



PO Box 66699; ALBANY, NY 12206
518.437.4360 | nysif.com

1/6/2021

The following (Q&A) will serve as Amendment #1 to NYSIF's Request for Proposals (RFP) for Actuarial Services, bid number 2020-74-ADM. Material in this Amendment supersedes any contradictory material in the RFP.

Please note that the due date for the submission of bids **remains unchanged**.

All bids are due 1/22/21, by 2:00 p.m.(eastern).

Sincerely,

A handwritten signature in black ink that reads "Alicia Dott". The signature is written in a cursive, flowing style.

Alicia Dott
Contract Management Specialist

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Question #	RFP Page #	RFP Section and Sub-Section Reference #/Heading	Question	NYSIF Response
1	General		What is the name of the incumbent?	Not material to this RFP.
2	General		How long has the incumbent consulting firm been providing services to the NYSIF?	Not material to this RFP.
3	General		What were the last annual fees paid to the incumbent?	Not material to this RFP.
4	General		Why is the contract being put out to bid at the present time?	NYSIF has a need for Actuarial Services.
5	General		Is the NYSIF satisfied with the work of the incumbent firm?	Not material to this RFP.
6	General		Are MWBEs currently contracting with the incumbent? If so, who are they?	Not material to this RFP.
7	General		Can we receive a copy of the most recent actuarial report prepared by the incumbent firm?	Not material to this RFP.
8	11	Section 1.8.3	Why is automobile insurance required if the scope of the project does not require a vehicle?	Automobile insurance is a standard RFP requirement. Please see RFP Section 1.8 for additional information.

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9	11	Section 1.9	Is the MWBE participation goal able to satisfied by only use of a minority subcontractor, as opposed to the use of both minority-owned and women-owned companies?	Yes, the MWBE firm can be either (1) an MBE or (2) WBE or both MWBE as long as they are certified.
10	14	Section 2.2.3	This section states that the consultant shall use alternate mortality and interest assumptions to determine the aggregate liabilities of the ATF. Is there any specific set of assumptions that should be used, since it appears that the selection of those assumptions is key to the determination of whether the value of the Fund using the mandated assumptions is defeicient or redundant?	The decision on alternate assumptions is typically based on NYSIF's needs and further informed by the consultant's expertise as to appropriate mortality tables and industry practices.
11	14-16	Section 2.2	Are there any enhancements to the current consulting services NYSIF would like to see?	The requested services are identified in the RFP. If the bidder has additional capabilities beyond those identified in the RFP, they should include them in their proposal.
12	14-16	Section 2.2	If a non-incumbent firm is selected, how much time will the incumbent be required to assist with the transition? When will the transition take place?	The incumbent firm will be obligated to participate in any transition through the end of the current contract.

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13	15	Section 2.4 through 2.8	These sections state that the Consultant "may" be required to perform the tasks listed in each section, whereas the preceeding sections say the Consultant "will" perform those tasks. How should the potential cost of performing these items be included, if it is not certain that the work will be done and different levels of employees may be required depending on the particular task? How will hourly rates from different firms be compared if there is no level of staffing for a particular task to measure overall costs against?	Bidders should complete the Appendix Z, Fee Schedule in which we ask for hourly rates for high, mid and basic level staffing for Tasks 3-11. NYSIF set an estimated number of hours for each level staffing through the course of a 5-year term for evaluation purposes only to determine an estimated 5-year cost for Tasks 3-11 based on the hourly rates bidders provide. Should NYSIF have a need for consulting services under Tasks 3-11, the awarded contracted firm will submit proposed hours for the project, as the hourly rates will be locked in via their Appendix Z, Fee Schedule.
14	17	Section 2.4	Is the amount of hourly work over the five-year lifetime of the project expected to be the same as in the contract that will expeire next year? If not, can you estimate the difference (e.g., 5% more)?	Unknown at this time.
15	23	Section 4.1	This section of the RFP mentions submission of a flash drive. How should this be handled if the proposal is submitted via e-mail?	Flash drives are only required if a firm is choosing to mail a hard copy bid. They are not required if a firm is submitting a bid via e-mail.

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16	8	Appendix C	We understand that to provide meaningful participation to MWBEs the subcontracted work must be actuarial in nature and not confined to a supporting role. Does this mean that the subcontracted work must be performed by a lettered actuary so that he/she/they participate in the core analyses?	Per the RFP, there is a 30% MWBE participation goal on this contract. It is up to the awarded firm how they allocate the work to an MWBE firm to meet this participation.
17	8	Appendix C	How does NYSIF determine whether the MWBE is qualified?	NYSIF requires an MWBE firm to be New York State Certified Minority- Owned Business Enterprise (MBE) as defined in Executive Law 310(7) or a New York State Certified Woman- Owned Business Enterprise (WBE) as defined in Executive Law 310(15). Regarding subcontracting, NYSIF reserves the right to review and approve or reject any subcontract, as well as any amendment to said subcontract(s), and this right shall not make NYSIF or NYS a party to any subcontract or create any right, claim, or interest in the subcontractor or proposed subcontractor against NYSIF.
18	1	Appendix M -- II.A	If after attempting to identify suitable MBEs and WBEs we find either only MBE(s) or only WBE(s) available/suitable, is it possible to subcontract the 30% with one or more MBEs or, alternatively, with one or more WBEs?	Yes.

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19			Why are proposals for actuarial services being requested at this time?	NYSIF has a need for Actuarial Services.
20			Are there any improvements or additional services that NYSIF is seeking in its relationship with the actuarial consultant?	The requested services are stated in the RFP. It is always possible that a need for additional services may be requested but any such request will be negotiated with the firm at the time.
21			Can you please provide the annual actuarial fees paid to the current actuary for each of the last two years for services comparable to those included in the RFP?	Not material to this RFP.
22			What are the NYSIF's biggest concerns related to its Workers' Compensation Fund and for the Disability Benefits Fund?	NYSIF's main concern is its ability to meet its mission, which is to guarantee the availability of workers' compensation and disability insurance at the lowest possible cost to New York employers and to provide timely, appropriate indemnity and medical payments to injured workers and employees, while maintaining the solvency of each respective fund.
23			Could you please provide the most recent actuarial reports for NYSIF?	Not material to this RFP.

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24			Is there a MBE/WBE subcontractor participating in the current contract? If yes, can you provide the name, a brief description of their services, and the dollar amount of their annual fee?	Not material to this RFP.
25			If you receive two proposals with similar experience and cost, however, one has meaningful NYS MBE Certified professional service participation and one does not, which proposal would receive more favorable consideration for contracting?	Five percent (5%) of the overall evaluation scale will be awarded to any firm who is a certified MWBE, SDVOB or SBE, see Section 3.1.3. for more information. No additional favor will be made based on subcontracting.
26	14	2.2.1. Annual Statutory Statement of Actuarial Opinion (SAO) for the Workers' Compensation Fund and for the Disability Benefits Fund	How is the data for the WCF actuarial reserve analysis typically segmented? E.g., Is the data for each of Safety Group (or set of Safety Groups) typically analyzed separately?	Separate accident year loss data is available for indemnity losses, medical losses, paid ALAE and calendar year ULAE. Indemnity losses are further segregated based on whether the claim involves lifetime wage replacement benefits or if they are limited in duration.
27	14	2.2.1. Annual Statutory Statement of Actuarial Opinion (SAO) for the Workers' Compensation Fund and for the Disability Benefits Fund	Can you provide any details regarding the types of data to be provided for the WCF? Will historical data be provided at the policy and claim level or at the aggregate level, or both? Is data typically provided in a uniform format? Or, rather, will it be necessary for the actuarial consultant to consolidate data from various sources (with potentially differing formats)?	The latest available diagonal of the aggregate paid and case incurred loss triangles and paid ALAE triangle are typically provided to the consultant each quarter. Specific policy and claim level detail may be available upon request. Additional information is available from prior Yellow Books and the general ledger.

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28	14	2.2.2. Quarterly reserve reviews of the Workers' Compensation Fund	Is each quarterly review of the WCF to involve a complete update to the analysis (i.e., exhaustive re-evaluation of data triangles, actuarial methods, etc.)? Or, rather, is it anticipated that a full actuarial review will take place once a year, with the quarterly reviews based largely on the assumptions of the most recently completed full analysis (but with comparisons of actual vs. expected emergence to determine whether revisions to the previous estimates are appropriate)?	Each proposal should include recommended approaches to the quarterly WCF reserve reviews. The historical practice of performing quarterly reserve reviews has evolved over time and will likely continue to evolve based on NYSIF's needs and the capabilities of the selected bidder.
29	15	2.2.6. Safety Groups	What is the current process for determining dividends for the Safety Groups?	Dividends declared with respect to each safety group are based on an internal review of each safety group's performance over the period being evaluated.
30	14-16	2.2. Services to be Provided	Are you able to provide a rough approximation of the average hours per year spent by the current consultant on items 3-11?	No. The hours vary significantly by year based on the number and complexity of the requests for additional services. Each firm's proposal should demonstrate their respective capabilities to provide the actuarial services stated in the RFP. Fees for services apart from the reserving services will be negotiated separately. NYSIF reserves the right to engage other firms on a specific project if necessary.
31	26	4.3 Bid Submission	In the RFP it states that you can email responses, but further in the RFP it only states how to mail responses (including using a USB drive). If a vendor wishes to respond via email is there anything specific required?	Per Section 4.3 of the RFP, bids can either be emailed or mailed. If a firm chooses to mail an RFP, a USB drive containing the electronic version of your proposal must be provided (see section 4.1 for mailed instructions). Nothing specific is required if a vendor submits via email, please include all required documents/items in your emailed proposal.

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32			What actuarial firm(s) are currently providing the services outlined? If the contract has expired, which firm(s) previously provided the actuarial services sought?	Not material to this RFP.
33			How long has the current actuarial firm(s) been providing the services outlined? If the contract has expired, how long did the previous actuary provide the actuarial services sought?	Not material to this RFP.
34			What are the current actuarial firm(s) charging for the services outlined? If the contract has expired, what did the previous actuary charge for services?	Not material to this RFP.
35			Why has the request for services been made at this point in time?	NYSIF has a need for Actuarial Services.
36			In the last five (5) years, was the previous actuary asked to provide any additional ad hoc assignments or optional services, and if so, how many/which and what were the fees charged?	Not material to this RFP.

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37	8	Section: 1 (Sub-Section: 1.4 - Purpose of this RFP)	What, if any, predictive models are currently in place for the rating and pricing of risks? What are the current outputs of any models in place (or intending to be in place)? For example, strategic/business planning, economic capital requirements, stress & sensitivity analysis, pricing, reserving, or reinsurance)?	There are no predictive models currently in use for the rating and pricing of risks. Models are currently being developed for pricing workers' compensation terrorism risks and pricing certain segments of our workers' compensation portfolio but neither has been implemented.
38	16	Section: 2 (Sub-Section: 2.2 - Services to be Provided)	How many additional hours by level were used for the optional services by year over the last three years? For example, "assistance with product reviews, profitability analyses, market comparisons, the financial impact of impending legislation and the review and preparation of Disability and/or Paid Family Leave rate filings" per Section 2.2 #11.	The hours vary significantly by year. The fees associated with different deliverables are typically negotiated separately with the consultant.
39	14	Section: 2 (Sub-Section: 2.2 - Services to be Provided)	For Section 2.2, Item 2 "Quarterly Reserve Reviews..." (p.14), what is the deliverable required to be provided to the NYSIF? Will it be a roll-forward analyzing actual vs. expected loss emergence or quarterly updates of actuarial assumptions? Is a report text required?	The deliverable is a reserve estimate to be booked into the general ledger. The quarterly reserve reviews are an actuarial work product and it is expected that a fully documented actuarial report will be provided that outlines the deliverable, assumptions and any trends or drivers apparent or affecting the data. It is the consultant's responsibility to provide a recommendation on the best way to achieve the deliverable. The final report should be provided within a reasonable time period but is not necessary at the time of the deliverable.

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40	16	Section: 2 (Sub-Section: 2.2 - Services to be Provided)	2.2 #9 states "the Appointed Actuary will present the year end Statement of Actuarial Opinion to the NYSIF Board of Commissioners" and 2.2 #10 states "the consultant will present its quarterly reserve analysis." Are the presentations discussed typically a single day each or multiple days? Considering the impact of Covid-19 on in-person meetings, is the work outlined in the RFP and the presentations allowed to be completed remotely for the time being?	Presentations to the Board typically involve a portion of a single day and are expected to be in-person, though NYSIF reserves the right to conduct them virtually. Meetings on quarterly reserve reviews are typically conducted virtually or by conference call.
41	14	Section: 2 (Sub-Section: 2.2 - Services to be Provided)	What are the current fees for the annual reserving work (Items 1-3 excluding the optional Items 4-11)?	Not material to this RFP.
42	15	Section: 2 (Sub-Section: 2.2 - Services to be Provided, item 5)	What changes has NYSIF made to their actuarial department based on recommendations from previous contractors, and if so what training/advisory/analysis was performed to facilitate these changes?	The incumbent firm participated in the hiring process for a new Chief Actuary upon the retirement of the prior Chief Actuary. The incumbent firm also provided reserving software and provided training to internal staff on how to use the software.
43	15	Section: 2 (Sub-Section: 2.2 - Services to be Provided, item 7)	Has a comprehensive financial model been implemented since last RFP? If yes, has it been fully integrated?	No. NYSIF has expanded its Actuarial and Finance Departments to better model its risks and financial results, but such efforts are not yet at the point of being fully implemented nor fully integrated.

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44	17	Section: 2 (Sub-Section: 2.4 - Cost/Invoicing)	Does NYSIF have a preferred weighting of allocated work based on seniority of role i.e. High Level, Mid-Level and Base Level?	No.
45	17	Section: 2 (Sub-Section: 2.4 - Cost/Invoicing)	What are the hourly rates by level for the firm that currently holds this contract?	Not material to this RFP.

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Question #	RFP Page #	RFP Section and Sub-Section Reference #/Heading	Question	NYSIF Response
46	128-133	Appendix T (NYSIF Vendor Security Survey)	<p>Please note that a significant portion of the information being requested in Appendix T is highly sensitive and private security information which would be detrimental to both the Vendor and the State if exposed. Additionally, completion of this appendix requires extensive effort and cost to properly complete.</p> <p>We request that NYSIF either revise the appendix to require generic answers that would not expose any sensitive information, or remove this Appendix from the mandatory RFP requirements and instead require vendors to comply with the New York State ITS Security requirements which are in place to protect the state in engagements similar to this.</p> <p>Alternatively, if the information in Appendix T is required, we recommend that NYSIF:</p> <ol style="list-style-type: none"> 1. require only the selected vendors to provide this information in the contract execution phase and not in the proposal phase, and 2. agree to execute a Non Disclosure Agreement that provides an assurance that the response will be strictly protected as vendor confidential and not subject to any FOIL request 	<p>NYSIF's Information Security Office (ISO) responsible for reviewing your Security Survey do not wish to have any sensitive or confidential information provided with your response to Appendix T, in addition bidders can provide "blackout" strikethroughs of any information they feel is confidential.</p> <p>At this time, Bidders should complete the "Response" drop down box and provide an "Explanation of controls" in the Appendix T. Should a vendor be awarded a contract, subsequent documentation may be requested by our ISO Department. Please note, NYSIF also requested a mutual NDA be signed by Bidders, this NDA was included in the RFP. In addition, any information you provide that is confidential/trade secret material that should be exempt from FOIL should be properly labeled in your bid and a note should be made on the Bidder Certification Form under the Freedom of Information Law (FOIL) section.</p>
47			Can the State provide an electronic copy of the prior year actuarial reports produced?	No. Internal actuarial reports are not available for public distribution."

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48			Who is the incumbent actuarial firm and how long have they been performing the services outlined in this RFP?	Not material to this RFP.
49	Appendix Z		What were the fees charged by the prior firm for each of the past 10 years for the preparation of the annual Statements of Actuarial Opinion?	Not material to this RFP.
50	Appendix Z		What were the fees charged by the prior firm for each of the past 10 years for the preparation of the quarterly reserve reviews of the workers' compensation fund?	Not material to this RFP.
51	Appendix Z		What have been the hourly rates for the high level, mid level, and base level staff for each of the past 3 years for the staffing tasks for #3-11?	Not material to this RFP.
52	8	1.4 Purpose of this RFP	Has the scope of this contract changed from the prior issuance of this RFP?	Not material to this RFP.
53	18	2.6 Location and Travel	How many in person meetings are expected in each of the 5 years of the contract period?	The number is difficult to predict and varies significantly from year-to-year. It is often at the discretion of the consultant as to whether they prefer to attend meetings in person, virtually or by conference call. As stated in the RFP, attendance at a Board meeting should be anticipated each year but may be virtual at the discretion of the State Fund.

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54	18	2.6 Location and Travel	How many in-person meetings were required in each of the past 5 years for matters regarding this RFP?	The number is difficult to predict and varies significantly from year-to-year. It is often at the discretion of the consultant as to whether they prefer to attend meetings in person, virtually or by conference call. As stated in the RFP, attendance at a Board meeting should be anticipated each year but may be virtual at the discretion of the State Fund.
55	24	4.2.3 Company Background	If a bidder does not have the certification to do business in New York state, can this certification be obtained upon award of the contract and for purposes of the proposal, the bidder will attest that they are eligible to perform work in New York?	Yes, however, certification must be obtained prior to contract execution.
56	8	1.4 Purpose of this RFP	This section states that additional services may include "developing predictive models for rating and pricing of risks." This could be a significant project effort on the part of the consultant. However, predictive modeling for rating and pricing of risks is not included specifically in Section 2.2 Services to be provided. Can you explain if predictive modeling is included in this project and if so, is the consultant expected to design, train, and test the model or serve in a consulting capacity to the modeling team? Is the predictive modeling for rating and pricing of risks to be provided under the hourly rates section of the project?	The consultant should have predictive modeling expertise but there is no expected project to be worked on as part of the bidder's services. Any project involving predictive modeling will be negotiated separately. However, NYSIF reserves the right to use different firms for predictive modeling or other projects as necessary.

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57	14	2.2 Services to be provided	Under Section 3 Review and Confirmation of Loss Reserves for Aggregate Trust Fund (ATF), the consultant is asked to use more current mortality tables and remarriage assumptions. Will NYSIF indicate which mortality tables it wants to use or will consultant make that decision? Under what format will data be provided for this section?	Not necessarily. The decision on alternate assumptions is typically based on NYSIF's needs and further informed by the consultant's expertise as to appropriate mortality tables and industry practices.
58	16	2.2 Services to be provided	Under Section 9 Attendance at Board of Commissioners Meetings, in order for the consultant to project professional fees for preparation for in person meetings and travel costs over the 5 years of the contract, one would need to know how many meetings will be needed and how many ad-hoc presentations should be included in the contract cost. Can you provide the total number of in person and ad hoc meetings expected per year?	No. The number is difficult to predict and varies significantly from year-to-year. It is often at the discretion of the consultant as to whether they prefer to attend meetings in person, virtually or by conference call. As stated in the RFP, attendance at a Board meeting should be anticipated each year but may be virtual at the discretion of the State Fund.
59	14	2.2 Services to be provided section 1	Is it possible to obtain a copy of the comprehensive actuarial report that was submitted with the most recent end of year study? If so, how can we access this report?	No. The WCF actuarial quarterly reserve reports are not available for public distribution.
60	14	2.2 Services to be provided section 2	Is it possible to obtain a copy of the most recent quarterly reserve review report prepared by the incumbent actuary? If so, how can we access this report?	No. The WCF actuarial quarterly reserve reports are not available for public distribution.