

Taylor & Mulder
Property and Casualty Consulting Actuaries

Taylor & Mulder, Inc.
Proposal to Provide Actuarial Rate Review Services for
The West Virginia Offices of the Insurance Commissioner

Technical Proposal
RFQ INS14020

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West Virginia Purchasing Division

Taylor & Mulder, Inc.
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Ms. Evelyn Melton
Department of Administration, Purchasing Division
2019 Washington Street East
Charleston, WV 25305-0430

Dear Ms. Melton,

This letter is in response to your request for qualifications (RFQ INS14020) to provide actuarial services to the Offices of the Insurance Commissioner. Taylor & Mulder would be pleased to provide the actuarial services outlined in the request for proposal.

We are a local independent firm providing actuarial services to a wide variety of clients, always in a timely manner for a reasonable cost. Our senior actuaries, led by Evelyn Toni Mulder and Jane Taylor, have over 100 years of collective experience, so not only have we seen it all, but we know how to react to any situation. Taylor & Mulder clients include insurers, reinsurers, insurance departments, self-insurers, captives, risk retention groups, brokers, accounting firms, law firms and corporations. We also represent governments at the federal, state, county and local levels.

Regardless of the business category, most clients' needs are universal: *accurate results and in-depth analysis, delivered on time and explained in easy to understand language*. That's what you get with Taylor & Mulder, whether it be reserving, pricing, or expert witness testimony. To achieve optimal results takes more than just math. It's gaining a deep knowledge of your project's inner workings...understanding changes in the industry and even the entire marketplace. And if you're in need of expert testimony, take confidence in the fact that *we have never lost a case in which we've testified*. That kind of service and results only come with the experience and dedication that Taylor & Mulder can provide.

We would like to thank you for the opportunity to present our qualifications to the State. Should you wish to discuss any items contained in this response, please do not hesitate to contact us. For more information about our firm, we invite you to visit us on the web at www.taylorandmulder.com.

Sincerely,

Daniel W. Lupton, ACAS, MAAA, MBA

Introduction

This proposal is organized to first respond to the minimum requirements outlined in section 3.1 and 3.2 of the RFQ specifications. Following this, we provide additional information relevant to our firm's qualifications and experience in providing similar services.

Taylor & Mulder, Inc. is a 100% woman owned Maryland based casualty actuarial consulting firm offering complete actuarial solutions including loss and loss adjustment expense reserve analysis, cost and capital allocation, premium adequacy, and reinsurance analysis. We have offices outside of Washington, DC, as well as Salt Lake City, Philadelphia, and New York City.

Four actuaries with over 100 years' combined experience will be assigned to assist the State of West Virginia Offices of the Insurance Commissioner (the "OIC") with review of property & casualty insurance rate filings and other tasks required by the OIC.

Taylor & Mulder prides itself on the quality of its work. This commitment to quality informs our process, which has been developed since Taylor & Mulder was incorporated in 1998.

At Taylor & Mulder, each work product is different, and analyses are always undertaken with the utmost consideration of the client's needs and the data available. However, work products are prepared to be consistent with our high standards for:

1. Comprehensibility of deliverables
2. Accuracy of results
3. Appropriateness of findings and recommendations
4. Quality and consistency of data
5. Peer review

Minimum Requirements

The following respond to the minimum requirements listed under section 3 of the specifications section of the RFQ.

Requirement 3.1.a – Membership in CAS and/or MAAA

All actuaries assigned to this project are either Fellows or Associates of the Casualty Actuarial Society and Members in Good Standing with the American Academy of Actuaries. Letters demonstrating proof of CAS membership status are attached as *Appendix A*, following this proposal document.

Requirement 3.1.b – Minimum Five (5) Years of Experience

All actuaries assigned to this project have over five years' experience providing actuarial consulting services in the property & casualty insurance industry. In fact, the senior actuaries assigned to this project

have over 100 years' combined experience. For more specific examples about our experience, please see the *Experience* section, below.

Requirement 3.1.c – Minimum Five (5) Years of Experience

This requirement appears to duplicate the requirement listed in 3.1.b, above.

Requirement 3.1.d – Knowledge of ASOPs

Although this requirement was redacted in the RFQ addendum, it is important that actuaries have thorough knowledge of actuarial standards of practice related to property & casualty insurance practice areas. Of particular importance to rate filings are:

- ASOP 13 – Trending procedures in Property/Casualty Insurance
- ASOP 17 – Expert Testimony by Actuaries
- ASOP 29 – Expense Provisions in Property / Casualty Insurance Ratemaking
- ASOP 30 – Treatment of Profit and Contingency Provisions and the Cost of Capital in Property / Casualty Insurance Ratemaking
- ASOP 41 – Actuarial Communications

For instance, it is our experience that the majority of disputes in rate filing reviews come from issues associated with trending procedures. Familiarity with applicable ASOPs provides important guidance in dealing with these and other issues.

Requirement 3.1.e – Experience in Rate Filing Reviews

Taylor & Mulder has significant experience reviewing property & casualty rate filings. For more specific examples about our experience, please see the *Experience* section, below.

Requirement 3.2 – Conflicts of Interest

Taylor & Mulder actuaries have no conflict of interest with regard to any carrier that is actively writing property and casualty products in the West Virginia market.

Our Actuaries

Our team of actuarial consultants assigned to this project includes:

Project manager:	Evelyn Toni Mulder, FCAS, MAAA, FCA
Peer Reviewer:	Jane Taylor, FCAS, MAAA, JD
Excess Insurance Expert:	Ewa Gutman, ACAS, MAAA
Actuarial Consultant:	Daniel Lupton, ACAS, MAAA, MBA

Resumes for our actuaries are provided attached as *Appendix B*.

Experience with Similar Projects

The actuaries at Taylor & Mulder have provided analyses of many insurers and self-insurers over the course each of their careers. Some of the entities for which we have provided services include the US Army, State of Virginia, the State of Maryland, the State of South Dakota, the Commonwealth of Pennsylvania Insurance Department, the Kansas Insurance Department, the Arkansas Insurance Department, the North Carolina Insurance Department, Harford County, Anne Arundel County, City of Portsmouth, City of Portsmouth School Districts, Fairfax County, Baltimore County, Montgomery County, City of Philadelphia Workers' Compensation, City of Durham, City of Baltimore, City of Hampton, City of Hampton Schools, Philadelphia Parking Authority, Amtrak, the Virginia Transit Liability Pool, Union Pacific Railroad, The Washington Post Company and numerous hospital, physicians', and surgeons' groups that retained the risks of medical malpractice and general liability, including George Washington University Medical Center, Washington Hospital Center in DC, Columbia Hospital for Women, Sibley Hospital, Children's Hospital in DC, National Rehabilitation Center, York Hospital, and the Charleston Area Medical Center among others. We have also worked for property and casualty insurers including Wausau Insurance Company, Highland's Insurance Group, Fireman's Fund Insurance Company, and Liberty Mutual Insurance Company, among others.

Experience with Similar Projects for Insurance Departments

Taylor & Mulder was awarded a contract by the **Kansas Insurance Department** to perform rate reviews, and perform actuarial analysis on behalf of the Department on risk-focused financial examinations including analysis reserve adequacy, premium deficiency reserve calculation, rate adequacy, and analysis of reinsurance retentions and cessions. Services include financial analysis, and financial surveillance and other related tasks.

As part of our work for the **Kansas Insurance Department**, we have performed rate filing reviews for filings submitted by a national workers' compensation rating bureau, a national homeowners rating bureau, and several other large insurers. These rate filing reviews have touched on several important issues, including:

1. The use of complex rate making models, such as generalized linear models, and the degree to which such models should be used in the future,
2. Price optimization issues, wherein rates are unfairly discriminatory and attempt to increase prices relative to what the market will bear rather than what is an actuarially sound rate,

3. Trend analyses, including loss and premium trends,
4. Appropriate catastrophe provisions,

In addition, on behalf of the financial surveillance division of the **Kansas Insurance Department**, we were requested to review the RBC calculation for a company that triggered an action level under the RBC system two years in a row despite low apparent risk. Our review included interviews with personnel from the company, discussion with regulators, and review of company financial statements. Our review revealed inconsistencies in the company's accounting for both a commutation agreement and a retroactive reinsurance agreement, as well as ineffective communication between company management and the company's accountants. Our review of the issue led to a resolution of the immediate problem while simultaneously suggesting areas to investigate in greater depth in future financial monitoring efforts for the company.

Taylor & Mulder was recently awarded a contract to perform rate filing reviews and additional services to the **Hawaii Insurance Department**.

Taylor & Mulder recently completed an evaluation of a privately held workers' compensation carrier on behalf of the **North Carolina Insurance Department** in anticipation of a potential Novation transaction. The analysis included comprehensive review of reserve practices, assumptions, and methodologies, as well as provision of reasonable estimates for reserves net and gross of reinsurance.

We conducted a major study on behalf of the **North Carolina Insurance Department** to evaluate a filing made on behalf of a mortgage guaranty insurer for waiver of the minimum policyholders' position. Our project which included a 500 page report and several thousand pages of modeling included an opinion on reserve adequacy, the analysis of the premium deficiency reserve, underwriting guideline analysis, compliance with the applicable state statutes regulating Mortgage Guaranty Insurers, capital adequacy studies, and stress testing under extreme economic conditions. Our stress testing for this project determined the stability and viability of the company, stretching the bounds of normal operating guidelines in an effort to see if a given set of operating and economic assumptions will cause a financial failure. To do this, we made use of a type of stochastic simulation called Monte Carlo simulation. After many thousands of trials, it was possible to predict the likelihood of future financial difficulties so the insurer could effectively plan and manage their risk and the insurance department could monitor this company in extreme adverse financial conditions based on the information that our report provided.

Ms. Mulder, Ms. Taylor, Ms. Gutman, and Mr. Lupton were all involved with this project which involved reserving, creation of the entire financial statements of a multi-billion dollar insurer and stress testing of that insurer.

As part of this engagement, Taylor & Mulder created a model to project ten years of complete financial statements under various scenarios. Our model needed to project interest rates, number of foreclosures, probability of economic recovery, unemployment rates, average credit scores on new loan applications, and strictness of future underwriting guidelines, future claim activity, average future claim costs and virtually every element of risk effecting the financial statements.

On behalf of the **North Carolina Insurance Department**, we also evaluated the submission for new licensing of a mortgage guaranty insurer for the NCDOI Admissions Manager. We based our analysis of liabilities, projections of financial ratios, market share, loan portfolio characteristics, underwriting manuals and all other operations of a new company on many years of data from the filer's mortgage guaranty companies. This project included evaluation of detailed funding determinations, analysis of sufficiency of asset/liability matching, cash flow and liquidity projections, evaluation of financial forecasts and projections, of all elements of the balance sheet for future years, and a report showing all of the evaluations included in our model.

We recently completed an analysis of property/casualty reserves of a medical malpractice insurance company domiciled in **Pennsylvania** in connection with the financial examination. Taylor & Mulder performed an actuarial analysis of property/casualty reserves in connection with the financial examination of three medical professional liability insurers. Our review in the last risk-focused examination included an actuarial analysis of the property/casualty reserves, an extensive review of the work of the company's independent actuary, a test of the calculation of the unearned premium reserves, a review the reinsurance program, comment on long-term insurance rating adequacy, and a review the risk concentration by medical specialty. We worked closely with the Department to ensure that our analysis was timely and consistent with the department's needs.

Taylor & Mulder actuaries also worked on the liquidation of Physicians Insurance Company ("PIC") for the **Pennsylvania Insurance Department** Office of Liquidations and Rehabilitations. We were involved in creating the transactions for a major offshore loss commutation for which records had been destroyed by Company management. This was done by performing extensive analysis on all of the individual claims in the Company's database. Taylor & Mulder provided a forensic evaluation of the medical malpractice carrier, analyzing the property/casualty reserves that should have been recognized for every prior year-end in order to enable the Department to allocate damages to the management team and services providers for each year. Our actuaries also assisted the Department by providing a reconstruction of needed reserves at historical points in time prior to the insolvency and by providing assistance in analyzing other aspects of the insurer's operations. As part of our analysis, we performed a cash flow analysis, and we evaluated financial forecasts and projections as they related to the Company.

Taylor & Mulder has previously been pre-qualified by the **Pennsylvania Insurance Department** to perform actuarial analyses related to Mutual to Stock Conversions.

Taylor & Mulder has contracted with the **Arkansas Insurance Department** Financial Examinations Division. In this capacity, we have performed analyses of one an Aviation Title insurance company, numerous property insurance carriers and one multi-state examination of a substandard automobile insurer. Taylor & Mulder conducted an actuarial analysis of property/casualty reserves in connection with these Financial Examinations. Our review in the risk-focused examinations has included an actuarial analysis of the property/casualty reserves as of yearend, a test of the calculation of the unearned premium reserves, and a review the reinsurance program, including a risk transfer analysis.

Our analysis of an insurance company for the **Arkansas Insurance Department** Financial Examinations Division also required us to perform an insurance rating adequacy review/analysis, including a review of

rate filings and all supporting data and calculations, as well as a review of historical rate changes. We reviewed the Company's reinsurance programs as regards risk transfer.

Experience with Expert Witness Testimony

Taylor & Mulder has extensive experience providing expert witness testimony, and we have never lost a case in which we have testified as experts.

Evelyn Toni Mulder was hired as an expert witness in an insurance arbitration between two major insurance company groups. The dispute involved the claims handling performed by a major insurance carrier for a group of over 20 insurance companies over a 2 year time period. Ms. Mulder wrote an extensive report proving that the damage calculations of the opposing side were technically flawed and calculating the claim cost comparisons the correct way, saving the client millions of dollars.

Evelyn Toni Mulder was hired as an expert witness in an insurance litigation case on behalf of a large insurance company that was suing their claims adjusting firm for damages from improper claims handling. Ms. Mulder was also hired as an expert witness in an insurance arbitration in between a major insurance carrier and their underwriter and an insurance arbitration in New York City on behalf of an insurance company who alleged that it incurred millions of dollars in damages as a result of ineffective claims handling for commercial automobile claims by its claims adjusting company.

Evelyn Toni Mulder was the managing consultant on a major research project conducted for the Texas Catastrophe Property Insurance Association. This project involved the design of a computer simulation model to estimate the expected losses for hurricanes hitting the Texas coast in all storm categories. She testified as an expert witness.

Evelyn Toni Mulder has also been involved in commercial automobile rate hearings in Maryland, a rate hearing in Washington, D.C. for the D.C. Insurance Administration and insurance litigation in New York, among other cases.

Primary Point of Contact / Contract Manager

The primary point of contact for this project will be Evelyn Toni Mulder, FCAS, MAAA, FCA, the President of Taylor & Mulder, Inc.:

Name:	Evelyn Toni Mulder, FCAS, MAAA, FCA
Title:	President
Mailing Address:	10508 Rivers Bend Ln. Potomac, MD 20854
Phone:	(301) 365-4800
Fax:	(301) 365-4882
Email:	etmulder@taylorandmulder.com

References

Client: State of Kansas Insurance Department

Jim Newins, Property and Casualty Division Director

420 S.W. 9th Street, Topeka, KS 66612

Phone: 785-296-3071

E-mail: jgnewins@ksinsurance.org

Performed: 2013 – Present

Project: Rate filing reviews, risk-focused financial examinations, and review of financial surveillance issues for property & casualty insurance companies operating in the State of Kansas.

Client: North Carolina Department of Insurance

Debbie Walker, Director of Captive Insurance

1203 Mail Service Center, Raleigh, NC 27603

Phone: 919-807-6165

E-mail: debbie.walker@ncdoi.gov

Performed: 2009 – Present

Project: Target financial examination of the North Carolina Chamber of Commerce Self Insurance Fund in connection with a novation. Mortgage Insurance Company filing for a waiver of the minimum policyholders position requirement, with focus on the forecast of the capital and reserves proposed to support its risk to capital ratio.

Client: Commonwealth of Pennsylvania Insurance Department

Melissa Greiner, Property Casualty Actuary

1345 Strawberry Square, Harrisburg, PA 17120

Phone: (717) 772-1724

Fax: (717) 787-8557

E-mail: mgreiner@pa.gov

Performed: July 2007 – Present

Project: Risk-focused financial examinations of property casualty insurance companies domiciled in Pennsylvania.



CASUALTY ACTUARIAL SOCIETY

DANELLE GEE

MEMBER RESOURCE CENTER MANAGER

June 22, 2009

To Whom It May Concern:

This letter is verification that Evelyn Toni Mulder is a Fellow Member of the Casualty Actuarial Society (CAS) and that her membership is current and in good standing. Ms. Mulder has been a Fellow member with CAS since 11/1985. She attained his FCAS designation by examination.

If you need additional information, please feel free to call me at (703) 276-3100 or e-mail to dgee@casact.org.

Sincerely,

Danelle Gee
Member Resource Center Manager



CASUALTY ACTUARIAL SOCIETY

DANELLE GEE
MEMBER RESOURCE CENTER MANAGER

June 22, 2009

To Whom It May Concern:

This letter is verification that Jane C. Taylor is a Fellow Member of the Casualty Actuarial Society (CAS) and that her membership is current and in good standing. Ms. Taylor has been a Fellow member with CAS since 05/1978. She attained his FCAS designation by examination.

If you need additional information, please feel free to call me at (703) 276-3100 or e-mail to dgee@casact.org.

Sincerely,

Danelle Gee
Member Resource Center Manager

4350 North Fairfax Drive, Suite 250, Arlington, Virginia 22203



703.276.3100 ext. 725 • F: 703.276.3108 • esmith@casact.org

CASUALTY ACTUARIAL SOCIETY

DANELLE GEE

MEMBER RESOURCE CENTER MANAGER

June 22, 2009

To Whom It May Concern:

This letter is verification that Ewa Gutman is an Associate Member of the Casualty Actuarial Society (CAS) and that her membership is current and in good standing. Ms. Gutman has been an Associate member with CAS since 05/1989. She attained his FCAS designation by examination.

If you need additional information, please feel free to call me at (703) 276-3100 or e-mail to dgee@casact.org.

Sincerely,

Danelle Gee
Member Resource Center Manager

4350 North Fairfax Drive, Suite 250, Arlington, Virginia 22203



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CASUALTY ACTUARIAL SOCIETY

DANELLE GEE

MEMBER RESOURCE CENTER MANAGER

April 23, 2013,

To Whom It May Concern:

This letter is verification that Mr. Daniel W. Lupton is an Associate Member of the Casualty Actuarial Society (CAS) and that his membership is current and in good standing. Mr. Lupton has been an Associate member with CAS since 03/2013. He attained his ACAS designation by examination.

If you need additional information, please feel free to call me at (703) 276-3100 or e-mail to dgee@casact.org.

Sincerely,

Danelle Gee
Actuaries' Resource Center Manager

Appendix B – Resumes

The following nine pages contain the resumes for our actuaries in the following order:

1. E. Toni Mulder, FCAS, MAAA, FCA
2. Jane C. Taylor, FCAS, MAAA, JD
3. Ewa Gutman, ACAS, MAAA
4. Daniel Lupton, ACAS, MAAA, MBA

RESUME

EVELYN TONI MULDER, FCAS, MAAA, FCA

PROFESSIONAL DESIGNATIONS:

- Fellow of the Casualty Actuarial Society (FCAS)
- Fellow of the Conference of Consulting Actuaries (FCA)
- Member of the American Academy of Actuaries (MAAA)

EXPERIENCE:

Ms. Mulder has over 35 years' experience in the actuarial field, including 28 years as a consultant. As a consultant, Ms. Mulder has served over 75 insurance companies, 40 self-insured hospitals, federal, state, county, and local governmental agencies, and Fortune 500 companies. Services include reserving, pricing, funding studies, financial examination services for insurance departments, actuarial analysis for insurance department liquidations, managing captives, reinsurance, fronting arrangements, statutory and GAAP accounting, computer simulation modeling, forensics, claims analysis and marketing. She provides loss reserve opinions and rate filings for insurance companies and funding, reserving, GASB10 review, premium and rate determination and cost allocation studies for self-insurers. Her experience includes expert witness testimony for litigation and arbitration proceedings. Ms. Mulder specializes in long tail lines of business including workers' compensation, taxi cab liability, medical malpractice for hospital and physicians' and surgeons', governmental liability, general liability, products liability, commercial automobile liability, railroad liability and reinsurance.

EMPLOYMENT HISTORY:

Taylor & Mulder, Inc., Principal and Consulting Actuary, 1998 to present. Consulting to insurance companies in the U.S. and captive insurers in Bermuda. Services included reserving, pricing, funding studies, financial examination services for insurance departments, actuarial analysis for insurance department liquidations, managing captives, reinsurance, fronting arrangements, statutory and GAAP accounting, computer simulation modeling, forensics, claims analysis, operations of two Bermuda domiciled insurance companies, reserving, premium and rate determination and cost allocation studies for self-insurers. Her experience includes expert witness testimony for litigation and arbitration proceedings.

Ms. Mulder has testified as an expert and provided expert reports in disputes involving arbitration and litigation between insurance companies, reinsurers, claims adjusting firms and service providers. Ms. Mulder has testified on behalf of insurance companies and service providers. She specializes in forensics, calculating the effects of prior decision making and policies, and retrospective reserving issues.

William M. Mercer, Incorporated, Principal and Coordinating Partner, (Washington, DC) 1992 to 1997. Office head for the Washington DC office of the Risk, Finance and Insurance group. This group provided actuarial analyses for insurance companies, insurance Departments, self-insured corporations, Federal, State and County governmental agencies, railroads and hospitals. Services include pricing, reserving, funding studies, cost allocation, feasibility studies, GASB10, reinsurance evaluations, large risk analysis, captive feasibility studies, insurance company modeling, catastrophe modeling, litigation support and expert witness testimony, and mergers and acquisitions. She was project manager for a client where the

firm designed, programmed and tested a hurricane model that she presented at a rate hearing before the Texas State Board of Insurance. Ms. Mulder also managed the project to calculate the property and liability costs for the Federal Government for the RTC for \$18 billion in properties in numerous classification codes for properties located around the country. For one of her railroad clients, she estimated the cost of future railroad collisions.

Tillinghast/Towers Perrin, Vice President, (Vienna, Virginia) 1987 to 1988. Consulting actuary to insurers and self-insurers in the areas of pricing and reserving. Clients included insurance companies, self-insurers, Bermuda captives, hospitals, governments, and railroads.

Deloitte Haskins & Sells, Senior Manager (Washington, DC) 1982 to 1986. Provided consulting services to clients and audit support for 66 casualty insurance companies countrywide each year. Audit clients included Munich Reinsurance, Safeco, Gerling Global, Metropolitan Reinsurance, Metropolitan Property and Casualty, Motors Insurance Company and Armco. On a significant number of audit clients, she also provided loss reserve opinions. Self-Insured clients included governments and hospitals.

Edward H. Friend & Company, Chief Casualty Actuary and Assistant Vice President (Washington, DC) 1979 to 1982. Responsibilities included managing the casualty actuarial practice for a pension and employee benefits consulting firm. Clients included over 80% of the hospitals in DC and a number in West Virginia. Ms. Mulder prepared the actuarial reports for the hospitals for their risks of hospital and physicians' and surgeons' professional liability, and workers' compensation.

Chubb & Son Insurance Group, Assistant Actuary and Corporate Officer (Short Hills, New Jersey) 1976 to 1979. She was responsible for the commercial automobile and general liability divisions of the actuarial departments. This included working closely with the underwriters. Ms. Mulder was the liaison between the actuarial department, the underwriting department and the ISO committees for these lines of business.

Continental Insurance Company, Actuarial Assistant (New York, New York) 1971 to 1975. Ms. Mulder was responsible for preparing the rate filings for private passenger automobile and homeowners for approximately half of the state insurance departments in the country.

PROFESSIONAL ACTIVITIES:

- Casualty Actuarial Society Task Force on Reserving Principles – Assigned the task of Revising the 1988 Statement of Principles Regarding Property and Casualty Loss and Loss Adjustment Expense Reserves – 2001 to 2008
- Casualty Actuarial Society Committee on Reserves – 1997 to 2003
- Casualty Actuarial Society Committee on Online Services – 1997 to 2002
- Liaison to the Casualty Actuarial Society Committee on Online Services on behalf of the Casualty Actuarial Society Committee on Reserves – 1997 to 2002
- Liaison to the Casualty Actuarial Society Committee on Health and Managed Care Issues on behalf of the Casualty Actuarial Society Committee on Online Services – 2001 to 2002
- Liaison to the Casualty Actuarial Society Education Policy Committee on behalf of the Conference of Consulting Actuaries – 1999 to 2001

- Casualty Actuarial Society Committee on Valuation, Finance and Investments – 1997 to 2000
- American Academy of Actuaries Issues Committee Chair of Self-Insurance Issues – 1997 to 1999
- Joint Program Committee for the Casualty Loss Reserve Seminar – 1993 to 1998
- American Academy of Actuaries - Chairperson, Committee on Publications – 1993 to 1997
- Contingencies Magazine – The Journal of the American Academy of Actuaries – Chairperson, Editorial Advisory Board – 1993 to 1997
- Contingencies Magazine – The Journal of the American Academy of Actuaries – Member, Editorial Advisory Board – 1988 to 1993
- Casualty Actuarial Society – Advisory Committee to Forecast 2000 Representing the Casualty Actuarial Society – 1988 to 1993
- The Actuarial Update (The American Academy of Actuary's Newsletter) Editor – 1989-93
- The Actuarial Review (The Casualty Actuarial Society's Newsletter) News Editor – 1988-92
- Casualty Actuarial Society External Communications Committee Chairman – 1987 to 1989
- Casualty Actuarial Society External Communications Committee Vice-Chairman – 1986-87
- Casualty Actuarial Society External Communications Committee – 1983-1986
- Casualty Actuarial Society Committee on Career Enhancements – 1982-1983

EDUCATION:

- BA in Mathematics from the State University of New York at Plattsburgh, 1971

RESUME

JANE TAYLOR, FCAS, MAAA, JD

Ms. Taylor is Consulting Actuary in the consulting practice of Taylor & Mulder, Inc. Prior to that, she was Senior Manager in the Insurance Consulting Practice of KPMG Peat Marwick in the Radnor, Pennsylvania office. Her training in both actuarial science and the law brings a broad and unique perspective to insurance.

REPRESENTATIVE ACCOMPLISHMENTS:

Ms. Taylor has experience in handling a wide variety of insurance related issues including:

- Analyzing loss and loss expense reserves of multi-line property and casualty companies as part of reserve certifications and as part of reinsurance security analyses and analyzing loss reserves for self-insurers.
- Funding, reserving, GASB10 review, premium and rate determination and cost allocation studies for self-insurers
- Providing actuarial analysis of loss reserves for financial examinations of property and casualty insurance companies on behalf of Insurance Departments
- Analyzing loss reserves for a liquidated medical malpractice insurer on behalf of the Liquidations Department of a State Insurance Department
- Pricing and reserving of specialty line insurance coverages including medical malpractice, legal malpractice, general liability and mortgage guaranty insurance.
- Supporting merger and acquisition activities for a variety of insurance entities including clients writing medical malpractice, workers' compensation, general liability, automobile liability, reinsurance, excess and surplus lines, and primary coverage.
- Providing litigation support for disputes involving insurance company litigants.
- Assisting risk retention groups, captives, self-insurers, trust funds, and specialty insurers in start-up operations including ratemaking, funding, policy design, rating protocol, reserves, and reinsurance needs.
- Establishing asbestos and environmental reserves for a major multi-line insurance company and reviewing various environmental models.
- Pricing, monitoring, and reserving treaty and facultative reinsurance on both assumed and ceded business, including portfolio transfers, commutations, and evaluating loss sensitive contracts.
- Performing claims audit work for self-insurers and other non-insurance clients and establishing claims administration procedures for specialty companies and self-insurers.

PROFESSIONAL AFFILIATIONS AND ACCOMPLISHMENTS:

Ms. Taylor is member of several professional organizations serving the actuarial and legal communities. The following is a list of current affiliations:

- Fellow of the Casualty Actuarial Society
- Member of the American Academy of Actuaries
- Member of the American Bar Association

As an actuary and a lawyer, she has served terms on various committees designed to further the respective professions. These include:

- Member, Casualty Actuarial Society Ratemaking Committee
- Member, Syllabus Committee of the Casualty Actuarial Society
- Director, Board of Directors of the Actuarial Education and Research Fund
- Member, Casualty Loss Reserve Seminar Committee
- Member, American Bar Association Standing Committee on Legal Liability
- Chair, American Academy of Actuaries Working Group on Risk Transfer Issues

BACKGROUND

Ms. Taylor enjoyed a wide variety of assignments in corporate and consulting. Beginning at the most recent assignment and moving backward in time, the brief descriptions below outline her experience.

1995 – 1997 Senior Manager
 KPMG Peat Marwick, LLP, Radnor, Pennsylvania

Major Responsibilities:

- Provide Audit Support for Clients in the Accounting Insurance Practice and for Insurance Operations of Self-Insurers and other Non-Insurance Clients
- Review Environmental Liability Models of Insurance Clients
- Prepare and Submit Actuarial Statements of Opinion for Standard, Specialty, and Excess and Surplus Insurers
- Manage of the Casualty Actuarial US GAAP Conversion of a German Reinsurance Company
- Perform FAS 113 Analysis of Reinsurance Contracts for Compliance with Accounting and Actuarial Standards for Ceding Companies
- Represent the American Academy of Actuaries to the Relations with Accountants Committee and the Financial Reporting Committee
- Design Pooling Agreements for Insurance Group Members to Provide a Superior Spread of Risk Among the Members
- Evaluate Mortgage Guaranty Programs for the Federal Government (FHA/HUD), Insurers, and Reinsurers
- Prepare a Study of Insurer Insolvency for Blue Cross, Incorporated

1991 – 1995 Corporate Senior Vice President of Actuarial Standards and Data Quality
 Reliance Insurance Group, Philadelphia, PA

Major Responsibilities:

- Direct the Actuarial Student Program
- Manage the Statistical Reporting and Data Quality Department
- Conduct Environmental Liability Quarterly Reserving for Reliance Insurance Company including Subsidiaries
- Coordinate the Workers' Compensation Assigned Risk Program and Conduct Quarterly Reserve Reviews

- Critique and Recommend Catastrophe Model
- Provide Reinsurance Security Committee Actuarial Support

1985 – 1991 Senior Vice President and Actuary
 Reliance Reinsurance Corp., Philadelphia, PA

Major Responsibilities:

- Direct the Actuarial Pricing Activity for Treaty Reinsurance
- Conduct Environmental Liability Quarterly Reserving for Reliance Reinsurance Company
- Coordinate the Workers' Compensation Assigned Risk Program and Conduct Quarterly Reserve Reviews
- Critique and Recommend Catastrophe Model
- Provide Reinsurance Security Committee Actuarial Support

1982 – 1985 Vice President and Consulting Actuary
 Huggins Financial Services, Inc., Philadelphia, PA
 (now part of Ernst & Young)

1980 – 1982 Consulting Actuary
 Independent Actuarial Services, Inc., South Windsor, CT

1971 – 1980 Various Titles from Actuarial Student to Assistant Actuary
 The Travelers Insurance Company, Hartford, CT

Ms. Taylor includes primary companies, reinsurance companies, and previous consulting tenures in her twenty plus years of insurance experience. Her actuarial assignments have ranged from the purely theoretical to the highly practical. Managerial experience includes managing both data quality and statistical reporting operations and an actuarial student program.

EDUCATION

- BS in Statistics from Virginia Polytechnic Institute and State University with Honors, 1969
- MS in Statistics from Virginia Polytechnic Institute and State University, 1973
- JD from University of Connecticut School of Law, 1981

RESUME

EWA GUTMAN, ACAS, MAAA

PROFESSIONAL DESIGNATIONS AND ASSOCIATIONS

- Associate of Casualty Actuarial Society (ACAS).
- Member of American Academy of Actuaries (MAAA).
- Casualty Actuaries of Greater New York – Member.

EXPERIENCE

Ms. Gutman has over 35 years' experience in the actuarial field, including 29 years in reinsurance. She specializes in long tail lines of business including commercial auto liability, general liability, worker's compensation, lawyers' malpractice, and umbrella liabilities.

EMPLOYMENT HISTORY

2001 – 2008. Vice President at Guy Carpenter. Responsible for assisting brokers in reinsurance pricing using experience and exposure rating. Performed evaluation and comparison of different reinsurance strategies and its financial implications applying the internal stochastic model for casualty lines of business including specialty lines as D&O, lawyers' malpractice, trucker's liabilities, and umbrella's liabilities.

1999 – 2001. Senior VP at Tamarack- Specialty Division of Great American Insurance Company. Responsible for overseeing the adequacy of rates and the development of pricing strategies in all lines of business (general liability, umbrella, D&O, and lawyers malpractice). In addition, responsible for the implementation of a new optimal reinsurance structure and all aspects of financial reporting.

1998 – 1999. Vice President at Reliance National, International Reinsurance & Special Risks Division. Responsible for the development of new markets and introduction of Reliance National's reinsurance capacity to the Central and Eastern European markets. In addition, responsible for establishing and supervising the company in Poland (Reliance National Polska -reinsurance broker company). Introduced Reliance National into the Russian market, negotiated the acquisition of small participation of private insurance company (casualty and life insurance) in St Petersburg, Russia, and represented Reliance on the Board of Directors. Also, performed analyses of financial and economic conditions connected with these new markets. Prepared plans for further expansions into new markets.

1994 – 1998. Senior Consultant at Tillinghast – Towers Perrin. Responsible for developing business in Eastern Europe. Participated in feasibility studies of new markets (Czech, Hungary and Poland) for clients and EU. Connected clients in USA and Germany with the emerging markets companies available for acquisition. Prepared and executed the special education program for future insurance auditors in the Insurance Supervisory Authority in Poland. Also, servicing clients in the U.S.A. – majority of assignments involved the evaluation of reserves for insurance and reinsurance companies.

1978 – 1994. Chief Corporate Actuary and Vice President at Munich American Reinsurance Company. Responsible for corporate reserves, financial analysis (including solvency and capital requirements) and

planning, total profitability studies (gross, retrocession, net), Schedule P of Annual Statement, and California W.C. reinsurance report. Also, servicing U.S. Branch of Munich Re. Munich, Germany in the capacity of the corporate actuary. During the sixteen years with the company: designed and developed the computer system for the rating of excess of loss contracts (responsibility included the rating of casualty reinsurance contracts), developed and helped with the implementation of the company loss reporting system requirements for facultative and treaty business, and provided services and support for casualty underwriters and clients.

1986 – 1988. Served as the Actuarial Consultant for Munich American Services Corporation. Responsible for actuarial services as reserving, commutations (evaluation and negotiations involving Mission Insurance and Reinsurance Company insolvency) and analysis of reinsurance contracts for Munich Re clients worldwide including Victoria Reinsurance and a couple of Hong Kong companies.

1974 – 1978. Woodward and Fondiller – Consulting Actuaries, Insurance Advisers and System Analysts. Specialized in Workers' Compensation and Medical Malpractice, also conducted reviews of rate filings, casualty insurance multi – line reserve analysis, and rating of reinsurance contracts. Participated in 1977 Medical Malpractice study for Department of HEW

1971 – 1974. American Reinsurance Company. Rating of treaties, preparation of statistical reports for underwriting purposes, participated in calculations of IBNR reserves.

1970 – 1971. North – American Reinsurance Corporation. Actuarial trainee.

EDUCATION

- Associate of Casualty Actuarial Society.
- M.S. in Mathematics – Warsaw University, Poland. Master Thesis in Topology (theory of graphs).
- Student in PhD program (Topology) – Warsaw Polytechnic Institute

LANGUAGES

Fluent written and oral Polish and Russian. Understanding of Ukrainian, Bulgarian and Slovak.

PROFESSIONAL ACTIVITIES

- Member of the Loss Development Subcommittee of Reinsurance Association of America (1980 – 1994) and Chairman of this Committee (1988 – 1990) in charge of biannual reinsurance loss development study by major lines of business and layers.
- Chairman of the Actuarial Committee of Reinsurance Association of America (1990 – 1992). The major accomplishment of the Committee was working closely with NAIC as to the testing of the newly introduced Risk Based Capital formula for insurance companies with factors applicable for reinsurance companies and proposed improvements.

RESUME

DANIEL W. LUPTON, ACAS, MAAA, MBA

Daniel Lupton is Vice President and Consulting Actuary at Taylor & Mulder, Inc. having attained the rank of Associate of the Casualty Actuarial Society.

EXPERIENCE

At Taylor & Mulder Inc., Mr. Lupton has been involved in projects including stress testing for mortgage guaranty insurance, analyzing lifetime neurological birth injury claims, supporting expert witness testimony, performing data analysis for risk-focused financial examinations of insurance companies, analyzing liabilities of self-insured governments and municipalities. Mr. Lupton has particular experience with workers' compensation, automobile liability, and general liability lines of business, and has performed work in a wide range of lines including even more obscure lines such as aviation title insurance and libel and slander insurance.

This work has included reserve studies and cost allocation studies, development of confidence intervals through stochastic loss modeling, reviewing rate filings, generating pro-forma financials, assisting with GASB 10 and GASB 30 compliance, and forming opinions regarding risk transfer for excess insurance contracts.

Prior to working at Taylor & Mulder, Mr. Lupton worked for a Milliman, Inc., a major consulting firm, where he helped to perform analyses in such lines as workers' compensation, general liability, commercial auto liability, mortgage guaranty, medical professional liability, environmental liability, crop insurance, surety, and fiduciary insurance, among others. In this capacity he was responsible for aiding in data entry and analysis tasks, manipulation of large databases, creation of custom software to solve analysis tasks, and creation of client-oriented reports.

RELEVANT SKILLS

- Programming: C/C++, C#, Octave, PHP, Java, VB
- Other: Completed coursework in Neural Networks for Machine Learning through University of Toronto and Machine Learning Algorithms through Stanford University.
- Completed NAIC course, "Risk-Focused Examinations: The Role of an Examining Actuary."

EDUCATION

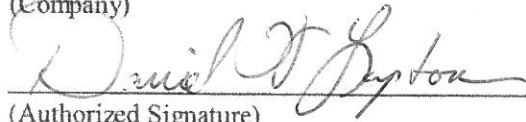
- Associate of the Casualty Actuarial Society, 2013
- Member of the American Academy of Actuaries, 2013
- MBA, University of Maryland Robert H. Smith School of Business, 2011
- BA with Comprehensive Honors, Mathematics and English, 2008

CERTIFICATION AND SIGNATURE PAGE

By signing below, I certify that I have reviewed this Solicitation in its entirety; understand the requirements, terms and conditions, and other information contained herein; that I am submitting this bid or proposal for review and consideration; that I am authorized by the bidder to execute this bid or any documents related thereto on bidder's behalf; that I am authorized to bind the bidder in a contractual relationship; and that to the best of my knowledge, the bidder has properly registered with any State agency that may require registration.

Taylor & Mulder, Inc.

(Company)



(Authorized Signature)

Daniel W. Lupton, Vice President

(Representative Name, Title)

(301) 365-4800

(Phone Number)

(301) 365-4882

(Fax Number)

06/10/2014

(Date)

ADDENDUM ACKNOWLEDGEMENT FORM
SOLICITATION NO.: INS14020

Instructions: Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

Acknowledgment: I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

Addendum Numbers Received:

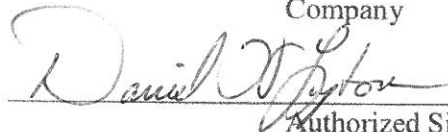
(Check the box next to each addendum received)

<input checked="checked" type="checkbox"/> Addendum No. 1	<input type="checkbox"/> Addendum No. 6
<input type="checkbox"/> Addendum No. 2	<input type="checkbox"/> Addendum No. 7
<input type="checkbox"/> Addendum No. 3	<input type="checkbox"/> Addendum No. 8
<input type="checkbox"/> Addendum No. 4	<input type="checkbox"/> Addendum No. 9
<input type="checkbox"/> Addendum No. 5	<input type="checkbox"/> Addendum No. 10

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further 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.

Taylor & Mulder, Inc.

Company



Authorized Signature

06/10/2014

Date

NOTE: This addendum acknowledgement should be submitted with the bid to expedite document processing.

RFQ No. INS14020STATE OF WEST VIRGINIA
Purchasing Division**PURCHASING AFFIDAVIT**

MANDATE: Under W. Va. Code §5A-3-10a, 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: (1) the debt owed is an amount greater than one thousand dollars in the aggregate; or (2) the debtor is in employer default.

EXCEPTION: The prohibition listed above does not apply where a vendor has contested any tax administered pursuant to chapter eleven of the W. Va. 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.

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.

"Employer default" means having an outstanding balance or liability to the old fund or to the uninsured employers' fund or being in policy default, as defined in W. Va. Code § 23-2c-2, failure to maintain mandatory workers' compensation coverage, or failure to fully meet its obligations as a workers' compensation self-insured employer. An employer is not in employer default if it has entered into a repayment agreement with the Insurance Commissioner and remains in compliance with the obligations under the repayment agreement.

"Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

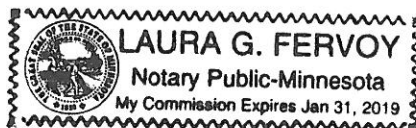
AFFIRMATION: By signing this form, the vendor's authorized signer affirms and acknowledges under penalty of law for false swearing (W. Va. Code §61-5-3) that neither vendor nor any related party owe a debt as defined above and that neither vendor nor any related party are in employer default as defined above, unless the debt or employer default is permitted under the exception above.

WITNESS THE FOLLOWING SIGNATURE:Vendor's Name: Taylor & Mulder, Inc.Authorized Signature: *David W. Taylor* Date: 06/10/2014State of MinnesotaCounty of Ramsey, to-wit:Taken, subscribed, and sworn to before me this 10 day of June, 2014My Commission expires Jan 31, 2019, 2014

AFFIX SEAL HERE

NOTARY PUBLIC *Laura G. Fervoy*

Purchasing Affidavit (Revised 07/01/2012)



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 Vendor Preference, if applicable.

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

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

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

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

2. Application is made for 2.5% 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% 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% 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% 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% 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.

7. Application is made for preference as a non-resident small, women- and minority-owned business, in accordance with West Virginia Code §5A-3-59 and West Virginia Code of State Rules.

_____ Bidder has been or expects to be approved prior to contract award by the Purchasing Division as a certified small, women- and minority-owned business.

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

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

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

Bidder: Taylor & Mulder, Inc.

Signed: _____

Date: 06/10/2014

Title: Vice President