



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
Table with fields: Department Office/Division/Program, Department Contract Administrator or Grant Coordinator, (If applicable) Department Reference #, Amount, Advantage CT / RQS #, CONTRACT, Proposed Start Date, Proposed End Date, AMENDMENT, Original Start Date, Effective Date, Previous End Date, New End Date, GRANT, Project Start Date, Grant Start Date, Project End Date, Grant End Date, Vendor/Provider/Grantee Name, City, State, Brief Description of Goods/Services/Grant.

PART II: JUSTIFICATION FOR VENDOR SELECTION
Check the box below for the justification(s) that applies to this request. (Check all that apply.)
Table with checkboxes for: A. Competitive Process, B. Amendment, C. Single Source/Unique Vendor, D. Proprietary/Copyright/Patents, E. Emergency, F. University Cooperative Project, G. Grant, H. State Statute/Agency Directed, I. Federal Agency Directed, J. Willing and Qualified, K. Client Choice, 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. This contract includes two components. The first component comprises the actuarial monitoring work that resulted from the December 31, 2017, Unum Life Insurance Company of America limited scope examination. The second component comprises the long-term care insurance actuarial review work required to support the December 31, 2023, Unum Life Insurance Company of America full scope financial examination. 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 work related to the ULA Individual LTC business and to the ULA Group LTC business:

- Perform all actuarial components of the 12/31/2023 financial examination of ULA with regard to LTC business;
- Otherwise assist and support the MBOI with the targeted financial examination of ULA, as it relates to actuarial and reserve adequacy issues associated with the ULA LTC business identified during the 12/31/2018 financial examination of ULA or any additional issues or findings related to LTC resulting from the 12/31/2023 financial examination of ULA;
- Monthly progress reports shall be provided to the Contract Administrator by the Provider;
- The Provider shall, at the request of the Superintendent, respond to questions related to its actuarial findings and provide testimony if requested.

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 fourth long-term care insurance reserve project with Milliman. In fact the MBOI has been working closely with Milliman on long-term care insurance reserve analysis projects since 2015 . The Milliman team has also provided long-term care insurance reserve analysis support to insurance regulators on similar projects since 2015 as well.

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.

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

The MBOI views certain actuarial projects as special cases. Factors creating special cases include, but are not limited to, product characteristics, economic impact, and time-lines. The MBOI anticipates that certain sole-source actuarial projects will continue in the future. The MBOI anticipates following the sole source contract parameters set forth by Purchases. The MBOI tries to follow the Purchases prescribed RFP process when practical.

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

Does this request utilize ARPA/MJRP funds?

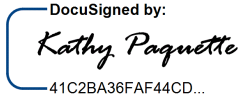
Yes, MJRP funds (023) – If Yes, please attach the approved Business Case(s).

Yes, ARPA funds (025) – If Yes, please be aware of the requirements from awarding federal agencies.

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:	12/04 /2023
Signature of DAFS Procurement Official:	 <small>41C2BA36FAF44CD...</small>		
Typed Name:	kathy Paquette	Date:	12/11/2023