

CONTRACT FOR ACTUARIAL SERVICES

This Contract for Actuarial Services (the "Contract") is entered into on [EXECUTION DATE] by the FLORIDA PREPAID COLLEGE BOARD (the "Board"), an agency of the State of Florida, and _____ (the "Contractor"), a corporation authorized to do business in Florida.

Section 1009.971(4)(l), Florida Statutes, authorizes the Board to engage actuaries and other consultants for the Stanley G. Tate Florida Prepaid College Program (the "Prepaid Program"). This Contract establishes the services and terms for the Board's actuarial evaluation and pricing work.

Pursuant to Section 1009.972, funds received by the Board that are associated with the Prepaid Plan are deposited and held in the Prepaid Fund within the Prepaid College Trust Fund (the "Fund").

Section 1009.971(4)(f), Florida Statutes, requires the Board to evaluate or cause to be evaluated the actuarial soundness of the prepaid fund annually.

NOW THEREFORE, in consideration of the services to be performed and the payments to be made, together with the mutual covenants and conditions hereinafter set forth, the parties agree as follows:

PART I

ACTUARIAL SERVICES

1. REPRESENTATIONS AND WARRANTIES. The Contractor covenants and warrants as follows:

(a) It is lawfully organized and constituted under all federal, state and local laws, ordinances and other authorities of its domicile, and is otherwise in full compliance with all legal requirements of its domicile.

(b) It is possessed in the legal authority and capacity to enter into and perform this Agreement.

(c) It has been duly authorized to operate and do business in all places where it will be required to conduct business under the Agreement; that it has obtained, at no cost to the State of Florida or the Board, all necessary licenses and permits required in connection with this Agreement; and that it will fully comply with all laws, decrees, labor standards and regulations of its domicile and wherever performance occurs during its performance of this Agreement.

(d) It has no present interest, nor shall acquire any interest, which would conflict in any manner with its duties and obligations under the Agreement.

(e) To the best of the Contractor's knowledge, neither the execution, delivery, nor performance of this Agreement by the Contractor will violate any law, statute, order, rule, or regulation of, or judgment, order or decree by, any federal, state, local, or foreign court or governmental authority, domestic or foreign, to which the Contractor is subject nor will the same constitute a breach of, or default under, provisions of any agreement or contract to which it is a party or by which it is bound.

(f) It has the expertise and ability to perform all services required under this Agreement.

2. DESCRIPTION OF SERVICES. The Contractor shall serve as consulting actuary for the Prepaid Program and perform the services in Exhibit B, Scope of Services. The Board will provide the data necessary for the services, and the Contractor shall review and reconcile the data as specified in Exhibit B. The Board may request separately authorized services under Exhibit B, Items 15 through 20, and Exhibit A. Deliverables, formats, and due dates shall be established in the annual work plan and may be adjusted by the Board in writing.

3. TERM.

(a) The initial term begins [START DATE] and ends [END DATE]. The Board may renew this Contract for up to five one-year renewal periods, subject to continued need, satisfactory performance, available funds, and a written instrument executed by both parties. Neither party is bound to a renewal until it is executed.

(b) Any extension, renewal, or change to services or fees must be documented in writing and signed by both parties. No automatic renewal is effective. The Board retains the right to negotiate a lower fee for services at the time of the renewal.

(c) If the Contractor seeks bankruptcy protection, becomes subject to an involuntary bankruptcy petition, enters receivership, or is taken over by a regulator, the Board may terminate the Contract or continue it for a limited period on terms approved by the Board in writing. No bankruptcy provision creates an automatic extension.

4. TITLES. Headings are for convenience and do not limit the operative provisions.

5. CONSIDERATION. The Board shall pay only the fees stated in Exhibit A for services satisfactorily performed, subject to availability of funds under Paragraph 10. Invoices shall identify the applicable deliverable or approved project, period of service, and fee, with supporting time records for hourly work. Payment terms are net 30 days after receipt of a proper invoice. Additional services require a

written scope and estimate approved by the Board before work begins; any increase requires prior written approval. The Contractor shall not charge for travel except to the extent expressly authorized in writing by the Board prior to incurring travel expenses and subject to reimbursement under section 112.061, Florida Statutes.

6. **CONTRACT MANAGER.** The Contractor shall designate a principal actuary and a contract manager who will coordinate deliverables, attend meetings requested by the Board, and promptly notify the Board's Executive Director or designee of a material service deficiency, data issue, model error, or delay affecting a deliverable. A change in key personnel requires prior notice and Board approval, which shall not be unreasonably withheld.

7. **NONEXCLUSIVE SERVICES.** The Board may obtain actuarial or related services from other providers during the term.

PART II

SPECIAL TERMS

8. **INDEPENDENT CONTRACTOR.** The Board and Contractor represent and agree that they are acting in their individual capacities and not as agents, employees, partners, or associates of one another.

9. **PERSONNEL.** The Contractor shall assign qualified personnel with sufficient experience and capacity to perform the services. The Board may request replacement of personnel reasonably believed unable to perform their duties. The Contractor shall provide advance notice of a proposed replacement of the principal actuary or other key personnel and obtain the Board's written approval of the replacement, which shall not be unreasonably withheld. The Contractor remains responsible for continuity and cross-training.

10. **AVAILABILITY OF FUNDS.** Performance by the Board under this Agreement shall be subject to and contingent upon the availability of monies lawfully appropriated to the Board and applicable for the purposes of this Agreement.

11. **MODIFICATION.** This Contract, including its exhibits, may be amended only in a writing signed by both parties. An approved additional services letter shall describe the scope, deliverables, due dates,

maximum fee, and fiscal year cost and shall become part of this Contract when signed by the Board's authorized representative and the Contractor. No course of dealing changes this Contract.

12. SUBCONTRACTORS. The Contractor shall obtain the Board's prior written approval of each subcontractor and subcontract. Approval does not relieve the Contractor of responsibility for performance, confidentiality, public records, or transition obligations. The Board may inspect subcontracts related to the services and communicate directly with an approved subcontractor about performance.

13. PUBLIC ACCESS TO RECORDS. Records are subject to Chapter 119, Florida Statutes, except to the extent exempt or confidential and exempt under applicable law, including section 1009.98(6) for advance payment contracts. The Contractor shall comply with section 119.0701, Florida Statutes: (a) keep and maintain public records required by the Board to perform the services; (b) upon request from the Board's custodian of public records, provide a copy or allow inspection or copying within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law; (c) protect exempt and confidential and exempt records from unauthorized disclosure during the term and thereafter if retained; and (d) upon completion, transfer all such public records to the Board at no cost or retain them in compliance with applicable retention requirements. If transferred, the Contractor shall destroy duplicate exempt or confidential and exempt public records. Electronically stored records shall be supplied upon request in a format compatible with the Board's systems. The Board may terminate this Contract for refusal to provide lawful public access. This Paragraph survives termination.

IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT 850-488-8514, Kevin.Thompson@MyFloridaPrepaid.com, 1801 HERMITAGE BLVD., SUITE 210, TALLAHASSEE, FL 32308.

14. INDEMNIFICATION. The Contractor shall indemnify, defend, and hold harmless the Board and its officers, employees, and agents from third party claims, damages, judgments, and reasonable litigation costs to the extent caused by the negligence, fraud, willful misconduct, or breach of this Contract by the Contractor or an approved subcontractor in performing the services. This obligation does not extend to

the extent caused by the Board's own negligence or willful misconduct. The Contractor is not required to independently verify source data supplied by the Board, but shall perform the data review and reconciliation required in Exhibit B and promptly identify material anomalies discovered. The Contractor shall promptly notify the Board of a related claim and shall not settle it on the Board's behalf without prior written approval. Nothing waives the Board's sovereign or Eleventh Amendment immunity. This Paragraph survives termination.

15. **GOVERNING LAW, DISPUTES, AND VENUE.** Florida law governs this Contract. Claims arising under this Contract shall proceed under Rules 19B-14.001 through 19B-14.003, Florida Administrative Code, as applicable and as amended from time to time. A dispute concerning performance shall first be submitted to the Board's designated contract manager for a written decision, subject to the administrative remedies and review available under applicable law. Litigation shall be brought in Leon County, Florida, after exhaustion of required administrative remedies. Nothing in this Paragraph waives the Board's sovereign immunity.

16. **WAIVER.** Failure of either party to the Agreement to object or to take affirmative action with respect to any conduct of the other which is in violation of the terms of this Agreement shall not be construed as a waiver of the violation or breach, or any future violation or breach.

17. **GENERAL CONDITIONS.** The Contractor remains responsible for the quality and timeliness of all services, including approved subcontracted services, notwithstanding Board review or approval. The Board may modify, reject, cancel, or stop work in progress and shall pay for satisfactory work performed and approved noncancelable expenses through notice. The Contractor shall comply with applicable federal and Florida law, professional actuarial standards, and Board rules. Communications directed to Board members about this Contract shall be coordinated through the Executive Director, except at public Board meetings or as otherwise authorized by the Board. The Contractor shall permit reasonable inspection of facilities used for the services on advance notice. References to statutes include successor provisions.

18. **APPROVAL OF FIRM'S WORK.** All work produced for distribution by the Contractor shall be approved in advance, by the Board.

19. OWNERSHIP OF MATERIALS. The Board owns the completed reports, Board-specific data, cash flows, assumptions files, and other deliverables prepared for it under this Contract. The Contractor may retain archival copies as required by law or professional standards, subject to confidentiality and public records obligations. The Contractor retains its preexisting methods and general tools under Paragraph 30, but grants the Board a perpetual, paid-up license to use any such tool embedded in a deliverable for the Board's internal purposes and to share the deliverable as permitted by law and Paragraph 31.

20. AUDIT OF CONTRACT PROCEDURES. The Board, its designees, and authorized state agencies may audit records, procedures, time records, and invoices related to this Contract upon reasonable notice during regular business hours. The Contractor shall make relevant records of approved subcontractors available and cooperate with the audit, subject to applicable protections for confidential information. No fixed two-day limit restricts an audit required by law or reasonably necessary to verify contract performance or payments.

21. TERMINATION AND TRANSITION. The Board may terminate this Contract, in whole or in part, for convenience by written notice effective on the date specified by the Board, paying for satisfactory services rendered through that date and approved noncancelable expenses, if any. The Board may terminate for a material breach remaining uncured 30 days after written notice, or immediately if the breach cannot reasonably be cured or immediate termination is authorized by law. At least 180 days before scheduled expiration, or within 30 days after notice of an earlier termination, the Contractor shall submit a transition plan for Board approval and cooperate in an orderly transfer to the Board or its designee. The Contractor shall provide Board data, deliverables, work files, documented assumptions, model inputs and outputs, and other Board-owned materials in usable electronic formats, subject to Paragraph 30. Transition and confidentiality obligations survive termination.

22. PAYMENT WITHHOLDING. The Board may withhold amounts reasonably disputed for nonperformance, deficient work, invoice errors, or applicable liquidated damages, with written notice identifying the basis. Undisputed amounts for satisfactory services remain payable under Paragraph 5. Release of a withheld amount does not waive other remedies.

23. INVOICES. The Contractor shall submit itemized invoices with sufficient supporting detail for pre-audit and post-audit. Invoices for additional hourly services shall include time records, personnel, rates,

and the Board's written authorization.

24. **ASSIGNMENT.** This Agreement is not assignable by the Contractor except with the prior written approval of the Board.

25. **TAXES.** The Board shall have no responsibility for the payment of any federal, state, or local taxes which become payable by the Contractor or any of its subcontractors as a result of this Agreement.

26. **TRAVEL.** The Board shall not reimburse the Contractor for travel expenses incurred in connection with this Agreement, except as provided in Section 5.

27. **DEFAULT AND LIQUIDATED DAMAGES.** On written notice of a missed deliverable or material service requirement, the Contractor shall provide a corrective action plan within three business days and cure within ten business days or another period approved in writing by the Board. If a required report remains late after that cure period for reasons within the Contractor's control, the Board may assess liquidated damages of \$250 per business day per report, capped at [ANNUAL CAP TO BE NEGOTIATED]. No damages accrue to the extent delay is caused by the Board's failure to provide required data or approval on an agreed schedule. The parties intend the amount as a reasonable estimate of difficult-to-measure harm, not a penalty. Other remedies remain available subject to Paragraph 28.

28. **LIMITATION OF LIABILITY.** Except for indemnification obligations, breach of confidentiality or public records duties, fraud, or willful misconduct, neither party is liable for indirect, incidental, consequential, special, or punitive damages, and the Contractor's aggregate liability under this Contract shall not exceed [CAP TO BE NEGOTIATED]. Nothing limits the Board's remedies to the extent prohibited by law or waives the Board's sovereign immunity under section 768.28, Florida Statutes or Eleventh Amendment immunity. Paragraph 15 governs dispute resolution.

29. **NOTICES.** Formal notices under this Contract shall be in writing and delivered personally, by nationally recognized overnight carrier, or by certified mail with return receipt requested, to the addresses below. A party may change its notice address by written notice to the other party. Notices are effective upon documented receipt, or upon documented refusal of delivery.

If to the Board:

Kevin Thompson, Executive Director

Florida Prepaid College Board

1801 Hermitage Blvd., Suite 210, Tallahassee, FL 32308

Telephone (850) 488-8514.

With a copy to:

GrayRobinson, P.A.

Attention: George Levesque OBO the Florida Prepaid College Board

301 Bronough Street, Suite 600, Tallahassee, Florida 32301

Telephone: (850) 577-9090

Email: george.levesque@gray-robinson.com

If to the Contractor:

[NAME AND TITLE]

[MAILING ADDRESS]

[TELEPHONE AND EMAIL].

30. **CONTRACTOR TOOLS.** The Contractor retains ownership of methods, software, templates, and general know-how developed independently of the Board or used generally in its professional practice. Board data and Board-specific deliverables are not Contractor tools. Any Contractor tool embedded in a deliverable is licensed to the Board under Paragraph 19. On transition, the Contractor shall provide

sufficient documentation, inputs, outputs, and usable files for the Board or successor actuary to understand and continue the work, without requiring transfer of proprietary source code unless expressly agreed.

31. **USE AND DISCLOSURE OF WORK.** The Board may use and disclose final actuarial work for its governance, financial reporting, investment oversight, procurement, regulatory, and public records responsibilities, and may provide it to its professional advisers and other governmental entities. Any disclosure required by law is permitted without the Contractor's consent. The Board will preserve any reasonable professional reliance and limitations language that does not conflict with law or the Board's duties. The Contractor shall not use Board data or the Board's name in external materials without written approval. The Contractor's work does not create a duty to unrelated third parties merely because the Board discloses it.

32. **SEVERABILITY.** If any of the provisions of this Agreement are held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions, and this Agreement shall be construed and enforced as if such provision had not been included.

33. **ENTIRE AGREEMENT AND ORDER OF PRECEDENCE.** This Contract and its attached exhibits constitute the entire agreement and supersede prior negotiations concerning its subject. If an exhibit conflicts with the body, the body controls; Exhibit B controls over any incorporated procurement response on scope, and Exhibit A controls on fees. No procurement document is incorporated unless specifically identified and attached. References to Florida statutes include successor provisions.

34. **E-Verify.** The Program Manager shall register with and use the E-Verify system in accordance with Section 448.095, Florida Statutes, to verify the work authorization status of all newly hired employees, and shall require each Subcontractor performing Services under this Agreement to do the same and to provide the affidavit described in Section 448.095(2)(b), Florida Statutes.

35. **Scrutinized Companies.** The Program Manager certifies that it is not on the Scrutinized Companies that Boycott Israel List and is not engaged in a boycott of Israel and, if this Agreement involves one million dollars or more, that it is not on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Terrorism Sectors List and is not engaged in business operations in

Cuba or Syria. The ABLE Entity may terminate this Agreement as provided in Section 287.135, Florida Statutes, if this certification is false or if the Program Manager is placed on any such list during the Term.

36. Human Trafficking Affidavit. The Program Manager shall provide the affidavit required by Section 787.06(13), Florida Statutes, attesting that the Program Manager does not use coercion for labor or services.

37. Foreign Countries of Concern. The Program Manager certifies that it is not owned by the government of a foreign country of concern and that it complies with Sections 286.101 and 287.138, Florida Statutes, to the extent applicable to this Agreement.

IN WITNESS WHEREOF, the parties have executed this Contract through their duly authorized representatives on the dates indicated below.

WITNESS

FLORIDA PREPAID COLLEGE BOARD

Signature

Kevin Thompson
Executive Director

Please Print Name

STATE OF FLORIDA

COUNTY OF LEON

Before me, the undersigned authority, personally came and appeared KEVIN THOMPSON, EXECUTIVE DIRECTOR of the FLORIDA PREPAID COLLEGE BOARD, who is personally known to me or who has produced _____ as identification and who executed the foregoing CONTRACT FOR ACTUARIAL SERVICES on behalf of the FLORIDA PREPAID COLLEGE BOARD and who also acknowledged before me that he is authorized to execute the same on behalf of said Board.

In witness whereof, I have placed my hand and seal in the county and state last aforesaid, this _____ day of _____, [YEAR].

Notary Public, State of Florida at Large

Printed Name:

My Commission Expires:

IN WITNESS WHEREOF, the parties have executed this Contract through their duly authorized representatives on the dates indicated below.

(INSERT FIRM NAME)

By: _____ Name:

[NAME]

Title: [TITLE]

Attested to by

Witness

STATE OF _____

COUNTY OF _____

Before me, the undersigned authority, personally came and appeared [NAME], the [TITLE] of INSERT FIRM NAME, who is personally known to me or who has produced _____ as identification and who executed the foregoing CONTRACT FOR ACTUARIAL SERVICES on behalf of INSERT FIRM NAME, INC., and who also acknowledged before me that he is authorized to execute the same on behalf of said entity.

In witness whereof, I have placed my hand and seal in the county and state last aforesaid, this _____ day of _____, [YEAR].

Notary Public

Printed Name:

My Commission Expires:

EXHIBIT A

Pricing Schedule

Base annual fees for actuarial valuation, pricing, model maintenance, annual planning, continuity, and consultation under Exhibit B Items 1–14, and payable **[PAYMENT FREQUENCY]**, are provided below:

Year 1	\$ _____
Year 2	\$ _____
Year 3	\$ _____
Year 4	\$ _____
Year 5	\$ _____
Year 6*	\$ _____
Year 7*	\$ _____
Year 8*	\$ _____
Year 9*	\$ _____
Year 10*	\$ _____

Fixed rate fees for Item 15 are provided below: If applicable, any annual adjustment shall be **[INSERT AGREED INDEX AND METHOD]**.

Actuarial adequacy report or letter	\$ _____
Pricing report or pricing letter	\$ _____
Assumption study	\$ _____

Hourly rates for Items 16 - 19 are provided below: If applicable, any annual adjustment shall be **[INSERT AGREED INDEX AND METHOD]**.

Lead actuary	\$ _____
Actuary/consultant	\$ _____
Analyst/support staff	\$ _____

Fees for value-add services as provided in item 20 are provided below: If applicable, any annual adjustment shall be **[INSERT AGREED INDEX AND METHOD]**.

TBD	\$ _____
TBD	\$ _____
TBD	\$ _____

EXHIBIT B

SCOPE OF ACTUARIAL SERVICES

1. **Transition.** If applicable, submit a transition plan with process, responsibilities, schedule, continuity measures, communications, and key risks for assuming services from the prior provider.

2. **Annual planning.** Meet in person with Board staff at least annually to plan the next 12 months of deliverables. As part of annual planning, review material Program experience, assumptions that may warrant further review, emerging actuarial issues, and potential analytical needs that may support significant Board policy, financial, or Program decisions.

Provide a detailed annual work plan identifying Board data needs, delivery dates, review points, meetings, draft and final deliverables, and dependencies necessary to meet the Board's schedule.

Unless otherwise agreed, alternate the location between Tallahassee and an appropriate Contractor office. At the Contractor office, demonstrate and review the latest actuarial and pricing models. Provide an updated annual work plan with deliverables and dates shortly after the meeting.

3. **Data review.** Load Board-provided data into the Contractor's actuarial or statistical system; evaluate completeness and reasonableness; inquire about anomalies; and recommend needed data modifications.

4. **Quarterly actuarial valuations and cash flows.** Prepare actuarial valuation letters as of June 30, September 30, December 31, and March 31 using the latest Board-provided data and assumptions, and anticipated future years of sales (as directed by the Board), with the information, charts, and breakdowns in the current Board-approved reporting format unless the Board agrees otherwise.

In addition, monthly undiscounted and discounted cash flows shall be provided to support the appropriate values in the report.

5. **Annual actuarial valuation and cash flows.** Prepare the actuarial adequacy report as of June 30 using the latest data and assumptions. Include the actuarial projections, up to five Board-selected sensitivities, reconciliation of surplus or reserve, experience review, recommendations about material actuarial assumptions where appropriate, provide the program termination liability as provided for in Section

1009.98(8) Florida Statutes and with Board guidance, and projected monthly undiscounted and discounted cash flows by major category in electronic form. Maintain the Board-approved reporting detail unless otherwise agreed.

The Respondent shall review and analyze at least one major actuarial valuation assumption each year.

6. **Sensitivities.** Develop with the Board and periodically update a sensitivity matrix for material actuarial drivers. Where reasonably practicable, present the results in a form that helps staff understand the directional and approximate effect of defined changes on actuarial adequacy, projected cash flows, and plan pricing, together with appropriate limitations.

7. **Annual Plan Pricing.** Prepare the annual Prepaid Program pricing report, normally using a July 31 valuation date, showing prices by product, payment option, and beneficiary age or grade. Test price adequacy and report the break-even rate of return. Maintain the Board-approved reporting detail unless otherwise agreed.

The Respondent shall review and analyze at least one major pricing assumption each year.

8. **Supporting files.** Provide electronic actuarial and pricing reports and usable supporting files, including payoff factors and projected cash flows, sufficient for Program operations, benchmark development, review of Board inputs and assumptions, and understanding of results.

9. **Board presentations and consultation.** Appear before the Board once annually, to explain and substantiate the annual actuarial adequacy and pricing reports.

Consult with Board staff by letter, telephone, electronic communication, or in person upon request.

10. **Professional Standards and Quality Control.** Perform all services in accordance with applicable qualification standards, Actuarial Standards of Practice, and the Actuarial Code of Professional Conduct. Maintain documented review and quality-control procedures for all deliverables.

11. **Continuity.** Maintain a continuity plan, update it and provide it to the Board annually, and cross-train personnel to preserve knowledge of the Prepaid Program.

12. **Data Security and Confidentiality.** Maintain appropriate controls for confidential Board data, limit access to authorized personnel, use secure transmission and storage methods, and promptly report any incident affecting Board information.
13. **Records, Documentation, and Audit Support.** Maintain work papers, models, assumptions, data reconciliations, and supporting documentation sufficient to reproduce and explain conclusions and to support Board oversight, audit, and transition to a successor provider.
14. **Coordination and Responsiveness.** Coordinate with Board staff and other Board service providers, respond promptly to questions, identify emerging issues, and communicate any matter that may affect the accuracy, quality, or timeliness of deliverables.
15. **Additional Actuarial Reports, Letters, or Assumption Studies.** At the Board's request, and subject to advance written scope and fee approval, conduct additional actuarial adequacy reports or letters, pricing reports or letters, or assumption studies.
16. **Additional Actuarial Advisor Studies and Services.** At the Board's request, and subject to advance written scope and fee approval, conduct additional sensitivity analyses, single-plan pricing analyses, or other special actuarial projects not identified above.
17. **Workshops.** At the Board's request and subject to advance written scope and fee approval, prepare and present an in-person workshop on calculations, data, assumptions, legislative changes, reporting, or improvements to models and methods.
18. **Representation.** At the Board's request and subject to advance written scope and fee approval, represent the Board before governing authorities on actuarial matters.
19. **Legislation.** At the Board's request and subject to advance written scope and fee approval, assist with preparation or review of legislation, fiscal notes, and bill analyses.
20. **Other Value-Added Services.** At the Board's request and subject to advance written scope and fee approval, provide other value-added services available to the Board.