



***New York State Insurance Fund
Procurement Unit***

April 29, 2011

To Whom It May Concern:

This letter and attachment will serve as Amendment #1 to the New York State Insurance Fund's (NYSIF) Request for Proposals (RFP) for Actuarial Consulting Services (#2011-17). Material in this amendment supersedes any contradictory information in the original RFP.

Bidders are responsible for reading the RFP and Amendment 1, Questions and Answers, to ensure that all necessary information needed has been provided.

The due date for submission of proposals has not changed and remains Monday, May 9, 2011 at 2:00 p.m. Eastern Time. Proposals should be sent as indicated in the RFP.

Sincerely,

A handwritten signature in black ink, which appears to read "Donna Pinchbeck". The signature is written in a cursive style.

Donna Pinchbeck
Supervisor of Contract Management

RFP 2011-17 - Actuarial Consulting Services

Amendment #1

Questions and Answers

	Questions	Answers
1.	In Bid/Proposal Format section of the RFP, item 8 (Appendices) on pages 13 and 14 states Appendix D, E, F, H & O must be completed and returned with the proposal. Can you please confirm that Appendices I, K, L and M should also be included in item 8 along with the other appendices?	Appendices I, K, L and M should also be completed and included with the appendices listed in item 8. Appendix O is only required to be completed by the awarded contractor.
2.	In Bid/Proposal Format section of the RFP, item 5 (References) states that Appendix I (Bidder References) should be used. Is it the intent of the NYSIF to include the template found in Appendix I in the main body of the proposal covering Item 5 (References) and also include it in the Appendices (Item 8) or just show it once in the main body under Item 5?	Appendix I should be completed once and can be included as part of the overall appendices to be completed as outlined in item 8 of the Bid/Proposal Format section of the RFP.
3.	Item 4d. of the Bid/Proposal Format section of the RFP requires the disclosure of professionals who will be assigned to work under the contract, including experience and biographies. Is it the intent of the NYSIF to have bidding Firms include this information in section 4d. using the templates found in Appendix K (Lead Personnel) and Appendix L (Biographical Sketches) or in a fashion appropriate for the bidding firm? In addition, should Appendix K and L be included under Section 8 (Appendices)?	It is the intent of NYSIF to have bidders include the information requested in Bid/Proposal Section 4.d. on Appendix K and L. These appendices can be submitted along with the Appendices required in Section 8.
4.	Can you please clarify the intended meaning of "Implementation" and "Operations" under "Ongoing Percentage of Time Dedicated to the Project" found in Appendix L (Biographical Sketches)?	Disregard the line on Appendix L that refers to the percentage of Implementation and Operations.
5.	Is this contract for five years or three years with an option for two more years? Based on Item C. (Term) on page 20, the contract appears to be for five years while Appendix Z Item D implies the contract is for three years with an additional two years at the option of the NYSIF.	The contract term is for a five (5) year period as stated on page 20.

6.	<p>The bid package contains a Vendor Responsibility Questionnaire in Appendix E which must be completed and submitted with a bid. The Office of the State Comptroller has created the “VendRep” System which allows business entities (vendors) to enter and maintain their Vendor Responsibility Questionnaire information in a secure, centralized database for state agencies to access in lieu of paper-based filing. Can a vendor who has its Vendor Responsibility Questionnaire loaded and certified in the VendRep System forego submitting the paper-based copy with its bid? If so, can you provide specifics about how to reference that in the submitted bid?</p>	<p>Appendix E of the RFP must be completed and returned with the proposal.</p>
7.	<p>In the event that an electronic Vendor Responsibility Questionnaire loaded and certified within the Office of the State Comptroller (OSC) “VendRep” system is not acceptable and a paper Vendor Responsibility Questionnaire is still required to be submitted with the vendor’s proposal; The current version of the Vendor Responsibility Questionnaire issued by OSC (http://www.osc.state.ny.us/vendrep/forms_vendor.htm) is a version dated June 28, 2010. Can the latest version for State use from OSC be submitted instead of the one provided in the bid package?</p>	<p>Appendix E of the RFP must be completed and returned with the proposal.</p>
8.	<p>Page 12, item 3.g. requests “Proof of ability to do business in New York State” be submitted as part of the proposal. Can NYSIF provide example(s) of satisfactory documentation to evidence this in the bid?</p>	<p>Firm can document its authority to do business in New York State by providing copies or certifications of registration with appropriate New York regulatory bodies.</p> <p>In order to be awarded a contract, firm must be legally authorized to conduct business in NYS. It is the responsibility of the vendor to ensure compliance with all NYS laws and regulations.</p>

9.	<p>On page 20, Section D Costs, the RFP notes that fixed costs shall be provided for the Annual Statutory Opinion and the Quarterly Reserve Updates and Review of Monthly Reserves. Is the "Review of Monthly Reserves" the same item as Section B. 3 Review and Confirmation of Loss Reserves for ATF? Is a monthly reserve review required for the ATF? Is item B. 3 intended to be included in the fixed cost portion of the proposals?</p>	<p>ATF reserves would be analyzed annually. Fees should be included on Appendix Z, letter C.</p>
10.	<p>On page 17, the Technical Requirements note that actuaries should be members of the Casualty Actuarial Society. Should actuaries who work on the Disability Benefits Fund and/or Aggregate Trust Fund only be members of the Casualty Actuarial Society or are members of the Society of Actuaries acceptable?</p>	<p>Required to be members of the Casualty Actuarial Society.</p>
11.	<p>If a firm has certified Vender Responsibility Questionnaire online in OSC's VendRep System. Is this form acceptable in place of the version that was included with the RFP? If so, is it acceptable to indicate in our proposal that we have this online form or would you prefer we print a copy and include it in the proposal?</p>	<p>Appendix E of the RFP must be completed and returned with the proposal.</p>
12.	<p>Who is the current provider of quarterly reserve analysis and the annual actuarial statement of opinion?</p>	<p>Not relevant to this RFP.</p>
13.	<p>What is the current annual amount paid for the quarterly reserve analysis, annual actuarial statement of opinion and review of the Aggregate Trust Fund</p>	<p>Not relevant to this RFP.</p>
14.	<p>What is the total annual expenditure for actuarial services?</p>	<p>Not relevant to this RFP.</p>
15.	<p>The RFP includes a number of additional services which may be requested. Can you provide a list of additional services provided in the past two years?</p>	<p>Not relevant to this RFP.</p>

16.	With respect to Services to be Provided, #7, Financial Projection Models, is there already a model in place to be refined or will this be built from scratch?	The successful bidder should provide individual model from scratch.
17.	With anticipated contract inception of October 1, 2011 would the first quarterly review be performed on loss data evaluated as of September 30, 2011?	Yes
18.	At what level of detail are quarterly reserve reviews for the Workers' Compensation Fund reviewed (e.g. by nature of injury, geographical, etc.)?	NYSIF supplies the actuary with policy and accident year data. Actuary is providing policy/accident year reserves on both a discounted and undiscounted basis.
19.	For the Disability Benefits Fund: Who is responsible for determining benefit eligibility when a claim is filed and then paying the claims? Who performs the disabled life reserve calculations?	The case manager is responsible for determining benefit eligibility as well as paying the claim. NYSIF DB does not pay life benefits.
20.	At what level of detail are quarterly reserve reviews for the Disability Benefits Fund conducted? Are the reserve calculations on a seriatim or group basis?	DB has no quarterly review. Please refer to Technical Requirements Section B.2. pages 17 & 18.
21.	How often do the disability benefits change?	Individual policies are statutory or multiples of statutory benefits.
22.	What is the nature of the data that will be provided for the review of the Aggregate Trust Fund? Will individual claim detail with claimant characteristics be provided? Are the reserve calculations on a seriatim or group basis?	Claimant age and rate are provided. Total reserve is in accordance with Section 27 of WC Law.
23.	On page 10, Section B Bid Format, the RFP requests that proposals not be sent in binders. Are three-ring binders acceptable?	See Bid/Proposal Format Section B. Please do not submit binders. Rubber bands or large binder clips are preferred.

24.	Regarding references: References are requested both in 3 f. and then again in 5. Do you want references listed twice in the response? If so, is section 3f intended to be a longer list of entities and 5 a list of three with individual contact information? Appendix I requests a list of three references, but the form provides space for four references. Are three or four references requested?	Please see Bid/Proposal Format Section 3.f.; this section asked for a list of at least three clients for whom you have preformed services of a similar size and scope of services in the last three years. Section 5 requests at least 3 references documenting experience. Appendix I provides space for four references, however, the requirement is 3. The additional space allows for a company to provide additional references by the company's choice.
25.	Who performed the most recent study?	Not relevant to this RFP.
26.	What were the annual fees charged and the terms of the contract?	Not relevant to this RFP.
27.	Has the scope of work changed since the work was done?	Not relevant to this RFP.
28.	Can we get a copy of the most recent actuarial report?	No
29.	Can we get a copy of the proposal of the last successful bidder?	Not relevant to this RFP.
30.	Do you want us to quote a best and final offer price now, or will you allow us or request us to modify our quote for our best and final offer later? Best and final offer now	As requested in Bid/Proposal Section 8. Appendices, Fee Schedule Proposal Appendix Z. Also see Technical Requirements, Section D Cost.
31.	What firm is currently providing these services? How Long have the been doing so? What are the current fees for this work?	Not relevant to this RFP.
32.	Is the prior winning proposal available for review?	Not relevant to this RFP.
33.	Are the most recent Opinion and supporting report available for review?	2009 Opinion is available on http://ww3.nysif.com/AboutNYSIF/AnnualReport.aspx . 2010 Opinion is not yet available on line. Supporting report is not available.

34.	How is the data separated? For example, Indemnity (Wage Loss), Medical on Claims with Wage Loss, Medical Only.	Appropriate coding is applied to all claims that would segregate into appropriate categories
35.	Are indemnity claims separate by loss type such as: Fatal; Permanent Total Disability (PTD); Permanent Partial Disability (PPD); Temporary Total Disability (TTD); or Temporary Parital Disability (TPD)?	Appropriate coding is applied to all claims that would segregate into appropriate categories
36.	How is Loss Adjustment Expense data treated? Is Allocated LAE (DCC) included with losses or a separate from losses? Is Unallocated LAE (A&O) available on a calendar year basis?	Appropriate coding is applied to all claims that would segregate into appropriate categories. DCC (Allocated) is not included with losses. A&O payments are avaiable on a calendar year basis.
37.	How soon after the close of a quarter is the data for the analysis available?	Generally within 2-3 weeks
38.	Is claim level detail on fatal, PTD and PPD claims available?	Appropriate coding is applied to all claims that would segregate into appropriate categories
39.	Other than the Statement of Opinion contained in the year-end review, is the analysis and report for the quarterly analysis significantly different?	Reports are the same. Analysis at year end may be more detailed.
40.	Please detail/clarify your intent relative to the following statement located on page 17, Section A. Mandatory Requirements, which reads: "Bidder (consultants) may not be connected with the sale or underwriting of insurance and may not be affiliated with any insurance organizations."	The potential proposers may not be an Actuarial Firm that is affiliated with, owned or operated by a company that sells or underwrites insurance policies.
41.	Why is NYSIF bidding for these services? (e.g. Required by law? Unhappy with existing provider?, etc.	Not relevant to this RFP.
42.	How frequently does the NYSIF request bids for these actuarial services?	Not relevant to this RFP.

43.	How many firms/individuals bid last time these services were needed?	Not relevant to this RFP.
44.	Is it possible to get a copy of the prior winning proposal submitted by the incumbent Actuary?	Not relevant to this RFP.
45.	What was the most recent annual cost to the NYSIF for these actuarial services?	Not relevant to this RFP.
46.	What firms/individuals bid to provide these services the last time they were up for bid?	Not relevant to this RFP.
47.	What firms/individuals submitted questions re: the 2011 RFP?	Not relevant to this RFP.
48.	Is it possible to get a copy of the previous report(s) and other work performed by the incumbent Actuary?	No
49.	Appendices N and O are included in the RFP document, but they are not referenced in the list of required appendices to be submitted. Are we required to complete and submit these to appendices?	No, these forms are only required to be completed by the awarded contractor(s). It was included in the RFP for informational purposes only.