



Actuarial Study of Potential Costs and Feasibility of a Paid Family and Medical Leave Benefits Program in the State of Maine

Proposal Prepared for

The Commission to Develop a Paid Family and Medical Leave Benefits Program

February 11, 2022

SpringSM
AN ALERA GROUP COMPANY

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Appendix A: Outline of Proposal/Scope of Work for Actuarial Study

Our Approach

Spring offers unmatched leadership in the paid family and medical leave arena and has conducted numerous projects around the globe which address the broad spectrum of absence management and the underlying components such as family and medical leave, short and long-term disability, workers' compensation and paid time off.

Every project we conduct is unique and completely customized to our clients' needs. Our work ranges from helping states assess their paid family and medical leave programs, such as the State of Hawaii to conduct a paid leave study, the State of New Hampshire we are currently working with, interacting with other states such as Massachusetts and Connecticut as their service models unfold, to working with a major insurance carrier to enter the leave and absence management business, to assisting a large TPA to select a technology platform to manage their leave and absence business. We also regularly work with large employers to design their leave management programs, including writing all of their policies, determining their pay practices, and develop a co-sourcing approach between its internal shared services team and an external insurance carrier.

Our actuarial team, in collaboration with our broader paid family and medical leave consulting team, has conducted several projects involving financial modeling and cost projections related to paid family and medical leave. Our experience working with leave data and population data, developing assumptions and appropriate calculation methodology, building financial models to forecast costs and supporting our clients with consultative discussions has proven to invaluable in developing paid family and medical leave programs.

We follow a three-step consulting process called **Vision-Insights-Results**.

- **Vision** is the goal-setting and fact-finding part of the assignment
- **Insight** is the development of the analysis to support your desired outcomes
- **Results** is discussion of the results and support for implementation of the program



This framework helps us hone-in on our clients' goals and deliver outcomes that exceed expectations.

Phase I — Vision

Kick-off project, understand goals and collect data

For the Commission to Develop a Paid Family and Medical Leave Benefits Program in the State of Maine, the Vision Phase of the project will encompass the following:

- Hold a project kickoff meeting to:
 - ▶ Understand the State's and Commission's goals and philosophy
 - ▶ Discuss the Commission's assessment thus far, key stakeholders and available data to be leveraged
 - ▶ Detail the scope of the project and key deliverables, including project management timing and key decision points or milestones
 - ▶ Determine meeting cadence and materials we will use to guide our work together
- Provide a review of benchmarking data, including best practices and market trends for state paid family and medical leave programs, and commentary on how the various options the Commission is interested in pursuing might impact the results
- Coordinate with appropriate Commission members and agencies to understand available data and information, particularly with respect to populations statistics for the State including employment by firm size, industry, salary, age, gender and union representative as well as any relevant data on leave taking patterns
- Collect all data as needed to proceed to the first phase of the project, including from the Commission, other state agencies, our own data sources and/or industry databases and benchmarking, as available

Vision Phase deliverables will include:

- Project kick-off meeting handout to include team contact list and data collection template
- Preliminary project plan for discussion and update
- Summary of available data collected for the purpose of the analysis
- Summary of benchmarking to support the Commission's work

Phase II – Insight

Review and evaluation of the impact of the Commission’s proposal

The Insight Phase will include our review and evaluation of the impact of the Commission’s proposal and the suggested options outlined by the Commission. Our analysis will include but may not be limited to the following:

- Projection of start-up costs
- Projection of ongoing costs under alternative five year scenarios
- Assessment of economic impact to the State and potential benefits
- Total contributions needed to maintain solvency of the proposed options

Our approach will include consideration of the following components as outlined by the Commission:

- Leave reasons permissible under federal FMLA, including safe leave, and the separate cost impact of each component as an allowed purpose, if possible
- Coverage to include all workers, including public sector employees, domestic workers and part-time, temporary, per diem and seasonal workers; self-employed workers can opt in; with an option to exempt public sector employees
- Benefit eligibility requirements to match those used in California (CA) and Connecticut (CT)
- Covered family members to mirror federal FMLA definition; with options for definition in current Maine FMLA law; broad definition similar to CT law, including persons related by affinity whose close association the employee shows to be the equivalent of those family relationships
- Program funding to provide estimate of total costs, impact on program funding if contributions from employers of the following sizes are exempt from making contributions:
 - ▶ Employers with 50 or fewer employees;
 - ▶ Employers with 25 or fewer employees; or
 - ▶ Employers with 10 or fewer employees.
- Percentage of wages workers receive to be assessed for flat rates as noted below and also formulas with multiple levels that provide low wage workers with a larger share of usual weekly earnings than higher wage workers (as in CT, Massachusetts and Washington):
 - ▶ 80% of the worker’s average weekly wage, up to the maximum of the State average weekly wage;
 - ▶ 90% of the worker’s average weekly wage, up to the maximum of the State average weekly wage; or
 - ▶ 100% of the worker’s average weekly wage, up to the maximum of the State average weekly wage.
 - ▶ Maximum weekly benefit as state average weekly wage, adjusted for inflation
- Benefit durations of:
 - ▶ 12 weeks;

- ▶ 20 weeks; or
- ▶ 26 weeks.
- No waiting period as well as the cost of a short unpaid waiting period
- No job protection
- Insurance structure and organization options to include:
 - ▶ Program administered and overseen fully by State;
 - ▶ Program is a public-private partnership with State oversight, but certain services contracted to private sector, e.g. claims payment/processing, IT services
 - ▶ Program is contracted to private sector
 - ▶ Separate start-up costs/implementation costs from ongoing costs once implemented
- Consider impact of workers with multiple jobs
- Consider length of time for collection of contributions to achieve solvency before claims can begin to be paid
- Consider number of workers required/level of contributions needed to maintain solvency

As part of the work, we anticipate leveraging actuarial models we have built for other states and organizations, to develop a paid family and medical leave model for the State of Maine. We anticipate that this model will utilize claims experience data from other states, supplemented with data from other leave programs, as well as industry data and rating tables to project enrollment, claims incidence rates and duration of benefits taken, average payments and expected costs of the State of Maine's paid family and medical leave program.

We anticipate looking at incidence rates, duration, and program costs under bonding, family care, and medical separately, and our actuarial model will produce results that are split by each benefit, to better assess the impact of each component of the program, considering assumptions specific to each type of benefit. We also anticipate overlaying Maine-specific labor force characteristics and as well as population expectations, to ensure that the results best reflect the State of Maine.

In order to provide results that align with the Scope of Work noted in the Invitation for Proposal, we will ensure that the model is built to accommodate alternative assumptions that address each of the key aspects noted above. In addition, we envision simulating alternate scenarios based on the potential variability of key assumptions, to provide the Commission an estimate of the range of potential financial results.

Our model recognizes that available data is limited by the current and past state plan offerings and necessarily requires utilizing an amalgamation of all available state paid family and medical leave experience data and is supplemented by disability experience. The model closely reviews the impact of plan changes over time and across states, properly accounting for increased incidence rates with both

increased benefits and employee familiarity with the plan. Where necessary and appropriate our model actuarially interpolates and extrapolates to fill in missing data elements.

As part of the assessment, we will help develop fund solvency metrics that support the program's long-term financial success, and model funding rates that will be needed to meet the solvency standards that are established for the program.

Key activities we will undertake in the Insight Phase include:

- Outlining assumptions and key considerations for financial modeling
- Building the financial model to reflect the Commission's parameters
- Preparing the startup and ongoing cost assessment
- Developing the program funding and solvency assessment
- Incorporating best practice and market trends for state paid family and medical leave programs, and qualitative factors that may influence results
- Compiling our preliminary findings and results of analysis, covering all items requested by the Commission
- Discussing our preliminary results with the Commission for initial consideration and feedback

Insight Phase deliverables we anticipate include:

- Project Management: monthly status reports, project plan and ongoing issues log, as well as management summary and other materials to keep the team well informed and on track
- Outline of key assumptions and cost drivers
- Discussion of key assumptions and methodology used in building actuarial models
- Review of preliminary results, including claims experience and cost projections

Phase III — Results

Present results and provide continued consultation

During the Results Phase, Spring will finalize the results report of the analysis with the Commission, including making updates to our initial findings as outlined in the Insight Phase. We will prepare for and present the final report to the full Commission and all key stakeholders as the Commission deems appropriate. We will also provide continued consultation with the Commission to answer outstanding questions, provide additional market, statistic and/or other supporting material, to assist and ensure the Commission is prepared to make policy recommendations to the 131st Legislature.

Results Phase deliverables will include:

- Final report outlining the results of our actuarial analysis, including all items outlined in the scope of work, as well as supporting documentation on data, assumptions and model methodology
- Additional consulting reports and presentation materials, including best practices, market trends, key considerations, and other aspects the Commission identifies to assist in the development of policy recommendations
- Supporting meeting materials and discussion guides to share results with additional stakeholders and/or audiences

Proposed Timeline

Our high-level project plan is outlined below in terms of the number of weeks involved in each project phase and activity. We understand the completed final report should be received by the Commission no later than September 1, 2022. Spring is available to begin the work immediately upon contract finalization, which our timeline assumes will be completed by April 1, 2022.

Phase	Item	Preliminary Timing (to be updated based on discussion with the Commission)
Vision Phase		
1	<p>Project kick-off</p> <ul style="list-style-type: none"> Understand the State’s and the Commission’s goals and philosophy Discussion with the Commission to understand current state, assessment conducted thus far, key stakeholders, available data Detail scope of project and key deliverables Document key decisions and key discussion points, as appropriate 	Weeks 1 – 2
2	<p>Project management</p> <ul style="list-style-type: none"> Determine cadence of regular touch points for project management Review and update project plan, including discussion of timing Work with established processes and determine potential changes, to ensure appropriate level of stakeholder engagement 	Weeks 1 – 2
3	<p>Review benchmarking data</p> <ul style="list-style-type: none"> Consider best practices and market trends Prepare summary of state benchmarking data for the Commission to complement previously collected data and inform financial assessment 	Weeks 2 – 4
4	<p>Data collection</p> <ul style="list-style-type: none"> Review key data sources available through the Commission and department agencies, including data on employees and employee trends, working collaboratively with the Commission, and leveraging publicly available data Review experience data available from other state programs and supplementary data sources Summarize data in meaningful manner for use in actuarial models Collect data on anticipated initial start-up expenses and ongoing expenses to be added to claims costs 	Weeks 1 – 8
Insight Phase		
5	<p>Project management</p> <ul style="list-style-type: none"> Regular project updates, based on previously outline cadence Key discussion items and reports on preliminary results Ongoing updates to timing and deliverable expectations, as project develops 	Ongoing
6	Assumptions and key considerations for financial model	Weeks 3 – 10

7	<ul style="list-style-type: none"> ▪ Summarize and discuss key variables that impact claim experience and plan costs, such as leave taking patterns, population trends, demographics, healthcare and economic influences ▪ Discuss parameters for financial results, including breakouts of results by employee group, number of years of cost projection, key assessment of sensitivity of results ▪ Overlay options for leave reasons, coverage eligibility, covered family members, program funding, wage replacement levels, maximum benefit, benefit duration, waiting period, job protection and program structure as outlined by the Commission ▪ Assess historical data as well as future expectations, to determine baseline and alternate assumptions <p>Build financial model</p> <ul style="list-style-type: none"> ▪ Consolidate data gathered to develop baseline financial projection ▪ Develop key metrics influencing financial results ▪ Project claim experience for program, including consideration of population demographics and anticipated timing of enrollment over multiple years ▪ Build out cost projection model, incorporating key assumptions, options outlined by the Commission, actuarial methods and best practices 	Weeks 3 – 12
8	<p>Startup cost assessment</p> <ul style="list-style-type: none"> ▪ Summarize key cost drivers influencing start-up costs ▪ Prepare startup cost assessment under alternate scenarios, as requested by the Commission 	Weeks 8 – 12
9	<p>Ongoing cost assessment</p> <ul style="list-style-type: none"> ▪ Summarize key cost drivers influencing ongoing costs ▪ Prepare report outlining five-year cost projection under alternate scenarios, as requested by the Commission 	Weeks 8 – 12
10	<p>Program funding and solvency assessment</p> <ul style="list-style-type: none"> ▪ Outline potential risk areas and potential losses ▪ Develop solvency metrics and funding requirements to ensure long-term program financial viability ▪ Consolidate financial results to determine funding needs under alternate scenarios, as requested by the Commission ▪ Review potential areas for solvency improvements, and approaches to address funding needs ▪ Support policy development to ensure program sustainability 	Weeks 8 – 12
Results Phase		
11	<p>Reporting</p> <ul style="list-style-type: none"> ▪ Prepare report outlining results of analysis, covering all items requested by the Commission ▪ Summarize data used in the analysis, including data sources and key metrics ▪ Outline assumptions and methodology driving cost projections, including documentation on derivation of assumptions, and commentary on the options requested by the Commission as appropriate 	Weeks 12 – 16
12	<ul style="list-style-type: none"> ▪ Discussion and support for the Commission ▪ Prepare for and present to all key stakeholders, as the Commission deems appropriate and necessary 	Weeks 16 - 20

13	<ul style="list-style-type: none"> ■ Provide a detailed review of results of project, including discussion of alternatives considered, underlying data, assumptions, and methodology ■ Compile additional consulting reports and presentation materials, including best practices, market trends, key considerations and other aspects the Commission identifies to assist in the development of policy recommendations ■ Offer support in building internal communication material for additional discussions <ul style="list-style-type: none"> ■ Ensuring long-term success ■ Support the Commission to make recommendations and arrive at decisions ■ Support the Commission to develop long-term plans, policies, and procedures ■ Establish reporting and monitoring processes ■ Support updates to financial modeling based on emerging data 	TBD
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Key Aspects of Our Firm that Influence the Proposed Approach:

We are only focused on your mission and will commit to focusing on delivering advice and consulting support that drives towards your goals. Leveraging our experience with other states and the paid family and medical leave market at large, we will bring the following to the Commission:

■ Thought Leaders

We will bring the best experts – people who have worked on building unique solutions both within and outside of the paid family and medical leave arena. Our ability to think creatively is one of our biggest strengths. Credentialed actuaries perform all our financial modeling, rate setting and budget development and monitoring. State regulators, our competitors and other professional advisors seek out our opinions related to captives, healthcare, benefits, and group purchasing. Our team holds the following designations:

- | | |
|--|--|
| ■ Fellow of the Society of Actuaries (FSA) | ■ Associate of the Society of Actuaries (ASA) |
| ■ Fellow of the Casualty Actuarial Society (FCAS) | ■ Enrolled Actuary (EA) |
| ■ Fellow of the Canadian Institute of Actuaries (FCIA) | ■ Project Management Professional (PMP) |
| ■ Member of the American Academy of Actuaries (MAAA) | ■ Certified Employee Benefit Specialist (CEBS) |
| | ■ Associate in Captive Insurance (ACI) |
| | ■ Group Benefits Administrator (GBA) |

■ Objective and Independent

Our only business objective is to provide you with a solution that fits your needs. We are unbiased consultants aligned with our clients and working toward optimal solutions in collaboration and partnership.

- **Advice Based on Data Driven Insights to Support Decisions**

Data analytics are an essential tool for clients who want to understand the efficiency and effectiveness of their programs. We help our clients evaluate and understand the drivers behind their programs and claims costs with real-time data insights, to support funding and rate decisions, and identify areas to be addressed and consider how the program will perform in the future.

- **Strategic, Future-Proofed Solutions**

Our solutions are nimble and designed for the long-term. In developing solutions, we consider not just the problems of today but anticipate issues and challenges the State may face in the future. We undertake a holistic review of program structures, which include looking at plan design, process, technology, and funding.

- **Service Philosophy: Attention to Detail**

We have established a service delivery model on the premise that world class capabilities and client service can be delivered more effectively by experienced consultants who are committed to providing expert, in-depth analyses to solve our clients' challenges. Our people love what they do, and they care about our clients and, by extension, your constituents. This is a powerful combination. Our client service strategy is based on accountability, performance, and client satisfaction. Our clients have shared their appreciation for our attention to detail and excellence.

- **Robust Peer Review**

At Spring, we have a strict peer review policy to ensure work provided to our clients is of the highest quality and consistent with actuarial standard of practice. This actuarial process and bench strength include utilizing experienced and skilled actuaries to peer review the work throughout the project steps.

- **Communications**

Spring's team takes pride on our ability to clearly communicate complex actuarial analysis and results appropriate to the intended audience. This is especially important in projects where we work closely with broad teams including both financial and non-financial stakeholders. Consistent communication angled toward each group's needs is very important in communicating across multiple channels when working with state policy and implementation teams to then deliver programs and reports to associations and ultimately their individual organizations.

- **Project Management**

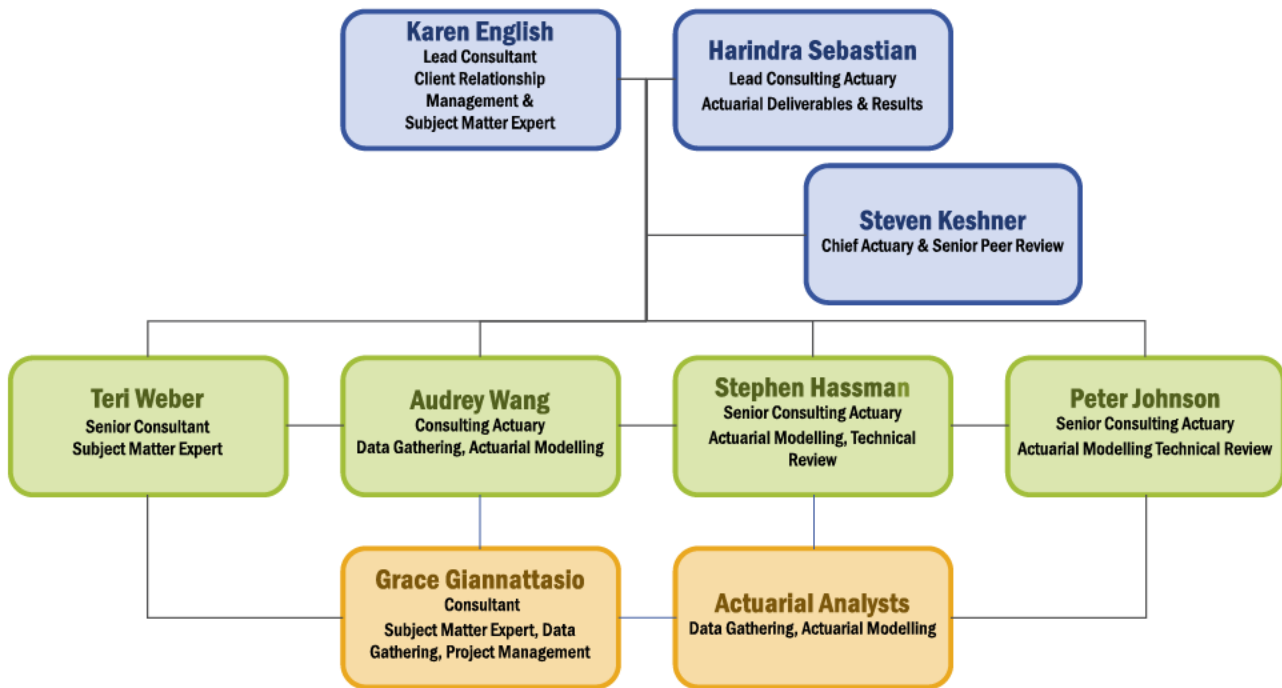
Spring has an extremely robust project management structure and process for every initiative we undertake. As part of our kick-off, we will outline goals and objectives. Throughout the relationship, we hold regular check-ins to provide updates and ensure goals are being met. Our approach provides value to you as it allows us to constantly monitor our analysis and tailor our deliverables, ensuring your

goals and vision are achieved. Our consulting approach is built with an inherent feedback loop. We have established project plans in partnership with clients that encompass all areas of the implementation process including education, onboarding, and rolling out solutions. Our belief in open and transparent communications, both internally and externally, has served us well in building and maintaining client relationships founded in trust.

Our Team

Below is an illustration of the team we propose for the Commission. This is the core team that will interact with you most regularly and continuously with each other, and we will leverage an extended team of resources if and as needed, but they typically will not be involved in the day-to-day work. The team will be structured as follows.

Core Spring Team



Brief biographies of each core team member, in alphabetical order by last name, are as follows:



Karen English, ARM, CPCU, MBA, ACI, AU, is a Senior Consultant and Senior Vice President with Spring Consulting Group, and Alera Group Company and was formerly part of the Watson Wyatt Insurance & Financial Services, Inc. team. She has over 25 years of experience in the disability, paid family and medical leave, broad absence and workers’ compensation insurance industries with an emphasis on product design, risk financing, compliance,

benchmarking and process improvement. She was part of Spring's founding team in 2004. Prior to joining Spring Consulting Group and Watson Wyatt, Karen led the regional risk & insurance practice for a small consulting firm, held the role of Assistant Risk Manager for one of the nation's largest banks (U.S. Bank), and was a casualty broker for two of the world's largest insurance brokers (Marsh and Aon).

Karen has her BBA in Risk Management and Human Resources from University of Wisconsin-Madison, and her MBA in Finance from University of Minnesota – Carlson School of Management. She has also earned the designations of CPCU, ARM, ACI, and AU and is a licensed insurance broker. Karen led the charge on the non-actuarial work involved with [REDACTED] as well as for [REDACTED], which we outline later in this document. She also works with large companies of all kinds of their leave, disability and absence management initiatives, as well as other PFML programs, such as [REDACTED].



Grace Giannattasio, CEBS, GBA, is a Consultant who joined Spring after graduating Magna Cum Laude from Loyola University Maryland in 2017 with a B.A. in Global Studies and a minor in Economics. She provides project management and day-to-day support for health and welfare accounts, including disability and absence management, and ADA/ADAAA initiatives, and compliance for the Northeast Region. Grace is a winner of the 2021 New England Employee Benefit Council (NEEBC)'s Rising Star Award. She has over

four years of pertinent experience. Grace has over four years of pertinent experience regarding this RFP.



Stephen Hassman, FSA, EA, MAAA is a Senior Consulting Actuary with Spring Consulting Group, LLC. He has 11 years of actuarial experience with a focus on the design and valuation of pension plans and retiree welfare plans. Stephen has completed annual pension and retiree medical valuations for numerous public and private organizations. At Spring, he leads the retirement plan valuations for many energy and utility companies, among others. Stephen

has completed retirement plan design analyses for many organizations, including Fortune 500 companies, utilities, and large hospital systems. In addition to retirement plan experience, Stephen also regularly completes plan design, valuation, pricing, and funding work related to life insurance (including retiree life insurance), disability, and medical stop-loss.

Prior to joining Spring, Stephen spent seven years as a Senior Associate with Willis Towers Watson. Stephen earned a B.S. in Hotel Administration from Cornell University. He is a Fellow of the Society of Actuaries and an Enrolled Actuary.



Peter Johnson, FCAS, MAAA is Spring's Chief Property & Casualty Actuary. He has over 17 years of actuarial experience in reserving, pricing, alternative risk funding, risk optimization, captive feasibility, and reinsurance risk transfer work. This experience includes workers' compensation, medical professional liability, professional liability, automobile, general liability, cyber liability, mortgage insurance and other enterprise risks. Peter was recently recognized by Business Insurance as a 2019 Breakout Award winner and in 2020 received Captive International's Highly Commended Individual Actuary award. Peter also serves as a faculty member of International Center for Captive Insurance Education's (ICCIE's) actuarial course. Prior to joining Spring, Peter was the President and Consulting Actuary with Bartlett Actuarial Group and a Consulting Actuary with Milliman. Peter has given industry presentations, published articles, and served on various committees in both the Casualty Actuarial Society and captive insurance industry. Peter earned a B.S. in applied math and computer science from the University of Wisconsin - Stout. He is a fellow of the Casualty Actuarial Society and a member of the American Academy of Actuaries.



Steven Keshner, FSA, MAAA is Spring's Chief Actuary and Senior Vice President. Steven over 30 years of actuarial, financial, underwriting and strategic insurance experience with group, life, health and pensions focus. He provides leadership to Spring's actuarial team and brings a wealth of knowledge and experience in the strategic, pricing and financial arenas of life, health, and disability insurance. Prior to joining Spring, Steven was the Senior Vice president, CFO and Chief Actuary of Nippon Life Benefits in New York, a subsidiary of Nippon Life Insurance Company, a global mutual life insurer. At Nippon, he directed and built the actuarial and underwriting functions including pricing, product development, and valuation by building a staff of accomplished professionals utilizing best business practices and state-of-the-art technology. Steven has a deep understanding of paid family and medical leave plans, and has consulted on a number of these programs.

Steven earned a B.S. in accounting from the State University of New York at Binghamton. He is a fellow of the Society of Actuaries and a member of the American Academy of Actuaries. Steven is also qualified as an Appointed Actuary, which allows him to sign off on reserves. He has been with Spring since 2009.



Harindra Sebastian, FSA, FCIA, MAAA, MBA is Spring's Vice President and Senior Consulting Actuary who brings to bear 19 years of actuarial, financial, and consulting experience, having served some of the largest and most complex clients in both the U.S. and Canada, across a wide range of industries. His prior roles have encompassed client relationship management,

sales growth leadership, financial management, intellectual capital development, and actuarial leadership. Harindra leads Alera Group's actuarial impact group.

Harindra's client roster has included manufacturers, healthcare organizations, universities, banks, retailers, and power generation companies. His experience spans group benefit plan strategy, pricing, financial management, program design, and vendor management, including projects on due diligence for M&A deals, union negotiations, settlement of unfunded retiree benefit obligations, and guidance on cost reduction and talent attraction/retention through plan redesign. Harindra has also direct experience working with state paid family and medical leave plans.

Harindra holds an Executive MBA from the Kellogg School of Management at Northwestern University and a Bachelor of Commerce (Honors) from the Asper School of Business at the University of Manitoba. He is a Fellow of the Society of Actuaries, a Fellow of the Canadian Institute of Actuaries, and a Member of the American Academy of Actuaries.



Audrey Wang, ASA Audrey Wang, ASA, MAAA is a Consulting Actuary with Spring Consulting Group, LLC. She has over 10 years of actuarial experience with a focus on modelling, pricing, advanced data analytics, financial reporting, and reserving. Audrey has completed several actuarial modelling analyses, managed ongoing captive funding, cost projections and reporting and been involved in FMLA and state paid family and medical leave data

analysis and model development.

Prior to Spring, Audrey worked at Tufts Health Plan and McKinsey & Company in actuarial roles. Audrey earned a M.P.A in economics from Cornell University. She is a member of the American Academy of Actuaries and an Associate of the Society of Actuaries and is currently pursuing Fellowship.



Teri Weber, ACI, PMP, MBA is a Senior Consultant and Senior Vice President with Spring. She has more than fifteen years of experience in health and welfare plan strategy, design, pricing, and implementation with a major focus on absence management including disability, paid and unpaid family medical leave, PTO and leave of absence program design, underwriting, financial analysis, implementation, project management and process improvement.

This area of specialization has allowed her to work with diverse employers and providers to streamline processes and programs to meet the needs of insurers, administrators, employers and employees. Prior to joining Spring, Teri worked with Watson Wyatt, Buck Consultants, Aon Consulting and a well-known data and analytics firm. In addition she was an Account Manager with Health Direct, Inc.

Teri earned a BS at the University of Connecticut and a MBA at the University of Massachusetts. She is a licensed broker and on the Board of Directors of the New England Employee Benefits Council. Teri has guided employers of all kinds, such as [REDACTED], on projects pertaining to paid family and medical leave as well as overall health and welfare.

Litigation Question

As requested in your RFP, we can confirm that we are not aware of any litigation in which Spring or Alera is named, nor are there any cases that have closed within the past five (5) years in which Spring or Alera paid the claimant as part of a settlement or by decree.


APPENDIX B

**PROPOSAL COVER PAGE
Actuarial Study of Potential Costs and Feasibility of a
Paid Family and Medical Leave Benefits Program**

Bidder's Organization Name:	Spring Consulting Group, an Alera Group Company, LLC		
Chief Executive - Name/Title:	Karin Landry / Managing Partner		
Tel:	857-239-1242	E-mail:	Karin.landry@springgroup.com
Headquarters Street Address:	30 Federal Street, 4 th Floor		
Headquarters City/State/Zip:	Boston, MA 02110		
<i>(Provide information requested below if different from above)</i>			
Lead Point of Contact for Proposal - Name/Title:	Karen English		
Tel:	617-589-0930 x105	E-mail:	Karen.english@springgroup.com
Headquarters Street Address:	30 Federal Street, 4 th Floor		
Headquarters City/State/Zip:	Boston, MA 02110		

- This proposal and the pricing structure contained herein will remain firm for a period of 180 days from the date and time of the bid opening.
- No personnel currently employed by the Maine State Legislature or any State agency participated, either directly or indirectly, in any activities relating to the preparation of the Bidder's proposal.
- No attempt has been made, or will be made, by the Bidder to induce any other person or firm to submit or not to submit a proposal.
- The above-named organization is the legal entity entering into the resulting contract with the Commission/Legislature if they are awarded the contract.
- The undersigned is authorized to enter contractual obligations on behalf of the above-named organization.

To the best of my knowledge, all information provided in the enclosed proposal, both programmatic and financial, is complete and accurate at the time of submission.

Name (Print): Karen English	Title: Senior Vice President
Authorized Signature: 	Date: 1/31/22

APPENDIX C

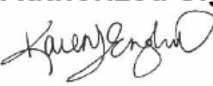
Actuarial Study of Potential Costs and Feasibility of a
Paid Family and Medical Leave Benefits Program

DEBARMENT, PERFORMANCE, and NON-COLLUSION CERTIFICATION

Bidder's Organization Name:	Spring Consulting Group, an Alera Group Company, LLC
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By signing this document, I certify to the best of my knowledge and belief that the aforementioned organization, its principals and any subcontractors named in this proposal:

- a. Are not presently debarred, suspended, proposed for debarment, and declared ineligible or voluntarily excluded from bidding or working on contracts issued by any governmental agency.*
- b. Have not within three years of submitting the proposal for this contract been convicted of or had a civil judgment rendered against them for:*
 - i. Fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state or local government transaction or contract.*
 - ii. Violating Federal or State antitrust statutes or committing embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.*
- c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or Local) with commission of any of the offenses enumerated in paragraph (b) of this certification.*
- d. Have not within a three (3) year period preceding this proposal had one or more federal, state or local government transactions terminated for cause or default.*
- e. Have not entered into a prior understanding, agreement, or connection with any corporation, firm, or person submitting a response for the same materials, supplies, equipment, or services and this proposal is in all respects fair and without collusion or fraud. The above-mentioned entities understand and agree that collusive bidding is a violation of state and federal law and can result in fines, prison sentences, and civil damage awards.*

Name (Print): Karen English	Title: Senior Vice President
Authorized Signature: 	Date: 1/31/22

APPENDIX D

Actuarial Study of Potential Costs and Feasibility of a Paid Family and Medical Leave Benefits Program

QUALIFICATIONS & EXPERIENCE FORM

Bidder's Organization Name:	Spring Consulting Group, an Alera Group Company, LLC
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Present a brief statement of qualifications, including any applicable licensure and/or certification. Describe the history of the Bidder's organization, especially regarding skills pertinent to the specific work required by the Invitation for Proposal and any special or unique characteristics or sources of data available to the organization which would make it especially qualified to perform the required work activities. You may expand this form and use additional pages to provide this information.

Spring Consulting Group, an Alera Group Company, LLC (Spring) is pleased to submit this Request for Proposal to the Commission to Develop a Paid Family and Medical Leave Benefits Program for the State of Maine (the Commission).

Spring was formed in March 2004 through a management buyout of the U.S. Insurance & Financial Services Strategy Consulting Practice of Watson Wyatt LLP, and became part of Alera Group, Inc. in early 2018. Alera was created by the merging of 24 high-performing, entrepreneurial firms across the United States. Today, Alera Group is in the top 10 largest privately held employee benefits firm in the United States. We have over 3,000 employees across the country (including in New England, with Spring being located in Massachusetts) that are specialists in employee benefits, property and casualty, risk management and wealth management which generate an annual \$900M in gross revenue.

As an Alera Group firm, Spring provides a full range of strategic and technical employee benefit consulting; strategy and product development advice; and overall financing and funding solutions for benefit programs. We offer unmatched leadership in the disability, leave and absence management arena and have been actively involved in the evolution of state paid family and medical leave (PFML) plans and how they operate on a standalone basis and in conjunction with other employer offered short and long term disability plans (STD/LTD), state-based workers' compensation (WC), federal family and medical leave (FMLA) and other company specific leaves of absence, paid time off, the Americans with Disabilities Act and Amendments Act (ADA/AA), employee assistance programs (EAP), disease management, wellness and other group health aspects.

As part of our disability, leave and absence management expertise, Spring provides a comprehensive suite of actuarial services, from project focused actuarial consulting to ongoing actuarial pricing, reporting and experience monitoring. Our actuaries have an extensive background calculating estimated unpaid claim liabilities, benchmarks, issuing reserve opinions, allocation work, reinsurance and risk transfer, stochastic modeling and funding projections for a range of coverage lines, be they self-insured or alongside other alternative risk funding techniques and mechanisms. Our diverse actuarial experience and expertise provides us with the depth necessary to tailor unique, innovative and holistic solutions for

your interdisciplinary insurance, financial and risk management needs. We deliver attention to detail, fresh thinking and creative strategy to translate your vision into actionable results.

Spring actuaries commonly perform the type of analysis sought through the Commission's RFP, including for other state departments regarding paid leave, and frequently peer review these types of actuarial work products for insurance regulators, which makes us especially qualified to perform the required work activities. As part of our absence practice and our work for other states we continually review literature and studies (and conduct our own studies) regarding paid family and medical leave trends and usage. In our work for other states we have accessed available state specific and industry related data, including but not limited to the State of California Employment Development Department, New Jersey Department of Labor and Workforce Development, New York State Paid Family Leave Department, Rhode Island Department of Labor and Training, the Department of Labor, Bureau of Labor Statistics, U.S. Census Bureau, the Integrated Benefits Institute and private insurance carrier or third-party administrator (TPA) data. We have interviewed representatives from the various state paid family leave agencies and gathered perspectives from employers that have experienced paid family leave programs, as well as from insurance carriers and TPAs that administer them.

Our team is licensed to do business and conduct insurance transactions in the State of Maine and holds the following actuarial certifications and relevant industry designations: FSA, FCAS, FCIA, MAAA, EA, ASA, ARM, CPCU, AU, ACI, GBA, CLTC, CDHC, CEBS, PMP, MBA, LIA, RPA, CLMS.

Our firm is continuously recognized by the industry with awards and accolades, such as Power Broker by Risk & Insurance Magazine, Most Influential Women in Benefit Advising by Employee Benefit Advisor, Breakout Award Winner by Business Insurance, Actuarial Firm of the Year by both Captive International and Captive Review, and more. Our team members are board members or hold leadership positions for industry organizations like the Disability Management Employer Coalition (DMEC), the Self-Insurance Institute of America (SIIA), the New England Employee Benefits Council (NEEBC), the Captive Insurance Companies Association (CICA) and others. We have published a range of educational books, whitepapers and articles, such as the Tools of the Trade and Return to Work Manuals for DMEC. We regularly speak at industry-wide conferences such as those held by the Risk Management Society (RIMS).

We work with employers, service providers (including insurance carriers, TPAs and technology firms), states and industry groups to continually improve the market. We interface with regulatory bodies such as the Department of Labor and Division of Insurance regularly and in support of our clients' needs. We have expertise in market intelligence, regulatory interpretation, strategy development, product and technology development, process review and practical application, financial and actuarial analysis and calculations and implementation, and will be able to put our unique perspective and distinct industry experience, market research, best practices, pricing models, vendor and employer relationships and data to work for the Commission.

We provide compliance expertise, have a focused communications practice, offer benchmarking solutions and have tools and expertise to help our customers leverage data and analytics in their decision-making.

We routinely document and present disability, leave and absence management market and ADA/AA trends by publishing industry leading research and sharing those findings with our clients and in the industry at large. We have extensive research and survey capabilities; including best practices across provider and employer data, as summarized below:

- **Benchmarked Absence Management Capabilities Amongst Industry Players.** For eleven years, Spring has benchmarked absence management service offerings of more than twenty service providers in the integrated disability, absence management and health management field. Our benchmarking analysis and recommendations spanning across all types of absence – STD / salary continuation, LTD, WC, FML, paid time off (PTO), leave of absence (LOA) and health and productivity initiatives, return to work (RTW), stay at work (SAW) and accommodations as guided by the ADA/AA – have allowed our clients to realign their products, services and technology with the evolving needs of their target customers.
- **Surveyed Employer Priorities for Integrated Disability, Absence and Health Management Programs.** Spring has surveyed employers for ten consecutive time periods ranging in size from 500 lives to 10,000+ lives to determine their propensity for integrating a wide spectrum of employee benefits, absence and time off programs; degree of outsourcing to insurance companies, third party administrators or other specialty service firms; application of RTW, SAW and ADA/ADAA accommodations; use of technology in the process; and achievements they have been able to make by implementing integrated programs. For those that did not integrate, we uncovered interest level, barriers and awareness of the concept.
- **Documented Employer Trends for Leave Management.** Spring has partnered with the Disability Management Employer Coalition (DMEC) for the last eleven years to understand employer challenges in managing all types of leaves, including FMLA, State Family and Medical Leaves, ADA as an Accommodation Leave, Military Leave (USERRA), State Military Leave, Jury Duty, Other State Mandated Leaves, Municipal/County Leaves, and Other Company Specific Leaves (e.g., Bereavement, Administrative, Personal Leaves). The survey results identified the strategies, technology, tools and resources employers of all sizes and industries have utilized for success, and how they plan to evolve their programs into the future.
- **Explored the Impacts of PFML on Other Benefits Programs.** As a result of the increasing number of states implementing PFML programs, Spring completed a research study to examine the potential impact PFML might have on employers, insurance carriers, TPAs and brokers beyond regulatory requirements. The research took a 360 view by conducting a series of online surveys of employers, carriers/TPAs and brokers to help them plan for the impact on their books of business.
- **Established the Ask Spring User Group** that consists of twenty-five companies, of which the majority are insurance carriers and the others TPAs and software firms. As additional states pass PFML laws, Spring utilizes its Ask Spring User Group, to pose questions. Spring formulates questions, collects responses from each member, analyzes the data and shares results back in aggregate and to all members.

APPENDIX D (continued)

Provide a description of projects that occurred within the past five years which reflect experience and expertise needed in performing the functions described in the “Scope of Services” portion of this Invitation for Proposal. For each of the project examples provided, a contact person from the client organization involved should be listed, along with that person’s telephone number and email address. Please note that contract history with the State of Maine, whether positive or negative, may be considered in rating proposals even if not provided by the Bidder.

Project One	
Client Name:	[REDACTED]
Client Contact Person:	[REDACTED]
Telephone:	[REDACTED]
E-Mail:	[REDACTED]

Brief Description of Project

[Redacted text block]

[Redacted text block]

[Redacted text block]

- [Redacted]
- [Redacted]
- [Redacted]

[Redacted text block]

- [Redacted]
- [Redacted]
- [Redacted]

[Redacted text block]

- [Redacted]
- [Redacted]

[Redacted text block]

- [Redacted]
- [Redacted]

[Redacted text block]

- [Redacted]
- [Redacted]
- [Redacted]

[Redacted text block]

[Redacted text block]

Project Two

Client Name:	[REDACTED]
Client Contact Person:	[REDACTED]
Telephone:	[REDACTED]
E-Mail:	[REDACTED]
Brief Description of Project	
[REDACTED]	

APPENDIX D (continued)

Project Three	
Client Name:	[REDACTED]
Client Contact Person:	[REDACTED]
Telephone:	[REDACTED]
E-Mail:	[REDACTED]
Brief Description of Project	
[REDACTED]	
[REDACTED]	

Project Four	
Client Name:	[REDACTED]
Client Contact Person:	[REDACTED]

Telephone:	[REDACTED]
E-Mail:	[REDACTED]
Brief Description of Project:	
[REDACTED]	

APPENDIX E

**Actuarial Study of Potential Costs and Feasibility of a
Paid Family and Medical Leave Benefits Program**

COST PROPOSAL FORM

Bidder's Organization Name:	Spring Consulting Group, an Alera Group Company, LLC
Total Proposed Cost:	\$ [REDACTED]

Bidders must use the table below (add rows as needed) to develop a Total Proposed Cost to complete all aspects of the project as described in this Invitation for Proposal. The Total Proposed Cost will be used in the scoring formula as described in this Invitation for Proposal.

Staff Type or Title	Hourly Rate	Estimated Total Required Hours	Estimated Total Cost
Senior Actuary / Senior Consultant	\$ [REDACTED]	[REDACTED]	\$ [REDACTED]
Actuary / Consultant	\$ [REDACTED]	[REDACTED]	\$ [REDACTED]
Analyst	\$ [REDACTED]	[REDACTED]	\$ [REDACTED]
Other Costs			
None anticipated			\$0
			\$
			\$
Total Proposed Cost			\$ [REDACTED]



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
01/05/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Culligan Risk & Insurance Services, Inc. [Redacted]	CONTACT NAME: [Redacted]	FAX (A/C. No.): [Redacted]
	PHONE (A/C. No. Ext): [Redacted]	E-MAIL ADDRESS: [Redacted]
	PRODUCER CUSTOMER ID #:	
	INSURER(S) AFFORDING COVERAGE	NAIC #
INSURED Alera Group Ultimate Holdings, LLC Alera Group Holdings Inc.; Alera Group, Inc. 3 Parkway North, Suite 500 Deerfield IL 60015	INSURER A: [Redacted]	17370
	INSURER B: [Redacted]	25445
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ \$
B	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> CLAIMS-MADE DEDUCTIBLE RETENTION \$			[Redacted]	12/30/2021	12/30/2022	EACH OCCURRENCE \$ [Redacted] AGGREGATE \$ [Redacted] \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N (Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below		N/A				WC STATUTORY LIMITS <input type="checkbox"/> OTHER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Insurance Services Professional Liability			[Redacted]	12/30/2021	12/30/2022	Each Occurrence \$ [Redacted] Aggregate \$ [Redacted]

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Add'l Remarks Schedule Attached - Additional Insurer(s) & Additional Named Insureds Deductible [Redacted]

CERTIFICATE HOLDER Insured Copy	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE [Redacted]
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