

October 18, 2019

Re: RFP #2043 – **SERFF Assessment**

The National Association of Insurance Commissioners (NAIC) is soliciting proposals to conduct a business and technical assessment of the NAIC's System for Electronic Rates and Forms Filing (SERFF).

SERFF is a web-based system that facilitates the electronic submission of insurance product filings by insurers and the regulatory review of such filings by insurance regulators. SERFF is widely used, processing more than 550,000 transactions a year, including plan submissions related to the Affordable Care Act (ACA) and product filings submitted to the Interstate Insurance Product Regulation Commission.

The NAIC seeks a firm to provide a detailed analysis of the capabilities of SERFF in conjunction with the business needs of the association and its members. Qualified firms must have demonstrated experience with similar types of assessments.

To receive consideration, proposals should be sent electronically to Proposals@naic.org by 5 PM Central on November 8, 2019. In addition to ensuring your proposal addresses all items within the scope of work, the proposal should clearly state the price plus any service charges or fees that could be incurred in the delivery of this service.

Request for Proposal Schedule

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| <u>Friday, 10/18/2019</u> | Release of RFP |
| <u>Friday, 10/25/2019</u> | Notification of intent to bid to Proposals@naic.org |
| <u>Friday, 10/25/2019</u> | Submission of questions to Proposals@naic.org |
| <u>Tuesday, 10/29/2019</u> | Responses to questions provided via email and posted to NAIC website |
| <u>Friday, 11/08/2019</u> | Proposal due to NAIC to Proposals@naic.org |
| <u>Friday, 11/29/2019</u> | Firm Selection and Award of RFP |

Please submit questions regarding any aspect of this project to Jim Woody via Proposals@naic.org by close of business on Friday, October 25, 2019. All questions will be consolidated and answers provided to all potential vendors and posted to the NAIC website by close of business on Tuesday, October 29, 2019.

Selection Criteria

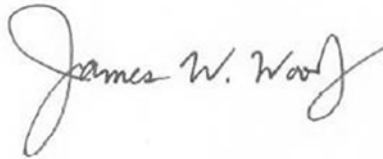
A committee of three State Insurance Department Members has been designated to review the proposals and select a firm for the assessment. This committee will also conduct regular progress meetings with the selected firm during the assessment.

The selection of the firm will be based on the following criteria:

- Experience with similar projects and ability to understand the scope of the engagement;
- Ability to meet the project schedule;
- Professional reputation of the firm;
- Proposed project costs; and
- Completeness of proposal.

NAIC reserves the right to reject any or all proposals, request new proposals, or request additional information. NAIC reserves the right to further negotiate with any or all bidders. Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "James W. Woody". The signature is written in dark ink and is positioned above the printed name and title.

James W. Woody
NAIC Chief Financial Officer

CC: Andy Beal, NAIC Chief Operating Officer/CLO
Donna Powers, NAIC Strategic Business Initiatives Assistant Director

Scope of Work for RFP 2043

SERFF Assessment

Part I – Background Information

Organization

The National Association of Insurance Commissioners (NAIC) is the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia, and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally. NAIC members, together with the central resources of the NAIC, form the national system of state-based insurance regulation in the U.S. See www.NAIC.org for more details.

SERFF Assessment

This document outlines the scope of work for an assessment of a NAIC-provided service called the System for Electronic Rates and Forms Filing (SERFF). The system, in use for over 20 years, was originally developed in the late 1990s as a joint effort between state insurance regulators and the insurance industry. The system was developed to transform a paper-based submission and review process for rates and forms to an electronic workflow that would speed filing review and provide process transparency.

Over time, the system has been revised many times to meet the changing needs of regulators and the insurance industry. Today, more than 2,700 regulators and 17,000 industry users interact with the system on a regular basis, through user interfaces and a variety of web services. Other users include industry partners and federal government entities. Since the development of the current version of the core platform about 13 years ago, there have been numerous new developments in document management, document workflow, and text processing using artificial intelligence. In the last several years, a couple of pilots have demonstrated new technology with the potential to streamline regulatory processes.

The goal of this engagement is to perform an assessment of the different aspects of the SERFF service. Many questions have been identified as outlined below. The NAIC seeks a partner to help answer these questions with an independent view in order to provide the greatest benefits to all stakeholders involved, which includes regulators, insurance companies, consumers, and other third parties. By answering these questions, the NAIC expects to gain a better perspective on how to best move the service forward with the goal of improving regulatory consistency of product filing reviews and to increase the speed with which an insurance product can get to its intended market.

Traditionally, there has been a heavy reliance on institutional knowledge to provide regulatory consistency. State insurance departments are experiencing an increased level of turnover in staff, in part as Baby Boomers leave the work force, causing concern about the speed with which new staff can be onboarded. As a result, many states are turning to technology in hopes that tooling and automation can help insurance department staff bridge the experience gap. As dependence on technology increases so does the need for a system that is easy to use and meets the expectations of a new workforce.

While the user base may be changing, the number of rate and form filings has remained fairly static over the last decade, averaging 550,000 per year, with the exception of peak years 2013-2015 due to the Terrorism Risk Insurance Act (TRIA) and a surge in health filings as a result of the Affordable Care

Act. However, the complexity of filings is increasing due to new product distribution strategies, InsureTechs, and a slew of innovative products on the market. Insurance departments are being challenged to complete filing reviews in a timely manner and they are looking to technology for assistance. They need help with tasks like comparing new products to those that were previously reviewed, allowing the system to evaluate standard regulations where possible and bringing attention to only those areas of the product that have changed, thus allowing the regulator to focus on the new or modified portions of the filing that need assessment.

Part II – Scope of the Engagement

The scope of this engagement includes components designed to evaluate both the technical architecture of the SERFF service and the business needs of the NAIC and its stakeholders, with the final evaluation answering the overarching question of how the service may need to change in order to continue to meet business needs.

- Stakeholders Interviews
 - Review the current SERFF platform, as well as proposed features compiled by NAIC staff to enhance SERFF, to ensure proposed features are aligned with the stated goal of improving regulatory consistency and promoting speed to market.
 - Identify enhancement gaps and innovations that may have been overlooked or not known to staff and/or stakeholders for possibilities to improve the system to meet the stated enhancement goals.
 - Assess the priority and urgency of each of the stated enhancements by stakeholders in relation to the stated goal.
 - No less than the following stakeholders should be interviewed:
 - 15-20 department of insurance regulators from various state insurance departments, who utilize SERFF regularly
 - 20 insurance company users from various companies, including users who file life/health and property/casualty products
 - 6-12 state insurance commissioners
 - 3 state-based exchange representatives
 - 2 consumers or consumer representatives
 - 1 representative from the Center for Medicare and Medicaid (CMS)/Center for Consumer Information and Insurance Oversight (CCIOO)
 - 1 representative from industry partners
 - 1 representative from the Interstate Insurance Product Regulation Commission
 - 6-12 NAIC support staff
- Services Assessment
 - Evaluate functionality provided by SERFF platform.
 - Make recommendations on whether the NAIC should partner, outsource, acquire, or build functionality for the priority enhancements, which are those enhancements most likely to achieve and contribute to the goals of regulatory consistency and reduced turnaround time for regulatory review of filings. Address strategic considerations regarding the ownership of the services and control of the database in light of the NAIC's mission statement and support of state-based insurance regulation.
 - Given the recommendations above, provide feedback on the following:

- Are there other products in the marketplace that provide the same or higher level of benefits as SERFF for rates and forms filing?
 - Does the NAIC have the ability to ensure SERFF can meet future state insurance regulatory needs?
 - Does the NAIC have the necessary resources and skills to undertake the enhancements?
 - Is the SERFF service appropriately funded and resourced? If not, what is the appropriate increase or decrease in platform funding and resourcing to meet the goals?
 - Should the NAIC consider funding the SERFF team for continuous improvements and innovations vs. periodic spikes of investment?
- New and Emerging Technologies
 - Assess and make recommendations on the role of new and emerging technologies, including artificial intelligence, in advancing rate and form filing review processes.
 - Address whether the NAIC should partner with a third party for additional capabilities, hire additional talent, continue down the path of learning and growth with the current cloud provider platform, and/or other.
- Governance
 - Make recommendations on the SERFF service governance process.
 - Address whether the current governance structure is effective in setting direction and priority for developments and investment in the platform.
 - Address whether the current process allows for the rapid delivery of value to the stakeholders/SERFF users.
- Assessment Deliverables
 - Raw and summarized feedback from stakeholder interviews. This should include any audio or video recordings.
 - Documented recommendations for the scope of concerns listed above with rationale and reasoning.
 - High-level investment recommendations from a personnel and funding standpoint both from an initial and ongoing investment perspective.
- Engagement Specifics
 - The engagement is expected to begin no later than mid-December 2019.
 - The selected firm is expected to conduct certain stakeholder interviews and services evaluation in the NAIC's Central Office in Kansas City, MO.
 - NAIC will provide access to state insurance commissioners during its annual Commissioners Conference in early February 2020 in Orlando, FL.
 - Certain stakeholder in-person interviews may be arranged during the Spring National Meeting in late March 2020 in Phoenix, AZ.
 - The selected firm is expected to deliver the assessment deliverables no later than May 31, 2020. In addition to a written report, the engagement team will also make a presentation to the NAIC Executive (EX) Committee or other designated group.

Part III – Proposal Specifications

The following items should be included in your proposal. Please reference RFP-2043 on all parts of your response.

Section I – Company Overview

- Concise description of your company, including a brief history and general expertise related to software business and technical evaluations
- Point of contact who will facilitate this project, their role, experience, and contact information
- Biographies of the proposed team members, including their role and specific experience and expertise

Section II – Services Provided

- Outline of the services your company offers as it relates to software business and technical assessments and the value your firm brings to the assessment of SERFF
- General description of how the provided services would meet the Scope of the Engagement described above
- Any supplemental information deemed to be helpful to the Committee's decision

Section III – Required Proposal Documentation

- Three reference example projects completed regarding software assessments similar to the Scope of the Engagement described above
- Fee schedule and other pricing information
- W-9 Form (Rev. 10/2018)
- Certificate of Insurance for Worker's Compensation
- Certificate of Insurance for Professional Liability
- Certificate of Insurance for Cybersecurity
- Signed Conflict of Interest (see attached)
- Signed Response to NAIC Standard Terms and Conditions (see attached)

Submission of Proposal

Proposals must be received by 5 PM Central on November 8, 2019, via email to Jim Woody at Proposals@naic.org.

NAIC reserves the right to reject any or all proposals, request new proposals, or request additional information. NAIC also reserves the right to further negotiate with any or all bidders.

NAIC CONFLICT OF INTEREST FORM
FOR RETENTION OF CONSULTANTS SUBJECT TO BID
NAIC RFP 2043

Any *Entity* that desires to contract with the NAIC must complete this form, including vendors, consultants and purchasers of goods or services. All potential conflicts must be disclosed and approved before the contract execution.

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| | <div style="background-color: yellow; width: 150px; height: 1.2em; margin-bottom: 5px;"></div> (" <i>Entity</i> ") did not provide gifts, favors, membership points or any other benefits to any employee or representative of the NAIC to affect the bidding and selection process for this contract. <ul style="list-style-type: none">▪ <i>Entity</i> will not provide or receive gifts, favors, membership points or any other benefits to any employee or representative of the NAIC in connection with the negotiation or implementation of this contract. ▪ <i>Entity</i> owners, principals and employees negotiating or implementing this contract on behalf of <i>Entity</i> are not former NAIC employees unless disclosed below. ▪ <i>Entity</i> owners, principals and employees negotiating or implementing this contract on behalf of <i>Entity</i> are not immediate family members of NAIC employees unless disclosed below. <p>The signatory below is a duly authorized representative of <i>Entity</i> and hereby certifies to the authenticity and veracity of this disclosure.</p> <div style="display: flex; justify-content: space-between; margin-top: 20px;"><div style="width: 60%;"><div style="background-color: yellow; width: 100%; height: 1.2em; margin-bottom: 5px;"></div><div style="border-bottom: 1px solid black; width: 100%;"></div><p style="text-align: center; margin-top: 5px;"><i>Authorized Entity Signature</i></p></div><div style="width: 35%;"><div style="background-color: yellow; width: 100%; height: 1.2em; margin-bottom: 5px;"></div><div style="border-bottom: 1px solid black; width: 100%;"></div><p style="text-align: center; margin-top: 5px;"><i>Date</i></p></div></div> <div style="margin-top: 10px;"><div style="background-color: yellow; width: 100%; height: 1.2em; margin-bottom: 5px;"></div><div style="border-bottom: 1px solid black; width: 100%;"></div><p style="text-align: center; margin-top: 5px;"><i>Print Name & Company Name</i></p></div> |
| | CLOSURE OF POTENTIAL CONFLICT <hr/> <hr/> <hr/> |
| | <div style="display: flex; justify-content: space-between; margin-top: 20px;"><div style="width: 60%;"><div style="border-bottom: 1px solid black; width: 100%;"></div><p style="text-align: center; margin-top: 5px;"><i>NAIC Executive Approval</i></p></div><div style="width: 35%;"><div style="border-bottom: 1px solid black; width: 100%;"></div><p style="text-align: center; margin-top: 5px;"><i>Date</i></p></div></div> |

CERTIFICATION

DISCLOSURE

STANDARD TERMS AND CONDITIONS
for
NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS
PURCHASE ORDERS FOR SERVICES

As used herein, “Seller” means the person, firm, or corporation to whom this Purchase Order is issued; “Buyer” means the National Association of Insurance Commissioners, a nonprofit Delaware corporation.

1. **Acceptance of Terms and Conditions.** Seller agrees to perform the services (“Services”) described in any purchase order (“Purchase Order”) in accordance with these Terms and Conditions. Upon acceptance of a Purchase Order or upon commencement of Services, Seller shall be bound by these Terms and Conditions and all provisions set forth on the face of any applicable Purchase Order, whether Seller signs or otherwise acknowledges these Terms & Conditions or the Purchase Order, unless Seller objects to such Terms and Conditions in writing prior to commencing Services.

to Seller. Upon receipt of notice of termination, Seller shall cease to provide Goods and/or perform Services pursuant to the Purchase Order. In the event of termination, Buyer shall be liable to Seller only for those Services satisfactorily performed before the date of termination, less appropriate offsets. Buyer shall not be subject to any charges or other fees as a result of such cancellation. Seller may terminate this Agreement upon written notice to Buyer if Buyer fails to pay Seller within sixty (60) days after Seller notified Buyer in writing that payment is past due and that it intends to terminate the Purchase Order.
2. **Revocable.** This writing does not constitute a firm offer and may be revoked at any time prior to acceptance.
3. **No modification.** No agreement or other understanding in any way altering the terms, prices or conditions of the applicable Purchase Order or these Terms and Conditions shall be binding upon Buyer unless made in writing and signed by Buyer’s duly authorized representative.
4. **Termination.** Buyer may immediately terminate the Purchase Order upon written notice to Seller if Seller fails to perform or otherwise breaches these Terms and Conditions, files a petition in bankruptcy, becomes insolvent, or dissolves. Buyer may terminate the Purchase Order for any other reason upon thirty (30) days’ written notice
5. **Warranty of Services.** Seller represents and warrants that all Services shall be completed in a professional, workmanlike manner, with the degree of skill and care that is required by current, good, and sound professional procedures. Further, Seller warrants that the Services shall be completed in accordance with applicable specifications. Seller represents and warrants that the performance of Services hereunder will not conflict with, or be prohibited in any way by any other agreement or statutory restriction to which Seller is bound.
6. **Seller’s Indemnification.** Seller shall indemnify, hold harmless, and at Buyer’s request, defend Buyer, its officers, directors, agents and employees, against all claims,

liabilities, damages, losses and expenses, including attorneys' fees and costs of suit arising out of or in any way connected with any claim by a third party against Buyer alleging that the Services infringe a patent, copyright, trademark, trade secret or other proprietary right of third party. Seller shall not settle any such suit or claim without Buyer's prior written consent. Seller shall also indemnify and hold harmless Buyer from any injury to person or property arising out of or caused by Seller's performance of the Purchase Order. Seller agrees to pay or reimburse all costs that may be incurred by Buyer in enforcing this indemnity provision, including attorneys' fees.

7. **Compliance with Laws.** Seller shall comply with all laws and regulations of federal, state and local governments, including without limitation, laws and regulations dealing with fair labor standards, civil rights, and public contracts. Seller further warrants that all Services performed pursuant to the Purchase Order have been produced or performed in compliance with such laws and regulations and Seller agrees to indemnify Buyer for any liability resulting from such noncompliance by the Seller.

8. **Price.** The price to be paid by the Buyer shall be the price contained in Seller's bid and/or the price stated on the face of the Purchase Order whichever is less. Seller represents the price contained in Seller's bid is no higher than Seller's current prices on orders by others for similar products or services under similar or like conditions and methods of purchase.

9. **Invoices.** Seller shall submit invoices on each Purchase Order after each delivery. Buyer shall not be charged sales tax and shall furnish a tax exemption certificate upon request. Discounts will be taken from the

date of acceptance of services or date the invoice is received by Buyer whichever is later. Buyer shall retain the right of offset.

10. **Force Majeure.** Buyer shall not be liable for any failure to perform including failure to: (1) accept performance of Services, or, (2) take delivery of the Goods as provided if caused by circumstances beyond Buyer's control which make such performance commercially impractical including, but not limited to, acts of God, fire, flood, acts of war, government action, accident, labor difficulties or shortage, or the inability to obtain materials, equipment or transportation.

Seller shall not be liable for any failure to perform including failure to: (1) provide Services, or (2) deliver Goods as provided if caused by circumstances beyond Seller's control which make such performance commercially impractical including, but not limited to, acts of God, fire, flood, acts of war, government action, accident, labor difficulties or shortage, or the inability to obtain materials, equipment or transportation.

11. **Insurance.** Seller shall be solely responsible for maintaining adequate auto, workers' compensation, unemployment compensation, disability, liability and other applicable insurance, as is required by law or as is the common practice in Seller's trade or business, whichever affords greater coverage. Seller shall carry Comprehensive General Liability coverage and Umbrella or Excess Liability coverage with minimum limits of \$1,000,000 per occurrence and \$2,000,000 in the aggregate for property damage and bodily injury. Upon request, Seller shall provide Buyer with certificates of

insurance evidencing adequate coverage naming the Buyer as additional insured.

12. **Limitation of Liability.** IN NO EVENT SHALL BUYER BE LIABLE TO SELLER OR SELLER'S AGENTS, OR ANY THIRD PARTY FOR ANY INCIDENTAL, INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT, WHETHER OR NOT BUYER WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.
13. **Confidentiality.** In the event Seller gains written or oral confidential information of or from the Buyer, Seller agrees not to reveal to anyone or make use of such knowledge and information at any time for any purposes except as necessary in the course and scope of provision of Goods or performance of Services specified hereunder. Upon termination of the Purchase Order, Seller agrees to deliver to Buyer all such confidential information or work product belonging to Buyer.
14. **Assignability.** Seller shall not assign or subcontract this Purchase Order or any of its rights or obligations hereunder without the prior written consent of Buyer. Any assignment or transfer without such written consent shall be null and void.
15. **Publicity.** Seller shall not use Buyer's name in any form or attribution in connection with any solicitation, publicity, advertising, endorsement or other promotion.
16. **Survivability.** Any obligations and duties, which by their nature extend beyond the expiration or termination of this Purchase Order shall survive the expiration or termination hereof.
17. **Choice of Law.** This Purchase Order shall be construed in accordance with, and disputes shall be governed by, the laws of the State of Missouri.
18. **Severability.** If any provision of this Purchase Order shall be deemed to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

NAIC 8/2012

Do you agree to the NAIC Terms & Conditions?

NO _____

Signature _____ Date _____

If NO,

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