



## IMPORTANT BID ADDENDUM

March 28, 2024

**THIS BID ADDENDUM DOES NOT HAVE TO BE RETURNED:**

BID Number:	12-001242	Commodity No & Description:	941016 Professional Associations
Addendum Number:	# 01	Using Divisions:	Market Regulation, Life & Health, Property & Casualty
Purchaser:	Wendy Holland	Opening Date/Time:	April 26, 2024 @ 2:00 PM ET

### INSTRUCTIONS:

Response to written questions for the bid referenced above:

Item #	Vendor Question	State Response
1.	Section 5.3 a states that vendors must employ staff who are Certified Insurance Examiners ("CIE"), or Accredited Insurance Examiners ("AIE") in good standing with the Insurance Regulatory Examiners Society ("IRES"). Would the designations of Accredited Financial Examiner ("AFE") and Certified Financial Examiner ("CFE") from the Society of Financial Examiners be considered adequate to fulfill this criterion?	No, as the Certified Insurance Examiners ("CIE"), or Accredited Insurance Examiners ("AIE") focus more on the market and less on the financial side. Financial Examinations/Analysis and Market Examinations/Analysis involve different types of examinations/analysis work.
2.	<b>RFP SECTION: 5.0 Scope of Work</b> (1) Approximately how many filings do you expect vendors to review in a year in the following categories? 1. Rate increases - Long Term Care 2. Rate increases – All Other Health 3. Life and health - New product filings 4. Property and casualty – personal lines 5. Property and casualty – non-NCCI commercial lines	The Department expects there to be very few filings, if any, reviewed by vendors in a year as the L&H and P&C divisions currently review all of their own filings. The P&C Division does not anticipate the need to use vendors for product filing review. However, the Department anticipates there could be need for these services on an as needed basis in the future and would like to have a contract in place, should the need arise.
3.	<b>RFP SECTION: 5.0 Scope of Work</b> (2) Is it possible to provide a distribution of filings by SERFF TOI reviewed by vendors in a typical year?	No - this is the first time we have pursued outside resources to complete forms, filings, and rates review.

4.	<b>RFP SECTION: 5.0 Scope of Work</b> (3) What incumbents have provided these same actuarial services (separately by market conduct, life and health filing reviews, P&C filing reviews) to the NC DOI in the past 12 months?	None. There was a 2015 RFP for market conduct services but no services were ever provided pursuant to that contract. This is the first time we have sought to contract for L&H and P&C services.																																																																																								
5.	<b>RFP SECTION: 5.0 Scope of Work</b> (4) What is the hourly rate(s) being paid to the incumbent(s) that have performed this work in the past 12 months?	We do not have an hourly rate set as this is the first time we have pursued outside resources to complete these requested services.																																																																																								
6.	<b>RFP SECTION: 5.0 Scope of Work</b> (5) What is the number of hours spent by actuarial vendors in market conduct review for the NC DOI in a typical year?	We do not have a number of hours as this is the first time we have pursued outside resources to complete these requested services. No services were ever provided under the 2015 RFP.																																																																																								
7.	<b>Section 5.2 VENDOR REQUIREMENTS AND RESPONSIBILITIES</b> Is travel anticipated under this RFP?	Travel is not normal with these services, so the Department does not anticipate travel under this RFP. While travel is not anticipated, there could be limited circumstances where travel is possible.																																																																																								
8.	<b>Section 5.2 VENDOR REQUIREMENTS AND RESPONSIBILITIES</b> Can you provide a breakdown of the number of life and health form and rate filings you received in 2023 by type of insurance and market?	<p>Life &amp; Health Division processed over 3,366 insurance product filings in 2023.</p> <table><tr><th>In Progress as of 1/4/24</th><th>Electronic</th><th>Paper</th><th>Total</th></tr><tr><td>(APP)Form Approval</td><td>2</td><td></td><td>2</td></tr><tr><td>(AR) Actuarial Recommendation</td><td>7</td><td></td><td>7</td></tr><tr><td>(ASSIG)Assigned</td><td>48</td><td></td><td>48</td></tr><tr><td>(CR)Company's Response</td><td>7</td><td></td><td>7</td></tr><tr><td>(HRA) Hold for Rate Approval</td><td>13</td><td></td><td>13</td></tr><tr><td>(INPROC)In Process</td><td>2</td><td></td><td>2</td></tr><tr><td>(PAR) Pending Analyst Review</td><td>46</td><td></td><td>46</td></tr><tr><td>(PCAR) Pending Consulting Analyst</td><td>1</td><td></td><td>1</td></tr><tr><td>(PFR) Pending Final Review</td><td>2</td><td></td><td>2</td></tr><tr><td>(PSR)Pending Supervisor's Review</td><td>6</td><td></td><td>6</td></tr><tr><td>(RA)Other Referral to Actuary</td><td>1</td><td></td><td>1</td></tr><tr><td>(RAK)Rate Acknowledgement</td><td>1</td><td></td><td>1</td></tr><tr><td>(RL)Rate Referral to Actuary</td><td>37</td><td></td><td>37</td></tr><tr><td>(SD)Suspense - Disapproval</td><td>76</td><td>2</td><td>78</td></tr><tr><td>Assigned</td><td>81</td><td></td><td>81</td></tr><tr><td>Pending Additional Review by</td><td>3</td><td></td><td>3</td></tr><tr><td>Pending Final Rate Review - LH</td><td>2</td><td></td><td>2</td></tr><tr><td>Total</td><td>335</td><td>2</td><td>337</td></tr></table> <table><tr><th>Closed (01/01/2023 - 12/31/2023)</th><th>Electronic</th><th>Paper</th><th>Total</th></tr><tr><td>(ACK)Acknowledge and File</td><td>1614</td><td>36</td><td>1650</td></tr><tr><td>(ADAPP) Advertisement Approval</td><td>5</td><td></td><td>5</td></tr></table>	In Progress as of 1/4/24	Electronic	Paper	Total	(APP)Form Approval	2		2	(AR) Actuarial Recommendation	7		7	(ASSIG)Assigned	48		48	(CR)Company's Response	7		7	(HRA) Hold for Rate Approval	13		13	(INPROC)In Process	2		2	(PAR) Pending Analyst Review	46		46	(PCAR) Pending Consulting Analyst	1		1	(PFR) Pending Final Review	2		2	(PSR)Pending Supervisor's Review	6		6	(RA)Other Referral to Actuary	1		1	(RAK)Rate Acknowledgement	1		1	(RL)Rate Referral to Actuary	37		37	(SD)Suspense - Disapproval	76	2	78	Assigned	81		81	Pending Additional Review by	3		3	Pending Final Rate Review - LH	2		2	Total	335	2	337	Closed (01/01/2023 - 12/31/2023)	Electronic	Paper	Total	(ACK)Acknowledge and File	1614	36	1650	(ADAPP) Advertisement Approval	5		5
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9.	<b>Section 5.2 VENDOR REQUIREMENTS AND RESPONSIBILITIES</b> Can you provide a breakdown of the number of P&C form and rate filings you received in 2023 by type of insurance?	Property and Casualty Division processed over 5,200 insurance product filings in 2023. It does not maintain a breakdown between form and rate filings.																																																																																				
10.	<b>Section 5.2 VENDOR REQUIREMENTS AND RESPONSIBILITIES</b> What are your standard expectations for turnaround times on form filings, including initial reviews, resubmission reviews, feedback and filing submissions?	<p>The Property and Casualty Division does not anticipate the need to use vendors for insurance product filing review at this time.</p> <p>The Life &amp; Health Division’s speed to market goals and filings turnaround details are below. Specifics beyond this will be discussed at the time of need.</p> <table><tr><th colspan="2">Life and Health</th></tr><tr><th colspan="2">Speed to Market Goals</th></tr><tr><th>Days to Approval</th><th>Goals</th></tr><tr><td></td><td></td></tr><tr><td>&lt;=20</td><td>50%</td></tr><tr><td>21-25</td><td>70%</td></tr><tr><td>26-30</td><td>95%</td></tr><tr><td>31-60</td><td>100%</td></tr><tr><td>60+</td><td></td></tr><tr><td colspan="2">Note: Long established "Goals" that have rarely been met since ACA established.</td></tr></table>	Life and Health		Speed to Market Goals		Days to Approval	Goals			<=20	50%	21-25	70%	26-30	95%	31-60	100%	60+		Note: Long established "Goals" that have rarely been met since ACA established.																																																																	
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11.	<p><b>Section 1.1 – Contract Term</b>  The RFP requests pricing for the term July 1, 2024 through June 30, 2027 however this section indicates that the State may elect to renew the contract for two additional one-year terms. Should the State elect this option will pricing for the renewal terms be requested of contract holders at that time, or should pricing for the optional renewal terms be included with our response?</p>	<p>If the contract is extended, the pricing agreed to now will continue. Therefore, pricing for the optional renewal terms should be included with the response, if expected to be different.</p>																																																																								
12.	<p><b>Section 2.2 – e-Procurement Fee</b>  This section indicates the e-procurement fee may apply to this procurement and refers the reader to the terms and conditions. Since the terms and conditions include reference to the e-procurement fee can you confirm our understanding that a 1.75% fee will be applied to all invoices billed under a contract that results from this RFP?</p>	<p>No, per the state's terms and conditions, e-Procurement fees are applicable only to goods.</p>																																																																								
13.	<p><b>Section 2.3 – Notice to Vendors Regarding RFP Terms and Conditions</b>  Our understanding of this section is that any modifications to the terms and conditions will not be considered as part of the RFP evaluation</p>	<p>They would need to be provided as part of the BAFO negotiations.</p>																																																																								

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	process but may be addressed through negotiations and incorporated by way of a best and final offer (BAFO). Can you please confirm whether any proposed revisions to the terms and conditions are required to be included with a firm's proposal, even though not considered by the State at that time, or whether they would need to be provided as part of the BAFO negotiations?	
14.	<b>Section 3.4 – Evaluation Criteria</b> There are four 'Evaluation Criteria' listed in order of importance which our understanding is that they will be used to rank Vendors and award the RFP. Is there a weighting that will be applied to each of those four items?	No. The evaluation method to be used is a narrative and by consensus of the evaluating committee, explaining the strengths and weaknesses of each proposal and why the recommended awardee(s) provide the best value to the State.
15.	<b>Instructions to Vendors:-VI.16 Inspection at Vendor's Site:</b> Would the Department consider deleting this requirement as inapplicable to the professional services anticipated under the RFP?	No
16.	<b>Section 2.3 NOTICE TO VENDORS REGARDING RFP TERMS AND CONDITIONS</b> <b>#1b Performance:</b> Would the Department consider adding language clarifying that the provision is not intended to affect the ownership rights of Vendor's existing intellectual property or administrative records, or any intellectual property developed outside of the scope of Vendor's services? Would the Department consider adding a time period of thirty days to the performance warranty in this section?	No
17.	<b>Section 2.3 NOTICE TO VENDORS REGARDING RFP TERMS AND CONDITIONS</b> <b>#1d Performance:</b> Would the Department consider deleting this provision as inapplicable to the intended services?	No
18.	<b>Section 2.3 NOTICE TO VENDORS REGARDING RFP TERMS AND CONDITIONS</b> <b>#2a Default and Termination:</b> Would the Department consider deleting the first sentence of this section?	No
19.	<b>Section 2.3 NOTICE TO VENDORS REGARDING RFP TERMS AND CONDITIONS</b> <b>#11 Intellectual Property Warranty and Indemnity:</b> Would the Department consider limiting the indemnification obligation to third party claims?	No

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20.	<b>Section 2.3 NOTICE TO VENDORS REGARDING RFP TERMS AND CONDITIONS #13 Access to Persons and Records:</b> Would the Department consider language clarifying that these rights are limited solely to Vendor's time, billing and reimbursable expense records for services performed under the Agreement?	No. N.C. Gen. Stat. § 143-49(9) requires this provision.
21.	<b>Section 2.3 NOTICE TO VENDORS REGARDING RFP TERMS AND CONDITIONS #15b2(ii) Insurance:</b> Would the Department consider deleting the last sentence in this section?	No
22.	<b>Section 2.3 NOTICE TO VENDORS REGARDING RFP TERMS AND CONDITIONS #16a General Indemnity:</b> Would the Department consider modification to this provision to limit Vendor's obligations to claims brought by third parties that arise from the gross negligence or willful acts or omissions by Vendor during the performance of its services? Further, would the Department consider the addition of language providing that Vendor's total liability, except for indemnification obligations, be limited to an amount equal to the fees Vendor receives under the Agreement, and exclude indirect, consequential, exemplary or similar such damages?	No
23.	<b>Section 2.3 NOTICE TO VENDORS REGARDING RFP TERMS AND CONDITIONS #20 Care of State Data and Property:</b> Would the Department consider having Vendor's costs in Section 20 be subject to the limitations of liability negotiated in the Contract? Further, would the Department consider modification to this provision to notify the State of any security breaches within 72 hours?	No
24.	<b>Section 2.3 NOTICE TO VENDORS REGARDING RFP TERMS AND CONDITIONS #28 Federal Funds Provisions: i) Access to Records.</b> Would the Department consider language clarifying that these rights are limited to off-site audits and examinations and would consider deleting the provision allowing access to work sites?	No
25.	<b>Attachment A: Pricing Form</b> <b>Attachment A: Pricing Form</b> states, "Cost proposal pricing shall be all-inclusive, incorporating all applicable requirements and responsibilities as delineated in Section 5.0	Travel expenses are reimbursed separately.  Please click on this link for the <a href="#">Travel Subsistence Rate Revision Effective July 1, 2023</a> .

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	<p>Specifications and Scope of Work, including all travel and per diem costs incurred by the Vendor". However, page 3 of Attachment A, requires the vendor to check a box agreeing to "Out-of-pocket travel and subsistence expenses (hotels and meals) will be reimbursed by the Department at State rates and in accordance with the same travel reimbursement guidelines as for State employees. The current guidelines are located at <a href="http://www.osbm.nc.gov/library">http://www.osbm.nc.gov/library</a>."</p> <p>Please clarify if the hourly rate should include travel expenses or will travel expenses be reimbursed separately? Also, the link noted above did not work. We would appreciate if you could send the webpage with the out-of-pocket travel and subsistence expenses (hotels and meals).</p>	<p>It is also located on the NC Office of State Budget and Management Webpage <a href="https://www.osbm.nc.gov/">https://www.osbm.nc.gov/</a> by searching Travel Subsistence Rate Revision Effective July 1, 2023.</p>
26.	<p>Contractor recognizes that materials it delivers to the State may be public records subject to disclosure to third parties. Contractor request that as part of the services, the work product only be disclosed as necessary subject to a public records request. Contractor may include disclaimer language on the work product it produces and requests that the State agrees not to remove any such disclaimer. Would the State be willing to agree not to release work product that is not subject to a public records request? Would the State be willing to agree not to remove the disclaimer language from the work product?  <b>[Attachment C, Section 1]</b></p>	<p>The Department cannot agree to these request as it is not clear what the contractor would consider work product, what documents it would add disclaimer language to, or what the disclaimer language would be. The Department would consider materials delivered by the Contractor to it to be the same as documents or work product created by the Department and would handle them the same way.</p> <p>For market examination and analysis services, all reports, etc. are confidential workpapers. They are not open for public inspection, and not discoverable or admissible in evidence. The workpapers must be provided to the Department for review and are not to be provided to the regulated entity [company] without the prior knowledge and consent of the Department. For more information, please see § 58-2-132(f) and § 58-2-240(a).</p> <p>If the Contractor believes any document contains trade secrets, as defined by G.S. 132-1.2, of the Contractor, the documents should be marked accordingly. In the event of a challenge to the trade secret confidential status afforded by the Department, the Department will notify the Contractor that trade secret status has been challenged and advise the Contractor they have 10 days to obtain a judicial order to prevent the Department from releasing the information. Please note that the NC DOI accepts no responsibility for the inadvertent release of any trade secret information. The request to treat the material under trade secret status must include a clear statement why the material meets the definition of a trade secret, how the release of the information would cause harm, confirmation that the NCDOI is held harmless for unintentional release, and that the company bears the cost of defending the NCDOI in maintaining the confidential handling of trade secret materials.</p>

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27.	In the event of early termination, only finished deliverables would be available for release. Is the State willing to update its termination language to reflect this? <b>[Attachment C, Section 2]</b>	No
28.	Due to the services being requested, Contractor's risk management requirements include that it limit its indemnification of clients to third party claims for gross negligence, intellectual property damage, willful misconduct or fraud. Would the State be willing to agree to reduce the scope of the current indemnification language? <b>[Attachment C, Section 16]</b>	No
29.	Due to the complicated mathematical nature of the requested services, the issues are complex and require an experienced adjudicator who understands what actuaries do. A jury of twelve lay people will not understand the complexities that typically are involved in such a claim. Will the State be willing to agree to binding arbitration for all claims brought against the selected contractor? <b>[Section 6.6 and Attachment C, Section 7]</b>	No
30.	Would the State be willing to give fair and equal consideration to proposals from providers that use a clearly stated, negotiated contractual limitation of liability, with the negotiated limit being waived in the event of gross negligence or willful misconduct on behalf of the provider? This approach differs from an unstated, non-negotiated limit of liability which reduces the clarity of the value of the provider's assets in the event of a lawsuit. A known limitation of liability may be larger than the unstated limits for work provided by firms that are willing to agree to an unlimited liability. In the event the State is willing to consider this, is the State willing to contractually agree that it is the intention of the State that such limitation of liability is enforceable under the State of North Carolina law. <b>[Attachment C, Section 7 and 29 (New Section)]</b>	No
31.	In Section 4.4, Hub Participation, we understand there is a 10% participation goal for diverse firms as 1st or 2nd tier subcontractors. Is meeting this goal a requirement for bidders? Also, are bonus points awarded to firms who are able to meet this goal?	No to both questions.

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32.	<p>In Reference to Section 5.0, Specifications and Scope of Work, and in an effort to make our proposal as competitive as possible, would you be able to share the following information?</p> <p>a. Who is/are the current incumbent(s) on these contracts?</p> <p>b. What are the blended rates currently being charged by the incumbent(s)?</p> <p>c. Would you be able to provide us with the prior winning proposal(s) and/or the prior evaluation sheet(s)?</p>	<p>a) No, there is no current incumbent. No, there is no current incumbent. There was a 2015 RFP for market conduct services but no services were ever provided pursuant to that contract. This is the first time we have sought to contract for L&amp;H and P&amp;C services.</p> <p>b) There was a 2015 RFP for market conduct services but no services were ever provided pursuant to that contract. This is the first time we have sought to contract for L&amp;H and P&amp;C services. Because of this, there are no blended rates currently being charged by any incumbent.</p> <p>c) No. There was a 2015 RFP for market conduct services but no services were ever provided pursuant to that contract. This is the first time we have sought to contract for L&amp;H and P&amp;C services.</p>
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