



STATE OF TENNESSEE
SECRETARY OF STATE

**REQUEST FOR QUALIFICATIONS # 33501-172005
AMENDMENT # 1
FOR ACTUARIAL AND FINANCIAL REVIEW OF
CAPTIVE INSURANCE APPLICATIONS AND
EXAMINATIONS**

DATE: 3/27/2017

RFQ # 33501-172005 IS AMENDED AS FOLLOWS:

1. This RFQ Schedule of Events updates and confirms scheduled RFP dates. Any event, time, or date containing revised or new text is highlighted.

EVENT		TIME	DATE
1.	RFQ Issued		3/8/2017
2.	Disability Accommodation Request Deadline	2:00 p.m.	3/13/2017
3.	Notice of Intent to Respond Deadline	2:00 p.m.	3/14/2017
4.	Written "Questions & Comments" Deadline	2:00 p.m.	3/20/2017
5.	State response to written "Questions & Comments"		3/27/2017
6.	RFQ Technical Response Deadline	2:00 p.m.	4/6/2017
7.	State Notice of Qualified Respondents Released & Solicitation Files Opened for Public Inspection		4/18/2017
8.	End of Open File Period		4/25/2017
9.	RFQ Negotiations		04/26/2017
10.	Respondent Contract Signature Deadline	2:00 p.m.	5/10/2017
11.	Anticipated Start Date		6/1/2017

2. State responses to questions and comments in the table below amend and clarify this RFP.

Any restatement of RFQ text in the Question/Comment column shall NOT be construed as a change in the actual wording of the RFQ document.

QUESTION / COMMENT	STATE RESPONSE
1 How many and what kinds of captive insurance companies are currently domiciled in Tennessee?	There are currently 157 captives and 382 cell companies, totaling 539 risk bearing entities (RBEs), domiciled in Tennessee.
2 Are there any special purpose financial insurance captives domiciled in Tennessee? Can respondents propose to provide actuarial services for all captive types except for special purpose financial captives?	Currently, there are no special purpose financial insurance captives domiciled in Tennessee. Yes, respondents can propose to provide actuarial services for all captive types except for special purpose financial captives.
3 How many captive insurance company application reviews and captive insurance company actuarial examinations does the State expect to be conducted during each year of the contract period?	The State anticipates 60-70 reviews being required for each year of the contract.
4 Does this RFQ include the review of risk retention groups as well?	Yes, this RFQ does include the review of risk retention groups.
5 A cost proposal is not required as part of our proposal response. When is the cost of our services determined? Pro Form Contract # C.2. and # C.3. - How will the fees in the signed contract be determined? If there are unforeseen circumstances in the review of a captive application, can the fixed fee per application be increased?	Costs of services are determined after vendors are selected based on the evaluation of technical proposals. The fees in the signed contract will be determined based on the cost proposed after vendors are selected. The fixed fee per application cannot be increased due to an unforeseen circumstance.
6 RFQ Section 4.6.4. on Page 8 – Please clarify that actuarial consulting services are subject to Tennessee sales and use taxes.	No. Actuarial consulting services are not subject to Tennessee sales and use tax.
7 RFQ Attachment C, #C.5. – Is this item requesting the number of captive application reviews and captive actuarial examinations respondents have conducted for state insurance regulators, or the number of feasibility/reserve/funding studies respondents have conducted for or on behalf of captive insurance companies?	Item C.5. is requesting both the number of captive application reviews and captive actuarial examinations that the respondent has conducted for state insurance regulators <i>and</i> the number of feasibility, reserve and funding studies the respondent has conducted for or on behalf of captive insurance companies.
8 Pro Form Contract #A.1.d. and #A.1.e. – Should the review of applications for special purpose financial captives be completed	The review of applications for special purpose financial captives should be completed as agreed

QUESTION / COMMENT	STATE RESPONSE
within 30 days, or as agreed upon between the Director and the Contractor?	upon between the Director and the Contractor.
9 Pro Forma Contract #A.2.c. – What other “actuarial review special projects work” may be requested under the contract?	Other actuarial review special projects work that may be requested under the contract includes supplementary reviews after business plan changes, reviews of feasibility of Corrective Action Plans, and other reviews needed in the normal course.
10 How many contracts were awarded in the prior RFQ?	The prior solicitation resulted in 4 contracts.
11 How many captive applications were reviewed during the last contract?	During the last contract, 157 captive applications were reviewed.
12 How many financial examinations were performed during the last contract?	There were no financial examinations performed during the last contract.
13 Is it possible to get a breakdown of how many captive application/financial examinations were performed by each actuarial firm during the last contract?	During the last contract, each actuarial firm was assigned approximately the same number of captive application reviews.
14 Who is the most recently hired actuarial firm?	<ul style="list-style-type: none"> – SAS, LLC D/B/A Select Actuarial Services – Pinnacle Actuarial Resources, Inc. – Oliver Wyman Actuarial Consulting, Inc. – Willis of Tennessee, Inc.
15 Is the State satisfied with the most recent actuarial work product?	Yes.
16 Why is the State going out to bid for actuarial services?	Five years is the maximum term for State contracts. The current contracts are approaching the end of a 5 year term; therefore, the State is preparing to procure new contracts for the provision of these services.
17 Can respondents obtain a copy of the prior actuarial report(s)?	No, prior actuarial reports are confidential.
18 What were the fees of the prior actuarial report?	The fees range from \$3,500 - \$6,000 depending upon the complexity of the review.
19 How many annual filings approximately will need to be reviewed this year?	The State anticipates approximately 30 per year.
20 Is the contract exclusive for one consulting company or will the contract be awarded to multiple consulting companies?	The State may award up to 6 contracts as a result of this solicitation.
21 As no contract will have been awarded at the time a respondent is required to sign and submit Attachment E, and also because it is impossible to discern the entire content of the contract that will ultimately be awarded at the time a respondent is required to sign and submit Attachment E, would the State be amenable to amending Attachment E, item 3,	This request has been denied based on the fact that the contract will not be binding until the <i>Pro Forma</i> contract is signed.

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<p>as follows: In the event of an award, the Respondent will accept and agree to all terms and conditions set out in the sample contract awarded pursuant attached to this RFQ.</p>	
<p>22 In line with the State's prior approach in the context of 2012 RFP #33501-12119, would the State be amenable to deleting Section E.8. of the pro forma contract in its entirety and inserting the following in its place:</p> <p>E.8. Limitation of Liability. The parties agree that the Contractor's liability under this Contract shall be limited to an amount equal to three (3) times the compensation payable to the Contractor under the Contract, as may be amended, PROVIDED THAT in no event shall this section limit the liability of the Contractor for intentional torts, criminal acts, or fraudulent conduct.</p>	<p>No, the State is not amenable to replacing Section E.8. of the <i>Pro Forma</i> contract.</p>
<p>23 Would the State be amenable to the following:</p> <p>Benefit of the State. When performing the work as specified by the terms of the contract, the Contractor will work for the benefit of the State, and not for the benefit of the examined company, any party associated with the examined company, or any other party. The Contractor's obligations are solely to the State and not to any other party.</p> <p>The "examined company" would be defined as the captive insurance company applicant, the parent or sponsor, and/or the captive being examined.</p>	<p>No, the State is not amenable to adding this section.</p>

3. **RFQ Amendment Effective Date.** The revisions set forth herein shall be effective upon release. All other terms and conditions of this RFQ not expressly amended herein shall remain in full force and effect.