SGRISK
ACTUARIES
CONSULTANTS

April 21, 2011

Ms. Shelly Murray, Buyer Supervisor
State of West Virginia
Department of Administration
Purchasing Division
2019 Washington Street East
Building 15
Charleston, WV 25305-0130

Re: Proposal for Actuarial Services
RFQ Number INS11014

Dear Ms. Murray:

We are please to enclose our Proposal for Actuarial Services in connection with the RFQ# INS11014 for services to The West Virginia Offices of the Insurance Commissioner. We are hopeful of being of service to you and The Offices of the Insurance Commission and will be available to answer any and all questions regarding our proposal.

Working with the West Virginia Offices of the Insurance Commissioner would be a natural extension with work we already do as Consulting Actuaries to The Virginia Commerce Group Self Insurance Association, Virginia Beach Public Schools, and The Commonwealth Contractors Group Self Insurance Association, all of which self-insure its Worker's Compensation, General & Auto Liability exposures. We have been their consulting Actuaries since the 1980's.

Our experience in analyzing rate filings goes back over 35 years. We have reviewed filings on behalf of the Department of the Attorney General in Rhode Island, as well as for the Insurance Departments in Oklahoma, Virginia, New York, New Jersey and other states.

Enclosed, also is information about SGRisk, LLC demonstrating our firm meets the qualification requirements set forth in this RFQ.

RECEIVED
2011 MAY -3 PM 2:43
WV PURCHASING DIVISION

1050 Wall Street West, Suite 610, Lyndhurst, NJ 07071
201 935-3434 ▪ Fax 201 935-3618 ▪ info@sgrisk.com ▪ www.sgrisk.com
We Make Sense From Your Statistics

SGRISK
ACTUARIES
CONSULTANTS

West Virginia
Offices of the Insurance Commissioner

Purchasing Division

Proposal for Actuarial Services
Request for Quotations for Proposal #INS11014

April 21, 2011

Contact Person:
E. James Stergiou, FCAS,MAAA
Tel #: 201-935-3434
Cell# 201-723-3174
Fax# 201-935-3618

SGRISK ACTUARIES CONSULTANTS

Table of Contents

SGRISK ACTUARIES CONSULTANTS

Our Corporate Philosophy

Ever since our founding in 1980, our philosophy and goal has been to have our clients understand the basic actuarial methodologies as much as possible and to remove the mystique or so call "black box" surrounding actuarial calculations. It is important that our clients understand the assumptions we use in developing our projections, how we arrive at those assumptions, and their impacts on the numbers. Furthermore, we will make our reports understandable to your auditors to increase their comfort levels as well.

Charles Gruber and I have been actuaries since our early days at Insurance Services Office almost 40 years ago. I have been a consultant for over 30 years. I know from personal experience how important service is to clients and how important it is that our clients understand our results and assumptions.

It is our goal to portray our clients in the best way possible to the outside world while, at the same time, not fooling them, ourselves or anyone else. It is important that you and your management understand, that the final numbers that are published, will be those agreed to by all of us together. Trust is the key with respect to the relationship with our clients and we always look at the overall picture over the long term.

E. James Stergiou, FCAS, MAAA
Chairman & CEO

Charles Gruber, FCAS, MAAA
President

Brief Background

We are casualty consulting actuaries with over 750 insurance company and self-insured/captive clients around the country. The self-insurance portion of our clientele comprises about one half of our business. The other half is split fairly equally between private insurance companies and .state agencies *(Insurance Departments, State Funds, Departments of Attorney General, US House of Representatives, etc.)*. We consult with our clients on rate making and loss reserving matters on virtually all casualty lines of business: Workers' Compensation, General Liability, Auto Liability, Commercial Multi Peril, Homeowners, Medical Malpractice, Professional Liability, Property, etc. Among the services we offer are:

1) Preparation of periodic *(usually quarterly or semi-annually)* loss and loss expense reserve reviews and final reports on an annual basis.

2) Preparation of periodic rate reviews to ensure that adequate and acceptable funding levels are always in use.

3) Help, if applicable, in negotiation and pricing of excess insurance treaties and agreements in order to limit and contain the impact of large losses or a "bad year."

4) Help in the programming of a detailed Management Information System *(MIS)* which will be housed at the client's offices. The MIS reports will allow us to determine whether reserves are keeping pace with insurance inflation, indicate reinsurance needs and analyze the client's claim frequency and claim severity, and review cash flow needs for investment purposes.

5) ***Any*** other actuarially related need. This is intended to be a catchall ***so that we are available immediately for any review and analysis as needed. We want you to look upon us as being your in-house actuaries, available always to answer questions, special reports and research as required.***

James Stergiou and Charles Gruber, principals of the firm and both Fellows of the Casualty Actuarial Society (FCAS), each have more than 40 years of actuarial and insurance experience. They are each members of the following professional organizations:

- Casualty Actuarial Society
- American Academy of Actuaries
- International Actuarial Association

Scope of Services

For the West Virginia Offices of the Insurance Commission (OIC), we will assist the Insurance Commissioner and Director of Rates and Forms in reviewing property and casualty product filings.

The review will include:

a) Analysis of Loss Development, Trend and credibility, factors reasonableness of projected loss ratios, territorial and classification relativities, and all other components of a rate filing.

b) We can also provide special reviews and analyses to the OIC, as requested.

c) We will be available to meet with OIC management, as well as officials, legislators and others, at any time in order to explain our projections, calculations and assumptions.

d) Any other actuarially – related study as may arise concerning the above.

SGRisk, LLC is a firm of casualty actuaries trained to provide and meet the needs of governmental insurance entities, private insurance companies, municipalities, self-insurers and captives.

We always utilize the loss experience of the individual filer, along with relevant industry-wide and loss data.

Methodology

- Use of the specific filer's own West Virginia OIC's Data Only. In addition, and as needed, our review of filings will be supplemented by industry wide and other data deemed relevant to enhance stability in our results.
- Application and Determination of Loss Growth Patterns to derive IBNR using Paid and Incurred Loss Development Analyses based on West Virginia's data.
- Determination of Loss Payment patterns to derive present value facts of projected Loss costs.
- Analysis of exposure changes over that exposure period which may effect our results and the empirical ruling.
- Attendance at meetings or hearings.
- Reorganization of investment income earned or Loss and Unearned premium reserves

SGRISK ACTUARIES CONSULTANTS

Basic Actuarial Method

Formula for Present Value Losses

(1)		(2)		(3)		(4)
Incurred Losses and Loss expenses	X	Loss Development Factors	X	Insurance Inflation (Trend Factor)	X	Present Value Factor
a) Closed Claims Paid Indemnity Paid Loss Expense		a) Late Reported Claims (Reporting Rate)		a) Claim Frequency		b) Interest Rate
b) Open Claims Reserves for Losses And LAE Loss Expense Paid		c) Reserving Adequacy (Changes)		d) Claim Severity		e) Payout Pattern
		c) Settlement Rate (Payout Pattern)				

Notes:

(1) Empirical Data based on West Virginia OIC's filer's Loss information
(2) Adjustments to reflect late reported claim (i.e., claims reported after the loss runs' evaluation date)
(3) Factors to reflect insurance inflation & adjustment to 2011 cost levels
(4) Calculation of funding in today's dollars

General Qualifications

Among the many other self-insured clients we service there are over 500 public entities around the country as well as many other self insurers.

- Attorney General Office - State of Rhode Island — Bill Maaia (former Asst)
  We testified at over 150 rate hearings concerning WC, AL, and GL — (401) 438-8211

- Oklahoma State Insurance Department
  Reviewed over 30 WC rate filings

- Commonwealth Contractors Group Self Insurance Assoc — Brad Adams
  Midlothian, VA 23114 — (888) 321-1995
  Rate Filings on an Annual Basis

- Virginia Commerce Group Self Insurance Association (VCGSIA) — Renee Gordon
  Rate Filings on an Annual Basis — (804) 359-9600 x 27

- Virginia Beach Public Schools — Brad Moses
  757-468-6100

- The Psychiatrist's Program (formerly the APA Sponsored PLIP) now
  National Union Fire of Pittsburgh, PA (Lexington Insurance where written as surplus lines)
  Actuarial support for rate and rule filings in, at various times, all states and DC.

- Converium MGA Programs
  Commercial Auto Liability & Physical Damage, GL, Inland marine and Terrorism in various States.

Notes:
Of our over 756 clients, more than three quarters are self-insurers and/or captives, and many of those, such as those above, are Public entities. The other quarter of our clientele is composed of small to mid-sized insurance companies and other, specialized accounts. In those jobs, we do exactly the function asked of us in this RFQ # INS11014.

E. James Stergiou, Chairman, and Charles Gruber, President are the two principals of the firm. Both are Fellows of the Casualty Actuarial Society. They each have more than 40 years of actuarial and insurance experience.

They are each members of the following professional organizations:

- Casualty Actuarial Society
- American Academy of Actuaries
- International Actuarial Association

David A. Royce, Vice President of SGRisk, LLC is a member of the Casualty Actuarial Society and of the American Academy of Actuaries. He has more than 25 years of actuarial and insurance experience.

Rich Levy, VP of SGRisk, is a Fellow of the Casualty Actuarial Society and a Member of the American Academy of Actuaries.

E. James Stergiou

EDUCATION:	New York University - Ph.D, program in Mathematics City College of New York - B.S., 1971 cum laude, Mathematics major
SCHOLASTIC HONORS:	Dean's List (every year at CCNY) Winner: Tremaine Scholarship at CCNY Winner: NY State Regent's Scholarship & Scholarship for Children of Disabled Veterans
PROFESSIONAL ORGANIZATIONS:	Fellow, Casualty Actuarial Society Member, American Academy of Actuaries Member, International Actuarial Association Member, International Association of Consulting Actuaries

EXPERIENCE:

Current	**SGRISK, LLC** (Stergiou & Gruber Risk Consultants, Inc.) **Chairman & Chief Executive Officer** Work on actuarial calculations of reserves of insurance companies and rate reviews and filings for ALL lines of insurance. Advice to captive and self- insurance clients (over 600 clients); to insurance companies writing in casualty business in the US and Canada; and to several insurance departments and public advocate agencies. Development of experience rating plans and new products, reinsurance advice and other similar actuarial work, Company has been in business since 1980.
1974 to 1985	**CASUALTY WOODWARD AND FONDILLER, INC.** **Vice President** Actuarial consulting for all lines. Specialized in working with State Insurance Funds on reserving and ratemaking.
1972 to 1974	**NORTH AMERICAN REINSURANCE CORPORATION** **Associate Actuary** Worked on pricing and reserving all types of reinsurance treaties for all lines of insurance.
1970 to1972	**INSURANCE SERVICES OFFICE** **Assistant Actuary** Ratemaking for Homeowners and Auto Losses (personal and commercial); special studies on expenses and taxes and investment income.

E. James Stergiou

Guest Panelist on numerous presentations before Risk & Insurance Management Society (RIMS), Public Risk Management Association (PRIMA), Insurance Society of New York, Casualty Actuarial Society, Practicing Las Institute, American Manufacturers Association, and others.

SAMPLE PAPERS: **"Actuarial Issues To Be Addressed in Ratemaking,"** (1980)
Paper presented to Casualty Actuarial Society.

"The Medical Malpractice Crisis in Canada," (1983)
Paper published in Canadian Underwriter.

Other Papers: **"Principles of Reserving," Ratemaking Principles," "The Layman's Guide to Actuarial Reserving"** – Published in various trade journals.

HOBBIES: Coach, little league baseball; basketball; football; and soccer in Ridgewood, NJ
Volunteer leader in Boy Scouts program.

Charles Gruber

EDUCATION: B.S. Mathematics, City College of New York
M.A. Mathematics, Hunter College
M.S. Journalism, Columbia University

PROFESSIONAL ORGANIZATIONS: Fellow, Casualty Actuarial Society
Member, American Academy of Actuaries
Fellow, Conference of Consulting Actuaries
Member, International Actuarial Association
Member, International Association of Consulting Actuaries

EXPERIENCE:
Current

SGRISK, LLC (Stergiou & Gruber Risk Consultants)
President & Chief Operating Officer
I work as an actuarial and insurance consultant for self-insureds, captives, legal firms, insurance brokers and insurance companies. My work includes ratemaking, reserving, reinsurance analysis, expert witness testimony, development of new products and individual risk rating plans.

1979 to 1985

NATIONAL COUNCIL ON COMPENSATION INSURANCE
Actuary
I was an officer of the NCCI and head of the Actuarial Research Department. Research highlights are: development of an occupational disease pricing model; a proposal for the formation of a country-wide occupational disease reinsurance pool; exposure base research; implementation of a modified experience rating plan; and simulation of severe workers' compensation claims. I also produced a dozen half-hour videotapes, used by the NCCI as training material. A story on the production appeared in the Journal of Commerce.

1974 to 1978

NEW YORK COMPENSATION INSURANCE RATING BOARD
Actuary
I was manager of both the actuarial and data processing departments, with a staff of 40 people. My responsibilities were to prepare rate revisions, file them for insurance department approval, promulgate classification rates, price legislaive benefits and analyze data.

1969 to 1974

INSURANCE SERVICES OFFICE
Actuarial Supervisor
I was involved with long term actuarial and research projects in private passenger automobile, commercial automobile and general liability.

OTHER : I am also a published writer. My articles, both on actuarial and non-actuarial topics, have appeared in many newspapers, magazines, and trade journals. I won a New York Times Award for financial writers. I have made many speeches and presentations at industry events.

David A. Royce

EXPERIENCE:

Current — **SGRISK,LLC**
Vice President
Consulting to risk retention groups, captive insurers and insurance companies. Work in the U.S. and internationally includes ratemaking, individual risk rating, loss reserving, reinsurance and product development.

1990 to 1996 — **INDEPENDENT CONSULTANT**
Consulting to insurance companies with respect to professional liability insurance rates, and mergers and acquisitions. Determine funding and reserves for individual and group self-insureds.

1988 to 1990 — **SCOTTISH & YORK INSURANCE GROUP**
Manager, Actuarial and Information Services
Responsible for the valuation of liabilities and preparation of the Report of the Actuary for all member companies. Promulgate rates for all lines of property and casualty insurance. Liaise with service bureau providing mainframe computer support to the companies. Supervise the design and implementation of a minicomputer based management information system. Establish standards for, and supervise the implementation of, microcomputer systems, including coordination of staff training.

1986 to 1988 — **RELIANCE INSURANCE COMPANIES**
Associate Actuary
Responsible for the valuation of a variety of interest sensitive insurance products and structured settlements. Develop computer programs to support these valuations. Participate in the development of an asset/liability management model.

1984 to 1986 — **SCOTTISH & YORK INSURANCE GROUP**
Assistant Actuary
Design and implement a microcomputer based ceded reinsurance management reporting system. Assist in preparation and negotiation of reinsurance renewals and commutations. Establish rates for specialty lines.

EDUCATION: Bachelor of Mathematics, University of Waterloo, 1984

PROFESSIONAL CREDENTIALS:
Associate Casualty Actuarial Society
Member American Academy of Actuaries
Fellow Conference of Consulting Actuaries

Proposed Fees

Our Costs are based on an hourly rate of $275.00 per hour.

South Bergen Joint Insurance Fund, NJ
Contact: Dave Grubb, Executive Director
Telephone : (201)-587-0555

Delaware Valley Trusts (WC & Liability), PA
Contact: Richard Lee, Administrator
Telephone: (215) 706-0101

Penn Prime Trusts (WC & Liability), PA
Contact: John Garner, Exec Director
Telephone: (717) 236-9469

Cook County, IL - City of Chicago
Contact: Ralph Wilson, Sr. Vice President
Telephone: (312) 442-7220
Contact: Donna Dunnings, Risk Manager
Telephone: (312) 603-4930

Westchester County, NY
Contact: Ann Marie Berg, Budget Director
Telephone: (914) 995-2850
Contact: Anthony Arena, Risk Manager
Telephone: (914) 995-2712

City of White Plains, NY
Contact: Gina Cuneo Harwood, Commissioner of Finance
Telephone: (914) 422-1233

Town of Ramapo, NY
Contact: Melissa Reimer, Supervisor of Fiscal Services
Telephone: (845) 357-5100 x212

City of Fort Wayne, IN
Contact: Valerie (Breen) Ahr, Deputy Controller Finance & Administration
Telephone: (219) 427-1107

Bucks County, PA
Contact: Victoria Harris, Finance
Telephone: (215) 348-6569

SGRISK ACTUARIES CONSULTANTS

References

City of Miami, FL

Contact: Calvin Ellis, Assistant Risk Manager Administrator
Telephone: (305)-416-1716

New York State Health Providers Association, Inc., NY

Contact: Ed Norton, Administrators
Telephone: (716) 375-4606

Commonwealth Contractors Group Self-Insurance Association, VA

Contact: Mr. Stan Adams
Telephone: (804)748-4882

CompSource Oklahoma (CSO), OK

Contact: Jason Clark, President
Telephone: (405) 962-3819

Partial List of Clients

Academic Health Professionals Insurance Association
American Millennium Insurance Company
American Psychiatric Association
AmTrust Financial Group
Brookdale Hospital
Builders Association of Kansas
Builders Association of Missouri
City of Chicago
City of Fort Wayne, Indiana
City of Miami
Combined Coordinating Council
Commonwealth Contractors Group Self Insurance Association
CompSource Oklahoma (CSO)
Cook County, Illinois
Delaware Valley Insurance Trust
Ellis Hospital
Federation of Jewish Philanthropies of New York
Ft. Wayne, Ind
Healthcare Risk Consultants
Hereford Insurance Company
Insurance Buyers' Council
Mega/ United Insurance Companies
Middlesex County
Montefiore Hospital – New York City
Mount Sinai Hospital – New York City
New York Health Providers Association
New York Hospital
New York University Medical Center
Network Insurance Company, Ltd
Professional Protective Insurance Company
Professional Risk Management
Robert Wood Johnson University Hospital
South Bergen Municipal Joint Insurance Fund
St. Barnabas Hospital
Stellaris Health Network
St. Luke's Hospital of Utica, NY
Town of Ramapo, New York
USI Midwest
Westchester County, NY
Westchester Medical Center

Appendix
State of West Virginia Documentation

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	PAGE
INS11014	1

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

VENDOR:
RFQ COPY
TYPE NAME/ADDRESS HERE
SGRISK, LLC
1050 WALL ST. W.
Ste 610
Lyndhurst NJ 07071
E. JAMES STERGIOU

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
04/04/2011				

BID OPENING DATE: 05/11/2011 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT

OPEN END CONTRACT

THE WEST VIRGINIA PURCHASING DIVISION, FOR THE AGENCY, THE WEST VIRGINIA INSURANCE COMMISSION, IS SOLICITING BIDS FOR ACTUARIAL RATE REVIEW OF PROPERTY AND CASUALTY PRODUCT FILINGS AND CONSULTING SERVICES PER THE ATTACHED SPECIFICATIONS.

TECHNICAL QUESTIONS MUST BE SUBMITTED IN WRITING TO SHELLY MURRAY IN THE WEST VIRGINIA PURCHASING DIVISION VIA MAIL AT THE ADDRESS SHOWN AT THE TOP OF THIS RFQ, VIA FAX AT 304-558-4115, OR VIA E-MAIL AT SHELLY.L.MURRAY@WV.GOV. DEADLINE FOR ALL TECHNICAL QUESTIONS IS 04/25/2011 AT THE CLOSE OF BUSINESS. ALL TECHNICAL QUESTIONS RECEIVED, IF ANY, WILL BE ADDRESSE BY ADDENDUM AFTER THE DEADLINE.

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
0001	1	HR		946-12		

ACTUARIAL SERVICES

EXHIBIT 3

LIFE OF CONTRACT: THIS CONTRACT BECOMES EFFECTIVE UPON AWARD AND EXTENDS FOR A PERIOD OF ONE (1) YEAR OR UNTIL SUCH "REASONABLE TIME" THEREAFTER AS IS NECESSARY TO OBTAIN A NEW CONTRACT OR RENEW THE

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE 201-935-3434	DATE 4/21/11
TITLE Chair + CEO	FEIN 20-0557212	ADDRESS CHANGES TO BE NOTED ABOVE

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

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

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ORIGINAL CONTRACT. THE "REASONABLE TIME" PERIOD SHALL NOT EXCEED TWELVE (12) MONTHS. DURING THIS "REASONABLE TIME" THE VENDOR MAY TERMINATE THIS CONTRACT FOR ANY REASON UPON GIVING THE DIRECTOR OF PURCHASING 30 DAYS WRITTEN NOTICE.

UNLESS SPECIFIC PROVISIONS ARE STIPULATED ELSEWHERE IN THIS CONTRACT DOCUMENT, THE TERMS, CONDITIONS AND PRICING SET HEREIN ARE FIRM FOR THE LIFE OF THE CONTRACT.

RENEWAL: THIS CONTRACT MAY BE RENEWED UPON THE MUTUAL WRITTEN CONSENT OF THE SPENDING UNIT AND VENDOR, SUBMITTED TO THE DIRECTOR OF PURCHASING THIRTY (30) DAYS PRIOR TO THE EXPIRATION DATE. SUCH RENEWAL SHALL BE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AND SHALL BE LIMITED TO TWO (2) ONE (1) YEAR PERIODS.

CANCELLATION: THE DIRECTOR OF PURCHASING RESERVES THE RIGHT TO CANCEL THIS CONTRACT IMMEDIATELY UPON WRITTEN NOTICE TO THE VENDOR IF THE COMMODITIES AND/OR SERVICES SUPPLIED ARE OF AN INFERIOR QUALITY OR DO NOT CONFORM TO THE SPECIFICATIONS OF THE BID AND CONTRACT HEREIN.

OPEN MARKET CLAUSE: THE DIRECTOR OF PURCHASING MAY AUTHORIZE A SPENDING UNIT TO PURCHASE ON THE OPEN MARKET, WITHOUT THE FILING OF A REQUISITION OR COST ESTIMATE, ITEMS SPECIFIED ON THIS CONTRACT FOR IMMEDIATE DELIVERY IN EMERGENCIES DUE TO UNFORESEEN CAUSES (INCLUDING BUT NOT LIMITED TO DELAYS IN TRANSPORTATION OR AN UNANTICIPATED INCREASE IN THE VOLUME OF WORK.)

QUANTITIES: QUANTITIES LISTED IN THE REQUISITION ARE APPROXIMATIONS ONLY, BASED ON ESTIMATES SUPPLIED BY

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
	201-935-3434	4/21/11

TITLE	FEIN	
Chair + CEO	20-0557212	ADDRESS CHANGES TO BE NOTED ABOVE

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THE STATE SPENDING UNIT. IT IS UNDERSTOOD AND AGREED THAT THE CONTRACT SHALL COVER THE QUANTITIES ACTUALLY ORDERED FOR DELIVERY DURING THE TERM OF THE CONTRACT, WHETHER MORE OR LESS THAN THE QUANTITIES SHOWN.

ORDERING PROCEDURE: SPENDING UNIT(S) SHALL ISSUE A WRITTEN STATE CONTRACT ORDER (FORM NUMBER WV-39) TO THE VENDOR FOR COMMODITIES COVERED BY THIS CONTRACT. THE ORIGINAL COPY OF THE WV-39 SHALL BE MAILED TO THE VENDOR AS AUTHORIZATION FOR SHIPMENT, A SECOND COPY MAILED TO THE PURCHASING DIVISION, AND A THIRD COPY RETAINED BY THE SPENDING UNIT.

BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THE STATE MAY DEEM THE CONTRACT NULL AND VOID, AND TERMINATE SUCH CONTRACT WITHOUT FURTHER ORDER.

THE TERMS AND CONDITIONS CONTAINED IN THIS CONTRACT SHALL SUPERSEDE ANY AND ALL SUBSEQUENT TERMS AND CONDITIONS WHICH MAY APPEAR ON ANY ATTACHED PRINTED DOCUMENTS SUCH AS PRICE LISTS, ORDER FORMS, SALES AGREEMENTS OR MAINTENANCE AGREEMENTS, INCLUDING ANY ELECTRONIC MEDIUM SUCH AS CD-ROM.

EXHIBIT 6

PRICE ADJUSTMENT PROVISION:
THE STATE OF WEST VIRGINIA WILL CONSIDER BIDS THAT CONTAIN PROVISIONS FOR PRICE ADJUSTMENTS PRIOR TO THE ORIGINAL EXPIRATION OF THE CONTRACT, PROVIDED THAT SUCH PRICE ADJUSTMENT COVERS BOTH UPWARD AND DOWNWARD MOVEMENT OF THE COMMODITY PRICE, AND THAT ADJUSTMENT IS BASED ON THE "PASS THROUGH" INCREASE OR DECREASE OF RAW MATERIALS AND/OR LABOR, WHICH MAKE UP ALL OR A

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
	201-935-3434	4/21/11

TITLE	FEIN	
Chair + CEO	20-0557212	ADDRESS CHANGES TO BE NOTED ABOVE

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304-558-8801

VENDOR:
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SGRISK, LLC
1050 WALL STR W.
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LYNDHURST, NJ 07071
E JAMES STERGIOU

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SUBSTANTIAL PART OF A PRODUCT. ADJUSTMENTS ARE TO BE BASED UPON AN ACTUAL DOLLAR FIGURE, NOT A PERCENTAGE. ALL PRICE ADJUSTMENT REQUESTS MUST BE SUBSTANTIATED IN A MANNER ACCEPTABLE TO THE DIRECTOR PURCHASING, E.G. GOVERNMENTAL BENCH MARKS, GENERAL MARKET INCREASE, PUBLISHED PRICE LISTS. SUCH REQUESTS FOR AND INCREASE SHOULD BE RECEIVED IN WRITING BY THE DIRECTOR OF PURCHASING AT LEAST 30 DAYS IN ADVANCE OF THE EFFECTIVE DATE OF THE INCREASE. ANY TIME THE VENDOR REQUESTS A PRICE ADJUSTMENT, THE PURCHASING DIVISION MAY EITHER ACCEPT THE PRICE ADJUSTMENT AND AMEND THE CONTRACT ACCORDINGLY OR REJECT THE ADJUSTMENT IN ITS ENTIRETY AND CANCEL THE CONTRACT.

PREFERRED TERMS:
IT IS PREFERRED THAT THE PRICES ON THIS CONTRACT ARE FIRM FOR LIFE OF THE CONTRACT, AS INDICATED IN THE LIF OF CONTRACT CLAUSE CONTAINED HEREIN, NOT TO EXCEED ONE (1) YEAR.

PASS THROUGH PRICE INCREASES WILL BE CONSIDERED AT TIME OF CONTRACT RENEWAL ONLY.

PURCHASING CARD ACCEPTANCE: THE STATE OF WEST VIRGINIA CURRENTLY UTILIZES A VISA PURCHASING CARD PROGRAM WHICH IS ISSUED THROUGH A BANK. THE SUCCESSFUL VENDOR MUST ACCEPT THE STATE OF WEST VIRGINIA VISA PURCHASING CARD FOR PAYMENT OF ALL ORDERS PLACED BY ANY STATE AGENCY AS A CONDITION OF AWARD.

NOTICE

A SIGNED BID MUST BE SUBMITTED TO:

DEPARTMENT OF ADMINISTRATION

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE 201-935-3434	DATE 4/21/11
TITLE Chair + CEO	FEIN 20-0557212	ADDRESS CHANGES TO BE NOTED ABOVE

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

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	PAGE
INS11014	5

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

VENDOR:
RFQ COPY
TYPE NAME/ADDRESS HERE
SGRisk, LLC
1050 Wall St. W
STE 610
Lyndhurst, NJ 07071
E. James Sterbiou

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
04/04/2011				

BID OPENING DATE: 05/11/2011 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT

PURCHASING DIVISION
BUILDING 15
2019 WASHINGTON STREET, EAST
CHARLESTON, WV 25305-0130

THE BID SHOULD CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED:

SEALED BID

BUYER: SHELLY MURRAY

RFQ. NO.: INS11014

BID OPENING DATE: 05/11/2011

BID OPENING TIME: 1:30 PM

PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID:

CONTACT PERSON (PLEASE PRINT CLEARLY):

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE 201-935-3434	DATE 4/21/11
TITLE Chair + CEO	FEIN 20-0557212	ADDRESS CHANGES TO BE NOTED ABOVE

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REQUEST FOR QUOTATIONS
INS11014

ACTUARIAL REVIEW AND CONSULTING SERVICES FOR PROPERTY AND CASUALTY INSURANCE PRODUCT RATE FILINGS

The West Virginia Offices of the Insurance Commissioner (OIC), an agency of the West Virginia Department of Revenue, is seeking quotations from qualified actuarial firms for actuarial rate review of property and casualty related product filings and consulting services. Property and casualty product filings include, but are not limited to, marine, surety, homeowners, liability, medical malpractice, workers' compensation, product liability, personal auto, commercial auto, credit and title. The firm may provide other management consulting services for the OIC. These additional services may include appearances by the firm's personnel before legislative and executive bodies, or others to respond to questions or give reports. The firm may be required to provide testimony at rate hearings. These services may also include the preparation of related written reports. All work under the proposed contract will be under the direction of the Insurance Commissioner or her designee. Written reports and findings must be submitted initially in draft form in order that any necessary changes may be discussed and agreed upon before final acceptance. The actuarial firm may provide other management consulting services and perform special reviews and/or analysis of property and casualty products for the OIC.

"Qualified Actuarial Firm" defined

Any actuarial firm submitting a quotation under this procurement shall meet or exceed the minimum qualifications set for in this RFQ. Those quotations not meeting the mandatory specifications will be eliminated. Any actuarial firm submitting a quotation under this procurement shall meet or exceed the minimum qualifications as follows:

✓ One or more members assigned to this contract must be a Fellow of the Casualty Actuarial Sciences (FCAS) 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 property and casualty products

✓ Members assigned this contract must have at least five (5) years of experience specifically with homeowners and private passenger auto

✓ One or more members to be assigned to this contract must be experienced in providing rate review services to state insurance regulators

✓ The firm shall have no conflict of interest with regard to any carrier that is actively writing individual or group life and health products in the West Virginia market.

Scope of Services

The firm awarded the contract as a result of this RFQ will assist the Insurance Commissioner and Director of Rates and Forms in reviewing property and casualty product filings. The review shall include, but may not be limited to, analysis of trending, credibility, development factors, durational factors, geographical factors, loss development, loss ratios, rating bands and all other components of a rate filing. It is expected that the review will document the justification for the rate adjustment, concerns with factors used or selected, support of the factors, identify areas of concern, documentation to support the indicated and requested rate levels, projected premium impact and projected premium impact to consumers. The initial review and related report shall be submitted to the OIC within 30 days of receiving the filing from the OIC. All follow-up questions and correspondence shall be between the OIC and the carrier.

The actuarial firm is to develop a manual of rate review guidelines for use by the OIC staff. The manual should document the essential steps of the rate review process and establish benchmarks for the various components of rates by product line, providing the office with a reference guide that is specifically written with a rate analyst in mind. Statute and rules will continue to dictate review requirements and provide the framework for manual topics; however, the guide should go a step beyond to the level of detail necessary to improve an analyst's review of property and casualty filings. It should be a tool that can be used as a general checklist for the OIC's rate reviews as well as a training guide for future insurance rate and policy analysts.

The actuarial firm may provide other management consulting services and perform special reviews and/or analysis of property and casualty related products to the OIC. These additional services may include appearances by the actuary's personnel before judicial, legislative, and executive bodies, or others to respond to questions of an actuarial nature or to give reports. These services may also include the preparation of written reports concerning actuarial matters as deemed necessary by the OIC. All work under the proposed contract will be under the direction of the Insurance Commissioner or her designee. Written reports and actuarial findings must be submitted initially in draft form in order that any necessary changes may be discussed and agreed upon before final acceptance.

Bid Amount

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.

Issuing Office/Contact Point for this RFQ

This RFQ is being issued by the Purchasing Division of the Department of Administration, on behalf of the West Virginia Offices of the Insurance Commissioner. Inquiries about this RFQ, or requests for additional information, must be directed to:

Shelly Murray, Buyer Supervisor
Purchasing Division
2019 Washington Street, East
Charleston, West Virginia 25305-0130
Telephone: (304) 558-8801
Facsimile: (304) 558-4115

No contact with the West Virginia Offices of the Insurance Commissioner staff specifically concerning this RFQ is permitted following issuance of this RFQ. Any contact related to this RFQ may disqualify the Vendor who violates this requirement.

Expenses Incurred

The State of West Virginia and the West Virginia Offices of the Insurance Commissioner will not be liable for any expenses incurred by any Vendor in the preparation and submission of quotations for this RFQ.

Assignment

The relationship of the selected firm to the State of West Virginia and to the West Virginia Offices of the Insurance Commissioner will be that of an independent contractor, with no principal-agent or employer-employee relationships created by the parties to any resultant agreement. The firm shall not assign, convey, transfer, or delegate any of its responsibilities or obligation under the resultant agreement without prior written approval of the Offices of the Insurance Commissioner. Such approval may be granted by the sole discretion of the Offices of the Insurance Commissioner. No assignments, if any are granted, shall release the vendor from its liability for the prompt and effective performance of the obligations hereunder.

Governing Law

The contract resulting from this RFQ will be governed by the laws of West Virginia. The State of West Virginia asserts its Eleventh Amendment right not to be sued in any federal court.

Taxes

The State of West Virginia and the West Virginia Offices of the Insurance Commissioner are exempt from Federal Excise taxes and from State and local sales and use taxes on the services to be supplied as a result of any contracts resulting from this RFQ. Consequently, the State of West Virginia and the West Virginia Offices of the Insurance Commissioner will have no responsibilities for the payment of any taxes that become payable by the successful firm.

Acceptance Period for Quotations

The quotations submitted in response to the RFQ shall remain fixed and valid for a period of six (6) months commencing on the date the quotations are due.

Firm Information

Responding firms should include the following information with their bid proposal submittal. The West Virginia 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.

(b) Date of registration to do business in the State of West Virginia.

VENDOR COST: $ 275.00 **PER HOUR**

RFQ No. INS 11014

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 exceed 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: SGRisk, LLC

Authorized Signature: ________________ Date: 4/21/11

State of New Jersey

County of Bergen, to-wit:

Taken, subscribed, and sworn to before me this 21st day of April, 2011.

My Commission expires June 27, 2016, 20__.

AFFIX SEAL HERE **NOTARY PUBLIC** ________________

JANINA TABOR-PALERNO
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 27, 2016

N/A

Rev. 09/08

State of West Virginia

VENDOR PREFERENCE CERTIFICATE

Certification and application* is hereby made for Preference in accordance with ***West Virginia Code***, §5A-3-37. (Does not apply to construction contracts). ***West Virginia Code***, §5A-3-37, provides an opportunity for qualifying vendors to request (at the time of bid) preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the ***West Virginia Code***. This certificate for application is to be used to request such preference. The Purchasing Division will make the determination of the Resident Vendor Preference, if applicable.

1. **Application is made for 2.5% resident vendor preference for the reason checked:**

___ Bidder is an individual resident vendor and has resided continuously in West Virginia for four (4) years immediately preceding the date of this certification; **or,**

___ Bidder is a partnership, association or corporation resident vendor and has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or 80% of the ownership interest of Bidder is held by another individual, partnership, association or corporation resident vendor who has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; **or,**

___ Bidder is a nonresident vendor which has an affiliate or subsidiary which employs a minimum of one hundred state residents and which has maintained its headquarters or principal place of business within West Virginia continuously for the four (4) years immediately preceding the date of this certification; **or,**

2. **Application is made for 2.5% resident vendor preference for the reason checked:**

___ Bidder is a resident vendor who certifies that, during the life of the contract, on average at least 75% of the employees working on the project being bid are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; **or,**

3. **Application is made for 2.5% resident vendor preference for the reason checked:**

___ Bidder is a nonresident vendor employing a minimum of one hundred state residents or is a nonresident vendor with an affiliate or subsidiary which maintains its headquarters or principal place of business within West Virginia employing a minimum of one hundred state residents who certifies that, during the life of the contract, on average at least 75% of the employees or Bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; **or,**

4. **Application is made for 5% resident vendor preference for the reason checked:**

___ Bidder meets either the requirement of both subdivisions (1) and (2) or subdivision (1) and (3) as stated above; **or,**

5. **Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:**

___ Bidder is an individual resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard and has resided in West Virginia continuously for the four years immediately preceding the date on which the bid is submitted; **or,**

6. **Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:**

___ Bidder is a resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard, if, for purposes of producing or distributing the commodities or completing the project which is the subject of the vendor's bid and continuously over the entire term of the project, on average at least seventy-five percent of the vendor's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years.

Bidder understands if the Secretary of Revenue determines that a Bidder receiving preference has failed to continue to meet the requirements for such preference, the Secretary may order the Director of Purchasing to: (a) reject the bid; or (b) assess a penalty against such Bidder in an amount not to exceed 5% of the bid amount and that such penalty will be paid to the contracting agency or deducted from any unpaid balance on the contract or purchase order.

By submission of this certificate, Bidder agrees to disclose any reasonably requested information to the Purchasing Division and authorizes the Department of Revenue to disclose to the Director of Purchasing appropriate information verifying that Bidder has paid the required business taxes, provided that such information does not contain the amounts of taxes paid nor any other information deemed by the Tax Commissioner to be confidential.

Under penalty of law for false swearing (West Virginia Code, §61-5-3), Bidder hereby certifies that this certificate is true and accurate in all respects; and that if a contract is issued to Bidder and if anything contained within this certificate changes during the term of the contract, Bidder will notify the Purchasing Division in writing immediately.

Bidder: SGRISK, LLC.   Signed: ______

Date: 4/21/11   Title: Chair & CEO

**Check any combination of preference consideration(s) indicated above, which you are entitled to receive.*