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Jump to:

Welcome, Lu Anne Cottrill

Procurement

Budgeting

Accounts Receivable

Accounts Payable

Solicitation Response(SR) | Dept: 0704 | ID: ESR1027160000001871 | Ver: 1 | Function: New | Phase: Final | | Modified by batch , 10/27/2016

Header 1

General Information

Contact

Default Values

Discount

Document Information

Procurement Folder: 254226

Procurement Type: Central Master Agreement

Vendor ID:

Legal Name: MILLIMAN INC

Alias/DBA:

Total Bid: \$0.00

Response Date:

Response Time:

SO Doc Code: CRFQ

SO Dept: 0704

SO Doc ID: INS1700000002

Published Date: 10/14/16

Close Date: 10/27/16

Close Time: 13:30

Status: Closed

Solicitation Description:

Total of Header Attachments: 1

Total of All Attachments: 1



Purchasing Division
2019 Washington Street East
Post Office Box 50130
Charleston, WV 25305-0130

State of West Virginia
Solicitation Response

Proc Folder : 254226
Solicitation Description : Addendum No. 1 - Actuarial Rate & Review
Proc Type : Central Master Agreement

Date issued	Solicitation Closes	Solicitation Response	Version
	2016-10-27 13:30:00	SR 0704 ESR10271600000001871	1

VENDOR
000000230160 MILLIMAN INC

Solicitation Number: CRFQ 0704 INS1700000002

Total Bid : \$0.00 Response Date: 2016-10-27 Response Time: 12:58:27

Comments:

FOR INFORMATION CONTACT THE BUYER Michelle L Childers (304) 558-2063 michelle.l.childers@wv.gov
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Signature on File	FEIN #	DATE
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All offers subject to all terms and conditions contained in this solicitation

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
1	Actuarial consulting services	0.00000	HOUR	\$224.000000	\$0.00

Comm Code	Manufacturer	Specification	Model #
80101512			

Extended Description :	Actuarial consulting services
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Comments: Please see conditions outlined in proposal.

**PROPOSAL FOR ACTUARIAL SERVICES
FOR
THE WEST VIRGINIA OFFICES OF
THE INSURANCE COMMISSIONER**

October 27, 2016

Prepared by:
John Herzfeld, FCAS, MAAA
Kimberly W. Guerriero, FCAS, MAAA
Milliman, Inc.
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Wakefield, MA 01880
(781) 213-6200



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ATTACHMENTS

- A: REQUIRED SIGNED DOCUMENTS
- B: PROOF OF DESIGNATIONS
- C: RESUMES OF CONSULTANTS

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SUBMITTAL LETTER

Michelle Childers
Department of Administration, Purchasing Division
2019 Washington Street, East
Charleston, WV 25305

**RE: West Virginia Offices of the Insurance Commissioner
Professional Actuarial Services for Property and Casualty Insurance
CRFQ: 0704 INS1700000002**

Dear Ms. Childers,

Milliman, Inc. ("Milliman") is pleased to respond to your Request for Quotation ("RFQ") for actuarial services for the West Virginia Offices of the Insurance Commissioner ("OIC"). The attached proposal outlines how we would approach the assignment, provides background on our firm and the consultants who would work on the assignment, and estimates the cost for our services.

As noted in each item below, Milliman agrees that it has the requisite qualifications as noted in the Specifications Section. Please see Section IV. Project Team for further details regarding how Milliman meets each of these requirements.

1. 3.1.1: One or more members assigned to this contract must be a Fellow of the Casualty Actuarial Society ("FCAS") and/or a Member of the American Academy of Actuaries ("MAAA").

Confirmed.

2. 3.1.2 and 3.1.3: Members assigned to this contract must have at least five (5) years of experience specifically with property and casualty products.

Confirmed.

3. 3.1.4: Members assigned to this contract must be knowledgeable about applicable Actuarial Standards of Practice ("ASOP"), including, but not limited to:

- ASOP 13: Trending Procedures in Property/Casualty Insurance
- ASOP 17: Expert Testimony by Actuaries
- ASOP 29: Expense Provisions in Property/Casualty Insurance Ratemaking

- ASOP 30: Treatment of Profit and Contingency Provisions and the Cost of Capital in Property/Casualty Insurance Ratemaking
- ASOP 41: Actuarial

Confirmed.

4. 3.1.5: One or more members to be assigned to this contract must be experienced in providing rate review services to state insurance regulators.

Confirmed.

5. 3.3: The successful vendor agrees to maintain confidentiality and security of data made available.

Confirmed.

6. 3.4: The qualified vendor shall have no conflict of interest with regard to any carrier that is actively writing property and casualty products in the West Virginia market.

Confirmed but subject to our Conflict Clearance requirement. See Section V Project Scope and Approach for additional information.

7. 4.1.1.1: The firm awarded the contract as a result of this solicitation will assist the Insurance Commissioner and Director of Rates and Forms by reviewing property and casualty related product filings. The review shall include, but may not be limited to, analysis of trending, credibility, lapse ratios, development factors, durational factors, geographical factors, loss development, loss ratios, rating bands, and all other components of a rate filing. It is expected that the review will document the justification for the rate adjustment, concerns with factors used or selected, support of the factors, identify areas of concern, documentation to support the indicated and requested rate levels, projected premium impact and projected premium impact to consumers. The initial review and related report shall be submitted to the OIC within 30 calendar days of receiving the filing from the OIC. All follow-up questions and correspondence shall be between the OIC and the carrier.

Confirmed. Please see Section V Project Scope and Approach for additional information.

8. 4.1.1.2: The actuarial firm is to develop a manual of rate review guidelines for use by the OIC staff. The manual should document the essential steps of the rate review process and establish benchmarks for the various components of rates by product line, providing the office with a reference guide that is specifically written with a rate analyst in mind. Statute and rules will continue to dictate review requirements and provide the framework for manual topics;


however, the guide should go a step beyond to the level of detail necessary to improve an analyst's review of property and casualty filings. It should be a tool that can be used as a general checklist for the OIC's rate review as well as a training guide for future insurance rate and policy analysts.

Confirmed. If engaged on the scope of this project, Milliman will provide guidance and support to the OIC staff. We note that the manual will serve as a guide for reviewing property and casualty rate filings. However, no manual can cover every contingency.

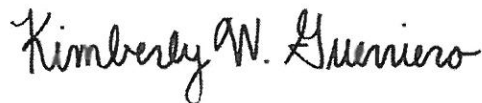
9. 4.1.1.3: The actuarial firm may provide other management consulting services and perform special reviews and/or analysis of property and casualty related products to the OIC. These additional services may include appearances by the actuary's personnel before judicial, legislative, and executive bodies, or others to respond to questions of an actuarial nature or to give reports. These services may also include the preparation of written reports concerning actuarial matters as deemed necessary by the OIC. All work under the proposed contract will be under the direction of the Insurance Commissioner or his designee. Written reports and actuarial findings must be submitted initially in draft form in order that any necessary changes may be discussed and agreed upon before final acceptance.

Confirmed but with exceptions. Milliman's acceptance of this ancillary ad-hoc actuarial work will be subject to our internal screening process which cannot be completed until the scope and/or target of the ancillary ad-hoc actuarial work is known.

Best Regards,



John Herzfeld, FCAS, MAAA



Kimberly W. Guerriero, FCAS, MAAA

Enclosure

I. ABOUT MILLIMAN

Milliman is among the largest actuarial and management consulting firms in the world. The firm employs over 3,200 people, including a professional staff of over 1,400 qualified actuaries and consultants in 58 offices around the world. We provide actuarial consulting services in the property and casualty, life, health, and pension areas to clients which include insurance companies, insurance purchasers, regulators, self-insurers, and pension plan sponsors. Property and casualty services provided cover such diverse areas as evaluation of loss and expense reserves, pricing and funding requirements, risk retention, insurance management and operations, financial analysis, claims consulting, and reinsurance issues. The services we offer are as diverse as our clientele, but all are custom-tailored to meet the unique requirements of each client. For more detail on Milliman, please visit our website at www.milliman.com.

The firm is owned by persons actively engaged in its consulting practice. Its primary business is providing independent consulting services on a fee-for-service basis. We do not act as an agent, broker, reinsurance intermediary, third party administrator, or adjuster, and we generally do not accept any form of contingency or brokerage compensation. The Principals of the firm are not permitted to own stock in any insurance or reinsurance company. In this way, Milliman is able to provide analyses and opinions that are completely independent and objective.

Milliman has performed studies on a wide variety of aspects of property and casualty insurance, for public and private clients, in virtually all jurisdictions of the United States.

Fast Facts

Primary Contact

John Herzfeld
Principal & Consulting Actuary
Milliman, Inc.
201 Edgewater Drive
Wakefield, MA 01880
Direct: (781) 213-6261
Main: (781) 213-6200
Fax: (781) 213-6201
john.herzfeld@milliman.com

Organization

- Headquartered in Seattle, WA
- Independently owned by 400 Principals
- \$905 million in revenue (2015)
- 3,200 employees
- 1,400 qualified consultants
- 58 offices around the world

Practice Areas

- Property and casualty ("P&C")
- Employee benefits, investment, and compensation
- Health
- Life and financial

P&C Consulting Services

- Reserve evaluations
- Reserve variability
- Feasibility studies
- Enterprise risk management
- Ratemaking
- Reinsurance
- Predictive modeling
- Retention analysis
- Mergers and acquisitions
- Claims consulting

We believe that Milliman distinguishes itself from its competitors as follows:

- Our **unique corporate structure**, which promotes individual responsibility for the integrity and quality of the work provided to clients.
- Our **ability to communicate difficult concepts** to diverse audiences, from Boards of Directors to regulators and all other interested parties. We explain situations and complexities so that our clients can make informed decisions.
- **Flexibility and customization** for each client's needs. Based on our mission to add value to our clients, we tailor each report and each consulting project to the client's specific needs.
- The **experience of our people**. Most of the senior consultants in our Boston office have more than 15 years of service with Milliman. We support the professional growth and development of all our employees and have very low turnover.
- Our **unparalleled reputation**. Milliman has built an international reputation for work of the highest standards. A stringent pre-release peer review process and day-to-day interactions of the senior consultants with the staff preparing the client work provide assurance that the highest quality standards are being maintained.

II. RELATED EXPERIENCE

The Boston Casualty Practice of Milliman has reviewed over 3,000 rate, rule, and form filings for regulators. We have been and/or are currently under contract to provide ongoing review and analysis of insurer rate filings for the following regulators:

- Rhode Island Department of Business Regulation, Insurance Division
- Vermont Department of Financial Regulation
- Mississippi Insurance Department
- Kentucky Insurance Department
- New Hampshire Insurance Department

Milliman professionals have testified as expert witnesses at various legislative or regulatory hearings.

Milliman has performed loss reserving studies of various insurance and reinsurance companies on behalf of the Connecticut, Illinois, Maine, Massachusetts, Pennsylvania, and Rhode Island insurance departments. These studies have been done in connection with the states' financial examination of insurers.

As a result of our experience in reviewing property and casualty rate filings and in performing financial exams, we have extensive knowledge and expertise in the following areas: providing documentation of procedures that complies with NAIC ratemaking and financial analysis accreditation standards, use of System for Electronic Rate and Form Filing ("SERFF"), and development and/or review of insurance policy form filings within the context of the state-based regulatory system and a solid working knowledge of rate and form filing review for all product lines.

With respect to our familiarity with SERFF, we have performed the following functions within SERFF for thousands of filings from the Rhode Island Department of Business Regulation, Insurance Division: download PDFs and Excel exhibits relating to rate filings, upload responses to filing companies and regulators, update filing status, and search for filings by SERFF number.

III. REFERENCES

Client: Rhode Island Department of Business Regulation, Insurance Division

Paula Pallozzi, SPIR
Associate Director
RI Insurance Division
1511 Pontiac Avenue, Bldg 69-2
Cranston, RI 02920
401-462-9616
paula.pallozzi@dbr.ri.gov

Client: Mississippi Insurance Department

Denise Boyd
P&C Rate Analyst II
Mississippi Insurance Department
Property & Casualty Rating Division
501 North West St., Ste. 1001
Woolfork Building
Jackson, MS 39205-0079

Additional references available upon request.

IV. PROJECT TEAM

The project will be coordinated through Milliman's Boston Casualty Practice, which currently operates with 14 Fellows of the Casualty Actuarial Society ("CAS"), 2 Associates of the CAS, and a staff of 12 actuarial analysts.

The project team will be headed by John Herzfeld. John is a Principal of Milliman, a Fellow of the Casualty Actuarial Society ("FCAS"), and a Member of the American Academy of Actuaries ("MAAA") with over 35 years of experience in property and casualty insurance. John has extensive experience reviewing company rate filings on behalf of state insurance departments, financial examinations for governmental entities, and reserving for insurance companies.

John will be assisted by Kimberly W. Guerriero. Kim is a Consulting Actuary with Milliman, an FCAS, and an MAAA with over 10 years of experience in property and casualty insurance. Kim has extensive experience with assisting in the review of rate filings for the Rhode Island Insurance Department and knows how to use SERFF.

All personnel identified above possess the qualifications, education, training, experience, and certifications necessary to perform the services under the contract. We also warrant that any replacement employees will possess the qualifications, education, training, experience, and certifications necessary to perform the services under the contract.

Attachment C includes resumes for John and Kim, providing further information on their education and experience.

V. PROJECT SCOPE AND APPROACH

The proposed assignment involves the review of property and casualty rate filings submitted to the OIC. The rate filing review process, which we have successfully implemented in Kentucky, Mississippi, New Hampshire, Rhode Island, and Vermont, is described below in four stages:

1. Conflict Clearance - Prior to reviewing any filing, we will perform an internal conflict clearance to determine if a potential conflict within Milliman might exist. If the conflict clearance indicates a potential issue, we will notify the OIC immediately to resolve any conflict or, if necessary, decline to review the filing.
2. The Review - We will review the entire rate or loss cost filing for reasonableness and compliance with applicable West Virginia laws and regulations. We will also look for any pertinent changes or unusual data in the filing. Our primary goal will be to determine the accuracy and reasonableness of the calculated rate level indication, which serves as the basis for the requested rate or loss cost level change. Also, other areas affecting rates and loss costs such as changes to increased limits factors, territory definitions, and class plans will be reviewed. Finally, when requested, we will review what effect the approval or disapproval of the filing might have on the West Virginia insurance market.

The items that we look for in our review include, but are not limited to:

- A. adjustments to premiums or exposures
 - a. on-leveling
 - b. trend (where appropriate)
 - c. common basis (e.g., deductible level)
- B. adjustments to losses
 - a. development
 - b. trend
 - c. allocated loss adjustment expenses
 - d. unallocated loss adjustment expenses
 - e. recognition of catastrophes or large losses
 - f. common basis (e.g., deductible level)

C. credibility weighting of the following loss ratios or pure premium

- a. accident year
- b. actual versus expected
- c. territorial

D. selection of permissible loss ratio

E. consideration of investment income

F. rate level impact of program changes (where applicable)

- a. classification factors
- b. increased limits factors
- c. deductible factors
- d. amount of insurance relativities

3. The Report - Our target deadline for delivering our report will be 30 working days from our receipt of the filing. If we cannot complete the review within 30 working days, we will contact the OIC to explain the situation and establish a deadline that would be acceptable. We will prepare a brief written report listing pertinent comments, observations, and conclusions, followed by a list of possible questions to be asked of the filing entity regarding data, methodology, calculations, and/or unsupported assumptions and conclusions. We will explain our reasons for any critical comments, identify issues that need to be addressed, and suggest possible solutions. We will also provide a recommendation as to whether any requested change is reasonable. The annual NCCI filing will take longer to review because of the volume and rounds of questions typically asked. With few exceptions, all correspondence and deliverables will be done within SERFF.

4. The Follow-Up - We will review the responses of the filing entity to questions raised on behalf of the OIC and prepare a brief follow-up report. We will also be available to provide expert testimony at rate and loss cost hearings.

VI. TIMING

We can start the project as soon as we are notified of the acceptance of this proposal and data becomes available.

VII. COST OF SERVICES

The cost of our services will vary according to the number of and complexity of rate filings we are asked to review. We will commit to the hourly rate provided on Exhibit A: Pricing Page.

VIII. GENERAL LIMITATIONS

We will rely on data and information provided by the OIC. We will not audit or independently verify this data and information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete. In that event, the results of our analysis may not be suitable for the intended purpose. We will perform a limited review of the data used directly in our analysis for reasonableness and consistency. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or relationships that are materially inconsistent. Such a review is beyond the scope of our assignment.

Our estimates will reflect our professional judgment, arrived at after actuarial analysis of the available data. However, our estimates involve future contingencies such as economic conditions, court decisions, and legislative actions. Therefore, our estimates are subject to uncertainty, and actual results will vary from our estimates.

IX. TERMS AND CONDITIONS

Issuance of an Award Document signed by the Purchasing Division Director, or his designees, and approved as to form by the Attorney General's office constitutes acceptance of this Contract made by and between the State of West Virginia and the Vendor. Vendor's signature on its bid signifies Vendor's agreement to be bound by and accept the terms and conditions contained in this Contract.

Confirmed with the following exceptions (additions in bold):

Revision to General Terms and Conditions:

35. Vendor Relationship: "Vendor shall hold harmless the State, and shall provide the State and Agency with a defense against any and all claims ~~including, but not limited to,~~ **relating to** the foregoing payments, withholdings, contributions, taxes, Social Security taxes, and employer income tax returns.

Additional language:

Benefit of the State: Any work performed pursuant to this Agreement will be solely for the benefit of the State, and not for the benefit of any examined company, any party associated with the examined party, or any other party. The Vendor's obligations are solely to the State and not to any other party.

Revision to the Confidentiality Policies and Information Security Accountability Requirement:

2.3 Security Incident means any known successful ~~or unsuccessful~~ attempt by an authorized or unauthorized individual to inappropriately use, disclose, modify, access, or destroy any information.

3.0 Background: Agencies maintain Confidential Information, including, but not limited to, trade secrets, personally identifiable information, protected health information, financial information, financial account numbers, credit card numbers, debit card numbers, driver's license numbers, State ID numbers, social security numbers, employee home addresses, etc. Federal laws, including, but not limited to, the Health Insurance Portability and Accountability Act, the Privacy Act of 1974, Fair Credit Reporting Act and State laws require that certain information be safeguarded. In some situations, Agencies delegate, through contract provisions, functions to vendors that involve the vendor's collection, use and/or disclosure of Confidential Information. WV State government must take appropriate steps to ensure its compliance with those laws and desires to protect its citizens' and employees' privacy, and therefore, must require that its vendors also obey those laws.

Utilization of safeguards can greatly minimize potential exposure to sensitive information, and vendors are expected to adhere to industry standard best practices in the management of data collected by, or on behalf of, the State, and in the vendor's possession for a business purpose. Even when sound practices and safeguards are in use, exposures can occur as the result of a theft, loss, or compromise of data, or systems containing data. At these times, vendors must be accountable for the loss of data in their possession by immediately reporting the incident surrounding the loss **in accordance with the reporting frameworks below**, and by absorbing any cost associated with the appropriate response actions deemed by the State to be reasonable and necessary. Additional vendor funding may be needed for required activities, such as: rapid notification to affected persons, and provision of a call center to handle inquiries. Notification and call handling will use a State- specified method, format, language, and personnel staffing level.

4.3.4 Policy: **In lieu of State receipt of vendor SOC2 report, during normal business hours and with reasonable prior written notice**, the State may periodically monitor and/or audit use of the information systems and other record-keeping systems at a vendor location **where State data is stored or processed** or a State location in an effort to ensure compliance with this policy. **In the case of audit, such recurrence**

shall not exceed twice annually. In addition, the State may ~~audit~~ **review**, and ~~require~~ **request** strengthening of, vendor policies and/or practices as they impact security of State data within the vendor's possession.

4.4.2 Notification of Breach.

4.4.2.1. Upon the discovery of Breach of security of Confidential Information, if the Confidential Information was, or is reasonably believed to have been, acquired by an unauthorized person, the vendor shall notify the individuals identified in 4.4.2.3 ~~immediately~~ **promptly** by telephone call plus e-mail, web form or fax; or,

4.4.2.2. Within ~~24~~ **48** hours by e-mail or fax of any ~~suspected~~ **confirmed** Security Incident, intrusion or unauthorized use or disclosure of Confidential Information, in violation of the underlying contract and this Notice, of potential loss of confidential data affecting the underlying contract.

ATTACHMENT A:
REQUIRED SIGNED DOCUMENTS



Purchasing Division
2019 Washington Street East
Post Office Box 50130
Charleston, WV 25305-0130

State of West Virginia
Request for Quotation
10 - Consulting

Proc Folder: 254226

Doc Description: Addendum No. 1 - Actuarial Rate & Review

Proc Type: Central Master Agreement

Date Issued	Solicitation Closes	Solicitation No	Version
2016-10-14	2016-10-27 13:30:00	CRFQ 0704 INS1700000002	2

BID RECEIVING LOCATION

BID CLERK

DEPARTMENT OF ADMINISTRATION

PURCHASING DIVISION

2019 WASHINGTON ST E

CHARLESTON

WV 25305

US

VENDOR

Vendor Name, Address and Telephone Number:

John Herzfeld
Milliman, Inc.
201 Edgewater Drive
Suite 289
Wakefield, MA 01880
781-213-6200

FOR INFORMATION CONTACT THE BUYER

Michelle L Childers
(304) 558-2063
michelle.l.childers@wv.gov

Signature X

FEIN #

91-0675641

DATE

10/26/16

All offers subject to all terms and conditions contained in this solicitation

ADDITIONAL INFORMATION:**Addendum**

Addendum No. 1 issued to publish and distribute the attached information to the vendor community.

The West Virginia Purchasing Division is soliciting bids on behalf of The West Virginia Offices of the Insurance Commissioner (OIC) to establish an open end contract for actuarial rate review of property and casualty related product filings and consulting services. Property and casualty product filings include, but not limited to, marine, surety, homeowners, liability, medical malpractice, workers compensation, product liability, personal auto, commercial auto, credit and title insurance. The firm may provide other management consulting services for the OIC. The additional services may include appearances by the firms personnel before legislative and executive bodies, or others to respond to questions or give reports. The firm may be required to provide testimony at rate hearings. These services may also include the preparation of related written reports. All work will be under the direction of the Insurance Commissioner or his designee. Written reports and finding must be submitted in draft form in order that any necessary changes may be discussed and agreed upon before final acceptance. The actuarial firm may provide other management consulting services and perform special reviews and analysis of property and casualty products for the OIC.

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	Actuarial consulting services	-0.00000- 400	HOURL	\$224	\$89,600

Comm Code	Manufacturer	Specification	Model #
80101512			

Extended Description :

Actuarial consulting services

INS1700000002	Document Phase Final	Document Description Addendum No. 1 - Actuarial Rate & Review	Page 3 of 3
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ADDITIONAL TERMS AND CONDITIONS

See attached document(s) for additional Terms and Conditions

Exhibit A
Pricing Page

West Virginia Insurance Commission					
Actuarial Rate Review					
Item	Description	Unit of Measure	Cost per Unit	Estimated Quantity	Extended Cost
1	Actuarial Rate Review of Property and Casualty Product Filings and Consulting Services	Per Hour	\$224 - 0.00 -	400	\$89,600 - 0.00 -
				TOTAL BID AMOUNT	\$89,600 - 0.00 -

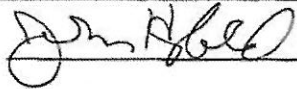
Vendor Information:

Name: John Herzfeld

Address: Milliman, Inc.
201 Edgewater Drive, Suite 289, Wakefield, MA 01880

Phone#: 781-213-6200

Email Address: john.herzfeld@milliman.com

Authorized Signature: 

** Estimated quantities are for bidding purposes only, more or less may be purchased by the agency.

State of West Virginia
VENDOR PREFERENCE CERTIFICATE

Certification and application is hereby made for Preference in accordance with *West Virginia Code*, §5A-3-37. (Does not apply to construction contracts). *West Virginia Code*, §5A-3-37, provides an opportunity for qualifying vendors to request (at the time of bid) preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the *West Virginia Code*. This certificate for application is to be used to request such preference. The Purchasing Division will make the determination of the Vendor Preference, if applicable.

1. **Application is made for 2.5% vendor preference for the reason checked:**
☐ Bidder is an individual resident vendor and has resided continuously in West Virginia for four (4) years immediately preceding the date of this certification; or,
☐ Bidder is a partnership, association or corporation resident vendor and has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification;
☐ 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-3-59 and *West Virginia Code of State Rules*.**
☐ Bidder has been or expects to be approved prior to contract award by the Purchasing Division as a certified small, women- and minority-owned business.

Bidder understands if the Secretary of Revenue determines that a Bidder receiving preference has failed to continue to meet the requirements for such preference, the Secretary may order the Director of Purchasing to: (a) 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: John Herzfeld

Signed: 

Date: 10/26/16

Title: Consulting Actuary

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

ADDENDUM ACKNOWLEDGEMENT FORM

SOLICITATION NO.: CRFQ 0704 INS1700000002

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

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

Addendum Numbers Received:

(Check the box next to each addendum received)

<input checked="" 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.

Milliman, Inc.

Company



Authorized Signature

10/26/16

Date

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

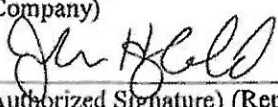
Revised 6/8/2012

DESIGNATED CONTACT: Vendor appoints the individual identified in this Section as the Contract Administrator and the initial point of contact for matters relating to this Contract.

John Herzfeld, Consulting Actuary
 (Name, Title)
 John Herzfeld, Consulting Actuary
 (Printed Name and Title)
 201 Edgewater Drive, Suite 289, Wakefield, MA 01880
 (Address)
 Tel 781-213-6200 / Fax 781-213-6201
 (Phone Number) / (Fax Number)
 john.herzfeld@milliman.com
 (email address)

CERTIFICATION AND SIGNATURE: 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.

Milliman, Inc.

(Company)

 (Authorized Signature) (Representative Name, Title)
 John Herzfeld, Consulting Actuary
 (Printed Name and Title of Authorized Representative)
 10/26/16
 (Date)
 Tel 781-213-6200 / 781-213-6201
 (Phone Number) (Fax Number)

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

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

WITNESS THE FOLLOWING SIGNATURE:

Vendor's Name: _____

Authorized Signature: John H. Kelly Date: 10/26/16

State of Massachusetts

County of Middlesex, to-wit:

Taken, subscribed, and sworn to before me this 26th day of October, 2016.

My Commission expires September 15, 2016.

AFFIX SEAL HERE

NOTARY PUBLIC

Linda M. MacDonald

Purchasing Affidavit (Revised 08/01/2015)



LINDA M. MACDONALD
Notary Public
Commonwealth of Massachusetts
My Commission Expires
September 15, 2017

ATTACHMENT B:
PROOF OF DESIGNATION

CASUALTY·ACTUARIAL·SOCIETY

· ORGANIZED · 1914 ·

DEVOTED · TO · THE · PROMOTION · OF · ACTUARIAL · AND · STATISTICAL · SCIENCE
AS · APPLIED · TO · THE · PROBLEMS · OF · INSURANCE · OTHER · THAN · LIFE

· THIS · CERTIFIES ·

· THAT ·

John·Herzfeld

HAVING · SATISFIED · THE · REQUIREMENTS · PRESCRIBED · BY
THE · CONSTITUTION · OF · THE · SOCIETY · WAS · ON · THE
fifteenth · DAY · OF · November
NINETEEN · HUNDRED · AND · *seventy-nine*

ADMITTED · AS · A

FELLOW · OF · THE · CASUALTY · ACTUARIAL · SOCIETY

BY · AUTHORITY · OF · THE · BOARD · OF · DIRECTORS

Ruth E. Salzman
PRESIDENT

David P. Gynn
SECRETARY

NEW · YORK · November · 15 · 1979

Casualty Actuarial Society

Organized 1914

Devoted to the promotion of actuarial science as applied
to property, casualty and similar risk exposures

This certifies that

Kimberly Walker Guerriero

Having satisfied the requirements prescribed by the
Board of Directors has been admitted as a

Fellow of the Casualty Actuarial Society

In witness whereof this diploma has been issued under
the seal of the Casualty Actuarial Society.

November sixteenth, two thousand and fifteen.




President


Vice President - Administration

ATTACHMENT C:
RESUMES OF CONSULTANTS

John Herzfeld

FCAS, MAAA
Consulting Actuary



CURRENT RESPONSIBILITY

John is a principal and consulting actuary with the Boston office of Milliman. He joined the firm in 1986.

EXPERIENCE

John works extensively on property and casualty consulting assignments. These assignments cover areas such as loss reserving, ratemaking, captive planning, feasibility studies, and rate-of-return analysis. His substantial expertise includes pricing and analysis of workers' compensation benefit changes and group self-insurance programs for various lines, including workers' compensation and medical professional liability. In addition to multiline property and casualty insurers, his clients include self-insurers, captive insurers, reinsurers, medical professional liability specialty insurers, and workers' compensation specialty insurers.

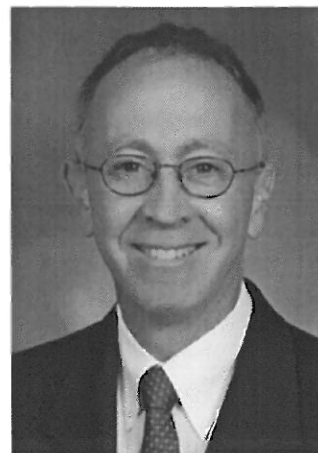
John has priced workers' compensation benefit changes in many states. He assisted the Connecticut, Maryland, Pennsylvania, and Rhode Island insurance departments with the examinations of several large national insurers and reinsurers. He has worked with more than 25 group self-insurance programs.

PROFESSIONAL DESIGNATIONS

- Fellow, Casualty Actuarial Society
- Member, American Academy of Actuaries

EDUCATION

- Graduate, Yale University



Kimberly W. Guerriero

FCAS, MAAA

Consulting Actuary



CURRENT RESPONSIBILITY

Kimberly is a consulting actuary with the Boston office of Milliman. She joined the firm in 2005.

EXPERIENCE

Kimberly's experience covers a wide variety of property and casualty work, including loss reserving, ratemaking, and financial modeling. She assists in the review of automobile, homeowners, and other rate filings for various state insurance departments. In addition, Kimberly assists numerous clients with the formation and ongoing actuarial needs of captive insurers, risk retention groups, and self-insurance groups.

PROFESSIONAL DESIGNATIONS

- Fellow, Casualty Actuarial Society
- Member, American Academy of Actuaries

EDUCATION

- BA, Economics, Hamilton College

