

RFQ COPY

TYPE NAME/ADDRESS HERE

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

United Health Actuarial Services, Inc. 11611 North Meridian Street

Suite 330

Carmel, IN 46032

Request for Quotation

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ADDRESS CORRESPONDENCE TO A MENTION CO

SHELLY MURRAY 304-558-8801

INSURANCE COMMISSION

1124 SMITH STREET CHARLESTON, WV

25305-0540 304-558-3707

ADDRESS CHANGES TO BE NOTED ABOVE

FREIGHT TERMS SHIPVIA DATE PRINTED TERMS OF SALE F.O.8 11/14/2010 01:30PM BID OPENING DATE: BID OPENING TIME 12/16/2010 UNIT PRICE AMOUNT UOP ITEM NUMBER LINE QUANTITY THE WEST VIRGINIA PURCHASING DIVISON, FOR THE AGENCY, THE WEST VIRGINIA INSURANCE COMMISSION, IS SOLICITING BIDS FOR ACTUARIAL REVIEW AND CONSULTING SERVICES FOR HEALTH INSURANCE RATE FILINGS 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.MURRAYOWV.GOV. DEADLINE FOR ALL TECHNICAL QUESTIONS IS 11/30/2010 AT THE CLOSE OF BUSINESS. ALL TECHNICAL QUESTIONS RECEIVED, IF ANY, WILL BE ADDRESSED BY ADDENDUM AFTER THE DEADLINE. 946-12 0001 HR ACTUARIAL SERVICES EXHIBIT 3 THIS CONTRACT BECOMES EFFECTIVE LIFE OF CONTRACT: 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 THE "REASONABLE TIME" PERIOD SHALL ORIGINAL CONTRACT. 2018 DEC 10 PM 12: 07 DURING THIS "REASONABLE NOT EXCEED TWELVE (12) MONTHS. TIME" THE VENDOR MAY TERMINATE THIS CONTRACT FOR ANY REASON UPON GIVING THE DIRECTOR OF PURCHASING 30 DAYS WY PURCHADING WRITTEN NOTICE. SEE REVERSE SIDE FOR TERMS AND CONDITIONS TELEPHONE

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

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SHELLY MURRAY 304-558-8801

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INSURANCE COMMISSION

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1124 SMITH STREET CHARLESTON, WV

25305-0540 304-558-3707

DATE PRINTED TERMS OF SALE SHIPVIA F.O.B. FREIGHT TERMS 11/14/2010 BID OPENING DATE: 12/16/2010 BID OPENING TIME 01:30PM LINE QUANTITY ITEM NUMBER UOP UNIT PRICE AMOUNT 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 TRANS-PORTATION OR AN UNANTICIPATED INCREASE IN THE VOLUME OF WORK.) QUANTITIES: QUANTITIES LISTED IN THE REQUISITION ARE APPROXIMATIONS ONLY, BASED ON ESTIMATES SUPPLIED BY 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 SEE REVERSE SIDE FOR TERMS AND CONDITIONS SIGNATURE ADDRESS CHANGES TO BE NOTED ABOVE

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



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SHELLY MURRAY

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1124 SMITH STREET CHARLESTON, WV 25305-0540 3

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

INS11006

ACTUARIAL REVIEW AND CONSULTING SERVICES FOR HEALTH INSURANCE 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 health insurers' filings and consulting services. The recent passage of the Patient Protection and Affordable Care Act (PPACA) has resulted in new standards for states reviewing premium increases for health insurers and requires information and recommendations be provided to the Secretary of Health and Human Services. In addition to actuarial review of rate filings, the successful bidder will provide monthly health filing review training sessions for the OIC's rate analysts and develop a rate review manual for the division. The actuarial firm may provide other management consulting services and perform special reviews and/or analysis of health insurance and PPACA matters for the OIC.

"Qualified Actuarial Firm" defined

Any actuarial firm submitting a quotation in response to this Request for Quotation (RFQ) shall meet or exceed the minimum qualification set forth in this RFQ. Those quotations not meeting the mandatory specifications will be disqualified.

The minimum qualifications are as follows:

One or more members assigned to this contract must be a Fellow of the Society of Actuaries (FSA) and/or a Member of the American Academy of Actuaries (MAAA)

Members assigned this contract must have at least five (5) years of experience with individual and group major medical insurance

Members assigned this contract must be knowledgeable of Actuarial Standard Practice No. 8

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

The firm shall have no conflict of interest with regard to any carrier that is actively writing individual or group major medical plans in the West Virginia market. A qualified actuarial firm cannot be providing actuarial services for carriers that are making health filings in West Virginia and which the firm could be required to assist in review as part of the engagement.

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 health insurer filings for individual, group and association product offerings. 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 or unjustified, documentation to support the indicated and requested rate levels, projected premium impact and projected premium impact to consumers. Review shall ensure all PPACA components are addressed and the rate filing is in compliance with PPACA regulations.

The firm will also provide monthly training sessions for the OIC policy and rate analyst staff. The objective of the training sessions is to bring actuarial "best practices" to the review processes of the staff. Training will be required on the factors of the rate filing, benchmarks for the factors, trending factors, components of the medical loss ratio, how medical inflation should be addressed, the financial position of the carrier and the impact of mandated benefits. Training sessions should be structured to provide onsite training (Charleston, West Virginia) and web-based session when appropriate. Each monthly session will address specific topics, for example the components of the medical loss ratio, as well as use active pending filings in a case study format. As a product of the training services, the actuarial firm is to develop a manual of rate review guidelines for use by the OIC staff by the end of the first 6 months of the engagement. 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 health insurers' 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 and policy analyst.

The actuarial firm may provide other management consulting services and perform special reviews and/or analysis of health insurance and PPACA matters for 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 their 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.

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 prompts and effective performance of the obligations hereunder.

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 a period of six (6) month commencing on the date the quotations are due.

Firm Information

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

- (a) Name and address of the firm submitting the quotation along with the federal employer identification number of the vendor.
- (b) Date of registration to do business in the State of West Virginia. Foreign corporations and businesses do not need to register to do business in West Virginia to submit a quotation, but must do so before a contract can be issued.

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.

VENDOR COST:	\$ 2PP	PER HOUR

RFQ No. INS 11006

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.

Vendor's Name: United Actuarial Services, Inc. Authorized Signature: Date: 12/8/10 State of North AND County of Hendorch Inc. Taken, subscribed, and sworn to before me this & day of December 12/90. My Commission expires 7/19 , 20/5. AFFIX SEAL HERE NOTARY PUBLIC Agrada Tackard



WITNESS THE FOLLOWING SIGNATURE

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,
Washington Market Marke	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.
requiren against	inderstands if the Secretary of Revenue determines that a Bidder receiving preference has failed to continue to meet the nents for such preference, the Secretary may order the Director of Purchasing to: (a) reject the bid; or (b) assess a penalty such Bidder in an amount not to exceed 5% of the bid amount and that such penalty will be paid to the contracting agency sted from any unpaid balance on the contract or purchase order.
authoriza the requ	nission of this certificate, Bidder agrees to disclose any reasonably requested information to the Purchasing Division and es the Department of Revenue to disclose to the Director of Purchasing appropriate information verifying that Bidder has paid ired business taxes, provided that such information does not contain the amounts of taxes paid nor any other information by the Tax Commissioner to be confidential.
and acc	enalty of law for false swearing (West Virginia Code, §61-5-3), Bidder hereby certifies that this certificate is true urate in all respects; and that if a contract is issued to Bidder and if anything contained within this certificate during the term of the contract, Bidder will notify the Purchasing Division in writing immediately.
	Signed:
	Title;

N/H Indiana Resident