



## COST PROPOSAL FOR AUDIT SERVICES

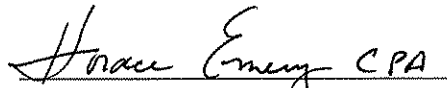
June 24, 2009

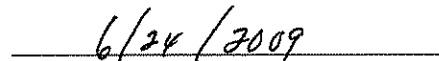
West Virginia Offices of the Insurance Commissioner  
1124 Smith Street  
Charleston, West Virginia 25305-0540

Req#: INS09122  
Opening Date: 6/24/2009  
Opening Time: 1:30 p.m.

Name of Firm - Suttle & Stalnaker, PLLC

As indicated on pages 7 and 8 of the RFQ our cost bid is attached. I, Horace Emery, certify that I am entitled to represent Suttle & Stalnaker, PLLC, empowered to submit this bid and authorized to sign a contract with the West Virginia Offices of the Insurance Commissioner.

  
Horace Emery, Member

  
Date

The Virginia Center • 1411 Virginia Street, East • Suite 100 • Charleston, WV 25301  
Phone (304)-343-4126 or 1-(800)-788-3844 • Fax (304)-343-8008

Towne Square • 201 Third Street • PO Box 149 • Parkersburg, WV 26102  
Phone (304)-485-6584 • Fax (304)-485-0971

www.suttlecpas.com • E-mail: cpa@suttlecpas.com  
A Professional Limited Liability Company

## ATTACHMENT A

### COST PROPOSAL FOR AUDIT SERVICES

<u>Classification</u>	<u>Hours</u>	<u>Hourly Rates</u>	<u>Total Cost</u>
Partners/Members	100	\$260	\$ 26,000
Managers	160	150	24,000
Supervisory Staff	365	110	40,150
Staff	300	100	30,000
EDP Specialists	30	200	6,000
Senior Consulting Actuary	50	300	15,000
Actuarial Associates	70	220	15,400
Other Support	25	80	<u>2,000</u>
			158,550
Less estimated discount			<u>(29,050)</u>
Total all-inclusive fee for (project)			<u>\$ 129,500</u>

These fees do not include services that fall outside the scope of the audit. For example, accounting assistance from us in resolving unreconciled differences in accounting records or supporting account balances would fall outside the scope of our audit, as would implementation of significant new technical standards.

Additionally, our fees are based on the current state of operation. Should significant changes occur (i.e., significant expansion in existing operations, redefinition of reporting entity, etc.), we will need to reevaluate our scope and audit approach. In the event these types of situations arise, it is our practice to discuss these types of issues with management before we would proceed so as to obtain management's authorization and to develop the best approach to solve the problem.

## COST PROPOSAL FOR ADDITIONAL SERVICES

<u>Classification</u>	<u>Hourly Rates</u>
Partner/Member	\$260
Managers	\$150
Supervisory Staff	\$110
Staff	\$100
Other Support	\$80
EDP Specialist	\$200
Senior Consulting Actuary	\$300
Actuarial Associates	\$220

We understand that no changes in scope to the project will be implemented by us until such time as an approved change order is received. Formal contract amendments and change orders will be negotiated with the OIC, whenever necessary, to address changes to the terms and conditions, cost of, or scope of work included under the contract. An approved contract amendment means one approved by the OIC, the Department of Administration, and all other applicable State agencies prior to the effective date of such amendment. An approved contract amendment is required whenever the change affects the payment provision and the scope of the work. Such changes may be necessitated by new and amended federal and state regulations and requirements. No changes in scope are to be conducted except at the approval of the OIC.

We will submit invoices to the OIC for all services provided pursuant to the terms of the contract. Progress payments will be made on a monthly basis based upon the percentage of work completed. We will work with the OIC management to develop a mutually agreeable proposed billing work plan.