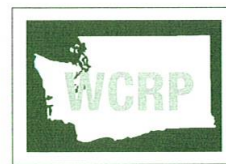


# WASHINGTON COUNTIES RISK POOL

2558 R.W. Johnson Road SW, Suite 106  
Tumwater, Washington 98512-6103

Created by Counties for Counties



## REQUEST FOR PROPOSALS for ACTUARIAL SERVICES

**PROPOSAL DEADLINE: November 15, 2016, 5:00 pm PST**

### **Introduction:**

The Washington Counties Risk Pool (WCRP) seeks proposals from all interested parties to provide actuarial services. The WCRP is a self-insured, self-funded governmental risk management pool formed under RCW 48.62 and RCW 35.34.

Twenty-Six of Washington's counties participate in the Pool, which provides risk management, claims handling, and the group purchase of property insurance, cyber liability insurance, along with excess and reinsurance liability coverage.

The contractual relationship resulting from this request will not be for more than five years, as limited by regulations.

### **WCRP Characteristics:**

- Member counties acquire \$20 million (with another \$5 million option) of joint 3rd-party liability coverage on an occurrence basis.
- Members annually select occurrence deductibles ranging from \$10,000-\$500,000.
- Reinsurances, subject to retentions, are acquired for the initial \$10 million of coverage to protect the Pool directly and the membership.
- The remaining limit(s), up to \$15 million, is acquired as "following form" excess insurance.
- The Pool retains losses within both its Self-Insured Retention and Loss Corridor.
- Members' 3rd-party liability claims recently totaled less than 600 annually, with about 40% resolved without loss, and an open count under 400.
- The Board of Directors, with recommendations from the Executive Committee, oversees operations, approves disbursements, examines the Pool's financial health, approves settlements beyond specific thresholds, and reviews the Pool's overall performance.
- Through its Executive Director, the Pool's Administration & Finance, Claims, and Member Services departments carry out the directions of the Board of Directors and Executive Committee.

**The WCRP's Actuary Will:**

- Conduct an Annual Actuarial Rate Review:
  - Project the future year's net loss level and loss rates based a comprehensive actuarial analysis.
  - Estimate rates and loss levels by coverage and by deductible levels for various alternative Pool retention levels.
  - Include (underwriting/experience) modification factors.
  - Provide an actuarial report detailing all calculations and findings.
  - Present actuarial report to the Pool's four to six annual Executive Committee meetings, and three annual Board of Directors' meetings.
  
- Conduct an Annual Actuarial Reserve Review for the members' liability coverage.
  - Estimate the ULAE reserves at the end of the Pool's fiscal year.
  - Estimate the amount of "ceded losses" between the Pool's retention level and the insurance policy limits for each of the last 10 years as required by GASB 30.
  - Calculate the solvency tests at the various confidence levels (WAC 200-100-03001) as well as adjustments in the range of the Pool's Targeted Fund Balance.
  
- Estimate the net loss and allocated loss adjustment expenses reserves for individual Pool members, as of December 31st.
- Provide support and analysis for the Pool's current allocation of the group-purchased property coverage, with the ability to provide support and analysis with future developments of the Pool's property program.
- Understand and evaluate the Pool's financial goals and Target Fund Balance, which is evaluated every 3-5 years, with the most recent analysis completed following the end of fiscal year 2015.
- Be available to consult with Pool staff upon all matters dealing with these services and to be available to address new issues as they arise.

**Minimum Qualification of Firm:**

- Five (5) years actuarial pooling experience.
- Demonstrated experience and knowledge of government risk pooling, with specific experience and knowledge of pooling regulations and guidelines in Washington State.
- Demonstrated experience with analyzing funding adequacy, funding targets, and capital needs.
- Professional Liability Insurance of a minimum of \$1 million.
- Independence from the WCRP, its employees, other consultants, reinsurers, insurers and vendors.
- Ability to provide actuarial consultation as needed.

**Proposal Content:**

- Cover letter describing the firm and outlining the company's name, address, designated contact(s), phone number, and e-mail address.
- Proof of Professional Liability Insurance.
- Four references for which the firm has provided similar services.
- A description of the proposed services offered.
- Sample contract for proposed services.
- Sample actuarial reports from analyses that the firm has performed.
- A breakdown of all costs relating to the contract and included services.

**Selection Process and Timeline:**

Interested parties should submit proposals by the deadline noted in the timeline below. Proposals may be electronically mailed to the Point of Contact identified below, or may be sent via regular US mail, received by 5:00 pm on November 15, 2016.

The contract will be awarded to the firm which meets the submission requirements and has been deemed to best fulfill the needs of the WCRP. The following timeline will be followed closely by the WCRP selection committee:

<b>Publish RFP:</b>	<b>October 27, 2016</b>
<b>Submission Deadline:</b>	<b>November 15, 2016, 5:00 pm PST</b>
<b>Interviews:</b>	<b>November 21-22, 2016</b>
<b>Contract Awarded:</b>	<b>December 5, 2016</b>
<b>Contract Begins:</b>	<b>January 1, 2017</b>
<b>Point of Contact:</b>	<b>Derek Bryan, WCRP Executive Director (360) 292-4497 / <a href="mailto:derek@wcrp.wa.gov">derek@wcrp.wa.gov</a></b>

Any firm interested in submitting a proposal which finds discrepancies in, or omissions from, this RFP, or if there are any doubts as to the true meaning, the firm should request interpretation, clarification, or correction prior to the submission deadline of November 15, 2016.

*The WCRP reserves the right to refuse or disqualify any and all bids, and at its sole discretion, the WCRP will determine the qualifications of all firms.*