

REQUEST FOR PROPOSAL

Life and Health Valuation Law Manual



AMERICAN ACADEMY of ACTUARIES

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April 29, 2022

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General Information

The American Academy of Actuaries (the Academy) is seeking proposals to provide research and editorial services necessary to update and assist in publication of the Academy's Life and Health Valuation Law Manual for 2023, produced in late 2022.

Background

The Academy is a 19,500-member professional association whose mission is to serve the public and the U.S. actuarial profession. For more than 50 years, the Academy has assisted public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.

A major purpose of the Academy is to act as a public information organization for the actuarial professional in the United States.

The Academy, through its Life Valuation Committee, produces an annual publication titled "Life & Health Valuation Law Manual" (the "**Manual**"). Members use this Manual as a reference to assist in compliance (i) with the current National Association of Insurance Commissioners (NAIC) Standard Valuation Law for life and health valuations, and (ii) with applicable state and territory laws relative to life and health valuations and financial products.

The Academy is seeking bidders to prepare an update of the Life & Health Valuation Law Manual for 2023. The Manual should be completed and in its final form for circulation no later than December 19, 2022. The finished product (including a redline version and clean version) shall be produced in electronic form (flash drive and PDF) suitable for generating physical copies if necessary.

Description of Manual

The Manual includes:

- A concise summary of the valuation laws of all 50 states, the District of Columbia, Puerto Rico, and U.S. Virgin Islands.
- Current topics section outlining key valuation developments and specific state guidance
- Copies of current NAIC model laws and regulations that have an effect on reserve calculations
- A discussion of generally distributed interpretations
- Copies of the current actuarial guidelines from the NAIC Examiners Handbook

This Manual is organized into nine sections. Section 1 includes a preface that contains background information, NAIC activities, information on authors and peer reviewers, disclaimer and copyrights and permission. The subsequent sections are labeled Section 2–9 and include annual filings, valuation manual, model laws and regulations, state tables, New York regulations, NAIC actuarial guidelines, actuarial standards of practice (ASOPs), and other information. The manual contains information that summarizes the valuation laws of all 50 states, D.C., Puerto Rico, and U.S. Virgin Islands. These summaries are organized by line of business for ordinary life insurance, industrial, individual annuity, group annuity, and supplemental disability and accidental death benefits. Occasionally, there will be an additional summary for group life insurance. There is also a table listing other laws and regulations in addition to the valuation laws that impact life, annuity, or accident & health reserves. This summary is not intended to take the place of a thorough review of relevant state law.

Section 2 contains the Regulatory Asset Adequacy Issues Summary (RAAIS) Filing Guide and state contact information.

Section 3 discusses the reserving standards for life and health insurance and are based in large part on the requirements of the NAIC Standard Valuation Law. This section includes updates that have been made since 2017.

Section 4 discusses NAIC model laws and regulations.

Section 5 provides valuation information for all 50 states, the District of Columbia, Puerto Rico, and U.S. Virgin Islands.

Section 6 provides direct links to current versions of selected applicable New York regulations.

Section 7 includes information on NAIC Actuarial Guidelines established by the Life Actuarial Task Force (LATF) and the Health Actuarial Task Force (HATF).

Section 8 includes information on applicable actuarial standards of practice (ASOPs). ASOPs are authoritative guidance for actuaries practicing in the U.S. and are issued by the Actuarial Standards Board (ASB), the standard-setting body for actuarial practice established within the Academy.

Section 9 provides descriptions and links to useful webpages for users of the Valuation Law Manual.

Project Requirements

The 2023 Manual should follow the same format used for the 2022 Manual. The Academy expects the successful bidder to update the existing 2023 Manual and to provide research services sufficient to provide independent verification that the contents of the updated Manual are accurate.

The 2023 Manual must be in electronic form (flash drive and PDF) suitable for generating printed copies as provided above.

The successful bidder shall obtain and use the most current relevant information generated by the NAIC for inclusion in the Manual. The information must include NAIC rules and regulations, charts, and tables, and the corresponding state regulations from all 50 states, the District of Columbia, Puerto Rico, and U.S.

Virgin Islands. The Academy will be responsible for obtaining permissions for reprinting the information generated by the NAIC.

The successful bidder shall prepare, circulate, retrieve, and compile information from a survey/questionnaire to various state regulators concerning interpretations of relevant state insurance regulations with respect to life and health valuations.

The successful bidder will be responsible for all information contained in the Manual.

The successful bidder shall also be responsible for drafting the Preface for the 2023 Manual to summarize highlights and changes in laws, rules, and regulations applicable to actuaries.

The successful bidder must adhere to the timetable outlined below under the heading “Project Timeline” in connection with the Academy’s issuance of the 2023 Manual. Time is of the essence in the completion of this project and the successful bidder shall provide assurances that the bidder will comply with the Academy’s publication schedule.

Upon completion of a draft of the 2023 Manual, the successful bidder must obtain and incorporate comments from Academy staff and members working on the project within the Project Timeline as set forth herein.

Project Budget

The successful bidder will provide a detailed budget for the scope of work contemplated herein, on the understanding that Academy will pay for the work performed by the successful bidder on a *fixed fee basis*. The budget proposal shall specify whether payment for services rendered will be made at either (i) the completion of the project to the satisfaction of the Academy, or (ii) incrementally at fixed milestones as progress is made toward completion of the project to the satisfaction of the Academy. The successful bidder’s budget shall include all anticipated costs and expenses associated with this project.

The fixed fee, costs, and expenses referenced above must contemplate and include the fees, costs, and expenses for revisions to the 2023 Manual based upon the comments from the Academy staff and members.

Any and all payment schedules contained in a final contract will require the approval of the Academy’s Finance Department. The successful bidder shall be responsible for invoicing the Academy at the times contemplated in the written agreement between the Academy and the successful bidder.

Project Timeline

The following sets forth the anticipated timeline for the successful bidder to complete the 2023 Manual:

June 30, 2022	Academy to select successful bidder and work to complete a contract.
July 29, 2022	Successful bidder to provide to Academy research plan and draft survey/questionnaire survey to state regulators. Upon Academy approval, successful bidder to commence research on 2023 Manual

and circulate survey/questionnaire to state regulators. Bidder to conduct outreach as soon as practicable subsequent to NAIC summer meeting.

September 15, 2022	Successful bidder to provide written status report to Academy on successful bidder's research on state laws and regulations and follow up on surveys.
October 14, 2022	Successful bidder will provide draft of Preface for 2023 Manual to Academy for review. Successful bidder will confirm its receipt of 2023 NAIC materials for appropriate sections of the Manual and, where such materials have not been received, successful bidder will provide to Academy a firm action plan for obtaining missing materials.
October 31, 2022	Successful bidder to provide to Academy a complete draft of the 2023 Manual for Academy's internal review. The draft will include a complete Preface, all completed research, and all NAIC material required to be included in the Manual.
December 19, 2022	Following receipt of Academy's final comments on the Manual, successful bidder must deliver the 2023 Manual in finalized electronic form and/or physical copy.

Deliverables

The successful bidder's proposal must detail specific efforts and associated timetable it proposes to undertake, and the personnel services it plans to provide, in order to produce the following deliverables:

- Research, preparation, and compilation of the relevant laws, rules, and regulations pertaining to life and health valuation regulations across the 50 states of the United States, and the District of Columbia, Puerto Rico and the U.S. Virgin Islands for Part I of the 2023 Manual.
- Compilation and conversion into electronic form of the most recent NAIC's standards, rules, and regulations in the applicable section of the 2023 Manual.
- Compilation and conversion into electronic form of the most recent NAIC's *Actuarial Guidelines* in the applicable section of the 2023 Manual.
- Preparation of appropriate questions for survey/questionnaire to be circulated to state regulators and similar state officials for their interpretation of state regulations and statutes on life and health valuations; review and compilation of data responses from the survey/questionnaire satisfactory to the Academy in the applicable section of the 2023 Manual.
- Identification of project management from the successful bidder (i.e., who and how will project be supervised until completion) and satisfactory responses by the successful bidder to periodic requests from the Academy.

- Preparation of the Preface to the 2023 Manual in form acceptable to the Academy.
- Final preparation of the 2023 Manual, including all charts, tables, and other relevant information as outlined herein, subject to the satisfaction of the Academy. The final document must be in suitable electronic form for distribution by flash drive and by email in PDF format and any other format reasonably requested by the Academy in anticipation of its sale of the 2023 Manual, all in form acceptable to the Academy.

Successful Bidder Qualifications

Bidders should have the following qualifications, at a minimum:

1. Knowledge of statutory valuation laws for both life and health products.
2. Knowledge and prior experience in researching and preparing reference manuals for trade professionals.
3. Knowledge and prior experience in legal research on insurance statutes and regulations.
4. Prior work history with nonprofit trade organizations.
5. Ability to meet strict timelines and work schedules.
6. Prior technical writing experience and skills.
7. Good customer service and ability to work well with Academy staff and members.

The successful bidder will provide a narrative summary demonstrating how the successful bidder satisfies each qualification criteria 1–7 above.

Bid Procedure

All proposals in response to this RFP must be submitted no later than 5:00 p.m. EDT, on June 15, 2022 (the “**Deadline**”). The Academy reserves the exclusive right to extend this Deadline.

Proposals must be submitted electronically prior to the above Deadline and in Microsoft Word format by electronic mail (attachments may be in PDF format). All such proposals must be submitted to sonduck@actuary.org.

Proposals may be submitted anytime from receipt of this RFP through the Deadline. During this time period, any potential bidders may submit questions in email format to sonduck@actuary.org. Please do not telephone the Academy for questions related to this RFP. You must submit any questions in writing by email for response. All proposals submitted will receive acknowledgment of receipt by the Academy by email. Failure to provide a contact name and email shall result in disqualification. The Academy reserves the right to reject any and/or all bid(s) for any reason in the Academy’s sole discretion and without explanation.

None of the submitted proposals shall be returned, and no changes to the proposals shall be allowed other than for technical errors unless the Academy requests clarification or other supplemental information.

In the event that the Academy is interested in more than one bid, the Academy anticipates that it will contact those bidders whose proposals were of interest to the Academy by June 22, 2022. Only those

bidders that have been selected for further inquiry by the Academy will be contacted; all others should presume that their bids have been declined if they are not contacted by June 22, 2022.

In the event the Academy is interested in more than one bid, such bidders shall be contacted and shall have the opportunity to appear in person at the Academy’s office to articulate their proposals further. Each such bidder must bring the person who shall serve as the primary contact for the project and may bring up to two additional people for the presentation.

The Academy plans to issue its final decision by June 30, 2022, and thereafter the successful bidder and Academy legal staff shall work to complete a contract for the project.

No party shall announce publicly in any forum that they have either bid on this project or have successfully obtained the right to work on this project.

Additional Details of Proposal Format

In addition to the foregoing, the successful bidder’s proposal shall have the following format:

No proposal should exceed **twelve (12)** pages. All proposals must be concise, well organized, and provide sufficient detail to allow the Academy to clearly understand the bidder’s proposal. The proposal must be in Microsoft Word or PDF format.

The substantive format should be as follows:

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| Executive Summary | A summary of the bidder’s company and history. This section should illustrate the bidder’s qualifications as well. |
| Approach to Project | Explanation of how the bidder will accomplish the deliverables and the resources available to the bidder to accomplish the tasks. This section should also include the number of people that will be dedicated to the project and the project leader. |
| Additional Tasks | Any extraordinary tasks that the bidder believes will be necessary to accomplish the deliverables. |
| Cost Proposal | A narrative of fees and spreadsheet of the costs and expenses anticipated by the bidder in performing ALL of the deliverables in accordance with the proposed timetable. Please be reminded that the Academy expects fixed fees and fixed costs and expenses. |
| Project Timeline | Outline of the bidder’s methodology and specific milestones to accomplish the timeline for the project set forth in this RFP, and/or any suggestions or issues in meeting such deadlines. This timeline should include any deadlines that Academy staff or members should be required to adhere to in order to complete the project. |
| Deliverables | Outline the deliverables and how these will be accomplished. |
| Qualifications | Describe in detail the bidder’s qualifications, including providing resumes of all persons that shall be assigned to work on the project. |

References The bidder shall provide a minimum of three (3) work references illustrating the bidder’s prior work, preferably, with nonprofit companies, and prior reference manual assemblage. References should include the name, title, organization name, address, telephone and facsimile numbers, email address, and dates of project and nature of project.

Contract Terms (In addition to fees, costs, and expenses)

This request for proposal is not a contract nor is it an offer capable of acceptance by prospective bidders. The Academy intends to enter into a written agreement with the successful bidder which will include one or more of the terms described below. Notwithstanding the foregoing, the Academy may decline to entertain any bidder’s offer to provide services and may enter into any agreement with any prospective bidder in the Academy’s sole discretion.

- Any contract between the Academy and the successful bidder shall be for a period not to exceed one year from the execution of the contract.
- The contract will not be subject to automatic renewal.
- The successful bidder will be subject to strict terms of confidentiality.
- The successful bidder must acknowledge and agree that the Manual is a “work for hire” and the updated Manual is the exclusive property of the Academy. The bidder shall not have the right to reproduce, market, or sell the Manual or any products derived from it to any third party and the successful bidder shall not interfere with the Academy’s reproduction, marketing, distribution, or sale of the Manual.
- The contract terms will include the fixed fee, costs, and expenses for revisions to the 2023 Manual based upon the comments from the Academy staff and members.
- Any contract with a prospective bidder will include limitations of liability that exempt gross negligence or willful misconduct on the prospective bidders’ part.

The foregoing list of terms is not exclusive, and the Academy reserves the right to include any terms of the underlying contract between the Academy and the successful bidder as it deems appropriate.

Confidentiality

All information presented in this RFP and disclosed by the Academy during the proposal process or any other activity associated with the RFP process is confidential. This document, and any attachments hereto, regardless of form or medium, is intended only for use by the addressee(s) and may contain legally privileged and/or confidential, copyrighted, trademarked, patented, or otherwise restricted information viewable by the intended recipient only. If you are not the intended recipient of this document (or the person responsible for delivering this document to the intended recipient), you are hereby notified that any dissemination, distribution, printing, or copying of this document, and any attachment thereto, is strictly prohibited and violation of this condition may infringe upon copyright, trademark, patent, or other laws protecting proprietary and/or intellectual property. In no event shall this document be delivered to anyone

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Academy Review and Selection

Proposals are due by June 15, 2022. Finalist interviews with both Academy staff and Academy volunteers will begin the week of June 20–24, 2022. The Academy expects to make a selection by June 30, 2022, and subsequently enter into an agreement.

Questions and requests for additional information may be sent to:

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