



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

# Request for Quotation

RFQ NUMBER  
 INS11014

PAGE  
 1

ADDRESS CORRESPONDENCE TO ATTENTION OF:  
 SHELLY MURRAY  
 304-558-8801

RFQ COPY  
 TYPE NAME/ADDRESS HERE

VENDOR

SHIP TO

INSURANCE COMMISSION  
 1124 SMITH STREET  
 CHARLESTON, WV  
 25305-0540 304-558-3707

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
05/02/2011				

BID OPENING DATE: 05/17/2011 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
----- ADDENDUM NO. 1 -----						
THIS ADDENDUM IS ISSUED TO ADDRESS THE QUESTIONS RECEIVED PRIOR TO THE QUESTION SUBMISSION DEADLINE OF 04/25/2011.						
THE BID OPENING DATE IS EXTENDED:						
FROM: 05/11/2011						
TO : 05/17/2011						
0001	1	HR		946-12		
ACTUARIAL SERVICES						
EXHIBIT 10						
REQUISITION NO.: INS11014						
ADDENDUM ACKNOWLEDGEMENT						
I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING CHECKED ADDENDUM(S) AND HAVE MADE THE NECESSARY REVISIONS TO MY PROPOSAL, PLANS AND/OR SPECIFICATION, ETC.						
ADDENDUM NO.'S:						
NO. 1 .....						
NO. 2 .....						
NO. 3 .....						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

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

**GENERAL TERMS & CONDITIONS**  
**REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)**

1. Awards will be made in the best interest of the State of West Virginia.
2. The State may accept or reject in part, or in whole, any bid.
3. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125 fee.
4. All services performed or goods delivered under State Purchase Order/Contracts are to be continued for the term of the Purchase Order/Contracts, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods this Purchase Order/Contract becomes void and of no effect after June 30.
5. Payment may only be made after the delivery and acceptance of goods or services.
6. Interest may be paid for late payment in accordance with the *West Virginia Code*.
7. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
8. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
9. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
10. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern the purchasing process.
11. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
12. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, the State may deem this contract null and void, and terminate such contract without further order.
13. **HIPAA BUSINESS ASSOCIATE ADDENDUM:** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, is available online at [www.state.wv.us/admin/purchase/vrc/hipaa.htm](http://www.state.wv.us/admin/purchase/vrc/hipaa.htm) and is hereby made part of the agreement. Provided that the Agency meets the definition of a Cover Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.
14. **CONFIDENTIALITY:** The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures, and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/noticeConfidentiality.pdf>.
15. **LICENSING:** Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, and the West Virginia Insurance Commission. The vendor must provide all necessary releases to obtain information to enable the director or spending unit to verify that the vendor is licensed and in good standing with the above entities.
16. **ANTITRUST:** In submitting a bid to any agency for the State of West Virginia, the bidder offers and agrees that if the bid is accepted the bidder will convey, sell, assign or transfer to the State of West Virginia all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the State of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to the bidder.

I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership, or person or entity submitting a bid for the same material, supplies, equipment or services and is in all respects fair and without collusion or fraud. I further certify that I am authorized to sign the certification on behalf of the bidder or this bid.

**INSTRUCTIONS TO BIDDERS**

1. Use the quotation forms provided by the Purchasing Division. Complete all sections of the quotation form.
2. Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as **EQUAL** to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Unit prices shall prevail in case of discrepancy. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
4. All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications: Department of Administration, Purchasing Division, 2019 Washington Street East, P.O. Box 50130, Charleston, WV 25305-0130
5. Communication during the solicitation, bid, evaluation or award periods, except through the Purchasing Division, is strictly prohibited (W.Va. C.S.R. §148-1-6.6).



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	NO. 4 .....					
	NO. 5 .....					
<p>I UNDERSTAND THAT FAILURE TO CONFIRM THE RECEIPT OF THE ADDENDUM(S) MAY BE CAUSE FOR REJECTION OF BIDS.</p> <p>VENDOR MUST CLEARLY 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.</p> <p>.....            SIGNATURE</p> <p>.....            COMPANY</p> <p>.....            DATE</p> <p>NOTE: THIS ADDENDUM ACKNOWLEDGEMENT SHOULD BE SUBMITTED WITH THE BID.</p> <p>----- END OF ADDENDUM NO. 1 -----</p>						

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**RFQ # INS11014****Addendum #1**

1. Is registration with the Purchasing Division required to submit a bid, or only if afterward if the bid is accepted?

**Answer:** Vendor is not required to be a registered vendor in order to submit a bid, but the successful bidder must register and pay the registration fee prior to the award of an actual purchase order or contract.

2. Is there currently, or has there been in the past, an actuarial firm providing these services to the Office of the Insurance Commissioner (OIC)? If yes, is it possible to get the name of that firm, the hourly rate charged and the total contract amount?

**Answer:** There has not been an actuarial firm in the past providing these services.

3. Is there any estimate of how much work is expected to be required from the OIC?

**Answer:** An accurate estimate cannot be provided. It depends on the number, type and complexity of the filings received during the contract period. Some months may require review of 4 to 6 filings, while other months may have only 1 or 2. It is projected that the review activity will be greater at the beginning of the contract period as one purpose of the engagement is to provide training and supplementary tools for the rate analyst staff.

4. Do bidders have to be registered to do business in West Virginia before they can submit a bid and be considered OR is it ok to affirm that, if selected, we will immediately register to do business?

**Answer:** Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, and the West Virginia Insurance Commission at time of bid submission.

5. When does the OIC anticipate selecting the winning vendor?

**Answer:** May 2011

6. When would the work under this contract commence?

**Answer:** After the procurement process and contract are completed. May or June 2011

7. How many firms/individuals bid last time these services were needed?

**Answer:** Services have not been bid in the past.

8. Who is the incumbent Actuary?

**Answer:** Do not have an incumbent actuary.

9. How many years has the incumbent Actuary provided the requested services?

**Answer:** Do not have an incumbent actuary.

10. Why is the OIC bidding for these services? (e.g. Required by law? Unhappy with existing provider? etc.)

**Answer:** To improve filing review process.

11. Is it possible to get a copy of the prior proposal submitted by the incumbent (if any)?

**Answer:** Do not have an incumbent actuary.

12. Is it possible to get a copy of the previous report(s) and other work performed by the incumbent Actuary?

**Answer:** Do not have an incumbent actuary.

13. What was the annual cost to the OIC for the most recent actuarial report?

**Answer:** Do not have an incumbent actuary.

14. Will the filings be assigned in a SERFF environment or via e-mail?

**Answer:** E-mail

15. Who is the current actuarial firm providing this service?

**Answer:** Do not have an incumbent actuary or firm.

16. How long have the current actuaries provided their service?

**Answer:** Do not have an incumbent actuary or firm.

17. What were the billing rates for these services for the last three years, by year?

**Answer:** These services have not been provided in the past.

18. How many hours were billed for the prior services for the last three years, by year?

**Answer:** These services have not been provided in the past.

19. Over the last three years, how many rate filing review projects were awarded to Property and Casualty ("P&C") actuaries?

**Answer:** These services have not been provided in the past.

20. How frequently are rate hearings required?

**Answer:** Rate hearings are a possibility and representation by the selected vendor will be required, however, in 2010 no rate hearings were necessary.

21. How many hours were billed for rate hearings in the past three years, by year?

**Answer:** Actuarial services were not provided in prior years.

22. At the top of page 7 of the RFQ, there is the following statement: "The firm shall have no conflict of interest with regard to any carrier that is actively writing individual or group life and health products in the West Virginia market". Since this RFQ is related to P&C work, why do you inquire about conflicts regarding group life and health?

**Answer:** This is an error the RFQ is related to P&C carriers not life & health carriers.

23. What would your procedure be if your contractor currently has no conflicts with companies filing in West Virginia, but during the course of the contract they land a new client that does make such a filing?

**Answer:** The vendor would be required to notify the state of the conflict and these company filings would not be provided to the vendor for review.

24. Should the reference at the top of page 7 of the RFQ read "property and casualty products" rather than "individual or group life and health products"?

**Answer:** Yes

25. Will the "manual of rate review guidelines" listed in the Scope of Services; include only personal auto and homeowners lines of business? If other lines of business are envisioned, which lines of business would they be?

**Answer:** No, could include all P&C lines including but not limited to workers compensation, medical malpractice, credit and commercial.

26. In a typical year, how many filings are envisioned being reviewed under this contract?

**Answer:** An accurate estimate cannot be provided. It depends on the number, type and complexity of the filings received during the contract period. Some months may require review of 4 to 6 filings, while other months may have only 1 or 2. It is projected that the review activity will be greater at the beginning of the contract period as one purpose of the engagement is to provide training and supplementary tools for the rate analyst staff.

27. Is there a target period within the initial contract year for the development and delivery of the manual of rate review guidelines?

**Answer:** A schedule would have to be determined but no later than six months after the contract is awarded.

28. Is any on-site training of the OIC staff with respect to general concepts in the rate review process contemplated in this contract?

**Answer:** Yes, the initial training will be on on-site then webinars.

29. Are any on-site meetings (at the OIC offices or at the offices of the Company under review) anticipated in the review of any filing?

**Answer:** Most discussions will be via phone but on-site meetings are possible.

30. How will the filings and supporting documentation be transmitted to the actuarial firm? By way of SERFF or other means – electronic or paper?

**Answer:** E-mail