



REQUEST FOR PROPOSALS FOR PROFESSIONAL SERVICES  
ACTUARIAL SERVICES  
CONTRACT NUMBER DOI16001-ACTUARIAL\_SERVICES

ADDENDUM #1

QUESTIONS RECEIVED	RESPONSES
1. List of Items, Schedule of Requirements, Scope of Work, Terms of Reference, Bill of Materials required.	See RFP at: <a href="http://bidcondocs.delaware.gov/DOI/DOI_16001ActuarialSvcs.pdf">http://bidcondocs.delaware.gov/DOI/DOI_16001ActuarialSvcs.pdf</a>
2. Soft Copy of the Tender Document through email.	See RFP at: <a href="http://bidcondocs.delaware.gov/DOI/DOI_16001ActuarialSvcs.pdf">http://bidcondocs.delaware.gov/DOI/DOI_16001ActuarialSvcs.pdf</a>
3. Names of countries that will be eligible to participate in this tender.	USA
4. Information about the Tendering Procedure and Guidelines.	See RFP at: <a href="http://bidcondocs.delaware.gov/DOI/DOI_16001ActuarialSvcs.pdf">http://bidcondocs.delaware.gov/DOI/DOI_16001ActuarialSvcs.pdf</a>
5. Estimated Budget for this Purchase.	See generally RFP at: <a href="http://bidcondocs.delaware.gov/DOI/DOI_16001ActuarialSvcs.pdf">http://bidcondocs.delaware.gov/DOI/DOI_16001ActuarialSvcs.pdf</a>
6. Any Extension of Bidding Deadline?	No.
7. Any Addendum or Pre Bid meeting Minutes?	Question is unclear. There is no pre-bid meeting.
8. Appendix B, 2. Scope of Work, Page 40, Discrete Billable Services. Can a firm propose on specific services only? (e.g. P&C rate and rule filings review, Annual DCRB Filing Review, Captive applications Review and Captive annual financial reviews).	The DOI's preference is to select one full-service firm. However, the RFP states that the DOI may choose more than one vendor.
9. Who was the last consulting firm that performed the work?	INS Consultants, Inc.
10. How long have the current actuaries been providing their service?	Since approximately 1998.
11. What were the annual fees charged and the terms of the contract?	The annual fees charged for fiscal year 2015 were \$1,023,802.32. The terms of the current contract vary by service, but are generally charged on an hourly basis as follows: P&C \$275.00/hour, L&H \$235.00/hour, Captive \$295.00/hour.

12. Has the scope of the work changed since the work was done?	No.
13. Can we get a copy of the most recent actuarial report?	The question is unclear as to what report is being sought.
14. Can we get a copy of the proposal of the last successful bidder?	DOI's review of its records has produced no prior proposals by INS Consultants, Inc.
15. Will you share the Evaluation Sheet and perform a debriefing if requested at the end of the process?	Upon written request and subject to Delaware's Freedom of Information Act, 29 <i>Del. C.</i> §§ 10001, et seq., the DOI will release copies of all proposals and related public records following execution of a valid, binding contract with the winning bidder. The DOI does not typically provide in-person debriefing.
16. We would like to look at the proposal you accepted for the work currently being done. Where can I view that proposal? I think this should be available under the Freedom of Information Act.	DOI's review of its records has produced no prior proposals by INS Consultants, Inc.
17. Of the 7 seven bullets listed on page 40 in the Scope of Work of the RFP under Discrete Billable Services, we are qualified to perform only the services listed under bullet #5. We are not qualified to perform the P&C actuarial services, etc. listed under the other 6 bullets. We can provide expertise in the Life & Health area-- "A&H rate filing reviews and expert opinions at public hearings/ comment sessions." Is it possible to bid for those A & H services only?	Yes, however, the DOI's preference is to select one full-service firm. The RFP states that the DOI may choose more than one vendor.
18. Section: Appendix B Paragraph: 2nd Page: 40 Text: Discrete Billable Services Does the qualified actuarial firm need to be able to provide all of the services bulleted? For example, if a firm can provide services for the first four bullets but not the last three, would that disqualify the actuarial firm from submitting a response to the RFP.	No, however, the DOI's preference is to select one full-service firm. The RFP states that the DOI may choose more than one vendor.
19. How can we get a copy of the winning previous proposal?	DOI's review of its records has produced no prior proposals by INS Consultants, Inc.
20. Page 1 in the Scope of Services section says that the DOI seeks to select one firm to handle actuarial services. On page 13, the last bullet says that you have the right to select more than one vendor. Can you please discuss what you mean by these two opposing statements? Most states today are looking to	The DOI's preference is to select one full-service firm. However, the RFP states that the DOI may choose more than one vendor.

<p>select multiple vendors and then asking the vendors to bid on certain aspects of the job rather than having one vendor do it all. This protects the state for relying on the view of only one vendor.</p>	
<p>21. Item 8 of General Requirements states that the preferred vendor will be one independent of the insurance industry. We are aware of only one vendor who could satisfy this requirement, INS, so we are wondering if the requirement is designed to favor that particular vendor at the expense of other vendors?</p>	<p>No.</p>
<p>22. On page 20 under costs and payment schedules, the last sentence says that the proposal costs shall include full compensation for all taxes the selected vendor is required to pay. Does this mean we should include the Federal and State income taxes that we would have to pay as a result of charging you for our services?</p>	<p>Yes.</p>
<p>23. Who is the current actuarial service provider?</p>	<p>INS Consultants, Inc.</p>
<p>24. How long has the incumbent vendor been performing the services?</p>	<p>Since approximately 1998.</p>
<p>25. What is the reason for the issuance of this RFP, in lieu of providing a contract extension to continue using the incumbent actuarial firm?</p>	<p>State law procurement requirements.</p>
<p>26. Will the incumbent vendor be eligible to bid in response to this RFP?</p>	<p>Yes.</p>
<p>27. Was the work required in prior years similar to that described in the current RFP? If no, please identify and describe the differences.</p>	<p>Yes.</p>
<p>28. Would Delaware Insurance Department accept and consider proposals for specified scope sections and award to multiple vendors?</p>	<p>Yes, however, the DOI's preference is to select one full-service firm. The RFP states that the DOI may choose more than one vendor.</p>
<p>29. Is it possible to obtain a copy of the latest Actuarial Valuation report and any additional reports with financial reporting information for review?</p>	<p>The question is unclear as to what report is being sought.</p>
<p>30. Could you please provide any specific examples of past</p>	<p>Discretionary Non-Billable services are listed on Appendix B. They are typically communicated by email and/or telephone on</p>

Discretionary Non-Billable Services? If yes, please provide hours and fees paid for each project.	a case by case basis. The DOI does not track Discretionary Non-Billable services.
31. What were the total annual dollar amount of fees paid to the previous actuarial vendor for last two years? a) What were the hourly rates by personnel tier for the last two years of the contract period?	The total fee amount for fiscal year 2014 was \$1,348,167.06. The total fee amount for fiscal year 2015 was \$1,023,802.32. The DOI does not track hourly rates by personnel tier.
32. In order to assist us in gaining a clear understanding of the scope of work, can you provide the amount of the total level of effort (hours of work) for the last two contract years?	Data on the number of hours is not readily available.
33. How many in person meetings per year are required for the actuarial consultant to attend?	The number will vary and is at the discretion of the DOI.
34. Section III, B, item 8. Page 3 “Disclosure of any contractual relationship with insurance industry entities.” Does this require disclosure of every active insurance industry client of our company nationally, or just clients of the proposing office, or just any insurance company domiciled in Delaware with which we have a contractual relationship?	This requires disclosure of clients on a national basis.
35. Would the State consider a vendor that could not review rate filings for Highmark BCBS of Delaware?	No.
36. Section IV, B, item 12b Page 9 “Any sub-contractors must be approved by the State of Delaware.” Does this simply mean that the primary vendor might potentially be required to select a different sub-contractor, or does it mean that a proposal will not be accepted unless the selected sub-contractor has already been approved by the State? If the latter, how do we submit a sub-contractor for approval?	The DOI will determine whether any potential subcontractor is appropriate for these services. The subcontractor does not need to be preapproved by the State. See also, Attachment 6 of the RFP.
37. Who currently performs these services, and what were they paid over the prior two calendar years (2014 and 2015)?	INS Consultants, Inc. is the current provider. Fees in fiscal year 2014 were \$1,348,167.06. Fees in fiscal year 2015 were \$1,023,802.32.
38. Is the current vendor compensated for Discrete Billable Services on a fixed cost basis, or on an hourly	The current vendor is compensated on an hourly basis for discrete services provided. For P&C filings, they are compensated at \$275.00 per hour. For L&H filings, they are

<p>basis? If the former, please provide a summary of the Discrete Billable services provided under this contract over the prior two calendar years (2014 and 2015). For example. How many P&amp;C filing reviews were performed; how many captive financial reviews were performed, etc.?</p>	<p>compensated at \$235.00 per hour. For Captive filings, they are compensated at \$295.00 per hour. Information on the number of reviews performed is not readily available.</p>
<p>39. Appendix B, Scope of Work, Item 2. Page 40  “Discretionary Non-Billable Services may be deemed “Billable Services” solely at the discretion of the DOI and upon written request of the Vendor.”  Does this mean that services designated as “Discretionary Non-Billable Services” are generally expected to be completed without additional charge? If so, please provide a summary of the Non-Billable services provided under this contract over the prior two calendar years (2014 and 2015). For example. How many reviews of reinsurance agreements were performed; how many reviews of loss reserve discount rates were requested, etc.?</p>	<p>Yes. The DOI does not track discretionary non-billable services.</p>
<p>40. Section number - II Scope of Services  Paragraph number -1  Page number-1  Text of passage being questioned  Pertaining to the text- “The DOI seeks to select one firm to handle actuarial services”-What firm/firms are currently providing actuarial services to the Delaware DOI and how long have they been doing so?</p>	<p>INS Consultants, Inc. Since approximately 1998.</p>
<p>41. Section number - II Scope of Services  Paragraph number -1  Page number-1  Text of passage being questioned  Pertaining to the text- “The DOI seeks to select one firm to handle actuarial services”-Is it possible to receive a copy of the most recently approved RFP response/responses from the firm/firms currently providing actuarial services?</p>	<p>DOI’s review of its records has produced no prior proposals by INS Consultants, Inc.</p>
<p>42. Section number - Appendix B- Scope of Work</p>	<p>Total fees for fiscal year 2015 were \$1,023,802.32. Yes, these fees are for the same scope of work as listed in Appendix B.</p>

<p>Paragraph number -2 Page number-40 Text of passage being questioned Pertaining to “Discrete Billable Services” and “Discretionary Non-Billable Services” What is the current level of annual actuarial fees and are these fees for the same scope of work as described in the Discrete Billable Services and Discretionary Non-Billable Services in the RFP?</p>	
<p>43. Section number - Appendix B- Scope of Work Paragraph number -2 Page number-40 Text of passage being questioned Pertaining to “Discrete Billable Services” and “Discretionary Non-Billable Services” Is it possible to receive sample reports for the discrete billable services as described in the scope of work?</p>	<p>Actuarial reports are generally confidential except for the reports for the Annual DCRB filing. Reports for the 2015 DCRB filing are available at: <a href="http://www.delawareinsurance.gov/departments/documents/documents/">http://www.delawareinsurance.gov/departments/documents/documents/</a></p>
<p>44. Section number - Appendix B- Scope of Work Paragraph number -2 Page number-40 Text of passage being questioned Pertaining to “Discrete Billable Services” and “Discretionary Non-Billable Services” Does the DOI have any internal actuarial resources? If so please describe those functions and how they would integrate with the scope of work contained in this RFP.</p>	<p>No.</p>
<p>45. Section number - Appendix B- Scope of Work Paragraph number -2 Page number-40 Text of passage being questioned</p>	<p>No text was provided for this question.</p>
<p>46. Pertaining to “Discrete Billable Services: P&amp;C rate and rule filings reviews - including review of WC loss reserves/discount rates, submission of updates to DOI and handling direct inquiries from companies;” Is the “review of WC loss reserves” referenced in Appendix B only anticipated in the context of P&amp;C rate and rule filing reviews, or is it possible that such services might be requested in</p>	<p>It is possible that such services may be requested in other contexts.</p>

<p>other contexts, such as financial examinations?</p>	
<p>47. Section number - Appendix B- Scope of Work Paragraph number -2 Page number-40 Text of passage being questioned Pertaining to “Discrete Billable Services- Captive applications review; - Captive annual financial reviews; Are the captive application reviews and captive annual financial reviews for Life, P&amp;C, or other types of captives, or for a combination thereof?</p>	<p>The application reviews are for a combination thereof.</p>
<p>48. Section number - Appendix B- Scope of Work Paragraph number -2 Page number-40 Text of passage being questioned Pertaining to “Discrete Billable Services”- Annual DCRB filing review; written analysis and expert testimony: Is a hearing held for the DCRB every year? If not, what conditions typically trigger a hearing? Is it possible to ascertain historically how many hearings have been held and how long each hearing typically takes?</p>	<p>Yes, hearings are scheduled every year and are typically scheduled for 2 days. The length of hearing will depend on whether the filing is contested or not. For the last three years, the filings were resolved consensually. Therefore, the hearings were short.</p>
<p>49. Section number - Appendix B- Scope of Work Paragraph number -2 Page number-40 Text of passage being questioned Pertaining to “Discrete Billable Services” and “Discretionary Non-Billable Services” Will the scope of work entail any in person meetings? If so, approximately how many such meetings will there be on an annual basis? Will the cost of attending these meetings be reimbursable?</p>	<p>Yes. The number of meetings is at the DOI’s discretion. Any costs associated with the services must be included in an approved contract.</p>
<p>50. Section number - Appendix B- Scope of Work Paragraph number -2 Page number-40 Text of passage being questioned Pertaining to “Discretionary Non-Billable Services” What is the approximate annual number of hours of Discretionary Non-Billable Services? What is the process for obtaining approval for billing for</p>	<p>The DOI does not track Discretionary Non-Billable services. Approval for billing of discretionary non-billable services requires written request to the DOI. The DOI does not have information with respect to the frequency with which such requests are approved because none have been received to date.</p>

Discretionary Non-Billable Services? What is the frequency with which such requests are approved?	
51. Please provide an estimate of the annual volume of work required under each of the Discrete Billable Services. (Ex: how many P&C rate/rule filings are anticipated, how many captive reviews, etc.) Also, please provide an estimate of the expected work to be done under the Discretionary Non-Billable Services category.	Data on the number of hours is not readily available. The DOI does not track Discretionary Non-Billable services, therefore no estimate is available.
52. Please provide sample life and annuity forms.	Forms are available at: <a href="https://filingaccess.serff.com/sfa/home/DE">https://filingaccess.serff.com/sfa/home/DE</a>
53. Who is the incumbent providing these same services for the Department?	INS Consultants, Inc.
54. How many years has the incumbent Actuary provided the requested services?	Since approximately 1998.
55. Why is the Department bidding for these services? (e.g. Required by law? Unhappy with existing provider?, etc.)	State law procurement requirements.
56. Is it possible to get a copy of the prior proposal submitted by the incumbent (if any)?	DOI's review of its records has produced no prior proposals by INS Consultants, Inc.
57. Is it possible to get a copy of the previous report(s) and other work performed by the incumbent Actuary?	Actuarial reports are generally confidential except for the reports for the Annual DCRB filing. Reports for the 2015 DCRB filing are available at: <a href="http://www.delawareinsurance.gov/departments/documents/documents/">http://www.delawareinsurance.gov/departments/documents/documents/</a>
58. Is it possible to get a copy of the most recent financial reports for the Department?	It is unclear what financial reports are being sought. General Financial reporting for the DOI is available at <a href="http://www.budget.delaware.gov/budget/fy2016/index.shtml">http://www.budget.delaware.gov/budget/fy2016/index.shtml</a>
59. What was the total amount paid for actuarial fees over the last year for services falling under this contract? (If you are unable to share the specific cost, is it possible to get a price range?)	Fees paid for fiscal year 2015 were \$1,023,802.32.
60. What is the hourly rate(s) being paid to the incumbent to perform this work?	Hourly rates are as follows: P&C Filings: \$275.00/hour, L&H Filings: \$235/hour, Captive Filings: \$295.00/hour.
61. Is it possible to get a copy of the Actuarial Memorandum?	The question is unclear as to what report is being sought.