

# TEXAS WINDSTORM INSURANCE ASSOCIATION

## REQUEST FOR PROPOSALS

No. TWIA - 0002 Actuarial Services- Rate Indications

**Issue Date: February 6, 2020**

**Deadline for Submission: February 26, 2020 5:00 PM CST, Austin, Texas**

Sealed responses will be received until the date and time established for receipt. Responses received later than the specified date and time, whether delivered in person or by mail or email, will be disqualified as untimely.

**Submit Responses by Hand Delivery, Express Mail, U.S. Postal Service or Email to:**

Texas Windstorm Insurance Association  
Actuarial Department  
ATTN: Jerry Fadden  
5700 South Mopac, Building A  
Austin, Texas 78749

Email: [ActuarialRFP@twia.org](mailto:ActuarialRFP@twia.org)

**To obtain a copy of this RFP or for other inquiries, please contact:**

Jerry Fadden  
Texas Windstorm Insurance Association  
Email: [ActuarialRFP@twia.org](mailto:ActuarialRFP@twia.org)

**\*\*NOTE\*\*** Any Addendum that adds new language or replaces any language within this RFP controls over the original version.

# 1 Table of Contents

1	Table of Contents .....	2
2	GENERAL INFORMATION .....	4
2.1	Introduction .....	4
2.2	TWIA Contact Person .....	4
2.3	Submission Deadline .....	5
3	DESCRIPTION OF SERVICES/STATEMENT OF WORK .....	5
3.1	Rate Review .....	5
3.2	Review of Catastrophe Models .....	6
3.3	Expert testimony (if necessary) .....	6
3.4	Status Updates .....	6
3.5	Quality Assurance Review .....	6
4	CONTRACT TERM AND RENEWAL OPTIONS .....	6
4.1	Governing Law .....	6
4.2	Venue .....	6
4.3	Respondent Pricing .....	7
4.4	Standards of Performance .....	7
4.5	Public Information Act Disclosures .....	7
4.6	Proprietary Interests and Final Work Product .....	8
4.7	Accuracy of the Proposal and Cost of Submitting the Proposal .....	8
4.8	Exception to Provisions .....	8
4.9	Responsive Information .....	8
5	RFP SELECTION PROCESS .....	9
5.1	Written Questions and Official Response .....	9
5.2	Selection of Short List of Respondents .....	9
5.3	Oral Presentations .....	10
5.4	Best and Final Offer (BAFO) .....	10
5.5	Contract Negotiations .....	10
5.6	Best Value Consideration .....	10
6	SCHEDULE OF EVENTS.....	10
7	EVALUATION CRITERIA.....	11
8	PROPOSAL/RESPONSE FORMAT .....	13
8.1	Respondent Documents.....	13
8.2	Proposal Format.....	13

9	RESPONSE DOCUMENTS .....	14
9.1	Transmittal Letter .....	14
9.2	Proposal Submission Checklist.....	14
9.3	Title Page.....	14
9.4	Table of Contents.....	14
9.5	Executive Summary.....	15
9.6	General Background, Qualifications and Experience of Respondent .....	15
9.7	Specific Expertise, Experience and Qualifications .....	15
9.8	Key Staff Qualifications .....	16
9.9	Schedule .....	16
9.10	References .....	16
9.11	Actual or Potential Conflicts of Interest.....	17
9.12	Cost .....	17
10	Mandatory Pricing Form .....	17
11	Definitions.....	20
12	Attachment 1 - PROPOSAL SUBMISSION CHECKLIST .....	22

## **2 GENERAL INFORMATION**

### **2.1 Introduction**

The Texas Windstorm Insurance Association (TWIA) is an association of property insurers created pursuant to Chapter 2210 of the Texas Insurance Code. TWIA insures against losses due to windstorm and hail in certain designated areas of Texas. TWIA invites all qualified Respondents to submit proposals in accordance with the requirements outlined in this Request for Proposals (RFP). The purpose of this RFP is to obtain proposals from qualified Respondents for the actuarial services described in this RFP.

This RFP contains the instructions governing the requirements for a proposal to be submitted by interested Respondents, the format in which the proposal is to be submitted and the material to be included in the proposal, the requirements that must be met to be eligible for consideration, the method of selecting a Respondent, and the Selected Contractor's duties and responsibilities.

Respondents to this RFP are expected to provide TWIA with information, evidence, and demonstrations that will permit awarding a contract in a manner that provides the best value to TWIA. Respondents should include in their written proposal all requirements, terms or conditions they may have, and should not assume that an opportunity exists to add such matters after the proposal submission. Unacceptable terms and conditions added by Respondents may cause TWIA to reject the proposal, despite other factors of the evaluation.

### **2.2 TWIA Contact Person**

The TWIA contact person identified below is the sole point of contact for this RFP. Any and all communications concerning this procurement and all proposals must be submitted to:

By U.S. Mail, overnight and other carrier service, courier, and/or hand delivery:

Mr. Jerry Fadden  
Texas Windstorm Insurance Association  
Actuarial Department  
5700 South Mopac, Building A  
Austin, Texas 78749

By Email:

Jerry Fadden  
[ActuarialRFP@twia.org](mailto:ActuarialRFP@twia.org)

Other than the above-named contact person, prospective Contractors or their representatives must not contact TWIA representatives or employees to discuss the contents of this RFP. The restriction shall not, however, preclude discussion between affected parties for the purpose of conducting business unrelated to this procurement.

The contact person at TWIA for day-to-day administration of the contract will be determined upon award. This individual may appoint one or more delegates to assist in the day-to-day administration of the contract and may notify Selected Contractor in writing of those delegates.

### **2.3 Submission Deadline**

Responses to this RFP must be received before the hour and date specified on page 1 of this RFP. Late responses properly identified will be returned to Contractor unopened. Dates of receipt for email responses will be date shown as received by our system. In no event will TWIA be liable for responses delayed by delivery services or email systems. Late responses will not be considered under any circumstances. TWIA reserves the right to evaluate responses submitted prior to the stated deadline as they are received.

To be entitled to consideration, Respondents proposals must clearly indicate that Respondents have available the necessary qualified personnel, skills, organization, and facilities to fulfill all the services required under this RFP and any resulting contract. Proposals must demonstrate familiarity and experience with the delivery of actuarial services as described in this RFP.

Actuarial Experience in the Insurance Industry. Respondent shall be a vendor who has provided actuarial services for the insurance industry for a minimum of five (5) consecutive years as of the date of this RFP, as evidenced by a description of prior engagements. This information must be submitted with the Respondent's Proposal, to be responsive to the "Experience" requirement under "General Background, Qualifications and Experience" (see RFP Section 9.6).

Qualified Key Staff. Respondent must have qualified key staff dedicated to the project. Respondent must specifically detail the qualifications, education, training, experience, and certifications of the key staff who will provide services under the Contract resulting from this RFP. This information must be described in the "Key Staff Qualifications" Section of the Respondent's Proposal (see RFP Section 9.8).

Licensures. Respondents must be a current holder of the following professional designations: Fellow of the Casualty Actuarial Society and a member of the American Academy of Actuaries.

## **3 DESCRIPTION OF SERVICES/STATEMENT OF WORK**

The Texas Windstorm Insurance Association (TWIA) is requesting sealed competitive bids/proposals for the actuarial services described below. Selected Respondent will be responsible for performing all of the services and for complying with all of the requirements of this RFP.

### **3.1 Rate Review**

The Selected Respondent must conduct a thorough review of TWIA's overall rate level for both residential and commercial wind/hail property insurance, and prepare a report for the TWIA Board of Directors (the "Board") with the findings and supporting analysis, including an indication of the overall rate needed to achieve rate adequacy, consistent with the "Statement of Principles Regarding Property and Casualty Ratemaking" of the Casualty Actuarial Society and using methodology that complies with the Actuarial Standards of Practice established by the Actuarial Standards Board in the US and Texas Statutes.

### **3.2 Review of Catastrophe Models**

The Selected Respondent must provide information with respect to its use of historical information and catastrophe model output in the determination of rate adequacy. In particular, the service provider must provide its professional insights into the significant differences between the RMS and AIR North Atlantic Hurricane model outputs with respect to Average Annual Loss estimates and 1:100 year probable maximum loss using TWIA's portfolio data and the use of catastrophe models in rate adequacy analyses.

### **3.3 Expert testimony (if necessary)**

The Selected Respondent shall be available to present their findings to the Actuarial & Underwriting Committee of the Board at a meeting to be scheduled in July or August 2020. In addition, the Selected Respondent shall be available to present their findings and respond to questions at a meeting of the Board of Directors of TWIA (Board) at present scheduled for August 4, 2020. The Selected Respondent may be requested to provide expert testimony at other meetings in connection with the 2020 rate indications. The Selected Respondent may be required to attend and provide testimony in hearings before the Texas Department of Insurance (TDI) or the Texas State Legislature and its subcommittees and commissions.

### **3.4 Status Updates**

The Selected Respondent shall be available to participate in discussions by telephone or in person the status of the actuarial work and other matters covered under the Statement of Work and Contract resulting from this RFP.

### **3.5 Quality Assurance Review**

Selected Respondent must conduct a Quality Assurance review of all work performed under the resulting Contract.

## **4 CONTRACT TERM AND RENEWAL OPTIONS**

The services requested shall be provided for a period beginning April 1, 2020, or the last signature date of the Contract, whichever is later, and ending March 31, 2021. This contract may be renewed for up to two (2) one-year renewal options, upon mutual agreement of the parties to be evidenced in writing prior to the expiration date of the initial term. At the sole option of TWIA, the Contract may be extended as need, not to exceed a total of six months.

### **4.1 Governing Law**

The RFP and any resulting contract and work orders shall be governed, construed, and interpreted in accordance with the laws of the State of Texas (but not rules governing conflicts of law issues).

### **4.2 Venue**

Any action or proceeding related to this RFP and any resulting contract and work orders shall be brought as a separate action in Travis County, Texas and venue is proper in only such county.

#### **4.3 Respondent Pricing**

Respondents shall offer pricing in accordance with the Mandatory Pricing Form, (provided in Part 10) and actual costs for expenses incurred due to travel shall be reimbursed according to guidelines outlined in the following two paragraphs.

Travel Costs. All reasonable actual transportation, meals, lodging or other travel expenses incurred by Selected Respondent for authorized travel to Austin, Texas for consultation with TWIA, or for any administrative hearings or other meetings in Austin, Texas, if any, are referred to as “Travel Costs.” Selected Respondent shall be reimbursed for all reasonable actual transportation, meals, lodging, and other necessary travel expenses incurred by Selected Respondent authorized travel to Austin, Texas.

Air Travel costs shall specifically not include a per diem rate for services or hours spent in air travel; these services or hours may not be billed to TWIA. Under no circumstances will Selected Respondent be compensated for off-duty hours while traveling.

TWIA will not make any payments to the Selected Respondent for any costs incurred by the Selected Respondent that were not included in the Respondent’s pricing sheet and not approved by TWIA. TWIA shall only pay for costs that are approved and allowable and in accordance the requirements of this RFP.

#### **4.4 Standards of Performance**

Selected Respondent agrees to perform services under the requirements of the contract in strict compliance with the standards applicable to a Fellow of the Casualty Actuarial Society and a member of the Academy of Actuaries. Selected Respondent’s Standards of Performance shall include all requirements of the contract and all laws, regulations, standards and other requirements applicable to a Fellow of the Casualty Actuarial Society and a member of the Academy of Actuaries.

#### **4.5 Public Information Act Disclosures**

TWIA is subject to the Texas Public Information Act (PIA), Texas Government Code Chapter 552. The Proposal and other information submitted to TWIA by the Respondent are subject to release as public information by TWIA. The Proposal and other submitted information are presumed subject to disclosure unless a specific exception to disclosure under the PIA applies.

- a) If it is necessary for the Respondent to include proprietary or otherwise confidential information in its Proposal or other submitted information, the Respondent must clearly label that proprietary or confidential information and identify the legal basis for confidentiality. Merely making a blanket claim that the entire Proposal is protected from disclosure because it contains some proprietary information is not acceptable and will make the entire Proposal subject to release under the PIA.
- b) In order to trigger the process of seeking an opinion from the Office of the Attorney General (OAG) on the release of proprietary or confidential information, the specific provisions of the Proposal that are considered by the Respondent to be proprietary or confidential must be clearly labeled as described above.

- c) Any information which is not clearly identified by the Respondent as proprietary or confidential will be deemed subject to disclosure pursuant to the PIA. Respondent will irrevocably deem to consent to disclosure. Respondent agrees to waive any claim of infringement against TWIA and agrees to indemnify TWIA for any claims regarding the Intellectual Property Rights of Respondent or any third-party for any materials appearing in the Proposal.

#### **4.6 Proprietary Interests and Final Work Product**

All work-papers, data, materials, testimony, information, and reports developed by Respondent in draft form will remain the property of Respondent and will be subject to modifications by Respondent until delivery of the final work-papers, data, materials, information, and reports required by the contract or until termination of the contract, whichever is earlier. Upon completion of services or upon termination of the contract, whichever is earlier, Respondent will provide to TWIA all original work-papers, data, materials, testimony, information and reports produced by Respondent during the performance of these services, and such work- papers, data, materials, testimony, information and reports will be the sole property of TWIA. Respondent retains no proprietary interest in the work-papers, data, materials, testimony, information and reports furnished by Respondent to TWIA or available to TWIA under the contract and such work-papers, data, materials, testimony, information, and reports will be the sole property of TWIA. Respondent will retain copies of its original work-papers, data, materials, testimony, information, and reports delivered to TWIA under the contract.

#### **4.7 Accuracy of the Proposal and Cost of Submitting the Proposal**

Respondent's Proposal must be true and correct and must contain no cause for claim of omission or error.

TWIA will not reimburse the Respondent for any cost related to the preparation or submission of the Proposal. Respondent is responsible for any expense related to the preparation and submission of its Proposal.

#### **4.8 Exception to Provisions**

If Respondent takes any exceptions to any provisions of this RFP, these exceptions must be specifically and clearly identified by RFP section in Respondent's Proposal in response to this RFP and provided in the Executive Summary addressed in Section 9.5 or in a spreadsheet submitted as an attachment to the Executive Summary letter.

Any exception included in a Proposal may result in a contract not being awarded to the Respondent. However, if a Respondent includes exceptions in its Proposal, the Respondent shall clearly identify each exception it takes, noting the specific RFP section number, section title, detailed description of the exception taken, and the Respondent' proposed language, in lieu of the language to which exception is taken.

#### **4.9 Responsive Information**

The Respondent's Proposal must be responsive to all requirements set forth in this RFP, address how the Respondent shall meet the RFP specifications, and prepared according to the format described in this RFP. All Proposals must provide sufficient information to enable the review committee to evaluate the Respondent's ability to provide the Services described in Part 3, Description of Services/Statement of



Work and to comply with any other contractual provisions described in this RFP. Responses that are general in nature and do not address how the Respondent will meet the RFP requirements may be disqualified from further consideration or may receive a lower evaluation score due to poor quality of response

## 5 RFP SELECTION PROCESS

Mail responses to this RFP must be received at TWIA's office or via email before the hour and date specified on page 1 of this RFP. Dates of receipt for email responses will be date shown as received by our system. In no event will TWIA be liable for responses delayed by delivery services or email systems. TWIA reserves the right to evaluate responses submitted prior to the stated deadline as they are received.

TWIA will conduct a fair, comprehensive, and impartial evaluation of all proposals received in response to this RFP using an evaluation committee comprising TWIA senior executives (the "Evaluation Committee"). Each member of the Evaluation Committee will conduct an independent review of each proposal submitted and assign each proposal a score. Each committee member will score the proposal on each major criterion described below. Each Proposal will be evaluated both individually and relative to the Proposals submitted by other Respondents

The scores of all members of the Evaluation Committee will be compiled and an average score established for each Respondent. Once completed, these scores will be submitted along with the Proposals to the Actuarial & Underwriting Committee of the TWIA Board of Directors, which will make the final selection of a service provider.

The Evaluation Committee may request clarification of information or representations in any proposal before completing the initial evaluation. Requests for clarification and responses to requests for clarification will be in writing and will become part of the evaluation record.

### 5.1 Written Questions and Official Response

Contractors may submit written questions addressed to the TWIA contact person identified in Section 2.2. All questions must be received, in writing via email, by the TWIA contact person **no later than 5:00 P.M. Central Time on February 14, 2020**. The email subject line must state: TWIA-0002 Actuarial Services – Rate Indications – Questions. Telephone inquiries will not be answered.

Responses to timely submitted questions that are not already addressed in the RFP will be posted on the TWIA website on February 19, 2020. Only those questions that are appropriately relevant to the solicitation will receive a response in the Question and Answer document.

### 5.2 Selection of Short List of Respondents

After review of the Proposals and the Evaluation Committee scoring results, the Actuarial & Underwriting Committee intends to select one or more Respondents for further consideration ("Short List"). TWIA staff will communicate directly with the Respondents who are selected for the Short List.

### **5.3 Oral Presentations**

Respondents identified for the Short List may be asked to make in-person or live video presentations to the Actuarial & Underwriting Committee. These presentations may involve a question and answer period. As the meeting of the Actuarial and Underwriting Committee of the Board are subject to the Open Meetings Act, these oral presentations will be open to the public and broadcast to the public (on a live or delayed basis).

### **5.4 Best and Final Offer (BAFO)**

Following the initial scoring of Proposals according to the Evaluation Criteria described in Part 7, and Respondent oral presentations, if any, TWIA, in its sole discretion, may proceed in making a contract award(s), or may proceed to request a BAFO from one or more Respondents whose Proposals and scores are, in the committee's determination, sufficient to qualify them for further consideration and negotiation.

The BAFO process will allow the requested Respondents to modify its Proposal, including original pricing or services. BAFOs would then be re-evaluated by the Actuarial & Underwriting Committee.

Should TWIA determine that a BAFO process is beneficial to TWIA's interests, participating Respondents will have an established time period in which to exercise due diligence to confirm that all RFP requirements have been identified, and to prepare its BAFO. At the conclusion of the BAFO evaluations, if any, TWIA will determine the number of Respondents with which it will commence contract negotiations. Respondents not invited for contract negotiations shall not be allowed to alter their RFP.

### **5.5 Contract Negotiations**

TWIA will have the option to negotiate with one or more Respondents, including, but not limited to pricing, services, provisions, terms, and conditions. TWIA reserves the right to continue to negotiate until the point where the best value for TWIA has been determined as achieved.

### **5.6 Best Value Consideration**

TWIA will be the sole judge of best value. Award will be based on best value criteria and may include but is not limited to:

- a) Best meets the goals and objective as stated in this RFP.
- b) Best meets the quality and reliability of the proposed Services.
- c) Delivery terms.
- d) Other factors relevant to determining the best value for TWIA.

TWIA will terminate the contract negotiations when TWIA, in its sole discretion, determines that the best value for TWIA has been obtained. If the RFP is awarded, TWIA will issue a notice of award to the Selected Respondent. However, there is no guarantee that an award or any contract will result from this solicitation.

## **6 SCHEDULE OF EVENTS**

The time schedule for awarding a contract under this RFP is shown below. TWIA reserves the right to amend the schedule.

<b>Date</b>	<b>Event</b>
February 6, 2020	Issuance of RFP
February 7, 2020 through February 14, 2020	Submission of Written Questions
February 19, 2020	Responses to Written Questions Posted on the TWIA Website
February 26, 2020	Deadline for Submission of Proposals
March 4, 2020 through March 20, 2020	Presentations/Interviews with Selected Respondents
March 27, 2020	Anticipated Contract Award**
March 31, 2020	Targeted Contract Execution**
April 1, 2020	Commencement of Engagement

Note\*\*: The anticipated Contract award date is a target date, but is not guaranteed, as final contract negotiations with the Respondent will determine when the actual Contract award will be made.

## 7 EVALUATION CRITERIA

TWIA shall award a contract to the Respondent who submits the Proposal determined to be the best value to TWIA and who meets all requirements included in this RFP. The Evaluation Committee will initially evaluate and score Proposals using the evaluation criteria outlined below. The relative weight of each criterion is indicated by the maximum possible number of points indicated in the right-hand column.

Evaluation Criteria	Weight
<p><b>1. General Expertise, Experience and Qualifications</b>  Experience, reputation and qualifications of (i) the firm and (ii) the team leaders and designated staff in performing the services described in this RFP, including, in particular</p> <ul style="list-style-type: none"> <li>a) Experience with providing actuarial consulting services.</li> <li>b) Experience with providing independent rate indications for personal and commercial policies.</li> <li>c) Overall reliability and stability of the firm (financial resources and stability, staff turnover, back up staffing resources, etc.).</li> </ul>	15 points
<p><b>2. Specific Expertise, Experience and Qualifications</b>  Experience, reputation and qualifications of (i) the firm and (ii) the team leaders and designated staff in performing the services described in this RFP, including, in particular</p> <ul style="list-style-type: none"> <li>a) Experience providing actuarial services (including rate indications) to <b>government/quasi-government entities or residual market entities.</b></li> <li>b) Experience with providing independent rate indications for <b>catastrophe exposed, wind/hail policies.</b></li> <li>c) Experience with respect to actuarial services (including rate indications) with <b>insurance portfolios covering property along the Gulf of Mexico, other than in the State of Florida</b></li> <li>d) Experience with respect to actuarial services (including rate indications) in other <b>North American hurricane exposed areas, including Florida and the East Coast.</b></li> <li>e) Experience and expertise with respect to actuarial services (including rate indications) with <b>sparse historical industry and/or company hurricane loss experience.</b></li> </ul>	25 points
<p><b>3. Use of Catastrophe Models in Rate Making</b>  Experience, reputation and qualifications in performing the services described in this RFP, including, in particular</p> <ul style="list-style-type: none"> <li>a) Overall experience and expertise with respect to the use of hurricane models in rate making.</li> <li>b) Ability to assist the TWIA Board of Directors in understanding and addressing the significant differences in model outputs between RMS and AIR in TWIA’s rate indication analysis.</li> </ul>	20 points
<p><b>4. Clarity of Proposal</b>  Clarity and content of Respondent’s proposal, including their understanding of the Statement of Work, their work plan, and their communication skills, as they relate to Board presentations and possible testimony.</p>	25 points

<p><b>5. Cost</b></p> <p>TWIA is seeking to award the contract based on the Respondent that provides the highest value to TWIA based on the Respondents billable rates, estimated hours and the estimate of the total cost of the Contract.</p> <p>The cost consideration will include:</p> <ul style="list-style-type: none"> <li>a) Reasonableness of costs,</li> <li>b) Comparison of hourly rates</li> <li>c) Estimate of total costs</li> <li>d) Reliability of cost estimates</li> </ul>	15 points
<b>Total Points</b>	<b>100 points</b>

## 8 PROPOSAL/RESPONSE FORMAT

### 8.1 Respondent Documents

All Respondent’s documents that are related to the requested services, this RFP, the Bid Responses, or any resulting contract are collectively referred to in this RFP as “Respondent Documents.” Documents that are not submitted with Respondent’s RFP response will not be accepted or considered part of the response or any resulting contract.

### 8.2 Proposal Format

Proposals should be provided in hardcopy and electronic form (PDF format) via email to [ActuarialRFP@twia.org](mailto:ActuarialRFP@twia.org). Respondents must submit an original response (with original signature) and six (6) copies.

All proposals submitted in hardcopy must be bound, organized, and arranged to be easily reconciled to the numbered sections of this RFP. All pages must be numbered.

The person signing Respondent’s response must show title or authority to bind his or her firm in a contract. Email copies require an electronic signature which will be considered an original signature.

Proposals must be concise and clear. The Respondent’s Proposal must be responsive to all requirements set forth in this RFP, address how the Respondent shall meet the RFP specifications, and prepared according to the format described in this RFP.

All Proposals must provide sufficient information to enable the Evaluation Committee and the Actuarial & Underwriting Committee to evaluate the Respondent’s ability to provide the Services described in Part 3, Description of Services/Statement of Work, and to comply with any other contractual provisions described in this RFP.

Responses that are general in nature and do not address how the Respondent will meet the RFP requirements may be disqualified from further consideration or may receive a lower evaluation score due to poor quality of response.

## 9 RESPONSE DOCUMENTS

The Respondent must provide all information that the Respondent believes would be helpful to TWIA in establishing the Respondent's ability to perform the Services described in this RFP and comply with the requirements of this RFP and any resulting Contract.

### 9.1 Transmittal Letter

The first page of the proposal must be a Letter of Transmittal that includes the information specified below.

- a) A commitment by the Respondent to provide the services required by TWIA in this RFP.
- b) A statement that the proposal is valid for 90 calendar days from the day after the date that the proposals are delivered to TWIA.
- c) A dated signature of a person(s) legally authorized to bind the Respondent to the terms and conditions contained in this RFP and to comply with the information and representations submitted in the proposal. The proposal must state that the signatory is authorized to bind the Respondent to the terms and conditions set forth in this RFP. Proposals submitted without the required signature will be disqualified.
- d) A statement certifying to the completeness, veracity, and accuracy of the information provided in the proposal. By submitting a signed proposal, Respondent agrees that it fully understands this RFP and shall abide by the terms and conditions contained in it. Any exception to the requirements of this RFP must be specifically noted in writing and explained by Respondent in its RFP response as a condition to becoming part of any subsequent contract.
- e) Respondent must list the name, title, phone number, and email addresses of at least two (2) individuals who will be the contact persons for this RFP and who have the authority to respond to questions from TWIA

### 9.2 Proposal Submission Checklist

The Proposal Submission Checklist is included as **Attachment 1** to this RFP. The checklist is provided to help the Respondent ensure that a proper Proposal is submitted in the required format. Respondent must include the completed checklist as part of the proposal.

### 9.3 Title Page

The Proposal must contain a title page that includes the following information:

- a) RFP number and Title,
- b) Respondent's name and address,
- c) Respondent's State of Texas taxpayer number and Federal Employer's Identification Number, and
- d) Respondent's contact name, title, signature, and date.

### 9.4 Table of Contents

The Proposal must contain a table of contents that clearly identifies and denotes the location of each

section and sub-section of the Proposal. Additionally, the table of contents must clearly identify and denote the location of all enclosures and attachments to the Proposal, including relevant page numbers.

### **9.5 Executive Summary**

Each Respondent must provide a brief summary on the services proposed in response to this RFP and the estimated costs.

Respondent may propose any additional services that it believes should be included as part of any resulting contract if, in its judgment, their inclusion is necessary to the accomplishment of project objectives or would increase the value of the outcome of the project to TWIA. If Respondent is providing services beyond those specifically requested, those services must be identified.

The Executive Summary must not exceed five pages and should represent a full and concise summary of the contents of the proposal.

The Executive Summary should include, at a minimum, but is not limited to, the following:

- a) a brief description of the Respondent's qualifications;
- b) a description of the Respondent's experience with providing the services requested;
- c) a description of the Respondent's understanding of the requirements as outlined in Part 3, Description of Services/Statement of Work;
- d) any exceptions to any provisions of this RFP as described in Section 4.8, and
- e) any additional requirements, terms and conditions, or any documentation unaddressed in the RFP that the Respondent has attached in the Proposal as a material submission to the RFP.

### **9.6 General Background, Qualifications and Experience of Respondent**

This response section details the Respondent's background and experience, including past performance, as it relates to projects similar in scope to the services described in this RFP. The Respondent must demonstrate its ability to perform the services described in the RFP by providing, at a minimum, the information detailed below. This section should include information that addresses the firm and the team's experience, reputation and qualifications in regard to the Evaluation Criteria

This response section must detail the Respondent's qualifications to respond to this RFP and be considered for an award. To be entitled for consideration, Respondent must have available the required qualified personnel, knowledge, skills, abilities, organization, facilities, materials, supplies, and equipment to fulfill all requirements under this RFP and any resulting Contract.

### **9.7 Specific Expertise, Experience and Qualifications**

**Exhibit A, Tab 1** must list representative engagements of comparable complexity and sensitivity to the requirements of this RFP that were similar to the services described in this RFP, or which, though different, require the same general types of resources and skills.

The Response should include information related to the Evaluation Criteria, listed below. The Response should indicate whether the representative engagements included the proposed team or not.

- A. Experience with providing independent rate indications for personal and commercial policies.
- B. Experience providing actuarial services (including rate indications) to government/quasi-government entities or residual market entities.
- C. Experience with providing independent rate indications for catastrophe exposed, wind/hail policies.
- D. Experience with respect to actuarial services (including rate indications) with insurance portfolios covering property along the Gulf of Mexico, other than in the State of Florida.
- E. Experience with respect to actuarial services (including rate indications) in other North American hurricane exposed areas, including Florida and the East Coast.
- F. Experience and expertise with respect to actuarial services (including rate indications) with sparse historical industry and/or company hurricane loss experience.
- G. Experience and expertise with respect to the use of hurricane models in rate making.
- H. Ability to assist the TWIA Board of Directors in understanding and appropriately addressing the significant differences in model outputs between RMS and AIR in rate indications.

Each description should be as detailed as necessary to enable TWIA to reasonably assess the relevance and usefulness of such experience. Respondent must give the client organization's name and describe the service performed; the service's beginning and ending dates, results obtained, and current status of the project.

### **9.8 Key Staff Qualifications**

**Exhibit A, Tab 2** must detail information about the Respondent's key staff who will provide services under any Contract resulting from this RFP and must detail the role or types of services that each key staff member will provide.

Respondent must include summary background information for each key staff member to be assigned to this project including title; education; training; relevant experience; length of service with the Respondent's firm; and professional accreditations, certifications, designations, and licenses. Full résumés may be provided but are not required.

### **9.9 Schedule**

Respondent must provide a proposed work plan and estimated timeline for each service listed under 3.1, 3.2. Contractor must confirm in its RFP response that the meeting dates and filing deadlines can be satisfied.

### **9.10 References**

**Exhibit A, Tab 3** must provide a minimum of three (3) verifiable references from clients for whom the Respondent has performed comparable services of similar scope and size. Respondent must provide the name, title, telephone number, and email address of the key contact(s) at the client organization.



These individuals may be contacted at the discretion of TWIA for verification of experience or performance. Providing the name of a contact person by the Respondent will constitute a release to contact the individual for any information regarding the Respondent's performance under any past or current contract held with the named company reference.

#### **9.11 Actual or Potential Conflicts of Interest**

**Exhibit B** must provide a statement of any actual conflicts or potential conflicts of interest for the Respondent, the Respondent's Employees who will or may provide services under any Contract resulting from this RFP. Failure to disclose all actual conflicts or potential conflicts of interest may result in disqualification of the Respondents' Proposal or termination of the resulting Contract.

If the circumstances certified by Respondent change or additional information is obtained subsequent to submission of the Respondent's Proposal, Respondent shall submit updated information as soon as reasonably possible, upon learning of any change to Respondent's response.

#### **9.12 Cost**

Respondent must provide an estimate of the full cost of delivering the services described in the Statement of Work using the Mandatory Pricing Form provided below. Such an estimate will necessarily include assumptions about the time required by individual staff members to complete the work to the standards specified herein. Responses subject to increases in hourly rates over the contract period will not be considered.

### **10 Mandatory Pricing Form**

Unless otherwise agreed in writing and signed by TWIA, each Respondent agrees to and shall be bound by the information and documentation provided with the proposal, including prices and/or hourly rates quoted for services. By submitting a proposal, the Respondent commits to providing the goods and services required at the hourly rates set forth in its proposal. Proposals must be valid for 90 calendar days following the proposal receipt date. Proposed rates must be firm and guaranteed for the initial contract period of any resulting contract.

**List names, certifications, hourly rates, and estimated number of hours of each individual.**

**Example:**

Title	Name	Hourly Rate	Estimated Number of Hours	Estimated Cost	Certifications
Lead Actuary	J. Smith	\$100.00	100	\$10,000	Fellow of the Casualty Actuarial Society (FCAS), Member American Academy of Actuaries (MAAA)
Senior Actuary	D. Jones	\$80.00	50	4,000	ASA, MAAA
Clerical	S. Smith	\$25.00	40	1,000	Not applicable
Total:				\$15,000	

The total estimated cost of Respondent’s proposal is: **\$15,000** excluding any travel costs.

The estimated cost does not include includes any amounts other than the cost of staff billable hours.

**The remainder of this page has been intentionally left blank.**

**Mandatory Pricing Form**

**Respondent's Staff**

Title	Name	Hourly Rate	Estimated Number of Hours	Estimated Cost	Certifications

Total \_\_\_\_\_

The total estimated cost of Respondent's proposal is: \$ \_\_\_\_\_, excluding any travel costs.

Please note of the estimated expenses includes any amounts other than the cost of staff billable hours and provide supporting detail.

**The remainder of this page has been intentionally left blank.**

## 11 Definitions

When capitalized, the following terms and acronyms have the meaning set forth below. These definitions apply to all parts of this Request for Proposals (RFP).

<b>Definitions</b>	
<b>TERM</b>	<b>DEFINITION</b>
Addendum	An addition, change, or supplement to a solicitation document issued prior to the opening date (due date of responses).
Contract	The written agreement, if any, executed by the authorized representative of the parties and the Respondent that formalizes the terms, provisions, covenants, and obligations, including but not limited to those contained in this RFP, of the respective parties to the arrangement for provision of services.
Contractor	The individual or business entity that has a contract to provide goods or services to the State of Texas. This is used interchangeably with the term “Vendor”.
Deliverable	Unit or increment of work required by the contract, including such items as goods, services, reports, or documents.
Employee	The term “Employee” includes any individuals who, on behalf of the Respondent, will or may participate in any Contract resulting from this RFP. The term “Employee” includes all personnel, replacement personnel, agents, contractors, subcontractors, subcontractor employees, and other representatives of the Respondent, regardless of how employed or contracted by Respondent.
Request for Proposal (RFP)	The document so titled and exhibits, attachments, and appendices thereto which constitute the solicitation requesting submittal of a proposal in response to the required scope of services (statement work) and usually includes some form of a Cost Proposal and allows for negotiations between the proposer and the issuing agency.
Respondent	An individual or business entity submitting a proposal in response to a solicitation.

Respondent's Employee(s)/Respondent's Personnel	Any and/or all of the following, without limitation to: employees, leased employees, agents, officers, directors, staff, independent contractors, contractors, or subcontractors, or any individuals furnished, referred, or provided by the Respondent for the purposes arising out of or related to this RFP, the Respondent's Proposal, and the contract, if any, that results from the award made by TWIA to the Respondent.
Responsive	Means that a Respondent has complied with all material aspects of the solicitation document, including the submission of all required documents, and within the time frame specified within the solicitation document.
Selected Respondent	The individual or business entity qualified to provide the goods and/or services sought by TWIA pursuant to this RFP and who is ultimately be selected to carry out the requirements stipulated in this RFP and any resulting contract.
Vendor	The individual or business entity that has a contract to provide goods or services to the State of Texas. This is used interchangeably with the term "Contractor".

## 12 Attachment 1 - PROPOSAL SUBMISSION CHECKLIST

This checklist is provided to help the Respondent ensure that a proper Proposal is submitted in the required format. Respondents must include this completed checklist as the cover page of the entire Proposal.

Order	Proposal Component	RFP Section Reference	Verify Inclusion by Initials
1	Transmittal Letter	Sec. 9.1	
2	Proposal Submission Checklist	Sec. 9.2	
3	Title Page	Sec. 9.3	
4	Table of Contents	Sec. 9.4	
5	Executive Summary	Sec. 9.5	
6	Body of Proposal, including <ul style="list-style-type: none"> <li>• General Expertise, Experience and Qualifications</li> <li>• Specific Expertise, Experience and Qualifications</li> <li>• Use of Catastrophe Models in Rate Making</li> </ul>	Sec. 9.6	
7	Exhibit A, Tab 1 Representative Engagements	Sec. 9.7	
8	Exhibit A, Tab 2 Key Staff Qualifications	Sec. 9.8	
9	Schedule	Sec. 9.9	
10	Exhibit A, Tab 3 References	Sec. 9.10	
11	Exhibit B Conflicts of Interest	Sec. 9.10	
12	Costs Mandatory Pricing Form	Sec. 9.12 Sec. 10	

\_\_\_\_\_  
Signature of Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Title