

West Virginia Offices of the Insurance
Commissioner

Response to RFQ Number INS11006 for Actuarial
Review and Consulting Services

December 16, 2010



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Overview

With the passage of the PPACA (Section 2794), states are required to evaluate the premium rate increases proposed by health insurance carriers. Focus will be on determining if the proposed increases in the individual market, small group market, and large group manual rates are acceptable or if they should be rejected as being "unreasonable." The combination of high public concern over health insurance costs, the desire for increased transparency for proposed premium increases, new standards such as medical loss ratios, and the increased federal oversight associated with healthcare reform will result in a much higher level of scrutiny given to the state Departments of Insurance (DOIs) premium review process.

In order to meet these new standards, the state DOI will either need to increase their actuarial staff (either directly or by hiring consulting actuaries) or find a technology solution that can support the premium review process. Fortunately, through the HHS grant money of one million dollars per state, many states are electing to fund long-term improvements in their processes. Given the limited timeframe for which the grant money will be available, there is some logic to utilizing these temporary grants to fund longer-term improvements in the rate review process via contracting with an external actuarial firm. Given Aon Hewitt's pivotal role in the healthcare industry, we are well-positioned to provide this service in a thoughtful and comprehensive manner.

Scope of Requested Services

The West Virginia Offices of the Insurance Commissioner has recently received an HHS grant for rate review and would like a proposal from actuarial firms interested in providing these services. The State of West Virginia scope of work includes collaborating with the OIC in reviewing health insurer filings for individual, group and association product offerings. In addition, the development of the rate review process should include analysis of trending, credibility, development factors, durational factors, geographical factors, loss development, loss ratios, rating bands and any other components of rate filings. Consulting services should implement the rate review process in such a way that completed rate reviews will include justification for the rate adjustment, concerns with factors used or selected, support of the factors, identify areas of concern or unjustified, documentation to support the indicated and requested rate levels, projected premium impact and projected premium impact to consumers. Monthly training during the course of the contract will be provided to OIC policy and rate analysts along with a manual which can serve as training materials for future OIC rate analysts.

Evaluation of Current Rate Review Processes

As part of the process of performing rate reviews, Aon Hewitt is proposing to review the current OIC process and conduct an audit of existing practices focused on the following objectives:

- Validate the market segment standards currently applied to determine the reasonableness of premium increases and premium levels

- Develop guidelines for determining the appropriateness of data utilized by carriers in their rate request submissions, particularly in instances where the data submitted is less than complete
- Review significant assumptions made in deriving the required premium rate increase, particularly in the event of small or immaterial blocks of business or the entrance into a new line of business
- Review significant assumptions behind commonly utilized administrative loads, profitability loads, loads for claims volatility, and other components of administrative fees
- Survey common sources for trend assumptions including carriers' basis for the assumption and determine if there are other publicly available information to consider the reasonableness of the request
- Review potential external measures (surveys, claims data, etc) that are applied by the carriers in order to evaluate the assumptions used in the development of the premium rates
- High-level evaluation of network payment levels and provider outcome measures (if any form of outcome-based payment approaches are used by the carriers)
- At completion, develop a recommended set of standards for evaluating premium rates and rate increases in the future

Given Aon Hewitt's preeminent role as the consultant of choice for mid-sized to large employer groups, we are in a unique position to offer strong market feedback on a number of issues - including prevailing trend, appropriateness of manual rates, and the actuarial impact of program and plan design changes

Evaluation of Process Efficiency

Based on the insurance carrier market, it is imperative to understand the amount of OIC resources which will be required to execute the new rate review process. Aon Hewitt will conduct an evaluation of the hours and staff expertise needed to complete the review of the insurance filings under the existing processes as well as the new processes including:

- Comparison of results with available data on best practices
- Development of a methodology for prioritizing the current rate requests into those to be approved without review, those requiring limited further reviewed without actuarial input, and those that may need to be reviewed further by an experienced, credentialed actuary
- Prioritization would be based on amount of requested increase, the derivation of key variables, and the size and nature of the affected insured population

Alignment of Current Review Standards with New HHS Standards

A third key component of the new rate review process will be compliance with new regulations. Aon Hewitt will assist in ensuring that the current rate review process meets both the letter and spirit of the HHS regulations through:

- Identification of changes required to the current practices based on new requirements from HHS
- Review application of MLR requirements and reconciliation with existing standards for oversight of capital and surplus levels
- Ensuring that the review of rate increase requests is consistent with HHS guidelines
- Reviewing the ability to collect additional, publicly available information in order to opine on the reasonableness of the requested increase
 - Historical information on premium rates charged by insurers, carriers, and other providers in a particular state (and submitted to the state regulatory body either due to regulatory requirements or as the result of surveys)
 - Historical information on insurers and carriers not related to specific rates (e.g. market conduct survey, annual statement, etc.)
 - General healthcare industry information
 - Macroeconomic information
- Review process for rebating any surplus back to policyholders under MLR requirements, if applicable during contract year
- Benefit design compliance and development of standards for evaluating the impact of wellness and health management rating differences

Development of Additional Documentation Required to Improve Rate Review Effectiveness

In order to ensure compliance with regulations, Aon Hewitt will define additional necessary data and formats, primarily to meet enhanced MLR and “reasonableness” guidelines.

- Develop a standard proposal as to the data required for completing a more robust rate review process, potentially based on the “gravity” of the rate request as described below
- Develop a standard template in which the state will collect rating information (i.e. the information utilized to derive the rates)

- Develop a standard template in which the state will collect rate review data (i.e. actual premium rates)

Development of an Overarching Rate Review Process

Based on the review completed above, Aon Hewitt would be in an excellent position to provide a high-level outline of a new, and more robust, rate review process.

- Aon Hewitt envisions a process focused on “triaging” the initial rate review requests such that they will be classified into those needing an in-depth actuarial review, those that are small enough to be approved immediately, and those that need a quick review to classify in either of the two categories above.
- The in-depth actuarial review would likely be triggered by events such as rate increase larger than x%, rate reviews for carriers with more than y% of the market, or an aggressive assumption selection by a carrier.

Training and Manual Development

Based on the review of current processes and recently filed rate review requests, Aon Hewitt will be in a strong position to develop a rate review manual that will provide documentation related to all key issues surrounding the review of rate filings. More specifically, it will be a roadmap for the OIC and their staff to follow in order to complete a robust and fruitful review of filings in the state.

Aon Hewitt is also prepared to provide training in West Virginia on a monthly basis. Initially, the training will be on higher level or “general” concepts related to rate review. With the experience gained from completing the reviews described above and developing the manual, the training will become more focused on the specific set of factors and process that OIC should follow to review rates.

Timeframe and Deliverables

The preceding sections describe the methodology Aon Hewitt will employ in developing recommendations to ultimately help the state analyze administrative load, carrier profits and all the other factors that lead to carrier premium increases. Aon Hewitt will work collaboratively with the state in this regard, offering our recommendations and insights throughout the process. However, we will also develop a final report or “manual” to the state that will include these recommendations and comparing them to the best practices we have observed in other states.

As requested in the RFP, Aon Hewitt will prepare the rate review manual within 6 months of being awarded the contract. This timeframe assumes that all required access to current OIC documents, process flows, and personnel for interviews will be forthcoming as required.

Aon Hewitt's Ability to Provide Unparalleled Services

All credentialed members of the Aon Hewitt team assisting the State with the rate reviews are Members of the American Academy of Actuaries. Our team boasts:

- Significant experience in reviewing or preparing health rate filings for regulatory purposes: All the Aon Hewitt credentialed actuaries associated with the rate review work for the State have either had extensive experience in preparing and / or reviewing health rate filings.
- Significant participation in national regulatory insurance issues: Since the advent of the Healthcare Reform legislation, Aon Hewitt has been at the forefront of the industry holding group discussions on topics including but not limited to State Rate Review processes, State Exchanges, Employer Impacts associated with Healthcare Reform, High Risk Pools, and others. Further, Aon Hewitt has been in communication with insurance carriers, roundtables of state insurance commissioners, and legislators from the majority of states.
- Significant experience testifying at regulatory rate hearings: Many of the dedicated Aon Hewitt staff members to the State are consistently providing expert testimony to State Board members and Legislators on a wide array of topics within healthcare, but most notably and applicable in this situation, those topics tied to appropriate rating methodology and solvency metrics.

Aon Hewitt Resume of Relevant Experience

At Aon Hewitt, we are confident in our ability to meet and exceed the State's expectations in the completion of the services requested. In reviewing the scope of services, there are several key components for which Aon Hewitt is uniquely positioned to provide superior service for the State:

- First and foremost is the actuarial expertise to complete the highly technical review of the rates and rating structures.
- Second is the need for an objective and independent firm to evaluate the rating structure - and one that has no conflict of interest from working with the carriers that they will now be called to help evaluate and regulate.
- Thirdly is Aon Hewitt's ability to work with carriers submitting rates to better understand the rating structure and underlying rationale behind their filed premiums.
- In addition, Aon Hewitt is very sensitive to the short timeframes and can also provide thought leadership due to their role in the healthcare industry.
- Finally is the ability to work collaboratively and objectively with all of the State entities involved. This includes the ability to communicate effectively and efficiently across all of these entities, be it via teleconferences, live meetings, or informational reporting.

Below is a summary of how Aon Hewitt will be able to provide superior service in these five key areas.

Our Actuarial Expertise

As it relates to actuarial review of the base rates, rating factors, and premiums, it is paramount that the consulting firm has a strong actuarial background and understanding of the intricacies of rate filings. In particular, Aon Hewitt believes that a review of the rate filing is not simply a high-level overview of the mathematical calculations utilized to derive the rates. In reality, the calculation of rates should be viewed as a one small piece of a carrier's pricing and underwriting structure. Equally important is the development of the underlying methodology and assumptions utilized to derive the rate increase. Ensuring that the carriers are following the "spirit of the law" in the new era of increased regulatory rigor is equally important.

- Aon Hewitt consulting has approximately three hundred credentialed actuaries in the firm. Of that total, sixty reside in the Health & Benefits practice. Most Aon Hewitt health actuaries, and the key personnel that would be assigned to this engagement, have held senior executive and actuarial positions with insurance companies and are intimately familiar with health rate filings and rate adjustment factors. As a result, Aon Hewitt has the expertise to ensure that the rate filings submitted to the State are appropriately reviewed and validated. In addition, your team also leads national Healthcare Reform (HCR) teams providing consulting expertise not only to their clients, but also to Aon Hewitt Consultants nationally. As a result, your consultants will have the ability to compare and contrast the implementation of HCR by the State versus other states. One or more members assigned to this contract must be a Fellow of the Society of Actuaries (FSA) and/or a Member of the American Academy of Actuaries (MAAA)
- Members assigned this contract must have at least five (5) years of experience with individual and group major medical insurance
- Members assigned this contract must be knowledgeable of Actuarial Standard Practice No.8
- One or more members to be assigned to this contract must be experienced in providing training and rate review services to state insurance regulators

Aon Hewitt intends to utilize actuarial staff for the management of the project, training, and development of the manual such that there will likely be multiple members of the team with both an FSA, MAAA, and many more than 5 years of experience in health insurance. All of the actuaries on the team are familiar with ASOP #8. Several members of the team have worked with state insurance regulators, either from the side of the carriers providing rate reviews or working with the state DOIs to review various filings. In addition, as a result of the wide backgrounds of the diverse actuarial staff at Aon Hewitt, we are able to employ an extremely robust peer review process. A result of this process, the OIC will benefit from the collective experience of a number of senior-level actuaries reviewing the work product prior to completion.

Objective Basis

Additionally, Aon Hewitt believes that it is extremely important to have an objective and unbiased advisor to validate these rating structures. There are many firms that provide actuarial services to the carriers submitting rates for review. While Aon Hewitt has the experience to validate these rates based on our past roles as senior executives and actuaries with insurance companies, we have not typically been contracted by carriers to develop these rates. As a result, we are intimately familiar with health rate filings and rate adjustment factors, and in a strong position to provide you with the objective results of their review - similar to how we analyze various carriers' service offerings in an employee benefits consulting role when working for various employer groups.

Experience Working with Carriers

With thousands of employee benefits clients, Aon Hewitt has significant experience in soliciting bids from carriers to provide medical benefits plans to their clients. As a result, Aon Hewitt has a proven track record in working collaboratively with a variety of diverse service providers to solicit sensitive information necessary to evaluate the very same service providers. This experience will be very valuable as it relates to the potentially difficult role of working with the carriers that you are regulating. The Aon Hewitt actuaries that would be assigned to this project have worked in a variety of insurance company positions and have completed competitive bids, responded to insurance regulator inquiries, submitted regulatory filings, worked with regulators and employers on diverse committees, and testified in front of legislators.

Time Sensitive Nature of the Work

Given its experience in providing numerous employee benefits clients with consulting services, Aon Hewitt has typically been called on to deliver high-quality results in extremely short timeframes. As a result, we provide a team of experts, in this case credentialed actuaries, which will ensure your access to high-quality individuals whenever you need them.

Innovation and Thought Leadership

Aon Hewitt has approximately three hundred credentialed actuaries in the firm and can draw from their expertise in a wide variety of areas, including data analytics, wellness, etc. Further, as a full-service Human Capital professional service consulting firm, we have access to other Aon Hewitt colleagues that specialize in other areas that may be beneficial to this assignment including:

- Statisticians
- Economists
- Physicians, pharmacists and other clinicians

Specific to this RFP, your actuarial team leads national Healthcare Reform (HCR) teams in providing consulting expertise not only to their clients but also to Aon Hewitt Consultants nationally. As a result of our work in Washington during the past year, your consultants will be able to ensure the State's insurance market will be best in class and consistent with other market-leading states.

Finally, given our large network of actuaries working across the country, we also have a breadth of knowledge on the collective views of employers, citizens, providers, regulators, and legislators and can bring that experience to the State project.

State Expertise

Aon Hewitt serves half the states in the U.S in the areas of human capital, investment consulting, retirement systems and most notably health insurance programs. Our consulting work with state health program clients is differentiated by the comprehensive approach we take to solving problems and improving program performance.

Aon Hewitt has unparalleled experience in working with state entities. Shown below is a list of the states on which Aon Hewitt has had the privilege to work, all of which are a matter of public record.

Name of Client	Services Provided
State of Kansas	Health and welfare consulting and actuarial services
State of Hawaii	Health and welfare consulting and actuarial consulting.
State of Louisiana	Actuarial services for benefits plans, consulting in all areas including: attending legislative sessions; preparing actuarial notes; direct contracting; establishing premium rates; designing PPO plan; establishing reserves; projecting claims; evaluating HMOs; reviewing medical fee schedules, and strategic planning.
State of Maryland	Renewal evaluation/negotiation, cost projections and IBNR reserves, employee contribution setting, and competitive bidding.
State of Nebraska	Health and welfare consulting and actuarial services
State of Nevada	Actuarial and consulting services in all areas regarding the health and welfare plan including: attending legislative sessions, preparing actuarial notes, direct contracting, establishing premium rates, designing premium rates, establishing reserves, projecting claims, and evaluating HMOs.
State of New Jersey	Health and welfare consulting and actuarial services
State of North Carolina	Actuarial and consulting services in all areas regarding the health and welfare plan including: attending legislative sessions, preparing actuarial notes, direct contracting, establishing premium rates, designing premium rates, designing PPO plans, establishing reserves, projecting claims, evaluating HMOs, designing long-term care plan and ancillary benefits, and reviewing medical fee schedules.
State of Oklahoma	Actuarial services, including budgeting, rate setting, calculating reserve levels, GASB compliance and responding to legislative proposals.
Government of Guam	Actuarial consulting, contract review, funding arrangements
Commonwealth of Virginia	Health and welfare underwriting and actuarial consulting.
New York State Department of Health	Designing and developing DRG payment system for State hospitals.
North Carolina Teachers' and State Employees' Comprehensive Major	Actuarial and consulting in all areas regarding plan including: attending legislative sessions; preparing actuarial notes; direct contracting; reviewing premium rates; designing PPO plan, establishing reserves; projecting claims; evaluating HMOs;

Medical Plan	designing long-term care plan and ancillary benefits.
The Commonwealth of Massachusetts	Developing DRG payroll weights for Massachusetts hospitals.

Aon Hewitt has an extensive background in working with public sector employers, specifically evaluating various funding arrangements including fully insured, alternative, and self-funded arrangements. In particular, the Aon Hewitt Consulting team has extensive experience providing benefit consulting to public and non-profit entities.

Reputation and Depth of Local and National Resources

With over 135 US offices, Aon Hewitt is among the largest employee benefits consulting firms. Our reputation in providing quality actuarial services allows State to focus on its business at hand with the knowledge and security that the information Aon Hewitt provides is accurate and exceeds your expectations. In addition to your actuarial team, the State has a direct link to contact to subject matter experts across Aon Hewitt Consulting who can bring you innovative solutions and accurate, up-to-date knowledge on other benefit issues that may arise. Additionally, for work of this nature it is important to utilize senior actuaries who are experienced in working with cross-functional committees and testifying to boards and regulators. We will staff this assignment with such senior personnel.

Aon Hewitt Team Biographies

Aon Hewitt designates Phil Peterson as the relationship manager and Rick Rush as the project manager for this contract. Biographies for the key staff involved in this project are presented below.

Philip A. Peterson, FSA, MAAA

Philip A. Peterson is Senior Vice President and a human resource consultant and actuary for Aon Consulting, specializing in stock option valuation, human capital metrics development, and state and local government consulting issues.

Phil joined Aon in 1987 and has more than 30 years of employee benefit consulting experience, particularly in the areas of defined benefits, defined contribution, post-retirement health and welfare, and human capital risk. He formerly managed Aon's retirement practice in Philadelphia and chaired the National Defined Benefit Practice Council. He now leads Aon's national state and local government consulting practice.

Phil has expertise in strategic planning in all retirement-related areas, mergers and acquisitions, and plan design and administration for all types of retirement plans. He has experience in the areas of executive benefit design and funding, employee stock option valuation and international retirement plans. Phil also has expertise in the area of human capital risk, modeling the financial impacts of human capital risk interventions, and in the valuation of employee stock options. He is currently leading Aon's efforts to help states build their health insurance exchanges under the health care reform law.

Phil is a frequent speaker at seminars and meetings, most recently speaking at the ARM Tech Conference for Risk Retention Pools on the value of pools for providing post-retirement medical services and coverage, at Temple University's Fox School of Business, the Conference of

Consulting Actuaries annual conference, the Financial Executives Institute, and the NASPP. He also writes for national publications. Phil has been a reviewer of the Pew Center reports Philadelphia's Quiet Crisis: The Rising Cost of Employee Benefits and provided input for the Pew Center report Promises with a Price: Public Sector Retirement Benefits.

Phil earned a Bachelor of Science in Mathematics at Dickinson College. He is a Fellow of the Society of Actuaries, an Enrolled Actuary, a Member of the American Academy of Actuaries and a Population Health Associate with the Jefferson School of Population Health at Thomas Jefferson University.

Richard G. Rush, FSA, MAAA

Richard (Rick) Rush is a Senior Vice President in the health and welfare practice of Aon Hewitt. He is responsible for understanding a client's strategic goals and benefit objectives and developing benefit strategies and programs that optimize return on investments, while also addressing the needs of the organization from an employee relations and marketplace perspective. His primary areas of expertise are health and welfare strategy and related actuarial analysis. Richard's actuarial background is particularly useful in assessing benefit financing alternatives; modeling and understanding implications of changes in program and plan design; and establishing cost projections and liability determinations. His clients include large employer and governmental health care purchasers.

Rick has over 25 years of employee benefits actuarial experience including executive positions with insurance companies, actuarial consulting firms, and the human resource responsibilities of a Fortune 500® company. He has provided Health & Welfare consulting services to large and mid-sized companies including Kraft Foods, Adolph Coors, the State of Colorado, and the US Department of Defense. His insurance company and related consulting experience includes Chief Executive and Chief Actuary responsibilities for regional HMOs, a federal court appointed rehabilitator and liquidator of two separate insolvent HMOs, and life / disability product design and rating.

Rick graduated from The University of Nebraska with a Bachelor of Science degree in Business Administration. He is a Fellow of the Society of Actuaries (FSA) and a Member of the American Academy of Actuaries (MAAA). He was appointed by Colorado's governor in 2002 to the state's health insurance mandate commission where he works with providers, patient advocates, regulators, and legislators on health insurance issues. For his volunteer activities with Jefferson County (Colorado) Public Schools, Rick was honored in 2006 with the national communications award from the National School Public Relations Association. Rick currently serves as a Board Member for Jefferson County Schools.

Tom Leonard, FSA, MAAA

Tom is a Vice President and Actuary in the health and welfare practice of Aon Hewitt. He has spent fifteen years in the insurance industry, the majority with major health insurance carriers. Before joining Aon, Tom worked for CIGNA Healthcare as the CFO of their alternative distribution business unit. Prior to that, he worked with Milliman Consulting, where he was responsible for opening their inaugural Brazilian office.

Throughout his career, Tom has held key leadership positions in functional areas such as actuarial, finance, and underwriting. As a result, he is well versed in the technical aspects of health insurance carrier products and health and welfare plans - including pricing, reserving, underwriting, funding, plan design, risk adjustment and administration. Tom's actuarial background is particularly useful in assessing benefit financing alternatives; modeling and understanding implications of changes in program and plan design; and establishing cost projections and liability determinations.

Tom's experience in actuarial pricing and rating of plans is unique in that he has viewed rating structures from numerous different angles during his career. This includes managing pricing and

rate review for several regional HMO plans for CIGNA, leading a rate review for a risk-adjusted block of Medicare Advantage business, reviewing pricing structures for a variety of plans and products as a consultant in acquisition situations, working with a start-up insurer as they created a robust small group pricing structure, reviewing pricing and products while managing various risk-share joint ventures for CIGNA, and helping a client implement prospective risk scores for their block of business.

Tom graduated from Purdue University with a Bachelors of Science degree, majoring in Mathematics and Statistics with an Actuarial Science Option. He is a Fellow of the Society of Actuaries (FSA) and a Member of the American Academy of Actuaries (MAAA).

Michael Morrow, ASA, MAAA

Michael Morrow is a Vice President in the health and welfare practice of Aon Hewitt. Michael has over fifteen years of health and welfare experience, with a focus on actuarial pricing issues. His expertise also includes health plan strategy, benefit design, reserving, predictive risk, and financial modeling. Michael has significant experience developing rates for many different health insurance markets including individual products, small employer products, HMO plans, Medicare Advantage plans and group stop loss products.

His experience includes executive actuarial positions at Great-West Healthcare and CIGNA HealthCare, as an actuarial consultant with Milliman and most recently as Chief Actuary of Mercy Health Plans, a subsidiary of a nonprofit regional hospital system.

Michael graduated from the University of Denver with a Masters in Business Administration and from Drake University with a Bachelors of Science degree, majoring in Actuarial Science. He is an Associate of the Society of Actuaries (ASA) and a Member of the American Academy of Actuaries (MAAA).

Dawna Nibert, MS

Dawna Nibert is a Vice President in Aon Hewitt's South region based in the Baltimore, Maryland office. She assists clients with all facets of health care analytics including actuarial rate setting and modeling, health plan financial and operational management, health care information systems, and predictive modeling and outcomes.

Prior to joining Aon, Dawna spent 12 years with Coventry Health Care, a managed health care company based in Bethesda, Maryland. Most recently at Coventry, Dawna was a Director in the actuarial department focused on developing corporate models for facility contract analysis, medical cost trend analysis, new market expansion rate development, benefit relativity, and Medicare Advantage bid development.

Prior to her actuarial role with Coventry, she served as Manager of Financial Reporting for Carelink Health Plans, a subsidiary of Coventry Health Care, Inc and one of the largest managed care plans in WV. Dawna was responsible for the health plan's financial and cost management reporting function supporting commercial, Medicaid, and Medicare lines of business. Dawna's health care analytics knowledge is complimented by a background in software development, systems analysis and design, and database design and development.

Some of Dawna's clients include: Bureau of TennCare, State of Georgia Department of Community Health, Commonwealth of Virginia, and State of Vermont Agency of Human Services. Dawna received her graduate degree in Information Systems from Marshall University in WV. Her undergraduate degrees in Computer Science and Mathematics are from West Virginia Institute of Technology.

Vincent G. Sherwin

Vince is a health actuary in Aon Hewitt Associates' Health Management Practice located in Chicago, Illinois. Vince brings over 25 years of experience in health care consulting on behalf of employer groups, insurance carriers, hospital and physician groups and more. More specifically, Vince has done extensive work in pricing, reserving, forecasting, provider contract & network analysis, and benchmarking in the areas of medical, pharmacy and dental for commercial, Medicaid and Medicare products.

Vince joined Aon Hewitt in September of 2010. Prior to joining the firm, Vince spent most of his career doing consulting work on behalf of HMOs and other insurance carriers with an emphasis on group products and managed care. Vince has over 20 years of experience preparing and certifying rate filings, reserves, small group certifications, etc. as well as engaging with state insurance departments on behalf of his clients.

Prior to joining Aon Hewitt, Vince was with Donlon & Associates, Ernst & Young and Bob Gold & Associates. Vince is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. He holds a B.S. in Actuarial Science from the University of Illinois at Urbana-Champaign

Leah Snider

Leah is an Assistant Vice President in Aon Hewitt's South region and is based in the Baltimore, Maryland office. She has a solid background in actuarial, financial and health care cost analysis. Some of Leah's current clients include: Commonwealth of Virginia, Georgia's Department of Community Health and Vermont's Global Commitment to Health Medicaid Program.

Prior to joining Aon, Leah spent 7 years with Coventry Health Care, a managed health care company based in Bethesda, Maryland. While there, she provided actuarial support for the commercial, Medicaid, and Medicare lines of business. She led rate reviews for several of their Mid-Atlantic commercial plans, including Southern Health Services in Virginia, Carelink Health Plans in West Virginia and Coventry Health Care of Delaware. She managed the actuarial support for several of their fully insured Medicaid plans, including West Virginia, Virginia, Maryland, Missouri and North Carolina. She also assisted with the medical cost and trend analysis, reserving reviews, and provider contracting analysis for Coventry's commercial and government programs.

Prior to her work with Medicaid and Medicare at Coventry, Leah has experience working at a health plan that implemented TRICARE, a managed care program for the government's military in the Northeast region. Leah has a Bachelor of Science degree in Mathematics from Loyola College in Maryland, where she graduated cum laude. She has passed 3 of the Society of Actuarial exams.

Aon Hewitt will provide adequate staffing to perform required services and meet the deliverable time lines using the following team:

Philip A. Peterson, FSA, MAAA
Senior Vice President – Relationship Manager

Richard Rush, FSA, MAAA
Senior Vice President – Project Manager

Thomas Leonard, FSA, MAAA
Vice President – Lead Actuary

Michael Morrow, ASA, MAAA
Vice President

Dawna Nibert, MS
Vice President

Leah Snider
Assistant Vice President

References

Reference #1:

Contact: Dave Pointer
Company: New Jersey State Health Benefits Plan
Phone No.: (609)-633-7557
Email: david.pointer@treas.state.nj.us

Reference #2:

Contact: Kelly Wilson
Company: State of Oklahoma
Phone No.: (405) 717-8999
Email: kwilson@sib.ok.gov

Reference #3:

Contact: Darryl L. Decker
Company: New York Governor's Office of Employee Relations
Phone No.: 518-473-6211
Email: ddecker@goer.state.ny.us

Proposed Pricing

Bid Amount (directly from RFP, for your reference)

The amount of the bid submitted by each potential vendor shall be a fixed hourly rate for services rendered. This rate shall be the same regardless of which partner or member performs the services and shall be sufficient to cover any and all incidental expenses. Out of pocket travel expenses shall be billed in accordance with the State of West Virginia's Travel Rules as prescribed by the Travel Management Unit, Purchasing Division.

1) Hourly Billable Rates for this project:

VENDOR COST: \$ 350 PER HOUR

Firm Information

Responding firms should include the following information with their bid proposal submittal. The West Offices of the Insurance Commissioner reserves the right to request this and any additional information at any time during the bid evaluation process prior to their recommendation of award notification to the West Virginia Purchasing Division.

(a) Name and address of the firm submitting the quotation along with the federal employer identification number of the vendor.

Aon Consulting, Inc.
ID: 22-223-2264

(b) Date of registration to do business in the State of West Virginia. Foreign corporations and businesses do not need to register to do business in West Virginia to submit a quotation, but must do so before a contract can be issued.

If awarded this contract, Aon Hewitt will promptly register to do business within the State of West Virginia.

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About Aon Hewitt

As the industry leader in treaty, facultative and capital markets, Aon Hewitt is redefining the role of the reinsurance intermediary and capital advisor. Through our unmatched talent and industry-leading proprietary tools and products, we help our clients to redefine themselves and their success. Aon Hewitt offers unbiased capital advice and customized access to more reinsurance and capital markets than anyone else. As a trusted advocate, we provide local reach to the world's markets, an unparalleled investment in innovative analytics, including catastrophe management, actuarial, and rating agency advisory, and the right professionals to advise clients in making the optimal capital choice for their business. With an international network of more than 4,000 professionals in 50 countries, our worldwide client base is able to access the broadest portfolio of integrated capital solutions and services. Learn more at aonhewitt.com.

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State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
INS11006

PAGE
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ADDRESS CORRESPONDENCE TO ATTENTION OF:
SHELLY MURRAY
304-558-8801

RFQ COPY

TYPE NAME/ADDRESS HERE

PURCHASING

Aon Hewitt, 9th Floor
200 E Randolph
Chicago, IL 60601

SHIP TO

INSURANCE COMMISSION

1124 SMITH STREET
 CHARLESTON, WV
 25305-0540 304-558-3707

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
11/14/2010				

BID OPENING DATE: **12/16/2010** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>THE BID SHOULD CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED:</p> <p>SEALED BID</p> <p>BUYER: SHELLY MURRAY</p> <p>RFQ. NO.: INS11006</p> <p>BID OPENING DATE: 12/16/2010</p> <p>BID OPENING TIME: 1:30 PM</p> <p>PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID: <i>610-834-2184</i></p> <p>CONTACT PERSON (PLEASE PRINT CLEARLY): <i>Phil Peterson</i></p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>[Signature]</i>	TELEPHONE 312-381-5645	DATE 12/14/10
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

RFQ No. INS11006

STATE OF WEST VIRGINIA
Purchasing Division

PURCHASING AFFIDAVIT

West Virginia Code §5A-3-10a states: No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owed is an amount greater than one thousand dollars in the aggregate.

DEFINITIONS:

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

"Debtor" means any individual, corporation, partnership, association, limited liability company or any other form or business association owing a debt to the state or any of its political subdivisions. "Political subdivision" means any county commission; municipality; county board of education; any instrumentality established by a county or municipality; any separate corporation or instrumentality established by one or more counties or municipalities, as permitted by law; or any public body charged by law with the performance of a government function or whose jurisdiction is coextensive with one or more counties or municipalities. "Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

EXCEPTION: The prohibition of this section does not apply where a vendor has contested any tax administered pursuant to chapter eleven of this code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

Under penalty of law for false swearing (*West Virginia Code* §61-5-3), it is hereby certified that the vendor affirms and acknowledges the information in this affidavit and is in compliance with the requirements as stated.

WITNESS THE FOLLOWING SIGNATURE

Vendor's Name: Aon Hewitt (Aon Consulting, Inc)

Authorized Signature: [Signature] Date: 12/14/10

State of Illinois

County of Cook, to-wit:

Taken, subscribed, and sworn to before me this 14 day of December, 2010.

My Commission expires 10-14, 2013.

AFFIX SEAL HERE

NOTARY PUBLIC

[Signature]

