



citycounty insurance services  
cisoregon.org

## Request for Proposals (RFP) Addendum

### Property/Casualty Actuarial Services

CIS  
1212 Court Street NE  
Salem, OR 97301  
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<b>RFP Schedule</b>	
Issuance of RFP:	<b>May 3, 2019</b>
Submission of Questions about the RFP:	<b>May 10, 2019, 5:00 p.m. (PDT)</b>
Proposal Due:	<b>May 24, 2019, 5:00 p.m. (PDT)</b>
Anticipated Contract Award:	<b>June 17, 2019</b>

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## ADDENDUM

### A. BACKGROUND

On May 3, 2019, CIS issued a Request for Proposals (RFP) for Property/Casualty Actuarial services for CIS.

CIS is issuing this Addendum to the RFP to respond to written questions we received from potential proposers. The Addendum modifies the original RFP document only to the extent indicated. All other areas of the original RFP remain in effect and can only be modified in writing by CIS. This Addendum is made an integral part of the original RFP. It is the responsibility of all proposers to conform to this Addendum. Proposers who have already submitted proposals may either: 1. submit an addendum to their proposal; or 2. withdraw the original proposal and submit a new one. Any addendum or revised proposal must be submitted no later than the **Proposal Due Date of 5:00 p.m. (PDT) on May 24, 2019.**

### B. SCOPE OF WORK CHANGED

Pages 2-3, Section II, "**Scope of Work**", is revised by adding the bullet below and editing the last paragraph.

6. CIS administers three Property/Casualty Funds:
  - a. Liability
  - b. Property
  - c. Workers' Compensation

The Liability Fund has three lines of coverage: liability, employment (EPLI) and auto liability. For each line of coverage, provide the funding estimates and estimated liability for unpaid loss and loss adjustment expense (LAE).

The Property Fund has two lines of coverage: property and auto physical damage, each needing funding estimates and estimated liability.

For all lines, provide historical trends, exposure trends, and loss triangles.

Discussion drafts of the annual actuarial study will be presented to the CIS Executive Director for CIS staff review by August 31<sup>st</sup> each year. The final report is due by October 15<sup>th</sup> of each year. The actuary will be expected to attend the CIS Board of Trustees annual planning retreat, usually held in ~~December~~ **January** each year, to discuss the findings and recommendations of the most recent study.

### C. RESPONSES TO QUESTIONS

We have grouped together questions we received that are similar or related and provided a single response instead of responding to each question individually.

**Question Set #1**

For how long has this vendor provided these services?

How many years has the current actuary been providing the services in this RFP?

How long have they been providing these services to CIS?

How many years has the current actuary been providing the services in this RFP?

Who is the incumbent provider of actuarial services?

Who was the last consulting firm that performed the work?

What firm is currently providing CIS with the services covered in the RFP?

Who is the current actuary or actuarial firm that CIS is under contract with? How long have they been CIS's actuarial consulting partner?

Who is the current actuary performing the services listed in this RFP?

**CIS Response #1**

**Bickmore Actuarial has been the Property/Casualty actuary for CIS since 2013. As stated in the RFP, CIS' purchasing policy requires us to conduct a RFP for actuarial services at least every five years. The Board granted a one-year extension to Bickmore bringing their total time providing actuarial services to CIS to six years.**

**Question Set #2**

At what annual cost has this vendor provided these services?

What were the fees for the most recent actuarial study?

What have been the annual fees paid for the services being performed under this RFP for the last 5 years?

What are the most recent fees paid to the current service provider?

What were the fees paid for P&C actuarial services for fiscal year 2018-19?

What were the annual fees charged and the terms of the contract?

**CIS Response #2**

**CIS paid \$22,000 per year for the initial five years, and \$22,800 for the sixth year.**

**Question Set #3**

May we have a copy of the proposal they made to win the contract or tell us where we might find it.

Can we get a copy of the proposal of the last successful bidder?

Is it possible to receive a copy of the last successful proposal for the work being described in this RFP?

**CIS Response #3**

**The last successful proposal is not available.**

**Question Set #4**

Is it possible to receive a copy of the last actuarial report provided to CIS for the work being described in this RFP?

Can we get a copy of the last actuarial study? If not, can we get the underlying exposure data?

Can we obtain copy of most recent actuarial study?

Is it possible to obtain a copy of the most recent report that discusses the actuarial analysis performed by this firm on behalf of CIS?

Can we get a copy of the most recent actuarial report?

Could we receive a copy of the most recent P&C actuarial report? Or reports if there are usually more than one each year.

#### CIS Response #4

**The most recent actuarial report will be provided to the successful proposer upon commencement of services**

#### Question Set #5

We understand that the contract is for five years and by law you must rebid the contract at least every five years, but is this RFP being requested as the result of terminating the current incumbent?

Has the CIS ever terminated a contract with a service provider prior to the expiration of the contract? If so, what was the reason for that termination?

Is CIS happy with the services and actuarial reports you are receiving? If not, what improvements are you hoping to get from your new actuary?

Is the CIS satisfied with the level of service provided by the current firm?

Has the CIS ever terminated a contract with a service provider prior to the expiration of the contract? If so, what was the reason for that termination?

#### CIS Response #5

**We are not issuing this RFP as a result of terminating the current actuary. We have been satisfied with their services and have no particular concerns**

#### Question Set #6

Would CIS like to see any changes to the recent actuarial study?

Has the scope of the work changed since the work was done?

#### CIS Response #6

**The only change in scope of work since the last RFP is for the lines of coverage in the Liability Fund to be analyzed separately, as described in Section B of this Addendum.**

#### Question Set #7

The scope of work lays out a number of objectives. Has that scope of work typically been combined and presented all in one big actuarial report each year? In other words, are the reserving results combined with the funding/forecasting for future years into one big report?

Many pools in other states have to keep WC segregated from other P&C coverages and, therefore, often require a separate report for WC. Based on your financial statements on your website it doesn't look like you have a separate pool/trust for WC but wanted to confirm this indeed the case. Has the previous actuary typically bundled all the P&C coverages, including WC, into one report?

**CIS Response #7**

CIS requires results to be separated by line of coverage as described in the scope of work in the original RFP and Section B above, but all results are to be included in one report. There is no need for separate reports.

**Question Set #8**

We are an actuarial consulting firm and most of our employees work from home. We have no need for an office, as such, or cars for that matter. So, what is the state trying to protect itself from with respect to Worker's Comp, General Liability Insurance and Automobile Liability insurance?

The RFP lists a number of insurance coverages that must be maintained by the firm performing the work described in the RFP, one of which is Automobile Liability insurance. Is this a necessity, since the work covered by the RFP does not involve any use of a motor vehicle?

**CIS Response #8**

CIS requires all applicable insurance coverage described in the RFP.

**Question Set #9**

The RFP requests that the actuary attend the CIS Board of Trustees annual planning retreat. Is the actuary mandated to make an in-person appearance or is joining the retreat via teleconference acceptable?

In order to be able to account for the appropriate out-of-pocket expenses in our cost proposal, how long is the annual retreat that the actuary must attend, and where is the location?

Per Section II. Scope of Work, is the CIS Board of Trustees annual planning retreat held in Salem, or in different locations each year?

**CIS Response #9**

The successful bidder is expected to make the presentation in person at the annual Board retreat, which is typically held in January each year in Tigard, a suburb of Portland, Oregon (PDX). The actuary's role requires a single afternoon or morning, depending on the agenda. The actuary is not expected to attend other aspects of the retreat.

**Question Set #10**

Per Paragraph D.2. Method of Submittal, can we submit our electronic proposal in PDF format?

The RFP states that responses must be submitted in electronic format; does the CAS have a preference for Word documents as opposed to a PDF file?

**CIS Response #10**

CIS' preference is for a PDF submission.

**Question #11**

Per Paragraph IV.B. Changes to RFP, will written RFP addenda also be posted to the Oregon Procurement Information Network?

**CIS Response #11**

Yes.

**Question #12**

Per Paragraph IV.D. Authorization To Do Business, can a proposer wait until the contract is awarded to become authorized to do business in the State of Oregon?

**CIS Response #12**

**CIS will not make any contingent awards.**

**Question Set #13**

In the RFP, under the scope of work, for #3 you mention "alternate premium plans". Can you expand or elaborate on this? Is there more to this than retrospective rating plans? Is this primarily or even entirely WC related?

Per Item 3. under Section II. Scope of Work, what are the alternate premium plans offered by CIS?

**CIS Response #13**

**CIS offers a retrospective rating program in Workers' Compensation that is based on paid losses and contains many attributes common to retro plans. CIS also offers a similar though less complex option in Liability, also based on paid losses. Both programs are well utilized.**

**Question #14**

Do the Pool's policies run July 1 to June 30, in conjunction with the CIS's fiscal year? Is every member's policy on a July 1 to June 30 policy year?

**CIS Response #14**

**CIS coverage periods for all members are July 1 to June 30 in conjunction with the June 30 fiscal year-end.**

**Question #15**

Is the actuarial report to be based on a June 30 evaluation of the claim data?

**CIS Response #15**

**The evaluation date of the report is June 30.**

**Question #16**

Are CIS's liability coverages occurrence based or claims made?

**CIS Response #16**

**CIS coverages are occurrence based.**

**Question #17**

In what policy year is CIS's oldest open liability claim?

**CIS Response #17**

**The oldest open liability claim is from the 2009-10 coverage year with an event date of May 4, 2010.**

**Question #18**

In what accident year is CIS's oldest open workers compensation claim?

**CIS Response #18**

The oldest open workers' compensation claim is from the 1993-94 coverage year with an event date of February 15, 1994.

**Question #19**

Will the CIS provide the discount rate to be used in determining the discounted reserves under the program?

**CIS Response #19**

Yes, CIS will provide the discount rate to be used in the report.