



State of Vermont

**Department of Banking, Insurance,
Securities and Health Care Administration**

89 Main Street
Montpelier, VT 05620-3101
www.bischa.state.vt.us

TO: Actuarial Firms Competent in Life Insurance Analysis
FROM: Michael Bertrand, Deputy Commissioner for Insurance
DATE: December 8, 2008
SUBJ: Request for Proposal

The Vermont Department of Banking, Insurance, Securities and Health Care Administration (the "Department") is requesting proposals from qualified and experienced actuarial analysis consulting firms to perform actuarial reviews for life and credit life insurance as needed by the Department. The scope of work to be done and the information that must be presented in your proposal are described in the enclosed [Request for Proposal](#).

Two copies of each proposal must be submitted no later than Tuesday, January 6, 2009 at 2:15 PM EST to:

Louisa Neveau
Executive Staff Assistant to the Insurance Division Deputy Commissioner
Department of Banking, Insurance, Securities and Health Care Administration
89 Main Street
Montpelier, Vermont 05620-3301

The Department reserves the right to accept or reject any or all bids. Two or more qualified staff members of the Department will evaluate the proposals. If a firm is selected, representatives will be invited to sign a contract.

If you have any questions about the proposal process, please feel free to call Louisa Neveau at (802) 828-4842.

Enclosure



STATE OF VERMONT
DEPARTMENT OF BANKING, INSURANCE, SECURITIES, AND
HEALTH CARE ADMINISTRATION

INSURANCE DIVISION
89 MAIN STREET
MONTPELIER, VERMONT 05620-3101
802-828-3301
<http://www.bishca.state.vt.us>

Sealed Bid
Request for Proposal
Actuarial Reviews of Life Insurance

RFP Issuance Date: Monday, December 8, 2008

Questions Due by: Monday, December 22, 2008

Questions concerning this request for proposal must be in writing (via mail, e-mail, or fax) and received by Louisa Neveau by 3:00 PM EST Monday, December 22, 2008. The Department will respond to written questions by Friday, January 2, 2009. Any responses will be in writing and distributed to all known potential bidders. The Department reserves the right to select which questions it will answer.

Proposal Due Date: 2:15 PM EST, Tuesday, January 6, 2009

Two (2) Copies of the proposal must be received by the Department in printed form and delivered to:

Louisa Neveau
Insurance Division
Vermont Department of Banking, Insurance,
Securities, and Health Care Administration
89 Main Street
Montpelier, Vermont 05620-3101

“Sealed bid instructions” after this page.

Date of Public Bid Opening: Tuesday, January 6, 2009
Time of Public Bid Opening: 2:20 PM EST
**Location of Public Bid Opening: Department Conference Room, 89 Main Street, 2nd Floor,
Montpelier,
VT 05620-3101**

RFP Contact Person:

Louisa Neveau
Insurance Division
89 Main Street
Montpelier, Vermont 05620-3101
(802) 828-4842
(802) 828-3306, Fax
lneveau@bishca.state.vt.us email

STATE OF VERMONT
DEPARTMENT OF BANKING, INSURANCE, SECURITIES, AND
HEALTH CARE ADMINISTRATION



INSURANCE DIVISION
89 MAIN STREET
MONTPELIER, VERMONT 05620-3101
802-828-3301
<http://www.bishca.state.vt.us>

Sealed Bid Instructions

All bids must be sealed and must be addressed to the Insurance Division, Vermont Department of Banking, Insurance, Securities, and Health Care Administration, 89 Main Street, Montpelier, Vermont 05620-3101. **BID ENVELOPES MUST BE CLEARLY MARKED 'SEALED BID' AND SHOW THE BID TITLE, OPENING DATE AND NAME OF BIDDER.**

All bidders are hereby notified that sealed bids must be in the office of the Vermont Insurance Division (the Division) by the bid due date and time. Bidders are cautioned that it is their responsibility to originate the sending of bids in sufficient time to insure receipt by the Division on or before the bid due date. Hand carried bids shall be delivered to a representative of the Division on or before the bid due date. Bids not in possession of the Division by the due date and time will not be considered.

The Division may change the date and/or time of bid opening. If a change is made, the Division will make a reasonable effort to inform all bidders.

All bids will be opened publicly. Any interested party may attend bid openings. Bid results may be requested in writing and are available once an award has been made.

FAXED BIDS: FAXED bids will NOT be accepted.

ELECTRONIC BIDS: ELECTRONIC Bids will NOT be accepted.



STATE OF VERMONT
DEPARTMENT OF BANKING, INSURANCE, SECURITIES, AND
HEALTH CARE ADMINISTRATION

INSURANCE DIVISION
89 MAIN STREET
MONTPELIER, VERMONT 05620-3101
802-828-3301
<http://www.bishca.state.vt.us>

DATE: _____

Request for Proposal
This is a Sealed Bid Response
Actuarial Reviews of Life Insurance

BIDS MUST BE RECEIVED BY: Tuesday, January 6, 2009 at 2:15 PM EST

(VENDOR)
(ADDRESS)
(ADDRESS)
(CITY, STATE ZIP)
(COUNTRY)

THIS FORM MUST BE COMPLETED AND SUBMITTED AS PART OF THE RESPONSE FOR THE BID TO BE CONSIDERED VALID.

THE UNDERSIGNED HAS READ, UNDERSTOOD AND ACCEPTED ALL PROVISIONS, TERMS AND CONDITIONS OF THIS PROPOSAL.

Vermont Tax Certificate

To meet the requirements of Vermont Statute 32 V.S.A. § 3113, by law, no agency of the State may enter into, extend or renew any contract for the provision of goods, services or real estate space with any person unless such person first certifies under the pains and penalties of perjury, that he or she is in good standing with the Department of Taxes. A person is in good standing if no taxes are due, if the liability for any tax that may be due is on appeal, or if the person is in compliance with a payment plan approved by the Commissioner of Taxes, 32 V.S.A. § 3113.

In signing this bid, the bidder certifies under the pains and penalties of perjury that the company/individual is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont as of the date this statement is made.

Quotation Valid for _____ Days Date: _____
Name of Company: _____
Federal Identification Number: _____
By: _____
Signature (Proposal Not Valid Unless Signed)

Telephone Number: _____
Fax Number: _____
E-mail Address: _____
Name: _____
(Type or Print)
Federal Tax ID#: _____



STATE OF VERMONT
DEPARTMENT OF BANKING, INSURANCE, SECURITIES, AND
HEALTH CARE ADMINISTRATION

INSURANCE DIVISION
89 MAIN STREET
MONTPELIER, VERMONT 05620-3101
802-828-3301
<http://www.bishca.state.vt.us>

Price Quotation Form

Contract Period July 1, 2009 through June 30, 2011
FY2010-FY20011
(Billable Rate Only)

Date: _____

Actuarial Review:	Hourly Rate
Principal/Partner:	
Actuary F.S.A.:	
Associate Actuary A.S.A.:	
Actuarial Student:	
Enrolled Actuary E.A.:	
Other Staff:	
Other Staff:	

This form must accompany your Bid Proposal

In accordance with State of Vermont's Bulletin 3.5 all request for proposal bids for personal service contract must include a price quotation form. **Instructions:** fill out all job classifications pertinent to contract bid, hourly rate (per classification) and any specifications or policies. If job classification is not listed, write the title next to the closest described classification on the list.

Request for Proposal - State of Vermont / BISHCA - INS Actuarial Firms Competent in Life Insurance Analysis

A. INTRODUCTION:

The Vermont Department of Banking, Insurance, Securities and Health Care Administration (hereafter the "Department") is seeking bid proposals from qualified and experienced actuarial firms **to perform life, annuity and credit life actuarial consulting work** for the Department during the course of July 1, 2009 - June 30, 2011. The Department recognizes the important contribution and vital impact, which small businesses have on the State's economy. In this regard, the Department subscribes to a free and open bidding process that affords all businesses equal access and opportunity to compete for State contracts for goods and services. The Department also encourages businesses owned by minorities and women to compete for State contracts.

B. BACKGROUND:

The Department is charged with ensuring the solvency of insurance companies in Vermont through comprehensive regulatory oversight and examination. The Department is seeking fair rates and benefits for the citizens of Vermont by maintaining a vigorous and competitive insurance market. The nature of the work sought by the Department in this Request for Proposal requires a broad range of actuarial and business expertise. The performance of these duties requires sensitivity to, and familiarity with, the Vermont insurance market, familiarity with general financial standards, examination requirements and standards of the National Association of Insurance Commissioners (NAIC), and Vermont's insurance laws and statutes.

C. KEY ASPECTS:

- i. It is expected that several companies will meet the criteria and be offered contracts. **In accordance with the State of Vermont Bulletin 3.5, all successful bidders will be required to sign a contract substantially in the form of the standard State contract, a copy of which is attached hereto as Exhibit A.**
- ii. The location of the work will be determined by the Department depending on prevailing circumstances. Although unpredictable, the Department currently expects some of the work to be performed both inside and outside the State of Vermont.
- iii. Firms that sign contracts will be assigned work as needed by the Department. The amount of time and staff level needed for each job will be agreed upon in advance when the job is assigned.
- iv. Cost is a significant factor in selecting successful bidders, but it is not necessarily the determining factor. A bidder's comparative superior experience and knowledge may result in a bid selection other than the lowest bid submitted.
- v. **The Department will require successful bidders to procure and maintain professional liability insurance for any and all services performed under the contract, with minimum coverage of \$1,000,000 per occurrence.** Please see the form of contract attached as Exhibit A for further detail on additional insurance requirements.

D. NATURE OF THE WORK:

The nature of the work required by the Department includes the following:

- i. Examination of a wide range of insurance company group and individual rate filings.
- ii. Actuarial review of group and individual life rate filings, including:
 - a) The preparation of written reports commenting upon the actuarial methods and rate changes requested by the insurer's filing.
 - b) Verbal or written explanations of reasons behind any critical comments.
 - c) Summaries of issues raised by the filing and possible resolutions.
 - d) Attendance and testimony at public rate hearings.

Request for Proposal - State of Vermont / BISHCA - INS

Actuarial Firms Competent in Life Insurance Analysis

- iii. Attendance at Department management and staff meetings in Montpelier as requested.
- iv. Assisting the Department in drafting legislation, and in writing regulations and bulletins; attendance and testimony at public or legislative hearings.
- v. Assisting the Department's financial examiners with their examination of life insurance companies, including verbal or written reviews of company reserving practices and methods.
- vi. Responding by telephone to questions raised by the Department concerning actuarial matters and insurer filings.
- vii. Examining the cost effect of legislation on Vermont insurance rates.
- viii. Reviewing rate and form filings of authorized insurers.
- ix. Other work as requested by the Department.

E. NATURE OF THE CONTRACT:

- i. Assignment of projects will be at the complete discretion of the Department. A firm's selection by the Department and execution of a contract bears no commitment by the Department to use a Contractor's services during the course of the contract term.
- ii. Payment of services for each contract shall be written for a maximum dollar value determined by the State. The Department reserves the right to establish the dollar value for each contract. It is possible, for example, that two contracts resulting from the request for proposal will have different maximum dollar values. Furthermore, a contract's maximum dollar value shall in no way represent a commitment to the Contractor for services or compensation. Payment to a Contractor will only be for services rendered on projects assigned to a Contractor by the Department. If a Contractor receives no assignments, there shall be no payment to that Contractor.
- iii. All bills requesting payment for services by the Contractor for work rendered must be submitted to the Department **within 30 days** of the close of the month in which services were rendered.
- iv. The working papers of the Contractor for assigned work performed for the Department are the property of the State and shall be turned over to the Department upon request.

F. BASE CONTRACT TERM: July 1, 2009 – June 30, 2011

The State expects to enter into a contract to cover the period commencing July 1, 2009 and ending June 30, 2011. The contract shall further include an option to extend the contract for one year, covering the period between July 1, 2011 and June 30, 2012. Any such extension shall require an amendment to the contract and the approval of both the State and the Contractor.

G. CHARACTERISTICS REQUIRED OF SUCCESSFUL BIDDERS:

- i. Strong actuarial expertise and ability to convey actuarial principles, information, and significant outcomes to non-actuaries.
- ii. Detailed experience with similar engagements.
- iii. Excellent understanding of regulatory and financial issues.
- iv. Extensive insurance industry financial examination experience.
- v. Strong professional standards and reputation for quality. Primary areas of focus, if any, within the life insurance area.

H. ISSUES THAT MUST BE ADDRESSED IN THE PROPOSAL:

The bid is the Department's primary vehicle for obtaining essential information on which contract award decisions are based. Instructions contained in this Request For Proposal must be met in order to qualify

Request for Proposal - State of Vermont / BISHCA - INS

Actuarial Firms Competent in Life Insurance Analysis

for consideration. Bids that do not meet or comply with all instructions may be considered non-responsive. Mere reiterations of Request For Proposal stated services are discouraged as they do not provide insight into the bidder's understanding of the required tasks and responsibilities, nor the uniqueness of the bidder's performance capabilities. At a minimum, the bid proposal must address the following issues:

- i. The bidder's approach to providing services.
- ii. Firm qualifications and similar experiences (at least two references – including contact person's name and telephone number) must be provided.
- iii. Primary areas of focus, if any, within the life and/or credit life area.
- iv. Consultant biographies/credentials.
- v. Staff supervision and work product approval procedures.
- vi. Description of final work products and/or reports.
- vii. Work paper availability and records retention.
- viii. Report issue procedures, timing, and approval.
- ix. State government references and/or insurance industry projects.
- x. Conflict of interest resolution.
- xi. Sample of similar work.
- xii. Compensation:
 - a) Hourly rates by staff level. (Use attached price quotation form.)
 - b) Out-of-pocket expense reimbursement levels and arrangements compared to current NAIC recommended values.

I. PAYMENT PROVISIONS:

The State requires that a proposal must provide one hourly rate for each staff class identified in the proposal. A blended rate, whereby a proposal identifies one hourly rate for all categories of services, is not acceptable. The Department will also not accept a range of hourly compensation for the same staff level or function. The State will reimburse Contractor for travel expenses utilizing the most current General Service Administration (GSA) Per Diem Study for lodging, meals and incidentals. State will reimburse for airfare (receipt required). Vehicle mileage will be reimbursed at a rate determined at the time the contract is executed. The Contractor must bill the Department for work performed at least once a month.

J. CONFIDENTIALITY:

The bidder agrees to keep the information related to the Department and all related agencies and companies confidential. Other than the reports submitted to the Department, the bidder agrees not to publish, reproduce, or otherwise divulge such information in whole or in part, in any manner or form or authorize or permit others to do so. Bidder will take reasonable measures as are necessary to restrict access to the information, while in the bidder's possession to those employees on bidder's staff, and the agency who must have the information, on a "need-to-know" basis, and bidder agrees to immediately notify, in writing, the Department's authorized representative in the event bidder determines or has reason to suspect a breach of this requirement.

K. EVALUATION CRITERIA:

The Department will review and evaluate the proposal based on the following criteria:

- i. Prior experience:

**Request for Proposal - State of Vermont / BISHCA - INS
Actuarial Firms Competent in Life Insurance Analysis**

- a) Completed work of similar type.
- b) Experience working for state regulatory systems.
- ii. Organization size and structure of bidder's firm.
- iii. Quality of staff and supervision:
 - a) Qualifications of staff to be assigned.
 - b) Supervision to be exercised over staff by management.
- iv. Bidder's understanding of the work to be performed:
 - a) Quality of understanding of work.
 - b) Adequate staff to meet deadlines.
- v. Quality of references.
- iv. Billable Rate (See Price Quote Form).

Two or more qualified Department staff members will independently evaluate each proposal on the above criteria. Each criteria is evaluated as either; “doesn’t meet requirements”, “meets requirements”, or “exceeds requirements”. Criteria evaluated as “meets requirements” are assigned a score of one point; criteria evaluated as “exceeds requirements” are assigned a score of three points. Each bidder’s criteria score is totaled and evaluated for Contractor selection. A recommendation for one or more Contractors from this Request for Proposal to the Deputy Commissioner for Insurance is based on this evaluation.

L. ADDITIONAL PROVISIONS:

- i. Statement of Rights: The State of Vermont reserves the right to obtain clarification or additional information necessary to properly evaluate a bid.
- ii. Non-Collusion: The State of Vermont is conscious of and concerned about collusion. It must therefore be understood by all that in signing bid and contract documents, they agree that the prices quoted have been arrived at without collusion and that no prior information concerning these prices has been received from or given to a competitive company. If there is sufficient evidence to warrant investigation of the bid/contract process by the Office of the Attorney General, all bidders must understand that this paragraph may be used as a basis for litigation.
- iii. Public Record: The successful bid will become part of the contract file and will become a matter of public record as will all other bids received. If a bid includes material that is considered by the bidder to be proprietary and confidential under 1 VSA, Chapter 5, the bidder shall clearly designate the material as such, explaining why such material must be considered confidential. The bidder must identify each exemption from release, including the prospective harm to the competitive position of the bidder if the identified material were to be released. The Division will determine if such designated information meets statutory requirements pertaining to materials exempted from Vermont’s public records law. Under no circumstances can entire bid or price information be marked confidential. Bids so marked may not be considered.

**Request for Proposal - State of Vermont / BISHCA - INS
Actuarial Firms Competent in Life Insurance Analysis**

STATE OF VERMONT
STANDARD CONTRACT FOR PERSONAL SERVICES

Exhibit A

1. Parties. This is a contract for personal services between the State of Vermont, Department of Banking, Insurance, Securities and Health Care Administration (hereafter called "State"), and _____, with its principal place of business in _____ (hereafter called "Contractor"). Contractor's form of business organization is a _____. It is the Contractor's responsibility to determine if, by law, the Contractor is required to have a Vermont Department of Taxes Business Account Number.
2. Subject Matter. The subject matter of this contract is personal services generally on the subject of life insurance actuarial services. Detailed services to be provided by the contractor are described in Attachment A.
3. Maximum Amount. In consideration of the services to be performed by Contractor, the State agrees to pay Contractor in accordance with the payment provisions specified in Attachment B, a sum not to exceed \$ _____.
4. Contract Term. The period of Contractor's performance shall begin on July 1, 2009 and end on June 30, 2011. The period may be extended to June 30, 2012 upon agreement of both parties.
5. Prior Approvals. If approval by the Attorney General's Office or the Secretary of Administration is required, (under current law, bulletins, and interpretations), neither this contract nor any amendment to it is binding until it has been approved by either or both such persons.
 - Approval by the Attorney General's Office is required.
 - Approval by the Secretary of Administration is required.
 - Approval by the CIO/Commissioner of DII is/is not required.
6. Amendment. No changes, modifications, or amendments in the terms and conditions of this contract shall be effective unless reduced to writing, numbered and signed by the duly authorized representative of the State and Contractor.
7. Cancellation. Either party may cancel this contract by giving written notice at least 30 days in advance.
8. Attachments. This contract consists of seven pages including the following attachments which are incorporated herein:
 - Attachment A - Specifications of Work to be Performed
 - Attachment B - Payment Provisions
 - Attachment C - Customary State Contract Provisions
 - Attachment D - Other Provisions

WE THE UNDERSIGNED PARTIES AGREE TO BE BOUND BY THIS CONTRACT.

by the STATE OF VERMONT

by the CONTRACTOR

Date: _____

Date: _____

Signature: _____

Signature: _____

Paulette Thabault

Business Name: _____

Commissioner

Name: Endorser: _____

Request for Proposal - State of Vermont / BISHCA - INS

Actuarial Firms Competent in Life Insurance Analysis

Banking, Insurance, Securities &
Health Care Administration

Title of Endorser: _____

**Request for Proposal - State of Vermont / BISHCA - INS
Actuarial Firms Competent in Life Insurance Analysis**

Exhibit A

ATTACHMENT A

**DEPARTMENT OF BANKING, INSURANCE, SECURITIES AND HEALTH CARE ADMINISTRATION
SPECIFICATIONS OF WORK TO BE PERFORMED**

Contractor agrees to perform life actuarial work for assigned companies. The nature of the work required by the State may include the following:

- Examination of a wide range of insurance company group and individual rate filings.
- Actuarial review of group and individual life and credit life rate filings, including:
- The preparation of written reports commenting upon the actuarial methods and rate changes requested by the insurer's filing.
- Verbal or written explanations of reasons behind any critical comments.
- Summaries of issues raised by the filing and possible resolutions.
- Attendance and testimony at public rate hearings.
- Attendance at Department management and staff meetings in Montpelier as requested.
- Assisting the Department in drafting legislation, and in writing regulations and bulletins; attendance and testimony at public or legislative hearings.
- Assisting the Department's financial examiners with their examination of life insurance companies, including verbal or written reviews of company reserving practices and methods.
- Responding by telephone to questions raised by the Department concerning actuarial matters and insurer filings.
- Examining the cost effect of legislation on Vermont insurance rates.
- Reviewing rate and form filings of authorized insurers.
- The working papers of the Contractor for assigned work being performed for the Department are the property of the State and shall be turned over to the Department upon request.
- Other work as requested by the Department.

Request for Proposal - State of Vermont / BISHCA - INS

Actuarial Firms Competent in Life Insurance Analysis

Exhibit A

ATTACHMENT B

**STATE OF VERMONT CONTRACT FOR PERSONAL SERVICES
PAYMENT PROVISIONS**

Contractor may assess and collect fees as follows:

1. Maximum payable amount on the contract, including all fees, charges and expenses shall not exceed: \$_____. The State does not guarantee the assignment of any minimum number of hours or any other work under this Contract.
2. The State agrees to pay Contractor an hourly rate as detailed on the form below.

Actuarial Review	Hourly Rate
Principal/Partner: Senior Consultant	
Actuary F.S.A.:	
Associate Actuary A.S.A.:	
Actuarial Student:	
Enrolled Actuary E.A.:	
Other Staff:	
Other Staff:	

3. Expenses: State will reimburse Contractor for reasonable expenses. State will reimburse Contractor for travel expenses utilizing the most current General Service Administration (GSA) Per Diem Study for lodging, meals, and incidentals. State will reimburse for airfare (receipt required). Vehicle mileage will be reimbursed at current GSA rate. A billing for mileage shall include the points of origin and destination and the number of miles traveled. Only actual charges will be paid.
4. Invoices shall include itemized breakdown per assigned job by staff class with their hourly rate, date of work performed, total hours worked, description of work performed, and necessary receipts for expenses. Each invoice shall include a unique invoice number. Invoices for services by the Contractor for work rendered must be submitted to the State within 30 days of the closing of the month in which services were rendered.
5. Invoices shall be submitted on a monthly basis to: Louisa Neveau, Department of Banking, Insurance, Securities and Health Care Administration, 89 Main Street, Montpelier, VT 05620-3101.

**Request for Proposal - State of Vermont / BISHCA - INS
Actuarial Firms Competent in Life Insurance Analysis**

Exhibit A

ATTACHMENT C

**STATE OF VERMONT CONTRACT FOR PERSONAL SERVICES
CUSTOMARY STATE CONTRACT PROVISIONS**

1. Entire Agreement. This contract represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.
2. Applicable Law. This contract will be governed by the laws of the State of Vermont.
3. Appropriations. If this contract extends into more than one fiscal year of the state (July 1 to June 30), and if appropriations are insufficient to support this contract, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority.
4. No Employee Benefits For Contractor. The Contractor understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation or sick leave, workers' compensation or other benefits or services available to State employees, nor will the State withhold any state or federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the contract. The Contractor understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the Contractor, and information as to contract income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.
5. Independence, Liability. The Contractor will act in an independent capacity and not as officers or employees of the State.

The Contractor shall defend the State and its officers and employees against all claims or suits arising in whole or in part from any act or omission of the Contractor or of any agent of the Contractor. The State shall notify the Contractor in the event of any such claim or suit, and the Contractor shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit.

After a final judgment or settlement the Contractor may request recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The Contractor shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the Contractor.

The Contractor shall indemnify the State and its officers and employees in the event that the State, its officers or employees become legally obligated to pay any damages or losses arising from any act or omission of the Contractor.

6. Insurance. Before commencing work on this contract the Contractor must provide certificates of insurance to show that the following minimum coverages are in effect. It is the responsibility of the contractor to maintain current certificates of insurance on file with the State through the term of the contract. No warranty is made that the coverages and limits listed herein are adequate to cover and protect the interests of the Contractor for the Contractor's operations. These are solely minimums that have been established to protect the interests of the State.

Request for Proposal - State of Vermont / BISHCA - INS

Actuarial Firms Competent in Life Insurance Analysis

Workers' Compensation: With respect to all operations performed, the contractor shall carry workers' compensation insurance in accordance with the laws of the State of Vermont.

General Liability and Property Damage: With respect to all operations performed under the contract, the contractor shall carry general liability insurance having all major divisions of coverage including, but not limited to:

- Premises - Operations
- Products and Completed Operations
- Personal Injury Liability
- Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

- \$1,000,000 Per Occurrence
- \$1,000,000 General Aggregate
- \$1,000,000 Products / Completed Products Aggregate
- \$ 50,000 Fire/Legal/Liability

Contractor shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this contract.

Automotive Liability: The contractor shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the contract. Limits of coverage shall not be less than \$1,000,000 combined single limit.

Contractor shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this contract.

7. Reliance by the State on Representations. All payments by the State under this contract will be made in reliance upon the accuracy of all prior representations by the Contractor, including but not limited to bills, invoices, progress reports and other proofs of work.

8. Records Available for Audit. The Contractor will maintain all books, documents, payroll papers, accounting records and other evidence pertaining to costs incurred under this agreement and make them available at reasonable times during the period of the contract and for three years thereafter for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three-year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved. The State, by any authorized representative, shall have the right at all reasonable times, to inspect or otherwise evaluate the work performed or being performed under this contract.

9. Fair Employment Practices and Americans with Disabilities Act. Contractor agrees to comply with the requirements of Title 21, V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Contractor shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Contractor under this contract. Contractor further agrees to include this provision in all subcontracts.

10. Set Off. The State may set off any sums which the Contractor owes the State against any sums due the Contractor under this contract; provided, however, that any set off of amounts due the State of Vermont as

Request for Proposal - State of Vermont / BISHCA - INS

Actuarial Firms Competent in Life Insurance Analysis

taxes shall be in accordance with the procedures more specifically provided hereinafter.

11. Taxes Due to State.

- a. Contractor understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.
- b. Contractor certifies under the pains and penalties of perjury that, as of the date the contract is signed, the Contractor is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.
- c. Contractor understands that final payment under this contract may be withheld if the Commissioner of Taxes determines that the Contractor is not in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due to the State of Vermont.
- d. Contractor also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Contractor has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Contractor has no further legal recourse to contest the amounts due.

12. Child Support. (Applicable if the Contractor is a natural person, not a corporation or partnership.)

Contractor states that, as of the date the contract is signed, he/she:

- a. is not under any obligation to pay child support; or
- b. is under such an obligation and is in good standing with respect to that obligation; or
- c. has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan.

Contractor makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if Contractor is a resident of Vermont, Contractor makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

13. Subcontractors. The Contractor shall not assign or subcontract the performance of this agreement or any portion thereof to any other contractor without the prior written approval of the State. Contractor also agrees to include in all subcontract agreements and a tax certification in accordance with paragraph 11 above.

14. No Gifts or Gratuities. Contractor shall not give title or possession of any thing of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this contract.

15. Copies: All written reports prepared under this contract will be printed using both sides of the paper.

16. Certificate of Suspension and Debarment: Contractor certifies under pains and penalties of perjury that, as of the date that this contract is signed, neither contractor nor contractor's principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs or programs supported in whole or in part by

**Request for Proposal - State of Vermont / BISHCA - INS
Actuarial Firms Competent in Life Insurance Analysis
federal funds.**

**Request for Proposal - State of Vermont / BISHCA - INS
Actuarial Firms Competent in Life Insurance Analysis**

Exhibit A

**ATTACHMENT D
OTHER CONTRACT PROVISIONS**

1. Confidentiality. Contractor agrees to keep information related to the State and all agencies and companies related to this contract confidential. Other than the reports submitted to the State, the Contractor agrees not to publish, reproduce, or otherwise divulge such information in whole or in part, in any manner or form or authorize or permit others to do so. Contractor will take reasonable measures as are necessary to restrict access to information in the Contractor's possession to those employees on contractor's staff who must have the information on a "need to know" basis. Contractor agrees to immediately notify, in writing, the State's authorized representative in the event Contractor determines or has reason to suspect a breach of this requirement.
2. Professional Liability Insurance. Before commencing work on this contract and throughout the term of this contract, Contractor shall procure and maintain professional liability insurance for any and all services performed under this contract, with minimum coverage of \$1,000,000 per occurrence.
3. Prior approval of workers. The state shall have the right to approve any personnel the Contractor proposes to assign to work requested by the State prior to the commencement of such work. If the proposed personnel of the Contractor are not acceptable to the State, the State may choose to withdraw the assignment of such work from the Contractor, and Contractor will assign personnel acceptable to the State.
4. Conflicts of Interest. If the State determines that a conflict of interest, as determined by the State, exists between a proposed project or regulated entity and a member or members of the Contractor's staff, the Contractor shall substitute similarly qualified individuals for the conflicted staff member. If the State determines that a conflict of interest, as determined by the State, exists between Contractor and the proposed project or regulated entity, the State may immediately remove that assignment from the Contractor, or may invoke its right to terminate this contract pursuant to paragraph 7 on page 1 of this contract. The State reserves the right to make the ultimate determination as to whether a conflict of interest exists.
5. Protection of Personal Information. Contractor agrees to establish and maintain policies and procedures designed to ensure compliance with 9 V.S.A., Chapter 62 (Protection of Personal Information) with respect to data collected in connection with Contractor's activities pursuant to this.