



Professional Services Proposal

West Virginia Offices of the Insurance Commissioner

February 23, 2016



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February 23, 2016

Department of Administration, Purchasing Division
2019 Washington Street East
Charleston, WV 25305-0130

RE: CRFQ 0704 INS1600000002

Dear Sir or Madam.

We are pleased to submit this proposal to continue serving as independent auditors to the West Virginia Offices of the Insurance Commissioner (WVOIC) for fiscal years ending June 30, 2016, 2017, 2018 and 2019. In preparing our response, we have reviewed the contents of your RFQ. We very much appreciate being invited to participate in this opportunity and trust that the accompanying information provides you with the right level of appreciation for why Dixon Hughes Goodman LLP (DHG) is the right choice to continue to serve the WVOIC.

Our value proposition delivers national firm credentials and expertise with the personalized service of a local firm. DHG is proud to continue to bring the following to WVOIC:

- **Solid Government and Insurance Industry Experience** – DHG has purposefully chosen to specialize in selected areas of expertise and maintains professional staff with high levels of experience to serve clients. The government and insurance practices are two of the Firm's specialized industry segments. DHG has extensive experience conducting audits under the Governmental Audit Standards issued by the Comptroller General of the United States. As the current audit partner for the WVOIC and PEIA/RHBT, and other State agencies, along with having served in the past as the partner-in-charge for the overall State of West Virginia financial statement audits for many years, I am familiar with your operations and the surrounding marketplace in which the WVOIC operates. Additionally, the returning independent quality control review partner, Matt Church, has significant experience with clients operating in the government and insurance markets. As the incumbent, the proposed team is experienced with the WVOIC operations, and will continue to execute an efficient risk based audit plan, which will avoid the disruption to management of having to train a new audit team.
- **A Responsive Team That Provides Resources and Assists in Improving Internal Controls and Operational Efficiencies** – The engagement team selected to provide services to WVOIC combines its strong technical skills with its in-depth knowledge of the operations of the WVOIC and other governmental organizations. We are able to share our experience and knowledge of governmental organizations to provide management with suggestions to improve internal controls and the efficiency of WVOIC's operations. We are available throughout the year and offer a wide range of resources from across the Firm, focusing on providing the WVOIC with a true "business partner" that will keep management aware of emerging financial reporting, accounting and industry issues.
- **Local Firm Responsiveness Backed by National Caliber Resources** – DHG provides the advantages of both a national firm and a local firm through a successful combination of industry and subject matter knowledge, coupled with a wide range of services and accessibility throughout the year.

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WV Purchasing Division



In short, we believe that DHG continues to demonstrate the credible and validated combination of governmental and insurance specific service capabilities and local community investment and leadership that the WVOIC has experienced in the past. The WVOIC will continue to be served by an industry-knowledgeable team that knows the WVOIC and understands the important role and responsibility that the WVOIC plays in the State.

WVOIC is a valuable client of DHG and we appreciate your business, as well as your consideration of DHG as your trusted business advisor to continue serving the WVOIC. Please feel free to contact us with any questions or comments regarding our proposal to continue serving WVOIC.

Sincerely,



Norman C. Mosrie, CPA, CHFP, FHFMA
Partner-in-Charge of Assurance



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3. Qualifications

- 3.1. *The successful vendor must have 3 years of experience with the auditing of governmental financial statements for WV governmental entities and Governmental Accounting Standards (GASB).*

As the auditor for the WVOIC for the years ended June 30, 2012 through 2014, DHG has the necessary experience with auditing governmental financial statements for West Virginia entities reporting under GASB standards. DHG is also the auditor to many other State Agencies including West Virginia Public Employees Insurance Agency, West Virginia Retiree Health Benefit Trust Fund, School Building Authority of West Virginia, and West Virginia Solid Waste Management Board. For more information about DHG's experience About DHG beginning on page 8.

- 3.2. *The successful vendor must be in compliance with all applicable rules and regulations of the WV Board of Accountancy, as required by WV Accountancy law.*

3.2.1 *All public accounting firms must comply with firm organization and registration requirements and annually renew their registrations with the WV Accountancy Board.*

3.2.2 *The successful vendor must be authorized by the WV Board of Accountancy to perform attest services within the state of WV.*

Dixon Hughes Goodman LLP is a registered vendor in the State of West Virginia and our Firm and professionals are licensed to practice as Certified Public Accountants in good standing with the West Virginia Board of Accountancy. DHG is in compliance with all applicable rules and regulations of the WV Board of Accountancy and is authorized by the WV Board of Accountancy to perform attest services within the State of WV. Annual registration requirements have been met.

- 3.3. *Each employee, member or associate assigned to this contract must be either licensed to practice as a certified public accountant ("CPA") in West Virginia or subordinate/support staff supervised by a licensed CPA.*

All of our executive and supervisory team members assigned to this contract are licensed to practice as a CPA in West Virginia and subordinate/support staff, if not CPAs, will be supervised by a licensed CPA.

- 3.4. *No change in personnel assigned to the project will be permitted without the written approval of the Insurance Commissioner or his/her designee.*

We understand that any change in personnel assigned to this project must have written approval of the Insurance Commissioner or his designee.

- 3.5. *If subcontractors are used, the successful vendor must identify any subcontractors who will be used during the engagement and disclose the qualifications of each subcontractor or each person associated with a subcontracted firm to the WVOIC. Any changes to subcontractors or subcontractor personnel must be submitted to the WVOIC for written approval of the Insurance Commissioner or his/her designee.*

Consistent with with prior years, our actuarial audit support services will be provided by FTI Consulting, Inc. (FTI). See page 11 for additional information on FTI. Full profiles of the proposed FTI team members are included in the Client Service Team section beginning on page 19. FTI's familiarity with the WVOIC's consulting actuary, Pinnacle Actuarial Resources, Inc. and their actuarial methodologies and assumptions will facilitate a smooth actuarial review process, and will avoid possible differences of opinion which could arise by involving a new actuary in the review process, given the highly judgemental nature of the insurance claims reserving process. We understand that any changes to subcontractors or

subcontractor personnel must be submitted to the WVOIC for written approval by the Insurance Commissioner or his designee.

- 3.6. *The successful vendor must have the necessary competency and experience, either independently, or through the use of subcontractors, to opine on the liability calculations derived by an independent consulting actuarial firm for the WVOIC's various workers' compensation funds. The competence and experience for the actuarial component of the work must be specifically related to workers compensation liabilities and are more fully defined below.*

As the incumbent auditors for the WVOIC, our experienced team, including our subcontractors, has the necessary competency and experience, including specific experience related with workers compensation liabilities of not only the WVOIC, but also other entities.

- 3.6.1. To be considered as having the necessary competency for the purposes of Section 3.6, a minimum of one employee, member or associate of the successful firm (or subcontracting firm) assigned to this contract must currently be a Fellow or Associate of the Society of Actuaries (FSA) and/or a Member of the American Academy of Actuaries (MAAA), or a Fellow or Associate of the Casualty Actuarial Society (FCAS or ACAS)

Actuaries who specialize in workers compensation typically have FCAS or ACAS credentials. Our team members involved in the actuarial review process have FCAS/ACAS credentials. Additionally, they are also members or fellows of:

- American Academy of Actuaries (MAAA)
- Casualty Actuarial Society
- Institute of Actuaries
- International Actuarial Association / ASTIN
- Professional Liability Underwriting Society
- Society of Actuaries

- 3.6.2. To be considered as having the necessary experience for purposes of Section 3.6, the vendor (or a subcontracting firm) must assign at least one employee, member or associate to the project that has 3 or more years of Actuarial experience with workers' compensation claim loss reserve estimation and at least one employee with 2 or more years of experience in federal black lung claim loss estimation.

Our actuarial returning team members have previously served WVOIC and exceed the experience requirements of having three or more years of actuarial experience with workers' compensation claim loss reserve estimation and two or more years of experience in federal black lung claim loss estimation.

- 3.6.3. *Vendor must disclose the names and experience of the individuals that will perform the actuarial component of the audit described in Section 3.6, and subsections 3.6.1, and 3.6.2. The disclosure is preferred with the vendors submitted bid response, but may be requested and obtained prior to the contract award. Vendor must obtain approval from WVOIC for the individuals named in response to this subsection prior to making any substitutions for the persons identified.*

Actuarial audit support services will be provided by FTI Consulting, Inc. (FTI). Full profiles of the proposed actuarial team members are included in the Client Service Team section beginning on page 19.

- 3.7. *Compliance with experience requirements will be determined prior to contract award by the State through references provided by the Vendor with its bid or upon request, through knowledge or documentation of the Vendor's past projects, or some other method that the State determines to be acceptable. Vendor should provide a current resume which includes information regarding the number of years of qualification, experience and training, and relevant professional education for each individual that will be assigned to this project. Vendor must provide any documentation requested by the State to assist in confirmation of compliance with this provision. References, documentation, or other information to confirm compliance with this experience requirement are preferred with the bid submission, but may be requested after bid opening and prior to contract award.*

Resumes of the proposed client service team can be found beginning on page 19. The proposed core team members have served the WVVOIC and meet the specified experience requirements.

4. Mandatory Requirements

Our Understanding of the Engagement

We understand the West Virginia Purchasing Division is soliciting bids on behalf of the agency the West Virginia Offices of the Insurance Commissioner (WVOIC), an agency of the West Virginia Department of Tax and Revenue, to establish a contract with a certified public accounting firm for audit services. We understand and will comply with the requested services and deliverables outlined under section 4.1 of the request for quotation. As we have provided in the past, our services will include the following:

1. DHG will audit the financial statements of the WVOIC in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Governmental Auditing Standards, issued by the Comptroller General of the United States. Based on the result of our audits, we will express an opinion on the fair presentation of the West Virginia Offices of the Insurance Commissioner's financial statements in conformity with generally accepted accounting principles in the United States of America. We understand that management will prepare the draft financial statements and footnotes thereto, as they have in prior years.
2. In conjunction with our audits, DHG will issue an independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with Government Auditing Standards.
3. At the conclusion of our audits, we will present our audit results, including required communications under professional standards to management and the Insurance Commissioner.
4. Prior to beginning field work, DHG will co-develop a mutually agreeable detailed work plan with management that will identify the major tasks to be accomplished and be used as a scheduling and managing tool. The work plan will incorporate the key tasks and the timeline outlined in Exhibit B as follows:

EXHIBIT B: SCHEDULE FOR MANDATORY CONTRACT SERVICES AND DELIVERABLES

Required Submission or Event	Required Completion Date/Submission Date
Entrance Conference and planning	Prior to June 30, 2016
Completion of interim work	June 30, 2016
Detailed audit plan, including year-end client assistance package	July 20, 2016
Field work to begin	On or after August 1, 2016
Draft submitted to Financial Accounting and Reporting Section (FARS) of the Department of Administration with copies to the Assistant Commissioner of Finance	September 14, 2016
Unsigned final draft with all modifications to the OIC management for final review	October 5, 2016
Final signed report submitted to the OIC and to FARS (PDF Format)	October 15, 2016
25 copies of final bound audit report submitted to the OIC	October 25, 2016

5. Contract Award & 10. Miscellaneous

5.2 Pricing Page:

Vendor should complete the Pricing Page with total all-inclusive maximum price in US currency for audit services as described in this solicitation. Vendor should complete the Pricing Page in full as failure to complete the Pricing Page in its entirety may result in Vendor's bid being disqualified.

**EXHIBIT A: PRICING PAGE
AUDIT SERVICES
FLAT FEE PRICING**

Description	Year	Extended Cost
Total all-inclusive maximum price for audit services as described in this solicitation	2016	\$82,500
Total all-inclusive maximum price for audit services as described in this solicitation	2017	\$82,500
Total all-inclusive maximum price for audit services as described in this solicitation	2018	\$82,500
Total all-inclusive maximum price for audit services as described in this solicitation	2019	\$82,500
TOTAL BID AMOUNT		\$330,000

Your decision to retain DHG as your independent auditor will not rest on any single factor. Rather, the combination of all factors you have requested makes our organization uniquely qualified to serve the WWOIC. Our proposed fees are estimated based on responses provided during the RFQ process and our past experience serving the WWOIC. Our fees assume that we will continue to receive the customary level of client assistance provided by WWOIC personnel in the past. We also understand that SOC 1 reports covering controls over third party workers compensation claims processing will continue to be provided as on the prior year audits.

See Appendix A on page 34 for the RFQ completed pricing form bid sheets.

Client Continuance

Once we receive notification of our appointment, we will begin our client continuance procedures immediately. Such procedures will include drafting an engagement letter covering the audit services as required under professional standards.



In the event that services outside the normal scope of the audits are needed by WVOIC, such services will be billed based on the amount of time involved by the respective individuals based on the following hourly rates by staff level. Should such matters arise which may result in additional fees, we will discuss them with you on a timely basis.

Staff Level	Hourly Rates
Partner/Director	\$ 350
Senior Consulting Actuary	\$ 400
Consulting Actuary	\$ 250
Senior Manager	\$ 220
Manager	\$ 170
Senior	\$ 150
Staff	\$ 120
Administrative Staff	\$ 50

DHG believes that developing a close, on-going working relationship will enhance the cost/benefit relationship of the services we will provide. We will be available to management throughout the year on an on-going basis to provide consultation on accounting and assurance matters. This consultation will be available at no charge, provided significant time is not involved to respond or develop a solution.

10. Miscellaneous

10.1. Contract Manager

During its performance of this Contract, Vendor must designate and maintain a primary contract manager responsible for overseeing Vendor's responsibilities under this Contract. The Contract manager must be available during normal business hours to address any customer service or other issues related to this Contract. Vendor should list its Contract manager and his or her contact information below.

Contract Manager: Norman C. Mosrie, Partner

Telephone Number: 304.414.3913

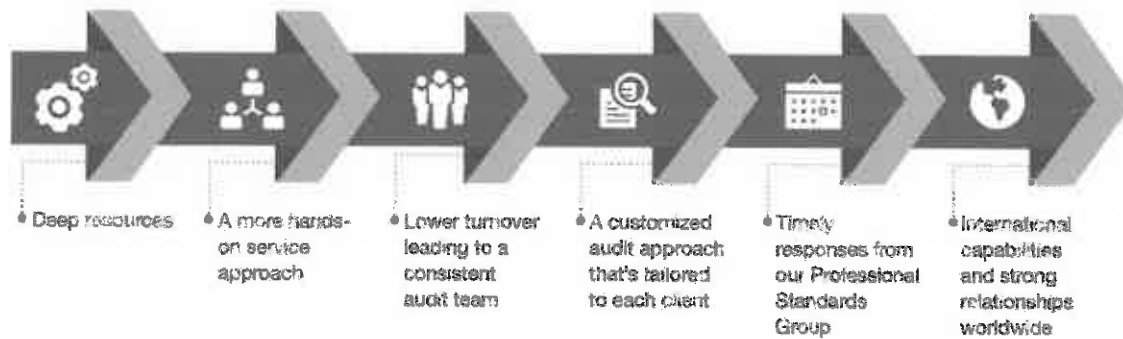
Fax Number: 304.414.3227

Email Address: norman.mosrie@dhgllp.com

What Differentiates DHG

Considering the impact to WVOIC of transitioning from DHG to another firm, we believe it is important to address why DHG is different from other firms.

what differentiates us



- **Credentials:** DHG is committed to the governmental and insurance industries and has a track record of success in this area that speaks for itself. As the current WVOIC auditor, DHG has a unique understanding of the requested audit process, which will provide for a more efficient audit process, and minimize disruption to WVOIC staff.
- **Reputation:** Steeped in trust and credibility, our reputation is one we have earned through exceptional client service, quality and thorough audit processes and knowledgeable and extraordinary service teams.
- **Professionals:** Our proposed team has significant government and insurance experience. We understand the industry in which you operate. The WVOIC will continue to experience high partner involvement supported by industry experienced professionals. **Norman Mosrie**, who has over 30 years of serving the government and insurance industries, will continue serving the WVOIC as overall relationship partner and audit partner. **Matt Church**, who also has significant and government experience, will continue serving as the independent technical quality control reviewer partner. Our team is dedicated to providing the WVOIC with strong technical knowledge, resources and advice to the extent allowed by professional standards. We can help management make accounting and broader business decisions with confidence on a timely basis and stay ahead of compliance and governance demands.
- **Communication and Knowledge Transfer:** We provide consistent and open lines of communication, establishing expectations early and meeting all agreed-upon deadlines. The value to our audit clients is always knowing and understanding, helping to avoid last minute surprises. Additionally, we provide management with information on the latest financial accounting and reporting matters, along with suggestions for enhancing operations.
- **Quality:** The firm's last completed peer review, conducted in 2014, resulted in a peer review rating of pass and that the system of quality control for the accounting and auditing practice met the objectives of quality control standards established by the American Institute of Certified Public Accountants (AICPA) and was in compliance during the year under review. Please see our latest report at Appendix F.

About DHG

Headquartered in Charlotte, North Carolina, DHG is the largest CPA firm based in the Southern U.S. and ranks among the nation's top 20 in size. Founded in 1932, the firm, through several strategic mergers over the years, has expanded its geographic footprint and depth of resources in key niche industries.

We combine a strong commitment to client service with credentialed industry experience and comprehensive tax, accounting and advisory services. We have more than 1,800 professionals in 12 states, including offices in Charleston and Morgantown, West Virginia, and over 300 Partners, Principals, and Directors who lead these resources to your best advantage. Our comprehensive solutions are delivered by local industry teams committed to providing the highest quality professional services in a timely, proactive manner.

We devote significant effort and resources to each industry, keeping ourselves and our clients abreast of new and evolving technical pronouncements, industry trends, and federal, state and local laws.



Trusted Advisors to the Governmental Sector

DHG's extensive array of professional resources and experience with numerous governmental clients, including WWOIC, positions us to be of great benefit to WWOIC as you deal with current and future financial priorities and challenges.

With the constant pressures facing governmental entities stemming from mounting financial pressures, government compliance, adoption of Governmental Accounting Standards Board ("GASB") and Financial Accounting Standards Board ("FASB") pronouncements, and overall increases in the cost of operating, it is more

important than ever to have a team of auditors who possess a deep understanding of the governmental sector. With our combination of professionals who have a proven track record working in the governmental sector and service team members who are seasoned in the complexities of governmental compliance, we are confident that DHG can meet your requirements.

We value the importance of helping our clients improve operational performance while helping to ensure compliance with laws, regulations and grant agreements. DHG has followed the standards of GASB financial accounting and reporting for state and local governmental clients since 1984 (the year GASB was founded). This experience has led to numerous successful implementations of GASB requirements.

GFOA Certificate of Achievement

DHG also routinely assists governmental units in the successful attainment or retention of the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting. **Norman Mosrie**, your proposed engagement partner, is a GFOA special review committee member, who assists the GFOA in evaluating submissions for the certificate of achievement. As a result, our professionals understand the complexities and unique reporting issues facing governments today and are prepared to consult with WVOIC management on accounting and financial reporting matters and to assist management with submissions under the GFOA Certificate of Achievement for Excellence in Financial Reporting program, should management decide to participate in this program.

Association Involvement

To further our commitment to the governmental industry, we spend our time and energy learning all we can about the issues and challenges facing your industry. We actively support and are involved in numerous local, regional and national associations and organizations, and we take pride in advising association leaders in how to help their members. Our involvement in these groups includes activities such as serving on boards, speaking and exhibiting at trade shows, writing articles for industry publications and sponsoring special events. Some of the organizations we are actively involved with include:

- AICPA Government Audit Quality Center
- Government Accounting Standards Board
- Association for Government Accountants
- Government Finance Officers Association—Special Review Committee
- National Association of Local Government Auditors
- Financial Accounting Standards Board

Insurance Industry Experience

DHG currently serves more than 100 insurance companies in various capacities, including significant advisory work for numerous Fortune 500 entities. Our advisory clients range in size from single-state to top ten global insurance providers. We perform audits of U.S. GAAP and statutory financial statements for numerous property and casualty and life and health companies ranging in size from small to large companies with net premiums exceeding \$500 million.

The dedicated group of individuals in our Insurance Services Group focuses on providing the highest quality services to insurers at a reasonable cost. We believe our industry credentials and bench strength in serving the insurance industry are second to none with a ten-partner leadership team and more than 60 professionals dedicated to serving your industry.

This robust experience translates into an efficient, well-informed audit and advisory team that understands your industry and business model. Further, we can provide valuable insights related to changes on the horizon due to our breadth of industry coverage. You are our target market segment, not a secondary market or a training ground for inexperienced employees. Working with insurance companies like yours on a regular basis, we know your industry and have a team of professionals that understands how insurance companies operate and what makes them unique.

Services provided to our insurance clients include:

- External and internal audit services
- Accounting and financial reporting consultation
- Merger and acquisition transaction planning and due diligence
- Enterprise risk management consultation
- Federal, state and local tax compliance services, including premium taxes
- Internal control testing
- Information technology audit and consultation, including HIPAA and HITECH
- Regulatory compliance audits
- Risk assessments
- Corporate governance consultation
- Strategic planning facilitation
- Reinsurance analysis
- Yellow-book consulting

Select Governmental and Insurance Clients

Following are some of our government and insurance clients:

- | | |
|---|--|
| Aflac Inc. | Reinsurance Group of America |
| Allied Claims Administration | Richmond Economic Development Corporation |
| American Financial Holdings Corporation | Riverside Regional Jail Authority |
| Anchor Insurance Holdings | School Building Authority of West Virginia |
| BrickStreet Mutual Insurance Company | Scottish Re (US) Inc. |
| Canal Insurance Group | South Carolina Office of Rural Health |
| Carolina Mutual Insurance Inc. | South Central Wastewater Authority |
| Carolinas Roofing & Sheet Metal Contractors Self-Insurers Fund Inc. | Southeastern Public Service Authority |
| Citizens Property Insurance Company | Southern States Insurance Exchange |
| Discovery Insurance Company | Star Casualty Insurance Company |
| Georgia Hospital Association Workers' Compensation | The Health Plan |
| Global Atlantic Financial Company | Virginia Commercial Space Flight Authority |
| Hamilton Captive Management | Virginia Peninsula Public Service Authority |
| Haywood County Tourism Development Authority | Virginia Peninsula Regional Jail Authority |
| Lincoln Financial Group | West Virginia Housing Development Fund |
| MAG Mutual Insurance Company | West Virginia Offices of the Insurance Commissioner |
| NCHE Workers' Compensation Fund | West Virginia Public Employees Insurance Agency |
| North Carolina Health Insurance Pool | West Virginia Retiree Health Benefit Trust Fund |
| Patrick County Economic Development Authority | West Virginia Solid Waste Management Board |
| Piedmont Authority for Regional Transportation | Western Tidewater Water Authority |
| | Williamsburg Area Transit Authority |
| | Wythe / Bland Public Service Authority |

About FTI Consulting



Representative Actuarial Engagements and Services

- Benchmarking Underwriting Performance
- Board of Director Reports and Disclosures
- Capital Models and Governance
- Cash Flow Testing
- Captive Feasibility Studies
- Ceded Reinsurance Assessments
- Claims Analytics
- Claims Liability and Damage Analysis
- Commutations and Policy Buyouts
- Compliance Services
- Design and Benchmarking of Internal Actuarial Departments
- Due Diligence Reviews
- Embedded Value
- Intellectual Property Valuation and Disputes
- Liability Reserve Analysis
- Market Conduct Related to Proper Premiums
- Market Segmentation and Analysis
- ORSA Reports
- Part VII Transfers
- Predictive Analytics
- Pricing Studies and Rate Filings
- Profitability and Strategic Reviews
- Regulatory Reporting
- Reinsurance Recoveries
- Reinsurance Risk Transfer Testing
- Risk Assessment and Management
- Solvency II Consulting - Solvent Schemes of Arrangement
- Statement of Actuarial Opinion
- Underwriting Audit Preparedness

Actuarial Support

In order to provide first class actuarial support to our audit team, we have successfully utilized actuaries from FTI Consulting, Inc.'s (FTI) Global Insurance Services Group on WWOIC and on other insurance engagements. We plan to utilize the process utilized on prior WWOIC audits, by having the experienced FTI actuaries review the claims reserve information provided by Pinnacle Actuarial Services, Inc. (PAS), WWOIC's consulting actuaries. In addition to providing audit support, FTI has also served as consulting actuaries to numerous insurance companies providing independent actuarial reserve opinions and claims estimates.

The FTI Consulting Insurance Practice, with over 100 professionals dedicated to the life, health and property-casualty insurance industry, is one of the world's leading independent insurance consultancies. The actuarial consulting services offered by the FTI Consulting Insurance Practice helps solve the many complex and challenging problems facing a diverse base of life, health, and property-casualty insurance industry clients, including insurers, reinsurers, captives, risk retention groups, brokers, banks, regulators, investors, and corporations. We serve our clients by delivering the specialized expertise, experience, and technical and leadership skills of credentialed professionals to help resolve disputes, perform due diligence reviews, measure and manage risk, improve operations, optimize opportunities, and increase shareholder value.

Meeting the Challenges

Clearly the risks faced by clients today are more complex and dynamic than in the past. The main challenge is to be prepared - to anticipate and avoid negative events if possible, and to mitigate and quickly recover from any consequences. At the same time, clients must take advantage of opportunity, which requires a high degree of preparedness.

FTI helps their clients meet these challenges through a portfolio of services designed to uncover root cause issues, and develop solutions that enhance performance and provide lasting value. Their actuaries are skilled at assessing strategic, financial, and operational risk across the enterprise, providing clients with insightful gap/impact analyses and solutions spanning several broad categories, including markets, underwriting and reserving, claims, valuations, capital management, reporting, governance, and legal and regulatory matters.

Markets

Market segmentation analysis and product differentiation strategies are crucial to successful distribution within both existing and new markets. Both disciplines depend heavily for success on the degree of granularity and integrity of underlying data and the reliability of statistical models.

As a recognized leader in data management, FTI Consulting can ensure that underlying data meets the criteria for success. In addition, our actuaries have extensive experience in product development, with a holistic approach that takes into account the myriad factors contributing to product risk and opportunity.

Underwriting and Reserving

Underwriting and market analysis are closely interdependent, often requiring iterations of risk and opportunity analysis involving product features, pricing, profitability, reserving, and regulatory requirements. In addition to technical expertise, effective underwriting requires deep understanding of the business, its objectives, and its customers.

FTI's actuaries fully understand the critical role that underwriting plays as a major factor in success of the business. They have a long history of helping clients achieve high priority underwriting objectives, including regulatory matters, analysis and development of pricing and reserving, and profitability, sensitivity and experience models.

In addition to helping clients meet their statutory and regulatory compliance requirements, their actuaries help improve financial performance through their expert analysis of current and future liabilities and other risks affecting reserves.

Claims

As the largest component of reserving, claims requires continuous focus on performance improvement, with special attention to fraud, leakage, and timely resolution. Their actuaries have a deep understanding of claims functions, including data requirements, process efficiency, controls, and liability modeling.

Due Diligence Reviews

FTI's actuarial due diligence reviews are designed to help our clients preempt and mitigate transactional liability risks and take advantage of opportunities to achieve optimum post transaction results from property-casualty, life, and health transactions. Our proven approach to due diligence is honed from our experience involving hundreds of transactions ranging in size and complexity from acquisitions or dispositions of small claims portfolios to multi-billion dollar international mergers.

Valuations

Understanding the value of assets is critical to minimizing risk in any transaction. We deploy a multi-disciplinary team to assist clients in valuations, including internal financial and operational processes and plans, sales/acquisitions due diligence, dispute resolution impacts, new ventures, IPOs, capital requirements, regulatory reporting, and board of director reports.

Capital Management

To help clients manage capital effectively, FTI's actuaries use a variety of modeling and scenario analysis to facilitate understanding; mitigate enterprise risk; establish risk tolerance parameters; examine capital acquisition through reinsurance and market strategies; and optimize capital deployment through rigorous financial and operational requirements analysis, including those related to implementation of Base I III and Solvency II.

Reporting

The various initiatives toward global harmonization of financial reporting and capital requirements regulations requires a thorough understanding of local and international regulations, combined with the technical skills and business acumen to assess and develop appropriate implementation strategies.

FTI's Insurance Practice includes experts in GAAP/STAT and the requirements for transitioning to and accommodating the requirements of International Financial Reporting Standards, European Embedded Value, and Solvency II, including any technical and organizational issues related to re-engineering processes, models, and accounting and reporting systems.

Governance

Corporate governance today is more than just managing the boardroom. Successful governance requires proactive and credible involvement in the financial and operational drivers of the business, with heavy reliance on processes, controls and actionable information.

FTI's actuaries understand these business imperatives. They are experienced at assessing and remediating governance risk, improving the integrity of decision-making information, especially that information flowing from various models such as those in use for capital management, pricing, reserving, and other financial functions.

Legal/Regulatory

The volatile economic environment has spawned increased legal/regulatory activity, including investigations and dispute resolution through arbitration, litigation, or alternative settlement approaches. This activity requires a variety of actuarial, financial, operational, and technology skills applied to e-discovery, forensic examinations, valuations, scenario reconstruction, expert testimony, and impact analysis.

FTI's Insurance Practice team has an unparalleled track record in successfully assisting clients with these legal/regulatory matters.

Insurance Practice Service Capabilities

- Actuarial Services and Consulting
- Business Intelligence and Advanced Analytics
- Claims Reengineering and Risk Management
- E-Discovery Readiness, Management and Compliance
- Governance, Regulatory and Compliance
- Intellectual Property
- Litigation and Dispute Resolution
- Operational Risk and Emergency Management
- Pension Consulting Services
- Performance Excellence
- Risk and Exposure Management
- Strategic Advisory

Workers' Compensation

Workers' Compensation benefits are statutorily-defined and include medical and indemnity payments. Given the potentially lifetime nature of the benefits, it may take many years before claims are ultimately settled. There are unique challenges associated with this long-tail and heavily regulated line of business. FTI has considerable expertise in workers' compensation insurance matters including the pricing, reserving, capital modeling, and expert testimony.

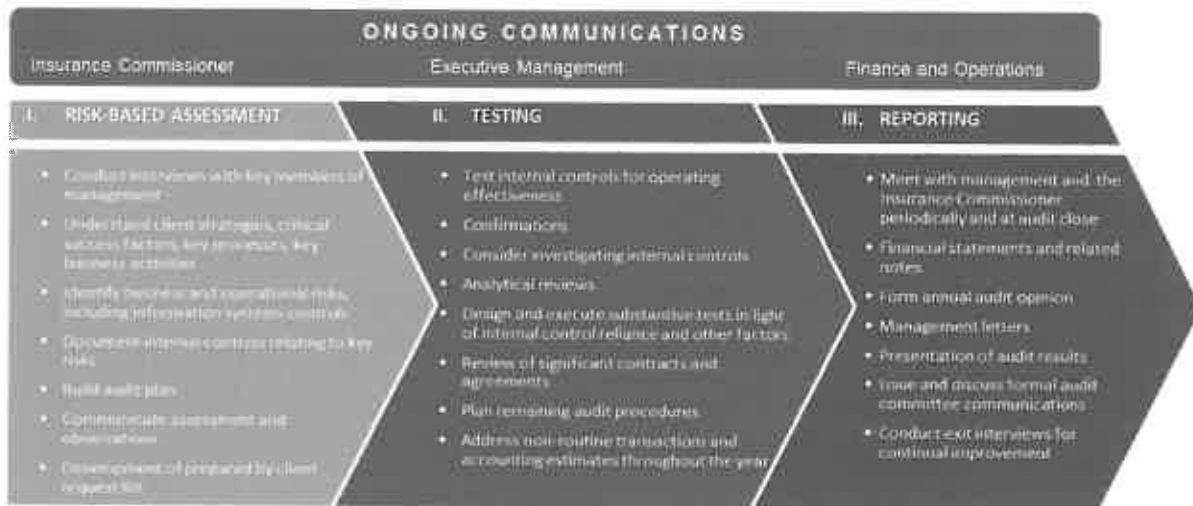
Representative Engagements

- Assisted a growing workers compensation writer with strategic planning regarding expansion and managed the filing process for admission into various states in addition to performing rate development work and product filing.
- Performed rate adequacy and reserving for a quasi-governmental workers compensation insurance risk pool.
- Supported actuarial reserve liability estimation in the audit of a state-run Workers Compensation plan.
- Reviewed reserves and provided a Statement of Actuarial Opinion for a self-funded plan of a large corporation involving Workers' Compensation and Professional Liability lines.
- Assisted in due diligence for a company with self-insured Workers' Compensation liabilities under a high deductible.
- Reviewed complex Workers' Compensation reinsurance arrangements from the point of view of risk transfer analysis.
- Provided expert testimony in connection with Workers' Compensation disputes involving injuries, reinsurance, and coverage issues.
- Advised a Workers' Compensation company on technical issues concerning captive cells in an off-shore reinsurer, including receivables and funds held questions.
- Assisted a mono-line Workers' Compensation company with resolution of complex reserve questions, performed loss reserve analysis, and provided the Statement of Actuarial Opinion.

Audit Approach

Risk-Based Audit Approach and Effective Delivery Model

Audit approach does matter, and it is important to engage a firm that will work closely with you to bring a sharp focus on risks, how they might impact the audits and how they are being managed. Our service philosophy is based on focused planning, frequent communication, establishing and meeting agreed-upon deadlines to avoid surprises, and our multi-phased approach is tailored to the needs of each organization. Our hallmark is effective execution from experienced resources that are accessible and responsive throughout the year.



KEY ELEMENTS OF THE DIXON HUGHES GOODMAN ENGAGEMENT

- Onsite presence
- Experienced professionals that focus in your industry and specific lines of business
- Significant partner involvement
- Ongoing communication to avoid surprises
- Accessibility and responsiveness
- Focus on business risks; how such risks impact entity and how such risks are managed
- Tailored service philosophy v. "one-size-fits-all"

As the Proposed Lead Engagement Partner, **Norman Mosrie**, will play an active role in overseeing the engagement. Norman will ensure that the engagement team has the right individuals with the appropriate experience and expertise to perform the engagement. Norman will also ensure that the audit is completed within the proposed timeline as presented in Exhibit B.

The scope of our audit will include those procedures we consider necessary to render our opinion on WVOIC's financial statements. We will meet with the Insurance Commissioner, Assistant Commissioner, and others as appropriate, early in the planning process to minimize the impact on normal work routines of WVOIC personnel.

In the planning phase of our audit, we will update our understanding of WVOIC and its environment, including internal control. We will also update our understanding of the systems used such as wvOASIS. During the planning phase we will perform risk evaluation procedures, walkthroughs of internal controls, and various other procedures to update our understanding of the entity. We will use our understanding of the entity, along with our review of the financial statements and applicable State code, to determine the laws and regulations that will be subject to testwork. Our understanding will then be used to develop our preliminary audit strategy. Our audit will be designed with a focus on significant areas of the audits as determined from our risk assessment procedures, which for WVOIC we expect to be: cash and cash equivalents, receivables, investments and related investments

earnings, estimated liability for unpaid claims and claims adjustment expense, fees and assessments, statutory allocations, assessments and employer surcharges, premiums, claims and claims adjustment expense, and general and administrative expenses. Additional audit procedures will be designed for other areas not deemed significant. Our audit procedures will also be designed to ensure compliance with GASB pronouncements and sections of the West Virginia Code applicable to the WWOIC.

As part of planning, we will prepare a detailed client assistance package that should be completed prior to our arrival for interim and year-end testing. Additionally, during the planning process, we will work through a detailed list of deliverables from you and the expected timing of when we will need this information, which will be provided well in advance of onsite visits.

Planned Procedures

Following is a discussion of sample planned procedures in some of the significant audit areas:

- Cash and cash equivalents will be tested through confirmation and testing of reconciliations prepared by WWOIC personnel.
- We will confirm the existence of the investments with the West Virginia Investment Board (IMB) and Board of Treasury Investments (BTI). We may schedule meetings with personnel of both offices to walkthrough and test internal controls over investments, as deemed necessary. Given the wide variety of investments, investments procedures will be tailored to test valuation and existence of significant investments and related investment income. Our audit procedures may utilize valuation software such as EstateVal and Bloomberg Valuation Services. Valuation software will assist us to value "hard to value" assets and liabilities such as bonds, options, swaps, CMOs, over the counter securities, auction rate securities, and others. We will also test the reasonableness of investment earnings based on the information provided by the IMB and BTI. Furthermore, we understand that the IMB and BTI will continue to provide the WWOIC management with the information necessary to complete the required footnote disclosures.
- Receivables and related revenues – Receivables related to statutory allocations and premium surcharges will primarily be tested through a combination of confirmation of the amounts receivable and related revenues with the related State agency, and/or sampling of subsequent cash receipts. We will also evaluate the collectability of receivables, with emphasis on amounts due from employers in default, giving consideration to subsequent receipts and repayment agreements.
- Related to the actuarial estimates of the workers' compensation and state entities workers compensation unpaid claims and claims adjustment expense liabilities and related claims expense, we understand that we will be provided with a report from Pinnacle Resources, your consulting actuary, supporting your recorded reserves for unpaid claims and claims adjustment expense, including a provision for the contingency related to self-insured employers. As in prior years, FTI actuaries will be utilized to evaluate the reasonableness of this reserve estimate. We will consult with WWOIC's actuarial analyst and the FTI actuaries to determine the key underlying data utilized in the reserve estimation process and design appropriate testing procedures. Our paid claims testwork will involve significant testwork (i.e. internal control and/or substantive) with the claims processors to determine the appropriateness of claims paid. After we obtain an understanding of the claims process, we may use IDEA to perform various claims procedures including testing of claims lag triangle information and reconciliation of total claims paid by lines of business to general ledger reported amounts. We may also utilize various analytic procedures to test claims and related reserves including loss ratios, number of days claims in reserves, etc.

We will review the most recently available Statement on Standards for Attestation engagement No. 16 (SSAE 16 or SOC 1) reports from your third party claims administrators and will evaluate the efficiency and effectiveness of user controls. Based upon our procedures in prior years' audits, we understand claims are processed by Zurich American Insurance Company, Health Smart Casual Claims Solutions and Sedgwick Claims Management Services, Inc. We will test and rely on these reports to the extent permissible under professional standards.

- The other postemployment benefit obligation (OPEB) and pension obligations will be tested based upon information provided by the West Virginia Retiree Benefit Trust, the Consolidated Public Retirement Board, and the financial accounting and reporting section of the WV Department of Administration.
- Net Assets classification (i.e. restricted, unrestricted,) will be tested and we will also obtain an understanding of the State and management's unrestricted deficit funding plan and consider the sufficiency of the related footnote disclosure.
- General and administration expenses may be tested through a combination of cash disbursement control testing and analytic procedures.
- We will apply limited procedures to the supplementary information accompanying the financial statements consisting principally of inquiries of management. However, we will not audit or express an opinion on such information. The other financial information included with the basic financial statements will be tested in relation to the basic financial statements taken as a whole.

Communication with Commission Management and Those Charged with Governance

In addition to meeting with commission management and those charged with governance to present our audit results at the end of the audit, our professionals are available to advise and assist WVOIC in achieving its financial objectives throughout the year to the extent allowed by professional standards. Whether you need a sounding board for acting on an idea, discussion of insurance company operations best practices, advice on corporate governance issues or advice on any number of endeavors, our professionals are here for you.

We also will keep you up to date on evolving accounting and insurance industry matters and how they will impact WVOIC. We provide quarterly newsletter updates as a service to our clients. We will keep management and those charged with governance informed of new accounting pronouncements as standards and communications emanate from the government accounting standards board. For instance, in relation to WVOIC, we have noted the following GASB developments that may impact future periods.

1. GASB Statement No. 72, Fair Value Measurement and Application, is effective for fiscal years beginning after June 15, 2015. This Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position.
2. GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, is effective for fiscal years beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulate for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this Statement will improve financial reporting by establishing a single framework for the presentation of information

about pensions, which will enhance the comparability of pension-related information reported by employers and nonemployer contributing entities.

3. GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, is effective for fiscal years beginning after June 15, 2017. This Statement will improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

Resolution of Technical Matters

Our professional services approach is designed to provide for the early identification of potential problems or accounting/disclosures issues, which helps to provide for the early resolution of such matters. The design of our audit approach and our continual communication process leads to earlier identification of issues in an engagement. Our engagement team would resolve such issues with senior management, the Audit Committee, and our Professional Standards Group as appropriate under the circumstances. Professional standards as promulgated by the AICPA and the Government Accountability Office (GAO) will be followed in such communications and resolutions.

Use of Technology

Various forms of technology will be utilized throughout the course of the audit to improve the efficiency and effectiveness of our audit procedures. DHG uses a client portal that enables WVOIC staff to upload documents to a secure website to prevent the use of emailing files with sensitive information or files that are too large to email. As on prior year audits, we would use this client portal for client assistance schedules so that the audit process would be efficient and secure.

Our proposed team includes dedicated IT audit professionals who have helped companies adapt information technology risk management capabilities in times of significant expansion and other regulatory change. In addition to providing core team audit support, they will provide insights based on our experience that will benefit IT management in the areas of business continuity, security issues, systems integration risks, and IT internal controls. In addition to the typical IT assessment of controls, the use of Computer Assisted Audit Techniques (CAATs) is embedded in the DHG audit methodology. We plan on using IDEA data analysis software to assist in analyzing large volumes of data (i.e. claims), to determine completeness of populations, aid in the sample selection process, and to identify unusual items in populations. We also will continue to utilize a paperless audit environment to promote better data analysis, more efficient audit procedures, and faster turnaround time for the financial and other deliverables.

Client Service Team

We have a dedicated group of individuals focused on providing the highest quality professional services at a reasonable cost. Our philosophy is to have significant partner and manager involvement on our engagements. DHG's engagement strategy is to provide quality performance with the minimum number of individuals needed to perform the work while maintaining a high-level of engagement team continuity. This strategy ensures that each team member becomes highly knowledgeable of WVOIC and maintains the comprehensive overview needed to address specific priorities with minimal disruption.

DHG firmly believes in personal attention, so the primary link to your organization is Lead Engagement Partner, **Norman Mosrie**. As noted in the resumes, our government and insurance industry leaders are available to assist the core audit team address any unique matters that may arise during the course of the engagement.

Staff Assignment Process

We will assign experienced government and insurance staff to the engagement to ensure that our services are delivered in an efficient and effective manner with minimal disruption to your daily business and operational priorities. Any changes to the proposed client service team will be communicated in writing prior to the changes and will be subject to the approval of WVOIC. Furthermore, all proposed assigned personnel are in compliance with the AICPA and Government Auditing Standards (Yellow Book) CPE requirements, as applicable. The engagement will primarily be staffed by professionals from our Charleston, WV office who are also licensed to practice as certified public accountants in West Virginia. **Jessica Lindsay, Bryan Bowman, and Jessica Hughes** will be returning team members to the WVOIC, which will help minimize disruptions to operations. As you have experienced, we offer experience and personal attention to anticipate the needs of your organization and assist in planning for the future.

Staff Training

Continuing professional development is extremely important to our firm. In this ever-changing profession, we have an obligation to ourselves, to our clients, and to the profession to keep abreast of new developments. We have a minimum requirement of 40 hours each year of formal continuing professional education (CPE) for all members and professional employees.

DHG has developed standards and procedures and has allocated resources for maintaining and increasing the technical proficiency of our professionals. Compliance with Firm policies helps assure compliance with the requirements of the AICPA and various state boards. In addition, Firm policy requires compliance with the continuing education requirements of Government Auditing Standards (GAS). All of the staff assigned to the WVOIC engagement comply with the AICPA and GAS continuing professional education requirements. In addition to attending general accounting and assurance, independence, ethics, and other similar courses, staff also attend training applicable to their service line and level such as annual insurance and government updates.

Biographies

With the challenges of the governmental and insurance industries, it is **extremely important to engage a firm with exceptionally strong depth and breadth of partner and manager resources**. We believe our bench strength in serving the governmental marketplace is second to none. An organizational chart of our proposed project team can be found to the right and their biographies are on the following pages.

No individuals assigned to this audit have any complaints against them that have been leveled by any state board of accountancy or other regulatory authority. No corrective actions by the firm are pending.

west virginia
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INSURANCE
COMMISSIONER





Norman C. Mosrie, CPA, FHFMA, CHFP

Professional Practice Partner

Charleston, WV

Contact

304.414.3913

norman.mosrie@dhgllp.com

Experience

Our WWOIC audit services will continue to be lead by Norman Mosrie. Norman serves as Assurance Services Market Leader for the Western Mid-Atlantic market focusing in the areas of healthcare, government, insurance and not-for-profits. A certified healthcare financial professional, Norman was previously a partner with a Big Four firm, where he worked for 24 years. Norman's significant insurance experience includes serving companies in the health and property and casualty insurance sectors, including the WWOIC, West Virginia Public Employees Insurance Agency, the West Virginia Board of Risk and Insurance Management, Blue Cross Blue Shield plans, and managed care plans. He has also completed the following Chartered Property Casualty Underwriter (CPCU) exams: CPCU 5 Insurance Company Operations and CPCU 8 Accounting and Finance. His insurance experience includes not only involvement with technical accounting and auditing matters related to insurance entities such as auditing the liabilities for unpaid claims and claims adjustment expenses, but also operational, and internal control reviews of third party claims administration. Norman has also been involved with providing a wide variety of audit and business advisory services to clients, including having served as the coordinating partner on the State of West Virginia's Single Audit for many years, as well as various other governmental financial statement audits. He has significant experience performing audits in accordance with Government Auditing Standards and OMB Circular A-133. Norman has also assisted clients in filing for the GFOA Certificate of Achievement for Excellence in Financial Reporting, and has developed and led government and A-133 training programs at the local, area, and national levels.

Professional & Civic Involvement

- American Institute of Certified Public Accountants (AICPA), Former Council Member and Healthcare Expert Panel Member, National Healthcare Conference Chairman, Alternative Investments Task Force Member
- West Virginia Society of Certified Public Accountants (WVSCPA), Past President and Board of Directors
- Charleston Chapter of WVSCPAs, Past President
- Healthcare Financial Management Association, Principles and Practices Board Member
- Financial Accounting Standards Board (FASB), Not-for-Profit Advisory Committee
- Government Finance Officers Association, Special Review Committee Member
- Marshall University Alumni Association, Past Board Member
- Marshall University College of Business Advisory Board, Past President
- Rotary Club, Past President and Paul Harris Fellow

Licenses & Certifications

- CPA: Certified Public Accountant, NY and WV
- CHFP: Certified Healthcare Financial Professional
- FHFMA: Fellow of Healthcare Financial Management Association

Education

- Marshall University, Bachelor of Business Administration in Accounting, *summa cum laude*

Matt Church, CPA

Partner, DHG Insurance
Charlotte, NC - Uptown



Contact

704.594.8104
matt.church@dhgllp.com

Experience

Matt Church will continue to serve as the independent audit quality control review partner for the WWOIC. Matt has worked exclusively within DHG Insurance since 2000. Matt provides traditional attest services to clients operating in the property and casualty, life and health and warranty markets, including workers compensation clients. In addition to core attest services, Matt spends a significant amount of time providing advisory services to his clients. These services include Sarbanes-Oxley 404 and model audit rule implementation and compliance, Enterprise Risk Management and ORSA consulting, internal audit and other traditional advisory services. Matt also oversees the Regulatory Services arm of DHG Insurance.

Matt regularly attends industry events, such as the National Association of Insurance Commissioners (NAIC) meetings and the national and local Insurance Accounting and Systems Association (IASA) conferences and he is a frequent speaker at local chapters of the IASA and the Florida Insurance Market Summit.

Active in his profession, Matt is a Member of the American Institute of CPAs, the North Carolina Association of CPAs and the Florida Institute of CPAs. Matt is also responsible for leading the firm's annual insurance technical training and occasionally serves as a firm-wide instructor for in-house audit training.

Professional & Civic Involvement

- American Institute of Certified Public Accountants
- North Carolina Association of Certified Public Accountants

Licenses & Certifications

- CPA: Certified Public Accountant, NC and WV

Education

- Concord College Bachelor of Science Accounting

John Roberts, CPA

Managing Partner, DHG Insurance
High Point, NC



Contact

336.822.4482

john.roberts@dhgllp.com

Experience

John Roberts, Managing Partner of the DHG Insurance Group, will be available to our core audit team as a technical resource as needed. As the leader of the Insurance Services Group, John has responsibility not only for the quality of our audit practice, but for the satisfaction of our client base. This unique role assures his audit clients that they will receive a high-quality, thorough audit that is planned well and executed efficiently with a personal, hands-on, responsive approach.

John has more than 15 years of public accounting experience, and during his career, John has concentrated in the insurance industry. He teaches classes on all aspects of insurance accounting and financial reporting including derivatives, reinsurance and actuarial. Prior to joining Dixon Hughes Goodman, John worked for a Big Four firm for six years, where he served large, public insurance companies and served a rotation in the firm's national office.

John provides his clients assistance with merger and acquisition services, consulting, financial projections, and business plan assistance. Additionally, he provides traditional accounting and auditing services such as audits, reviews, compilations, budgets, forecasts, projections and monthly financial statement preparation.

Professional & Civic Involvement

- American Institute of Certified Public Accountants
- North Carolina Association of Certified Public Accountants
- National Association of Insurance Commissioners
- Insurance Accounting Systems Association

Licenses & Certifications

- CPA: Certified Public Accountant, FL, NC

Education

- University of North Carolina Chapel Hill, Master of Accounting
- University of North Carolina Chapel Hill, Bachelor of Science, Business Administration

Brian Broom, CPADirector
Asheville, NC**Contact**828.236.5802
brian.broom@dmgllp.com**Experience**

Brian Broom, Director in charge of government practice, will consult with our core audit team on complex governmental accounting matters as needed. During his career, which has spanned more than 25 years, Brian has concentrated in working with governmental and not-for-profit entities. Brian is member of the Governmental Accounting and Auditing Committee of the North Carolina Association of Certified Public Accountants (the "Committee"). He has served on the Committee since its inception. He is also the DHG liaison to the Government Audit Quality Center.

Brian volunteers on the United Way's Financial Review Team where he monitors the financial health of selected recipients of United Way Funding. He has served as a volunteer of the Certificate of Excellence Panel of Review for the Association of School Business Officials International, where he reviewed selected submissions of comprehensive annual financial reports for the Certificate of Excellence in Financial Reporting Program.

Professional & Civic Involvement

- United Way Financial Review Team
- American Institute of Certified Public Accountants (AICPA)
- North Carolina Association of Certified Public Accountants (NCACPA)
- NCACPA Governmental Accounting and Auditing Committee
- South Carolina Association of Certified Public Accountants
- ASBO Certificate of Excellence Panel of Review
- Local Government Conference Subcommittee - Chair 2004-2006
- Leukemia & Lymphoma Society's Light the Night - Corporate Chair 2007-2008

Licenses & Certifications

- CPA: Certified Public Accountant FL, GA, NC, SC

Education

- Western Carolina University Bachelors Accounting

Jessie Lindsay, CPA

Senior Manager

Charleston, WV



Contact

304.414.2688

jessie.lindsay@dhgllp.com

Experience

Jessie has over eight years of public accounting experience and is a senior manager in the firm's Assurance Group where she provides audit, review and compilation services to a variety of clients. Her current experience is focused on the insurance industry, governmental entities, for-profit companies, and employee benefit plans. Jessie routinely audits clients which report on GAAP or statutory-basis financial statements. She is a key member of the audit teams for the West Virginia Offices of the Insurance Commissioner, West Virginia Public Employees Insurance Agency, West Virginia Retiree Health Benefit Trust Fund, and BrickStreet Mutual Insurance Company, responsible for supervision of staff, execution of audit procedures in high risk areas, and engagement administration. Jessie's other clients include other insurance companies and State agencies. She is also a member of the firm's employee benefit plan audit group where she provides audit services for 401k, pension, and health and welfare plans. Since joining the firm in 2007, Jessie has been actively involved in recruiting efforts among various universities throughout West Virginia and serves as the market's Women Forward program champion.

Professional & Civic Involvement

- United Way, Community Services Committee Member, Citizens Review Volunteer
- Daymark, Board of Directors
- Junior League of Charleston
- American Institute of Certified Public Accountants
- West Virginia Society CPAs

Licenses & Certifications

- CPA: Certified Public Accountant WV

Education

- West Virginia University Bachelors Accounting

Bryan Bowman, CPA

Manager, Assurance Services

Morgantown, WV



Contact

304.225.3180

bryan.bowman@dmgllp.com

Experience

Bryan Bowman will be returning to the WVOIC audit engagement to assist Jessie in supervision of staff and execution in certain higher risk areas. Bryan has seven years of public accounting experience. His current focus is on governmental entities, for-profit companies, and employee benefit plans. Over the course of his career he has participated in the audit of various State agencies including the West Virginia Offices of the Insurance Commissioner and the State of West Virginia Single audit. Additionally, he played a key role on a number of colleges that are audited as part of the West Virginia Higher Education Policy Commission.

He is also a member of the firm's employee benefit plan audit group where he provides audit services for 401k, pension, and health and welfare plans. His other clients include manufacturing companies, healthcare companies, and not-for profits, including hospital and college foundations.

Professional & Civic Involvement

- American Institute of Certified Public Accountants
- West Virginia Society of Certified Public Accountants, Charleston Chapter
- Charleston Young Professionals Kiwanis
- Charleston Family YMCA Corporate Cup Board Member

Licenses & Certifications

- CPA: Certified Public Accountant, WV

Education

- West Virginia University, Bachelor of Science in Business Administration, Accounting
- West Virginia University, Master of Professional Accountancy (MPA)

Ryan Boggs

Manager
Greenville, SC



Contact

864.213.4034
ryan.boggs@dhgllp.com

Experience

Ryan Boggs is a manager in the Firm's IT Advisory Group. He will continue to have primary oversight for our IT audit procedures at the WVOIC. His client base includes financial institutions, insurance, government, healthcare, and technology organizations throughout the United States. Ryan's areas of proficiency include implementation and compliance assistance with IT general controls, federal regulations (Sarbanes-Oxley, Gramm-Leach-Bliley, Health Insurance Portability and Accountability Act, and the Health Information Technology for Economic and Clinical Health Act) and the delivery of internal audit, information technology audit, SOC I Type II audits, and technology control reviews associated with financial statement audits.

Ryan has managed both domestic and international engagements that include internal audits, SOC 1 and SOC 2 audits, compliance assessment, and technology control reviews for financial statements. In addition, Ryan has lead multiple consulting engagements with a wide array of clients to assist with IT strategic alignment, governance, security, operations and business continuity.

Professional & Civic Involvement

- United Way
- IAA
- ISACA

Education

- The Citadel Bachelors Business Administration

Jessica Hughes, CPA

Senior Associate

Charleston, WV



Contact

304.343.0168

jessica.hughes@dhgllp.com

Experience

Jessie Hughes is a senior associate in the Firm's Assurance Group where she provides audit, review and compilation services to a variety of clients. She has experience serving clients in the following industries: government, insurance, manufacturing and not-for-profit.

Jessie is a key member of the audit teams for the West Virginia Offices of the Insurance Commissioner, West Virginia School Building Authority, West Virginia Solid Waste Management Board, West Virginia Public Employees Insurance Agency, West Virginia Retiree Health Benefit Trust Fund, BrickStreet Mutual Insurance Company and the West Virginia Hospital Association. She is also a member of the firm's employee benefit plan audit group where she provides audit services for 401k, pension, and health and welfare plans. Jessie will continue to be actively involved in detail execution of our audit procedures on the WVOIC audit engagement and will also assist with supervision and review of assigned staff.

Since joining the firm in 2012, Jessie has been actively involved in recruiting efforts among various universities throughout West Virginia. Prior to joining DHG as an associate, Jessie was selected to participate in the Firm's internship program, where her skills, knowledge, and interests impressed the Firm leadership. She continues to display these same qualities in serving our clients every day.

Professional & Civic Involvement

- Bob Burdette Center, Treasurer
- Junior League of Charleston
- Charleston Chapter of the WV Society of Certified Public Accountants
- West Virginia Society of Certified Public Accountants
- American Institute of Certified Public Accountants

Licenses & Certifications

- CPA: Certified Public Accountant, WV

Education

- Marshall University Masters Accounting
- Marshall University Bachelors Accounting
- Marshall University Bachelors Finance

Paul Braithwaite, FCAS, MAAA

Senior Managing Director — Forensic and Litigation Consulting

paul.braithwaite@fticonsulting.com



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9th Floor
New York, NY 10036
Tel: +1 212 499 3659

EDUCATION

M.B.A in Finance, New York
 University Stern School of
 Business
 B.S. in Applied Mathematics
 Brown University

PROFESSIONAL AFFILIATIONS

ARIAS Certified Reinsurance
 Arbitrator
 Fellow, Casualty Actuarial
 Society
 Member, American Academy of
 Actuaries
 Member, International Actuarial
 Association / ASTIN
 Member, Professional Liability
 Underwriting Society

Paul Braithwaite is a Senior Managing Director at FTI Consulting and is based in New York. He is a member of the Insurance practice in the Forensic & Litigation Consulting segment. As a past President of the Casualty Actuarial Society with over 30 years of industry experience, he brings a deep knowledge and understanding of actuarial science, underwriting, insurance and reinsurance company management to the practice.

Mr. Braithwaite serves as Appointed Actuary to insurance companies, provides expert testimony/dispute resolution support, loss reserve reviews, reinsurance commutations/reserve reviews, underwriting audits, due diligence, finite risk/structured product pricing analysis and regulatory services. He has extensive reinsurance pricing and underwriting experience including the specialty areas of professional liability, workers compensation, umbrella liability, accident & health, agriculture, surety and various other lines of property-casualty business. He consults with companies on capital standards for life, health and property-casualty business and recently advised a major multi-line insurance group about issues related to a potential strategic acquisition.

Prior to joining FTI Consulting, Mr. Braithwaite was the leader of the insurance services team of a major consulting company, where he also served as the Global Actuarial Practice Leader. Mr. Braithwaite has also held high level executive roles in the industry. He has both testified as an expert and served as an arbitrator in insurance and reinsurance disputes, and he provides expert advice to insurance companies, captives, self-insureds, brokers, and investment firms. He brings more than a decade of executive and operational experience within the reinsurance industry playing such critical roles as Chief Actuary as well as senior vice president & chief underwriting officer across several global specialty business lines.

Mr. Braithwaite is well respected in the insurance / reinsurance industry, holding prominent positions with the Casualty Actuarial Society and other actuarial organizations. He is an oft-requested speaker at industry events and conferences on topics including actuarial professional standards of practice, Solvency II, Capital Requirements and Capital Modeling, Reinsurance Risk-Transfer and Reinsurance Pricing. He has also published several articles on these topics.

Jim Toole, FSA, CERA, MAAA

Managing Director – Forensic & Litigation Consulting

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CERTIFICATIONS

Fellow of the Society of
Actuaries

Certified Enterprise Risk Analyst

PROFESSIONAL AFFILIATIONS

Society of Actuaries, Vice
President

EDUCATION

B.S., Mathematics, Wake Forest
University

Jim Toole is a Managing Director at FTI Consulting. He is a member of the Insurance practice in the Forensic & Litigation Consulting segment. He is responsible for the day to day operations of the Winston-Salem, NC office.

Mr. Toole has more than 25 years of management and technical experience in the life, health, property and casualty and captive insurance industries, including a variety of roles with leading consulting firms and insurance companies. Mr. Toole helped establish the Latin America practice of a global actuarial consulting firm as the premier provider of merger and acquisition services in the region.

Mr. Toole's background includes expert witness and litigation support, product development, financial reporting, audit, and regulatory support roles. In the securitization space Mr. Toole has experience with life settlements, XXX/AXXX reserve relief bonds, and mortality cat bonds. Mr. Toole's life product experience includes term; whole life; universal life; variable; group; variable, deferred, and immediate annuities; and a variety of riders and stand alone products.

Mr. Toole's health experience spans large group, small group and individual products; self-insured plans; multiple employer welfare arrangements; work-site products; health savings accounts; and limited benefit, cancer, and other specialty products. He is currently assisting clients confront the challenges associated with ACA legislation and clinical integration. Health policy interests include medical errors, health disparities, community benefit, and health impact assessments.

Mr. Toole is active in Society of Actuaries professional activities. He is former Chair of the Health Section of the SOA, which coordinates and funds research and education activities on behalf of 3,500 U.S. and Canadian health actuaries. In 2009, he became a Certified Enterprise Risk Analyst as a result of his contributions in the field of Enterprise Risk Management. He is currently serving a two year term as Vice President of the Board of Directors of the Society of Actuaries.

Mr. Toole is a frequent speaker at industry meetings, seminars, and universities in the United States and Latin America, and has written and/or edited articles for numerous industry publications. Mr. Toole was co-editor of the textbook "Insurance Industry Mergers and Acquisitions," published by the SOA in spring of 2005. Mr. Toole served as lead researcher on the SOA project to analyze the potential impact of a pandemic on the U.S. life and health insurance industries.

Melanie C. Leavy, ACAS, MAAA

Senior Director – Forensic & Litigation Consulting

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PROFESSIONAL AFFILIATIONS

American Academy of Actuaries
 (MAAA), Member
 Casualty Actuarial Society
 (ACAS), Associate

EDUCATION

B.S., Applied Mathematics and
 Statistics, Stony Brook
 University
 M.S., Applied Mathematics and
 Statistics, Stony Brook
 University

Melanie Leavy is a Senior Director at FTI Consulting and is based in New York. She is a member of the Global Insurance Services practice in the Forensic & Litigation Consulting segment. Ms. Leavy has extensive experience in actuarial loss reserve analyses and loss reserve projections, applying her expertise in a broad range of insurance industry matters.

Ms. Leavy has worked closely with clients on a variety of actuarial engagements, including providing traditional actuarial loss reserve estimations; assisting with the preparation of actuarial opinions and reports; preparing rate filings; and performing analyses of commutations. Ms. Leavy has also worked closely with client key personnel within claims, underwriting, and actuarial departments, and has provided support for insurance department and auditor inquiries. In addition, Ms. Leavy has provided litigation support services to clients, including preparing expert reports and preparing experts for deposition and trial. Ms. Leavy has assisted a number of cross segment engagements within FTI Consulting, including assisting with valuations, transactions, and other advisory services.

Prior to joining FTI Consulting, Ms. Leavy worked for Oliver Wyman Actuarial Consulting as an actuarial consultant, where she performed actuarial reserve reviews for self-insured risks, captive insurance companies and public entities; assisted with the review of workers compensation rate applications; and helped negotiate letters of credit. Ms. Leavy has experience with loss reserve analyses and loss reserve projections involving a wide variety of insurance programs and property and casualty loss exposures, including workers compensation, general liability, product liability, and automobile liability.

Ms. Leavy began her career as an actuarial analyst for a regional provider of automobile insurance, specializing in assigned risk. Ms. Leavy was responsible for the quarterly loss reserve analyses for the firm's ongoing and run-off business of personal and commercial automobile lines, along with evaluating multi-state pricing for servicing carrier agreements.

Ms. Leavy earned her B.S. magna cum laude, and M.S. in applied mathematics and statistics from Stony Brook University College of Engineering and Applied Sciences.

Robert Stewart, ACAS, MAAA

Director — Forensic & Litigation Consulting

Robert.Stewart@fticonsulting.com



4505 Country Club Road
Suite 200
Winston-Salem, NC 27104
Tel: +1 336 773 9998

PROFESSIONAL AFFILIATIONS

Associate, Casualty Actuarial Society

Member, American Academy of Actuaries

EDUCATION

B.S., Mathematics, Davidson College

Robert Stewart is a Director at FTI Consulting and is based in Winston-Salem, NC. Mr. Stewart is in the Global Insurance Services practice within the Forensic & Litigation Consulting segment.

Mr. Stewart is a credentialed property-casualty actuary with 8 years of insurance and reinsurance experience. He has a deep understanding of modeling and quantifying risk and uncertainty. Actuarial specialties include reserving, ratemaking, reinsurance, and solvency and capital modeling. He has worked on a wide variety of property-casualty lines of business and has particular expertise with workers' compensation and professional liability.


Since joining FTI Consulting in 2011, Mr. Stewart has supported expert witnesses develop reports and prepare for testimony, completed statutory reserve opinions, performed due diligence on mergers and acquisition, and determined the appropriate level of surplus for a major insurer. Clients served include insurance companies, self-insured entities, audit firms, regulators, and law firms.

Between 2008 and 2011, Mr. Stewart was a senior analyst with MBA Actuaries, where he assisted their Health and Property & Casualty practices. While at MBA Actuaries, Mr. Stewart was involved in traditional actuarial work, including reserve analyses, rate reviews, and statistical modeling. In addition, Mr. Stewart assisted in drafting rate filings, commutation pricing, and researching the financial impact of catastrophic events such as pandemic influenza and hurricanes.

Mr. Stewart began his actuarial career in 2007 with a life reinsurer. He worked on traditional life reinsurance solutions, and gained experience in term and whole life products while helping develop reinsurance quotes for clients.

Mr. Stewart obtained a B.S. in mathematics from Davidson College in 2007. He is an Associate of the Casualty Actuarial Society and a Member of the American Academy of Actuaries.


Appendix A: Pricing Pages

	Purchasing Division 2019 Washington Street East Post Office Box 50198 Charleston, WV 25305-0198	State of West Virginia Request for Quotation 14 - Financial

Proc Folder: 187448 Doc Description: Addendum No. 1 Audit Services for fiscal year Proc Type: Central Contract - Fixed Amt			
Date Issued	Solicitation Classes	Solicitation No	Version
2018-02-17	2018-02-23 13:30:00	CRFQ 0704 INS1600000002	2

BID RECEIVING LOCATION	
BID CLERK DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION 2019 WASHINGTON ST E CHARLESTON US	WV 25305

VENDOR
Vendor Name, Address and Telephone Number: Dixon Hughes Goodman LLP 500 Virginia Street, East, Suite 800 Charleston, WV 25301 304.343.0168

FOR INFORMATION CONTACT THE BUYER	
Michelle L Childers (304) 558-2063 michelle.l.childers@wv.gov	
Signature X 	PEIN # 56-0747981
All offers subject to all terms and conditions contained in the solicitation	
DATE February 19, 2016	

ADDITIONAL INFORMATION:

Addendum

Addendum No. 1

1. Issued to submit vendor questions and answers.
2. Issued to submit Exhibit C. The Actuarial Review of the Workers' Compensation Old Fund, Coal Workers' Pneumoconiosis Fund, Uninsured Employers' Fund, Self-Insured Funds and State Entities Workers' Compensation Fund as of June 30, 2015

 The West Virginia Purchasing Division is soliciting bids on behalf of the agency the West Virginia Offices of the Insurance Commissioner (WVOIC), an agency of the West Virginia Department of Tax and Revenue, to establish a Contract with a certified public accounting firm for audit services

INVOICE TO		SHIP TO	
ACCOUNTS PAYABLE MANAGER OFFICES OF THE INSURANCE COMMISSIONER PO BOX 50540		OFFICES OF THE INSURANCE COMMISSIONER 900 PENNSYLVANIA AVE	
CHARLESTON	WV25305-0540	CHARLESTON	WV 25302
US		US	

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
1	Audit services 2016				\$82,500

Comm Code	Manufacturer	Specification	Model #
84111600			

Extended Description :
 To audit the financial records and statements of the agency
 For fiscal year 2016.

INVOICE TO		SHIP TO	
ACCOUNTS PAYABLE MANAGER OFFICES OF THE INSURANCE COMMISSIONER PO BOX 50540		OFFICES OF THE INSURANCE COMMISSIONER 900 PENNSYLVANIA AVE	
CHARLESTON	WV25305-0540	CHARLESTON	WV 25302
US		US	

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
2	Audit services 2017				\$82,500

Comm Code	Manufacturer	Specification	Model #
84111600			

Extended Description :
 To audit the financial records and statements of the agency.
 For fiscal year 2017.

INVOICE TO		SHIP TO	
ACCOUNTS PAYABLE MANAGER OFFICES OF THE INSURANCE COMMISSIONER PO BOX 50540		OFFICES OF THE INSURANCE COMMISSIONER 900 PENNSYLVANIA AVE	
CHARLESTON	WV25305-0540	CHARLESTON	WV 25302
US		US	

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
3	Audit services 2018				\$82,500

Comm Code	Manufacturer	Specification	Model #
84111600			

Extended Description :
To audit the financial records and statements of the agency.
For fiscal year 2018.

INVOICE TO		SHIP TO	
ACCOUNTS PAYABLE MANAGER OFFICES OF THE INSURANCE COMMISSIONER PO BOX 50540		OFFICES OF THE INSURANCE COMMISSIONER 900 PENNSYLVANIA AVE	
CHARLESTON	WV25305-0540	CHARLESTON	WV 25302
US		US	

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
4	Audit services 2019				\$82,500

Comm Code	Manufacturer	Specification	Model #
84111600			

Extended Description :
To audit the financial records and statements of the agency.
For fiscal year 2019.

Appendix B: Vendor Preference Certificate

WV-18
Approved / Revised
12/16/15

State of West Virginia

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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;
 Bidder is a resident vendor partnership, association, or corporation with at least eighty percent of ownership interest of bidder held by another entity that meets the applicable four year residency requirement; 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 that employs a minimum of one hundred state residents, or a nonresident vendor which has an affiliate or subsidiary which maintains its headquarters or principal place of business within West Virginia and employs a minimum of one hundred state residents, and for purposes of producing or distributing the commodities or completing the project which is the subject of the bidder's bid and continuously over the entire term of the project, on average at least seventy-five percent of the bidder's employees or the bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years and the vendor's 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-3-39 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) rescind the contract or purchase order; 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.

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: DIXON HUGHES GOODMAN LLP

Signed: [Signature]

Date: February 19, 2016

Title: Partner

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

Appendix C: Purchasing Affidavit

STATE 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 of 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: DORON HUGHES GOODMAN LLP

Authorized Signature: [Signature] Date: FEBRUARY 18, 2016

State of West Virginia

County of Morgan, to-wit:

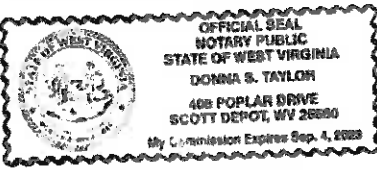
Taken, subscribed, and sworn to before me this 18th day of February, 2016.

My Commission expires September 4, 2023

AFFIX SEAL HERE

NOTARY PUBLIC [Signature]

Purchasing Affidavit (Revised 06/01/2015)



Appendix D: Addendum Acknowledgement Form

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ADDENDUM ACKNOWLEDGEMENT FORM SOLICITATION NO.:

Instructions: Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgement 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="" 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.

DIXON HUGHES GOODMAN LLP
Company

[Signature]
Authorized Signature

FEBRUARY 18, 2016
Date

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

Revised 10/27/2015

Appendix E: Certification and Signature Page

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CERTIFICATION AND SIGNATURE PAGE

By signing below, or submitting documentation through wvOASIS, I certify that I have reviewed this Solicitation in its entirety; that I understand the requirements, terms and conditions, and other information contained herein; that this bid, offer or proposal constitutes an offer to the State that cannot be unilaterally withdrawn; that the product or service proposed meets the mandatory requirements contained in the Solicitation for that product or service, unless otherwise stated herein; that the Vendor accepts the terms and conditions contained in the Solicitation, unless otherwise stated herein; that I am submitting this bid, offer or proposal for review and consideration; that I am authorized by the vendor to execute and submit this bid, offer, or proposal, or any documents related thereto on vendor's behalf; that I am authorized to bind the vendor in a contractual relationship; and that to the best of my knowledge, the vendor has properly registered with any State agency that may require registration.

DIXON HUGHES GOODMAN LLP
(Company)


(Authorized Signature) (Representative Name, Title)

504.245.0108 / 504.245.1095 / FEBRUARY 18, 2016
(Phone Number) (Fax Number) (Date)

Revised 10/27/2015

Appendix F: Peer Review Report



A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

System Review Report

To the Partners of Dixon Hughes Goodman LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Dixon Hughes Goodman LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended February 28, 2014. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included (engagements performed under *Government Auditing Standards*; audits of employee benefit plans, audits performed under FDICIA, and examinations of service organizations Service Organizations Control (SOC) 1 and 2 engagements.

In our opinion, the system of quality control for the accounting and auditing practice of Dixon Hughes Goodman LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended February 28, 2014, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Dixon Hughes Goodman LLP has received a peer review rating of *pass*.

Postlethwaite & Netterville

Baton Rouge, Louisiana
August 15, 2014



American Institute of CPAs
220 Leigh Farm Road
Durham, NC 27707-6110

October 31, 2014

Kenneth Max Hughes, CPA
Dixon Hughes Goodman LLP
6525 Morrison Blvd Ste 500
Charlotte, NC 28211

Dear Mr. Hughes:

It is my pleasure to notify you that on October 31, 2014 the National Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is August 31, 2017. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,



Larry Gray
Chair, National Peer Review Committee
nprc@aicpa.org 919.402.4502

cc: Candace E Wright; David W Hinshaw

Firm Number: 10017108

Review Number 359179

Letter ID: 935009

T: 1.919.402.4602 | F: 1.919.402.4876 | nprc@aicpa.org

DHG

DIXON HUGHES GOODMAN LLP

NORMAN MOSRIE

Partner

Assurance Services Market Leader

norman.mosrie@dhgllp.com

T 304.414.3913

West Virginia:

500 Virginia Street East	Suite 800	Charleston	WV	25301	304.343.0168
48 Donley Street	Suite 600	Morgantown	WV	26501	304.292.7343