

November 11, 2019

Re: RFP #2045 – **Long-Term Care (LTC) Information Data Call**

The National Association of Insurance Commissioners (NAIC) is soliciting proposals to review, recommend improvements, and conduct a data call for long-term care insurance information on behalf of the NAIC's Long-Term Care Insurance (EX) Task Force.

The Task Force is charged with developing a consistent national approach for reviewing long-term care insurance rates that results in actuarially appropriate increases being granted by the states in a timely manner and eliminates cross-state rate subsidization.

The NAIC seeks a firm to conduct a data call of 19 insurers selected by the regulators from the seven states responsible for this workstream in order to accumulate, analyze, and describe to the NAIC Members the current level of rate inequity among states' policyholders. The selected firm will review, analyze, and offer suggested improvements prior to the data call. Qualified firms must have previous experience with similar types of data calls.

To receive consideration, proposals should be sent electronically to Proposals@naic.org by 5 PM Central on December 11, 2019. In addition to ensuring your proposal addresses all items within the scope of work, the proposal should clearly state the price plus any service charges or fees that could be incurred in the delivery of this service.

Request for Proposal Schedule

<u>Monday, 11/11/2019</u>	Release of RFP
<u>Tuesday, 11/19/2019</u>	Notification of intent to bid to Proposals@naic.org
<u>Tuesday, 11/19/2019</u>	Submission of questions to Proposals@naic.org
<u>Friday, 11/22/2019</u>	Responses to questions provided via email and the NAIC website
<u>Wednesday, 12/11/2019</u>	Proposal due to NAIC to Proposals@naic.org
<u>Mid-February 2020</u>	Firm Selection and Award of RFP

Please submit questions regarding any aspect of this project to Jim Woody via Proposals@naic.org by close of business on Tuesday, November 19, 2019. All questions will be consolidated and answers provided to all potential vendors and posted to the NAIC website by close of business on Friday, November 22, 2019.

Selection Criteria

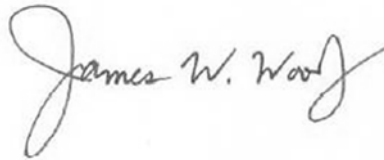
A committee of state insurance regulators and NAIC staff will review the proposals and select a firm for the data call.

The selection of the firm will be based on the following criteria:

- Experience with similar projects and ability to understand the scope of work;
- Ability to meet the project schedule;
- Professional reputation of the firm;
- Proposed project costs; and
- Completeness of proposal.

NAIC reserves the right to reject any or all proposals, request new proposals, or request additional information. NAIC reserves the right to further negotiate with any or all bidders. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "James W. Woody". The signature is written in a cursive style with a large, looping initial "J".

James W. Woody
NAIC Chief Financial Officer

CC: Andy Beal, NAIC Chief Operating Officer/CLO
Donna Powers, NAIC Strategic Business Initiatives Assistant Director

SCOPE OF WORK FOR RFP # 2045
Long-Term Care (LTC) Information Data Call

Organization

The National Association of Insurance Commissioners (NAIC) is the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia, and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally. NAIC members, together with the central resources of the NAIC, form the national system of state-based insurance regulation in the U.S. See www.NAIC.org for more details.

Scope of Work

The Long-Term Care Insurance (EX) Task Force (LTCITF) is charged with developing a consistent national approach for reviewing long-term care insurance rates that results in actuarially appropriate increases being granted by the states in a timely manner and eliminates cross-state rate subsidization. To assist the LTCITF in achieving this objective, the selected firm (CONSULTANT) will conduct a DATA CALL of 19 insurers selected by the regulators from the seven (7) states responsible for this workstream in order to accumulate, analyze, and describe to the NAIC Members the current level of rate inequity among states' policyholders. Before conducting the DATA CALL, the CONSULTANT will review, analyze, and offer suggested improvements to the DRAFT DATA CALL and instructions developed by the regulators.

1. Phase I – Review the Regulators DRAFT DATA CALL

- a. CONSULTANT shall review the DRAFT DATA CALL as prepared by the regulators to determine if improvements can be made. This process will begin with one conference call between the preparers of the DRAFT DATA CALL and the CONSULTANT where the regulators describe the data elements and explain the intent of each in achieving the objective. The data elements include the following information by state:
 - i. Accumulated Value of Past Premiums at the Original Rate Level;
 - ii. Accumulated Value of Past Premiums at the Actual Rate Level;
 - iii. Accumulated Value of Past Incurred Claims;
 - iv. Present Value of Future Premiums at the Original Rate Level;
 - v. Present Value of Future Premiums at the Actual Rate Level;
 - vi. Present Value of Future Expected Incurred Claims;
 - vii. Lifetime Nationwide Premium Restated to the State's Actual Rate Level

CONSULTANT shall also consider qualitative information from each of the insurers where they describe how they account for the cost of one state's policyholders differing from the cost of another state's policyholders.

- b. CONSULTANT shall study the DRAFT DATA CALL and instructions to determine if improvements can be made to better achieve the objective. If applicable, offer suggestions via conference call to the regulators or describe to the regulators why the data elements are the most appropriate to achieve the objective. If agreed to by regulators, make the agreed-upon changes and redistribute until agreement has been made.

- c. Before finalizing the DATA CALL, CONSULTANT shall also consider the expectation of the regulators for the need for the data to be run in different ways (e.g. selected mortality, morbidity, lapse and interest rate assumptions) in a manner that allows a full maximization of the DATA CALL.

2. Phase II – Prepare for the DATACALL

- a. CONSULTANT shall prepare a document to be distributed to the selected insurers stating the approach and timeline for the DATA CALL, including how the DATA CALL results will be used.
- b. CONSULTANT shall lead a closed conference call with the selected insurers explaining the DATA CALL and instructions and responding to any questions. If recommendations are made by selected insurers which the regulators agree to, modify the DATA CALL and instructions.

3. Phase III – Conduct the DATA CALL

- a. CONSULTANT shall deliver the DATA CALL and the instructions to the selected insurers. Over the course of the agreed timeframe for insurers to conduct the DATA CALL, CONSULTANT shall gather feedback and clarify calculation requirements to DATA CALL as the need arises.
- b. CONSULTANT shall maintain a timeline tracker to ensure selected insurers and the NAIC can adequately track progress against the planned timeline and report back to the NAIC staff weekly on the progress and or expected completion date by each of the insurers or if any of the insurers will not be able to complete by the deadline.
- c. CONSULTANT shall collect the DATA CALL from selected insurers, review them for plausibility and consistency, and provide feedback where necessary to ensure the assembly of a DATA CALL fact base can support the learnings of the project.

4. Phase IV – Analyze and Evaluate DATA CALL

- a. CONSULTANT shall accumulate and analyze on a state-by-state basis data for each insurer. CONSULTANT shall also develop a report that summarizes the data in a way that describes the current depth of inequity among states' policyholders.
- b. CONSULTANT shall present the report to the LTCITF.

5. Other – Assist with responses to inquiries related to this work to the NAIC as well as with communication to the leadership of the NAIC throughout the project.

Proposal Specifications

The following items should be included in your proposal. Please reference RFP-2045 on all parts of your response.

Section I – Company Overview

- Concise description of your company, including a brief history and general expertise related to projects of this type
- Point of contact who will facilitate this project, their role, experience, and contact information
- Biographies of the proposed team members, including their role and specific experience and expertise

Section II – Services Provided

- Outline of the services your company offers as it relates to this type of project
- General description of how the provided services would meet the Scope of the Work described above
- Any supplemental information deemed to be helpful to the Committee’s decision

Section III – Required Proposal Documentation

- Several references for projects of this type
- Fee schedule and other pricing information – NOTE: The preferred fee structure for this project is Fixed-Price
- W-9 Form (Rev. 10/2018)
- Certificate of Insurance for Worker’s Compensation
- Certificate of Insurance for Professional Liability
- Certificate of Insurance for Cybersecurity
- Signed Conflict of Interest (see attached)
- Signed Response to NAIC Standard Terms and Conditions (see attached)

Submission of Proposal

Proposals must be received by 5 PM Central on December 11, 2019, via email to Jim Woody at Proposals@naic.org.

NAIC reserves the right to reject any or all proposals, request new proposals, or request additional information. NAIC also reserves the right to further negotiate with any or all bidders.

NAIC CONFLICT OF INTEREST FORM
FOR RETENTION OF CONSULTANTS SUBJECT TO BID
NAIC RFP 2045

Any *Entity* that desires to contract with the NAIC must complete this form, including vendors, consultants and purchasers of goods or services. All potential conflicts must be disclosed and approved before the contract execution.

	<p>_____ ("<i>Entity</i>") did not provide gifts, favors, membership points or any other benefits to any employee or representative of the NAIC to affect the bidding and selection process for this contract.</p> <ul style="list-style-type: none">▪ <i>Entity</i> will not provide or receive gifts, favors, membership points or any other benefits to any employee or representative of the NAIC in connection with the negotiation or implementation of this contract.▪ <i>Entity</i> owners, principals and employees negotiating or implementing this contract on behalf of <i>Entity</i> are not former NAIC employees unless disclosed below.▪ <i>Entity</i> owners, principals and employees negotiating or implementing this contract on behalf of <i>Entity</i> are not immediate family members of NAIC employees unless disclosed below. <p>The signatory below is a duly authorized representative of <i>Entity</i> and hereby certifies to the authenticity and veracity of this disclosure.</p> <table style="width:100%; border: none;"><tr><td style="width:60%; text-align: center;">_____ <i>Authorized Entity Signature</i></td><td style="width:40%; text-align: center;">_____ <i>Date</i></td></tr></table> <p style="text-align: center; margin-top: 10px;">_____ <i>Print Name & Company Name</i></p>	_____ <i>Authorized Entity Signature</i>	_____ <i>Date</i>
_____ <i>Authorized Entity Signature</i>	_____ <i>Date</i>		
CERTIFICATION	<p>CLOSURE OF POTENTIAL CONFLICT</p> <hr/> <hr/> <hr/>		
DISCLOSURE	<table style="width:100%; border: none;"><tr><td style="width:60%; text-align: center;">_____ <i>NAIC Executive Approval</i></td><td style="width:40%; text-align: center;">_____ <i>Date</i></td></tr></table>	_____ <i>NAIC Executive Approval</i>	_____ <i>Date</i>
_____ <i>NAIC Executive Approval</i>	_____ <i>Date</i>		

STANDARD TERMS AND CONDITIONS
for
NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS
PURCHASE ORDERS FOR SERVICES

As used herein, "Seller" means the person, firm, or corporation to whom this Purchase Order is issued; "Buyer" means the National Association of Insurance Commissioners, a nonprofit Delaware corporation.

1. **Acceptance of Terms and Conditions.** Seller agrees to perform the services ("Services") described in any purchase order ("Purchase Order") in accordance with these Terms and Conditions. Upon acceptance of a Purchase Order or upon commencement of Services, Seller shall be bound by these Terms and Conditions and all provisions set forth on the face of any applicable Purchase Order, whether Seller signs or otherwise acknowledges these Terms & Conditions or the Purchase Order, unless Seller objects to such Terms and Conditions in writing prior to commencing Services.

to Seller. Upon receipt of notice of termination, Seller shall cease to provide Goods and/or perform Services pursuant to the Purchase Order. In the event of termination, Buyer shall be liable to Seller only for those Services satisfactorily performed before the date of termination, less appropriate offsets. Buyer shall not be subject to any charges or other fees as a result of such cancellation. Seller may terminate this Agreement upon written notice to Buyer if Buyer fails to pay Seller within sixty (60) days after Seller notified Buyer in writing that payment is past due and that it intends to terminate the Purchase Order.
2. **Revocable.** This writing does not constitute a firm offer and may be revoked at any time prior to acceptance.
3. **No modification.** No agreement or other understanding in any way altering the terms, prices or conditions of the applicable Purchase Order or these Terms and Conditions shall be binding upon Buyer unless made in writing and signed by Buyer's duly authorized representative.
4. **Termination.** Buyer may immediately terminate the Purchase Order upon written notice to Seller if Seller fails to perform or otherwise breaches these Terms and Conditions, files a petition in bankruptcy, becomes insolvent, or dissolves. Buyer may terminate the Purchase Order for any other reason upon thirty (30) days' written notice
5. **Warranty of Services.** Seller represents and warrants that all Services shall be completed in a professional, workmanlike manner, with the degree of skill and care that is required by current, good, and sound professional procedures. Further, Seller warrants that the Services shall be completed in accordance with applicable specifications. Seller represents and warrants that the performance of Services hereunder will not conflict with, or be prohibited in any way by any other agreement or statutory restriction to which Seller is bound.
6. **Seller's Indemnification.** Seller shall indemnify, hold harmless, and at Buyer's request, defend Buyer, its officers, directors, agents and employees, against all claims,

liabilities, damages, losses and expenses, including attorneys' fees and costs of suit arising out of or in any way connected with any claim by a third party against Buyer alleging that the Services infringe a patent, copyright, trademark, trade secret or other proprietary right of third party. Seller shall not settle any such suit or claim without Buyer's prior written consent. Seller shall also indemnify and hold harmless Buyer from any injury to person or property arising out of or caused by Seller's performance of the Purchase Order. Seller agrees to pay or reimburse all costs that may be incurred by Buyer in enforcing this indemnity provision, including attorneys' fees.

7. **Compliance with Laws.** Seller shall comply with all laws and regulations of federal, state and local governments, including without limitation, laws and regulations dealing with fair labor standards, civil rights, and public contracts. Seller further warrants that all Services performed pursuant to the Purchase Order have been produced or performed in compliance with such laws and regulations and Seller agrees to indemnify Buyer for any liability resulting from such noncompliance by the Seller.

8. **Price.** The price to be paid by the Buyer shall be the price contained in Seller's bid and/or the price stated on the face of the Purchase Order whichever is less. Seller represents the price contained in Seller's bid is no higher than Seller's current prices on orders by others for similar products or services under similar or like conditions and methods of purchase.

9. **Invoices.** Seller shall submit invoices on each Purchase Order after each delivery. Buyer shall not be charged sales tax and shall furnish a tax exemption certificate upon request. Discounts will be taken from the

date of acceptance of services or date the invoice is received by Buyer whichever is later. Buyer shall retain the right of offset.

10. **Force Majeure.** Buyer shall not be liable for any failure to perform including failure to: (1) accept performance of Services, or, (2) take delivery of the Goods as provided if caused by circumstances beyond Buyer's control which make such performance commercially impractical including, but not limited to, acts of God, fire, flood, acts of war, government action, accident, labor difficulties or shortage, or the inability to obtain materials, equipment or transportation.

Seller shall not be liable for any failure to perform including failure to: (1) provide Services, or (2) deliver Goods as provided if caused by circumstances beyond Seller's control which make such performance commercially impractical including, but not limited to, acts of God, fire, flood, acts of war, government action, accident, labor difficulties or shortage, or the inability to obtain materials, equipment or transportation.

11. **Insurance.** Seller shall be solely responsible for maintaining adequate auto, workers' compensation, unemployment compensation, disability, liability and other applicable insurance, as is required by law or as is the common practice in Seller's trade or business, whichever affords greater coverage. Seller shall carry Comprehensive General Liability coverage and Umbrella or Excess Liability coverage with minimum limits of \$1,000,000 per occurrence and \$2,000,000 in the aggregate for property damage and bodily injury. Upon request, Seller shall provide Buyer with certificates of

insurance evidencing adequate coverage naming the Buyer as additional insured.

12. **Limitation of Liability.** IN NO EVENT SHALL BUYER BE LIABLE TO SELLER OR SELLER'S AGENTS, OR ANY THIRD PARTY FOR ANY INCIDENTAL, INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT, WHETHER OR NOT BUYER WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.
13. **Confidentiality.** In the event Seller gains written or oral confidential information of or from the Buyer, Seller agrees not to reveal to anyone or make use of such knowledge and information at any time for any purposes except as necessary in the course and scope of provision of Goods or performance of Services specified hereunder. Upon termination of the Purchase Order, Seller agrees to deliver to Buyer all such confidential information or work product belonging to Buyer.
14. **Assignability.** Seller shall not assign or subcontract this Purchase Order or any of its rights or obligations hereunder without the prior written consent of Buyer. Any assignment or transfer without such written consent shall be null and void.
15. **Publicity.** Seller shall not use Buyer's name in any form or attribution in connection with any solicitation, publicity, advertising, endorsement or other promotion.
16. **Survivability.** Any obligations and duties, which by their nature extend beyond the expiration or termination of this Purchase Order shall survive the expiration or termination hereof.
17. **Choice of Law.** This Purchase Order shall be construed in accordance with, and disputes shall be governed by, the laws of the State of Missouri.
18. **Severability.** If any provision of this Purchase Order shall be deemed to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

NAIC 8/2012

Do you agree to the NAIC Terms & Conditions?

YES _____
Signature Date

NO _____
Signature Date

Please Sign one.

If NO,

Please provide your Terms and Conditions of Sale if you do not agree to the NAIC Terms & Conditions attached.