

**GASB Valuation RFP**  
**Selected Questions and Answers**  
**December 7, 2007**

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1. *Do these RFPs cover the valuations for all of the programs (SEGIP, TRIP, LGHP, and CIP) or just SEGIP? If any valuation work will be done for TRIP or CIP, will active census data be available? If not, who is performing these actuarial valuations and are they eligible to propose on this work?*

Please note that GOMB seeks responses to only one RFP. The RFP for a valuation for GASB 43 compliance has been canceled. The replacement solicitation, for GASB 45 compliance, was published on the Procurement Bulletin website on November 29, 2007 under reference number 22014010. The replacement RFP is also available on the GOMB website: <http://www.state.il.us/budget/rfps.asp>. The RFP seeks proposals for a valuation for SEGIP only.

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2. *There are separate RFPs for the GASB 43 and GASB 45 valuations. May we submit one proposal that covers the work under both GASB statements, or should we submit two separate proposals?*

GOMB canceled its solicitation related to GASB 43, and seeks responses only to its RFP regarding a GASB 45 valuation. This RFP is available on both the Procurement Bulletin and GOMB websites.

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3. *Who was hired to perform the previous work as a result of the 12/22/06 RFP? Please provide a copy of any reports resulting from that work effort.*

GOMB engaged Deloitte Consulting LLP following its "Request for Proposals for Healthcare Accounting and Actuarial Services" published December 22, 2006.

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4. *The scope of services includes "Analysis of various assumptions previously gathered by the State for the purpose of evaluating potential liability under GASB 43". What assumptions were previously analyzed and when were the studies completed? Do you envision that the work under this RFP will include a similar in-depth study?*

The valuations will be done using the relevant assumptions used by the pension actuaries. The medical trend and discount rate data has been assembled by Deloitte Consulting LLP from State records. Selected vendors will not be required to complete a similarly in-depth study, though in the course of the valuation may be asked to review the assumptions previously gathered.

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5. *From what sources were the existing assumptions gathered? Does the State expect the engaged consultant to assist in developing additional or updated assumptions?*

GOMB does not anticipate that selected vendors will need to develop new assumptions; however, in the course of the valuation the selected vendor may opine on the appropriateness of assumptions already developed.

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6. *We assume that the ARC and liabilities will need to be done separately for each of the four plans. Are there any other breakouts that will be needed?*

Only SEGIP is being valued.

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7. *Are there differences in eligibility, benefits provided, choices available, or retiree contributions among the various State departments or among the schools or colleges?*

There are eligibility differences between State and university employees. Benefit choices are the same.

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8. *With which actuarial firm has the State worked on prior GASB 43/45 actuarial estimates? Who made these estimates, what fees did they charge, and may we have access to the estimates? Did this firm develop the estimated liabilities on page 7 of the RFP? Have more recent estimates been developed?*

GOMB has not yet engaged a vendor for a GASB 45 valuation. The liabilities on page 7 of the RFP represent annual expenses.

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9. *Has the State established a GASB qualified trust for pre-funding? If so, is there a separate trust for each of the four programs, or one trust covering all four?*

No.

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10. *Does the State have a budget for this project, and may it be shared?*

The State has allocated funds for the purpose of this valuation; however, GOMB does not customarily disclose such information during the procurement process.

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11. *In the course of performing the pension valuations for the various Illinois retirement systems, the pension actuaries need to request the active membership data, and edit the data for reasonableness and consistency. Will the actuary for this engagement receive the active membership data after the pension actuaries have performed their review, or will an*

*independent review of the active data be necessary? Has the census data for SEGIP already been gathered and cleaned?*

Pension actuaries will provide edited data; however, vendors may need to independently review this data to complete the valuation.

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*12. What is the anticipated timing of the delivery of the membership data to the GASB 43/45 actuary, and when would the actuary be expected to present the results of the annual valuations?*

GOMB requests that respondents incorporate their own estimated timeframe into their responses to this RFP. However, please note this statement in Section I of the RFP:

GOMB anticipates that the services of the firm(s) selected under this RFP (each such firm a “Vendor” or “Actuary”) will be provided through a contractual agreement (“Contract”) extending through December 31, 2008, subject to such early termination provisions as the Contract may provide. The Contract may be extended at the State’s option for up to two six-month extensions.

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*13. The evaluation in section IV indicates one of the measurements will be sample reports we provide. How can we do this and meet the 10 page maximum requirement?*

GOMB appreciates the opportunity to review any sample reports previously created by respondents to this RFP. Accordingly, any sample report attached to an RFP response will not be counted toward the 10-page maximum.

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*14. If we have no anticipated direct subcontracting opportunities for this work how should we complete the BEP forms? If BEP is a must, how can we demonstrate successful compliance with the requirements in a two week period of time?*

This RFP includes a BEP subcontracting goal of 19%, and provides for respondents’ demonstration of good-faith efforts to meet the goal. Please refer to Appendices C and D of the RFP for relevant BEP information.

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*15. Will either of the firms hired in December 2006 for the Health Care Accounting and Actuarial RFP have a role in the work covered by this RFP?*

Deloitte Consulting LLP will provide general oversight of the project.

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16. *Will either of the firms hired in December 2006 for the Health Care Accounting and Actuarial RFP be able to bid on this work? Are firms which consult to the state pension funds (SERS, STRS, and SURS) eligible to provide these services?*

GOMB welcomes any response designed to meet the requirements of the RFP and requests a description of any potential conflicts of interest, to be included in Appendix B of your response. GOMB will, in its sole discretion, determine whether any potential conflicts will preclude a successful bidder from providing the requested services.

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17. *Does the scope of services anticipate that the liabilities will be run under a single set of assumptions or will sensitivity testing on key assumptions be needed?*

Limited sensitivity testing is likely.

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18. *How many individual employers within SEGIP will need separate GASB 45 valuation results?*

The State is the sole employer seeking results.

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19. *How many meetings, related to the engagement outlined in the RFP, would the State expect the consultant to attend per year?*

GOMB anticipates the successful respondent will be asked to attend two meetings.

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20. *Are claims reported separately or will data be received from one central location?*

Data will be provided by the State or pension actuaries as appropriate.

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21. *Does the State require an actuarial valuation for liabilities only, or will all GASB Accounting required supplemental information be included?*

GOMB seeks all actuarial results necessary for GASB 45 compliance.

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22. *Please describe the number of coverage options available to retirees under the program(s). For this purpose count coverage options that have different copay's or deductibles as separate options.*

Retirees have a number of HMO choices, but a single indemnity plan.

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