

State of Maine Procurement Justification Form

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 website (Forms page) for additional instructions.

| PART I: OVERVIEW | | | |
|---|--|-----------------------|---------------|
| Department Office/Division/Program: | DPFR / Insurance | | |
| Department Contract Administrator or Grant Coordinator: | Timothy N. Schott 624.8403 | | |
| (If applicable) Department Reference #: | | | |
| Amount: (Contract/Amendment/Grant) | \$39,900 | Advantage CT / RQS #: | 20150722 0302 |
| CONTRACT | Proposed Start Date: | Proposed End Date: | |
| AMENDMENT | Original Start Date: | Effective Date: | |
| | Previous End Date: | New End Date: | 06/30/2020 |
| GRANT | Project Start Date: | Grant Start Date: | |
| | Project End Date: | Grant End Date: | |
| Vendor/Provider/Grantee Name, City, State: | Rackemann, Sawyer & Brewster P.C. 160 Federal Street Boston, MA 02110-1700 | | |
| Brief Description of Goods/Services/Grant: | Insurance Company Market Conduct Consultation Services | | |

| PART II: JUSTIFICATION FOR VENDOR SELECTION | | | |
|---|-----------------------------------|--|----------------------------------|
| Mark an "X" before the justification(s) that applies to this request. (Check all that apply.) | | | |
| | A. Competitive Process | | G. Grant |
| X | B. Amendment | | H. State Statute/Agency Directed |
| X | C. Single Source/Unique Vendor | | I. Federal Agency Directed |
| | D. Proprietary/Copyright/Patents | | J. Willing and Qualified |
| | E. Emergency | | K. Client Choice |
| | F. University Cooperative Project | | L. Other Authorization |

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PART III: SUPPLEMENTAL INFORMATION

Please respond to ALL of the following:

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

This arrangement is necessary in order to provide specialized skill sets, beyond that of Maine Bureau of Insurance (“MBOI”) staff, which is crucial in the delivery of insurance company regulatory oversight. The frequency of the need for these services is not possible to predict. As such, it is not economically feasible nor is it practical for the Bureau of Insurance to maintain staff with these skill sets.

2. Provide a brief justification for the selected vendor to supplement the response in Part II.

Rackemann, Sawyer & Brewster P.C. (“RSB”) employs unique individuals with qualifications and experience not easily replicated. An example of RSB’s skill set follows: Earlier in the past decade, RSB performed an examination on Unum Life Insurance Company of America (“ULA”), a ME domiciled insurer. The RSB examination was performed subsequent to a full scope comprehensive claim handling review performed by a leading examination firm. The leading examination firm concluded that ULA adjudicated claims properly. RSB performed its examination shortly after the leading firm concluded their review with no findings. RSB identified significant claim handling issues in an extremely short period of time. The RSB examination resulted in significant findings and an unprecedented multi-state regulatory settlement.

Since the ULA market conduct examination, the regulators of ME and MA are targeting ULA competitors to ensure that claims handling practices are not resulting in a competitive advantage. As such, the experience and expertise that RSB possesses enables ME to ensure that competitors with ULA are treating disability claimants in a manner similar to the practices required of Unum Life Insurance Company of America.

J. David Leslie is the RSB contact person. Mr. Leslie has lead all of the aforementioned RSB assignments. Mr. Leslie has extensive insurance industry knowledge. Mr. Leslie represented the Commonwealth of Massachusetts in the Harvard rehabilitation and the Minuteman receivership.

Mr. Leslie is currently leading several high profile MBOI projects. Mr. Leslie’s skill set is not readily available in the marketplace

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

The MBOI has used RSB in the past. RSB rates are extremely competitive. More importantly, the contractor does not “pad” invoice hours and does not bill to the ultimate contract value. The contractor is extremely efficient and knowledgeable and is able to deploy resources effectively.

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

None.

This contract is an insurance company market conduct consultation contract. The MBOI wishes to contract with RSB in order to receive a wide variety of insurance company consultation services.

Presently, RSB is engaged in significant multi-state market conduct examinations and three Maine domestic insurance company matters. The in-force contract expires on June 30, 2020. The final available amendment is through 06/30/2020.

The MBOI intends to execute a similar contract with a 07/01/2020 start date.

PART IV: APPROVALS

| | | | |
|---|--|--------------|-------------|
| Signature of requesting Department's Commissioner (or designee): | <i>By signing below, I signify that I approve of this procurement request.</i> | | |
| | <i>Anne L. Head</i> | | |
| Printed Name: | Anne L. Head | Date: | 04/23 /2020 |
| Signature of DAFS Procurement Official: | <small>Procured by:</small> <i>Kathy Paquette</i> | | |
| | <small>4102BA36FAF446D...</small> | | |
| Printed Name: | Kathy Paquette | Date: | 4/27/2020 |