



State of Wisconsin
 Department of Employee Trust Funds
 4822 Madison Yards Way
 Madison, WI 53705-9100
 P. O. Box 7931
 Madison, WI 53707-7931

Contract by Authorized Board

Commodity or Service:

Consulting Actuary for Wisconsin
 Group Insurance and Disability Programs

Contract No.:

ETD0013 – Amendment #9 dated October 25, 2019

Contract Period: January 1, 2019 through December 31, 2020

1. This Contract Amendment #9 is entered into by the State of Wisconsin, Department of Employee Trust Funds hereinafter referred to as the "Department," and Milliman, Inc., hereinafter referred to as the "Contractor," whose address and principal officer appear on page 3 below. The Department is the sole point of contact for this Contract.
2. Whereby the Department agrees to direct the purchase and the Contractor agrees to supply the Contract requirements cited herein in accordance with the State of Wisconsin standard terms and conditions and in accordance with the Contractor's proposal date February 17, 2014 hereby made a part of this contract by reference.
3. In connection with the performance of work under this Contract, the Contractor agrees not to discriminate against any employees or applicants for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in s.51.01(5), Wis. Stats., sexual orientation as defined in s.111.32(13m), Wis. Stats., or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor further agrees to take affirmative action to ensure equal employment opportunities. The Contractor agrees to post in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the nondiscrimination clause.
4. Contracts estimated to be over fifty thousand dollars (\$50,000) require the submission of a written affirmative action plan. Contractors with an annual work force of less than fifty (50) employees are exempted from this requirement. Within fifteen (15) business days after the award of the Contract, the plan shall be submitted for approval to the Department. Technical assistance regarding this clause is provided by the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931, 608.266.2586, or via e-mail at ETFMSBProcurement@etf.wi.gov.
5. This initial contract period is for fifteen (15) months. Each contract period annually will be for twelve (12) months and extend unless and until either party gives the other 180 days' notice of their intent to cancel the contract.
6. The Contract Amendment 1 is to add Milliman's Proposal for Disability Plan Design Analysis Scope of Work dated January 13, 2015 (amended March 26, 2015). Task reimbursement amounts are eligible for payment from Table 1, when ETF gives written acceptance of the tasks satisfactory receipt and will cost no more than \$75,000. All task estimated timeframes are mutually agreed upon and deviations must be mutually agreed upon. The Contract Amendment 1 may be amended to reflect any change in tasks' estimated timeframes, additional requested work or costs associated with additional work requests. The Additional Plan Design Options (APDO) for researching the plan design for similar employers, including other state systems and large public sector plans will cost no more than \$5,000. Reimbursement for the APDO work is eligible for payment when ETF gives written acceptance of satisfactory receipt. All travel expenses associated with the services for this amendment shall be billed at actual costs, be reasonable for the work conducted, and when appropriate, be at state approved rates. Contract Amendment 1 is for the total cost not to exceed \$80,000.
7. The Contract Amendment 2 is dated February 3, 2016 for the consulting actuary related services, with the costs not to exceed \$118,450.
8. Article 6 above is amended to add expanded project analysis work on the Income Continuation Insurance (ICI) program and hereby incorporated by reference the Milliman letter dated January 21, 2016 for the Disability Plan Design Work. Delivery date for this expanded project analysis is June 30, 2016. The expanded analysis project, project delivery date, and an additional amount of \$25,000 has been mutually agreed upon. The original amounts from Article 7 and the additional amount included in this article are in addition to the contract amount for the consulting actuary related services specified in Article 8.

9. The Contract Amendment 3 is dated September 23, 2016 for the GASB 74 Implementation Planning, with the costs not to exceed \$71,000.
10. The Contract Amendment 4 is dated February 13, 2017 for the consulting actuary related services, with the costs not to exceed \$120,712.
11. The Contract Amendment 4 is dated February 13, 2017 and amends Contract Amendment 1 Scope of Work dated March 26, 2015, as permitted in Article 6 to include costs associated with additional work requests in the amount of \$5,000 and to remove provisions in Article 6 related to APDO work. The total cost for these services are not to exceed \$5,000 and are not included in Section 10 above costs.
12. The Contract Amendment 5 is dated January 5, 2018 for consulting actuary related services, with the costs not to exceed \$123,332.
13. The Contract Amendment 6 is dated June 22, 2018 and adds Amendment 6A which documents Contractor's scope of work, detailed in Attachment 6A, and clarifies payment is to be made by the Department's third party administrator of the Life Insurance Program to Contractor, and also adds Amendment 6B which documents the scope of Contractor's presentation related to the new GASB standards 74 and 75 impacting the valuation of the Retiree Life Insurance programs (State and Local plans) to the Wisconsin Group Insurance Board on August 22, 2018, the costs for which are not to exceed \$4,500.
14. The Contract Amendment 7 is dated October 2, 2018 which documents Contractor's scope of work detailed in Milliman's September 24, 2018 letter (attached), the costs for which are not to exceed \$25,000 and all work completed prior to the November 14, 2018 Group Insurance Board meeting.
15. The Contract Amendment 8 is dated January 17, 2019 which documents:
 - Contractor's scope of work detailed in Contractor's December 19, 2018 letter to the Department (attached) for actuarial audit of accumulated sick leave conversion credit program valuation wherein costs shall not exceed \$35,000; and
 - The consulting actuary related services, with the costs not to exceed \$126,021 for calendar year 2019.
16. This Contract Amendment 9 is dated October 25, 2019 and includes Contractor's letter to the Department dated October 14, 2019 (attached) with the agreed upon statement of work for services related to the Department's Group Life Insurance Request for Proposals, the costs for which shall not exceed \$32,000.
17. For purposes of administering the Contract, the Order of Precedence is:
 - A. The Contract with Milliman, Inc. dated July 31, 2014;
 - B. this Contract Amendment 9 dated October 25, 2019;
 - C. the Contract Amendment 8 dated January 17, 2019;
 - D. the Contract Amendment 7 dated October 2, 2018;
 - E. the Contract Amendment 6 dated June 28, 2018;
 - F. the Contract Amendment 5 dated January 5, 2018;
 - G. the Contract Amendment 4 dated February 13, 2017;
 - H. the Contract Amendment 3 dated September 23, 2016 and Milliman letter dated September 14, 2016;
 - I. the Contract Amendment 2 dated February 3, 2016 and Milliman letter dated January 21, 2016;
 - J. the Contract Amendment 1 dated March 26, 2015;
 - K. questions from vendors and ETF Answers dated January 28, 2014;
 - L. Exhibit A, Changes Agreed to by the Parties from the Request for Proposal (RFP) ETD0013;
 - M. Exhibit B, Business Associates Agreement dated June 3, 2014;
 - N. the RFP dated January 6, 2014; and,
 - O. Contractor's proposal dated February 17, 2014.

Signatures follow on the next page.

Contract Number and Service: ETD0013-Amendment #9
 Consulting Actuary for Wisconsin Group Insurance and Disability Programs

This Contract Amendment shall become effective upon the date of last signature below (the "Effective Date").

State of Wisconsin Department of Employee Trust Funds	
Signature	<small>DocuSigned by:</small> <i>Robert J Conlin</i> <small>240698FF086F431...</small>
Name/Title	Robert J. Conlin Secretary, Department of Employee Trust Funds
Phone	608.266.0301
Date	10/30/2019

Contractor	
Legal Company Name	Milliman, Inc.
Trade Name	Milliman
Taxpayer Identification Number	91-0675641
Company Address (City, State, Zip)	121 Middle Street Suite 401 Portland, ME 04101
By (print Name)	Daniel D. Skwire
Signature	<small>DocuSigned by:</small> <i>Dan Skwire</i> <small>0D8556A013D1484...</small>
Title	Principal
Phone	207.771.1203
Date	10/30/2019



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milliman.com

October 14, 2019

Ms. Eileen Mallow
Director
Strategic Health Policy
Wisconsin Department of Employee Trust Funds
P.O. Box 7931
Madison, WI 53707

RE: Group Life Insurance Program

Dear Eileen,

Thank you for asking Milliman to assist ETF in developing certain items for the group life request for proposals (RFP), and evaluating the proposals from insurers who bid on the program. Based on our understanding of your objectives, we propose performing the following specific tasks:

1. We will provide ETF with suggested performance guarantees and implementation credits to include in the RFP. The performance metrics and amounts at risk will be based on current industry standards for large groups similar to Wisconsin, and will apply to implementation as well as ongoing service. (Note: Milliman provided ETF with sample performance guarantees and implementation credits on July 16, 2019).
2. We will develop a cost proposal to include in the RFP. The cost proposal will contain a bid template for carriers to input their proposed rates and other financial information, and it will contain detailed instructions on completing the bid template. The cost proposal will be developed in a way that will facilitate evaluating the proposals from bidders. (Note: Milliman provided ETF with a draft cost proposal on September 16, 2019).
3. We will create claim exhibits to include in the RFP, providing details of the incurred claims in recent years. These exhibits will include a seriatim list of death claims incurred between January 1, 2014 and December 31, 2018, and a seriatim list of waiver of premium claims that were open on December 31, 2018.
4. We will help develop RFP language on additional technical points related to the premium deposit funds and other reserves, financial reporting, valuation requirements, and other items.
5. Once the RFP has been released, we anticipate that ETF will receive questions from bidders on various aspects of the program and the data provided. We will assist ETF in responding to these questions.

6. We will assist ETF in evaluating and scoring the cost proposals it receives from companies bidding on the group life program. In the process, we will develop relevant evaluation criteria and related weights. We will also provide analysis of the financial aspects of the proposals to facilitate the scoring process.
7. We usually suggest identifying three carriers as finalists and inviting each carrier to participate in a half-day finalist meeting. Although we allot time in each meeting for carriers to highlight certain aspects of their proposals, we prefer to structure this time as a working session, rather than a series of presentations. For instance, we will ask the carriers to bring the individuals who will service the account, and we will be prepared to ask them technical questions about implementation, enrollment, financial management, claim management, and other items. We have found that the finalist meetings are an essential part of the selection process.

We propose providing these services to ETF under our current consulting services agreement. We propose doing so on a time and expense basis, using the same hourly billing rates at which we perform our disability valuation services, at a cost not to exceed \$32,000. To the extent that the scope of this work changes or additional work is required, we will request additional funds from ETF before proceeding further. If the proposed services and fees for this assignment are acceptable, then please feel free to prepare an amendment to the current contract between ETF and Milliman for these services.

Please contact me at 207-771-1203 or dan.skwire@milliman.com if you have any questions on the content of this proposal. Paul, Tim, and I look forward to working with you and the ETF team on this project.

Sincerely,



Daniel D. Skwire
Principal and Consulting Actuary