

REQUEST FOR PROPOSALS

By the

STATE OF OHIO

BUREAU OF WORKERS' COMPENSATION

for

ACTUARIAL CONSULTING SERVICES

January 29, 2021

Bid # BWCB21002

RFP ISSUED: January 29, 2021
INQUIRY PERIOD BEGINS: January 29, 2021
INQUIRY PERIOD ENDS: March 17, 2021 at 8:00 A.M. EDT
PROPOSAL DUE DATE: March 30, 2021 by 2:00 P.M. EDT

Proposals received after the due date and time will not be evaluated.

OPENING LOCATION: Ohio Bureau of Workers' Compensation
Neal Schultz Conference
Center
30 W. Spring Street, Level 2,
Room 2
Columbus, OH 43215-2256

Offerors must note that all proposals and other material submitted will become the property of BWC and may be returned only at BWC's option. Proprietary information should not be included in a Proposal or supporting materials because BWC will have the right to use any materials or ideas submitted in any Proposal without compensation to the Offeror. Additionally, all Proposals will be open to the public after the award of the contract has been posted on the State Procurement Web site. Refer to the Ohio Administrative Code, Section 123:5-1-08 (E).

TABLE OF CONTENTS

- 1.0 BACKGROUND AND PURPOSE OF PROJECT**
 - 1.1 BWC General Background
 - 1.2 Abbreviations and Definitions
 - 1.3 Project Background
 - 1.4 Purpose of the Request for Proposals
 - 1.5 Mandatory Requirements

- 2.0 CALENDAR OF EVENTS**
 - 2.1 Dates

- 3.0 PROPOSAL INQUIRIES AND SUBMISSIONS**
 - 3.1 Questions
 - 3.2 Communication Restrictions
 - 3.3 Proposal Submission
 - 3.4 Changes to this Request for Proposals

- 4.0 SCOPE OF SERVICES**
 - 4.1 Rate and Assessment Analysis and Special Studies
 - 4.1.1 Rate and Assessment Background
 - 4.1.2 Rate and Assessment Task Description
 - 4.1.3 Special Studies Background
 - 4.1.4 Special Studies Task Description
 - 4.2 Actuarial Reserve Evaluation
 - 4.2.1 Background
 - 4.2.2 Task Description
 - 4.3 Enterprise Risk Management
 - 4.3.1 Background
 - 4.3.2 Task Description

- 5.0 PROPOSAL FORMAT**
 - 5.1 Cover Letter
 - 5.2 Project Plan Summary
 - 5.3 Actuarial Approach to Ratemaking and Unpaid Loss Estimation
 - 5.4 Consultant Profile
 - 5.5 Personnel Profile for Project Team
 - 5.5.1 Lead Actuary
 - 5.5.2 Additional Team Members
 - 5.5.3 Team Resumes
 - 5.6 Proposed Work Plan Including Contingency Work Plan
 - 5.7 Proof of Insurance and Workers' Compensation Coverage
 - 5.8 Conflicts of Interest Statement
 - 5.9 Disclosure Statement
 - 5.10 Responsibility
 - 5.11 Subcontractors
 - 5.12 Experience
 - 5.13 References
 - 5.14 Confidentiality of Data
 - 5.15 Support Requirements
 - 5.16 Assumptions
 - 5.17 Cost Proposal

6.0 EVALUATION AND SELECTION PROCESS

- 6.1** Evaluation Committee
- 6.2** Evaluations Approach
- 6.3** Proposal Evaluation Criteria
- 6.4** Scoring the Proposals
- 6.5** Contract Negotiations
- 6.6** Award of Contract Procedure

7.0 TERMS AND CONDITIONS

- 7.1** General
- 7.2** Expenses
- 7.3** Resulting Contract
- 7.4** Contract Compliance
- 7.5** Contract Termination
- 7.6** Termination for Convenience
- 7.7** Governing Law
- 7.8** Compliance with Applicable Laws
- 7.9** Publicity
- 7.10** Non-Discrimination
- 7.11** Supplier's Liability
- 7.12** Conditions Precedent
- 7.13** Method of Remuneration and Billing Procedures
- 7.14** Workers' Compensation Insurance
- 7.15** Other Insurance
- 7.16** Default by Supplier
- 7.17** Records Retention and Inspection of Time Records and Work Papers
- 7.18** Ohio Elections Law
- 7.19** Drug-Free Workplace
- 7.20** Intellectual Property
- 7.21** Confidentiality
- 7.22** Assignment and Subcontracting
- 7.23** Unresolved Finding for Recovery
- 7.24** No Secondary Interests
- 7.25** Conflicts of Interest and Ethics Compliance Certification
- 7.26** Offshore Provision of Services Prohibited
- 7.27** Independent Contractor Relationship
- 7.28** Debarment
- 7.29** Boycotting
- 7.30** Severability
- 7.31** Force Majeure

8.0 SAMPLE CONTRACT – DRAFT

EXHIBIT A RATES, ASSESSMENTS, AND SPECIAL STUDIES COST PROPOSAL SUMMARY

EXHIBIT B ACTUARIAL RESERVES COST PROPOSAL SUMMARY

EXHIBIT C ENTERPRISE RISK MANAGEMENT ANALYSIS COST PROPOSAL SUMMARY

REQUEST FOR PROPOSALS

By the

STATE OF OHIO

BUREAU OF WORKERS' COMPENSATION

for

ACTUARIAL CONSULTING SERVICES

January 29, 2021

Bid # BWCB21002

PLEASE READ ALL CONDITIONS AS SET FORTH IN THIS REQUEST FOR PROPOSALS (RFP) FOR A FULL UNDERSTANDING OF THE REQUIREMENTS

1.0 BACKGROUND AND PURPOSE OF PROJECT

1.1 BWC GENERAL BACKGROUND

Under the mandates of the Ohio Revised Code (ORC), the Ohio workers' compensation system is the largest exclusive state insurance fund system in the United States, with investment assets of \$26.8 billion as of September 30, 2020 and annual insurance premiums and assessments of approximately \$1.3 billion. The Ohio workers' compensation system consists of the Ohio Bureau of Workers' Compensation (BWC), responsible for administrative and insurance functions, and the Industrial Commission of Ohio (IC), responsible for claims adjudicative functions. BWC exercises fiduciary authority with respect to the State Insurance Fund (SIF) and related Specialty Funds. These BWC Trust Funds are held for the benefit of the injured workers and employers of Ohio. It is from these trust funds that all claims for both medical and compensation for disability benefits are paid with the exception of self-insured claims.

Self-insuring employers have been granted the status of self-insurance by having proven ability to meet certain obligations set forth in ORC 4123.35. Self-insuring employers administer their own workers' compensation claims and are monitored by BWC. Presently, BWC processes claims, pays compensation and medical benefits to injured workers and underwrites workers' compensation coverage for employers doing business in Ohio. BWC also offers safety training and accident prevention programs to employers and helps injured employees return to work through rehabilitation programs. The Board of Directors (BOD) oversees BWC's activities and functions as a fiduciary.

1.2 ABBREVIATIONS AND DEFINITIONS

- BOD BWC Board of Directors
- BWC or Bureau Ohio Bureau of Workers' Compensation
- Consultant Actuarial consultant and/or firm providing services after award of contract.
- Contractor Any individual or business having a contract with a governmental body to furnish goods, services, or construction for an agreed-upon price.
- Contract A document that will be executed between BWC and the selected Supplier.
- DAS Ohio Department of Administrative Services
- FCAS Fellow of the Casualty Actuarial Society or a Fellow of the Society of Actuaries with the appropriate Property/Casualty credentials
- Mandatory Must, Shall
- ORC Ohio Revised Code
- Proposal A document submitted by a Supplier in response to some type of bid solicitation to be used as the basis for negotiations or for entering into a contract.
- RFP Request for Proposals
- Offeror One who submits a response to a solicitation document
- Services Work to be performed as specified in this RFP
- SIF State Insurance Fund
- Supplier A seller of goods and/or services. The person or business unit actually performing services, or manufacturing, producing or shipping supplies required by the contract.

1.3 PROJECT BACKGROUND

As an agency of the State of Ohio, the Bureau of Workers' Compensation (BWC) is responsible for the administration, establishment of rates, and funding of all workers' compensation insurance programs in Ohio. As reflected in the Fiscal Year 2020 Annual Report, link provided below, the BWC is one of the largest workers' compensation insurance enterprises in the country with more than 249,000 active policy owners representing approximately \$1.3 billion in premiums and assessments written annually. It maintains a close working relationship with the Industrial Commission of Ohio, which has the responsibility of adjudicating claims issues.

The Actuarial Division of BWC consists of about 20 employees who are responsible for the calculation of rates at the industry and classification levels, determination of factors for various programs and rating plans, calculation of various assessments, establishment of financial reserves for incurred claims, evaluation of financial risks to which BWC is exposed, and technical support on rating and reserving issues. In performing the aforementioned functions, Actuarial Division personnel maintain base rate calculation systems and methodologies; collect, analyze, and reconcile data for rates and financial reserves; provide expertise on various funds, classifications, claimant benefit levels, laws, rules, and procedures; provide information on historical changes to the Ohio Workers' Compensation System; facilitate meetings with the actuarial consultant in rendering service; interact with other BWC departments; and meet with employers, their representatives, and other interested parties regarding premiums, base rates, rating plans, and reserving matters. The Actuarial Division staff possesses analytical capabilities; in-depth knowledge of BWC practices, systems, and data relationships; and experience in the design, maintenance, and enhancement of systems. For this engagement, both the Actuarial Division and the Contractor must identify ways to foster knowledge and skill transfer in an efficient and effective manner to successfully accomplish the tasks denoted in this Request for Proposal (RFP).

Fiscal Year 2020 Annual Report:

<https://info.bwc.ohio.gov/static/AboutBWC/AnnualReport.pdf>

1.4 PURPOSE OF THE REQUEST FOR PROPOSALS

The BWC requires the services of an independent actuarial consultant (Contractor) to provide assistance in the analysis, evaluation, and implementation of statutory mandates, and to aid the BWC in meeting the requirements arising from its annual independent financial evaluation of unpaid loss and loss adjustment expense liabilities in establishing financial reserves.

In addition to the actuarial services described above related primarily to the State Insurance Fund, BWC requires additional actuarial services regarding

- the Administrative Cost Fund (ACF),
- the Marine Industry Fund (MIF),
- the Coal-Workers Pneumoconiosis (Black Lung) Fund,
- the Public Work-Relief Employees' (PWRE) Compensation Fund,
- the Disabled Workers' Relief Funds (DWRP I and II), and
- the Self-Insuring Employers' Guaranty Fund (SIEGF).

Because the BWC Administrator has ultimate responsibility for the operation of these funds in addition to the State Insurance Fund, including establishing insurance and assessment rates applicable to employers covered under these distinct funds, the BWC desires that ratemaking and reserving for these other funds be included within the scope of this Request for Proposal. The

actuarial consultant's billing for services must segregate the costs related to these funds so that each fund can be charged its share of costs.

The BWC may request actuarial services to supplement the BWC's basic ratemaking and case or individual claim reserving methodologies. The BWC may request assistance in studying the impact of new claims practices and alternative rating plans to enable the BWC to appropriately establish rates and financial reserves.

Finally, the BWC periodically becomes involved in issues involving rates, evaluations of ratemaking changes, evaluations of financial reserve changes, analyses related to enterprise risk management, actuarial reviews and responses related to proposed legislative changes, or other actuarial matters related to the operation of the BWC. Analyses, evaluations and position statements by recognized professionals in the actuarial field with experience in other state insurance funds and commercial workers' compensation insurance have often been a primary consideration in the resolution of these matters and in supporting BWC's actions or determinations. The actuarial consultant will be expected to provide BWC with support in these matters.

BWC may contract with one consulting firm with broad actuarial expertise and services capable of performing all components outlined in Section 4.0. The BWC also reserves the right to select one consulting firm to perform the ratemaking functions and special studies outlined in Section 4.1, one consulting firm to perform the functions related to evaluation of actuarial reserves outlined in Section 4.2, and one consulting firm to perform the functions related to enterprise risk management outlined in Section 4.3 of this Request for Proposal; provided, however, the same consulting firm may be selected for one, two, or all three functions. References to a contractor, consultant, supplier, and similar nomenclature in the singular should be interpreted in the plural.

1.5 MANDATORY REQUIREMENTS

There are no mandatory requirements for this RFP.

2.0 CALENDAR OF EVENTS

The time schedule for this project is outlined below and is subject to change. BWC may change this schedule at any time. If BWC changes the schedule before the Proposal due date, it will do so through an announcement on the State Procurement Web site area for this RFP. The website announcement will be followed by an addendum to this RFP, also available through the State Procurement website. It is each prospective Offeror's responsibility to check the website question and answer area for this RFP for current information regarding this RFP and its calendar of events through award of the Contract. No contact shall be made with agency/program staff regarding the RFP or submitted Proposals until the Contract award is announced.

2.1 DATES:

RFP ISSUED	January 29, 2021
Question Submission Period Begins	January 29, 2021
Question Submission Period Ends	March 17, 2021 (8:00 AM ET)
Answers to Questions Posted	March 17, 2021
Proposals Due	March 30, 2021 2:00PM ET
Interviews	May 10 through May 21, 2021
Award Date (Estimated)	June 25, 2021
Contract Start Date	July 1, 2021

NOTE: These dates are subject to change.

There are references in this RFP to the Proposal due date. Prospective Offerors must assume, unless it is clearly stated to the contrary, that any such reference means the date and time (Columbus, OH local time) that the Proposals are due.

Proposals received after 2:00 p.m. on the due date will not be evaluated.

3.0 PROPOSAL INQUIRIES AND SUBMISSIONS

3.1 QUESTIONS

Offerors may make inquiries regarding this RFP any time during the inquiry period listed in the Calendar of Events. To make an inquiry, provide reference(s) to the RFP (e.g. section number and/or item number, etc.). Unreferenced or incorrectly referenced questions will not be answered; Offerors must use the following process:

1. Access the State Procurement Web site at <http://www.ohio.gov/procure>.
2. From the Quick Links Menu on the right, select "Bid Opportunities Search".
3. In the "Document/Bid Number" field, enter the RFP number found on the first page of this RFP.
4. Click the "Search" button.
5. On the Opportunity Search Results page, click on the hyperlinked Bid Number.
6. On the Opportunity Details page, click "Submit Inquiry".
7. On the document inquiry page, complete the required "Personal Information" section by providing:
 - a. First and last name of the prospective Offeror's representative who is responsible for the inquiry.
 - b. Name of the prospective Offeror.
 - c. Representative's business phone number.
 - d. Representative's e-mail address.
8. Type the inquiry in the space provided including:
 - a. A reference to the relevant part of this RFP.
 - b. The heading for the provision under question.
 - c. The page number of the RFP where the provision can be found.
9. Enter the Confirmation Number at the bottom of the page.
10. Click the "Submit" button.

Offerors submitting inquiries will receive an immediate acknowledgement that their inquiry has been received as well as an e-mail acknowledging receipt of the inquiry. Offerors will not receive a personalized e-mail response to their question, nor will they receive notification when the question has been answered.

Questions must be received by BWC by March 17, 2021 at 8:00 a.m. ET. BWC will respond to any or all questions exclusively through the above method; however, responses by BWC will not officially modify the RFP in any way unless a written addendum is issued by BWC.

Offerors may view inquiries and responses using the following process:

1. Access the State Procurement Web site at <http://www.ohio.gov/procure>.
2. From the "Quick Links" menu on the right, select "Bid Opportunities Search".
3. In the "Document/Bid Number" field, enter the RFP number found on the first page of this RFP.
4. Select the "Search" button.
5. On Procurement Opportunity Search Results page click on the Document/Bid Number link.
6. On the Procurement Opportunity Search Detail page, click the "View Q & A" button to display all inquiries with responses submitted to date.

BWC will not respond to any inquiries received after 8:00 a.m. on the inquiry end date.

Offerors are to base their RFP responses, and the details and costs of their proposed projects, on the requirements and performance expectations established in this RFP for the future Contract, not on details of any other potentially related Contract or project. If Offerors ask questions about existing or past contracts using the Internet Q&A process, BWC will use its discretion in deciding whether to provide answers as part of this RFP process.

BWC is under no obligation to acknowledge questions submitted through the Q&A process if those questions are not in accordance with these instructions or deadlines.

3.2 COMMUNICATION RESTRICTIONS

Assistance will be available to suppliers who seek clarification on specific sections of this RFP. Any and all inquiries relating to this RFP shall be directed to the State Procurement website shown below. Section 2.1 of this RFP defines the time periods in which prospective suppliers can submit inquiries relevant to this RFP and when BWC will respond to all such inquiries. Communications directed elsewhere and/or not written may result in disqualification of the Supplier. All BWC responses to inquiries will be in writing and will be made available to all offerors to this RFP via the State Procurement website shown below.

The BOD, BWC Administrator, and BWC employees or representatives shall be prohibited from responding to any inquiries where there is a potential for bias or favoritism or appearance of impropriety due to personal or potential conflicts of interest. In order to ensure fairness and parity among prospective suppliers, from the time of the release of this RFP until a Supplier is selected and a Contract is awarded, the suppliers shall not communicate with any BWC staff concerning this RFP, except as provided in this RFP. If the Supplier attempts or undertakes an unauthorized communication, BWC reserves the right to reject that supplier's Proposal without evaluation. BWC reserves the right to contact any Supplier for clarification or correction of any items in the Proposal submitted. BWC shall not be responsible for any supplier's reliance on any information regarding this Request for Proposal or any work hereunder if the information was provided by any source other than through the inquiry process in Section 3.1.

State Procurement website: <http://www.ohio.gov/procure>

3.3 PROPOSAL SUBMISSION

Suppliers must carefully review all elements of their final Proposal. Once received by BWC, a Proposal cannot be altered except as provided in Sections 6.4 and 6.5 of this RFP. One (1) complete, sealed and signed original Proposal, one (1) electronic PDF version on USB compatible storage device and seven (7) hard copies of each Proposal shall be submitted for evaluation. Proposals shall be clearly marked "**Actuarial Consulting Services # BWCB21002**" on the outside of the envelope. FAX transmittals will not be accepted. All copies must be received by BWC together and in a timely manner consistent with the schedule presented in Section 2.1.

All material submitted to and accepted by BWC in response to the RFP shall become the property of BWC and will be retained by BWC in accordance with the Ohio Public Records Act and Ohio records retention laws. THE CONTENTS OF ALL PROPOSALS ARE SUBJECT TO THE OHIO PUBLIC RECORDS ACT, SECTION 149.43 OF THE OHIO REVISED CODE, UNLESS OTHERWISE EXCEPTED BY LAW.

Any material for which claim of trade secret or other confidentiality is made must be sealed in a separate envelope and marked as Confidential, with an explanation of the basis for claim of confidentiality, including any statute exempting the information from disclosure as a public record. Any claim of confidentiality is waived unless this requirement is met. Any material not separately sealed and annotated will be released upon a proper public records request. Any Proposal that claims that the entire contents of the Proposal are confidential may result in the disqualification of that Proposal.

BWC will make the final determination whether the information so marked is exempt from disclosure as an exception to the Ohio Public Records Act. After a Contract is awarded, if BWC determines that the information separately sealed by any Offeror appears not to be exempt and may be released upon a proper request, the Supplier will be advised of BWC's intent to release the information.

Proposals must be sealed and received in BWC Procurement Administration by **2:00 PM ET on March 30, 2021**. Proposals delivered after the deadline will not be accepted or evaluated and shall be deemed non-responsive. Proposals will be opened publicly after the 2:00 PM ET deadline at BWC.

If mailing Proposals, suppliers should allow for sufficient mailing time to ensure timely receipt by BWC Procurement Administration. No deliveries will be accepted on Saturday, Sunday, or State of Ohio observed legal holidays as defined in ORC Section 1.14. All mail and deliveries can be expected to undergo package security screening (amounting to approximately one hour) before receipt in BWC Procurement Administration. Suppliers must anticipate this additional time when arranging for mail or delivery of Proposals. If attending the bid opening on Level 2, Room 2 of the Neal Schultz Conference Center in the William Green Building, suppliers must bring photo identification and should allow for additional time for personal security screening (amounting to approximately twenty minutes) and for package security screening (amounting to approximately one hour) if they are also delivering their Proposals in person at that time. Anyone attending the bid opening in person will be required to follow current COVID-19 protocols including but not limited to having their temperature taken and wearing of masks in the building.

Submit complete copies of the Proposal to:

**BY MAIL OR HAND-DELIVERY:
Ohio Bureau of Workers' Compensation
Procurement Administration Department
30 W. Spring Street, Level 24
Columbus, Ohio 43215-2256**

PLEASE MAKE SURE THE PROPOSALS ARE DELIVERED TO BWC PROCUREMENT ADMINISTRATION ON THE 24TH FLOOR OF THE WILLIAM GREEN BUILDING BY 2:00 PM ET ON THE DUE DATE. PROPOSALS DELIVERED TO OTHER LOCATIONS MAY NOT BE RECEIVED BY BWC PROCUREMENT ADMINISTRATION IN A TIMELY MANNER. ONLY PROPOSALS RECEIVED IN BWC PROCUREMENT ADMINISTRATION BY 2:00 PM ET ON THE DUE DATE WILL BE OPENED AND CONSIDERED.

3.4 CHANGES TO THIS REQUEST FOR PROPOSALS

All suppliers will be notified in the event that BWC finds it necessary to modify one or more portions of this RFP after it has been released. Should BWC issue an addendum to this RFP, additional time may be given to all prospective suppliers, if appropriate, to extend the deadline to accommodate needed changes in the Proposals.

4.0 SCOPE OF SERVICES

4.1 RATE AND ASSESSMENT ANALYSIS AND SPECIAL STUDIES

4.1.1 RATE AND ASSESSMENT BACKGROUND

Pursuant to Ohio Revised Code Section 4123.34, the Workers' Compensation Board of Directors has the right of advice and consent to all rates and assessments recommended by the BWC Administrator. Recommendations are made by the Administrator, predicated on rates developed and recommended by the Actuarial Division. This rate recommendation process takes place as follows for the programs or funds listed below:

Employer/Fund	Timeframe
Private Employer	August - November
Public Employer Taxing Districts	April - June
Marine Fund	November - January
Coal Workers' Pneumoconiosis Fund	September - November
Disabled Workers' Relief Fund	November - January

Supporting work by the Actuarial Division, however, extends throughout the year.

These programs and funds receive approximately \$1.3 billion in annual insurance premiums and assessments. The rates must be established based upon the total payroll in each of the classes of occupation or industry so that the premium is sufficient to provide funding for the compensation provided for in Chapter 4123 of the Ohio Revised Code and to maintain a state insurance fund from year to year. The Administrator shall set the rates at a level that assures the solvency of the fund. Where the payroll cannot be obtained or, in the opinion of the Administrator, is not an adequate measure for determining the premium to be paid for the degree of hazard, the administrator may determine the rates of premium upon such other basis, consistent with insurance principles, as is equitable in view of the degree of hazard.

4.1.2 RATE AND ASSESSMENT TASK DESCRIPTION

The BWC is requesting an actuarial consulting firm ("consultant") for the period of July 1, 2021 through September 30, 2023 with the option, at the BWC's sole discretion, of three (3) – one-year long Contract renewals for a variety of support in the development of rates and assessments as outlined in section 4.1. The responsibilities of the Consultant with regard to the ratemaking function of the RFP and peer review of the BWC staff analyses include the following:

- A. Review and provide a written report with indicated rate levels with regard to private employer statewide rate levels:
 - a. by November 1, 2021 for the policy year beginning July 1, 2022,
 - b. by November 1, 2022 for the policy year beginning July 1, 2023.

The tasks for each of the renewal years will need to be completed

- a. by November 1, 2023 for the policy year beginning July 1, 2024,
- b. by November 2, 2024 for the policy year beginning July 1, 2025,
- c. by November 3, 2025 for the policy year beginning July 1, 2026.

- B. Review and provide a written report with indicated rate levels with regard to public employer taxing district statewide rate levels:
 - a. by May 15, 2022 for the policy year beginning January 1, 2023,
 - b. by May 15, 2023 for the policy year beginning January 1, 2024.

The tasks for each of the renewal years will need to be completed

- a. by May 15, 2024 for the policy year beginning January 1, 2025,
 - b. by May 15, 2025 for the policy year beginning January 1, 2026,
 - c. by May 15, 2026 for the policy year beginning January 1, 2027.
- C. At the BWC's request, review and make written recommendations with regard to individual, group retrospective rating and deductible plans for both private employers and public employer taxing districts.
- D. At the BWC's request, review and make recommendations to improve and enhance the experience-rating program and the resulting rates for both private and public employers.
- E. At the BWC's request, review and make recommendations to improve and enhance the private and public employer rate adjustment/rebate programs.
- F. At the BWC's request, communicate with interested third parties (e.g., employer associations, service firms, etc.) regarding actuarial matters. Such communication may include the provision of position statements regarding the BWC ratemaking.
- G. At the BWC's request, prepare and provide professional testimony in litigation on behalf of the BWC.
- H. At the BWC's request, assist the BWC in ratemaking improvements related to case reserves. This program of improvements may include individual case reserving in both classification and experience modification factor calculations.
- I. Review and provide a written report with indicated rate levels with regard to the Coal-Workers Pneumoconiosis Fund rates:
 - a. by October 1, 2021 for rates effective July 1, 2022,
 - b. by October 3, 2022 for rates effective July 1, 2023.

The tasks for each of the renewal years will need to be completed

- a. by October 2, 2023 for rates effective July 1, 2024,
 - b. by October 1, 2024 for rates effective July 1, 2025,
 - c. by October 1, 2025 for rates effective July 1, 2026.
- J. Review and provide a written report with indicated rate levels with regard to the various Disabled Workers' Relief Fund (DWRF I and II) assessment rates:
 - a. by December 1, 2021 for rates effective July 1, 2022,
 - b. by December 1, 2022 for rates effective July 1, 2023.

The tasks for each of the renewal years will need to be completed

- a. by December 1, 2023 for rates effective July 1, 2024,
 - b. by December 2, 2024 for rates effective July 1, 2025,
 - c. by December 1, 2025 for rates effective July 1, 2026.
- K. Review and provide a written report with indicated rate levels with regard to the Marine Industry Fund rates:

- a. by December 1, 2021 for rates effective July 1, 2022,
- b. by December 1, 2022 for rates effective July 1, 2023.

The tasks for each of the renewal years will need to be completed:

- a. by December 1, 2023 for rates effective July 1, 2024,
 - b. by December 2, 2024 for rates effective July 1, 2025,
 - c. by December 1, 2025 for rates effective July 1, 2026.
- L. Provide copies to BWC of all fully functioning spreadsheets, including formulas, macros, databases and supporting documents developed or used in connection with all work identified within section 4.1 of this RFP. These materials should be provided in electronic format whenever possible and paper upon request.
- M. Facilitate the transfer of data by accepting and providing files in an SFTP “SSH file transfer protocol” format designated by the BWC. The electronic files will be transmitted to the Consultant using a normally accepted business application.
- N. Assist the Chief Actuarial Officer, Chief Financial Officer, the Actuarial Management, the Administrator and other staff as requested. This assistance may include, but is not limited to, attendance at BWC Executive Staff meetings and any briefings regarding matters included within the scope of section 4.1 of this RFP.
- O. At the BWC’s request, attend the Workers’ Compensation Board of Directors and actuarial committee meetings and make presentations on rates as required.
- P. At BWC’s request, provide educational sessions to the Board of Directors on rate related issues.

4.1.3 SPECIAL STUDIES BACKGROUND

The BWC has a periodic need for supplemental studies, analyses and other actuarial support as part of its ongoing activities and development. In this area of support, the BWC is seeking an actuarial consultant capable of managing several large projects at the same time.

In conjunction with the projects enumerated herein, the BWC contemplates the Consultant providing assistance to the Chief Actuarial Officer, Chief Financial Officer, the Actuarial Management, the Administrator, and other staff as requested. Such assistance may include attendance at the BWC Executive Staff, the Board of Directors and actuarial committee meetings and briefings with regard to matters included within the scope of this section of the RFP. The BWC estimates that these systems analysis and special studies services should not exceed one hundred percent (100%) of the time required for ratemaking services outlined in section 4.1.2. Individual projects may require a specific scope, detailed project plan and time estimation prior to approval by the BWC to proceed with the project.

4.1.4 SPECIAL STUDIES TASK DESCRIPTION

1. Analyze Impacts or Potential Impacts of Alternative Rating and Rate Adjustment Programs

As needed, the Consultant will analyze the current and proposed rating plans and rate adjustment programs. This analysis would include the estimated financial impact of each alternative rating or rate adjustment program currently in place and new programs that may be proposed by the BWC.

The current programs in place include:

Rating Plans:

- Experience rating including the group experience component
- Individual paid retrospective rating
- Group retrospective rating
- Small and large deductible plans

Rate Adjustment Programs:

- Drug Free Safety Program
- Industry Specific Safety Program
- One Claim Program
- Safety Council Program
- Grow Ohio Program
- Go Green
- Lapse Free

2. Analyze Impact of Proposed and Enacted Legislation

Pursuant to ORC 4121.125, the Consultant may be asked to analyze the actuarial impact of specific programs mandated by legislation within 60 days after introduction of legislation, report their findings to the Chief Actuarial Officer, the BWC Administrator and the Board of Directors and to assist in implementation of those programs. The services required by the BWC regarding such legislation will vary and may be unanticipated as well as be of the highest priority. The BWC recognizes the difficulty in estimating the cost of the projects, but the Consultant should recognize that the time constraints for such projects might be significant.

3. Miscellaneous Projects

The Consultant will provide actuarial analysis and support in other special projects that may, from time to time, be identified by the BWC. The scope of the work and the division of labor required for each assignment will be agreed upon in advance with the Chief Actuarial Officer, Chief Financial Officer or the Administrator. Tasks that may be reviewed during the consulting Contract include:

- A. At the BWC's request, provide an analysis using NCCI's rating methodology to develop base rates and the effects to employer premiums.
- B. At the BWC's request, comment on the investment rate assumption and risk margin recommended for use in the ratemaking studies.
- C. At the BWC's request, provide factors by May 1 of each year for calculation of the amount owed in additional premiums, if applicable, from an employer transferring from the State Insurance Fund to self-insured status. At the BWC's request, review and recommend any changes to the buy-out methodology.
- D. At the BWC's request, attend legislative committee meetings and make presentations on rate related issues as required.

4.2 ACTUARIAL RESERVE EVALUATION

4.2.1 BACKGROUND

The Administrator of BWC is responsible for ensuring an actuarial evaluation on unpaid claim liabilities (i.e. reserves) of the State Insurance Fund at least once every year on a discounted basis and nominal basis. The BWC has maintained a program of annual actuarial evaluations on unpaid claim liabilities since 1975. The actuarial evaluation of unpaid claim liabilities must comply with the requirements of the actuarial standards of practice and be performed by credentialed actuaries who meet the qualification standards of the American Academy of Actuaries. The Consultant may be expected to assist the BWC in developing its quarterly analysis capabilities and peer reviewing the results of such analyses.

4.2.2 TASK DESCRIPTION

The services pursuant to section 4.2 of the RFP commence on July 1, 2021 and continue through September 30, 2023 with the option, at the BWC's sole discretion, of three (3) – one-year long Contract renewals. The consultant will either conduct an actuarial evaluation on unpaid claim liabilities or perform a peer review of the actuarial analyses conducted by the Actuarial Division of BWC pertaining to the State Insurance Fund and other funds as set forth below. The peer review must contain ranges of reasonableness aggregated at a total fund level and broken down into major subdivisions (e.g. medical, pension-related indemnity, all other indemnity).

- A. Develop an independent quarterly analysis on actuarial unpaid claim liability estimates for compensation (indemnity), medical costs, and compensation adjustment expenses on all funds under the purview of BWC excluding Black Lung. The evaluation will be conducted on claims incurred by the **State Insurance Fund**, the combination of other funds (ACF, MIF, PWRE, SIEGF, and DWRF I & II), and a total of these funds. This independent analysis should include actuarial central estimates of the unpaid claim liabilities as well as a range of reasonable unpaid claim liability estimates. The evaluations will be conducted using March data and June data as follows:
1. An evaluation of estimated unpaid claim liabilities will be conducted by the consultant following June 30, 2021 to be used as a benchmark of reserve estimates.
 2. An evaluation of estimated unpaid claim liabilities will be conducted by the consultant following March 31, 2022 to be presented at the June actuarial committee meeting of that year.
 3. An evaluation of estimated unpaid claim liabilities will be conducted by the consultant following June 30, 2022, to be presented at the August actuarial committee meeting of that year.
 4. An evaluation of estimated unpaid claim liabilities will be conducted by the consultant following March 31, 2023 to be presented at the June actuarial committee meeting of that year.
 5. An evaluation of estimated unpaid claim liabilities will be conducted by the consultant following June 30, 2023, to be presented at the August actuarial committee meeting of that year.

The 3 yearly renewal dates for the evaluation of estimated unpaid claim liabilities will be:

- a) as of March 31, 2024, to be presented at the June actuarial committee meeting and as of June 30, 2024, to be presented at the August actuarial committee meeting,
- b) as of March 31, 2025, to be presented at the June actuarial committee meeting and as of June 30, 2025, to be presented at the August actuarial committee meeting,
- c) as of March 31, 2026, to be presented at the June actuarial committee meeting and as of June 30, 2026, to be presented at the August actuarial committee meeting

- B. Provide a peer review of the quarterly analysis on actuarial unpaid claim liability estimates developed by the Actuarial Division of the BWC for compensation (indemnity), medical costs, and compensation adjustment expenses on all funds under the purview of BWC excluding Black Lung. The peer review will be conducted on claims incurred by the **State Insurance Fund**, the combination of other funds (ACF, MIF, PWRE, SIEGF, and DWRF I & II), and a total of these funds. The peer review must include a range of reasonable estimates of the unpaid claim liability estimates. The peer reviews will be conducted using September data and December data as follows:
1. An evaluation of estimated unpaid claim liabilities will be conducted by BWC employees following September 30, 2021 and provided to the consultant by November 15, 2021 with a peer review to be completed by the consultant by December 1, 2021.
 2. An evaluation of estimated unpaid claim liabilities will be conducted by BWC employees following December 31, 2021 and provided to the consultant by February 15, 2022 with a peer review to be completed by the consultant by March 1, 2022.
 3. An evaluation of estimated unpaid claim liabilities will be conducted by BWC employees following September 30, 2022 and provided to the consultant by November 15, 2022 with a peer review to be completed by the consultant by December 1, 2022.
 4. An evaluation of estimated unpaid claim liabilities will be conducted by BWC employees following December 31, 2022 and provided to the consultant by February 15, 2023 with a peer review to be completed by the consultant by March 1, 2023.

The 3 yearly renewal deadlines for the peer review of estimated unpaid claim liabilities will be:

- a) as of September 30, 2023, to be completed by December 1, 2023 and as of December 31, 2023, to be completed by March 1, 2024,
- b) as of September 30, 2024, to be completed by December 1, 2024 and as of December 31, 2024 to be completed by March 1, 2025,
- c) as of September 30, 2025, to be completed by December 1, 2025 and as of December 31, 2025 to be completed by March 1, 2026.

- C. Determine the actuarial estimates on unpaid claim liabilities for the **Coal-Workers' Pneumoconiosis (Black Lung) Fund**

1. An evaluation of unpaid claim liabilities will be conducted following March 31, 2022, to be completed by June 1, 2022.
2. An evaluation of unpaid claim liabilities will be conducted following March 31, 2023, to be completed by June 1, 2023.

The 3 yearly renewal deadlines for the evaluations of unpaid claim liabilities will be:

- a) as of March 31, 2024, to be completed by June 1, 2024, and
- b) as of March 31, 2025, to be completed by June 1, 2025, and
- c) as of March 31, 2026, to be completed by June 1, 2026.

- D. Provide a statement of actuarial opinion on loss and loss adjustment expense reserves in a form specified by the BWC by September 1 of each year for management's booked reserves at June 30 of the year.
- E. Assist, as directed by the BWC, the independent accountants and their actuaries conducting the annual financial audit in any issue relating to financial evaluations.
- F. Communicate and cooperate fully with the independent auditors and their actuaries with regard to their work on, and footnote disclosures relating to, financial statement reserve amounts

determined pursuant to this RFP.

- G. Determine and provide each year a range of reasonable estimates for the projected unpaid claim liabilities for compensation (indemnity), medical costs, and compensation adjustment expenses at the end of the next fiscal year on all funds under the purview of BWC excluding Black Lung. The ranges will be provided on claims incurred by the **State Insurance Fund**, the combination of other funds (ACF, MIF, PWRE, SIEGF, and DWRF I & II), and a total of these funds as follows:

1. Using data as of March 31, 2022, provide a range of reasonable estimates for the projected unpaid claim liabilities for June 2023 to be completed by June 1, 2022
2. Using data as of March 31, 2023, provide a range of reasonable estimates for the projected unpaid claim liabilities for June 2024 to be completed by June 1, 2023

The 3 yearly renewal deadlines for the ranges of reasonable estimates will be:

- a. Using data as of March 31, 2024, provide a range of reasonable estimates for the projected unpaid claim liabilities for June 2025 to be completed by June 1, 2024
- b. Using data as of March 31, 2025, provide a range of reasonable estimates for the projected unpaid claim liabilities for June 2026 to be completed by June 1, 2025
- c. Using data as of March 31, 2026, provide a range of reasonable estimates for the projected unpaid claim liabilities for June 2027 to be completed by June 1, 2026

- H. Conduct a peer review each year of the estimates for the projected unpaid claim liabilities developed by the Actuarial Division of the BWC for compensation (indemnity), medical costs, and compensation adjustment expenses at the end of the next fiscal year on all funds under the purview of BWC excluding Black Lung. The peer review will be conducted on claims incurred by the **State Insurance Fund**, the combination of other funds (ACF, MIF, PWRE, SIEGF, and DWRF I & II), and a total of these funds as follows:

1. Peer review using data as of June 30, 2021 for the projected unpaid claim liabilities as of June 2022 provided by the Actuarial Division by August 1, 2021 and to be completed by August 15, 2021
2. Peer review using data as of June 30, 2022 for the projected unpaid claim liabilities as of June 2023 provided by the Actuarial Division by August 1, 2022 and to be completed by August 15, 2022
3. Peer review using data as of June 30, 2023 for the projected unpaid claim liabilities as of June 2024 provided by the Actuarial Division by August 1, 2023 and to be completed by August 15, 2023

The 3 yearly renewal deadlines for the peer reviews will be:

- a. Peer review using data as of June 30, 2024 for the projected unpaid claim liabilities as of June 2025 provided by the Actuarial Division by August 1, 2024 and to be completed by August 15, 2024
- b. Peer review using data as of June 30, 2025 for the projected unpaid claim liabilities as of June 2026 provided by the Actuarial Division by August 1, 2025 and to be completed by August 15, 2025
- c. Peer review using data as of June 30, 2026 for the projected unpaid claim liabilities as of June 2027 provided by the Actuarial Division by August 1, 2026 and to be completed by August 15, 2026

- I. Prepare private and public employer additional retrospective premium return projections:

- a) as of June 30, 2022, to be completed by August 22, 2022, and
- b) as of June 30, 2023, to be completed by August 21, 2023.

The 3 yearly renewals projections:

- a) as of June 30, 2024, will need to be completed by August 19, 2024, and
- b) as of June 30, 2025, needs to be completed by August 18, 2025, and
- c) as of June 30, 2026, needs to be completed by August 24, 2026.

- J. Provide one complete and final hard copy and one electronic copy (e.g. pdf format) to the BWC of any evaluations of estimated unpaid claim liabilities using data as of June. Additionally, all supporting material must be submitted to the BWC in an electronic format that can be analyzed and configured by the BWC personnel.
 - a) The draft version of the reserve evaluation must be completed by September 1, 2022 with a final version completed by September 8, 2022.
 - b) The draft version of the reserve evaluation must be completed by September 1, 2023 with a final version completed on September 8, 2023.

For the 3 yearly renewals -

- a) The draft version of the reserve evaluation in 2024 must be completed by September 1, 2024 and with a final version completed on September 8, 2024.
 - b) The draft version of the reserve evaluation in 2025 must be completed by September 1, 2025 with the final version completed on September 8, 2025.
 - c) The draft version of the reserve evaluation in 2026 must be completed by September 1, 2026 with the final version completed on September 8, 2026.
- K. Provide copies to the BWC of all fully functioning spreadsheets, including formulas, macros, databases and supporting documents developed or used in connection for all work identified within section 4.2 of this RFP.
 - L. Facilitate the transfer of data by accepting and providing files in an SFTP "SSH file transfer protocol" format designated by the BWC. The electronic files will be transmitted to the Consultant using a normally accepted business application.
 - M. Assist the Chief Actuarial Officer, Chief Financial Officer, the Actuarial Management, the Administrator, and other staff as requested. This assistance may include, but is not limited to, attendance at the BWC Executive Staff meetings and any briefings regarding matters included within the scope of section 4.2 of the RFP.
 - N. At the BWC's request, attend Workers' Compensation Board of Directors and actuarial committee meetings and make presentations on issues pertaining to evaluations of estimated unpaid claim liabilities, as required.
 - O. At the BWC's request, provide educational sessions to the Board on reserving issues.
 - P. At the BWC's request, provide a review and comment on the reserving discount rate and risk margin used in the reserve studies.
 - Q. At the BWC's request, assist in any asset-liability management studies.
 - R. At the BWC's request, estimate cash flow and liability estimates for the BWC investment consultant's asset liability study for a 10-year period based on alternative scenarios provided by the BWC or recommended by the investment consultant.
 - S. At the BWC's request, assist in the ongoing evaluation of the BWC's Individual Case Reserving

Systems. The individual case reserves may be used as appropriate for reserve evaluation purposes.

- T. At the BWC's request, attend legislative committee meetings and make presentations on reserving issues as required.
- U. At the BWC's request, analyze matters involving the administration of the State Insurance Fund including loss adjustment expenses as identified by BWC.
- V. Provide other assistance as requested pertaining to reserves.

4.3 ENTERPRISE RISK MANAGEMENT ANALYSIS

4.3.1 BACKGROUND

As part of its fiduciary responsibility, the BWC Board of Directors has defined the Simple Funding Ratio as the ratio of assets to liabilities and has issued a range of values applicable to the State Insurance Fund that serve as a guideline for where the actual Simple Funding Ratio should fall within. This range recognizes that there is inherent uncertainty in liabilities, projections, and forward-looking assumptions that require the assets held by the BWC to be sufficiently larger than the estimated liabilities so as to provide a reasonable degree of confidence that the BWC will be able to withstand reasonably foreseeable events that would adversely affect the financial position of the BWC.

A working group of key leaders of the BWC collaborate to provide recommendations to the BWC Board of Directors regarding the Simple Funding Ratio guidelines and the associated financial risks. To that end, the working group relies on actuarial consultants to:

- A. Develop an economic capital model that quantifies a wide range of financial risks to which the BWC is exposed (e.g. pricing risk, investment risk, inflation risk, reserving risk, catastrophe risk),
- B. Incorporate those risks into a holistic framework, and
- C. Provide relevant output from that model, including narrative reports to aid the BWC in understanding its exposure to financial risk and in determining appropriate steps to take to avoid or mitigate those risks, including defining suitable Simple Funding Ratio guidelines.

4.3.2 TASK DESCRIPTION

The services required for section 4.3 of the RFP commence on July 1, 2021 and continue through September 30, 2023 with the option, at the BWC's sole discretion, of three (3) – one-year long Contract renewals. The consultant will perform the following:

- A. The consultant will build an economic capital model consistent with Section 4.3.1 and annually update the parameters of the model. Model creation/update is anticipated to begin each November. The consultant will provide BWC a review of model assumptions, projections, and results on an ongoing basis to ensure BWC employees are comfortable with the model framework, methodology, assumptions, and results.
- B. The consultant will provide a final report with their findings no later than April 30 of each year. At the BWC's request, the consultant will attend the Workers' Compensation Board of Directors and actuarial committee meetings and make presentations of their findings, as required.
- C. Assist the Chief Actuarial Officer, Chief Financial Officer, the Actuarial Management, the

Administrator, and other staff as requested. This shall include, but is not limited to, attendance at the BWC Executive Staff meetings and any briefings regarding matters included within the scope of section 4.3 of the RFP.

- D. At the BWC's request, hold educational sessions to the Board on enterprise risk management topics.
- E. Provide other assistance as requested pertaining to enterprise risk management.

5.0 PROPOSAL FORMAT

To be considered, Suppliers must submit a response to this Request for Proposal in accordance with Section 3.3 of this RFP.

The Proposal should be concisely written with attention given to its readability, clarity, technical exposition, and completeness. Please complete all sections in the order they are presented in this RFP and tab the responses accordingly. Providing incomplete or misleading data may lead to disqualification of the Proposal and elimination of the Supplier from the evaluation process.

All Proposals submitted in response to this RFP will become the property of BWC and are subject to the Ohio Public Records Law. As a public record, all Proposals will be available to the public for inspection unless subject to a statutory exception from the Ohio Public Records Law.

All material submitted becomes the property of BWC and may be returned only at BWC's option. BWC reserves the right to use any or all ideas presented in response to this Request for Proposals. Selection or rejection of any given Proposal does not affect this right.

BWC is not liable for any cost incurred by a Supplier in the preparation and submission of any Proposal, or in anticipation of the award of a Contract. Moreover, BWC is not liable for any cost incurred by any Supplier prior to the execution of a Contract.

A respondent to this Request for Proposals shall include in its Proposal sufficient information to permit BWC to effectively evaluate its qualifications and services based on the information requested in Section 4.0 Scope of Services. **The Consultant may submit a Proposal for all services outlined in Section 4.0 Scope of Services or the Consultant may at their discretion submit a Proposal for one or more of the individual sections 4.1, 4.2, and/or 4.3 of this Request for Proposal. The BWC may select one Consultant for all actuarial services, but the BWC reserves the right to select one consulting firm to perform the ratemaking functions outlined in Section 4.1 *Rate and Assessment Analysis and Special Studies*, one consulting firm to perform the functions related to evaluation of actuarial reserves outlined in Section 4.2 *Actuarial Reserve Evaluation*, and one consulting firm to perform the functions related to *Enterprise Risk Management Analysis* outlined in Section 4.3 of this Request for Proposal; provided, however, the same consulting firm may be selected for one, two, or all three functions.**

These instructions describe the required format for Proposals and have been designed to ensure submission of information essential to timely evaluation and complete understanding of the content of Proposals. Proposals which do not comply with all the requirements of this RFP may be considered non-responsive. The Cost Proposal must be submitted separately (in a sealed envelope labeled Cost Proposal) from the Technical Proposal. Proposals submitted shall follow the format described below.

Each Proposal must contain the following information, chronologically in order, with tabbed sections as listed below:

5.1 COVER LETTER (Tab 1)

A cover letter, in the form of a standard business letter, is considered an integral part of the Proposal and must be signed by the individual(s) who is/are authorized to bind the Offeror contractually. The cover letter must indicate the signer is so authorized and must indicate the title or position that the signer holds in the organization. The cover letter shall also provide the name, address, telephone number and e-mail address of a contact person with authority to answer

questions regarding the Proposal along with the Section(s) outlined in Section 4.0 for which the Consultant is submitting a Proposal. *If mandatory requirements are listed in Section 1.5 of this RFP, the cover letter must also state in the affirmative that the Supplier meets each and all of the mandatory requirements of this RFP.* The cover letter shall also provide a statement that the Proposal remains valid for the term of the proposed Contract.

5.2 PROJECT PLAN SUMMARY (Tab 2)

A brief project plan summary of the Proposal and the services to be performed must be provided. The Consultant must present its understanding of the project's requirements, goals and objectives, as well as the manner in which the Consultant will fulfill these requirements. The plan summary shall demonstrate a conceptual knowledge of the tasks to be undertaken and shall include a narrative description of the proposed services that will be delivered. The summary shall also include the number of people needed by the Consultant to provide these services. Include all pertinent facts deemed necessary to respond to the specifications of this RFP.

5.3 ACTUARIAL APPROACH TO RATEMAKING, UNPAID LOSS ESTIMATION AND ENTERPRISE RISK MANAGEMENT (Tab 3)

The Consultant should describe in sufficient detail to display a working knowledge of the processes envisioned to be used in each of ratemaking, unpaid loss estimation, and enterprise risk management in this workers' compensation context, as applicable to the Section(s) in Section 4.0 for which the Consulting firm is bidding.

5.4 CONSULTANT PROFILE (Tab 4)

The Consulting firm must have at least ten years' experience in insurance and at least five years consulting/auditing and/or direct experience with workers' compensation insurers or state workers' compensation or related insurance funds. The experience should be related to the Section(s) in Section 4.0 for which the Consulting firm is bidding (i.e. ratemaking, reserving, enterprise risk management). The Consulting firm must include a staff of at least three individuals with the Fellow of the Casualty Actuarial Society (FCAS) credential with consulting and/or direct experience with workers' compensation insurers or state workers' compensation or related insurance funds. The Consulting firm should furnish information about personnel, their credentials, and references to demonstrate compliance with this minimum requirement and to permit evaluation on consultant Credentials in Section 6.4, Phase II, Item B.

5.5 PERSONNEL PROFILE FOR PROJECT TEAM (Tab 5)

5.5.1 Lead Actuary - Within the project team the Consultant assembles to perform the services required by this RFP, a lead FCAS must be designated. The lead FCAS must have at least ten years' experience in Property/Casualty insurance and at least five years consulting and/or direct experience with workers' compensation insurers or workers' compensation state insurance funds related to the scope of services Section(s) in Section 4.0 for which the Consultant is bidding. The lead FCAS must have at least five years' experience in the communication and education of actuarial issues. The lead FCAS or alternate decision-maker must be accessible by telephone, fax or in-person within one business day. The response times will be in effect at all times during the Contract period and any renewals.

5.5.2 Additional Team Members - Other team personnel must have a combined total of at least 10 years of consulting or direct experience with workers' compensation insurers or workers' compensation state insurance funds, in addition to the lead FCAS experience. The team

must include at least 1 FCAS in addition to the lead FCAS. Other team personnel must have a combined total of at least five years' experience in the communication and education of actuarial issues, in addition to the lead FCAS's experience. The Proposal should clearly outline the division of responsibility for ratemaking, reserving, and enterprise risk management to which each credentialed actuary is assigned, as applicable to the Section(s) in Section 4.0 for which the Consulting firm is bidding. While a lead actuary may reasonably be able to successfully oversee multiple service areas, project teams are expected to be assigned with minimal overlap. The ratemaking team members must have demonstrable familiarity and experience with rating plans and programs of NCCI as they relate to the classification of exposure and other actuarial items. The reserving team shall be comprised of at least two members who are qualified to sign an NAIC Statement of Actuarial Opinion on Loss and Loss Adjustment Reserves. The enterprise risk management team members must have demonstrable experience with enterprise risk management techniques and responsibilities with emphasis on economic capital modeling.

5.5.3 Team Resumes - Include resumes of the lead FCAS and all personnel who would be assigned to the project. Each resume should outline pertinent training, including educational background, professional credentials, and previous relevant experience in the property/casualty insurance industry, with particular reference to workers' compensation, and other state workers' compensation systems, with references to demonstrate compliance with these minimum requirements. Include a table for each team member showing projects worked on (company for whom service rendered), dates of service on each project, and hours worked on each project to enable BWC to determine project team experience, as defined in Section 6.4, Phase II, Item C.

5.6 PROPOSED WORK PLAN INCLUDING CONTINGENCY WORK PLAN (Tab 6)

The Consultant shall provide a proposed work plan describing the means by which the various tasks enumerated in this RFP will be accomplished. The work plan should include a description of the personnel who will be responsible for various tasks, how deadlines will be met, as well as how the Consultant will provide a plan by its lead FCAS or alternate decision-maker to comply with response time requirements. In the work plan, the Consultant should indicate those team members who will be assigned to each project and their ability to begin the work no later than July 1, 2021.

In addition, the work plan should include the number of individuals to be assigned to the project, their classification levels, the number of person-hours necessary to complete the tasks described for each Section(s) of the RFP for which the Consultant is submitting a Proposal in Sections 4.1 through 4.3 and the hourly rates for all classifications of individuals assigned to the project. Furthermore, please provide a contingency plan to allow for illness or other events that may require shifting of responsibilities to other personnel, especially in the event the lead FCAS is unavailable. For purposes of the contingency plan, please identify an appropriate alternate decision-maker to the lead FCAS.

The work plan should include details on consultant's quality control and peer review and should specify the methods used for quality control to ensure that information submitted to BWC is error free.

The work plans should display the consultant's ability to provide a project management approach and the ability to manage multiple large-scale projects simultaneously such as a reserve analysis and the preliminary efforts on a rate level analysis.

5.7 PROOF OF INSURANCE AND WORKERS' COMPENSATION COVERAGE (Tab 7)

The Offeror must provide a Certificate of Insurance (as described in Section 7.15 of RFP) as well as provide a certificate that indicates they have current Workers' Compensation coverage (as described in Section 7.14 of RFP).

5.8 CONFLICTS OF INTEREST STATEMENT (Tab 8)

The Consultant shall present a statement at the time of the submission of a Proposal that it presently has no interest and shall not acquire during the term of Contract any interest, direct or indirect, which would conflict with the performance of services which are required to be performed under the RFP. The Consultant shall affirm that no person having such interest shall be employed in the performance of the RFP. The Consultant shall likewise advise the BWC immediately in writing in the event it acquires such interest during the course of the Contract. Thereafter, such person shall not participate in any action affecting the work under the Agreement resulting from this RFP, unless the BWC shall determine that, in light of the personal interest disclosed, such person's participation in any such action would not be contrary to the public interest.

The Consultant agrees to adhere to all ethics laws contained in Chapters 102 and 2921 of the Ohio Revised Code governing ethical behavior, understands that such provisions apply to persons doing or seeking to do business with the BWC, and agrees to act in accordance with requirements of such provisions. The Consultant warrants that it has not paid and will not pay, has not given and will not give, any remuneration or thing of value directly or indirectly to the BWC or any of its Board of Directors members, officers, employees, or agents, or any third party in any of the engagements of this Contract or otherwise, including, but not limited to a finder's fee, cash solicitation fee, or a fee for consulting, lobbying or otherwise.

The Consultant warrants that it is not owned or controlled by a person who within the preceding three years was employed by BWC, a Board member of, or an officer of BWC's Board of Directors, or a person who within the preceding three years was employed by or was an officer holding a fiduciary, administrative, supervisory, or trust position, or any other position in which such person would be involved, on behalf of the person's employer, in decisions or recommendations affecting the investment policy of BWC, and in which such person would benefit by any monetary gain.

5.9 DISCLOSURE STATEMENT (Tab 9)

The Consultant must provide a completed IRS Form W-9 and a disclosure statement concerning its organizational structure, including subsidiary or parent corporations and/or organization and ownership information. This statement should disclose any contractual or financial relationship, either direct or indirect, with any firm or business, company, or corporation. The Consultant shall disclose any existing or prior relationships with the BWC and describe in detail the nature of that relationship.

Any Proposal that does not include these assurances may be deemed not responsive to the RFP.

5.10 RESPONSIBILITY (Tab 10)

The Consultant must provide the following information for the past seven years.

- a. Whether the Consultant has had a contract terminated for default or cause. If so, the Consultant must submit full details, including the other party's name, address, and telephone number.
- b. Whether the Consultant has been assessed any penalties in excess of \$10,000, including

- liquidated damages, under any of its existing or past contracts with any organization (including any governmental entity). If so, the Consultant must provide complete details, including the name of the other organization, the reason for the penalty, and the penalty amount for each incident.
- c. Whether the Consultant was the subject of any governmental action limiting the right of the Consultant to do business with that entity or any other governmental entity.
 - d. Whether trading in the stock of the company has ever been suspended with the date(s) and explanation(s).
 - e. Whether the Consultant, any officer of the Consultant, or any owner of a 20% interest or greater in the Consultant has filed bankruptcy, reorganization, a debt arrangement, moratorium, or any proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding.
 - f. Whether the Consultant, any officer of the Consultant, or any owner with a 20% interest or greater in the Consultant has been convicted of a felony or is currently under indictment on any felony charge.

If the answer to any item in (a) through (f) is affirmative, the Consultant must provide complete details about the matter. While an affirmative answer to any of these items will not automatically disqualify a Consultant from consideration, at the sole discretion of the evaluation committee, such an answer and a review of the background details may result in a rejection of the consultant's Proposal. The committee will make this decision based on its determination of the seriousness of the matter, the matter's possible impact on the consultant's performance of the work, and the best interests of the State.

5.11 SUBCONTRACTORS (Tab 11)

Provide the identity of any subcontractors and the scope of services to be provided by subcontractors. BWC reserves the right to review the credentials of the subcontractor and to approve the selection of the subcontractor in accordance with Section 7.22 of this RFP. The Consultant shall be wholly responsible for the work performed by the subcontractor.

5.12 EXPERIENCE (Tab 12)

The Supplier must demonstrate consistently successful experience in actuarial consulting services relevant to the scope of services submitted in the Proposal. Include a short summary of actuarial experience and provide evidence of experience for a minimum of three previous projects within the past five (5) years, with State of Ohio agencies, especially the BWC, and with other workers' compensation insurance carriers, both private and public.

In addition, offerors shall provide the name and description of contracts with any governmental entity in the State of Ohio, currently and within the previous twelve (12) months.

5.13 REFERENCES (Tab 13)

The Supplier must provide three names and phone numbers of references from clients. All references must provide information relative to the quality of the work product, responsiveness, and timeliness of work accomplished.

The BWC reserves the right to contact references for verification of the information submitted in the Supplier response.

5.14 CONFIDENTIALITY OF DATA (Tab 14)

The Supplier must describe how it will maintain the confidentiality and security of BWC data, in accordance with Section 7.21 of this RFP that is supplied to the Supplier to carry out its responsibilities under this Proposal. The Supplier must also identify how the data will be returned to the BWC or destroyed upon termination of the agreement.

5.15 SUPPORT REQUIREMENTS (Tab 15)

The Offeror must describe the support it wants from the BWC other than what the BWC has offered in the RFP. Specifically, the Offeror should address the following:

- a. Nature and extent of BWC support required in terms of staff roles, percentage of time available, etc.;
- b. Assistance from BWC staff and the experience/qualification level required; and
- c. Other support requirements.

The BWC may not be able or willing to provide the additional support the Offeror lists in this part of its Proposal. The Offeror must therefore indicate whether its request for additional support is a requirement for its performance. If any part of the list is a requirement, the BWC may reject the Offeror's Proposal if the BWC is unwilling or unable to meet the requirements.

5.16 ASSUMPTIONS (Tab 16)

The Offeror must provide a comprehensive listing of any and all of the assumptions that were made in preparing the Proposal. If any assumption is unacceptable to the BWC, it may be cause for rejection of the Proposal. No assumptions shall be included regarding negotiation, terms and conditions, and requirements. If Offeror has made no assumptions, a statement confirming this shall be included with the Proposal.

5.17 COST PROPOSAL

The Cost Summary must be submitted with the Offeror's Proposal as the Cost Proposal. The Offeror's total cost for the entire Project must be represented as stated in the RFP. All costs for furnishing the services must be included in the Cost Proposals. No mention of, or reference to, the Cost Proposals may be made in responses to the general, technical, performance, or support requirements of the RFP.

All prices, costs, and conditions outlined in the Proposal shall remain fixed and valid for acceptance for 180 days, starting on the due date for Proposals. The awarded Contractor must hold the accepted prices and/or costs for the entire Contract period. No price change shall be effective without prior written consent from the BWC.

NOTE: Offerors should ensure Cost Proposals are submitted separately **(in a sealed envelope labeled Cost Proposal)** from the Technical Proposals, as indicated in the Proposal Format section of this RFP (Please refer to Section 5.1 General). This information should not be included in the Technical Proposal.

The BWC shall not be liable for any costs the Offeror does not identify in its Proposal.

A. Annual Contract Costs

The Consultant must provide its development of their total estimated annual project cost, including hourly rates for professional services and estimated number of hours. The hourly rates must contain all direct and indirect costs, including all out-of-pocket expenses. As noted below, no separate charges for expenses are allowed.

Note that the first year of the Contract will run from July 1, 2021 through September 30, 2023. Each successive year will run October 1 to September 30 of the following year.

The cost Proposal should include a detailed cost exhibit as laid out in exhibits A, B, and C. Expansion of the positions to accommodate the structure of a firm is acceptable.

Items to be included in the cost exhibit:

- 1) Total fee for the engagement ending September 30 of each year segregated
 - i. by Contract year and
 - ii. major task level
 1. Rates and Special Studies,
 2. Reserves, and
 3. Enterprise Risk Management.
- 2) A total fee for each optional renewal year.
- 3) The annual cost for the special studies subsection should not exceed 100% of the annual cost for the rates subsection.

The Proposal must not include items that are not requested in this RFP.

It is contemplated that in the Contract, a total maximum annual cost figure will be established for each of the major task levels. The resulting Contract will be issued on a “not to exceed” basis at the major task level.

B. Rates of the Project Team and Hours Anticipated for Each Member

The Proposal should also include a schedule of professional fees and expenses, presented in the format provided in the attachments (Exhibit A, B, and C) that supports the hourly fee for each category for which the Consultant is submitting a Proposal. Expansion of the positions in the Exhibits to accommodate the structure of a firm is acceptable

C. Out-of-Pocket Expenses Included in the Schedule of Professional Fees and Expenses

Any travel, per diem, or other out of pocket expenses required by the selected Consultant to carry out its obligations under the Contract shall be at the consultant’s expense.

D. Manner of Payment

Progress payments will be made on the basis of actual hours of work completed during the course of the engagement incurred in accordance with the firms’ hourly fee. Interim billings shall cover a period of not less than a calendar month. Billings must be submitted to the BWC on a timely basis, no later than 15 days after the close of the month in which the work has been performed.

For each billing, an invoice with the original signatures shall be submitted to the BWC Benefits Payable unit with a copy to the Actuarial Division Chief. The invoice may be submitted electronically

in a PDF format. A copy of the invoice using Excel must be provided to the Actuarial Division for verification and processing. The invoices must designate the consultant's name, staff members involved and their positions, e.g. partner, manager, supervisor (key personnel as listed in Section 5.5) or staff, number of hours each Consultant employee worked which is being billed, cumulative hours billed for each employee, total hours being billed this invoice, cumulative hours billed per invoices to-date, hourly rate per Contract, total billing this invoice, cumulative billings to-date, and maximum Contract amount. All invoices should be addressed to the BWC Benefits Payable unit with a copy to the Actuarial Division Chief.

All invoices must certify that all amounts set forth therein are properly due and payable for work performed by the Consultant or by the specified qualified subcontractor. The final invoice shall, in addition, certify the amount paid to specified qualified subcontractor.

The BWC may inspect the records and working papers of the Consultant and of any subcontractor to determine the validity of billings before the invoices are approved. Adequate records shall be maintained by the Consultant to support all billings. Such records must be retained as specified in Section 7.17.

6.0 EVALUATION AND SELECTION PROCESS

A. Review of Proposals

BWC will individually score each Proposal on technical issues using a point formula during the review process.

After the technical score for each firm has been established, the fees will be evaluated, and additional points will be added to the technical score based on the price bid. The maximum score for price will be assigned to the firm offering the lowest hourly fee. Appropriate fractional scores will be assigned to other proposers.

BWC reserves the right to retain all Proposals submitted and use any idea in a Proposal regardless of whether that Proposal is selected.

B. Final Selection

BWC intends to grade the technical Proposal and price Proposal and arrive at a composite score for all evaluations performed. The BWC intends to then award Contract(s) based on the highest composite score achieved as a blend of technical and price considerations. However, the BWC retains the right to amend the Proposal on any basis it selects. This process will be conducted separately for ratemaking (rate and assessment analysis and special studies), actuarial reserve evaluation, and enterprise risk management. The same consultant may be selected for multiple services if they are determined to have the highest composite score for those services.

It is anticipated the firm(s) will be selected by June 1, 2021. Following notification of the firm(s) selected, it is expected a Contract will be executed between both parties. The Consultant(s) to whom the Contract is awarded will be notified of its selection by June 13, 2021.

C. Right to Reject Proposals or Single Proposal Received

Submission of a Proposal indicates acceptance by the firm of the conditions contained in this RFP. The BWC reserves the right without prejudice to reject any or all Proposals.

If only one Proposal is received, it will be evaluated by BWC to determine whether it is responsive to the RFP, is reasonable in cost, and is in the best interest of BWC. The determination of BWC is final.

6.1 EVALUATION COMMITTEE

An evaluation committee composed of BWC personnel and Board members will evaluate the Proposals. The composition of the committee will remain consistent for all responses. The evaluation committee will be responsible for documenting and tabulating the scores for all responses.

6.2 EVALUATIONS APPROACH

BWC's approach to evaluating responses to this Proposal will consist of the following four phases:

Phase I Verification of compliance by a respondent to the minimum administrative and professional requirements of the RFP.

Phase II Evaluation of the response based upon a point scale rating of the content and technical requirements.

At this point in time, respondents with less than 300 points out of 500 for Proposal Technical Requirements will be eliminated from further review.

Phase III Evaluation of the cost of the consultant's proposed Contract.

Phase IV Phone or in person interviews at the Columbus, Ohio office of the BWC with the evaluation committee for respondents who are among the top scores from the Phase III scoring.

6.3 PROPOSAL EVALUATION CRITERIA

If the Offeror provides sufficient information to BWC in Tab 1 of its Proposal, demonstrating it meets the minimum administrative and professional requirements of the RFP (Phase I of the evaluation process), the Offeror's Proposal will be included in the next part of the evaluation process. Phase II involves the scoring of the Proposal Technical Requirements. Any respondent that scores less than 300 points in the Proposed Technical Requirements will be eliminated from further review. Phase III involves scoring of the Cost Proposals. Phase IV involves interviews of the top scoring respondents. During the Proposal evaluation, BWC rates the Proposals submitted in response to this RFP based on the following listed criteria and the weight assigned to each criterion. The possible points allowed in this RFP are distributed as indicated in Table 2 - Scoring Breakdown.

TABLE 2 - SCORING BREAKDOWN

Criteria	Maximum Allowable Points
Proposal Technical Requirements	500 Points
Proposal Cost	150 Points
Interview	100 Points
Total	750 Points

6.4 SCORING THE PROPOSALS

PHASE I MINIMUM REQUIREMENTS

The first phase of the evaluation process consists of a review of all Proposals received to ensure that each Proposal meets the minimum administrative and professional requirements identified below:

Administrative Requirements

1. The Supplier must submit one (1) complete, signed, and sealed copy; seven (7) complete, sealed copies; and one (1) electronic copy on USB compatible storage device of the Proposal by the deadline.

The Supplier must include the following as described in Section 5.0 of RFP:

- Cover Letter (Section 5.1)
- Project Plan Summary (Section 5.2)
- Actuarial Approach to Ratemaking, Unpaid Loss Estimation, and Enterprise Risk Management (Section 5.3)
- Consultant Profile (Section 5.4)
- Personnel Profile for Project Team, including resumes (Section 5.5)
- Proposed Work Plan, including contingency work plan (Section 5.6)
- Proof of Insurance and Workers' Compensation Coverage (Section 5.7)
- Conflicts of Interest Statement (Section 5.8)
- Disclosure Statement (Section 5.9)
- Responsibility (Section 5.10)
- Subcontractors (Section 5.11)
- Experience (Section 5.12)
- References (Section 5.13)
- Confidentiality of Data (Section 5.14)
- Support Requirements (Section 5.15)
- Assumptions (Section 5.16)
- Cost Proposal, including completion of exhibits A, B, and C (Section 5.17)

Professional Requirements

Consulting Firm

1. Consulting firm has at least ten years' experience in insurance and at least five years consulting and/or direct experience with workers' compensation insurers or workers' compensation state insurance funds.
2. Consulting firm includes staff of at least three FCAS with consulting and/or direct experience with workers' compensation insurers or workers' compensation state insurance funds in the area of service for which the Consulting firm is bidding.

Project Lead

1. The lead FCAS has at least ten years' experience in the insurance industry and at least five years consulting experience with workers' compensation insurers or workers' compensation state insurance funds, with specific emphasis to ratemaking, unpaid loss estimation, or

- enterprise risk management experience for which the Project Lead will oversee.
2. The lead FCAS has at least five years' experience in the communication and education of actuarial issues.

Project Team

1. The Team includes, in addition to the lead FCAS, other persons with a combined total of at least 10 years consulting and/or direct experience with workers' compensation insurers or workers' compensation state insurance funds, in addition to the experience of the lead FCAS.
2. The Team includes at least one FCAS in addition to the lead FCAS.
3. The Team includes persons with a combined total of at least five years' experience in the communication and education of actuarial issues, in addition to the experience of the lead FCAS.
4. The Team has demonstrable familiarity and experience with the ratemaking, unpaid loss estimation, or enterprise risk management services to which the team will be assigned.
5. The Ratemaking Team has demonstrable familiarity and experience with the functions and duties of the NCCI as they relate to the classification of exposure and other actuarial items and workers' compensation residual market mechanisms. The Reserving Team has at least two members who can sign an NAIC Statement of Actuarial Opinion on Loss and Loss Adjustment Reserves. The ERM Team has demonstrable experience with techniques and responsibilities related to enterprise risk management.
6. Provide a list of subcontractors, their credentials, and the scope and services to be provided by the subcontractors.

Proposal Rejection Criteria

The following list details some of the most common submission errors that may be grounds for rejection of a Proposal.

- Failure to sign the one original copy of the Proposal;
- Failure to identify RFP name and Bid Number "BWCB21002 Actuarial Consulting Services" on the outside of package;
- Failure to submit one (1) original, seven (7) copies, and one (1) electronic copy on a USB compatible storage device of the Proposal for evaluation purposes;
- Failure to meet the deadline for submission;
- Claiming that the entire contents of a Proposal qualifies for an exception to Ohio public records law;
- Mailing the Proposal with insufficient postage; and,
- Taking exception to mandatory technical terms, conditions, and requirements of the Contract.

Proposals that have been determined not to have met one or more of any mandatory requirements will be excluded from any further consideration or scoring.

PHASE II POINT SCALE RATING

Proposals that have met the minimum requirements will undergo detailed evaluation based upon a point scale rating of the content and technical requirements. A maximum point value has been assigned to each requirement. An evaluator will assign a score, from zero to the maximum score available, depending on the supplier's response to the requirement. The maximum points totaled for all eight categories listed below are 500 points. A Proposal not achieving a point total of 300 will not proceed to Phase III of the process.

Category	Maximum Ratemaking Points	Maximum Reserving Points	Maximum ERM Points
Consulting Firm Credentials	50	50	50
Project Team Credentials and Composition	50	50	50
Project Team Experience	100	100	100
Project Team References	50	50	50
Project Team Responsiveness, Flexibility, Availability	30	30	30
Project Plan	60	60	60
Actuarial Approach	100	100	100
Sample Reports	60	60	60
Total	500	500	500

A. Consulting Firm Credentials

50 Points

The evaluation for Consulting Firm Credentials consists of scoring for both the number of FCAS of the U.S. staff and the total members of the U.S. staff. This score will be applied to all Proposals, regardless of the Scope of Services for which they submit.

- a. In the subcategory of the number of FCAS within the U.S. staff, 25 points will be awarded to a consultant with 10 or more FCAS within its U.S. staff, and 10 points will be awarded to a consultant with between 5 and 10 FCAS within its U.S. staff.
- b. In the subcategory of total members of the U.S. staff, if at least 50% are credentialed (i.e. if 25 or more, at least 13 must be credentialed FCAS or ACAS), 25 points will be awarded to a consultant with 25 or more FCAS, ACAS, actuarial students, and technical support (excluding clerical support) within its U.S. staff, and 15 points will be awarded if the U.S. staff is in the range of 15 to 24 members. If less than 50% of the U.S. staff are credentialed, 10 points will be awarded to a consultant with 25 or more members within its U.S. staff.

B. Project Team Credentials and Composition

50 Points

The evaluation for Project Team Credentials and Composition consists of scoring for the number of FCAS on the Project Team. The Proposal should clearly outline the division of responsibility for ratemaking, unpaid loss estimation, and enterprise risk management to which each credentialed actuary is assigned. While a lead actuary may reasonably be able to successfully oversee multiple service areas, project teams are expected to be assigned with minimal overlap.

In the subcategory of the number of FCAS on the Project Team, 50 points will be awarded to a consultant with 4 or more FCAS on its team, 30 points will be awarded to a consultant with 3 FCAS on its team, and 15 points will be awarded to consultant with 2 FCAS on its team. In scoring this section, two team members with the ACAS credential will count as one FCAS.

C. Project Team Experience

100 Points

The evaluation for Project Team Experience consists of scoring both for direct experience and for consulting projects (ratemaking, reserving, and enterprise risk management as appropriate)

in the last ten years with workers' compensation state funds or private insurers with \$500 million and greater in annual workers' compensation premiums written. As an insurance operation with approximately \$1.3 billion in annual written premiums and assessments, the BWC desires a Consultant with a project team of persons having significant, visible, and substantial involvement with very large workers' compensation funds or private insurers with workers' compensation exposure.

To receive credit for a company-year, a person must have worked at least 250 hours on ratemaking, reserving, or enterprise risk management activities as an employee of that insurance operation in a given calendar year, or must have spent at least 250 hours on a ratemaking, reserving, or enterprise risk management consulting project for an insurance operation in a given calendar year.

In scoring for Project Team Experience, excluding the lead consultant and including the 5 most senior staff members, points will be awarded as follows: two (2) points for every year of qualifying experience up to 10 years or 20 points per staff for a total of 100 points.

D. Project Team References

50 Points

The evaluation for Project Team References consists of scoring up to a maximum of 50 points for positive references regarding actuarial consulting experience with the BWC and other workers' compensation carriers, both public and private, in the last ten years.

E. Project Team Responsiveness, Flexibility and Availability

30 Points

The evaluation of Project Team Responsiveness, Flexibility, and Availability consists of scoring up to a maximum of 30 points based on the consultant's ability to support in a timely and effective manner the major challenges facing the BWC (scope and unique aspects of ratemaking, reserving, and enterprise risk management tasks, culture change, vision, mission, legislative mandates, migration of actuarial functions to in-house, NCCI classification use, claims operations changes, managed care initiatives, etc.) as demonstrated through the RFP submission, especially work plan descriptions.

F. Project Plan Summary

60 Points

A total 60 points will be awarded for a complete and concise project plans that includes a list of major tasks with timelines including start and finish dates. The project plan should clearly outline the division of tasks separately for ratemaking, unpaid loss estimation, and enterprise risk management.

G. Actuarial Approach

100 Points

A total of 100 points will be awarded based upon the clear, concise, yet thorough description of the actuarial approaches to ratemaking, unpaid loss estimation, and enterprise risk management in a workers' compensation context. The description pertaining to unpaid loss estimation should cover both the actuarial approach to reserving and the actuarial approach to peer reviews.

H. Sample Reports

60 Points

The respondent should submit samples of their typical work product in each of the ratemaking, unpaid loss estimation, and enterprise risk management contexts to which they are responding. A total of 60 points will be awarded based upon the clear, concise, yet thorough description and exhibits in the ratemaking, unpaid loss estimation, and enterprise risk management contexts. The reports should demonstrate the consultant's efforts in compliance with the actuarial standards of practice.

A Proposal not achieving a point total of 300 in Phase II will not proceed to Phase III of the process.

PHASE III COST

Cost

150 Points

The evaluation for cost consists of scoring the cost of the proposed consulting Contract in relation to the average of costs for all suppliers. The costs will be evaluated separately for ratemaking, unpaid loss estimation, and enterprise risk management. The calculation of the points from the cost is as follows:

Average cost is the average of the total proposed cost to the BWC of all suppliers.

Maximum Raw Cost Score is the largest Raw Cost Score of all suppliers who have reached this stage of the process. Offerors not meeting the 300-point threshold in the Phase II scoring will not be included in the averaging process.

Cost

Raw Cost Score = $[50 \times (\text{Average Cost} - \text{Supplier Cost}) / \text{Average Cost}] + 50$

Points = Raw Cost Score X150/ Maximum Raw Cost Score

At most, the top 3 Proposals in the scoring process through Phase III will be invited to participate in the interview process for each of ratemaking, unpaid cost estimation, and enterprise risk management.

PHASE IV INTERVIEW

Interview

100 Points

The sum of the scores from Phase II and Phase III will determine the top respondents to be invited to participate in a structured interview with the Evaluation Committee. The Evaluation committee will have the option to interview the representatives of the actuarial consultant with a maximum scoring opportunity of up to 100 points. The Evaluation Committee's decision to conduct interviews is final and will be based on the completeness of the Proposals. If interviews are conducted, all consultants eligible for consideration will be interviewed.

The interview will consist of a brief presentation of the consultant's Proposal including highlighting the consultant's experience and background in handling similar tasks to those identified in the RFP. In addition, a pre-established set of interview questions will be provided to all consultants invited to an interview prior to the actual interview.

6.5 CONTRACT NEGOTIATIONS

The final phase of the evaluation process may be Contract negotiations. Negotiations will be scheduled at BWC's convenience. The selected Supplier(s) are expected to negotiate in good faith.

Negotiations may be conducted with any Supplier who submits a competitive Proposal, but BWC may limit discussions to specific aspects of the RFP. Any clarifications, corrections, or negotiated revisions that may occur during the negotiations phase will be reduced to writing and incorporated in the RFP or the supplier's Proposal, as appropriate. Any Supplier whose response continues to be competitive will be accorded fair and equal treatment with respect to any clarification, correction, or revision of the RFP, and will be given the opportunity to negotiate revisions to its Proposal based on the amended RFP. Should the evaluation process have resulted in a top-ranked Proposal, BWC may limit negotiations to only that Supplier and not hold negotiations with any lower-ranking Supplier. If negotiations are unsuccessful with the top-ranked Supplier, BWC may then go down the line of remaining suppliers, according to rank, and negotiate with the next highest-ranking Supplier. Lower-ranking suppliers do not have a right to participate in negotiations conducted in such a manner.

If BWC decides to negotiate with all the remaining suppliers, or decides that negotiations with the top-ranked Supplier are not satisfactory and negotiates with one or more of the lower-ranking suppliers, BWC will then determine if an adjustment in the ranking of the remaining suppliers is appropriate based on the negotiations. The Contract award, if any, will then be based on the final ranking of suppliers, as adjusted.

Auction techniques that reveal one supplier's price to another or disclose any other material information derived from competing Proposals are prohibited. Any oral modification of a Proposal will be reduced to writing by the Supplier as described below.

Following negotiations, BWC may set a date and time for the submission of best and final Proposals by the remaining Supplier(s) with which BWC conducted negotiations. If negotiations were limited and all changes were reduced to signed writings during negotiations, BWC need not require the submissions of best and final Proposals.

If best and final Proposals are required, they may be submitted only once; unless BWC makes a written determination that it is in BWC's interest to conduct additional negotiations. In such cases, BWC may require another submission of best and final Proposals. Otherwise, discussion of or changes in the best and final Proposals will not be allowed. If a Supplier does not submit a best and final Proposal, the supplier's previous Proposal will be considered the supplier's best and final Proposal.

It is entirely within BWC's discretion whether to permit negotiations. A Supplier must not submit a Proposal assuming that there will be an opportunity to negotiate any aspect of the Proposal. BWC is free to limit negotiations to particular aspects of any Proposal, to limit the suppliers with whom BWC wants to negotiate, and to dispense with negotiations entirely.

BWC generally will not rank negotiations. The negotiations will normally be held to correct deficiencies in the top-scoring supplier's Proposal. If negotiations fail with the top-scoring Supplier, BWC may negotiate with the next Supplier in ranking. Alternatively, BWC may decide that it is in BWC's interests to negotiate with all the remaining suppliers to determine if negotiations lead to an adjustment in the ranking of the remaining suppliers.

From the opening of the Proposals to the award of the Contract, everyone working on behalf of BWC to evaluate the Proposals will seek to limit access to information contained in the Proposals solely to those people with a need to know the information. They will also seek to keep this information away from other suppliers, and the evaluation committee will not be allowed to tell one Supplier about the contents of another supplier's Proposal in order to gain a negotiating advantage.

Before the award of the Contract or cancellation of the RFP, any Supplier that seeks to gain access to the contents of another supplier's Proposal may be disqualified from further consideration.

Negotiated changes will be reduced to writing and become a part of the Contract file open to inspection to the public. The written changes will be drafted and signed by the Supplier and submitted to BWC within five (5) business days. If BWC accepts the change, BWC will give the Supplier written notice of BWC's acceptance. The negotiated changes to the successful offer will become a part of the Contract.

Failure to Negotiate: If a Supplier fails to provide the necessary information for negotiations in a timely manner, or fails to negotiate in good faith, BWC may terminate negotiations with that Supplier.

6.6 AWARD OF CONTRACT PROCEDURE

The overall point score for those Proposals scored in Phases II, III, and IV will determine the selected Supplier. All suppliers shall be notified of the selection decision. No information will be released by BWC until the official announcement of the award. All offers tendered in response to this RFP shall remain open for a period of 180 days from the date upon which Proposals submitted in response hereto are due.

BWC reserves the right to reject any and all Proposals received in response to this RFP. The evaluation committee may waive minor defects that are not material when no prejudice will result to the rights of any other suppliers, the public, or BWC.

BWC will provide the successful Supplier(s) a Contract for execution based on the draft in Section 8.0 of this RFP. If the Supplier fails to execute such Contract within a reasonable time, BWC reserves the right to reject the Proposal and award the Contract to the next highest scoring Supplier until a Contract is negotiated, or BWC decides not to Contract.

If BWC awards a Contract pursuant to this RFP, and the Supplier is unable or unwilling to perform the work within a reasonable time after the Contract award under the terms and conditions of the RFP, BWC reserves the right to deem the inability or unwillingness to perform the work to be a withdrawal of that supplier's Proposal and BWC may evaluate any remaining Proposals for award of the Contract.

If the selected Supplier changes its business organization or identity from that described in its Proposal before the Contract is signed by both parties or before work pursuant to the Contract commences, that change may be deemed a material change in circumstances by BWC (for example, if the Supplier was selected based in part on its experience, corporate structure, financial responsibility or conflicts of interest, which factors have changed). BWC may withdraw the Contract award or BWC may declare the Contract void ab initio and BWC may select the next highest scoring Supplier for a Contract under this RFP.

7.0 TERMS AND CONDITIONS

7.1 GENERAL

BY SUBMITTING A PROPOSAL, THE SUPPLIER ACKNOWLEDGES THAT IT HAS READ THE RFP, UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS REQUIREMENTS, TERMS AND CONDITIONS. BWC RESERVES THE RIGHT TO REJECT ANY AND ALL PROPOSALS THAT TAKE EXCEPTION TO THE TERMS AND CONDITIONS OF THE RFP OR THAT FAIL TO MEET THE TERMS AND CONDITIONS, INCLUDING BUT NOT LIMITED TO, STANDARDS, SPECIFICATIONS AND REQUIREMENTS AS SPECIFIED IN THE RFP. FURTHERMORE, BWC RESERVES THE RIGHT TO REFUSE ANY PROPOSAL NOT PROPERLY SUBMITTED IN ACCORDANCE WITH THE REQUIREMENTS OF THIS RFP. BWC RESERVES THE RIGHT TO REJECT THE SELECTED PROPOSAL AT ANY TIME PRIOR TO EXECUTION OF A CONTRACT.

Headings in this RFP are for convenience only and shall not affect the interpretation of any of the terms and conditions contained in the RFP.

7.2 EXPENSES

BWC shall not be required to pay for or reimburse Supplier for any travel or other expenses incurred or paid by Supplier in connection with the performance of services. The payment of such expenses is the sole responsibility of Supplier and not the responsibility of BWC.

7.3 RESULTING CONTRACT

Any Contract resulting from the RFP shall consist of this RFP and any written addenda issued by BWC, the selected Proposal and the executed Contract. If there is any conflict between the Request for Proposals and the selected Proposal, the Request for Proposals controls.

BWC and the successful Supplier shall execute a Contract based on the terms of this RFP and mutually agreed to by the parties, provided that any Contract executed shall incorporate and shall be consistent with the terms of this RFP, any written addenda issued by BWC, and the selected Proposal, and shall be in compliance with Ohio law. If the Supplier fails to execute such Contract within a reasonable time, BWC reserves the right to reject the Proposal and award the Contract to the next highest scoring Supplier until a Contract is negotiated, or BWC decides not to Contract.

The term of the Contract shall commence on or about the date the Contract is executed. The Contract will have an initial term of two (2) years and three (3) months and can be renewed for three (3) additional one (1) year terms at the sole and exclusive option of the BWC.

BWC shall incur no liability should it choose not to exercise its exclusive option to renew the Contract.

7.4 CONTRACT COMPLIANCE

During the term of this Contract, the BWC shall be responsible for monitoring the Supplier's performance and compliance with the terms and conditions of the Contract. It is specifically understood that the nature of the services to be rendered pursuant to any Contract resulting from this RFP are of such a nature that BWC is the sole judge of the adequacy of such services.

7.5 CONTRACT TERMINATION

If for any reason the Supplier fails to fulfill its obligations under the Contract in a timely and professional manner, or if the Supplier violates any of the covenants, agreements, or stipulations of the Contract or applicable Ohio statutes, BWC shall have the right to terminate the Contract. In the event that BWC executes its right to terminate the Contract, the Supplier shall not be relieved of any liability for damages sustained by BWC by virtue of any breach by the Supplier, and BWC may withhold any payment due to the Supplier, whether the payment is due to the Supplier under the Contract or otherwise, for the purpose of set off until such time as damages to BWC are determined.

7.6 TERMINATION FOR CONVENIENCE

Notwithstanding Section 7.5, above, BWC may terminate the Contract for convenience by giving not less than thirty (30) days' notice to the Supplier, in writing, of its intent to so terminate for convenience and the effective date of such termination. In the event that termination under this provision is elected, the Supplier shall receive payment for work satisfactorily performed as determined by BWC to the date of termination.

7.7 GOVERNING LAW

The validity, construction and performance of any Contract resulting from this RFP and the legal relations among the parties to any such Contract shall be governed by and construed in accordance with the laws of the State of Ohio. Any and all disputes arising under any Contract resulting from this RFP shall be governed by the laws of the State of Ohio, and the parties agree to submit exclusively and irrevocably to the jurisdiction of the Ohio Court of Claims in any and all disputes arising under the Contract.

7.8 COMPLIANCE WITH APPLICABLE LAWS

The Supplier agrees to comply with all applicable federal, state, and local laws in the conduct of the work hereunder. The Supplier accepts full responsibility for payment of all taxes and insurance including workers' compensation insurance premiums, unemployment compensation insurance premiums, all income tax deductions, social security deductions, and any and all other taxes or payroll deductions required for all employees engaged by the Supplier in the performance of the work authorized by this Contract. BWC does not agree to pay any taxes. Failure to have workers' compensation or other required insurance in accordance with the RFP may cause BWC to terminate any resulting Contract at BWC's sole discretion.

7.9 PUBLICITY

Any use or reference to this RFP by the Supplier to promote, solicit, or disseminate information regarding the scope of the Contract is prohibited, unless otherwise agreed to in writing by BWC. BWC agrees to be used as a reference by the selected Supplier in other State of Ohio competitive bid situations.

7.10 NON-DISCRIMINATION

The Supplier will comply with all state and federal laws regarding equal employment opportunity and fair labor and employment practices, including Ohio Revised Code Section 125.111 and all related Executive Orders.

Before a Contract can be awarded or renewed, Supplier must submit an Affirmative Action Program Verification Form to the DAS Equal Opportunity Division to comply with the Ohio affirmative action requirements. Affirmative Action Verification Forms and approved Affirmative Action Plans can be found by contacting the Equal Opportunity Division or viewing the Equal Opportunity Division's web site:

<http://das.ohio.gov/Divisions/EqualOpportunity/AffirmativeActionProgramVerification/tabid/133/Default.aspx>

The State encourages the Supplier to purchase goods and services from Minority Business Enterprise (MBE) and Encouraging Diversity, Growth and Equity (EDGE) suppliers.

7.11 SUPPLIER'S LIABILITY

The selected Supplier shall be responsible for all direct damages due to the Supplier's fault or negligence up to the Contract Amount. The Supplier shall not be liable for any direct damages in excess of the Contract Amount, except for damages resulting from the Supplier's bad faith or intentional misconduct. In no event shall either party be liable to the other party for any indirect, consequential, incidental, special, or punitive damages, or lost profits.

7.12 CONDITIONS PRECEDENT

It is expressly understood by the parties that the Contract is not binding on BWC until such time as all necessary funds are made available and forthcoming from the appropriate State agencies, and such expenditure of funds is approved by the Administrator. No Contract shall be binding upon either party until receipt by the contracting Supplier of a copy of a fully executed Contract, and compliance with any and all conditions precedent.

7.13 METHOD OF REMUNERATION AND BILLING PROCEDURES

Upon delivery of goods or performance of the service, as described on any purchase order placed against the Contract awarded, the Consultant shall submit hard copy (in duplicate) invoices directly to BWC Benefits Payable, 30 West Spring Street, Level 24, Columbus, OH 43215 with a copy sent to the Actuarial Director. A proper invoice is defined as being free from defects, discrepancies, errors, or other improprieties and shall include, but may not be limited to:

- * Supplier's name and address as designated in the RFP;
- * Supplier's federal employer identification (E.I.) number;
- * The purchase order number authorizing the purchase of services;
- * Description, including time period (date received and date reported), of services delivered or rendered as specified in the purchase order.

Invoices for monthly services should be submitted to the BWC within 15 calendar days of the closing of the monthly period. Defective invoices shall be returned to the Consultant noting areas for correction. When such notification of defect is sent, the required payment date shall be thirty (30) days after receipt of the corrected invoice.

Section 126.30 of the Ohio Revised Code, and any applicable rules thereto, are applicable to any resulting Contract and require payment of interest if, upon receipt of a proper invoice, payment is not made within thirty (30) calendar days, unless otherwise agreed in writing. The interest charge shall be at the rate per calendar month which equals one-twelfth of the rate per annum prescribed by Section 5703.47 of the Ohio Revised Code, unless this calculation yields an amount less than ten dollars (\$10.00) in which case no interest shall be paid. In the event that the BWC does fail to make prompt payment, the Consultant is entitled to the interest allowed by law. In no event shall such failure to make prompt payment be deemed a default or breach of Contract on the part of the BWC.

By signing the Contract, the selected Consultant agrees to receive payment by means of electronic fund transfers, "EFT". The BWC agrees to send to the selected Consultant an Authorization Agreement for Automatic Deposit of State Warrants for the selected Consultant to complete and to file with the Auditor of State, providing the information needed to enable EFT payment. It is the consultant's responsibility to complete and to submit the Authorization Agreement for Automatic Deposit of State Warrant immediately upon receipt of a purchase order and signed Contract under this RFP.

Payment shall be made to the Consultant, in the firm's Federal E.I. number, as provided for in the response to the RFP. The date the EFT payment is issued shall be considered the date payment is made. Payment shall not be initiated before a proper invoice is received by the BWC.

7.14 WORKERS' COMPENSATION INSURANCE

Before a Contract can be awarded or renewed, the Supplier shall submit a copy of the certificate proving that the Supplier and its agents are covered by workers' compensation insurance and shall remain covered during the term of the Contract. The Supplier is responsible for ensuring contractually that any subcontractors maintain workers' compensation insurance at all times during the term of the Contract.

Failure to maintain coverage at any time during the term of any Contract resulting from this RFP shall be deemed a material breach of the Contract. Such failure may cause BWC to terminate the Contract at BWC's sole discretion.

If it is discovered after the Contract has been awarded that the Supplier was not in compliance with applicable law requiring participation in the workers' compensation system on the date the Contract was awarded, the Contract will be declared "void ab initio." BWC will not pay for any services rendered or goods delivered under the Contract and the Supplier must immediately repay to BWC any funds paid under the Contract.

7.15 OTHER INSURANCE

Before a Contract can be awarded or renewed, the Supplier shall provide proof of insurance coverage as set out in this section. The intent of the required insurance is to protect the Fund and the state of Ohio from any claims, suits, actions, costs, damages, or expenses arising from any negligent or intentional act or omission of the Supplier or subcontractor, or their agents, while performing under the terms of any Contract resulting from this RFP.

The Supplier shall provide proof of insurance coverage, and such insurance coverage shall be maintained in full force and effect during the term of the Contract, as follows:

The Supplier shall keep in effect during the term of this Contract general commercial and professional liability insurance with limits of not less than \$1,000,000 for any one occurrence.

Insurance policies shall be endorsed to contain a clause providing that 30 days prior written notice of cancellation, non-renewal or decrease in coverage shall be given to BWC.

The Supplier shall furnish a Certificate(s) of Insurance to BWC for each of the required coverages evidencing insurance from an insurance carrier, or carriers, authorized to do business in the State of Ohio. The certificate(s) must be in a form that is reasonably satisfactory to BWC as to the contents of the policies and the quality of the insurance carriers. All carriers must have at least an "A-" rating by A.M. Best.

Failure to maintain required liability coverage at any time during the term of any Contract resulting from this RFP shall be deemed a material breach of the Contract. Such failure may cause BWC to immediately terminate the Contract at BWC's sole discretion.

7.16 DEFAULT BY SUPPLIER

BWC declares and the Supplier acknowledges that BWC may suffer damages due to the failure of the Supplier to act in accordance with the requirements, terms, and conditions of the Contract. BWC declares and the Supplier agrees that such failure shall constitute an event of default on the part of the Supplier. The Supplier agrees that if BWC does not give prompt notice of such a failure, that BWC has not waived any of its rights or remedies concerning the failure by the Supplier.

7.17 RECORDS RETENTION AND INSPECTION OF TIME RECORDS AND WORK PAPERS

During the term of any Contract resulting from this RFP and until the expiration of three (3) years after final payment under any such Contract, the Supplier shall create, maintain, and provide BWC and/or its duly authorized representatives with access to, and the right to examine, any books, documents, papers, and records of the Supplier that adequately document and fully substantiate the validity of supplier's reimbursement for work performed under the Contract.

For each subcontract in excess of \$2,500.00, the Supplier shall require its subcontractors to agree to the provisions of this section on record-keeping.

7.18 OHIO ELECTIONS LAW

The Supplier hereby certifies that no applicable party listed in Divisions (I), (J), (Y) and (Z) of O.R.C. Section 3517.13 has made contributions in excess of the limitations specified under Divisions (I), (J), (Y) and (Z) of O.R.C. Section 3517.13.

7.19 DRUG-FREE WORKPLACE

The Supplier agrees to comply with all applicable state and federal laws regarding drug-free workplace. The Supplier shall make a good faith effort to ensure that all of its employees, if working on state property, will not purchase, use or possess illegal drugs or alcohol or abuse prescription drugs in any way.

7.20 INTELLECTUAL PROPERTY

All customized materials, surveys, analysis, software, documentation, deliverables, and reports developed for BWC by the Supplier during the course of its work under any Contract resulting from this RFP shall become the property of BWC as work-made-for-hire. BWC shall have an unrestricted right to reproduce, distribute, modify, maintain and use those customized materials, surveys, analysis, software, documentation, deliverables, and reports, and the Supplier shall not obtain copyright, patent or other proprietary protection for these items.

7.21 CONFIDENTIALITY

The Supplier agrees to keep all data, information and documents furnished by BWC under the Contract in strict confidence. The Supplier agrees to use any confidential information to which it has access during the work under the Contract only for the purpose of completing work under the Contract. Further, the Supplier agrees to use the same degree of care that it uses to protect its own confidential, trade secret or proprietary information from unauthorized disclosure, but in no event less than a reasonable degree of care.

7.22 ASSIGNMENT AND SUBCONTRACTING

The Supplier will not assign any of its rights nor delegate any of its duties and responsibilities under this Agreement without prior written consent of the Bureau. Any assignment or delegation not consented to may be deemed void by the Bureau. However, the Bureau's approval will not serve to modify or abrogate the responsibility of the Supplier for the acts, omissions, nonfeasance, malfeasance, or misfeasance of any and all subcontractors.

If the Supplier changes its business organization or identity from that described in its Proposal before the Contract is signed by both parties or before work pursuant to the Contract commences, that change may be deemed a material change by the BWC, if the Supplier was selected based in part on its experience, corporate structure, responsibility or conflicts of interest, which factors have changed. The BWC may withdraw the Contract award or it may declare the Contract "void ab initio" and may select another finalist for a Contract under this RFP.

If the Supplier changes its business organization or identity from that described in its quote at any time after work pursuant to the Contract commences, the Supplier must immediately notify the BWC of the change and that change may be deemed a material change by the BWC, and may be deemed grounds for terminating the Contract under this RFP.

7.23 UNRESOLVED FINDING FOR RECOVERY

The Supplier warrants that it is not subject to any unresolved finding for recovery issued by the Auditor of State within the meaning of Ohio Revised Code Section 9.24; provided, however that if the Supplier is subject to a finding for recovery pursuant to Section 9.24 (A) and the Supplier qualifies for and has taken the necessary steps to resolve the finding for recovery pursuant to Section 9.24 (B), the Supplier must provide BWC with specific documentation regarding the resolution prior to the award of the Contract under this RFP. If it is discovered after the Contract has been awarded that the Supplier was subject to an unresolved finding for recovery on the date the Contract was awarded, the Contract will be declared "void ab initio", and BWC will not pay for any services rendered or goods delivered under the Contract.

7.24 NO SECONDARY INTERESTS

The Supplier represents and warrants that in the event of Supplier's referral to BWC to any third party to sell, license, or furnish hardware, software, services, or other items to BWC, such referral shall not result in any such third party's payment to the Supplier (or to any partner, director, principal or affiliate thereof) of any monetary consideration, referral fee, finder's fee or anything else of value. For breach of the above warranty, the Supplier shall promptly pay to BWC the full amount (or cash equivalent) of the consideration received from the third party for the referral.

The Supplier represents and warrants that the work to be performed under this RFP will be a complete work product, not requiring any subsequent, additional purchase from the Supplier.

7.25 CONFLICTS OF INTEREST AND ETHICS COMPLIANCE CERTIFICATION

Supplier affirms that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict, in any manner or degree, with the performance of services which are required to be performed under any resulting Contract. In addition, Supplier affirms that a person who is or may become an agent of Supplier, not having such interest upon execution of this Contract shall likewise advise the BWC in the event it acquires such interest during the course of this Contract.

Supplier agrees to adhere to all ethics laws contained in Chapters 102 and 2921 of the Ohio Revised Code governing ethical behavior, understands that such provisions apply to persons doing or seeking to do business with the BWC, and agrees to act in accordance with the requirements of such provisions; and warrants that it has not paid and will not pay, has not given and will not give, any remuneration or thing of value directly or indirectly to the BWC or any of its board members, officers, employees, or agents, or any third party in any of the engagements of this Agreement or otherwise, including, but not limited to a finder's fee, cash solicitation fee, or a fee for consulting, lobbying or otherwise.

Supplier warrants that it is not owned or controlled by a person who within the preceding three years was employed by BWC, a Board member of, or an officer of BWC's Board of Directors, or a person who within the preceding three years was employed by or was an officer holding a fiduciary, administrative, supervisory, or trust position, or any other position in which such person would be involved, on behalf of the person's employer, in decisions or recommendations affecting the investment policy of BWC, and in which such person would benefit by any monetary gain.

7.26 PROHIBITION OF THE EXPENDITURE OF PUBLIC FUNDS FOR OFFSHORE SERVICES

Pursuant to Executive Order 2019-12D, no State Cabinet, Agency, Board or Commission will enter into any contract to purchase services provided outside the United States or that allows State data to be sent, taken, accessed, tested, maintained, backed-up, stored, or made available remotely outside (located) of the United States. Notwithstanding any other terms of this Contract, the State reserves the right to recover any funds paid for services the Supplier performs outside of the United States for which it did not receive a waiver. The State does not waive any other rights and remedies provided the State in the Contract. Executive Order 2019-12D is available at the following website:

https://procure.ohio.gov/PDF/EO2019-12D/EO_2019-12D2_Offshore.pdf

The Supplier must complete the Contractor/Subcontractor Affirmation and Disclosure form affirming the Supplier understands and will meet the requirements of the above prohibition. During the performance of this Contract, the Supplier must not change the location(s) disclosed on the

Affirmation and Disclosure Form, unless a duly signed waiver from the State has been attained to perform the services outside the United States. The Contractor/Subcontractor Affirmation and Disclosure form is available at the following website:

<https://procure.ohio.gov/PDF/EO2019-12D/02-Standard%20Affirmation%20and%20Disclosure%20Form.pdf>

7.27 INDEPENDENT CONTRACTOR RELATIONSHIP

It is mutually understood and agreed that the Supplier is at all times acting as an independent contractor in performing services under any Contract resulting from this RFP and shall not be considered a public employee for the purpose of Ohio Public Employees Retirement System (OPERS) benefits. Supplier shall be responsible for compliance with all laws, rules, regulations involving, but not limited to, employment of labor, hours of labor, health and safety, working conditions and payment of wages. The persons provided by the Supplier shall be solely the supplier's employees and shall not be considered public employees for the purpose of OPERS benefits, or employees of BWC. The Supplier shall be responsible for payment of federal, state, and municipal taxes and costs such as social security, unemployment, workers' compensation, disability insurance, and federal and state withholding with respect to its employees.

7.28 DEBARMENT

Supplier represents and warrants that it is not debarred from consideration for Contract awards by the Director of the Department of Administrative Services, pursuant to either Ohio Revised Code Section 153.02 or Ohio Revised Code Section 125.25. If this representation and warranty is found to be false, the Contract will be declared "void ab initio" and Supplier shall immediately repay to BWC any funds paid under the Contract.

7.29 BOYCOTTING

Pursuant to Ohio Revised Code 9.76(B), Supplier warrants that Supplier is not boycotting any jurisdiction with whom the State of Ohio can enjoy open trade, including Israel, and will not do so during the contract period.

7.30 SEVERABILITY

If for any reason any provision of any Contract resulting from this RFP or the application of any such provision shall be held by a court of competent jurisdiction to be void, invalid, unenforceable, or contrary to law, the remaining provisions of the Contract shall remain in full force and effect.

7.31 FORCE MAJEURE

Neither the supplier nor BWC shall be liable to the other for any delay or failure of performance of any provisions contained in any Contract resulting from this RFP, to the extent that such delay or failure is caused by any Act of God or other such cause that could not be reasonably foreseen in the exercise of ordinary care, and that is beyond the reasonable control of the party affected, and that the party is unable to prevent, including but not limited to: earthquake, fire, storms, tornadoes, floods, or other severe weather disturbances; epidemics; explosions; civil disturbances; war; terrorism; acts of public enemies; insurrections; riots; strikes; and other such like events.

8.0 SAMPLE CONTRACT – DRAFT

SAMPLE – CONTRACT – SAMPLE
Between
OHIO BUREAU OF WORKERS' COMPENSATION
And
NAME OF SELECTED SUPPLIER

This is an Agreement by and between NAME OF SELECTED SUPPLIER, (hereinafter referred to as the "Supplier"), having offices at ADDRESS OF SELECTED SUPPLIER, and the State of Ohio, Bureau of Workers' Compensation (hereinafter referred to as the "Bureau"), having offices at 30 W. Spring Street, Columbus, Ohio 43215, entered into the day, month, and year set out below.

Whereas, the Bureau issued a Request for Proposals ("RFP") # BWCB21002 for Actuarial Consulting Services, and the Supplier submitted one of the best responsive and responsible responses to the Request for Proposals;

Now, therefore, the parties hereto mutually agree to perform the Contract in accordance with the Request for Proposals and the Supplier's Proposal, which are hereby incorporated by reference as if fully rewritten. Furthermore, the parties agree that if there is any conflict between the Request for Proposals and the Supplier's Proposal, the Request for Proposals controls.

CONDITIONS PRECEDENT: It is expressly understood by the parties that the Contract is not binding on BWC until such time as all necessary funds are made available and forthcoming from the appropriate State agencies, and such expenditure of funds is approved by the Administrator after execution of the Contract by the Supplier but before execution by BWC. No Contract shall be binding upon either party until receipt by the contracting Supplier of a copy of a fully executed Contract, and compliance with any and all conditions precedent.

TERM AND RENEWAL: The parties agree that all services promised to be performed pursuant to this Agreement shall commence on July 1, 2021, contingent upon compliance with any and all conditions precedent as provided for herein, and shall be completed no later than September 30, 2023 with the BWC having, at the sole and exclusive option of the BWC, three (3) one-year renewal options commencing on October 1, 2023; October 1, 2024 and October 1, 2025.

OHIO ELECTIONS LAW: Contractor hereby certifies that no applicable party listed in Divisions (I), (J), (Y) and (Z) of O.R.C. Section 3517.13 has made contributions in excess of the limitations specified under Divisions (I), (J), (Y) and (Z) of O.R.C. Section 3517.13.

CONFLICTS OF INTEREST AND ETHICS COMPLIANCE CERTIFICATION: Contractor affirms that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict, in any manner or degree, with the performance of services which are required to be performed under any resulting Contract. In addition, Contractor affirms that a person who is or may become an agent of Contractor, not having such interest upon execution of this Contract shall likewise advise the Bureau in the event it acquires such interest during the course of this Contract.

Contractor agrees to adhere to all ethics laws contained in Chapters 102 and 2921 of the Ohio Revised Code governing ethical behavior, understands that such provisions apply to persons doing or seeking to do business with the Bureau, and agrees to act in accordance with the requirements of such provisions; and warrants that it has not paid and will not pay, has not given and will not give, any remuneration or thing of value directly or indirectly to the Bureau or any of its board members, officers, employees, or agents, or

any third party in any of the engagements of this Agreement or otherwise, including, but not limited to a finder's fee, cash solicitation fee, or a fee for consulting, lobbying or otherwise.

NAME OF SELECTED SUPPLIER
Tax ID #

BWC Risk #

Signature

Printed Name

Printed Title

Date

**STATE OF OHIO, BUREAU OF
WORKERS' COMPENSATION**

Signature

Printed Name

Printed Title

Date

name.doc
dept
date

Exhibit A

Rates, Assessments, and Special Studies Cost Proposal Summary

Schedule of professional fees including expenses on a not to exceed basis to support the total fees for Section 4.1 of Scope of Services

Contract Year 1 – July 1, 2021 to September 30, 2022

Position Title	Hours	Rates	Total
Lead FCAS		\$	\$
Other FCAS			
ACAS			
Support staff			
Total fees and expenses bid for actuarial services		\$	\$

Contract Year 2 – October 1, 2022 to September 30, 2023

Position Title	Hours	Rates	Total
Lead FCAS		\$	\$
Other FCAS			
ACAS			
Support staff			
Total fees and expenses bid for actuarial services		\$	\$

Optional Contract Year 3 – October 1, 2023 to September 30, 2024

Position Title	Hours	Rates	Total
Lead FCAS		\$	\$
Other FCAS			
ACAS			
Support staff			
Total fees and expenses bid for actuarial services		\$	\$

Optional Contract Year 4 – October 1, 2024 to September 30, 2025

Position Title	Hours	Rates	Total
Lead FCAS		\$	\$
Other FCAS			
ACAS			
Support staff			
Total fees and expenses bid for actuarial services		\$	\$

Optional Contract Year 5 – October 1, 2025 to September 30, 2026

Position Title	Hours	Rates	Total
Lead FCAS		\$	\$
Other FCAS			
ACAS			
Support staff			
Total fees and expenses bid for actuarial services		\$	\$

Exhibit B

Actuarial Reserves Cost Proposal Summary

Schedule of professional fees including expenses on a not to exceed basis to support the total fees for Section 4.2 of Scope of Services

Contract Year 1 – July 1, 2021 to September 30, 2022

Position Title	Hours	Rates	Total
Lead FCAS		\$	\$
Other FCAS			
ACAS			
Support staff			
Total fees and expenses bid for actuarial services		\$	\$

Contract Year 2 – October 1, 2022 to September 30, 2023

Position Title	Hours	Rates	Total
Lead FCAS		\$	\$
Other FCAS			
ACAS			
Support staff			
Total fees and expenses bid for actuarial services		\$	\$

Optional Contract Year 3 – October 1, 2023 to September 30, 2024

Position Title	Hours	Rates	Total
Lead FCAS		\$	\$
Other FCAS			
ACAS			
Support staff			
Total fees and expenses bid for actuarial services		\$	\$

Optional Contract Year 4 – October 1, 2024 to September 30, 2025

Position Title	Hours	Rates	Total
Lead FCAS		\$	\$
Other FCAS			
ACAS			
Support staff			
Total fees and expenses bid for actuarial services		\$	\$

Optional Contract Year 5 – October 1, 2025 to September 30, 2026

Position Title	Hours	Rates	Total
Lead FCAS		\$	\$
Other FCAS			
ACAS			
Support staff			
Total fees and expenses bid for actuarial services		\$	\$

Exhibit C

Enterprise Risk Management Analysis Cost Proposal Summary

Schedule of professional fees including expenses on a not to exceed basis to support the total fees for Section 4.3 of Scope of Services

Contract Year 1 – July 1, 2021 to September 30, 2022

Position Title	Hours	Rates	Total
Lead FCAS		\$	\$
Other FCAS			
ACAS			
Support staff			
Total fees and expenses bid for actuarial services		\$	\$

Contract Year 2 – October 1, 2022 to September 30, 2023

Position Title	Hours	Rates	Total
Lead FCAS		\$	\$
Other FCAS			
ACAS			
Support staff			
Total fees and expenses bid for actuarial services		\$	\$

Optional Contract Year 3 – October 1, 2023 to September 30, 2024

Position Title	Hours	Rates	Total
Lead FCAS		\$	\$
Other FCAS			
ACAS			
Support staff			
Total fees and expenses bid for actuarial services		\$	\$

Optional Contract Year 4 – October 1, 2024 to September 30, 2025

Position Title	Hours	Rates	Total
Lead FCAS		\$	\$
Other FCAS			
ACAS			
Support staff			
Total fees and expenses bid for actuarial services		\$	\$

Optional Contract Year 5 – October 1, 2025 to September 30, 2026

Position Title	Hours	Rates	Total
Lead FCAS		\$	\$
Other FCAS			
ACAS			
Support staff			
Total fees and expenses bid for actuarial services		\$	\$