred regardless of whether or not West Virginia chooses SBS. The \$15,000.00 amount represents the impact of choosing SBS.

Exhibit A

Activity, Deliverable, or Milestone	Deliverable Type	Percent Total	Payment Amount	Cumulative Amount
SBS Connect*	Transaction	4.8%	\$1.00 per Print	*\$15,000.00
NIPR Appointments and Terminations	Transaction	24.1 %	Fees range from \$0.94 to \$1.53 per appointment or termination based on yearly volume submitted by the company.	**\$75,024.94
NIPR Non-Resident License Original Application Submittals	Transaction	22.9%	\$6.18 per application submittal	**\$71,249.83
NIPR Non-Resident License Renewal Application Submittals	Transaction	42.9%	\$5.00 per application submittal	**\$133,352.23
NIPR Resident License Original Application Submittals	Transaction	1.8%	\$5.00 per application submittal	***\$5,641.00
NIPR Resident License Renewal Application Submittals	Transaction	3.4%	\$5.00 per application submittal	**\$10,645.00
Total Amounts Charged to Agents and/or Companies	Transaction	100.0%		\$310,913.00

*If SBS is selected, the NAIC will provide a transaction-based fee service, SBS Connect, which would support a wide variety of online agent and agency transactions. Examples include duplicate copies of licenses (the first copy is free with license application and renewal), copies of CE transcripts, and copies of a Licensee Summary (representing non-confidential license detail). Each transaction has a fee of \$1.00. The Cumulative Amount listed above is a projection based on activity for an SBS state similar in size to West Virginia.

**Values for NIPR cumulative amounts represent 2008 actual transactions processed via NIPR for the state of West Virginia.

***NIPR does not currently process Resident License Originals for the state of West Virginia. The cumulative amount listed above for Resident License Originals was based on the percentage of the number of non-resident originals to the number of non-resident renewals.