

## **REQUEST FOR STATEMENT OF INTEREST**

### **ALLOCATION ANALYST AND RELATED EXPERT SERVICES**

#### **NEW YORK LIQUIDATION BUREAU**

##### **BACKGROUND INFORMATION**

The New York Liquidation Bureau (the “Bureau”) requires the services of qualified Allocation Analysts to assist the Bureau with the analysis of complex umbrella and excess claims made by major policyholders against insolvent estates under the Bureau’s administration, including, but not limited to, MIDLAND INSURANCE COMPANY, IDEAL MUTUAL INSURANCE COMPANY and UNION INDEMNITY INSURANCE COMPANY. The Bureau carries out the responsibilities of the Superintendent of Insurance as Receiver, acting on his behalf to protect the interests of policyholders and creditors of insurance companies that have been declared impaired or insolvent.

The Bureau is located at 123 William Street, New York, New York, where its Estate Management Division is also located and the bulk of its claims administration, coverage determinations and analyses and related claims-handling are performed.

The Bureau intends to constitute an approved panel of Allocation Analysts and persons or firms with related expertise (the “Panel”) to assist the Bureau with services as set forth below. The Bureau will select Analysts and related experts from this Panel on an as-needed basis, giving due consideration to expertise, past experience, availability and costs. The Bureau invites all qualified individuals and firms (“Proponents”) to draft and submit to the Bureau at the Proponent’s expense a Statement of Interest in accordance with the requirements outlined in this Request for a Statement of Interest (“RSI”). Individuals and firms selected to serve on the Panel will be performing services solely on behalf of the Superintendent as Receiver, not in his capacity as Regulator.

##### **PROJECT OVERVIEW**

The Bureau requires the services of qualified Allocation Analysts and related experts to provide comprehensive analyses of the complex umbrella and excess claims of major policyholders, in particular, long-tail mass tort claims such as asbestos, product liability, environmental contamination, pollution and other health hazard exposures.

The services to be provided shall include, but are not limited to, the following:

- Review of policies and coverage data on major policyholder claims and compile an allocation profile for the insurance policies, taking cognizance of cost conditions, aggregate limits and any applicable exclusions as well as prevailing law.
- Review of specific underlying claimant data to develop statistical analyses regarding the claim filing and settlement rates, as well as the disposition costs of the claims, grouping the claims by alleged injury and geographic criteria.

- Projection of future claim filings.
- Determination of potential liability to all available insurance coverage based on prevailing laws relating to allocations and triggers. For the majority of major policyholders, alternative scenarios will need to be projected incorporating various legal interpretations.
- Performance of a cash flow analysis of claims projected to be settled through 2049. The cash flow figures will represent the potential amount that the insurance policies will ultimately pay for asbestos, environmental, and other health hazard related claims. The cash flow figures per annum will be subjected to an NPV calculation at an agreed rate.
- Preparation of reports detailing major policyholder erosion profiles based on past costs, projected ultimate losses on current and future claims, and discounted cash flow projections for specific scenarios.

The various reports and analyses will be used by the Bureau to make detailed, substantiated claims presentations to the various major policyholders and/or reinsurers.

## I. RULES AND INSTRUCTIONS

In order to be considered for inclusion on the Panel, Proponents must submit to the Bureau a Statement of Interest that strictly adheres to the requirements outlined in this RSI. All Statements of Interest will be reviewed by a committee which will, under the supervision of the Bureau's Chief Compliance Officer and at the committee's sole discretion, make selections for the Panel.

THE STATEMENT OF INTEREST SHALL SPECIFICALLY SUPPLY ALL ITEMS OF INFORMATION REQUESTED IN SECTION II BELOW IN THE EXACT FORMAT SET FORTH IN SECTION II. MATERIAL DEVIATIONS FROM THIS FORMAT WILL LIKELY RESULT IN DISQUALIFICATION OF THE PROPONENT'S STATEMENT OF INTEREST. For any items that do not apply to a particular proponent, specifically indicate that the item is not applicable. Proponents may not satisfy an item of requested information by submission of or reference to a firm brochure, promotional or descriptive literature, or any other document, unless the request expressly permits such submission or reference.

**Deadline for Statement of Interest:** Statements of Interest must be formatted in 12-point or larger font. One original, one hard copy and one electronic copy of the Statement of Interest must be received by the Chief Compliance Officer at the address listed below, **no later than 5:00 p.m., on Friday, December 5, 2008**, unless such deadline is extended in writing by, and at the sole discretion of, the Bureau. The Statement of Interest must be signed and dated by the Proponent. By signing a Statement of Interest, the Proponent certifies that the information in the Statement of Interest is materially complete, truthful and accurate. The

terms defined herein shall apply to, and be used where appropriate in, the Statement of Interest and all documents submitted therewith.

All inquiries and submissions must be addressed to:

New York Liquidation Bureau  
123 William Street  
New York, New York 10038-3889  
Attn: John Pearson Kelly, Esq.  
Chief Compliance Officer

**Proponents intending to file a Statement of Interest may submit written questions to the Bureau until 5:00p.m., New York City Time, on Thursday December 4, 2008.** Questions should be sent via e-mail to the Chief Compliance Officer, John Pearson Kelly, at [jpkelly@nylb.org](mailto:jpkelly@nylb.org) or via regular mail to John Pearson Kelly at the address listed above.

Except as provided in this RSI and as otherwise necessary for the conduct of a business relationship previously established with the Bureau, Proponents submitting Statements of Interest, including their practitioners, may not communicate with Bureau personnel who are involved in the review, evaluation or selection of responses to this RSI. **PROponents (INCLUDING THEIR PRACTITIONERS) MAY NOT DIRECTLY OR THROUGH AN INTERMEDIARY ATTEMPT TO INFLUENCE THE PROCESS OF EVALUATING AND SELECTING PROponents FOR THE PANEL, EXCEPT THROUGH THE SUBMISSION OF A STATEMENT OF INTEREST AND ANY SUBSEQUENT INTERVIEW. THE BUREAU WILL DISQUALIFY FROM THE PANEL ALL PROponents ENGAGING IN SUCH PROHIBITED COMMUNICATIONS.**

## **II. STATEMENT OF INTEREST**

The Statement of Interest shall set forth the following information:

### **A. Name of Analyst/Expert and Contact Information.**

1. Name of Analyst/Expert.
2. Primary Office Address (include county)
3. General Telephone and Fax Numbers
4. All Other Office Addresses (include counties)
5. Contact Person (include specific contact information)
6. Alternate Contact Person (include specific contact information)

## **B. Proponent's Expertise.**

1. Briefly describe the organizational form (e.g., partnership, professional corporation, etc.) and organizational structure of the Proponent.
2. Provide a comprehensive description of your approach to fulfilling the requirements of an Allocation Analyst. For example, describe analytical techniques, data analysis techniques, use of Information Technology (IT) specialists to perform IT assessments and other procedures that may be employed.
3. Indicate the number of people (by level) located within the engagement office that will handle the allocation analyses and set forth the organization of the proposed team.
4. Provide a list of the engagement office's current and prior government, insurance and receivership clients, indicating the type(s) of services performed, and the number of years served for each.
5. Describe the relevant educational background of each person proposed to be assigned to the project team. This should include continuing professional education, seminars, and courses attended within the past three years, especially those courses relating to the individual's field of expertise.
6. Describe the professional experience of assigned individuals in providing services to government, insurance companies, receiverships or similar organizations, programs, activities, or functions.
7. Provide names, addresses, and telephone numbers of personnel of current and prior governmental, insurance or receivership clients who may be contacted for reference.
8. Describe any special qualifications and/or certifications that Proponent or any of its practitioners possesses relative to his or her area(s) of expertise.
9. Any other facts relevant to establishing Proponent's expertise in the relevant area(s) of expertise.

## **C. Proponent History and Licensing.**

1. State Proponent's number of years in business.
2. State all names used by Proponent within the past 10 years.
3. State all prior primary addresses of Proponent within the past 10 years.
4. Certify that Proponent and all its practitioners are licensed, if applicable, and in good standing in all jurisdictions in which they practice.
5. For all Proponents who have worked on one or more Bureau matters in the last 10 years, set forth a brief description of each such matter.
6. For every judgment entered against Proponent and/or any of its practitioners as a result of a claim against Proponent and/or any of its practitioners for professional malpractice, negligence or other malfeasance, set forth the date, all monetary relief granted, all injunctive relief granted, and the amount of the monetary judgment that currently remains unsatisfied, if any.
7. Set forth the number of settlements within the last 10 years resulting in a payment of greater than \$10,000 in connection with any claims for professional malpractice, negligence or other malfeasance brought against Proponent or any of its practitioners.

8. If Proponent or any of its practitioners has been convicted of any crime (felony or misdemeanor), set forth the relevant facts relating thereto.
9. If Proponent or any of its practitioners has been the subject of any investigation by any governmental authority within the last five years, provide a brief description of the circumstances of each investigation, including the name of the investigating authority, the nature of the investigation, the date on which the investigation was commenced, and the status or disposition of the investigation.
10. Provide a brief statement regarding all sanctions, suspensions, and disciplinary actions imposed upon Proponent or any of its practitioners by any professional or regulatory body in any state within the last 10 years.
11. Set forth whether Proponent has any unsatisfied judgments against it or has ever been the subject of a bankruptcy or receivership action or proceeding.

**D. Potential Conflicts of Interest.**

Identify any potential conflicts of interest (in fact or appearance) with the Bureau, including but not limited to:

1. Insurance Company Affiliations.
  - a. Disclose whether Proponent currently serves as Analyst or expert to any insurance company and, if so, identify the insurance company.
  - b. For any Proponent or practitioner of a Proponent currently possessing a greater than five percent ownership interest in any insurance company, set forth the name of the practitioner and the name of the insurance company.
2. Provide a list of all insurance regulators, insurance receivers, guaranty associations, guaranty funds, security funds or insurance industry organizations currently in a relationship with the Analyst/ Expert.
3. To the extent known, list all of Proponent's employees who are related by blood or marriage to and/or are living in the same household as any Bureau employee(s).
4. to the extent known, list all of Proponent's current employees who were previously employed by Bureau.
5. To the extent known, list all Bureau current employees who were previously employed by Proponent.

**E. Fees and Miscellaneous Information.**

1. Set forth Proponent's fee schedules applicable to the services sought to be provided to the Bureau.
2. Describe relevant insurance coverages maintained by Proponent.
3. Set forth facts sufficient to demonstrate that Proponent is an equal opportunity employer and complies with all relevant federal, state and municipal equal employment opportunity and non-discrimination laws, regulations and executive orders. Proponent may attach hard copies of any equal employment opportunity policy statements or other relevant official firm documents.

### **III. ADDITIONAL TERMS AND INFORMATION**

The information contained herein shall be used for the sole purpose of responding to this RSI. The Bureau will not, and is not under any obligation to, pay the costs, in whole or in part, incurred during the preparation of a Statement of Interest.

The Bureau, in its sole discretion, reserves the right to accept or reject any or all Statements of Interest, to utilize any or all ideas expressed within the Statements of Interest, and/or to adopt any or all parts of the Statements of Interest submitted. All Statements of Interest shall, upon receipt by the Bureau, become the property of the Bureau.

The Bureau may in its sole discretion: (a) request additional information or clarification from any Proponent; and/or (b) invite any Proponent to appear for an interview.

The Bureau may, in its sole discretion, rescind, modify or provide an addendum to this RSI and, in connection therewith, allow Proponents to revise their responses or supply additional information.

Upon completion of the selection process, the Bureau will notify in writing all Proponents that have been selected for the Panel. The Bureau will endeavor to notify all Proponents that have not been selected for the Panel.