

Commonwealth of Virginia
Department of Human Resource Management
Actuarial Services
RFP TRSDHRM12-1
Addendum #1
February 29, 2012

This addendum addresses questions provided prior to and during the optional pre-proposal meeting held on February 28, 2012. The submission date remains unchanged. Please sign this form and include as a part of your submission.

X_____

1. How will the 20% evaluation criteria for proposed participation of Small, Women, and Minority owned (SWaM) businesses be applied? *(The firm does not need to outsource any services for this contract)*

Answer: The Commonwealth's goal is to maximize spending with Department of Minority Business Enterprise (DMBE) registered small businesses. If your firm is able to obtain "Small" status certification by the submission date you will receive full evaluation credit of 20%.

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

Answer: This RFP stands on its own, and previous offerings have no bearing on the award or evaluation of this procurement. That information is not relative.

3. Who is the incumbent Actuary?

Answer: Oliver Wyman

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

Answer: The current contract has been in effect since May 2007. The Department of Human Resource Management (DHRM) contracts typically run for 2 to 3 years with an option for up to 5 years.

5. Why are the Department of Treasury (TRS) and DHRM /Workers' Compensation Services (WCS) bidding for these services? (*Required by law?; Unhappy with existing provider?; etc.*)

Answer: The Commonwealth has need for these services, contracts have set periods of time, you may view a calendar of DHRM contract dates at the following website:

<http://www.dhrm.virginia.gov/rfps/CurrentDHRMRFPsandContracts.pdf>

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

Answer: The contract resulting from this RFP will stand on its own. Submissions related to prior RFPs and contracts have no bearing on this submission and evaluation. Please work with the information you have been provided.

7. Is it possible to get a copy of the previous reports and other work performed by the incumbent Actuary?

Answer: The Commonwealth has no desire to post previous actuarial reports. We do not desire to limit offerings based on past work. Please provide your best proposal.

8. What was the annual cost to the TRS and DHRM/WCS for the most recent actuarial report?

DHRM \$17,300 for fiscal year 2011. Division of Risk Management (DRM) \$34,300 for fiscal year 2011

9. In what format will the claims data be delivered to the Actuary (*table of numbers; already in actuarial triangles; electronic vs. paper; etc*)?

Answer: Both parties supplies claims data in Excel tables electronically through a secure FTP site. Text data can be supplied if needed.

10. Could you clarify what is meant by a stable reserve?

Answer from WCS: WCS requires this information to gauge the financial health of the fund. The Commonwealth's workers' compensation program is not required to be actuarially sound; however, this information is needed to ensure a stable reserve sufficient to meet obligations during the current fiscal year.

Answer from DRM: The answer is basically the same with DRM. There is no statutory requirement to be actuarially sound; however, sufficient reserves must be maintained to permit a stable program.

11. We are unclear on the reserve analysis, is this done once or twice a year?

Answer from WCS: WCS has not requested the December 31 analysis for some time, but wishes to leave the option open. Each year, WCS requires a preliminary reserve analysis of reserve position as of June 30 using March 31 or April 30 data and a final reserve analysis of reserve position as of June 30 using June 30 data.

Answer from DRM: DRM also likes a preliminary reserve analysis as of March 31 and the final reserve analysis as of June 30.

12. Could you please describe why this is needed and how many are needed?

Answer from WCS: WCS uses cash flow projections to ensure adequate funds are on hand to meet our obligations and internally, to measure cost avoidance. This item would be included in both the preliminary and final reserve analysis each year.

Answer from DRM: This permits enhanced reporting of cash flow projections to management, auditors and budget personnel, and greatly assists in planning for the new budget.

13. Can you please describe how many and what type of other special projects occur within a year?

Answer from WCS: This varies. Within the last year, we have asked for one special project related to a reserve analysis for one former agency's tail claims still handled by our office. We have occasionally requested special projects to respond to legislative changes or unique agency coverage concerns such as Resident Advisors in state universities.

Answer from DRM: DRM typically seeks reports on premium allocation by program, if not annually, every couple of years. DRM also may have special, short term reports based on legislation

14. How many meetings with the Commonwealth occur within a year?

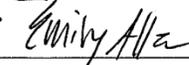
Answer from WCS: Infrequent in person meetings; telephone conference calls are more the norm with the current vendor.

Answer from DRM: The same applies. Once a year is optimal but not always necessary and as needed on rare occasions. Effort is made to use electronic communications as much as possible.

RFP # TRSDHRM12-1
Actuarial Services
 Optional Pre-Proposal Conference
 Tuesday, February 28, 2012 at 10:00 a.m.

Note: This information will be publicly posted as a part of Addendum #1

Sign In Sheet

<i>COMPANY REPRESENTING</i>	<i>PRINT NAME</i>	<i>SIGNATURE</i>
1. Oliver Wyman	1. Chad. Wischmeyer @OliverWyman.com Chad Wischmeyer	1. 
2. Milliman	2. Emily Allen	2. 
3.		3.
4.	Emily S. Allen ACAS, MAAA Associate Actuary 289 Edgewater Drive Wakefield, MA 01880-6215 USA	4.
5.	emily.allen@milliman.com Main +1 781 213 6200 Direct +1 781 213 6230 Fax +1 781 213 6201	5.
6.		6.
7.		7.
8.		8.
9.		9.
10.		10.
11.		11.
12.		12.