



## PROCUREMENT JUSTIFICATION FORM (PJF)

This form must accompany all contract requests and sole source requisitions (RQS) over \$5,000 submitted to the Division of Procurement Services.

*INSTRUCTIONS: Please provide the requested information in the white spaces below. All responses (except signatures) must be typed; no hand-written forms will be accepted. See the guidance document posted with this form on the Division of Procurement Services intranet site (Forms page) for additional instructions.*

PART I: OVERVIEW			
Department Office/Division/Program:		DPFR / Insurance	
Department Contract Administrator or Grant Coordinator:		Vanessa J. Sullivan 207-624-8452	
(If applicable) Department Reference #:			
Amount: (Contract/Amendment/Grant)		\$ 200,000	Advantage CT/RQS: 20180604 3817
<b>CONTRACT</b>	Proposed Start Date:		Proposed End Date:
<b>AMENDMENT</b>	Original Start Date:	7/1/2018	Effective Date:
	Previous End Date:		New End Date: 6/30/2023
<b>GRANT</b>	Project Start Date:		Grant Start Date:
	Project End Date:		Grant End Date:
Vendor/Provider/Grantee Name, City, State:		Milliman, Inc. 71 S. Wacker Drive, 31st Floor Chicago, IL 60606  VC1000065245	
Brief Description of Goods/Services/Grant:		Unum Life Insurance Company of America Actuarial Services	

PART II: JUSTIFICATION FOR VENDOR SELECTION			
Check the box below for the justification(s) that applies to this request. (Check all that apply.)			
<input type="checkbox"/>	A. Competitive Process	<input type="checkbox"/>	G. Grant
<input checked="" type="checkbox"/>	B. Amendment	<input type="checkbox"/>	H. State Statute/Agency Directed
<input checked="" type="checkbox"/>	C. Single Source/Unique Vendor	<input type="checkbox"/>	I. Federal Agency Directed
<input type="checkbox"/>	D. Proprietary/Copyright/Patents	<input type="checkbox"/>	J. Willing and Qualified
<input type="checkbox"/>	E. Emergency	<input type="checkbox"/>	K. Client Choice
<input type="checkbox"/>	F. University Cooperative Project	<input type="checkbox"/>	L. Other Authorization

Please respond to ALL of the questions in the following sections.

### PART III: SUPPLEMENTAL INFORMATION

**1. Provide a more detailed description and explain the need for the goods, services or grant to supplement the response in Part I.**

The Maine Bureau of Insurance (“MBOI”) is charged with the financial oversight of domestic insurance companies pursuant to 24-A M.R.S.A. As a result of certain developments, the MBOI needs to engage an actuary with specific skills related to long-term care insurance products (“LTC”) offered by Unum Life Insurance Company of America (“ULA”) in order to for the MBOI to perform the NAIC prescribed financial examination.

ULA is Maine’s largest domestic insurance company and presents an insurer with extremely complex reserve matters. The work to be performed, set forth in this contract (and described below), supports the NAIC prescribed five-year financial examination

As a result of actuarial analysis services, the Provider will deliver to the MBOI the following LTC reserve examination deliverables:

- On an ongoing basis the Provider will assess the reserve adequacy of statutory reserves reported by ULA in respect of its LTC business;
- On an ongoing basis the Provider will assess the statutory reserves reported by ULA in respect of its LTC business for compliance with NAIC minimum valuation standards, prescribed valuation assumptions, and State of Maine valuation requirements;
- Review and assess reinsurance contracts covering LTC business for appropriateness and to ensure validity of purported risk transfer;
- Prepare a written report of Provider’s findings and conclusions, as requested, that focus on the items defined above and related to ULA’s LTC business.

**2. Provide a brief justification for the selected vendor to supplement the response in Part II. Reference the RFP number, if applicable.**

The MBOI knows of two actuarial firms, Milliman and Deloitte, with extensive long-term care actuarial analysis experience with economically significant insurers. In each case the long-term care/disability insurance actuarial expertise resides in the respective firm’s Chicago office(s).

Milliman has specific, sought after long-term care insurance actuarial analysis skill set(s). Milliman has successfully resolved several long-term care insurance reserve projects with nationally significant insurance companies. Milliman also has a successful history of assisting various state insurance regulators, including those regulators of states in which Unum statutory legal entities reside with long-term care insurance reserving matters.

This contract is the third long-term care insurance reserve project with Milliman. To sum, Milliman (and Deloitte) employ skilled staff with significant germane product experience.

**PART III: SUPPLEMENTAL INFORMATION**

3. Explain how the negotiated costs or rates are fair and reasonable; or how the funding was allocated to grantee.

The rates proposed by Milliman are reasonably competitive with those of other actuarial consulting firms. While not an apples-to-apples, comparison, hourly rates observed by the MBOI have ranged from \$185-\$270 for an assistant actuary up to \$508-\$611 for a principal actuary.

4. Describe the plan for future competition for the goods or services.

None contemplated.

**PART IV: AMERICAN RESCUE PLAN ACT (ARPA) / MAINE JOBS & RECOVERY PLAN (MJRP)**

Does this request utilize ARPA/MJRP funds?

Yes – If Yes, please attach the approved Business Case(s).

No – If No, proceed to Part V.

**PART V: APPROVALS**

The signatures below indicate approval of this procurement request.

Signature of requesting Department's Commissioner (or designee):	<i>Anne L. Head</i>		
Typed Name:	Anne L. Head	Date:	01/19/2022
Signature of DAFS Procurement Official:	DocuSigned by: <i>Debbie Jacques</i>		
Typed Name:	1DFA565D481F42E... Debbie Jacques	Date:	1/20/2022