

# Arkansas Insurance Department

Mike Beebe  
Governor



Jay Bradford  
Commissioner

## Questions and Answers for Workers Compensation Plan Administration RFP

Q1:	What is the RFP number, proposal opening date, and hour that bidders need to notate on their submitted proposal envelope?
A:	RFP wkrscomp 2014, 12/5/14, 2:00 pm
Q2:	Under Section 3.3.F., is AID requesting a proposed annual fee for plan administration expenses for each year of the contract term, even if these fees are not charged to AID as required in Section 1.19. "Cost"? Please clarify.
A:	Section 3.3.F. requests an itemized list of any expenses AID may encounter during the course of the bidder's workers compensation plan administration, including, but not limited to, any cost to obtain new documents or implement new software; however, it is strongly preferable that AID may not be encumbered by expenses and the bidder may meet the requirement of Section 1.19.
Q3:	Please clarify the expectation for responses, if any is required, to the information in Sections 1 and 2. The RFP indicates that the bidder's response is to be focused on responding to Section 3, Information Required for Evaluation, while acknowledging the General Information in Section 1 and the Specific Requirements under Section 2. Correct? Or does the Department require a specific response to each of the statements in section 1 and 2?
A:	The bidder is expected to comply with the requirements set forth in Sections 1 and 2; only if the bidder is unable to comply with any requirement set forth in Section 1 or 2, shall a written statement and explanation be remitted to AID regarding that requirement.
Q4:	Under Section 2.2, is a bidder required to hold any licenses issued by AID in order to be able to submit the required policy forms, rates, or supplementary rating information necessary to effectuate the Plan? If so, what licenses?
A:	Yes; a bidder shall obtain an advisory organization license because the bidder will be providing these services pursuant to Ark. Code Ann. §§23-67-202, 23-67-214, 23-67-216, and 23-67-219. As an advisory organization, the bidder will file rates and forms for the plan.
Q5:	If a bidder is not the licensed rating/advisory organization in the State, will they be required to obtain a license or receive authorization from the licensed rating/advisory organization to use its proprietary materials, including but not limited to classifications,

	forms, rates and rating plans for the residual market? If so, what proof of their ability to provide these services does the bidder need to provide to AID?
A:	Yes, pursuant to Ark. Code Ann. §23-67-214. The bidder needs to contact Carol Stiffler to become duly licensed as an advisory organization; that licensure will serve as proof that the bidder has the ability to provide those services. Her contact information is: 501-371-2807 or carol.stiffler@arkansas.gov.
Q6:	If the bidder to perform this work is a subsidiary, should the corporate profile, experience and qualifications under section 3.0 be limited to the subsidiary providing the specific Plan Administration services in this RFP, unless the bidder specifies that any work is to be performed by the parent company?
A:	Yes, unless any work, proprietary information, or access to that information will be shared with the parent company or other subsidiaries.
Q7:	In Section 3.0A, how does AID define a bidder’s experience for the “administration of the workers compensation”? Will AID differentiate providing full plan administration services versus providing only some particular aspect of the plan administration role e.g., providing only loss control services?
A:	For the purposes of this RFP, experience is defined by a bidder’s ability to meet the requirements of the RFP and any information given to AID regarding experience in ability to meet those requirements. AID will give priority to bidders that provide full plan administration services, as defined by Arkansas statute.
Q8:	Does a bidder need to provide a list of each state and the specific Plan Administration services that is provided to each state to clearly articulate “similar services” referred to in Section 3.0A?
A:	Yes, but it is not necessary for a bidder to do more than succinctly list the services.
Q9:	Are all policy forms, rates, and rule filings required to be submitted through SERFF by the successful bidder?
A:	Yes, pursuant to the bidder’s role as an advisory organization.
Q10:	Is a successful bidder required to publish the financial results of the reinsurance mechanism on a quarterly basis to the state as well as to all of the carriers in the state that reinsure the policies written in that state?
A:	The successful bidder is required to publish financial results of the reinsurance mechanism on a quarterly basis to the state and the carriers. The Department’s policy is that this information be published on a public website for transparency and ease of delivery.
Q11:	Does AID have any specific requirements that a bidder should meet in conducting their annual performance review of the servicing carriers under Section 2.2 D?

A:	When the Commissioner determines a servicing carrier performance review is necessary, the bidder shall determine that a servicing carrier meets the requirements set forth in Section 2.2.D. as well as those in AID Rule 54.
Q12:	Under Section 2.2.B.6, will a successful bidder's operations be periodically required to be examined under the multi-state NAIC examination protocols?
A:	The bidder should contact the NAIC to see if the operations qualify for examination.
Q13:	Section 3.0.F. requests the bidder to describe any involvement in any lawsuits or regulatory actions concerning the requested services within the last ten (10) years. Due to the time period requested, is there a specific monetary threshold or materiality threshold for reporting involvement in plan administration services lawsuits or regulatory actions as a defendant? Define the meaning and scope of the term "regulatory action" referred to in this section. Is this section limited to matters filed in Arkansas?
A:	Bidder shall disclose any lawsuits that resulted in a determination of impropriety or illegal activity by the bidder as well as any regulatory actions that were comprised of administrative actions to penalize or reprimand the bidder. This section is not limited to matters filed in Arkansas. Bidder shall disclose a summary of the matter as well as any resulting order.
Q14:	Will the successful bidder be required to complete on-site classification inspections for residual market risks in order to assure the quality of the residual market classification rates?
A:	Yes.