

Questions - NAIC RFP #2043- SERFF Technology and Business Assessment

Assessment Background and Scope

1. What is the motivation for conducting this assessment?

Response: There have been numerous technology changes in recent years. SERFF is considered a “workhorse” and as such it warrants careful consideration before making modifications. The NAIC believes due diligence is needed to determine if there are better tools available in making decisions. We also seek to ensure we are prepared for the future and the rapidly changing technology environment.

2. The RFP states: “The NAIC seeks a firm to provide a detailed analysis of the capabilities of SERFF in conjunction with the **business needs** of the association and its members.” Please could you expand on the scope of your expectations concerning **business needs**?

Response: The NAIC has received requests from state insurance department personnel for additional functionality related to rates and forms filing review, this being the “business” they are in. In addition, NAIC staff have proposed a number of capabilities in SERFF that could assist the states if they were improved. NAIC will share the survey results and ongoing project work related to state requests with the organization selected to conduct the assessment.

3. In addition to governance, should change management be included in scope?

Response: Change management is out of scope.

4. Does the scope of the assessment include security and performance testing, or are those requirements already well understood?

Response: Performing actual security and performance tests is out of scope. However, the NAIC would like security practices reviewed – in the context of SERFF – and we would like to know what stakeholders think about the performance of the system.

5. The RFP references the evaluation of “needs of the NAIC and its stakeholders”. Are these in respect to SERFF platform only or broader processes?

Response: The scope of the engagement is limited to the SERFF platform.

6. When does the new solution need to be operational?

Response: There is not a specific timeline for implementing a new solution, if in fact a new solution is warranted. The purpose of the RFP is to select a vendor to make a recommendation as to the next course of action based on the vendor’s assessment of SERFF.

RFP Procedures and Requirements

1. Will the NAIC consider suggested modifications to the terms and conditions?

Response: Yes, the NAIC would consider some modifications in the terms and conditions, subject to review and approval by the NAIC Legal Department.

2. How will the selection process work?

Response: NAIC staff will compile submitted proposals for the Selection Committee's review. Following its review, the Committee will develop a short list of finalists, which will be contacted for either an in-person or phone interview. Once the Committee has made its decision, the selection will be finalized and agreement executed so that the engagement can begin.

3. Can organizations submit a proposal for this assessment that includes the use of partners or subcontractors?

Response: Yes, but that should be transparent to the NAIC.

SERFF

1. Have any previous assessments been conducted on the system, and will the results of those assessments (and any detailed analysis) be made available prior to November 8?

Response: A previous study was done in 1996 but is no longer relevant since the service was significantly changed in 2006.

2. How is SERFF currently supported (internal team or external vendor)? Does this vary across existing system support and new enhancement development?

Response: SERFF is developed, implemented, and supported by the same internal team.

3. Will the team have access to SERFF and all data, system rules, and items related to SERFF?

Response: For the most part yes, excluding some filings that insurance companies mark confidential. Those filings would not be available. Any PII data that is not masked would need to remain under the control of the NAIC but could be reviewed in NAIC systems.

4. Can we get a high-level understanding of the current technology stack for the SERFF systems (how many high-level technology components) and if there are any projects already underway to modernize / transform them.

Response: SERFF is a suite of Java applications deployed at the NAIC, each delivering a different type of functionality. Most of SERFF's data is stored in an Oracle database that is accessed by all the applications in the suite. Some generated PDFs are stored on a NAS device. The application architecture for each application is unique and described briefly below.

SERFF web UI—This is a Java web application for NAIC, state, and industry users that is accessed daily. It is the core application of the suite. It is deployed on Red Hat Apache, clustered JBoss, and uses an Oracle database. The web tier uses JavaScript, Java Server Pages (JSP), Java Servlets, and the Apache Struts web framework to deliver UI functionality.

SERFF State API – This is a Java SOAP-based web service application for states to pull and push data to and from SERFF into back-office systems and databases. It is deployed on clustered JBoss and uses an Oracle database. Some states use a back-office application in lieu of SERFF's web UI.

SERFF ERP (Exchange Request Processor) – This is a Java SOAP-based web service client that transmits health plan data from the NAIC to CMS and state-based Health Exchanges. It is deployed on clustered JBoss and uses an Oracle database.

SERFF HAPI (Health API) – This is a Java SOAP-based web service application that receives status updates from CMS containing health plan data validation and transfer results. It is deployed on clustered JBoss and uses an Oracle database.

SERFF SIS (SERFF Integration Services) – This is a Java REST-ful web service application for industry customers to pull their data from SERFF. Currently these services are only one direction. Bi-directional services are requested, but that work has not been prioritized. It is deployed on clustered JBoss and uses an Oracle database.

SERFF SFA (SERFF Filing Access) – This is a Java web application that allows consumers and interested parties to view and download filings that have been marked, by the state, as available for public access. It is deployed on Red Hat Apache, clustered JBoss, and uses an Oracle database. The web tier uses JavaScript, JavaServer Faces, and Java Servlets to deliver UI functionality.

The NAIC anticipated a redesign for SERFF beginning in 2018; however, the project was put on hold while the enterprise worked on transitioning the infrastructure and applications to the Cloud. That work is still ongoing.

5. Can you share any infrastructure and logical landscape diagrams of the current SERFF system?

Response: The NAIC will provide documentation of the current system to the selected vendor.

6. Will existing documentation, reference architectures, and functional models on the SERFF system be made available during the assessment?

Response: Yes, the NAIC will make the current documentation available.

7. Does the solution required include both insurance company-facing applications as well as internal applications?

Response: Yes, see Q4 in this section for the applications considered part of the SERFF system.

8. Describe the process for rate approvals done by the NAIC.

Response: The NAIC does not approve rates. Each state reviews rates submitted to it by the individual insurance companies using state-specific rulesets. Below is an outline of the process.

- a. States use SERFF to build and maintain a list of submission requirements, those items that are required by the state for a rate filing to be reviewed.
 - b. Filers from the insurance companies collect the appropriate documentation based on the states submission requirements.
 - c. Filers upload their rates to a rate schedule along with metadata required by SERFF for a rate filing submission.
 - d. Filers upload the appropriate supporting documentation (which may be an actuarial justification, prior rate increases, or other support depending upon the state) that corresponds with each state submission requirement.
 - e. Filers “submit” the filing and it becomes available to the state reviewer in SERFF.
 - f. Generally, a state administrative person or filing clerk will review the initial submission for completeness. If pieces are missing, the state can reject the filing or send an objection letter asking for additional documentation.
 - g. Once it has been established that the filing is complete, the filing is assigned to a review analyst in the state. It may be assigned to multiple staff if the state conducts reviews as a group.
 - h. States can send objection letters and filers can respond with more justification/support and/or revised rates.
 - i. Once all changes have been made, the filing disposition is created.
9. Provide examples of the new product introduction and rate change processes by major product area.

Response: See Q8 in this section for the basic process of product submission/review. The basic process is the same regardless of the product type; however, there are a few differences worth mentioning. Health filings bound for the Exchange have different requirements and the ability to tie those binders to rate/form filings already in the system that are related. Health plan binders are also unique in that they require validation of the federal templates, which is additional programming in the system.

The other significant variance in the system is for the Insurance Compact (see <https://www.insurancecompact.org/>). The Insurance Compact has a unique and customized workflow. For the Compact a single filing is sent to the Compact instance but is intended for sale

in multiple states. There is still a single set of submission requirements, but the filer has additional steps in the process, one of which is to choose the states to which the filing should apply.

10. How do user interactions vary in SERFF between life, health, property, and casualty insurance (i.e., will these require separate analyses)? If the interactions are different, are there metrics on how each user group interacts with the system (i.e., does it take longer for health reviews to be completed vs. life vs. property vs. casualty, etc.)?

Response: The NAIC does not believe the differences between the three business types will require separate analyses. The main focus may be on property as this is the area in which the NAIC has received the most requests for assistance from the states. Having said that, experience suggests that what works for P/C users will also be helpful to users of the other business types.

Assessment Procedures and Deliverables

1. The requirements for interviews indicate that the vendor should include 1 representative from “industry partners.” Please explain what is meant by industry partners.

Response: There are third parties that provide products and services to insurance companies. These companies enhance their product offering by integrations with SERFF through Application Programming Interfaces (APIs).

2. The scope of the engagement has outlined several stakeholders to interview. Will the NAIC facilitate identification of, and scheduling time with, specific stakeholders to interview?

Response: Yes, the NAIC will provide a list of stakeholders to interview and will also assist in scheduling time with them.

3. What will the availability of the NAIC staff and partners be to support the SERFF assessment, and what is the extent of their involvement?

Response: This is a top priority for the NAIC Membership. As such, the NAIC will make staff available to work with the selected vendor team. Interviews with external stakeholders could be challenging but we will make every effort to ask for their participation in the process.

4. What role will the NAIC staff and partners play in estimating and validating investment and resource impact-related information?

Response: Staff and partners are there to answer questions and provide information about the service offering. The NAIC does not envision them being part of the estimating process. The NAIC will provide the current level of staffing needed for implementation, support, and development

activities to help with understanding the current landscape but would expect the selected vendor to provide recommendations as to the impact.

5. Regarding the interview deliverables, are raw audio or video recordings required, or simply to be provided if they are used?

Response: The NAIC would like any work product created during the interviews. If there are recordings, notes, or other work product we would like to have it. We are not requiring recordings, but we do want them if they are produced.

6. Will there be limitations on what documentation, data, and systems within the scope of the assessment will be accessible during the assessment?

Response: For the most part no; however, there are some filings that insurance companies mark confidential. Those filings would not be available. Any PII data that is not masked would need to remain under the control of the NAIC but could be reviewed in NAIC systems.

NAIC Technologies

1. Provide a listing of all products covered by NAIC.

Response: The NAIC offers a wide variety of products and services for its membership and the insurance industry. These include but are not limited to SERFF; *OPTins*, for the filing of premium taxes and surplus lines; State Based Systems (SBS), a back-end solution for state insurance departments for licensing and market regulation; VISION and AVS, systems used for filing securities and managing portfolios of securities held by insurance companies; as well as various publications.

2. Does the NAIC have an existing technology review board that assesses the introduction of new technologies to NAIC products?

Response: The NAIC has the Information Systems Task Force, which is made up of state insurance department members. The Task Force reviews any new technology project.

3. The RFP mentioned technology pilots were recently performed. Please list and explain each one.

Response: There have been three recent pilots, which are described below.

- a. The NAIC has undertaken a pilot to integrate with a vendor who is working with one state on some data validation, document similarity, and document comparison. This pilot makes use of existing SOAP-based web services (SERFF API).

- b. The NAIC has an unrelated application with the department responsible for SERFF that is in the process of a re-design. The application was built on the same technology as SERFF so it has been used as a proving ground, of sorts, for ideas related to removing the old Struts technology. Staff are learning from that project what we want to repeat and change for SERFF's transformation.

- c. We are beginning work on a proof of concept to integrate a document management tool into SERFF. Layering the document management tool with several other products for document comparison, document text search, and so forth will allow us to provide regulators with more functionality within the product filing review process.