



2022 Actuarial Service (RFP)
Solicitation Number: R-22-008-SM

ADDENDUM 1
July 13, 2022

To Respondent of Record:

RESPONSES TO QUESTIONS

1. **Question:** What were the costs of the actuarial reports for the last three years, in total?

Response: The Actuarial reports for the last three year was \$46,500.

2. **Question:** What were the costs for each segment of work requested last year?

Response: Actuarial Analysis of Self Insured WC and Liability – \$10,000
Loss Projection – \$4,000
Data consolidation of details to point in time/clean up - \$1,500

3. **Question:** Was SAWS satisfied with the work product?

Response: Yes

4. **Question:** When will the underlying data be provided to the successful bidder?

Response: January/February after end of year.

5. **Question:** How many meetings took place at SAWS during the past three years with the actuary?

Response: None

6. **Question:** How many meetings to take place at SAWS are anticipated for the actuary?

Response: None

7. **Question:** How many meetings took place remotely during the past three years with the actuary?

Response: 3 conference calls took place for Finance/Risk Management to ask questions on the report

8. **Question:** How many meetings are expected to take place remotely with the actuary?

Response: One to two yearly

9. **Question:** Have General Liability and Auto Liability been reviewed separately in the past?

Response: General Liability and Pollution Liability have been reviewed together, Workers' compensation and Auto Liability have been reviewed separately.

10. Question: For each, how many years has SAWS been self-insured?

Response: Since inception of SAWS.

11. Question: What is the current retention? Auto Liability – fully self insured, Workers’ Compensation/ Employers Liability and General Liability \$2,000,000, Pollution Liability \$250,000

Response: Auto Liability – fully self insured, Workers’ Compensation/ Employers Liability and General Liability \$2,000,000, Pollution Liability \$250,000

12. Question: How have the retentions changed since SAWS has been self-insured?

Response: The SIR has increased over time, details can be provided to successful respondent.

13. Question: Have the retentions ever varied by class or in any other way?

Response: Details can be provided to successful respondent.

14. Question: How many sources of loss data will there be for each of the separate programs?

Response: Loss Runs provided from Assistant Risk Manager from RMIS system.

15. Question: Will all loss data, for all programs, be available in an Excel database, such that it can be manipulated?

Response: Yes, all loss data, for all programs, will be provided to the successful respondent.

16. Question: Will losses at historical valuation dates be available so that client-specific limited loss triangles can be calculated?

Response: Yes

17. Question: Alternatively, will the prior triangles be provided such that only the latest diagonals need to be updated?

Response: No

18. Question: If the retention limits have changed over time, are the historical triangles available at the different limits?

Response: n/a

19. Question: On page 3, Bullet 1 under Scope, please define “third week following month after execution”. It appears that the report uses data as of December 31, 20xx. What would be the third week following month after execution?

Response: Third week in January.

20. Question: On page 3, Bullet 3 under Scope seems to refer to reserves only, as loss projections are not discussed until Bullet 6. However, in the final sentence, it seems you requesting that the loss projections also be provided at various confidence levels and also discounted? Is that what is meant by “Net Loss+ALAE Funding”? Please confirm or explain.

Response: those are two different requirements. We want the loss projections at various confidence levels and discount rates AND we want an estimate of the any other allocated loss adjustment expenses (ALAE).

21. Question: Is Auto Liability included?

Response: Yes

22. Question: Will the loss data also include cost center detail such that a loss allocation can be performed?

Response: Yes

23. Question: Will exposure detail by cost centers be available?

Response: Up for discussion as to what type of exposure information would be needed.

24. Question: Can we please have a copy of the prior report? (if not, can we see the Table of Contents or some indication of the depth of the prior analysis)

Response: No - The prior report is not available prior to submitting a proposal; however, the report will be made available to the awarded firm.

25. Question: What have the prior actuarial fees been? Is the scope of services in the current RFP identical to those currently being provided?

Response: See attached in this addendum the prior contract fees.

26. Question: Do you want a separate price for the Assessment Allocation Plan?

Response: Yes

27. Question: How long has the current contractor (Sigma Risk Management Consulting, LLC) been providing their service?

Response: The current provider has been providing actuarial services since 2015

28. Question: What were the annual fees charged and the terms of the contract?

Response: See attached in this addendum the prior contract fees.

29. Question: Has the scope of the work changed since the work was done?

Response: No

30. Question: Can we get a copy of the most recent actuarial report?

Response: This information may be requested through SAWS Open Records via email: openrecords@saws.org

31. Question: Can we get a copy of the proposal of the last successful bidder?

Response: See response above to question #30.

32. Question: Will you share the Evaluation Sheet and perform a debriefing if requested at the end

of the process?

Response: The Full Evaluation Sheet will not be shared but rather the requesting firm's scores along with the scores of the awarded firm

33. Question: What is the current annual fee for this service?

Response: See response above to question #28

34. Question: Could you please provide an electronic copy of the prior actuarial report prior to the deadline for submitting the bid? If not, will the SAWS provide the prior actuarial report to the firm awarded the work?

Response: No

35. Question: How many hours were billed for additional or incidental services (beyond report (delivery) during the past three years? At what hourly rate(s)?

Response: Billed flat rate not by hour

36. Question: Could you please provide a copy of the proposal of the last successful proposer?

Response: See response above to question #30

37. Question: Is an on-site presentation of findings desired? If so, is it acceptable for there to be a separate fee for the travel expenses once the on-site meeting is requested?

Response: Virtual meetings are acceptable

38. Question: Could you please provide the number of open claims and dollar amount of case reserves by coverage within the scope of the RFP?

Response: See attached in this addendum the prior contract fees.

39. Question: What are the self-insured retentions (SIRs) for each coverage for each coverage?

Response: Fully self insured for Auto, \$2M SIR for WC and GL

40. Question: When will data be provided to the successful bidder?

Response: Data will be provided Late January/February each year

41. Question: To understand the expectation of contract for deliverables, could you please provide the most recent copy of previous reports submitted by current consultant?

Response: See response above to question #30

42. Question: When was the last time the actuarial services were put out for bid?

Response: 2019

43. Question: Is the current service provider eligible to bid for contract renewal consideration?

Response: Yes

44. Question: In order to assist us in gaining a clear understanding of the scope of work, can you provide the amount of the total level of effort (hours of work) and fees paid to the current actuary for the recent 2 years?

Response: See attached in this addendum the prior contract fees.

45. Question: On page 30, the RFP says “the Consultant acknowledges that the SAWS Board of Trustees has adopted a Small, Minority, Woman, and Veteran-owned Business (SMWVB) Policy to establish and oversee a program that will support the inclusion of local small, minority, woman, and veteran-owned businesses (SMWVB)”. Please provide us a copy or link to source material.

Response: This item has been waived.

46. Question: Are there any service concerns and/or limitations with the current provider? What could be improved upon?

Response: No

47. Question: How many meetings per year will the actuary be required to attend?

Response: 1 to 2 meetings

48. Question: Will actuaries be required to attend meetings virtually or in person?

Response: Virtually

49. Question: What is the expected date of release of data to actuaries?

Response: Late January/Early February

50. Question: What is the anticipated start date of the new contract?

Response: January 2023

END OF ADDENDUM 1

This Addendum is six (6) pages in its entirety.

<u>Three Year Actuarial Service Tasks</u>	<u>*Cost for Each Analysis Task</u>
2017 Actuarial Analysis of SAWS Self-Insured Workers Comp & Liability Programs	\$10,000.00
2017 Loss Projection	\$4,000.00
2017 Data Consolidation of Details Transactions to Historical Point-in-time Valuations (All Triangle Data Points) and Litigated Claim Handling	\$1,500.00
2018 Actuarial Analysis of SAWS Self-Insured Workers Comp & Liability Programs	\$10,000.00
2018 Loss Projection	\$4,000.00
2018 Data Consolidation of Details Transactions to Historical Point-in-time Valuations (Updated Triangle Data Points) and Litigated Claim Handling	\$1,500.00
2019 Actuarial Analysis of SAWS Self-Insured Workers Comp & Liability Programs	\$10,000.00
2019 Loss Projection	\$4,000.00
2019 Data Consolidation of Details Transactions to Historical Point-in-time Valuations (Updated Triangle Data Points) and Litigated Claim Handling	\$1,500.00
Total Cost:	\$46,500.00