RFP NAIC 1755 Streamline Actuarial Reporting Revised

Questions and Answers

1. It appears that the primary differences from the original proposal are (1) the number of companies’ reports to be included (from 50-75 down to no more than 20), (2) removal of identifying participants from the scope (this is now being done by the NAIC), (3) removal of portal development as one of the tasks in scope, and (4) the timing of the work. Please comment on whether these are intended changes in scope, and whether you believe there are other significant changes beyond these four.

Answer: You have identified all of the differences between RFP 1710 and RFP 1755. There will be no more than 20 companies participating in the project and regulators from 11 states have agreed to participate in the project.

2. For the up to 20 companies the NAIC has “identified” to participate, have those companies agreed to participate, or will additional work be required by the consultant to recruit these companies? Are they sufficiently representative of the wide range of reporting requirements?

Answer: There should not be any additional work required by the consultant to recruit companies. The NAIC believes the identified companies are representative of the wide range of reporting requirements. Once the RFP is awarded, the list of participating companies and state regulators will be given to the awarded vendor.

3. Is there a minimum number of companies you expect or believe are required to be included?

Answer: There is not a required minimum number of companies to participate. The final number of participating companies will not exceed 20.

4. Page 8 states “It would be ideal if these participating companies were permitted to use these streamlined methods and reports in lieu of current requirements, rather than in addition to current requirements.” Is this intended for year end 2015?

Answer: Yes, this is intended for year end 2015 reporting requirements.

5. Are the state insurance departments for the up to 20 participating companies aware of the project and willing to assist the consultant in providing the reports? Approximately how many states do you expect to be involved (i.e., is it 20 companies across 10 states, 15 states, other)?

Answer: Yes, the 11 state insurance departments are aware of the project and have agreed to participate and provide the needed reports. See answer to question 1.
6. Do you have an idea of the approximate size team needed to perform this work in the desired timeframe?

Answer: No, that will be up to the bidder to decide.

7. It appears that NAIC RFP 1755 is very similar to its predecessor, NAIC RFP 1710. Since we had an opportunity to have our outstanding questions answered during the proposal process for NAIC RFP 1710, the only question is as follows: “Could you please confirm the substantive differences between NAIC RFP 1755 and NAIC RFP 1710 are that (1) the number of insurers included would be no more than 20 versus 50-75 insurers and that (2) the consultant would not be involved in setting up a database/data portal.”

Answer: Yes, that is correct. See answer to question 1 as well.

8. Are the reporting standards within the scope of the RFP based solely on adopted NAIC model laws, model regulations, and Actuarial Guidelines or are they to also include provisions for state specific reporting requirements?

Answer: The NAIC anticipates most (but not all) of the reporting requirements will be associated with NAIC model laws, regulations and Guidelines, however if some of the states have additional reporting requirements that provide useful additional regulatory information, the NAIC would like to have such information considered as part of the project.

9. Will the companies, whose information and reports are to be used for field testing in phase 2, be drawn either partly or entirely from the companies participating in phase 1?

Answer: Yes, the NAIC anticipates that the companies participating in phase 2 will be the same companies identified in phase 1.

10. Regarding the statement "PBR and stress testing is not included in this RFP", does the RFP exclude current stress tests, such as CTE(70) amounts, New York 7 scenario test results, and sensitivity tests results reported in the Actuarial Opinion? Or is it only intended to excluded stress testing referring to RBC stress testing and other stress testing, which has not yet been implemented?

Answer: PBR and stress testing is meant to refer to “PBR for life insurance products as defined in VM-20 which is not operative yet”. Existing laws, regulations and actuarial guidelines such as AG43 which is a principle-based methodology and any associated stress testing currently required in statute, regulation or actuarial guideline is included within the scope of the project as are the current Actuarial Opinion and Memorandum Requirements. Any proposed RBC stress testing not yet adopted is excluded from the project.
11. Will the state regulators be responsible for initiating requests for reports and certifications from the identified companies, or is that a responsibility of the consultant?

Answer: The consultant will be responsible for working with any of the 11 identified state regulators who have agreed to participate in the project to get access to the regulatory reports and certifications. The consultant will not have to secure reports and certifications through the companies.

12. The description of Phase II in Attachment 4 (page 8 of the RFP) doesn’t address how the streamlined reports will be submitted for the field test. The prior RFP (1710) and the accompanying Q&A implied the NAIC would use a portal through which companies could submit reports for Phase II. Is the intent to use this portal for the current RFP, or does the NAIC envision another approach for collecting the streamlined reports submitted in the Phase II field test?

Answer: The NAIC anticipates that it would develop the portal for reporting submission to the states once a proposed reporting template is adopted by LATF and Exec/Plenary of the NAIC and becomes effective. For Phase II field testing, it is anticipated that the proposed template would be in the form of a word document or an excel spreadsheet or other form recommended by the vendor so that it could be transmitted electronically to the state.