

**STATE OF WEST VIRGINIA
Offices of the Insurance Commissioner**

**REQUEST FOR QUOTATION
INS160000003**

To Conduct Statutory Financial Examination Of:

The Health Plan Group

**BID OPENING DATE: March 4, 2016
BID OPENING TIME: 1:30 p.m.**

**REQUEST FOR QUOTATION
INS1600000003**

**TO CONDUCT STATUTORY FINANCIAL EXAMINATION OF:
THE HEALTH PLAN GROUP**

PROJECT

The West Virginia Department of Tax and Revenue, Offices of the Insurance Commissioner (“OIC”/“State”), is soliciting bid quotations to perform financial examinations of insurance companies in the State of West Virginia, in compliance with W. Va. Code §33-2-9 and in accordance with the procedures established by the National Association of Insurance Commissioners (“NAIC”) Financial Condition Examiner’s Handbook (“Handbook”).

The mission or purpose of the project is to contract a firm (“Vendor”) to draft a formal report of examination that contains findings, conclusions and recommendations for corrective or regulatory action, and a description of issues of non-compliance with West Virginia’s statutes, regulations, filing requirements and administrative procedures for:

| | |
|-----------------------------|---|
| Company Name | The Health Plan Group (Group Code # 1297) The Health Plan of the Upper Ohio Valley, Inc. THP Insurance Company |
| Company Type(s) | Health Maintenance Organization / Life |
| NAIC Company Code | 95677 / 60016 |
| Exam Period | January 1, 2013 – December 31, 2015 |
| Principal Place of Business | St. Clairsville, OH |
| Expected Exam Start Date | June 1, 2016 |
| Expected Exam End Date | October 1, 2016 |

“QUALIFIED VENDOR” DEFINED

Any Vendor submitting a quotation under this procurement must meet or exceed the minimum qualification set for in this RFQ. Those quotations not meeting the mandatory specifications will be eliminated. Vendor qualifications and expectations are as follows:

GENERAL REQUIREMENTS

The following will be considered the minimum content of the Vendor’s quotation:

- A. A statement of the objectives, goals and tasks to show or demonstrate the Vendor’s view of the nature of the agreement.
- B. The Vendor shall provide a description of the deliverables and the time frame for delivery.

- C. An outline of the Vendor's background and experience with documentation outlining similar services provided for other regulatory jurisdictions during the past three years and provide the name, address and telephone number of three current references familiar with such services. The Vendor must provide a list of personnel accompanied by a current resume who will conduct the project, detailing their training and work experience with financial examinations. The Vendor must have the ability to provide a Certified Financial Examiner ("CFE") to function in the capacity of EIC. The OIC reserves the right to reject any proposed EIC. In this event, the Vendor will be required to provide another EIC who is acceptable to the OIC within five (5) working days. The EIC must have a minimum of eight (8) years of insurance company financial examination experience. Staff assistants must have a minimum of two years of insurance experience for all accounting and/or auditing functions. For the proposed EIC, the Vendor must furnish proof of certification (SOFE license) and documentation of recent experience using the Handbook and Teammate. The Department is currently utilizing version 11.1 of Teammate. The Department has the ability to utilize either the NAIC Citrix server or the Vendors Citrix server. *No change in personnel assigned to the examination will be permitted without the written approval of the Chief Examiner, or her designee.*
- D. A detailed work plan that will identify the major tasks to be accomplished and be used as a scheduling and managing tool, as well as the basis for invoicing.
- E. Vendor's Cost Quotation – A schedule of fees for each level of prospective participant on an examination separated hours and fee for the following areas: financial examination work, IT review and actuarial review, if applicable. The expenses associated with each area need to be listed separately as well.

For allowable expenses, please refer to <http://www.gsa.gov>.

SCOPE OF WORK

The Vendor awarded the contract as a result of this RFQ shall provide, at a minimum, the following services for completing a financial examination:

- A. Prepare and issue a separate examination planning memorandum for each company examined in accordance with the NAIC Financial Condition Examiner's Handbook ("Handbook"). The memorandum must have the approval of the Chief Financial Examiner/Director ("Director") or her designee in order to continue with the examination process.
- B. Prepare and issue a budget of the estimated time to complete identified examination procedures identified early in the planning process. The Vendor's time budget must have the approval of the Director in order to continue with the examination process. The Vendor must keep records of budget variances with explanations. *Any budget or cost variance will require prior written approval by the Director, after full justification.*

- C. Coordinate work of examination team members in accordance with pre-established guidelines.
- D. Perform any agreed upon examination procedures as outlined within the planning process and planning memorandum.
- E. Document examination procedures performed and any findings within the examination work papers. Ascertain that procedures followed are those contained in the NAIC Financial Conditions Examiner's Handbook, or approved by the Director or her designee.
- F. Draft a formal Report of Examination and if applicable, a Management Comment Letter ("MCL") that contains the findings, conclusions, and recommendations of the examination team to be presented to the OIC no later than forty-five (45) days following the completion of the field work. The prior Report of Examination is located on the Departments website at:
<http://www.wvinsurance.gov/company/Company/DomesticFinancialExaminationReports.aspx>.
- G. Perform follow up procedures identified by the Director or her designee.
- H. Other tasks as assigned or appropriate under the circumstances, including, but not limited to, training of department financial examiners assisting on the examination.

The EIC provided by the Vendor will have full responsibility for the examination, including planning, assignment and supervision of staff; execution of the examination; conducting status meetings with company management; preparing mandatory bi-weekly status reports on the progress of the examination; and the preparation of the final Report of Examination and MCL.

The Vendor will provide the Director with written status reports on a **bi-weekly basis**, and a report of findings within the time frame as specified in the agreement.

Upon completion of the examination field work and submission of the Report of Examination and MCL for each company, the Vendor will deliver to the Financial Conditions Division a complete set of original electronic work papers prepared in the format required by the policies and standards of the "Handbook" and the State. Work papers are the property of the State and will be retained by the Financial Conditions Division.

No changes in scope are to occur, except at the approval of the OIC.

BID AMOUNT

The amount of the bid submitted by each potential vendor shall be for all services rendered. It is anticipated the financial examination conducted for the aforementioned companies will require the use of a specialist in the area of actuarial and computer services. This bid shall be the same regardless of which partner or member performs the services and shall be sufficient to cover any

and all incidental expenses. Any anticipated mileage and travel cost, including travel time associated with the performance of this contract may be included in the flat fee or hourly rate listed on the Vendor's bid but such cost will not be paid by the agency separately.

INQUIRIES

Inquiries regarding specifications of this RFQ must be submitted in writing to the contact named below with the exception of questions regarding the bid submission which may be oral. The deadline for written inquiries is February 19, 2016 @ 5:00 p.m. All inquiries must be addressed to:

David Robles, Administrative Services Assistant II
WV Offices of the Insurance Commissioner
1124 Smith Street
P.O. Box 50543
Charleston, WV 25305
Fax: (304) 558-5586
Email: David.Robles@wvinsurance.gov

After this RFQ has been released, no contact between the Vendor and the Agency, other than the individual listed above, is permitted. Violation may result in rejection of the bid.

SCHEDULE OF EVENTS

Vendor's Written Questions Submission Deadline February 19, 2016
Addendum Issued..... February 26, 2016
Bid Opening Date March 4, 2016

BID SUBMISSION

Vendors responding to this RFQ must submit in paper form one original and one copy of their bids to:

David Robles, Administrative Services Assistant II
WV Offices of the Insurance Commissioner
1124 Smith Street
P.O. Box 50543
Charleston, WV 25301

The outside of the envelope or package(s) should be clearly marked:

RFQ#: **INS1600000003**
Opening Date: **March 4, 2016**
Opening Time: **1:30 PM**

GOVERNING LAW

The Vendor agrees that this agreement shall be governed by the laws of the State of West Virginia. The Vendor further agrees to comply with the Civil Rights Act of 1964 and all other applicable Federal, State and Local Government regulations.

RECORD RETENTION (ACCESS & CONFIDENTIALITY)

Vendor shall comply with all applicable Federal and State of West Virginia rules and regulations, and requirements governing the maintenance of documentation to verify any cost of services or commodities rendered under this agreement by Vendor. The Vendor shall maintain such records a minimum of five (5) years and make available all records to the State's personnel at Vendor's location during normal business hours upon written request by the State within ten (10) days after receipt of the request.

Vendor shall have access to private and confidential data maintained by the State to the extent required for Vendor to carry out the duties and responsibilities defined in this agreement. Vendor agrees to maintain confidentiality and security of the data made available and shall indemnify and hold harmless the State against any and all claims brought by any party attributed to actions of breach of confidentiality by the Vendor, subcontractors, or individuals permitted access by Vendor.

REQUIRED INFORMATION

The OIC reserves the right to request any additional information at any time during the bid process prior to their recommendation of award notification. Responding Vendors shall include the following signed forms with their bid quotation submittal:

- A. Purchasing Affidavit.
- B. Vendor Preference Certificate.
- C. Addendum Acknowledgement Form.

A Vendor's failure to provide complete and accurate information may be considered grounds for disqualification. Nothing may be added to alter the submitted bid.

REQUEST FOR QUOTATION

To conduct the year ending December 31, 2015 financial examination of:

The Health Plan Group

RFQ #: **INS1600000003**

Date Submitted: _____

Vendor Name: _____

FEIN: _____

Vendor Address: _____

Contact: _____

Email: _____

State of West Virginia Business Registration Date (if applicable): _____

| | FINANCIAL REVIEW | IT REVIEW | ACTUARIAL REVIEW | GRAND BID TOTAL |
|--|-----------------------------|----------------------|-----------------------------|----------------------------|
| # of Anticipated Hours to Complete Assignment: | | | | |
| Estimated Travel / Expenses: | \$ | \$ | \$ | \$ |
| Vendor Fee Proposal: | \$ | \$ | \$ | \$ |
| BID TOTAL: | \$ | \$ | \$ | \$ |

Upon completion of this formal bid, I hereby certify that the aforementioned company ("Vendor") does meet all mandatory requirements specified in the established Request for Quotation.

 (AUTHORIZED SIGNATURE)

 (DATE)