



citycounty insurance services
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Request for Proposals (RFP) Addendum

Property/Casualty Actuarial Services

CIS
15875 Boones Ferry Road, #1469
Lake Oswego, OR 97035
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RFP Schedule	
Issuance of RFP:	May 2, 2024
Submission of Questions about the RFP:	May 15, 2024, 5:00 p.m. (PT)
Proposal Due:	May 29, 2024, 5:00 p.m. (PT)
Anticipated Contract Award:	June 17, 2024

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ADDENDUM

A. BACKGROUND

On May 2, 2024, CIS issued a Request for Proposals (RFP) for Property/Casualty Actuarial services for CIS.

CIS is issuing this Addendum to the RFP to respond to written questions we received from potential proposers. The Addendum modifies the original RFP document only to the extent indicated. All other areas of the original RFP remain in effect and can only be modified in writing by CIS. This Addendum is made an integral part of the original RFP. It is the responsibility of all proposers to conform to this Addendum. Proposers who have already submitted proposals may either: 1. submit an addendum to their proposal; or 2. withdraw the original proposal and submit a new one. Any addendum or revised proposal must be submitted no later than the **Proposal Due Date of 5:00 p.m. (PT) on May 29, 2024.**

B. RESPONSES TO QUESTIONS

Questions received that CIS considered to be similar or related have been grouped together and a single response provided.

Question Set #1

- Who is the incumbent actuary?
- Who is the current vendor providing these property and casualty actuarial services?
- Who is the incumbent actuarial firm providing this service?

CIS Response 1

AON is the incumbent actuary.

Question Set #2

- What was the annual cost paid to the previous actuary for services provided?
- At what cost does the current vendor provide these property and casualty actuarial services?
- What were the fees paid for P&C actuarial services for fiscal year 2022-23 and 2023-24?
- What is the current annual fee amount and fee structure for services within the scope of the RFP?

CIS Response 2

The annual fixed fee for actuarial studies from 2019 to 2023 was \$22,500 per year.

Question Set #3

- Can the actuary attend the CIS Board of Trustees annual planning retreat in January via video conference, or does the actuary need to attend in person? (Scope of Work)
- In addition to the annual planning meeting in January, where the actuary appears in person, has the actuary done any virtual meetings with the Board over the past two years?

CIS Response 3

The successful bidder is expected to make the presentation in-person at the annual Board retreat, which is typically held in January each year in Wilsonville, a suburb of Portland, Oregon. The actuary's role requires a single afternoon or morning, depending on the agenda. The actuary is not expected to attend other aspects of the retreat.

Other than the annual retreats in January, the actuary has not participated in any other meetings with the Board, virtually or in-person, over the last two years.

Question Set #4

- For how long has the current vendor provided property and casualty actuarial services to CIS?
- How long has the current actuarial firm been providing actuarial services to CIS?

CIS Response 4

Aon has been the Property/Casualty actuary for CIS since 2019. As stated in the RFP, CIS' purchasing policy requires us to conduct an RFP for actuarial services at least every five years.

Question Set #5

Has the scope of work changed since the prior analysis?

CIS Response 5

No, the scope of work has not changed since the most recent study.

Question Set #6

- When is the data typically provided to the actuarial consultant?
- What is the quality of the loss and exposure data?
- Would historical valuations of the data be available to reconstruct loss development triangles?

CIS Response 6

A robust set of data is typically provided to the actuarial consultant by mid to late July. Data includes claim, exposure, plan and member demographic information and any other information necessary to complete the study. Data is complete and trustworthy and comes from in-house applications and databases validated through multiple integrity checks. Historical data at different valuations is available to reconstruct triangles.

Question Set #7

- The fifth scope of work item specifies a forecast for the public safety/law enforcement coverage. However, the description of the Liability Fund does not mention public safety/law enforcement. Does the Trust require reserve estimates on the Liability Fund separately for (i) Public Safety / Law Enforcement, (ii) General Liability, (iii) Automobile Liability and (iv) Employment Practices Liability?
- Per Section II.1 & II.2, can you confirm that a separate reserving analysis will be performed for the 6 following lines of coverage: Property, Auto Phys Dam, WC, Liability, EPLI, Auto

Liability? If this is not correct, can you please list the coverages that need separate reserving analyses?

- The RFP states that the workers compensation is in runout. We anticipate CIS will require a loss reserve estimate of the workers compensation fund. Will it also require a loss forecast for the upcoming two years, similar to the needs for the other funds?
- For liability are the reserve estimates bucketed into liability, employment (EPLI), and auto liability but the funding is bucketed into general, public safety/law enforcement, employment, and auto? Or are both the reserves and funding bucketed into the separate 4 categories?
- Will the loss funding estimates need to be allocated by member?
- As regards the workers compensation study, will there be more information needed other than the unpaid liabilities? For example, does the workers compensation study require:
 - Reserves at higher confidence levels?
 - An analysis of loss & exposure trends?

CIS Response 7

Separate reserving and loss funding analyses are calculated for Property, Auto Physical Damage, Public Safety/Law Enforcement Liability, Workers' Compensation, General Liability, Employment Liability, Auto Liability and Cyber. CIS requires a loss forecast for Workers' Compensation similar to other lines of coverage. Loss funding estimates are not allocated by member. Workers' Compensation is not currently reserved at a higher confidence level.

Question Set #8

Will there be any weights applied to the stated Evaluation Criteria? How much weight is given to the Cost Schedule?

CIS Response 8

Proposals will be evaluated according to criteria presented in the RFP. No specific weighting will be added but a competitive cost schedule is necessary.

Question Set #9

The "Purpose" section of the RFP states there are annual projections of "cost allocation models". However, the scope of work items did not mention or reference the cost allocation models. Does the Trust have an adopted cost allocation plan applicable to its members? Will the Trust require a different cost allocation plan?

CIS Response 9

"Cost allocation models" refers to Unallocated Loss Adjustment Expenses, which are calculated by actuarial methods.

Question Set #10

- What are the alternate premium plans offered by CIS?
- Can you elaborate further on what is meant by "alternate premium plans?"

CIS Response 10

Alternative premium plans are available for General Liability (which includes Employment Practices Liability), and Workers' Compensation which is in runout. Alternative premium plans include aggregate deductibles of various amounts and retrospective rating plans that function identically to aggregate deductible plans, but the deductible is calculated based on a percentage of contribution.

Question Set #11

- Can we get a copy of the prior actuarial report based on June 30, 2023?
- Could you please provide an electronic copy of the prior year's actuarial report(s) prior to the deadline for submitting the bid? If not, will CIS provide the prior actuarial report to the firm awarded the work?

CIS Response 11

The most recent actuarial report will be provided to the successful proposer upon commencement of services.

Question Set #12

Just to confirm, the term "runout" for the WC program, means that it has not written any new policies for 3 years and the liabilities from prior policies are in runoff as they are paid out, settled, and closed. Is this correct?

- a. If so, what led to the decision to cease writing the WC coverage for members? Was the WC program as big as the liability and property programs?

CIS Response 12

The term "runout" for the WC program, means that it has not written any new policies for 3 years and the liabilities from prior policies are in runoff as they are paid out, settled, and closed.

CIS Response 12a.

CIS stopped writing workers' compensation coverage when we partnered with SAIF, Oregon's state-chartered workers' compensation company. SAIF provides the coverage while CIS focuses on providing workplace safety risk management services. The membership group through the partnership is much larger than CIS' self-insured workers' compensation program was.

Question Set #13

My understanding is that actuaries prior to the current actuaries provided one big report with all the analysis contained within, both for the reserves and the funding. Liability, property, and WC had separate results broken out that were presented within the one report, but all coverages were in one report, again for both funding results and reserving results. Is this still the case for the current actuary and CIS's desired delivered format?

CIS Response 13

CIS continues to expect the actuary to provide a single report that includes all required analysis as described in the Scope of Work in the original RFP and in the responses in this Addendum.

Question Set #14

Are there any improvements/changes that CIS is looking for from its actuary, actuarial report or actuarial process? Whether in the actual work product, the presentation of the results, the communication with staff or the Board, or in what is provided?

CIS Response 14

CIS is satisfied with the current actuarial report and services provided by the incumbent, but are open to suggestions and recommendations for changes from the successful proposer upon commencement of services.

Question Set #15

- Could you please provide a copy of the proposal of the last successful proposer?
- Could you please provide the proposal scoring from the previous RFP ?

CIS Response 15

The last successful proposal and proposal scoring is not available.