



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:

Contract No.:

Consulting Actuary for Wisconsin
 Group Insurance and Disability Programs

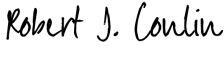
ETD0013 – Amendment #7 dated October 2, 2018

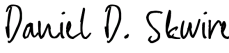
Contract Period: January 1, 2018 through December 31, 2018

1. This Contract Amendment #7 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 ETFSMBProcurement@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. This 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. For purposes of administering this Contract, the Order of Precedence is:
 - A). The Contract with Milliman, Inc. dated July 31, 2014;
 - B). this Contract Amendment 7 dated October 2, 2018;
 - C). the Contract Amendment 6 dated June 28, 2018;
 - D). the Contract Amendment 5 dated January 5, 2018;
 - E). the Contract Amendment 4 dated February 13, 2017;
 - F). the Contract Amendment 3 dated September 23, 2016 and Milliman letter dated September 14, 2016;
 - G). the Contract Amendment 2 dated February 3, 2016 and Milliman letter dated January 21, 2016;
 - H). the Contract Amendment 1 dated March 26, 2015;
 - I). questions from vendors and ETF Answers dated January 28, 2014;
 - J). Exhibit A, Changes Agreed to by the Parties from the Request for Proposal (RFP) ETD0013;
 - K). Exhibit B, Business Associates Agreement dated June 3, 2014;
 - L). the RFP dated January 6, 2014; and,
 - M). Contractor's proposal dated February 17, 2014.

Contract Number and Service: ETD0013-Amendment #7
 Consulting Actuary for Wisconsin Group Insurance and Disability Programs

State of Wisconsin Department of Employee Trust Funds
Signature <small>DocuSigned by:</small>  <small>249598FF085F431...</small>
Name/Title Robert J. Conlin Secretary, Department of Employee Trust Funds
Phone 608.266.0301
Date (MM/DD/CCYY) 10/2/2018 3:58:56 PM CDT

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>  <small>6D8358A615D1484...</small>
Title Principal
Phone 207.771.1203
Date (MM/DD/CCYY) 10/2/2018 3:15:08 PM CDT



121 Middle Street, Suite 401
Portland, ME 04101-4156
USA

Tel +1 207 772 0046
Fax +1 207 772 7512

milliman.com

September 24, 2018

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 reviewing various aspects of your group life insurance program, with a focus on preparing for the group life insurance discussion at the Group Insurance Board meeting on November 14, 2018. During our conversation last Tuesday, you indicated that it would be helpful if we could review the agreements, financial reports, and plan documents from Securian, and assist ETF in developing strategic considerations prior to the board meeting. Based on our understanding of your immediate objectives, we propose performing the following specific tasks:

1. We will review the current plan documents and most recent financial reports for the group life plan. As part of this review, we will document the various reserve funds that support this plan and provide guidance to ETF on the purpose of each of these amounts, and the extent to which the reserve balances provide insight on the plan's financial performance. We will also consider whether there may be an opportunity for some of the funds supporting these reserves to be held somewhere other than at Securian—although any such determination may ultimately require guidance from legal and audit resources.
2. You have indicated that ETF and Securian are considering a rate increase for the plan, to be effective in Spring, 2019, and that the Group Insurance Board will consider this increase at its November 14 meeting. We will provide our thoughts on the necessity and magnitude of a rate increase.
3. We will participate on a conference call with ETF and Securian, and will prepare specific questions for Securian related to loss ratio experience, reserving, pricing, and any other questions that arise during the course of our analysis in tasks 1 and 2 above. This call is currently scheduled for October 5, 2018.
4. We will research the benefits that are common in the group life insurance programs at other U.S. states and other large groups, and will benchmark these benefits against the Wisconsin benefit design.

5. We will prepare an overview of the primary considerations for issuing a request for proposals for group life insurance. Our analysis will include areas such as plan complexity, desired benefit enhancements, financial considerations, administrative requirements, timelines, implementation issues, and communications. We anticipate providing preliminary thoughts on this topic prior to the November 14 Group Insurance Board meeting, but we anticipate additional work may be required following the meeting.

The consulting team for this project will consist primarily of Dan Skwire, Paul Correia, and Tim Herman, all of whom have been directly involved in other aspects of Milliman's work for ETF, including the valuations of the disability programs and the retiree life program. We may be assisted by other Milliman resources as needed.

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 \$25,000 for work prior to the November 14 Group Insurance Board meeting. To the extent that the scope of this work changes or additional work is required (most likely with respect to planning for a potential RFP), 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 note that our proposed scope of work does not, at this time, include preparation of an RFP or support for an actual RFP process.

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