

ETD0013 JANUARY 28, 2014

**First Set (Numbers 1-23) of
Vendor Questions and ETF Answers for**

Request for Proposals (RFP) ETD0013

**Employee Trust Funds Board Consulting Actuary for
Group Insurance and Disability Programs**



Issued by the State of Wisconsin
Department of Employee Trust Funds

Release Date: January 6, 2014

RFP ETD0013 VENDOR QUESTIONS AND ETF ANSWERS

No.	RFP Section	RFP Page	Question												
Q1	General		Is it required to bid on all 3 RFPs												
A	1.3, 1.3.5, 1.3.6	8-9	Qualified vendors are encouraged to submit competitive proposals on each of the above. One or more vendors may be awarded a contract. Vendors may submit proposals for one, two, or all of the RFPs. However, for each RFP that a vendor chooses to bid on, the response must be complete and separate from other RFP responses. After considering the proposals and prior to awarding a contract, the Board reserves the right to negotiate with any or all vendors a discounted final cost based on the vendor(s) being awarded more than one contract.												
Q2	General		Will preference be given to a firm or lead consultant located in the State of Wisconsin?												
A	1.3, 1.3.5, 1.3.6	8-9	No.												
Q3	Special Terms and Conditions 5.1 and 5.3	17-18	Is the State willing to negotiate the terms of this section? Specifically is the State willing to add a limitation of liability for the selected actuary? Is the State willing to negotiate the terms related to the ownership of intellectual capital												
A	1.3, 1.3.5, 1.3.6	8-9	The Employee Trust funds Board may determine the terms and conditions of each contractual agreement as allowed under Wis.Stats.40.03												
Q4	General		Are all plans currently self-funded?												
A			<table border="1"> <thead> <tr> <th>Program</th> <th>Funding</th> </tr> </thead> <tbody> <tr> <td>Income Continuation Insurance</td> <td>Self Insured</td> </tr> <tr> <td>Duty Disability</td> <td>Self Insured</td> </tr> <tr> <td>Long Term Disability Insurance</td> <td>Self Insured</td> </tr> <tr> <td>Life Insurance</td> <td>Fully Insured</td> </tr> <tr> <td>Optional Employee-Pay-All</td> <td>Fully Insured</td> </tr> </tbody> </table>	Program	Funding	Income Continuation Insurance	Self Insured	Duty Disability	Self Insured	Long Term Disability Insurance	Self Insured	Life Insurance	Fully Insured	Optional Employee-Pay-All	Fully Insured
Program	Funding														
Income Continuation Insurance	Self Insured														
Duty Disability	Self Insured														
Long Term Disability Insurance	Self Insured														
Life Insurance	Fully Insured														
Optional Employee-Pay-All	Fully Insured														
Q5	General		When was the last time that the medical plan vendors were bid?												
A			Medical plan vendors are not relevant to this RFP. See RFP ETD0012 Vendor Questions and ETF Answers.												
Q6	General		What are the main collective bargaining units who participate in the programs? Do plans vary by bargaining unit? When do the existing bargaining agreements expire?												
A			Plans are administered uniformly for all participants, and the consulting actuary does not perform any services for individual collective bargaining units.												
Q7	General		Does the state utilize a data warehouse for aggregation of claims and enrollment data? If so, will the selected consultant have direct access to the data warehouse?												

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A			No, we do not currently utilize a data warehouse.
Q8	RFP ETD0012 Section 3.4	8	How does the State utilize the WHIO information today to manage and design its programs?
A			The State does not use WHIO information in the administration of the programs within this RFP. See RFP ETD0012 Vendor Questions and ETF Answers.
Q9	RFP ETD0012 Section 3.6		To what extent is the State's procurement department involved in the solicitation of HMO and other health and welfare program bidding?
A			The State's Procurement Department is not involved in the solicitation of HMOs or other health and welfare programs.
Q10	General		Is there a preference to work with one consulting firm for all three bodies of work?
A	1.3, 1.3.5, 1.3.6	8-9	One or more vendors may be awarded a contract. Vendors may submit proposals for one, two, or all of the RFPs referenced above. However, for each RFP that a vendor chooses to bid on, the response must be complete and separate from other RFP responses. After considering the proposals and prior to awarding a contract, the Board reserves the right to negotiate with any or all vendors a discounted final cost based on the vendor(s) being awarded more than one contract.
Q11	1.1.10	4	Do the duties required under this RFP qualify under sections 246.020.5 or 246.020.6 of Wisconsin Human Resources Handbook? If no, please confirm that a compliant vendor is not required to perform criminal background checks. If yes, for what purpose(s) are background checks to be used and how are they to be employed?
A			Yes, the duties qualify. It is part of the fiduciary duties of Employee Trust Funds to protect the security and privacy of program data and participant information. See also, Appendix G – Information Confidentiality and Security Requirements.
Q12	Appendix F	34	What was the Full-Year Annual Retainer Fee for 2013?
A			The total cost for 2013 was \$109,959. The annual retainer is a fixed contract for all services described in Section 3. Any extra services not included in the annual retainer would be negotiated based on the hourly rates included in the proposal.
Q13	Appendix F	34	What were the hourly rates charged by staff level for the most recent fiscal year?
A			During the last three years supplemental services have been negotiated fixed fee contracts and not based on hourly rates.
Q14	3.1.2	12	Please describe the extent to which the consulting actuary has assisted with rebidding the ICI administrative services contract
A			The consulting actuary has not previously assisted with the rebidding of the ICI administrative services contract.

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Q15	3.1.2	12	Are administrative services for the ICI and LTDI Programs expected to be rebid simultaneously or through two separate processes? Are these programs currently administered by the same vendor?
A			The administrative services for ICI and LTDI were previously bid simultaneously. We may or may not have these rebid simultaneously in the future. These programs are currently administered by the same vendor.
Q16	3.6 – Item 4	13	Please describe Ad Hoc analyses that have been considered within the scope of this RFP but are not explicitly included
A			No examples of Ad Hoc analyses are available at this time.
Q17	3.2 & 3.3	12	Section 3.2 and 3.3 on Duty Disability and LTDI programs - please provide relative size of your current open claims as well as the corresponding LTD reserves amounts. Has any type of adequacy studies been performed to assess the reserve adequacy and the assumptions used?
A		15	Please refer to the Duty Disability Program Actuarial Review link in Section 4.2, Table 3 Reference Materials.
Q18	3.1-3.3	12	Sections 3.1-3.3 - Please provide information related to the last vendor selection for these programs and your anticipated schedule for upcoming vendor selection for these programs.
A			Income Continuation Insurance and Long Term Disability Insurance vendor was last selected in 2008, a five year contract (effective 1-1-2009) with two 2-year extensions possible. Vendor is currently under first 2-year contract extension through 12-31-2015. Insurers may propose Employee-Pay-All programs at any time. Typically one to two proposals are received annually.
Q19	3.4	13	Section 3.4 - Employee-pay-all benefits, we would like to confirm in pricing out the base fees, you are requesting regulatory support in these products in terms of latest requirements and updates and reviewing proposals submitted by insurance companies twice a year. Anything in additional will be considered as ad hoc support.
A			On occasion state legislation is proposed that requires assistance with a fiscal estimate. In such cases, the actuary will be called upon to assist. The Department receives approximately two proposals per year from vendors wanting to propose a new offering among the Employee-pay-all optional plans. See 3.4(4) for fees paid by the applicant plans. In general, the requirements for consultation for the Employee-pay-all optional plans are considerably less than for the fully-insured and self-insured health programs addressed in RFP ETD0012.

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Q20	3.4	13	Section 3.4- Employee-pay-all benefits, please provide a list of current vendors, products, as well as number of participating employees in these programs.
A			The 2012 Annual Update – Optional Insurance Programs can be found here: http://etf.wi.gov/boards/agenda-items-2013/qib0521/item5b.pdf . Additional information regarding Employee-pay-all benefit plans can be found here: http://etf.wi.gov/members/benefits_other_insurance.htm .
Q21	3.5	13	Section 3.5 - Group Life Insurance, can you confirm that this program is currently fully insured and you would not need the consultant to perform group life reserve valuation including Waiver of Premium reserve reviews or independent calculations?
A			The program is fully insured. The consulting actuary is not involved in reserve valuation; they may, however, be called upon to validate vendor information.
Q22	3.5	13	Is group life insurance expected to be rebid during the 5 year term?
A			Group Life insurance is scheduled to be rebid for the 2018 plan year, including 2 one year extensions.
Q23	3	12 – 13	The RFP requests a calculation of the present value of open claims for the various disability programs, but it does not refer to the determination of the actuarial liability for future claims on active lives, which is required under GASB 43 and GASB 45 valuations. Is an active life valuation included in the scope of work for this project?
A	3	12 – 13	Yes.