



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

Solicitation

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| NUMBER |
| INS14014 |

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| PAGE |
| 1 |

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| ADDRESS CORRESPONDENCE TO ATTENTION OF |
| EVELYN MELTON 304-558-2306 |

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| VENDOR | RFQ COPY |
| | TYPE NAME/ADDRESS HERE |

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

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| DATE PRINTED |
| 01/21/2014 |

BID OPENING DATE: 02/04/2014 BID OPENING TIME 1:30PM

| LINE | QUANTITY | UOP | CAT NO. | ITEM NUMBER | UNIT PRICE | AMOUNT |
|------|----------|-----|---------|--|------------|--------|
| | | | | ADDENDUM NO. 1 | | |
| | | | | ADDENDUM IS ISSUED: | | |
| | | | | 1. TO PROVIDE RESPONSES TO VENDORS' QUESTIONS REGARDING THE ABOVE SOLICITATION. QUESTIONS AND ANSWERS ARE ATTACHED. | | |
| | | | | 2. TO PROVIDE ADDENDUM ACKNOWLEDGMENT. THIS DOCUMENT SHOULD BE SIGNED AND RETURNED WITH YOUR BID. FAILURE TO SIGN AND RETURN MAY RESULT IN THE DISQUALIFICATION OF YOUR BID. | | |
| | | | | END OF ADDENDUM NO. 1 | | |

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| SIGNATURE | TELEPHONE | DATE |
| TITLE | FEIN | ADDRESS CHANGES TO BE NOTED ABOVE |

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



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| LINE | QUANTITY | UOP | CAT NO | ITEM NUMBER | UNIT PRICE | AMOUNT |
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| 0001 | 1 | HR | | 946-12 | | |
| | | | | ACTUARIAL SERVICES | | |
| ***** THIS IS THE END OF RFQ INS14014 ***** TOTAL: | | | | | | |

| | | | | |
|-----------|------|-----------------------------------|--|------|
| SIGNATURE | | TELEPHONE | | DATE |
| TITLE | FEIN | ADDRESS CHANGES TO BE NOTED ABOVE | | |

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

SOLICITATION NUMBER: INS14014

Addendum Number: 1

The purpose of this addendum is to modify the solicitation identified as ("Solicitation") to reflect the change(s) identified and described below.

Applicable Addendum Category:

- Modify bid opening date and time
- Modify specifications of product or service being sought
- Attachment of vendor questions and responses
- Attachment of pre-bid sign-in sheet
- Correction of error
- Other

Description of Modification to Solicitation:

1. To provide answers to questions submitted regarding the above solicitation.
2. To provide Addendum Acknowledgement

Additional Documentation: Documentation related to this Addendum (if any) has been included herewith as Attachment A and is specifically incorporated herein by reference.

Terms and Conditions:

1. All provisions of the Solicitation and other addenda not modified herein shall remain in full force and effect.
2. Vendor should acknowledge receipt of all addenda issued for this Solicitation by completing an Addendum Acknowledgment, a copy of which is included herewith. Failure to acknowledge addenda may result in bid disqualification. The addendum acknowledgement should be submitted with the bid to expedite document processing.

ATTACHMENT A

ADDENDUM NO. 1**QUESTIONS & ANSWERS – INS14014**

1. Have any consultants performed services for the Offices of the Insurance Commissioner (OIC) within the last two years that are similar to the services described in the current RFQ? If so, which consultant(s) or firm(s) have been providing these services? Why is the OIC soliciting quotations for this work at this time?

A: The current contract is with United Health Actuaries and expires 1/31/2014. No other consultants have performed services for the Offices of the Insurance Commissioner within the last two years that are similar to the services described in the current RFQ. We are soliciting quotations to secure an actuarial firm to conduct ACA relating form and rate filings.

2. What was the total number of life and health product filings reviewed by the OIC and/or its consultant(s) in 2013? What was the distribution of these filings by type of product, as listed (or referred to) in the PURPOSE AND SCOPE section of the RFQ (item #1 under SPECIFICATIONS)? How many of these were performed – in whole or in part – by consultants (as opposed to internal staff) in 2013?

A: Seventy one (71) health related product rate filings were reviewed for individual, group and associations by UHA in 2013. Product types reviewed consisted of FFS, HDHP, HMO, HAS, OTH, POS and PPO. All of these filing reviews were reviewed as a coordinated effort by the OIC internal staff of the Rates and Forms Department and the consulting actuaries.

3. What is the expected number and distribution of filings to be reviewed by the selected vendor in 2014?

A: With the addition of the Large Group entering the Health Insurance Marketplace in 2015, it is anticipated that approximately 80 health related product rate filings will be sent to consulting actuaries for review.

4. What types of testimony, written reports, special reviews and/or analyses, and other management consulting services were provided to the OIC by consultants in 2013? (For example: What issues were addressed? How extensive were these testimonies / reports / reviews / analyses / other services, in terms of number of hours or pages?)

A: The consulting actuaries assisted the Insurance Commissioner, Director of Rates and Forms and Life and Health Analysts. The reviews included, but were not limited to trending, credibility, lapse ratios, development factors, durational factors, geographical factors, loss development, loss ratios, rating bands and all other components of a rate filing. The reviews were documented by an Executive Summary prepared by the reviewing actuary to justify and support 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. This Executive Summary normally consisted of 3-5 pages in summary.

5. What testimonies / reports / reviews / analyses / other services (e.g., how many, how extensive, and on what topics) does the OIC expect to request from the selected consultant in the first contract year?

A: Please refer to Question #4.

6. How often does the OIC anticipate the selected consultant will attend State meetings in Charleston or otherwise be working on-site in the State?

A: We have purchased a Go-To-Meeting product to facilitate training via the web. Unless there is a specific need, the consultants will be training offsite, via the Go-To-Meeting. This product can facilitate up to 100 participants in any give webinar.

7. On the Pricing Page (Exhibit A of the RFQ), should the "all-inclusive hourly rate for the required services which includes travel and related expenses, including supplies and general administrative expenses" be shown in the "Unit Price" column? What should be shown in the "Extended Price" column?

A: The amount of the bid submitted by each potential vendor shall be a fixed hourly rate for services rendered. This rate shall be the same regardless of which partner or member performs the services and shall be sufficient to cover any and all incidental expenses. Out of pocket travel expenses shall be billed in accordance with the State of West Virginia's Travel Rules as prescribed by the Travel Management Unit, Purchasing Division.

8. Would the Department allow some flexibility on the terms and conditions if agreed with the vendor?

A: Yes. Depending upon the criteria submitted by actuarial firm which is chosen by the West Virginia Offices of the Insurance Commissioner, there may be some flexibility on the terms and conditions of the contract if agreed to by the vendor.

9. Who is the incumbent providing this services and what was the total amount under this contract over each of the last 3 years?

A: United Health Actuaries has held the contract over the last 3 years with charges amounting to \$170,813.42.

10. What is the estimated number of filings and hours anticipated per filing on average received on an annual basis?

A: With the addition of the Large Group entering the Health Insurance Marketplace in 2015, it is anticipated that approximately 80 health related product rate filings will be sent to consulting actuaries for review. The West Virginia Offices of the Insurance Commissioner estimates it will take an average of 10 hours of review per health related product filing.

11. What share of spend has typically been related to management consulting services under this contract, outside of the rate review support?

A: The share of spend typically spent on services outside of the rate review support is approximated to be 20% of the total charges.

12. What is the Department's expectation for on-site visits under this contract?

A: Unless a representative(s) of the actuarial firm are requested to appear before legislative or executive bodies, no on-site visits are anticipated due to the Go-To-Meeting product available.

13. Section 3.2 states that a firm shall have no conflict of interest with regard to any carrier in the individual or group market in WV. May a bidder remedy a conflict by means such as maintaining secure directories, limiting staff that reviews the filings, or obtaining a sub-contractor to review the filing of the carrier in conflict?

A: Should there be a conflict of interest with regard to the review of any carrier in the individual or group market, the consulting actuaries may choose an actuary on staff with no conflict of interest in regard to the carrier or sub-contract the review of the filing to an outside actuary.

14. Would a bidder with a conflict of interest with one carrier in WV be automatically disqualified?

A: Yes, a bidder with a conflict of interest with one carrier in the WV market will be automatically disqualified.

ADDENDUM ACKNOWLEDGEMENT FORM
SOLICITATION NO.: INS14014

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 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.

Company

Authorized Signature

Date

NOTE: This addendum acknowledgement should be submitted with the bid to expedite document processing.
Revised 6/8/2012