

April 22, 2024

Re: Response to Questions raised on NAIC RFP #2096 – Modernized FDR Proof of Concept

On March 1, the National Association of Insurance Commissioners (NAIC) issued RFP #2096 soliciting proposals for development of a “Proof-of-Concept” (POC) of a modernized Financial Data Repository (FDR) system. Assuming the POC is validated, the RFP also requested firms submit a full plan for the development and implementation of a fully modernized FDR platform.

Accordingly, the NAIC received several questions regarding this project and has drafted responses to questions received by the submission deadline.

For full transparency and in accordance with our project schedule, we are publicly posting this list so all interested parties (regardless of if they submitted questions) can see our drafted responses. Questions received have been anonymized, grouped according to topic and may have been slightly modified so readers can understand the context or nature of the question.

While these questions have been answered to the best of our ability, as expected during a project of this magnitude, additional findings or data elements may come to light changing the ultimate outcome of the project.

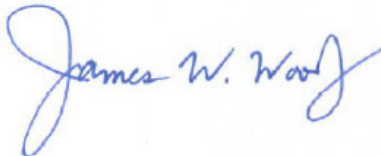
Please also note that as specifically detailed in the original RFP documents, NAIC’s Executive Committee has the final authority to direct contract execution for the vender that is ultimately recommended by NAIC staff.

The remaining items for our tentative project schedule are as follows:

May 15, 2024	Proposal due to the NAIC by 5 p.m. Central Time
May 22-June 7, 2024	Vendor interviews, if needed
August 2024	Projected Vendor Selection and RFP Awarded
Q3 of 2024	Projected Project Start

**Final responses to this proposal are due on May 15, 2024, by 5:00 p.m., Central Time** and must be submitted electronically to [proposals@naic.org](mailto:proposals@naic.org). **Proposals received after this time will not be considered.**

Respectfully,



Jim Woody, Chief Financial Officer

RFP #2096 - Financial Data Repository (FDR) Modernization

Category	Question	Answer
Artificial Intelligence	Are there any restrictions on the use of Artificial Intelligence for development of the POC.	There are no restrictions, assuming NAIC proprietary and/or confidential information can be protected. Please include any one-time or on-going costs that we may expect for training or maintaining the system.
Artificial Intelligence	Are there any restrictions on the use of Artificial Intelligence or Machine Learning platforms to enable functionality demonstrated in the POC?	There are no restrictions, assuming NAIC proprietary and/or confidential information can be protected. Please include any one-time or on-going costs that we may expect for training or maintaining the system.
Architecture	Are there any restrictions on the technology stack used for the POC and full mobilization?	For the POC there are not any hard restrictions. We shared technology choices that we would make by default if we were to undertake this re-engineering ourselves, but we recognize that our default choices may not be the best fit. Any time those default choices are not a best fit, we would like to understand why, and the tradeoffs associated with making that different choice.
Architecture	Can you please clarify the rationale or need for a vendor test and dev environment for the POC? Are vendors expected to hold test and dev environments?	For the POC a vendor test and dev environments are not required.
Architecture	Do we have a dedicated connectivity established from the Data Center to AWS for the data migration? (E.g: AWS Direct Connect)	The current FDR system components are hosted in AWS.
Architecture	For the POC, NAIC will provide the AWS subscription to host the application. Do we already have a foundation setup (Landing Zone) available to readily host the application? Or NAIC expects the supplier to build the foundation setup also as part of the PoOC?	NAIC can provide the account and some basic setup but you should plan to build whatever you need for the POC.
Architecture	How is the data getting transferred from the ingestion layer to the storage layer?	Read file --> Parsing --> SQL Insert --> Oracle DB
Architecture	The current custom solutions are leveraging a diverse set of technologies. For the future solution, NAIC has expressed a preference for buy vs build. Has NAIC evaluated or have a preference for any specific vendor platforms on top of which to build the POC and potentially the future solution?	Most of our current workload is running in AWS.
Architecture	What are the current tools and services used for monitoring and management? (E.g: Cloud native, 3rd-party etc.)	Application monitoring is performed using Dynatrace.
Architecture	Where is the Active Directory (AD) setup hosted currently? Is it extended to the AWS cloud?	AD is hosted in Azure and federated with AWS Organizations.
Architecture	Which is the region of choice for hosting the application on AWS? (E.g: N. Virginia, Ohio etc.)	Virginia (us-east-1)
Blank	Do you have any opinion on which blank template you would like us to use during the Demo? Also can you share sample validation rules that you would like to see in the system Demo for the chosen blank template	The Life Statement Type would be a good option to show complexity issues because in addition to the general account Life Annual Statement (COCODE key field), it involves the option of multiple Separate Account Statements (using the COCODE + Separate Account ID key to iterate each table in the Separate Account. Additionally, within the Life Annual Statement, including the State Page (which uses the COCODE + STABBR key field for iteration of the State Page). Addressing one or more Notes to Financial Statement would be good to address electronic data vs. PDF concerns. Including a variable line investment schedule, e.g., Schedule D, Part 1, within the Life Annual Statement and the Life Separate Accounts Annual Statement would be good to see how a single validation rule is applied and runs for each of the variable lines completed in the table. Finally, Risk-Based Capital for a Supplemental filing would be good, as it is mostly a running calculation and has several complex validation formulas (ones with many different tests with if/then/else logic and tolerances for each step).
Blank	Has the National Institute of Standards and Technology (NIST) identified which 'blanks' needs to be prototyped during the POC phase and if so, how many are there ?	Any of the financial statement blanks can be used for the POC.

RFP #2096 - Financial Data Repository (FDR) Modernization

Category	Question	Answer
Blank	What are the different types of blanks? Please provide the unique count of the blanks in scope.	Fixed Line and Variable Line.
Blank	What is the frequency of change in the blank templates?	It varies from year to year, depends on the Blanks Working Group.
Budget	Please advise the budget allocated / available for this POC. This will likely determine the various approaches possible to efficiently demonstrate feasibility and POCs, including potential iterations to validate architecture choices and assumptions.	No budget has been allocated yet. The RFP responses will inform the POC budget and timeline.
Current state	Are there existing architectural, program and / or data governance policies that have been or will be put in place as guidelines for the POC?	For the POC it is not expected that there will be any additional architectural, program, or data governance policies put in place.
Current state	In which system are Business Rules built?	Currently business rules are built and maintained in Spec Gen and Data Validations in Formula Maintenance. Both systems are defined in the RFP.
Current state	Can you highlight any specific challenges with respect to data ingestion into the FDR core system?	The complexity of the system can cause challenges with troubleshooting issues when they occur.
Current state	Can you share information on the batch-based processing (e.g., daily, weekly, monthly)? Are these processes sufficiently automated? We would appreciate information on the data batch architecture, workflows, service tickets, and future enhancements planned.	We have moved away from batch-based processing and would not expect the need for it in the new system.
Current state	Does complete product requirements and functionality specifications documentation exist for the current FDR platform? And if so, will those be made available to the selected vendor for the modernization project as a reference?	Current, complete product requirements/specifications documentation is not available. However, documentation of the recent system assessment will be made available to the selected vendor.
Current state	For ingestion, do the custom built tools for error handling require manual effort or is it automated? If manual, how complex is the effort?	Automated, as part of the ingestion / validation process - if a filing doesn't pass minimum standards, a record is written to show the failure and email sent to company of failure. Filings that fail minimum standard validations must be corrected and resubmitted.
Current state	Is there any pain area in terms of storing and managing the data?	The number of total objects / tables, which increases every year.
Current state	There are requirements which state to "demonstrate and quantify" the extent of improvements the suggested changes would bring. Our question is: Are baseline figures available today that give the current effort in Current State FDR? Or is this something that the chosen vendor will be required to study?	Specific measures will be made available upon request once a vendor is selected.
Data Architecture	We believe for the current data sets associated with existing blanks there exists a database 'Schema' in your Oracle system. Are 3 <sup>rd</sup> party service providers expected to leverage this existing schema or redesign the schema structure during the POC ?	There is no expectation that the blanks schema be leveraged; however, sample data will be available to use as needed.
Data Architecture	Is the expectation to continue with same data sources or modernize the data platform as well?	At this time there are no plans to change the format of the blanks themselves or the consumption layer of the data platform; however the expectation is that the format of the data submitted and in the operational data store will be modernized as appropriate.
Data Architecture	We understand that the NAIC is undertaking a separate Enterprise Data initiative and the preferred platform is Snowflake. Also Database structure already exists for the data collected through the blanks. Is it expected that the Vendor as part of the POC, demonstrate that the data collected is pushed into Database structure which is identical to the existing database tables?	Future-state the data platform would like to get the data from a message queue. For the POC writing the data in some format that could be consumed by the platform would be sufficient (parquet, json, etc)
Financial	We assume that the NAIC will share input on Total Cost of Ownership (TCO) for current state FDR in order to determine the Financial benefits analysis compared to modernized FDR. Please confirm.	To be determined at a later date.

RFP #2096 - Financial Data Repository (FDR) Modernization

Category	Question	Answer
FSP vendors	The move to XBRL would require the FSP vendors to have the XBRL processor (at the very least). Would it be fair to assume that NAIC would be providing the XBRL processor to the FSP vendors to integrate within their solution?	While our organization recognizes the importance of XBRL adoption and its impact on FSP vendors, we have not yet determined if we will be providing an XBRL processor for integration within their solutions. That will depend on various factors, including our resource availability and the specific needs of our vendor partners. We will provide the specific taxonomy that the vendors must comply with. We are open to suggestions if there are advantages of specifying and/or providing the XBRL processor.
Open Source	Are you interested in solutions that are based on open-source technologies with the understanding that NAIC would like to own the end product?	At this time we are not looking for a solution that is forked from an open source project. We do not want to incur the additional overhead of maintaining our changes as well as porting any patches from a parent project.
Open Source	Can open-source code be used in development as part of the solution?	Open source software would be considered but may require software license review and approval. In addition, several security implications would need to be considered as well.
Open Source	Can software enhancements developed as part of the proposal be made available to the open-source community?	Any software enhancements developed by the selected partner are expected to be the product of the NAIC. In the event there is software we would like to make available to the open source community, that process would be managed and run by the NAIC.
Process	Does NAIC requires another procurement process for the full-scale implementation of the POC for the FDR modernization? If so, will the chosen vendor for the POC be eligible to be awarded the full implementation?	The NAIC's Executive Committee has the ultimate authority to approve any level of funding related to this initiative, the extent of which (i.e., funding for the POC or the POC and the entire FDR rewrite) is at their sole discretion. However, assuming the POC is validated, we do not anticipate the need to issue another RFP related to the full system rewrite.
Process	Does the NAIC team intend to test any outputs of the POC phase of the requested work on users or end users?	There are no plans to do so at this time.
Process	How will NAIC plan to measure and validate the achievement of the Modernization initiative objectives listed in the RFP?	Plan to review proposals against requirement checklist.
Process	Is it possible to receive a list of companies that are interested in responding to the solicitation?	NAIC's bidding process requires us to maintain the anonymity of bidders therefore we are unable to share the names of interested firms.
Process	There was a project clarification and Q&A session held on March 21. Is there a recording available or notes from that meeting? How many vendors attended?	<a href="#">A recording of the session is available here.</a>
Process	What is the vision for integrating NAIC's product/design/development team and the successful vendor's product/design/development team?	NAIC staff will be made available as necessary. For the POC, NAIC staff involvement may be limited to regular touchpoints and addressing questions as necessary. For the full implementation initiative, the vision is that NAIC staff will be integrated with the vendor's development team.
Process	What key stakeholder(s) will NAIC make available for requirements gathering and gathering, as well as review and approvals for iterative work deliverables during the modernization initiative?	Key business and technical stakeholders will be made available as needed.
Process	What method(s) does NAIC plan to utilize (i.e., user sentiment, interviews/surveys, feedback analysis) to assess the accomplishment of the UX and UI improvement objectives?	To be determined at a later date.
Process	Who is involved in decision-making for the viability of FDROff-The-Shelf (OTS) / Open Source Code (OSC) solution?	The decision would involve many stakeholders including Business analysts, Technical leads or architects, Project managers and Senior management.
Process	Will the NAIC project team provide and/or facilitate contact with key user groups for feedback collection during the vendor's discovery and requirements gathering phases?	Yes.
Project Timeline	Assuming a Q3 start, when does NAIC desire to complete the work under this RFP?	There is currently no target date to complete the POC; however, there is a desire to complete it as soon as reasonably possible.
Project Timeline	Given your budget constraints, how do you envision defining the specific requirements for the POC to meet the budget and timeline constraints?	The RFP responses will inform the budget and timeline for the POC implementation. A fiscal will be presented for NAIC membership's consideration and approval.
Project Timeline	Is there a target date by which NAIC must complete the FDR Modernization POC?	There is currently no target date to complete the POC; however, there is a desire to move forward with full implementation as soon as reasonably possible.

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Category	Question	Answer
Project Timeline	Is there a target date in which NAIC would like to transition to the target state solution for FDR (not POC, but complete solution cutover)?	There is currently no target date to transition to the target state solution; however, there is a desire to move forward as soon as reasonably possible.
Project Timeline	Is there any timeline constraint to complete the Modernized FDR POC & Mobilization Planning phases?	There is currently no timeline constraint to complete the POC and mobilization planning phases; however, there is a desire to move forward as soon as reasonably possible.
Project Timeline	What are the planned phases for the full modernization project? What is NAIC's desired completion date for the full FDR modernization platform?	The POC will inform the planned phases for the full modernization project. No target completion date has been set; however, there is a desire to complete it as soon as reasonably possible.
Project Timeline	What is the anticipated or desired start date for the 'full scale' implementation?	There is currently no target start date for the full scale implementation; however there is a desire to move forward as soon as reasonably possible.
Scope	Are the 3 <sup>rd</sup> Party service providers expected to review the usage of existing reports and come up with rationalized set of reports during the POC phase of the project ?	Not for the POC. Feel free to include any reports you feel will demonstrate the ability to provide appropriate operational and/or end-user reports.
Scope	Are the front-end tools (e.g., CAAT, COD, COI) considered a part of FDR and if so, are they considered in-scope for the POC?	The front-end tools are considered a part of FDR, and in-scope for the POC.
Scope	Can we assume that the Blank Re-engineering does not seek to change the Data being collected, rather it seeks to understand the use of XBRL coded blank templates and the efficiency it brings. So Data harmonisation across the different blanks template is not under the scope.	Correct.
Scope	Do all components of FDR need to be included in the POC (e.g., ingestion, data processing, delivery / consumption, backend tooling, front-end tooling)? If no, what components does NAIC feel should be deprioritized?	The POC should include all of the components.
Scope	Does the NAIC intend to continue the current practice of accepting both a PDF version and data version of the blank or can the modernization process eliminate the need for the PDF version?	There is a desire to eliminate the need for the PDF version of the filings where possible. However, there may be legal/statutory restrictions at the states which prevent such elimination for the statutory financial statement filings.
Scope	Does the NAIC use any APIs today that are expected to be maintained going forward?	Out of scope for POC.
Scope	For the full scale implementation, is the supplier expected to provide the AWS account(s) or is it the same case as the POC?	Same as the POC.
Scope	For the scope of the RFP, can you provide the number of Extract, Transform, Load (ETL) transformations involved and their complexity (simple, medium, complex)?	Out of scope for POC.
Scope	Given this stage is considered to be a POC, and mock data and mock forms are expected, what level of detail of Mocks is expected?	Mock data/forms representative of the different levels of complexity of the financial statements is preferred. The Life Statement Type would be a good option to show complexity issues because in addition to the general account Life Annual Statement (COCODE key field), it involves the option of multiple Separate Account Statements (using the COCODE + Separate Account ID key to iterate each table in the Separate Account. Additionally, within the Life Annual Statement, including the State Page (which uses the COCODE + STABBR key field for iteration of the State Page). Addressing one or more Notes to Financial Statement would be good to address electronic data vs. PDF concerns. Including a variable line investment schedule, e.g., Schedule D, Part 1, within the Life Annual Statement and the Life Separate Accounts Annual Statement would be good to see how a single validation rule is applied and runs for each of the variable lines completed in the table. Finally, Risk-Based Capital for a Supplemental filing would be good, as it is mostly a running calculation and has several complex validation formulas (ones with many different tests with if/then/else logic and tolerances for each step). Further clarification available upon request.
Scope	How much emphasis is placed on the flexibility of the proposed solution for eventual productization?	There is a desire for a strong emphasis on flexibility to support blank changes and additional filings in the future.

Category	Question	Answer
Scope	In addition to Build Vs Buy, are the 3 <sup>rd</sup> Party Service Providers expected to come up with certain number of 'options', define strengths and weaknesses of each option and come up with recommendation?	Including options, along with strengths, weaknesses and recommendations in the POC would be very helpful.
Scope	Is entity management within the scope of the proposal or is the intent to build interfaces that connect to existing systems such as entity management? If yes, what are the systems and/or applications in place that interfaces need to connect with?	Entity management is outside the scope of this proposal.
Scope	Is the expectation to assess the entire FDR landscape at the same time as this POC? Is NAIC amenable to a phased approach?	The expectation is that all of the capabilities included in the high-level conceptual model are considered in the POC. The NAIC is open to a phased approach.
Scope	Is the High-level Conceptual Model applicable to all user types?	Yes.
Scope	Is the supplier expected to provide the infrastructure operations also as part of the full scale implementation?	No.
Scope	Is the system required to generate a PDF version of the blanks, or is having a humanreadable (non-PDF) version of the report acceptable?	The capability of presenting the data in human-readable format similar to the blank is a requirement of the new system.
Scope	Is there an any additional outcome for this overall initiative (beyond what was mentioned in the Vision section of the RFP) that Leadership has requested or will it be presented to Leadership after the POC completion?	At this time all desired outcomes have been outlined in the RFP.
Scope	Is there an interest in including a heuristic evaluation of the current system in the RFP response?	Not at this time.
Scope	Is there interest in moving the validation failures (p7) upstream (say to Blanks)?	Yes.
Scope	May proposals include additional deliverables as recommendations to improve project outcome(s) in the POC phase?	Absolutely.
Scope	The RFP mentions an objective for "FDR Modernization to allow for future growth of NAIC product offerings". What specific offerings or types of product offerings are included in this consideration set? Has this work been planned on a preliminary product roadmap?	Currently we collect supplemental filings for New York and are working on similar collections for Pennsylvania. We desire to have the flexibility to be able to easily provide collection and validation services to other states/territories.
Scope	This is a scope question, just trying to clarify the scope of this bid. We are to bid on Section 4 and 5. For 4, we are to deliver a working prototype, design a platform architecture and provide analysis of the impact of scaling it up. The intro to Section 5 seems to suggest that the real scope of section 5 won't be known until the completion of section 4. Should we assume our bid on section 5 is a level of effort bid, as the details will not be known until the completion of section 4 scope.	Yes. An understanding of the proposed solution will be necessary before mobilization planning can be done.
Scope	What are the interfacing systems in scope for the POC?	No interfacing systems are required for the POC.
Scope	What flexibility does NAIC require to support changes to the business architecture or organization strategy that align with this solution?	Flexibility and maintainability are key considerations.
Scope	What ongoing level of support and integration is NAIC looking for from a potential vendor in the future? i.e.: 24/7 support, or 9x5?	For the POC none is anticipated.
Scope	Within consideration of the Buy vs Build decision, does NAIC have a preference in vendor proposals of SaaS vs proprietary solutions for this product?	There is no preference other than the solution meets our needs and does so securely.
Security	Are there restrictions of types of data that may be submitted to PaaS or SaaS systems?	All data must be encrypted at rest and in transit. We monitor all vendors that have access to NAIC data.

RFP #2096 - Financial Data Repository (FDR) Modernization

Category	Question	Answer
Security	In your RFP you mention about adhering to NAIC Security Standards. Do your standards align with NIST-800-53 security standards ? Are there any deviations that we should be aware of ?	NAIC security standards align with NIST-800-53.
Security	What are NAIC cyber security standards regarding test data?	Test data is not permitted outside of the non-prod environments. Only production data is allowed in production, and non-prod data in non-prod environments.
Security	What is the Recovery Time Objective (RTO) & Recovery Point Objective (RPO) for the current system? Also, what is the current Disaster Recovery (DR) strategy?	The RTO and RPO for FDR is 4 hours. The current DR strategy is to bring up systems deemed critical within 4 hours and then bring up other systems as requested.
Staffing	Are overseas / offshore resources and / or subcontractors permitted to execute on the POC?	Overseas and/or offshore resources are permitted.
Staffing	Are there any contracting restrictions?	There are no contracting restrictions as long as there are no conflict of interests.
Staffing	Can work be performed remotely for the POC and/or for the full mobilization?	Yes.
Support Info	Can you please share a mutual NDA? NAIC Standard Terms and Conditions do not explicitly outline this requirement, and we are requesting confirmation to establish a mutual NDA	A proposed mutual NDA template will be provided later in the selection process.
Support Info	Does a brand style guide exist and will it be provided before the start of work?	Yes.
Support Info	How do you maintain the hierarchies for error prioritization?	Based upon business users' needs. Prioritization is done at the rule and filer level.
Support Info	How many people within NAIC and/or within the states will be involved in using the system going forward, e.g., updating reporting requirements or instructions?	Currently about 65 internal users.
Support Info	Is there any additional information about user types outside of what is provided in the RFP (i.e. personas)?	No.
Support Info	Page 7 of the RFP says that the FDR assists consumers when shopping for a new carrier. We couldn't find this feature on your web site, despite signing up for an account. Roughly how many consumers and academics use this system on a daily basis?	Consumers and academics do not access the FDR system directly; however, financial data is available via the Consumer Insurance Search and InsData.
Support Info	What is the average file size for these files or blank data?	The average file size received for processing is 2.7Mb.
Support Info	What is the average number of business rules to be validated for the initial file upload for each submission type?	For a Life Annual Statement, and other statement types are relatively similar, the average of rule counts is: Submission (File Format and File Structure) - 33 Form/Format (Metadata, Data Type, etc.) -52 Completeness C-type (Missing Lines or Tables - generic metadata driven) - 8 Completeness Q-type (Missing Filing Sets or Filings) - 57 Consistency/Textual (Qualitative) - 41,664
Support Info	What is the average time taken for validation of the submissions from the Insurer/s?	The average processing/validation time for an annual filing, including queue time, is 16.58 minutes. The system picks up filings for processing every 3 minutes
Support Info	What is the max count and complexity of these business rules for each of the blanks?	For a Life Annual Statement, and other statement types are relatively similar, the average of rule counts is: Submission (File Format and File Structure) - 33 Form/Format (Metadata, Data Type, etc.) -52 Completeness C-type (Missing Lines or Tables - generic metadata driven) - 8 Completeness Q-type (Missing Filing Sets or Filings) - 57 Consistency/Textual (Qualitative) - 41,664
Support Info	Will the selected vendor have access to the current data models, code, documents and requirements used to deliver the existing systems?	Will be provided as needed.

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Test data	Can we have access to the specification for the current electronic data format in which the blanks are collected?	Access would be able to be provided for vendors who sign a brief page agreement and an NDA.
Test data	Can you provide copies of the blanks and the validation rules for organizations responding to the RFP?	Yes.
Test data	How will data for the POC be provided? We assume that data will be masked, please confirm.	Yes, Masked
Test data	To better understand the test data to be provided, would it be possible for NAIC to provide sample and anonymized 'test data' prior to the proposal submission deadline?	Test data is available upon request.
Test data	Will NAIC provide the business rules for extracting information from blanks, or will that be the responsibility of the Partner to re-engineer from the existing system?	Re-engineer from existing system for the RFP process. When building out the actual implementation with the chosen vendor, the NAIC will work with the selected vendor to establish those new rules based on the technology, tools, etc., selected.
Test data	Will NAIC provide validation rules in production for the purposes of testing during the POC?	Yes.
Test data	Will test data be completely anonymized for the POC? Understanding that test data may be restricted in the number of insurance products, or the number of states, we would like to confirm whether carrier data or other identifying data will be provided	Yes.
Test data	Will the selected vendor be provided with the test data and expected test outcomes of the POC?	Yes.
Test data	Will the test data intended for POC component testing be provide/made available at the beginning of the POC project phase?	Yes.