



**National Association of
Insurance Commissioners**

Technical Proposal Original

for a

**Comprehensive Data System
in support of Regulatory Activities**

requested by the

**Office of the Insurance Commissioner
West Virginia Insurance Commission**

RFQ # INS09019

RECEIVED

2009 JUN 18 A 8:14

PURCHASING DIVISION
STATE OF WV

submitted by the

National Association of Insurance Commissioners

2301 McGee Street, Suite 800

Kansas City, Missouri 64108

Signature:

Julienne Fritz

Date: 6/17/09

Contact: Julienne L. Fritz

Director, Insurance Products and Services, NAIC

Phone: 816/783-8709 Fax: 816/460-7495



State Based Systems

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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
INS09019

PAGE
1

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

RFQ COPY

TYPE NAME/ADDRESS HERE

National Association of Insurance Commissioners
 2301 McGee Street, Suite 800
 Kansas City, Missouri 64108
 Telephone: 816/842-3600

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
04/29/2009				

AWARDING DATE: **06/11/2009** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
				REQUEST FOR PROPOSAL		
				<p>THE WEST VIRGINIA PURCHASING DIVISION, FOR THE AGENCY, THE WEST VIRGINIA INSURANCE COMMISSION, IS SOLICITING PROPOSALS FOR A COMPREHENSIVE DATA SYSTEM THAT WILL SUPPORT SEVERAL ASPECTS OF THE INSURANCE COMMISSIONERS REGULATORY ACTIVITIES PER THE ATTACHED SPECIFICATIONS.</p> <p>TECHNICAL QUESTIONS MUST BE SUBMITTED IN WRITING TO SHELLY MURRAY IN THE WEST VIRGINIA PURCHASING DIVISION VIA MAIL AT THE ADDRESS SHOWN IN THE BODY OF THIS RFP, VIA FAX AT 304-558-4115, OR VIA EMAIL AT SHELLY.L.MURRAY@WV.GOV. DEADLINE FOR ALL TECHNICAL QUESTIONS IS 05/15/2009 AT THE CLOSE OF BUSINESS. ALL TECHNICAL QUESTIONS RECEIVED, IF ANY, WILL BE ADDRESSED BY ADDENDUM AFTER THE DEADLINE.</p> <p>QUESTIONS CONCERNING THE ACTUAL PROCESS BY WHICH A VENDOR MAY SUBMIT A PROPOSAL TO THE STATE OF WEST VIRGINIA ARE NOT CONSIDERED TO BE TECHNICAL QUESTIONS AND MAY BE SUBMITTED AT ANY TIME PRIOR TO THE RFP OPENING DATE AND IN ANY FORMAT.</p>		
	1	LS		920-04		
				COMPREHENSIVE DATA SYSTEM		
				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		

Contact Information/Signature on Page 4	TELEPHONE	DATE
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FEIN ADDRESS CHANGES TO BE NOTED ABOVE

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



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<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.)</p> <p>QUANTITIES: QUANTITIES LISTED IN THE REQUISITION ARE APPROXIMATIONS ONLY, BASED ON ESTIMATES SUPPLIED BY</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

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<p>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.</p> <p>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.</p> <p>BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THIS CONTRACT IS AUTOMATICALLY NULL AND VOID, AND IS TERMINATED WITHOUT FURTHER ORDER.</p> <p>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.</p> <p>REV. 04/11/2001</p> <p>WORKERS' COMPENSATION: VENDOR IS REQUIRED TO PROVIDE A CERTIFICATE FROM WORKERS' COMPENSATION IF SUCCESSFUL.</p> <p style="text-align: center;">NOTICE</p> <p>A SIGNED BID MUST BE SUBMITTED TO:</p> <p style="text-align: center;">DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

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				BUILDING 15 2019 WASHINGTON STREET, EAST CHARLESTON, WV 25305-0130		
<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.: INS09019</p> <p>BID OPENING DATE: 06/11/2009 (TECHNICAL)</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:</p> <p>Julienne L. Fritz, Director, Insurance Products and Services, Fax No.: 816-460-7495 -----</p> <p>CONTACT PERSON (PLEASE PRINT CLEARLY):</p> <p>Julienne L. Fritz, Director, Insurance Products and Services, Phone No.: 816-783-8709 -----</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

DATE **6/9/09**

TELEPHONE **816-783-8709**

ADDRESS CHANGES TO BE NOTED ABOVE

NAIC - 311674580

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



State of West Virginia
 Department of Administration
 Purchasing Division
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 Post Office Box 50130
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25305-0540 304-558-3707

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05/28/2009				
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BIDDING DATE:	BID OPENING TIME
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06/18/2009	01:30PM
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LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
----- ADDENDUM NO. 1 -----						
<p>THIS ADDENDUM IS ISSUED TO ADDRESS THE QUESTIONS AND CONCERNS RAISED PRIOR TO THE QUESTION SUBMISSION DEADLINE OF 05/15/2009.</p> <p>ATTACHMENT: QUESTIONS AND RESPONSES</p> <p>THE BID OPENING DATE IS EXTENDED:</p> <p>FROM: 06/11/2009 TO : 06/18/2009</p>						
	1	LS		920-04		
COMPREHENSIVE DATA SYSTEM						
EXHIBIT 10						
REQUISITION NO.: INS09019						
ADDENDUM ACKNOWLEDGEMENT						
I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING CHECKED ADDENDUM(S) AND HAVE MADE THE NECESSARY REVISIONS TO MY PROPOSAL, PLANS AND/OR SPECIFICATION, ETC.						
ADDENDUM NO.'S:						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

See page 2 of Addendum	TELEPHONE	DATE
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FEIN	ADDRESS CHANGES TO BE NOTED ABOVE
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NO. 1 **XX**
 NO. 2
 NO. 3
 NO. 4
 NO. 5

I UNDERSTAND THAT FAILURE TO CONFIRM THE RECEIPT OF THE ADDENDUM(S) MAY BE CAUSE FOR REJECTION OF BIDS.

VENDOR MUST CLEARLY UNDERSTAND THAT ANY VERBAL REPRESENTATION MADE OR ASSUMED TO BE MADE DURING ANY ORAL DISCUSSION HELD BETWEEN VENDOR'S REPRESENTATIVES AND ANY STATE PERSONNEL IS NOT BINDING. ONLY THE INFORMATION ISSUED IN WRITING AND ADDED TO THE SPECIFICATIONS BY AN OFFICIAL ADDENDUM IS BINDING.

Julienne L. Fritz

SIGNATURE
 Julienne L. Fritz, Director, Insurance Products & Services
 National Association of Insurance Commissioners

COMPANY

..... **6/19/09**
 DATE

REV. 11/96

----- END OF ADDENDUM NO. 1 -----

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

<i>Julienne L. Fritz</i>	TELEPHONE 816-783-8709	DATE 6/19/09
Insurance Products & Services FEIN 31-1374580	ADDRESS CHANGES TO BE NOTED ABOVE	

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

STATE OF WEST VIRGINIA
Purchasing Division

PURCHASING AFFIDAVIT

VENDOR OWING A DEBT TO THE STATE:

West Virginia Code §5A-3-10a provides that: 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.

PUBLIC IMPROVEMENT CONTRACTS & DRUG-FREE WORKPLACE ACT:

If this is a solicitation for a public improvement construction contract, the vendor, by its signature below, affirms that it has a written plan for a drug-free workplace policy in compliance with Article 1D, Chapter 21 of the *West Virginia Code*. The vendor must make said affirmation with its bid submission. Further, public improvement construction contract may not be awarded to a vendor who does not have a written plan for a drug-free workplace policy in compliance with Article 1D, Chapter 21 of the *West Virginia Code* and who has not submitted that plan to the appropriate contracting authority in timely fashion. For a vendor who is a subcontractor, compliance with Section 5, Article 1D, Chapter 21 of the *West Virginia Code* may take place before their work on the public improvement is begun.

ANTITRUST:

In submitting a bid to any agency for the state of West Virginia, the bidder offers and agrees that if the bid is accepted the bidder will convey, sell, assign or transfer to the state of West Virginia all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the state of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the state of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to the bidder.

I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership or person or entity submitting a bid for the same materials, supplies, equipment or services and is in all respects fair and without collusion or fraud. I further certify that I am authorized to sign the certification on behalf of the bidder or this bid.

LICENSING:

Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, West Virginia Insurance Commission, or any other state agencies or political subdivision. Furthermore, the vendor must provide all necessary releases to obtain information to enable the Director or spending unit to verify that the vendor is licensed and in good standing with the above entities.

CONFIDENTIALITY:

The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/noticeConfidentiality.pdf>.

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.

Vendor's Name: National Association of Insurance Commissioners

Authorized Signature:  Date: 6/9/09

Purchasing Affidavit (Revised 01/01/09) Julienne L. Fritz, Director, Insurance Products and Services

INTRODUCTION

The mission of the NAIC is to assist state insurance regulators, individually and collectively, in serving the public interest and achieving the following fundamental insurance regulatory goals in a responsive, efficient and cost-effective manner, consistent with the wishes of its members:

- ▶ Protect the public interest;
- ▶ Promote competitive markets;
- ▶ Facilitate the fair and equitable treatment of insurance consumers;
- ▶ Promote the reliability, solvency and financial solidity of insurance institutions; and
- ▶ Support and improve state regulation of insurance.

National Association of Insurance Commissioners Mission Statement

The State Based Systems Initiative

SBS is an excellent example of the NAIC's mission to assist state insurance regulation. The first Web-based solution in the marketplace, today SBS has 16 licensed NAIC members directing its growth and an extensive staff solely dedicated to its support. The SBS product suite has expanded exponentially to meet the rapidly evolving business needs of the states, and will continue to do so in the future.

SBS – We're Growing to Meet State Insurance Regulation Needs

Within the past two years, the NAIC has successfully implemented SBS for the states of Missouri, Kansas, Alabama, Florida, North Carolina, and Iowa, with implementations for Illinois, North Dakota, Tennessee, Puerto Rico and Oklahoma currently under way. In addition, SBS is the solution of choice for New Hampshire, Rhode Island, Delaware, the District of Columbia, and New Jersey.

The NAIC has kept pace with the initiative to expand the SBS application in a number of new business areas. Since 2006 the NAIC has developed and implemented a wide range of services from project tracking, market conduct / financial exam tracking, and revenue management to investigations or fraud case management. This growth is a direct response to the growing business needs of the states.

What SBS can do for West Virginia

The NAIC's proposal demonstrates that SBS is uniquely suited to best meet the needs of the West Virginia Office of the Insurance Commissioner.

- ⊕ SBS is the only system to provide real-time license application and approval for resident and non-resident applicants with clean applications, online license printing, access to detailed licensing information— such as company appointments, key license dates, continuing education course completions, and business entity appointments—and automated e-mail notifications via a real-time external interface.
- ⊕ SBS is the only system fully backed by the NAIC membership, which is served by NAIC offices with over 400 employees dedicated to supporting state insurance regulation.
- ⊕ SBS is the only system that is fully integrated with both the NAIC's I-SITE and all NIPR electronic initiatives and is provided as a part of the SBS solution.
- ⊕ SBS is the only system that is integrated with the NAIC's SERFF application whereby SERFF leverages company licensing data from within the SERFF interface.

The NAIC's flexibility enables states to select implementation of all SBS services or a select few services, with full integration with other back office systems. The SBS licensees work in a coordinated fashion, directing SBS growth. In addition, the NAIC has allocated an extensive staff solely dedicated to its support. Over its life, the SBS product suite has expanded exponentially to meet the rapidly evolving business needs of the states, and will continue to do so in the future.

The NAIC is focused on state insurance regulators and assisting them with their responsibilities via a myriad of tools. One of those tools that has a proven track record is SBS. The NAIC is confident that SBS is the best solution for the West Virginia Office of the Insurance Commissioner.

The NAIC has reviewed all terms and conditions as set forth in the Request for Proposals and is prepared to deliver the requested functionality as described in Sections I-X of our response. The NAIC would like to suggest minor changes to a couple of provisions as follows:

- 1) The NAIC agrees to the liquidated damages contained in Section 1.19 assuming that the failure to provide deliverables, meet milestones, or meet specified deadlines is deemed the fault of the Vendor and not the fault of the Agency or other third party entity involved in providing the deliverable, meeting the milestones, or meeting specified deadlines.
- 2) The NAIC requests that Section 3.2.9.3 be replaced with the following: "The Vendor shall warrant that it adheres to industry standards in the prevention of viruses, destructive programming, or any mechanisms designed to disrupt the performance of the software or state network."

We appreciate your accommodation of the above and look forward to the opportunity to work with the West Virginia Office of the Insurance Commissioner.

Section I – Basic Features and Functionality

The NAIC has marked as available any functionality that is already incorporated in SBS design or is an enhancement that would be developed in support of the requirements for this RFP.

	Available	Alternative?
General Specifications		
Existing Web-based application suite for State insurance departments that includes the following services: Producer Licensing, Company Licensing, Continuing Education, Enforcement, Fraud, and Revenue.	X	
Existing application suite must include the ability to use the NAIC's System for Electronic Rate and Form Filing (SERFF) as the primary review and approval tool and include access to company licensing information via SERFF.	X	
Existing application suite must include integration with NIPR applications and datasets. The Department plans to utilize NIPR licensing and appointment transaction sets as the primary online licensing tool.	X	
Existing application suite must include integration with NAIC I-SITE application.	X	
Existing application suite must provide real-time updates to the NAIC's Complaints Database System (CDS) and Regulatory Insurance Retrieval System (RIRS).	X	
Application suite must include the ability for users to run customized reports, accessing all data fields without requiring technical assistance.		X ¹
Application suite must include the ability to generate correspondence for an entity and store the correspondence within the database.	X	
Application suite must offer integration with document management/imaging systems.	X	
Vendor must provide application and database hosting.	X	
Vendor must meet record retention requirements of the State.	X	
The proposal must include all data conversions necessary.	X	
User Access/Permissions based on State-defined Roles and Responsibilities.	X	

X¹ – SBS includes extract reports that support the requirement to allow the user to create customized reports for the vast majority of fields in the system, without requiring technical assistance. Should any additional reporting requirements exist, we also support expanded user-driven access to SBS using a direction connection to the SBS database.

Section II – Producer Licensing

The NAIC has marked as available any functionality that is already incorporated in SBS design or is an enhancement that would be developed in support of the requirements for this RFP.

	Available	Alternative?
Searching, Processing, Adding, Updating, Tracking, Viewing Requirements		
Search and Track by Last Name, Business Entity Name, SSN, License #, NPN and FEIN	X	
Allows Wildcard, Phonetic, Starts With, Ends With, Search Capability	X	
Ability to use NPN as License Number	X	
Track and Update Demographic Information for Producers, including: First Name, Last Name, SSN, NPN, DBA/Trade Name, Residency Status/Domiciliary State, Data of Birth, NASD #, Residence Address, Business Address, Mailing Address, Phone, Fax, Email Address	X	
Track License History, including Application Data, LOAs, License Types, License Status, Exam/Certification Dates, Status Dates, Effective Dates, and Termination Dates	X	
Track and Update Producer Company Affiliations	X	
Track and Update Designated Licensed Responsible Producers	X	
Create new Licensee records, edit old Licensee records, track non-licensed entities	X	
Utilize NIPR Electronic Resident and Non-Resident Original and Renewal Application Processing using the NAIC Uniform Application	X	
Automatic license approval of original and renewal applications if the application is 'clean'	X	
Utilize NIPR Appointment Processing	X	
Utilize NIPR Address Change	X	
Create, Store and Track Producer Correspondence within the application suite	X	
Generate Renewal Notices	X	
Facilitate License Generation and Print Functionality	X	
Provide Automatic Daily Updates to the NAIC's State Producer Database (and NIPR Producer Database)	X	
Capability to track all licensee fees received and refunds issues	X	
Track and Update Branch Office Manager Contact Information	X	
Track and Update Branch Office Location Information	X	
Track and Update Information for Adjustors	X	
Track and Update Information for Third Party Administrators	X	
Track and Update Relationships between Producers, Business Entities and other Organizations	X	
Automated Inactivation/Non-renewal if Producer Fails to Meet Renewal Requirements, per State rules	X	
Automatic Addition of Late Fees where Applicable	X	
Ability to include Electronic Attachments for Original or	X	

	Available	Alternative?
Renewal Applications		
Allows Blocking of License to prevent inadvertent approval without review	X	
Guaranteed Updates to meet new NAIC Uniformity Requirements	X	
Enables Identification of Producers with Affiliations when the Producer License is Inactivated, to alert State that further action may be necessary	X	
Enables Inactivation of qualifications when no longer supported by an active appointment	X	
Links to Appointing Company from Producer File	X	
Daily updates to NAIC/NIPR Producer Databases	X	
Appointment Reconciliation for insurers through NIPR	X	
Licensee Blocking/Flagging for Producers of Concern	X	
Electronic Appointments Automatically Upload	X	
Create, View and/or Print Complaint and Enforcement Cases related to Producer	X	
Create, View, Print and/or email Customized Licenses	X	
Create, View, Print and/or email Duplicate or Updated Licenses	X	
Create, View, Print and/or Email Wall and Wallet Licenses	X	
Create, View, Print and/or Email Letters of Certification and Clearance	X	
Create, View, Print and/or Email Notices to Producer regarding License Inactivation	X	
Create, View, Print and/or Email Notices to Producer regarding Appointments/Terminations	X	
Create, View, Print and/or Email Notices to Producer regarding Appointment Rejections	X	
Create, View, and/or Print Standard and Ad-hoc Reporting for Users	X	
Create, View, Print and/or email Licensee Summary/Transcript	X	
Comments and Notes	X	
Resident License verification for non-resident license applications/renewals +B9I	X	
Electronic or Paper License Application enabled	X	
Tracks license application fees collected	X	
Allows State-defined license number	X	
License effective date defaults determined by State	X	
Track Pre-Licensing Courses	X	
Track, Maintain and View Pre-Licensing Education Compliance by Producer	X	
Track, View and Maintain Exam Results by Producer	X	
Tracks Resident, Business and Mailing Address Types	X	
Provides a "Copy From" feature when entering or editing addresses	X	
Track and View Application Disapproval Reasons	X	
Track, Modify, View and Print Information about an Existing	X	

	Available	Alternative?
Application		
Approve, Pend, Withdraw or Deny an Application	X	
Data Update/Correction Features for all License Records	X	
Automated Correspondence supporting State Specific Letter Templates	X	
Track and Search Multiple Identities/Doing Business As	X	
Track and Maintain Association of Individual Producers with Non-Licensed Organizations	X	
Business Entity Discrepancy Report (shows Producer Affiliations or lack thereof)	X	
Track Individual to Organization Association	X	
Tracks Branch Office Association with Individual	X	
Track Organization to Organization Association	X	
Track Individual to Firm Association	X	
Correct Association Data	X	
Reporting Requirements		
Individual Producer Summary	X	
Producer Reports: Lists, Counts, Fees, Appointments, Renewals, etc.	X	
User Defined and Executed Data Extracts	X	
Other System Requirements		
State-Defined LOAs, fees, etc.	X	
Upload Attachments associated with Producer	X	
Allows Customization for any Letter Template	X	
Email PDF License, LOC or CE Transcripts	X	
Customize Letters for any Change Affecting License Status	X	
Integration with Exam Providers	X	
Online Address Change Capability	X	
Queue Licenses to Print; Print in Batch or Individually	X	
View Licensee Print Queue	X	
Viewable Comprehensive Activity Log for All Database Changes	X	
Guaranteed Compliant with RIRS, CDS, PDB and PIN	X	
Online (Electronic) Producer/License Administrator Services		
Ability to apply for an original license online	X	
Ability to renew a license online, with CE verification	X	
Email notification to producer of license status changes	X	
On demand printing of license	X	
Address Change	X	
CE Inquiry/Status	X	
On demand printing of Licensee Summary, including CE Credits	X	

Section III – Company Licensing

The NAIC has marked as available any functionality that is already incorporated in SBS design or is an enhancement that would be developed in support of the requirements for this RFP.

	Available	Alternative?
Searching, Processing, Adding, Updating, Tracking, Viewing Requirements		
Track Insurance Companies, Reinsurers, Other Licensed Entities	X	
Search by Company ID, NAIC Code, Company Name, Former Name, Alias (Support Wildcard Search)	X	
Support Wildcard Search	X	
Create New Company Entity	X	
Process Company License Application	X	
Track Licensee History, including Application Data, FEIN, State of Incorporation, Incorporation Date, Issue Date, Company Number, NAIC Code, Company Type, Organization Type, Lines of Business, License Types, License Status, Status Dates, Effective Dates, and Termination Dates	X	
Track Company Address, Web site, Email Address, etc.	X	
Add, Update, Track All Company Contacts and Contact Information	X	
Officers and Directors	X	
Inactivate or Reactivate Licenses	X	
Integrated Access to NAIC's I-SITE Application for Financial Data Access and Review	X	
Issue and Print Certificate of Authority/Certificate of Registration	X	
Auto-generation of a new Certificate of Authority based on Changes in Licensure	X	
Track Required Deposits and Location of Deposits	X	
Notification of Renewal Fees Due/Renewal Billing	X	
Track Company Appointments	X	
Identify Active Company Appointments for Company to be Deactivated	X	
Add, Update, Track Organization Associations	X	
Add, Update, Track Third Party Associations	X	
Add, Update, Track Company Audits	X	
Financial Filing Tracking	X	
Track Appointing Authority	X	
Fully Integrated with Complaints and Enforcement Cases	X	
Upload Attachments capability	X	
Automated Correspondence supporting State Specific Letter Templates	X	
Company Comments and Notes	X	
Reporting Requirements		
Individual Company Summary	X	

	Available	Alternative?
Company Reports: Lists, Counts, Deposits, Deposit Reconciliation, Appointments, Renewals, etc.	X	
User Defined and Executed Data Extracts	X	
Viewable Comprehensive Activity Log for All Database Changes	X	
Other System Requirements		
State-defined Lines of Business, Fees, etc.	X	
Upload Attachments associated with Producer	X	
Allows Customization for any Letter Template	X	

Section IV – Consumer Complaints/Complaints

The NAIC has marked as available any functionality that is already incorporated in SBS design or is an enhancement that would be developed in support of the requirements for this RFP.

	Available	Alternative?
Searching, Processing, Adding, Updating, Tracking, Viewing Requirements		
Search by Tracking ID, Complainant, Respondent, FEIN, Dates, Complaint Type, Investigator, Case Type, Case Status, etc.	X	
Add, Update, Track and View Complaint Investigations	X	
Case Copy to Enforcement/Investigation Case	X	
Case Copy to New Complaint	X	
Investigator Tracking	X	
Related Cases	X	
Supports NAIC CDS Codes	X	
Real-time Updates to NAIC CDS	X	
Automated Correspondence supporting State Specific Letter Templates	X	
Add, Update, View and Track General Case Information: Date Opened, Date Closed, Case Status, Investigator Assigned, Case Type, Line of Insurance, Action Taken, Priority, etc.	X	
Add, Update, View and Track Complainant Information: Name, Contact Information, Complaint Type, Dispute, etc.	X	
Add, Update, View and Track Respondent Information: Name, Contact Information, Entity Type, Dispositions, etc.	X	
Add, Update, Track Interested Parties (Family Member, Attorney, etc.) Information	X	
Add, Update, View and Track Complaint Detail: Coverages, Reasons, Dispositions	X	
Add, Update, View and Track Investigator Comments and Notes	X	
Automated Correspondence supporting State Specific Letter Templates	X	
Integration with Related Enforcement Cases	X	
Add, Update, View and Track Hearings and Notice of Hearing Letters	X	
Track Staff Time Spent on Investigation	X	
Other System Requirements		
State Complaint Codes mapped to NAIC Codes	X	
Upload Attachments associated with Case	X	
Allows Customization for any Letter Template	X	
Viewable Comprehensive Activity Log for All Database Changes	X	
Investigation Tickler System	X	
Report Requirements		
Reports by Complainant, Respondent, Investigator, Dispositions, Complaint Types, etc.	X	
Complaint Counts	X	
Complaint List	X	
User Defined and Executed Data Extracts	X	

	Available	Alternative?
Case Summary	X	

Section V – CE and Pre-licensing Education

The NAIC has marked as available any functionality that is already incorporated in SBS design or is an enhancement that would be developed in support of the requirements for this RFP.

Note: The Agency currently utilizes third party providers for CE and while the following functionality should be available, the Agency will utilize this solution only as internal tracking mechanism. Automatically transporting data to and from this service will be required.

	Available	Alternative?
Searching, Processing, Adding, Updating, Tracking, Viewing Requirements		
Provider Demographics: Name, Address, Phone, email, website	X	
Provider Pre-Licensing and CE Courses	X	
Dates, Times and Locations of Courses Available	X	
Course Presentation/Instruction Method—Classroom, Self-Study, Online, etc.	X	
Provider Course Approvals	X	
Course Credit Equivalencies	X	
Provider Course Auditing	X	
Course Instructors	X	
Add and maintain non-licensed individuals (Instructors)	X	
Comments	X	
Provider Search	X	
Add, View, Update Provider Records	X	
Process Provider Applications—Paper and Online	X	
Process Course Applications—Paper and Online	X	
Process Provider Renewals—Paper and Online	X	
Process Course Renewals—Paper and Online	X	
Process Course Completions Submitted by Provider—Paper and Electronic	X	
Merge Providers and their courses	X	
Search for Provider by Previous Name (in the case of Provider Mergers)	X	
Track Course Completions within Producer Summary Record	X	
Provider Inactivation for Non-renewal	X	
Ability to Create and Send Provider Renewal Notice	X	
Ability to Create and Send Provider Course Renewal Notice	X	
Ability to Upload Attachments to Provider Record	X	
View Producer CE requirements, Courses Taken and Compliance Status	X	
Generate Course Lists for Providers	X	
Generate CE Correspondence to Provider or Producer	X	
Generate Course Roster	X	
Override Existing CE Hours	X	
Exempt from or Reduce CE Requirements for Producers	X	
Automatically Reduce CE Requirements Based on Length of	X ²	

	Available	Alternative?
License		
Delete CE Course Completions	X	
Extend a CE Review Date	X	
Integration with Education outsourcing Vendor available	X	

X² – Per Addendum No. 1, reduced CE requirements for length of service are no longer applicable.

Section VI – Enforcement Case

The NAIC has marked as available any functionality that is already incorporated in SBS design or is an enhancement that would be developed in support of the requirements for this RFP.

	Available	Alternative?
Searching, Processing, Adding, Updating, Tracking, Viewing Requirements		
Search by Tracking ID, Complainant, Respondent, FEIN, Dates, Complaint Type, Investigator, Case Type, Case Status, etc.	X	
Add, Update, Track and View Investigations	X	
Case Creation from Complaint Case Copy	X	
Case Copy to New Case	X	
Investigator Tracking	X	
Related Cases	X	
Supports NAIC RIRS Codes	X	
Real-time Updates to NAIC RIRS	X	
Automated Correspondence supporting State Specific Letter Templates	X	
Add, Update, View and Track General Case Information: Date Opened, Date Closed, Case Status, Investigator Assigned, Case Type, Line of Insurance, Action Taken, Priority, etc.	X	
Add, Update, View and Track Respondent Information: Name, Contact Information, Entity Type, Dispositions, etc.	X	
Add, Update, View and Track Complainant/Victim Information: Name, Contact Information, Complaint Type, Dispute, etc.	X	
Add, Update, Track Interested Parties (Family Member, Attorney, etc.) Information	X	
Add, Update, View and Track Case Detail: Origins, Reasons, Dispositions	X	
Add, Update, View and Track Investigator Comments and Notes	X	
Automated Correspondence supporting State Specific Letter Templates	X	
Integration with Related Enforcement Cases	X	
Add, Update, View and Track Hearings and Notice of Hearing Letters	X	
Track Staff Time Spent on Investigation	X	
Track Fines and Penalties, including collections	X	
State Statute Maintenance	X	
Other System Requirements		
Upload Attachments associated with Case	X	
Allows Customization for any Letter Template	X	
Viewable Comprehensive Activity Log for All Database Changes	X	
Investigation Tickler System	X	
Report Requirements		
Reports by Complainant, Respondent, Investigator, Dispositions, Complaint Types, etc.	X	
Regulatory Action Counts	X	
Regulator Action List	X	

	Available	Alternative?
Case Summary	X	
User Defined and Executed Data Extracts	X	

Section VII – Rate and Form Filings

The NAIC has marked as available any functionality that is already incorporated in SBS design or is an enhancement that would be developed in support of the requirements for this RFP.

	Available	Alternative?
Basic Functionality Requirements		
SERFF as primary rate and form system review and approval system	X	
SERFF Paper Tracking	X	
SERFF Electronic Filing	X	
SERFF Integration with Company Licensing	X	
Automated Correspondence via SERFF	X	
Report Requirements		
Reporting via SERFF	X	

Section VIII – Revenue Management

The NAIC has marked as available any functionality that is already incorporated in SBS design or is an enhancement that would be developed in support of the requirements for this RFP.

	Available	Alternative
Basic Functionality Requirements		
Add, View, Update and Track Revenue Collection	X	
Add, View, Update and Track Revenue Allocations Across Fee Types	X	
Add, View, Update and Track Revenue Allocations Across Responsible Parties	X	
Add, View, Update and Track Refunds	X	
Reconcile Lockbox Receipts	X	
Search Receipts/Refunds	X	
Record Payments/Receipts for any Fee/Penalty Activity	X	
Reconcile Overpayments and Refunds	X	
Add, View, Update and Track Revenue Information: Batch Number, Entity, Value, Payment Date, Payment Type, Credit Card, etc.	X	
Generate Invoices Associated with Departments/Business Area	X	
Report Requirements		
Reports by Source, License Type, Entity Type, Date, Line of Business, Batch Number, etc.	X	
User Defined and Executed Data Extracts	X	

Section IX – Other (Administration/Security)

The NAIC has marked as available any functionality that is already incorporated in SBS design or is an enhancement that would be developed in support of the requirements for this RFP.

	Available	Alternative
System Administration and Utilities		
Add and Update State Specific Codes, Fees, etc.	X	
Add and Update State Staff Assigned Roles and Responsibilities	X	
Assign User Security	X	
Business Rules Maintenance	X	
Correspondence Template Maintenance	X	
Other Desired Functionality		
Release Notes Distributed with All System Upgrades	X	
Updated User Guides with All System Updates	X	
Integration with Third Party Providers for CE/Testing	X	
Security and Disaster Recovery Functionality		
Third Party Web Application Hosting	X	
Real Time Backup	X	
Disaster Recovery Infrastructure	X	
Facilities Availability for Limited Staff if Required for State Disaster Recovery	X	

Data Security

Data security is managed at three levels within SBS. First, we provide user-level security where we ensure that users have access to the data needed to do their jobs as prescribed by the Security Administrator. Second, we offer secure sockets layer technology for the transfer of data to protect the data as it moves from the database to the users either via the Internet or file transfer exchanges with other systems. Third, we have a systematic data back-up schedule and comprehensive disaster recovery program.

User Security

The data within SBS is secured using role-based authorization in support of SBS data retrieval and updates. SBS State System Administrators can define SBS users' functionality access list by assigning the different roles to users from the SBS security interface. Roles in the SBS security system are categorized based on the type of access and the functionality they provide to users. Individuals within the department who are designated to manage the security can set up profiles for individual user types so that each ID has its own characteristic functionality.

Utilization of profiles enables easy set-up and maintenance of particular departments or individuals who only need access to specific areas of the system. SBS staff can easily help a state security administrator with any and all alterations of workflow.

SBS also maintains the history of user data inserts and updates with the “Created by,” “Date Time Created,” “Updated by,” and “Date Time Last Modified” columns populated, allowing the state to perform effective system audits.

Data Transfer Security

Users access state SBS data via the Internet over a Secure Sockets Layer (SSL) connection, which ensures the security of the information as it passes over the Internet. All data feeds and extracts between SBS and other systems such as continuing education and testing vendors, NIPR, and state legacy systems are completed via encrypted File Transfer Protocol (FTP). Encrypted FTP ensures the security of the data during the transfer process as well as while the data sits on the FTP server.

State users may also be granted direct access to state SBS data via Open Database Connectivity (ODBC). All ODBC transfers are also fully encrypted.

Data Backups and Disaster Recovery

The NAIC offers two separate and independent data security and disaster recovery measures. Data backups and associated off-site storage (see Figure 9.1 below) and real-time data replication via the NAIC Co-Location plan provide redundant measures of ensuring the safety and security of state data and SBS software.

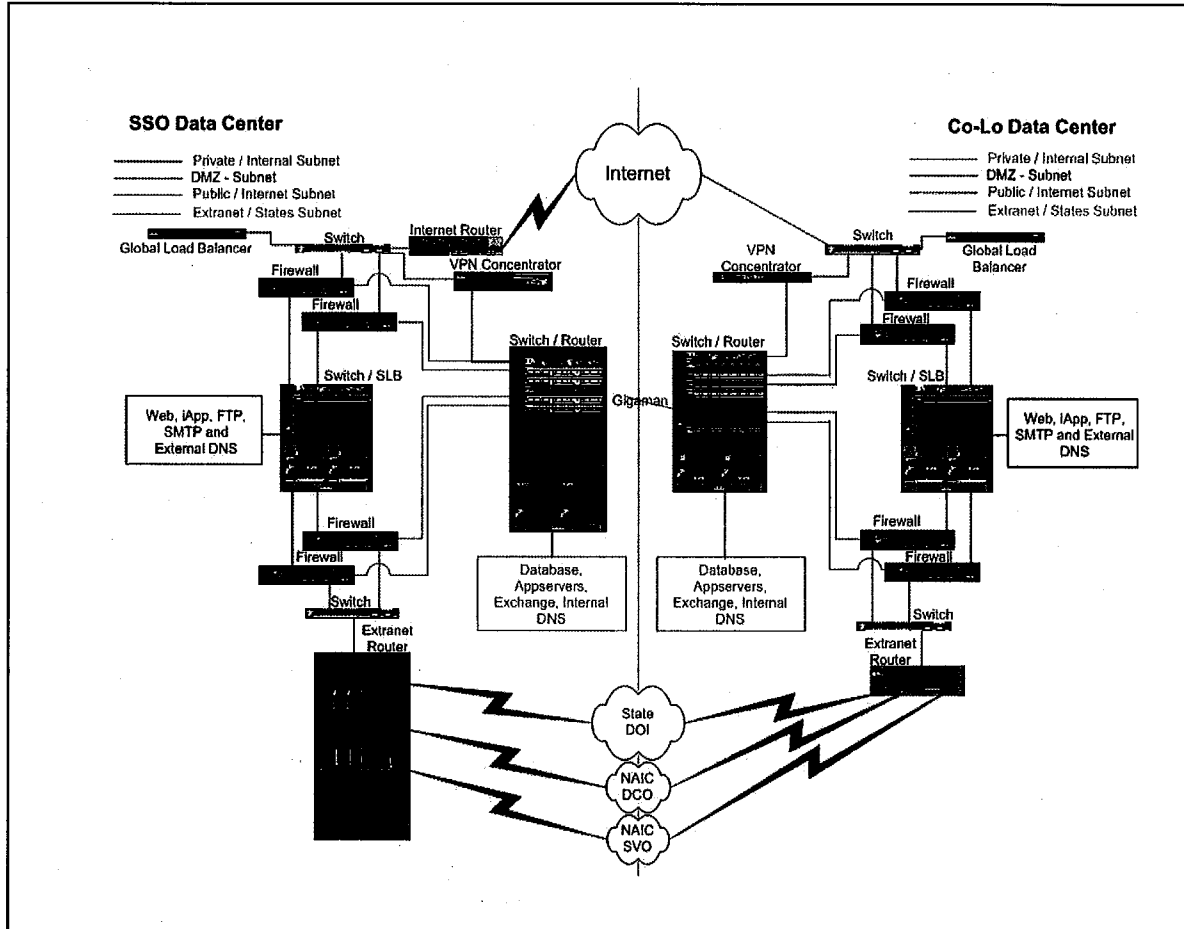
Figure 9.1

Backup Type	Storage Schedule	On-Site Retention	Off-Site Storage
Software Daily Incremental	Completed each evening and moved to off-site storage the following day.	2 Weeks	1 Week
Software Weekly Full Backup	Completed each Saturday evening and moved to off-site storage each Monday.	4 Weeks	2 Weeks
Software Monthly Full Backup	Completed the last Saturday of each month and moved to off-site storage the following Monday.	2 Weeks	1 Year
Database Daily Incremental	Completed each evening and moved to off-site storage the following day.	2 Weeks	5 Weeks
Database Weekly Full Backup	Completed each Saturday evening and moved to off-site storage the following Monday.	2 Weeks	3 Months
Database Monthly Full Backup	Completed the third Saturday of each month and moved off-site the following Monday.	13 Months	3 Months

Disaster Recovery

SBS is included in the NAIC Co-Location plan, which ensures that all NAIC software and data is maintained real-time in a data center within the Kansas City metropolitan area in a location that is more than 11 miles from the NAIC Kansas City office. (See Figure 9.2 below.)

Figure 9.2



The NAIC's Co-Location plan, with its real-time backup and storage of critical SBS data and hardware used to operate these systems, ensures that disasters affecting the NAIC offices will result in a very minimal loss of service to SBS users. Due to the frequent and complete backup and disaster recovery measures mentioned above, the NAIC has the ability to restore service to West Virginia and its constituents in a very short period of time.

Section X – Project Management

A Structured Approach to Implementation

To ensure the NAIC meets expectations with regard to the implementation of SBS for West Virginia, the SBS team will utilize a project plan and a structured project management approach, developed by the NAIC specific to SBS, throughout the project. Our proven, effective methodology will contribute to the success of West Virginia's implementation with the least amount of difficulty. Our approach is to partner with the state offering our experience with the SBS solution and leveraging state expertise and knowledge about state business processes in completing this venture.

The NAIC project management approach to implementation contains two alternative implementation plans. The NAIC encourages the state to select the plan that best fits the state's needs and resource availability. The two plans are as follows:

- 1) A project implementation that combines all business areas into a single implementation. This approach is generally most successful when the state has the greatest resource flexibility and strong information technology staff able to fully support the migration of data and validation of business rules; and
- 2) A project implementation that divides the project into two or more phases designed around functional business areas. This approach is generally more appropriate when state resources are more limited and resource allocations must be divided among a number of priorities. This approach enables a more targeted implementation, which impacts state business areas on a rotating basis.

A customized work plan will be provided to West Virginia following contract execution and discussions with West Virginia regarding preferences of a single or phased implementation. For evaluation purposes, it may be beneficial to know that, based on West Virginia Office of the Insurance Commissioner RFP requirements, a single implementation approach would likely take 15-18 months and a phased implementation (with two phases) might take 18-20 months. Typically, a project with two phases is slightly longer. For evaluation purposes, we have provided within this proposal a representation of the standard work plan that has been successful in SBS phased implementations completed to date. This plan highlights the general tasks and milestones in the plan and represents an average project whereby a single implementation phase might take nine months from the point of the on-site state visit.

The plan for each service implementation can generally be described as follows: First, SBS staff will provide West Virginia with a checklist of items to complete prior to an on-site visit. This checklist will include, for example, providing the NAIC with: 1) all data desired to be migrated to SBS; 2) a list of key state contacts including IT support and application owners; 3) completing a draft of

state business rules using an SBS template; and 4) copies of key reports West Virginia has available today using your current system. All of the elements included in the checklist are critical to ensuring a smooth and successful transition to SBS. It is important to note the project as outlined in Table 10.1 does not commence until the items included in the checklist are completed by the state and received by the NAIC. Second, following completion of tasks on the checklist, which generally takes from one to three (1-3) months, depending upon availability of state resources, the NAIC will schedule an on-site visit focused on reviewing checklist items, refining business rules documentation, and initiating data analysis and migration. Third, SBS staff will commence development efforts, coordinate with NIPR, work with the state to complete the migration of the legacy data, refine test plans, perform testing, assist the state with testing following training, and, ultimately, implement the service for West Virginia. Please note that training on SBS will occur twice as part of the project. This is a unique characteristic of the SBS implementation approach. We feel that the implementation can be most effective when we provide training prior to testing and we provide on-site training during implementation week. Furthermore, the NAIC offers a full week of on-site support the first week of implementation.

The underlying assumption built into the standard work plan is that SBS can be leveraged to meet state needs with current functionality. Based on a review of the requirements for West Virginia as outlined in the RFP we believe SBS to be a superb match for West Virginia business needs. Should statutory or regulatory requirements be uncovered during the on-site visit or any other time throughout the project, it is important to note that it may be necessary to incorporate modifications to SBS and, if that happens, the customized work plan may have to be adjusted accordingly. Any changes to the plan will be discussed between the parties.

Our project process is based on historical experience with state implementations, and if state resources are readily available, the project can be completed in a shorter amount of time. We are respectful of competing priorities of the state and should those develop, the project may be elongated to better fit with state resource availability. Ultimately, the project timeline will require consideration and approval of both parties to ensure the highest level of success.

A Generic Implementation Plan

A description of a typical service implementation project is illustrated in the Work Plan, Table 10.1. Although the table illustrates the effort necessary to implement producer and company licensing business areas specifically, the tasks within the table are representative of those for any SBS service implementation.

Table 10.1

TASK	TARGET PROJECT MONTHS									PARTY RESPONSIBLE	
	1	2	3	4	5	6	7	8	9		
On-site Visit to Scope Project (follows completion of Pre-Visit Checklist)											
<i>Milestone: Conduct On-site Visit</i>	◆										SBS, NIPR
Demonstrate SBS Licensing (Producer, CE, Company) services	◆										SBS
Review state procedures and requirements	◆										State, SBS
Review state legacy database tables	◆										SBS, State
Review state legacy system interfaces	◆										SBS, State
Review data migration needs	◆										SBS, State
Review state reports, correspondence, and license requirements	◆										SBS, State
Review security roles	◆										SBS, State
<i>Milestone: Conduct wrap-up session</i>	◆										SBS, State
Business Requirements Documentation											
Document business rules and requirements	◆										SBS
Deliver business requirements documentation for state review	◆										SBS
Review business requirements documentation	◆										State
<i>Milestone: Sign off for business requirements documentation</i>	◆										State



Implementation Solution Documentation

Deliver legacy system table layouts and data feed																			State
Analyze legacy database for estimating purposes																			SBS, State
Estimate data migration effort for standard delivery																			SBS, State
Document specifications for modifications needed to SBS to accommodate business rules and requirements																			SBS
Design solution based on developer specifications																			SBS
Estimate developer effort to incorporate specifications																			SBS
<i>Milestone: Deliver implementation solution package to the state</i>																			SBS

Data Analysis

Map legacy data to SBS database tables																			SBS
Deliver preliminary data mapping and data migration plan package																			SBS
Provide changes to preliminary data migration package																			State
Finalize data mapping and data migration plan package																			SBS
Deliver data mapping documentation and data migration plan																			SBS
<i>Milestone: Sign off for data mapping and data migration plan package</i>																			SBS



Implementation Timeline Review

Confirm/modify project timeline based on data analysis and developer specifications																				SBS
Outline modifications within scope of a standard implementation																				SBS
Deliver project plan for standard implementation																				SBS
Milestone: Sign off for implementation project plan																				State

Data Migration

Create data migration scripts																				SBS
Perform legacy data cleansing																				State
Deliver first set of cleansed data for migration to SBS																				State
Migrate cleansed data to development environment																				SBS
Perform unit testing with existing SBS code																				SBS
Migrate cleansed data to integration environment for state users																				SBS
Complete data migration testing																				SBS
Deliver data to NIPR																				SBS
Finalize legacy data cleansing efforts																				State
Deliver final cleansed data for production-like testing																				State
Load final cleansed data set to production-like environment																				SBS



Review data loaded to production-like environment															State
Milestone: Sign off of data loaded to production-like environment															State
Development															
Modify code per development specifications															SBS
Perform unit testing for each state-specific modification															SBS
Milestone: Freeze code for new development															SBS
Testing Preparation															
Create testing and implementation strategy documentation															SBS, State
Deliver strategy documentation package for review															SBS
Review strategy documentation package															State
Milestone: Sign off for testing and implementation strategy package															State
Data Exchange and Integration Testing															
Make initial SBS data extract available															SBS
Review initial data extract															State
Perform integration testing															SBS
Refine and redeliver SBS data extract															SBS
Milestone: Sign off for data exchange															State



User Acceptance Testing													
Conduct on-site user acceptance testing training													SBS, State
Perform user acceptance testing													State
Modify code for issues found in testing													SBS
<i>Milestone: Sign off for user acceptance testing</i>													State
Production Implementation													
Discontinue updates to legacy system													State
Provide final dataset for production migration													State
Load final dataset for development environment and test													SBS
Load final dataset for state integration environment and test													SBS
Document and verify record counts													SBS, State
Load final dataset for state production environment													SBS
Deploy production code to state production environment													SBS
Final production approval test													State
<i>Milestone: Sign off on production implementation</i>													State



Setting the Stage – Pre-Visit Requirements

Within two weeks of contract execution, the SBS team will deliver two packages of questionnaires to West Virginia: the first to gain knowledge of business requirements and the second to better understand West Virginia's data migration needs. Before the project can officially begin, the state will need to deliver the following to the NAIC:

- ⊕ Pre-visit BPR questionnaire package
- ⊕ Pre-visit data migration package
- ⊕ Full set of legacy data from the state to NAIC

Implementing the Plan

Once the contract is executed, work can commence on the implementation project. We know the success of the project is highly dependent upon our joint efforts. The NAIC will allocate highly skilled resources to this project and will work closely with the staff identified by the state as primary day-to-day contacts and/or subject matter experts.

NAIC has developed a project plan approach that we believe will assure outstanding results. The project plan we follow is one born out of our experience in implementing the existing licensees of SBS. The NAIC recognizes the need to establish phases, milestones, and deliverables. This helps all project participants to stay focused on the project and any issues that arise in order to avoid project delays.

Keeping the State Informed – Status Reports

Throughout the implementation project, the state will be provided with project status reports to ensure thorough and accurate communication between all parties. All project tasks, milestones, approvals, and other discussion points will be documented in the status reports so that at any time during the project everyone involved will be aware of progress and outstanding issues needing resolution.

Getting It Right – Business Requirements

The business rules documentation process is one of two exercises that will have a significant impact on project success. In order to ensure a smooth and effective transition to SBS, we must ascertain all current business rules that have a statutory or regulatory basis. In our initial state visit, the vast majority of the time will be focused on obtaining that information from the state. We will work with West Virginia to ensure that we have a clear and complete understanding of state-specific requirements; in the case of producer licensing, for example, this includes license types and line of authority combinations, qualifications, fees schedules, required attachments, continuing education rules by license/line of authority, renewal periods, reasons for pending/denying licensure or renewals, grace periods, late renewals, pre-licensing, and individual vs. business entity licensing. We will also review copies of licenses issued and any supporting

materials that must be included, such as the state logo and signature files. For all other services, we will work closely with West Virginia to make sure we have identified all applicable business rules associated with the service implementation.

In addition, for producer licensing service implementations, we recognize that West Virginia leverages third parties; whether it involves pre-licensing, continuing education, or data feeds to and from other state agencies. We need to understand the details of how these work today and how they need to work in the future. We will also involve NIPR staff in the business rules process to ensure that both the NAIC and NIPR staff have a complete set of information required to handle online and internal processing.

Regardless of which service is being implemented, once we gather the necessary information, we will assemble it, creating a document of State Business Rules and Requirements. This document will be provided to the state for review, modification, and approval. The project plan will contain tasks that define the timelines for development and review of the business rules documentation. Timely development, review, and approval will ensure the service implementation stays on track.

Getting It Right – Data Migration

The data migration effort is one of the most critical components of a successful implementation of SBS. Historical experience illustrates that careful review of data mapping and rigorous testing generates a higher level of implementation success. To that end, the NAIC will rely heavily on resources at the state in the data mapping and testing process. Although SBS staff plays a key role, we recognize that the state users know their existing data best.

In the data mapping process the NAIC will provide information regarding data fields and definitions for information that will reside in the SBS databases. The state is asked to play a key role in mapping its legacy data to SBS databases, but the NAIC provides a structure for doing so. The NAIC will be heavily involved in the data migration effort, participating in mapping and review of the mapping, documenting issues, and working with state staff to finalize the mapping effort. Following state review and approval of the mapping phase, the NAIC will take responsibility for moving data into the SBS system.

Once the data is moved into the SBS structure, NAIC staff will test the data, and then work with state staff so that they can test the accuracy of the migration effort. We will make sure that state staff is trained on the SBS system, working with them to develop complete and effective test plans that verify all possible scenarios so as to ensure testing of all data, and then completing the test plans and providing documented results.

As is normally the case, the first reviews of migrated data will likely result in discovering some issues. Those will be identified, processes modified, and data re-migrated. Then we'll go through the testing process again. This process will be repeated several times until both parties are completely comfortable with the data migration outcome.

A final migration will occur the weekend prior to production implementation. Diligent data migration efforts and thorough testing ahead of time should result in fewer post-production issues, making the final transition to SBS much more effective.

Putting the Pieces Together – Construction

Once the state has signed off on all business rules documentation, the NAIC staff will turn the requirements over to the SBS development staff for incorporation into the SBS application. This is also the phase where our software development partner, Aithent, Inc., is normally included in an implementation process. Per the terms of an existing contractual relationship with Aithent, Inc., the NAIC reserves the right to involve them in the implementation plan, where necessary. At all times, however, the state will communicate with the NAIC. While this effort spans several months, rest assured that while this is happening, there are many other tasks that require NAIC and state involvement. During this period we will come on-site to train staff to prepare them to test the system and the data as the project progresses. Should there be any questions related to the business rules as the development staff set up the rules, then the implementation team will work with the state to provide answers.

Both the state and the NAIC will have responsibilities for testing. As mentioned above, testing is the phase of the project that has the potential to ensure all business rules have been properly documented and installed in the SBS system. It also ensures that data has been correctly migrated. At this juncture it is critical for the state to prioritize and commit to testing; although there may be competing responsibilities, a lack of emphasis on testing on the state's part will generally result in problems down the road that could have been avoided.

Getting Ready for the Future – Training

The NAIC will provide several tools to prepare state users for their role in testing the SBS solution. Comprehensive system overview manuals can be used online within SBS, or printed and bound for use as desktop references. NAIC staff will also engage in preliminary training designed to familiarize state staff with SBS; this training will primarily occur via the Web. Just prior to the commencement of user acceptance testing, however, NAIC staff will come back on-site to West Virginia to conduct extensive hands-on training. This training session will prepare the users responsible for testing the state business rules and migrated data, to ensure a high level of success during the actual testing phase. NAIC staff will remain on-site for several days working with staff as they navigate through the new system.

The Future is Now – Implementation

The SBS team has a time-tested methodology for transitioning the state from its legacy system to production use of SBS. First, NAIC staff will require state users to stop using the legacy system at the end of the workday on the Wednesday prior to SBS production implementation. Following the shutting down of the legacy system, state staff will be required to send a final data submission

to the NAIC for loading into SBS. This process should go very smoothly as by this time, the data migration process will have been tested several times, both by itself and with the application of business rules. The final data submission will be loaded to SBS on Thursday and Friday while state staff are being trained as SBS users.

Lastly, we will provide one more training session to all users of the system. We will train users on the Thursday and Friday prior to production implementation. Then the following Monday, as the system is brought up with production data, NAIC staff will be available to work with the users throughout the first week.

On Monday morning, when the SBS system is brought up live, there will be a final test of user IDs, data, and so forth. This will mainly test access to the data and the application, since thorough testing of the data should have already been completed during the testing phase. Once the state signs off on the production test on Monday morning, the state will provide a final 'go-live' approval and users can begin using the system. NAIC staff will remain on-site during the first week of production to assist all new users, making sure they are able to navigate the system effectively.

It is important to note that with all implementations that involve integration with NIPR, which this proposal includes, production release of NIPR transaction sets is typically one week later than production release of the SBS system. This is an NIPR requirement and is unavoidable. Therefore, the NAIC staff recommends working with the state to provide effective notification to potential system users to ensure this downtime is minimally disruptive to producers.

The End is Just the Beginning – Post-Implementation Support

Once the state has successfully transitioned to SBS, the NAIC will continue to provide quality customer service and seek to ensure that the state's business needs are met. We do that in a number of ways.

Weekly Post-Production Reviews

For the first two months following production release of the first service, the NAIC staff will conduct weekly conference calls with the state to ensure that the transition continues to go well. As with any system change, there are always post-production issues that arise. We are committed to ensuring all of these are addressed in a timely manner.

Production Support Team

The SBS staff includes a team of support staff devoted to daily assistance, if necessary. The team consists of a support manager and a customer support and testing staff that are accessible via the Web, e-mail, and phone. We will provide you with contact information and guidance as to how to most effectively reach us depending upon your need.

Software Maintenance and Upgrades

SBS is maintained through regularly scheduled software builds that are completed after regular business hours (after 6:00 p.m. Eastern Time, 5:00 p.m. Central Time). Following this schedule allows the NAIC to support these critical processes with a full complement of SBS and NAIC technical support staff that could be called upon resolve any issue that might arise that could impact the success of the implementation. SBS software builds usually require the system to be taken offline for 60 minutes or less.

Single Set of Code

One of the guiding principles and greatest benefits of SBS is that we deliver the same application to all our licensed users. Being an SBS licensee affords you with special privileges related to the application. It is the users that determine how the system will evolve over time, expanding its functionality to meet new business needs or create more efficiency.

Therefore, as a licensed SBS state, West Virginia will have access to the SBS Product Steering Committee (PSC). Each licensed jurisdiction may assign staff to participate in the PSC meetings. More than one person from a state may join; however, as the group evaluates and prioritizes system enhancements, each state is allowed one vote.

Service Level Agreement

In order to meet our user's expectations it is important that both parties have a clear understanding of expectations. To that end, the NAIC has a service level agreement that is provided to our users. This service level addresses the relationship between the parties and how best to communicate with the NAIC relative to the SBS software tool suite. This service level will be provided to all users at the time of production implementation to ensure mutual expectations are met.

Future Enhancements

Future enhancements are determined by the aggregate users of the SBS product suite. We have developed a structure that allows each state to participate in forums designed around each service within SBS and strongly encourage the state users to remain engaged in product development. We value our licensees' input. Our objective is to ensure that the product line continues to meet your needs efficiently and effectively.

Summary

Ultimately, the NAIC believes we have a time-tested approach to implementing SBS for the states. While the approach itself is structured, the NAIC recognizes the need to be flexible when working with the state and will work closely with West Virginia to ensure project success and mutual satisfaction with project results.