



STATE OF TENNESSEE
FINANCE & ADMINISTRATION, BENEFITS ADMINISTRATION

**REQUEST FOR PROPOSALS # 31786-00138
AMENDMENT # Four
FOR LIFE INSURANCE PLANS**

DATE: May 19, 2017

RFP # 31786-00138 IS AMENDED AS FOLLOWS:

1. This RFP Schedule of Events updates and confirms scheduled RFP dates. Any event, time, or date containing revised or new text is highlighted.

EVENT	TIME (central time zone)	DATE
1. RFP Issued		April 4, 2017
2. Disability Accommodation Request Deadline	2:00 p.m.	April 7, 2017
3. Pre-response Conference	10:30 a.m.	April 10, 2017
4. Notice of Intent to Respond Deadline	2:00 p.m.	April 11, 2017
5. Written "Questions & Comments" Deadline	2:00 p.m.	April 21, 2017
6. State Response to Written "Questions & Comments"		May 19, 2017
7. Response Deadline	2:00 p.m.	May 30, 2017
8. State Completion of Technical Response Evaluations		June 15, 2017
9. State Opening & Scoring of Cost Proposals	2:00 p.m.	June 16, 2017
10. State Notice of Intent to Award Released <u>and</u> RFP Files Opened for Public Inspection	2:00 p.m.	1 Day after Insurance Committee Award of Contract
11. End of Open File Period		7 CALENDAR DAYS LATER
12. State sends contract to Contractor for signature		1 BUSINESS DAY LATER
13. Contractor Signature Deadline	2:00 p.m.	1 – 5 BUSINESS DAYS LATER

2. State responses to questions and comments in the table below amend and clarify this RFP.

Any restatement of RFP text in the Question/Comment column shall NOT be construed as a change in the actual wording of the RFP document.

QUESTION / COMMENT	STATE RESPONSE
1. How long has Minnesota Life been the incumbent carrier?	Minnesota Life was awarded the basic term life insurance contract in 2013 and the optional term life insurance contract in 2012. Both are five year service contracts.
2. Please confirm that the following coverages are in a participating arrangement: Basic Life, Spouse and Child Life, and Basic AD&D plans.	Confirmed.
3. For the participating coverages, please confirm the magnitude of annual and terminal retro, historical and latest Premium Stabilization Reserve or deficit amounts, as well as risk charges.	Please see Amendment Section #15. The State has added a new Appendix 7.23 providing the "Current Surplus" and "Deficit" columns and the "Minimum Premium" rows in the March 2017 monthly basic billing invoice from MN Life and the December 2013 monthly basic billing invoice from Dearborn National in RFP.
4. Will the current Premium Stabilization balance move to the new carrier? If so, what is the amount of the Premium Stabilization Reserve that will move over?	No, the surplus or deficit will remain with the current Contractor until after final accounting. Then any surplus will be returned to the State.
5. What level of commissions are to be included in the quoted rates?	The cost proposal and pro forma contract do not allow for the separate accounting of commissions. The responding insurance company's quoted premium rates should be all inclusive of the cost of insurance and any commissions that the Contractor intends to pay.
6. What are the current port rates and conditions required to elect portability?	<p>The current port rates in the voluntary term life insurance contract are the same as for active members. See Amendment Section #15. The State has added the current Minnesota Life voluntary term life premium rates in Appendix 7.24.</p> <p>The current voluntary term life insurance contract includes the following provision for continuing the group certificate.</p> <p>A.1.p. The Contractor shall provide for continuation of the Voluntary Term Life insurance coverage by former employees through the portability provisions of the Group Master Policy and payment of premium directly to the Contractor or through individual life policies. An active member may port a maximum of one-half (1/2) of his or her benefit coverage up to one-half (1/2) the Plan Maximum as shown in Contract Attachment D, but no less than \$5,000.</p>

QUESTION / COMMENT	STATE RESPONSE
	<p>Premium for portability continuation of the group voluntary term life certificate shall be as stated in Contract Section C.3 whereby it is shown that the premium rates for the ported option shall not exceed the premium rates for the active coverage by more than twenty-percent (20%) the same as those for employees. Employees who terminate their employment are to be notified by the Contractor of their options through written correspondence. Such notification shall be the responsibility of the Contractor..</p> <p>Refer to the Continuation and Conversion of Coverage section of the table on page 114 of the RFP..</p> <p>Portability is only available in the voluntary term life insurance program.</p>
<p>7. Will the ported Optional Life participants remain with the incumbent carrier, or will the ported lives remain with the group policy and move to the new carrier?</p>	<p>The voluntary term life insurance ported members shall transfer from the incumbent contractor to the new contractor (remain with the group policy).</p>
<p>8. Please confirm that the Traditional Plan Design has been in effect from January 2013 through present.</p>	<p>Confirmed, the Basic Term Life/Basic AD&D and Voluntary AD&D Traditional Plan Design has been in effect from January 2013 through the present.</p>
<p>9. Have there been any plan changes in the last 5 years?</p>	<p>There have not been any plan design changes during the current term of the existing contracts. Prior to the release of the new voluntary term life insurance contract in 2012, the maximum amount of guarantee issue coverage and the overall coverage maximum were increased to the levels reflected in the current contract. The previous voluntary term life contract (2005 – 2012) included the following provision:</p> <p>“The maximum issue amount of insurance under the Optional Life Insurance Program shall be five (5) times annual base salary, then rounded to the next highest \$5,000 increment up to a maximum of \$300,000. The guarantee issue amount of insurance under the Optional Life Insurance Program shall be sixty percent (60%) of the maximum issue amount rounded to the next highest \$5,000 increment. The minimum base amount is \$5000 for each employee.”</p> <p>The current voluntary term life contract (2013 – 2017) includes the following provision.</p> <p>“The guaranteed issue amount of insurance under the Optional Term Life Insurance Plan shall be five (5) times the employee’s Annual Base Salary,</p>

QUESTION / COMMENT	STATE RESPONSE
	<p>rounded to the next highest \$5,000 increment. The minimum base amount is \$5,000 for each employee. The maximum issue amount of insurance under the Optional Term Life Insurance Plan shall be seven (7) times Annual Base Salary, then rounded to the next highest \$5,000 increment up to a maximum of \$500,000. A participating employee may increase his face value of coverage annually by \$5,000 subject to the guaranteed issue amount and maximum coverage on a date mutually established by the State and the Contractor.”</p> <p>Also, the Contemporary Basic Term Life/Basic AD&D and Voluntary AD&D plan design was an addition to the program as a future option as reflected in the current basic contract.</p>
10. Please confirm that the State expects that quoted rates for each coverage line must be self-supporting.	Confirmed.
11. Can the State provide all response documents in Word and/or Excel?	Yes. See Amendment Section 15.
12. Please confirm that the Basic Life and AD&D and VAD&D would have a 1/1/2019 effective date and the Voluntary Life would have a 1/1/2018 effective date. Will all lines transition to the same carrier?	The coverage period for the Basic Term Life/Basic AD&D and Voluntary AD&D programs will begin January 1, 2019. The coverage period for the Voluntary Term Life Insurance program will begin January 1, 2018. All of these programs shall transition to the Contractor awarded the single contract as a result of RFP 31786-00138.
13. Please provide a current bill.	Please see Amendment Section #15. The State has added RFP Appendix 7.21 for the March 2017 basic billing invoice.
14. Please provide an experience exhibit with paid claims (reports provided show incurred claims, not paid).	Please see revised Appendices 7.10 and 7.12.
15. Please provide the current rates for the following: a. Basic Term Life (per \$1,000), b. Dependent Basic Term Life: Spouse Only (per unit), c. Dependent Basic Term Life: Spouse & Child(ren) (per unit),	a. \$0.164 b. This premium rate level does not currently exist. c. \$0.910 d. \$0.310 e. \$0.022 f. \$0.015 g. \$0.035

QUESTION / COMMENT	STATE RESPONSE
<p>d. Dependent Basic Term Life: Child(ren) Only (per unit),</p> <p>e. Employee Basic AD&D (per 1,000),</p> <p>f. Dependent Basic AD&D (per \$1,000),</p> <p>g. Employee VAD&D (per \$1,000) and</p> <p>h. Dependent (Spouse &Child(ren)) VAD&D (per unit).</p>	<p>h. \$0.035/\$1000 of benefit</p>
<p>16. Please provide historical rate changes and plan changes</p>	<p>See above for current basic term life, basic AD&D, and voluntary AD&D premium rates. The premium rates for 2009 – 2013 were:</p> <ul style="list-style-type: none"> a. Basic Term Life (per \$1,000) \$0.178, b. Dependent Basic Term Life: Spouse Only (per unit) <i>did not exist</i>, c. Dependent Basic Term Life: Spouse & Child(ren) (per unit) \$0.91, d. Dependent Basic Term Life: Child(ren) Only (per unit) \$0.31, e. Employee Basic AD&D (per 1,000) \$0.022, f. Dependent Basic AD&D (per \$1,000) \$0.015, g. Employee VAD&D (per \$1,000) \$0.045, and h. Dependent (Spouse &Child(ren)) VAD&D (per \$1,000) \$0.035. <p>See Amendment Section #15. The State has added Appendix 7.24 for the voluntary term life premium rates for calendar years 2005 – 2017.</p> <p>See question #9 for plan design changes.</p>
<p>17. Please provide the current portability rates.</p>	<p>The current voluntary term life insurance portability premium rates are the same as the premium rates for active members. See question #6.</p>
<p>18. Please confirm that if the State leaves the incumbent carrier the current ports will become the liability of the new carrier.</p>	<p>Confirmed.</p>
<p>19. Please confirm that it is a requirement that the carrier direct bills for the port members?</p>	<p>Confirmed.</p>

QUESTION / COMMENT	STATE RESPONSE
20. Please outline any open enrollment events that have occurred in the last 5 years.	An open enrollment period was held in April 2013 for the voluntary term life insurance program. Eligible employees not enrolled could enroll with guarantee issue, and enrolled employees could increase coverage up to the guarantee issue maximum. Spouse and children could also enroll. The new contracts were employee - 6,219, spouse - 3,285, and children - 2,683. Increases in coverage were employee - 3,209, spouse - 422, and children - 1,140.
21. For employee communications, of the approximately 69,000 employees under the State Plan, how many have a group sponsored email address?	The majority of these employees do have a state email address. Nothing can be emailed to these official state addresses without permission from a group of administrators in the Strategic Services division so while it might be an option for reaching employees, it will only be possible if the State Benefits Administration communications staff receives permission and deploys the email on behalf of the Contractor.
22. Please clarify if the State would request/require single sign-on functionality to link from the State sponsored employee website out to the employee portal for their Life/ADD, Supplemental Life benefits?	Not at this time. We don't currently have the ability to do single sign-on with our Edison system.
23. Our preference is to include the Basic life/ADD and Vol Life/ADD on the same enrollment portal. Does this pose any concerns?	Basic Term Life/Basic AD&D and Voluntary AD&D enrollment will be keyed by the employee into the State's Edison system. The State will administer enrollment and premium processing in Edison for these programs. The State will work with the Contractor to include a link in our Edison system which would allow the employee to switch over to the Contractor's portal for enrollment in the Voluntary Term Life Insurance Program.
24. With the inclusion of the Basic life on the enrollment portal, we can capture basic life beneficiary designations. Is the state willing to allow the basic life ben designation to be housed within our portal as well? If so, the State can access the beneficiary information via beneficiary reports; this will allow our claims team to leverage one	No; basic life enrollment, premium, and beneficiary management are completely within the State's Edison system. Enrollment records will not be transmitted to the Contractor on a routine basis. The enrollment information and beneficiary designation will be provided by the State to the Contractor on individual claims.

QUESTION / COMMENT	STATE RESPONSE
place for beneficiary information	
25. Will the State allow us to integrate our enrollment system to your eligibility system for all products? Then our enrollment system would be responsible for sending weekly eligibility files.	No, this option is not available.
26. SSO – Do you use SAML 2.0 or proprietary?	We don't currently have the ability to do single sign-on with our Edison system.
27. Are there any additional files anticipated outside of the ones listed within the integration section of this RFP?	No. Pro Forma Contract Section D.29 lists the documents included as part of the Contract.
<p>28. Please confirm whether the State will entertain negotiations with regard to the included Pro Forma Contract and at what stage in the award process such negotiations will occur.</p> <p>1. Would the State consider allowing a pro forma contract negotiation period?</p> <p>If a compromise is attempted but cannot be reached within that period, the State could then transfer the award to next ranked respondent, subject to Pro Forma contract negotiation with that carrier. This would effectively remove a major impediment that is artificially limiting market competition and reducing the viable offers that would be in the best interest of State employees and taxpayers.</p>	<p>Mandatory requirement A.1 and Attachment 6.1 require the Respondent to accept the terms and conditions of the pro forma contract. Section 5.3.5. sets forth when the State will entertain negotiations and is limited to situations where the revisions are in the State's best interests, and shall <u>NOT</u> materially affect the basis of response evaluations or negatively impact the competitive nature of the RFP and the contractor selection process.</p>
29. As the State of TN seeks to combine the two life programs into one single contract, please advise as to what the MWBE requirements will be with regards to one overall plan.	RFP Section B.15 provides information on the State's diversity efforts and the information we are seeking from respondents.
30. In regards to the newhire booklet being mailed to employees. Can you clarify how this process would work with the files and would emails be included in the file so	The State will work with the Contractor to determine the appropriate distribution method for the member handbook. It may be acceptable for the Contractor to email the member handbook to members with an

QUESTION / COMMENT	STATE RESPONSE
<p>there is the potential to email the booklet versus mail it?</p>	<p>email address noted in the Contractor's system if approved by the state. However, the Contractor must also have the capability to mail a hard copy of the booklet if a member does not have an email address on file and/or if a member requests a hard copy.</p>
<p>31. Can you confirm that everything within the Pro-Forma is being provided currently as written by Minnesota LIFE?</p>	<p>Minnesota Life is providing the service requirements as stated in the Pro-Forma contracts, except they are providing an enhanced advance living benefit of up to 100% payout of benefit if the member has less than 12 months to live, and they are allowing ported members to continue the group coverage to the end of the year they turn age 70, instead of the end of the month in which they turn 70.</p>
<p>32. Is the incumbent carrier complying with all provisions of the Pro Forma contract as written?</p> <p>Out of 17 companies we have approached to submit a viable bid on this opportunity, only 3 are currently considering a bid submission. The remaining 14 have notified us that they are declining to quote (DTQ). The DTQs have occurred for various reasons, but the overwhelming majority of DTQs result from the inability to negotiate the pro forma document as outlined in Section A.7: "Submit a written statement indicating that the Proposer acknowledges it is required to, and agrees to administer the Life Insurance Program benefits as contained in Attachment 6.6 - Pro Forma Contract Attachment D." These carriers would like the opportunity to reach reasonable compromise on Pro Forma items that are not possible due to filing, legality, etc.</p>	<p>The current Contractor is complying with the contract in place. The contract provides for performance guarantees and liquidated damages when those standards are not met.</p>
<p>1.1 Scope of Service, Contract Period, & Required Terms and Conditions: <i>The pro forma contract <u>substantially represents</u> the contract document that the successful</i></p>	<p>In defining 'substantially represents', RFP Section 5.3.5 speaks to the intent of the State regarding the pro forma contract:</p> <p>Notwithstanding the foregoing, the State may, at its sole discretion, entertain limited negotiation prior to</p>

QUESTION / COMMENT	STATE RESPONSE
<p><i>Respondent must sign.</i></p> <p>Please define "substantially represents". Does this mean the Contractor can suggest changes to the Pro Forma contract or clarify language without being deemed "non-responsive"?</p>	<p>contract signing and, as a result, revise the pro forma contract terms and conditions or performance requirements in the State's best interests, PROVIDED THAT such revision of terms and conditions or performance requirements shall <u>NOT</u> materially affect the basis of response evaluations or negatively impact the competitive nature of the RFP and contractor selection process</p> <p>The Questions and Comments portion of the RFP process provides potential Respondents the ability to clarify and suggest changes to the Pro Forma contract without being deemed non-responsive.</p> <p>The State reserves the right to deem a respondent (once a proposal has been submitted) non-responsive for not meeting the requirements in the RFP.</p>
<p>33. Did Aon Hewitt design these bid specs? If so, was it the same team that designed the previous voluntary LTD RFP for the State of Tennessee</p>	<p>During the RFP development, Benefits Administration consults with various sources for expertise including our contracted consultants; however, the state has the final say in all plan specs. With the exception of a few minor updates, the benefits are the same as those currently offered to employees. There was no large scale redesign of the specs.</p>
<p>34. In what format does the State intend to provide existing Voluntary Life beneficiary designations to the new carrier?</p>	<p>Please see Amendment Section #15. The State has added Appendix 7.25.</p>
<p>35. Can the State share any specifics about the file format types that can be accepted by the Edison system?</p>	<p>No files will be loaded from the Contractor into the State's Edison system. The file layouts for all files to be provided by the State to the Contractor are located in the RFP.</p>
<p>36. Please provide experience by coverage for 2012 and 2013.</p>	<p>Please see revised Appendices 7.10 and 7.12.</p>
<p>37. For all years of experience please break out incurred claims by paid claims, waiver reserves and IBNR (incurred but not reported claims).</p>	<p>Please see revised Appendices 7.10 and 7.12.</p>
<p>38. How will dependent information be provided for a member who is on waiver of premium so we would be able to set up the dependent waiver of reserve claim?</p>	<p>The State's preference is for State staff to input this information directly into the Contractor's system.</p>
<p>39. Please provide an updated census file that includes all eligible lives with the following data points:</p>	<p>Please see revised Appendices 7.13 and 7.14.</p>

QUESTION / COMMENT	STATE RESPONSE
employee ID, date of birth, date of hire, gender, marital status, annual salary, benefit election, and benefit amount for each line of coverage.	
40. Within the experience exhibits Appendices 7.10, 7.11, and 7.12, what is the difference between “Maximum Premium” and “Remitted Premium”?	Please see Amendment Section #15. The State has added Appendix 7.21. “Maximum Premium” is the total premium calculation based upon enrollment totals. “Remitted Premium” is the actual premium paid by the State to the Contractor. In months where the charges, including the minimum premium amount, are less than the premiums calculation, the State will pay the charges to the Contractor. Maximum premium minus actual payment equal “Current Surplus” premium as shown on Appendix 7.21.
41. Experience for the Optional Life plans was provided from January 2013 through December 2016. Please update experience to include January through March 2017 data.	Please see revised Appendix 7.12.
42. Experience for Basic Life, Spouse & Child Life, Child Life, Basic AD&D, and Voluntary AD&D plans was provided from January 2014 through January 2017. Please update experience to February through March 2017 data.	Please see revised Appendix 7.10.
43. Please provide historical monthly paid premium, paid claims, enrolled lives, and volume by coverage from January 2013 through March 2017.	Please see revised Appendix 7.12.
44. Please provide a detailed paid claims listing that includes date of birth, gender, date of death, coverage, and claim amount from January 2013 through March 2017.	Please see revised Appendix 7.12.
45. Please provide a detailed paid claims listing that includes date of birth, gender, date of death, coverage, and claim amount from January 2013 through March 2017.	Duplicate – See question 44.
46. Within the experience exhibits Appendices 7.10, 7.11, and 7.12, it	Yes, see revised Appendices 7.10 and 7.12.

QUESTION / COMMENT	STATE RESPONSE
<p>appears that certain pages of the reports have been omitted. Is it possible to provide the full experience report for each coverage?</p>	<p>You will notice the pages numbers in the appendices are not in order. This is the combination of multiple reports so disregard the page numbering.</p>
<p>47. Census:</p> <p>a. Can we get the Voluntary Life census (Policy Master tab) to distinguish between the employees and spouses? Can we please have the census file updated for one row reflecting each employee with columns that distinguish the face amounts for the Employee, Spouse and the Child?</p> <p>b. Can we get gender added to the Voluntary Life census?</p> <p>c. On the Voluntary Life census file, please clarify the pay direct versus payroll deduct. Is the pay direct reflective of the portability population?</p> <p>d. On the Basic Life census file, can we get the Basic family AD&D enrollment added?</p>	<p>a. Please see revised Appendix 7.15</p> <p>b. Please see revised Appendix 7.15</p> <p>c. Yes, the pay direct is the portability population.</p> <p>d. The basic AD&D family enrollment is displayed in revised Appendix 7.13 on the “Med and Basic” tab. The data shows if a spouse and/or children are enrolled.</p>
<p>48. The VAD&D census file has 2,737 employees with employee VAD&D and 18,426 with family VAD&D. The financial experience reports show very different enrollment numbers with 18,556 with employee VAD&D and 6,520 with family VAD&D for 2016. Please advise on the discrepancy.</p>	<p>Please see revised Appendix 7.14 which includes voluntary AD&D enrollment information as of March 1, 2017. The data reflects enrollment of 10,039 in single coverage and 15,015 in family coverage for a total enrollment of 25,054. The Financial Experience report reflects collections (positive and negative) for the month and should not be considered a count of enrollment..</p>
<p>49. There is a closed class of employees that are enrolled in the Permaplan insurance product. The age reductions vary from the remainder of the group. What % of the group is in this closed class of</p>	<p>As of the end of March 2017, there were 50 members in the Permaplan program. These employees are not identified on the census report as having Permaplan.</p>

QUESTION / COMMENT	STATE RESPONSE
employees? Are we able to distinguish these employees on the census file?	
50. Can you send sample layouts for the incoming file that would be sent to the system for eligibility?	See RFP Appendix 7.16 - BA067 Eligibility and Payroll File Specs V7
51. Section 3.2.2.2 says to provide the cost proposal in an Excel format. We were not provided with an Excel document for the cost items. Can you provide this?	Yes. See Amendment Section 15.
<p>52. 4.7.3. Before the Contract resulting from this RFP is signed, the apparent successful Respondent must be registered with the Tennessee Department of Revenue for the collection of Tennessee sales and use tax. The State shall not award a contract unless the Respondent provides proof of such registration or provides documentation from the Department of Revenue that the Contractor is exempt from this registration requirement. The foregoing is a mandatory requirement of an award of a contract pursuant to this solicitation. For purposes of this registration requirement, the Department of Revenue may be contacted at: TN.Revenue@tn.gov.</p> <p>We are not registered for sales & use tax in Tennessee. Sales tax doesn't apply because [redacted name] does not "manufacture, distribute, sell, rent, or lease tangible personal property, or provide taxable services." Additionally our general practice for all states is to register for use tax when a liability occurs. This has not occurred with the state of Tennessee yet; however, we can register for use tax if required.</p>	This is a requirement prior to signing of the contract with Benefits Administration. Any Contractor not registered must do so before signed the contract to be in compliance.
53. Please confirm the non-participating coverages are the	Confirmed

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Optional Life and Voluntary AD&D plans.	
54. What date was the waiver of premium provision effective?	The waiver of premium provision has been a feature in the basic term life and voluntary term life contracts as far back in history as we have records.
55. Please provide a detailed waiver of premium claim listing that includes date of birth, gender, date of disability, face amount, and reserve amount.	Please see revised Appendices 7.10 and 7.12.
56. Please provide a current monthly invoice that includes lives, volume, rates, and premium by coverage.	Please see Amendment Section #15. The State has added Appendix 7.21 for the March 2017 Basic Life invoice. Please see revised Appendix 7.12 for the January through March 2017 voluntary term life financial experience.
57. Section A.8.k of the State's Contract requires the winning Contractor to provide a copy of their SOC2 report. By December 2018, we intend to issue a SSAE-16 SOC2 report. Will the State accept this timing?	<p>Yes, the State has alternate language to the Pro Forma Contract allowing a contractor may submit a timeline for obtaining the SSAE-16 SOC 2 report. The contractor may also submit either the FedRamp or IOS 27000 instead of the SSAE 16 SOC 2 report.</p> <p>The State will not accept the SSAE 16 SOC 1 report.</p>
58. A.8.k - We do not have a SOC2 currently. We have a SOC1 and currently performing a readiness of SOC2 reporting with planned reporting targeted at late 2017. Until a SOC2 report is available, does the State agree to accept a SOC1 report?	<p>No, the State will not accept a SOC1 report. The State does have alternate language to the Pro Forma Contract for this situation.</p> <p>The State will also accept FedRamp or ISO 27000.</p>
59. Given the complexity of life insurance and the special care needed to address questions from participants and beneficiaries during challenging times of a life claim, beneficiary resolution, and enrollment, we respectfully request the State to consider lowering the First Call Resolution rate from 90% to 80%. Many times these calls require multiple follow ups and we wouldn't want a performance	The State does not agree to this modification.

QUESTION / COMMENT	STATE RESPONSE
guarantee at odds with delivering white glove service to the State's plan participants and their beneficiaries.	
60. Additionally, would the State accept 80% of all calls answered in 30 seconds or less, instead of the State's ASA performance guarantee, given the dynamics outlined above.	The State does not agree to this modification. A monthly ASA of 30 seconds or less is the level of service we require of our Contractors.
61. Please clarify how the Contractor is notified of a claim for each coverage Basic Life, Basic AD&D, VAD&D and Optional Term Life.	The State's preference is for State staff to input this information directly into the Contractor's system.
62. Does the State or the Contractor send out claim kits to beneficiaries at the time of claim? Is this the same process for Basic, Basic AD&D and VAD&D and Optional Term Life?	This is the Contractor's responsibility for all plans.
63. For the Contemporary Basic Life and AD&D, please confirm that there will not be a separate class for those enrolled in the Health Insurance plan. Please confirm if this will be 100% employer paid.	Confirmed, there will not be a separate class for those enrolled in the Health Insurance plan under the Contemporary Basic Term Life Insurance program. The State desires that the Contemporary Basic Term Life/Basic AD&D insurance program be 100% employer paid; however, this is subject to funding by the Tennessee Legislature.
64. Please provide details regarding what specific communication materials the State expects the carrier to print and/or mail.	<p>Please refer to Pro-Forma Contract Sections A.4, A.5., and A.6 as the State specifically mentions communications materials.</p> <p>There are a variety of materials that would be considered communications: forms, letters, and certificates of coverage. Member materials could include, but are not limited to, handbooks, annual enrollment marketing materials, informational fliers/brochures for departmental employee benefits fairs, online videos and training materials for human resources professionals.</p>
65. Please provide an individual claim listing by coverage with paid amount and date paid.	Please see revised Appendices 7.10 and 7.12.
66. Would the effective date of the contemporary plan be effective on the date of the carrier transition, 1/1/2019? If not, how long would the State expect the contemporary	Either the Traditional or the Contemporary plan will be implemented on 1/1/2019 as directed by the State. The Respondent must submit a cost proposal in response to this RFP for the Contemporary plan that will be valid for January 1, 2019 through

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plan pricing as part of this RFP remain valid?	December 31, 2022.
67. Would all employees enrolled in the traditional plan and new hires have the contemporary plan moving forward from the set effective date?	The Traditional or the Contemporary program will be implemented on 1/1/2019 as directed by the State. The Traditional program will be implemented unless funding of the Contemporary program by the Tennessee Legislature is provided. On 1/1/19 or on a subsequent date determined by the State to implement the Contemporary program, all employees and new hires will be enrolled in the Contemporary program, instead of the Traditional program.
68. A.2h. We are willing to agree to this provision as it relates to “subcontractors” provided that term in this provision applies to those entities with whom [redacted name] contracts to provide services solely to the State.	Yes, the State agrees with this clarification. This contract only applies to the Contractor and subcontractor(s) who provide services to the State through this contract.
69. A.2.i. We value feedback on the performance of our employees and take any concerns very seriously. In order to ensure continuity and highest service levels, we reserve the right to make decisions regarding the staff servicing your account. We will gladly provide notice of any changes in this personnel, as much as is reasonably possible, prior to the change going into effect.	The Contractor must agree to allow the State to approve or disapprove the Contractor's Subcontractors or its staff assigned to this Contract if the State is not satisfied with the service delivered by the subcontractor or its staff.
70. A.3 Due to applicable privacy and confidentiality laws, we will not be able to make the call recordings available to the State.	Providing calls to the State, as requested, remains a contract requirement. For clarification, the information is not widely disseminated and is typically used for quality control or follow-up on a member issue. In quality control instances, the Contractor will de-identify the member information.
71. A.1.g and A.7.b – [redacted name] would only contact the customer if the described changes specifically impacted their policy. Does the State agree to modify this requirement accordingly?	The State does not agree to modify this requirement. The requirement is broader than just the Contractor reaching out to the State. The State may ask for clarification or information from the Contractor, which the Contractor should be prepared to respond to. Also, the contract only governs the state plan/policy; so it is a given that this requirement is limited to the state's policy.
72. A.2.k – [redacted name] is happy to survey the staff named by the State annually, however we	The State does not agree to these modifications. The template is not prescribed by the State; rather it

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<p>would limit the assessment to the assigned national client manager and any necessary adjustments will be made accordingly. The format may not be the State's prescribed template. Does the State agree to these modified details?</p>	<p>is approved by the State. The State and the Contractor will work together to develop an appropriate format; however, the State cannot agree at this time to limit the assessment to the client manager.</p>
<p>73. A.3.b.1 - We do not offer designated or dedicated agents to specific customer accounts. Does the State agree to eliminate this requirement?</p>	<p>No, the State does not agree. Designated agents may serve other clients in addition to the State (as opposed to dedicated), but it is critical that agents are somewhat consistent and familiar with the state's account.</p>
<p>74. A.3.c.1 – [redacted name] measures based on 40 seconds, hence any results would be measured based on 40 seconds, not 30 seconds. Is the State agreeable to this modification?</p>	<p>No, the state does not agree. A monthly ASA of 30 seconds or less is the level of service we require of our Contractors.</p>
<p>75. A.3.c.2 - We do not currently track first call resolution. Does the State agree to eliminate this requirement?</p>	<p>No, the State does not agree to eliminate this requirement.</p>
<p>76. A.3.g - Caller identification is applicable to outbound calls. The Contact Center is inbound only, so this requirement does not appear to be applicable to us. Does the State agree?</p>	<p>The State will modify the language in A.3.g. See Amendment Section #16 below.</p>
<p>77. A.3.h. - We are unable to provide the State with a recording without an employee's authorization. Additionally, all calls are retained for 60 days, then deleted. Please confirm intent of the need for holding recordings for one year so that we may consider this exception to our process and the impact it would have on pricing.</p>	<p>For clarification, the information is not widely disseminated and is typically used for quality control or follow-up on a member issue. In quality control instances, the contractor will de-identify the member information. The one year requirement is standard in State contracts primarily to assist in resolving member issues.</p>
<p>78. A.3.k.3 - Reason for the call is not a feature within our current telephone system, thus we are not able to provide details or reports around reasons for calls. Does the State agree to remove this requirement?</p>	<p>The State does not agree to remove this requirement. For clarification, what the State desires with this requirement is the ability for the Contractor to "bucket" calls into high-level reason codes such as eligibility, claims, etc. so we have a high-level understanding of why members contact the call center.</p>
<p>79. A.3.k.6. - Call resolution is documented in the appropriate claim</p>	<p>The State does not agree to remove this requirement.</p>

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<p>system, not within the telephone system, hence no automated reporting shall be available. Is the State agreeable to removing this requirement?</p>	
<p>80. A.3.I. – [redacted name] does not have this capability and would be unable to report as requested. Does the State agree to remove this requirement?</p>	<p>The State does not agree to remove this requirement.</p>
<p>81. A.8.b. We request revisions to this paragraph (b) to remove all use of “subcontractor” as [redacted name] does not intend to use subcontractors specifically for the State who will be part of the claimant interaction.</p>	<p>Section A.8.b. does not pertain to subcontractors.</p> <p>In general, if subcontractors are not used then the requirements involving subcontractors would not apply.</p>
<p>82. A.8.c To ensure compliance with applicable privacy and confidentiality laws [redacted name] cannot agree to comply with the requirements in paragraph (c). We request removal of this paragraph.</p>	<p>The State does not agree to remove this paragraph.</p> <p>The State needs to know how services under our contract are being carried out.</p>
<p>83. A.8.d We request removal of the phrase “provide and” from this paragraph (d)(1).</p>	<p>It appears this question is referring to A.8.e(1), if so, the State does not agree to this revision.</p>
<p>84. A.8.d(2) We request removal of this paragraph (d)(2). [redacted name] will retain records, including website materials, for a period required by applicable law and [redacted name]’s record retention policies and procedures.</p>	<p>It appears this question is referring to A.8.e(2), if so, the State does not agree.</p>
<p>85. A.8.d(3) We request this paragraph (d)(3) be revised as follows: “The Contractor shall provide the State with access to information requested within a reasonable time and subject to applicable privacy and confidentiality laws. This section shall not require Contractor to disclose information it deems confidential or proprietary unless Contractor and the State enter into a mutually agreeable non-disclosure agreement.</p>	<p>It appears this question is referring to A.8.e(3), if so, the State does not agree to this revision.</p>
<p>86. A.8.d(4) We request removal of the phrase “in electronic form” from paragraph (d)(4).</p>	<p>It appears this question is referring to A.8.e(4), if so, the State does not agree to this revision.</p>

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<p>87. A.8.f. We request removal of this paragraph (f). On fully insured plans, [redacted name] owns all proprietary business records created in the course of administering the group insurance policy including, but not limited to underwriting, sales, and claim files. Subject to applicable law and [redacted name]'s confidentiality policies and procedures, [redacted name] may be able to provide copies of records to the State.</p>	<p>The State does not agree to this revision.</p>
<p>88. A.8.g. We request this paragraph (g) be revised as follows: "Upon termination of this Contract and request by the state, subject to applicable law, the Contractor shall provide to the State or its designated agent, pertinent data identified by the State for Members to effect a transition of the Program from the Contractor. The information shall be furnished in a mutually agreeable format and medium. To ensure the continuous operation of the Program and upon 30 days' notice, this information shall be provided to the State or its designated agent." We will destroy records in accordance with applicable law and our record retention policies in a manner design to ensure all data is destroyed</p>	<p>The State does not agree to this revision.</p>
<p>89. A.8.h(4) We can provide our Business Continuity Program Overview document. Full BC-DR plan documents are considered company confidential and cannot be provided.</p>	<p>The requirement is for a copy of the summary.</p>
<p>90. A.8.h(5) We request removal of the last sentence of this paragraph (5). To maintain the integrity of our BC-DR plan, we do not share our plan or the results of our tests.</p>	<p>The State does not agree to this removal.</p>
<p>91. A.8.h.(6) We request removal of this paragraph (6). To maintain the integrity of our BC-DR plan, we do not share our plan or the results of our tests.</p>	<p>The State does not agree to this removal.</p>

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<p>92. A.8.h.(8) We request removal of the phrase “the State and” from this paragraph (8). To maintain the integrity of our BC-DR plan, we do not share our plan or the results of our tests. Duplicate records would be handled in accordance with applicable law and our records retention policies.</p>	<p>The State does not agree to this removal.</p>
<p>93. A.8.i.(1) We request adding the following sentence to the end of this paragraph (1): “Any such review by the State or any other State and Federal agency will be subject to applicable law and will not require Contractor to disclose information Contractor reasonably believes may impair the integrity of Contractor’s systems or otherwise impair Contractor’s intellectual property rights.”</p>	<p>It appears this question is referring to A.8.j.(1), if so, the State does not agree to this revision.</p>
<p>94. A.8.i.(2) We request to strike the following phrase from this paragraph (2): “to be mutually agreed upon by the Contractor and the State.”</p>	<p>It appears this question is referring to A.8.j.(1), if so, the State does not agree to this revision.</p>
<p>95. A.8.i.(4) We request to strike the following sentence from this paragraph (4) “The Contractor shall provide the State with access to data facilities upon request.” To maintain the integrity of our data we do not allow access to our data facilities by customers.</p>	<p>It appears this question is referring to A.8.j.(4), if so, the State does not agree. The State has modified the language in A.8.j (4). Refer to Amendment Section #4 below.</p>
<p>96. A.8.i (5) [redacted name] works hard to protect the confidentiality of all customer information. As our business does not require FIPS compliance, we cannot certify that all technologies are strictly FIPS 140-2 compliant. However, as part of security review of technology acquisition, we do ensure that current security standards are met.</p>	<p>It appears this question is referring to A.8.j.(5), if so, the State does not agree. The State has modified the language in A.8.j (5). Refer to Amendment Section #5 below.</p>
<p>97. <i>Section A.9.d: “Prior to the go-live date, the Contractor shall load, test, verify, and make available online for use the State’s eligibility information by the date specified in Contract Section</i></p>	<p>Yes, the Contractor shall make available in its system of record the eligibility information provided by the State.</p>

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<p><i>A.13.e.22.” Please define “make available online for use”.</i></p> <p>Are you referring to being available for use by the Contractor in our system of record?</p>	
<p>98. <i>Section A.9.i.: “The Contractor’s system(s) shall possess mailing address standardization functionality in accordance with U.S. Postal Service conventions.”</i></p> <p>Please define what is meant by this. Is the intent for the Contractor to use the mailing addresses of employees for communication materials?</p>	<p>The intent is for the Contractor to use U.S. Postal Service conventions (abbreviations, zip code formats, etc.) when mailing letters, brochures, member handbooks, certificates of coverage, and all other materials sent through the United States Postal System to any person (member, beneficiary, agency benefits coordinators, etc.) or organization.</p>
<p>99. Would the State of Tennessee consider electronic employee communications instead of hard copies being mailed to employees?</p>	<p>The State will consider it, but will not agree to it in advance. The Contractor needs to be prepared to print and mail as required.</p>
<p>100. Regarding reading level - We cannot agree to this requirement since it will require a full rewrite of our materials and state filing of certain communication material and administrative forms. Does the State agree to eliminate this requirement?</p>	<p>No, the State does not agree.</p> <p>The contract does provide that the State will consider this requirement for any materials/forms with prior approval from the State. However, the contractor does need to work to reach the 6th grade reading level for general employee communications. Members need to be able to understand what the benefit is and Members do not understand “insurance-speak.”</p>
<p>101. Reserves, WAIVER OF PREMIUM, Section iv: “The Contractor may establish a reserve of forty percent (40%) of the face amount of the basic term life insurance coverage for any participating State employee who satisfactorily demonstrates eligibility for the Program’s “Insurance During Disability Before Age 60” provision. Such reserving charges shall be reported as a disability claim for</p>	<p>See 102</p>

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<p>the purpose of the monthly statement and annual accounting. In the event of recovery from disability during the term of this Contract, the Program shall be credited with the reserve amount established for such employee. Any amount of basic term life insurance being continued under the Program's "Insurance During Disability Before Age 60" provision will continue, until the month in which the employee reaches age 70, as long as the employee is disabled. The premium will be waived by the Contractor for the employee and dependents during the period."</p>	
<p>102. Please confirm the State is requesting Waiver of Premium on spouse or dependent coverage if the <u>employee</u> is disabled, and not Waiver of Premium on the spouse coverage based on the <u>spouse</u> being disabled.</p>	<p>The Basic Term waiver of premium is for the employee since the employee pays the premiums, and all premiums normally paid by the employee shall be waived. The Voluntary Term waiver of premium is for the individual; either the insured employee or the insured spouse. The insured employee's voluntary term premium and any attached child term rider premium shall be waived if the employee is disabled, but the separately insured spouse shall continue to pay premiums on his/her voluntary term life insurance coverage and any attached child term rider. The opposite would be true if the insured spouse is disabled.</p>
<p>103. A.7.g.: The Contractor shall establish <u>a formal grievance procedure for Members and providers</u> to appeal decisions in regard to administration of the Program and to resolve disputes that may arise in the administration of the Program. The Contractor shall provide the State with a written copy of this grievance procedure by the date specified on contract section</p>	<p>See 104</p>

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A.13.e.16. and the State reserves the right to require changes in the procedures when appropriate.	
104. Please define a “formal grievance procedure”. Is this for claim decisions or does it include Evidence of Insurability decisions?	Formal grievance procedure means a step by step process for a member or other party to file an appeal or grievance and the action that the Contractor will take in response to the appeal or grievance filing. This includes claim and Evidence of Insurability decisions.
105. A-8. f.g.: Information Systems, Information Ownership: Is there a recognition by the State of Tennessee that the member’s data is actually the property of the member and that we cannot turn it over without that member’s consent?	No, the State does not agree.
106. A.8.d – [redacted name] is unable to provide a report of each document sent to each employee with date/time stamp. Does the State agree to remove this requirement?	The State does not agree to remove this requirement. We need to be aware of what is communicated to members and when.
107. A.8.f - Ownership of data by the State would only apply for self-insured coverages, not fully-insured coverages. Does the State agree that [redacted name] is the owner of the data related to fully-insured coverage?	The State does not agree.
108. A.8.h.6. - We will share a summary document of annual Business Resiliency Testing with the State. We do not share details of internal resolution processes as this information is extremely sensitive in nature and contains proprietary information about our systems and processes which could jeopardize our information security program. Does the State agree to accept a summary document without the details associated with internal resolution / action plans?	The State does not agree.
109. A.9 - This requirement would necessitate a list bill mechanism.	No. The State does not agree to remove this

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<p>[redacted name] is offering the State a self-accounting billing process, hence we are unable to meet this requirement. Is the State willing to remove this requirement?</p> <p>A.9.f - As above in A.9, this requirement would necessitate a list bill approach, which [redacted name] is not providing to the State. Is the State willing to remove this requirement?</p>	<p>requirement.</p> <p>No. The State does not agree to remove this requirement.</p>
<p>110. A-9, Data Integration and Technical Requirements: Would the State have an objection to working with an external vendor to accomplish this?</p>	<p>As long as the outside vendor meets the contract requirements as a subcontractor and prior approval from the State, the State does not have any objections.</p>
<p>111. A.10.a. We request revising this paragraph (a) as follows: "...The Contractor shall comply with all applicable federal and state laws concerning the privacy..."</p>	<p>The State agrees.</p> <p>See Amendment Section #6 below.</p>
<p>112. A.10.b. We request the following revision to this paragraph (b): "...unless the Member specifically prior authorizes such disclosures in writing." Because Member data is owned by the Member, only the Member may direct or permit [redacted name] to disclose the Member's data to other parties.</p>	<p>The State does not agree.</p>
<p>113. A.10.c. We request the following revisions to this paragraph (c): "The Contractor shall use appropriate safeguards to prevent the unauthorized use or disclosure of the Members' personal information. The Contractor shall report any unauthorized use or disclosure of the Members' personal information that is reasonably likely to result in actual harm ("Breach") to the State within ten (10) days of determining a Breach occurred.</p>	<p>The State does not agree. The State has modified the language.</p> <p>See Amendment Section #7 below.</p>
<p>114. Section A.10, of the Pro Forma Contract prohibits the</p>	<p>Unauthorized as defined by federal and state law.</p>

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<p>unauthorized disclosure and unauthorized use of personal information. Please clarify the meaning of the term “unauthorized” in this Section. For example, does the term “unauthorized” in this Section mean unauthorized by law, unauthorized by the State, or unauthorized by some other individual?</p>	
<p>115. Section A.17 of the Pro Forma Contract provides the State with the right to inspect and accept the insurance services provided pursuant to the contract. Please describe the process by which the State will undertake this inspection and acceptance process.</p>	<p>The State agrees to remove this language as it pertains to physical products rather than insurance. See Amendment Section #8 below.</p>
<p>116. A.10.j. We request the following revision to this paragraph (j): “Upon mutual agreement of the Contractor and the State, the Contractor shall offer credit protection...”</p> <p>Section A.10.j. of the Pro Forma Contract provides that credit protection shall be offered by the Contractor at the request of the State. Please describe the type of credit protection service/product that would need to be provided and the time period over which such protection would need to be provided.</p>	<p>The State does not agree to make this revision. The type of credit protection needed/required may vary depending on the level of information breach and will be subject to state approval. Regardless of the type of protection offered, it should be offered for a minimum of one year.</p>
<p>117. A.11.a. We request the following revisions to this paragraph (a): “Subject to applicable law including privacy laws and intellectual property laws, the Contractor shall reasonably cooperate with audits the State may conduct related to any aspect of the Program the State deems reasonably appropriate. The State may use an agreed-upon third party auditor to conduct the audits. Claim files will not be accessible as part of any</p>	<p>The State does not agree to make this revision.</p>

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such audit without prior written consent from the claimants.”	
<p>118. A.11.b. We request striking the last sentence of this paragraph (b). [redacted name] Insurance Company is an [redacted] domestic corporation. In order to promote voluntary internal evaluations, [redacted] law recognizes a privilege for the non-disclosure of insurance compliance audit reports. [redacted] Revised Statutes 731.760 to 731.770. In order to not waive this privilege and jeopardize this important self-evaluation process, we must decline to provide copies of our internal audits.</p>	<p>The State does not agree to make this revision.</p>
<p>119. A.11.c. [redacted name] employs our own information security policies and procedures and cannot agree to abide by our customers' policies, especially when such policies may be revised without our knowledge or consent.</p> <p>We will agree to comply with applicable law, regulations, and our own security policy.</p> <p>We will agree that the State may conduct security audits to ensure conformance with this contract and applicable laws and regulations.</p> <p>[redacted name] will permit the State or an agreed-upon, third-party auditor (not a competitor) to perform audits. We require audits to be conducted at [redacted name]'s home office in [redacted], and be subject to applicable privacy and confidentiality laws and [redacted name]'s internal privacy and confidentiality policies and procedures. [redacted name] reserves the right to prohibit any action that could compromise the integrity of our systems or allow the State access to information</p>	<p>The State does not agree to any revisions.</p>

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<p>about other customers or member data. Prior to the audit, we will hold a discussion between all parties (client, third-party auditor and [redacted name]) to determine the desired process, as well as the amount of staff time required. If the third-party auditor anticipates a charge for time based on the audit request, we will discuss these fees and agree to terms prior to any onsite visit. Should an audit identify areas of non-compliance, we will develop a plan to remedy such non-compliance and report to the State on our remediation progress.</p>	
<p>120. A.12. We request that any changes be mutually agreed upon to ensure we are able to provide the State with the requested information in the time and manner acceptable to both parties.</p>	<p>The State does not agree to this revision.</p> <p>The State will work with the Contractor to determine what is reasonably available and within what time frame.</p>
<p>121. A.12.d. This paragraph (n) is very broad. We ask that the State clarify what situations or negative impacts are of concern. We then request that this paragraph be revised to clarify the State's concerns.</p>	<p>Clarification: This would include anything that negatively impacts member service delivery, organizational issues/changes that could impact the vendor's ability to meet contract requirements or seriously impact their financial stability and anything that would negatively impact the plan financials.</p> <p>The contract language will not be revised, as it already states "any situation that appears to negatively impact the administration or delivery of the program or benefits".</p>
<p>122. A.13 Details of the readiness review will be negotiated with [redacted name] and subject to the following conditions: (1) review requirements may increase the time needed for implementation; and (2) negotiations will include a discussion regarding the readiness review process and impact to [redacted name]'s resources.</p>	<p>The State does not agree to modify this requirement.</p> <p>However, the state recognizes that a readiness review can impact the vendor's resources, and we are reasonable when it comes to our requests and expectations.</p>
<p>123. Section A.14 - part a, the State states for contractors to provide policies and certificates no later</p>	<p>See Amendment Section #9 below.</p>

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<p>than "sixty (90)" days prior to the go-live dates. Can the State verify if the requested time is 60 or 90 days?</p>	
<p>124. A.15.k. We request revisions to the above to read as follows: Claims Payment Accuracy: The measurement of total dollars paid accurately divided by the total dollars payable for all claims with payments in the audited population. Quarterly internal audit performed by the Contractor on a statistically valid sample.</p>	<p>The State does not agree to this revision.</p>
<p>125. A.15.l. We request revisions to the above to read as follows: The measurement claims processed without any type of error divided by the total number of claims in the audited population. Quarterly internal audit performed by the Contractor on a statistically valid sample.</p>	<p>The State does not agree to this revision.</p>
<p>126. A.16. This warranty paragraph is unusual for contracts related to group insurance coverage. We request that the last paragraph be removed because it is not feasible for and/or is inapplicable to group insurance coverage.</p>	<p>The State agrees to modify the language. Please see Amendment Section #10.</p>
<p>127. Section C.1. of the Pro Forma Contract describes the maximum liability of the State under the Contract. Please describe whether this maximum liability applies only to State paid (noncontributory) coverages or whether this applies to both state paid (noncontributory) coverages and coverages paid through employee payroll deductions (contributory coverages). In addition, please describe how this maximum liability will apply in instances where there may be significant increases to the volume of insurance provided during the term of the Contract</p>	<p>The State calculates the maximum liability based on State contribution, cost proposal responses and the number of eligible State and Higher Education employees. Regarding significant increases to the volume, if not calculated as described above, the State has a process for amending the contract to increase the maximum liability based on the volume increase.</p>
<p>128. D-6, Termination for Cause: Will the State agree that termination of coverage must be in line with</p>	<p>The State does not agree.</p>

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the policy terms and conditions?	
129. D.7. [redacted name] can agree to this term assuming the State accepts our revision to the definition of "Subcontractor."	See Question #68.
130. D.10.c. We request removal of the second sentence of this paragraph (c). [redacted name] deems our employment records as confidential and restricts access to such records. If an audit or investigation is needed for the State to determine our compliance with this provision, [redacted name] is willing to discuss options such as a self-audit or third party audit with de-identified results reported to the State.	The State does not agree to this revision.
131. D.11. We request the following revisions to this paragraph D.11.: "...for work performed or money received under this Contract, shall be maintained for a period as required by applicable law and, subject to applicable privacy and intellectual property law, will be subject to audit at any reasonable time..."	The State does not agree to this revision.
132. D.12. We request this paragraph D.12 be revised as follows: "Subject to applicable privacy and intellectual property laws, the Contractor's..."	The State does not agree to this revision.
133. D.31. Recommend the following changes: The Contractor agrees to name the State as an additional insured on <i>the General Liability</i> . Also, <i>the General Liability and Workers Compensation /Employers Liability policies shall contain a waiver of subrogation in favor of</i>	The State does not agree to this revision.

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<p><i>the State.</i> The deductible and any premiums are the Contractor's sole responsibility. Any deductible over fifty thousand dollars (\$50,000) must be approved by the State.<i>(the professional liability policy contains a retention above \$50k.)</i> The Contractor agrees that the insurance requirements specified in this Section do not reduce any liability the Contractor has assumed under this Contract including any indemnification or hold harmless requirements. <i>The General Liability and Workers Compensation/Employers Liability policies</i> shall be on a primary basis and noncontributory with any other insurance coverage or self-insurance carried by the State. The State reserves the right to amend or require additional endorsements, types of coverage, and higher or lower limits of coverage depending on the nature of the work. Purchases or contracts involving any hazardous activity or equipment, tenant, concessionaire and lease agreements, alcohol sales, cyber-liability risks, environmental risks, special motorized equipment, or property may require customized insurance requirements a. umbrella liability insurance) in addition to the general requirements listed below.</p>	
<p>134. D.19 We request this paragraph D.19 be revised to remove the last sentence of the first paragraph ("The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State to enforce the terms of this Contract."). We also request revision of the first sentence of the second paragraph as follows: "In the</p>	<p>The State does not agree to this revision.</p>

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<p>event of any suit or claim for which the State may seek indemnification from the Contractor, the State will give the Contractor immediate notice and provide all necessary assistance. This Hold Harmless provision is unilateral so this claim notification requirement should match the indemnification requirement.</p>	
<p>135. D.29 - Because insurance is a regulated industry, the content of our insurance contracts must be filed and approved by state regulators. Under state insurance laws, we are legally restricted in our ability to incorporate other documents into our insurance contracts or to vary the provisions of our insurance contracts according to the terms of other documents, unless those documents are made part of the insurance contract via an approved rider or endorsement. Does the State agree to modify this requirement based on these terms?</p>	<p>The State cannot agree to change the contract based on general statements.</p> <p>The State is willing to work with contractors in assuring compliance with controlling law. The contractor will have the obligation of proving the conflict under state law.</p>
<p>136. D.31 - We are not able to subject our chosen deductible level to the approval of a 3rd party (the State). Does the State agree to accept the Insurance terms [redacted name] has in place?</p>	<p>The State does not agree.</p> <p>D.31 is a requirement of the Pro Forma Contract.</p>
<p>137. D.23. We request the notification of a Force Majeure event be “as soon as reasonably practicable, but no more than three (3) days unless notice in this time is impossible.”</p>	<p>The State does not agree to this revision.</p>
<p>138. D.24. We request this paragraph D.24 be mutual as follows: “The parties shall...”</p>	<p>The State does not agree to this revision.</p>
<p>139. D.25 We request adding the following phrase to the end of this paragraph D.25,</p>	<p>The State does not agree to this revision.</p>

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"when applicable."	
<p>140. D.29 We request the following sentence be added to the end of this paragraph D.29: "Notwithstanding anything else in this section D.29 Incorporation of Additional Documents, the terms and conditions of the Master Group Policy(ies) shall govern eligibility for insurance and benefits and Contractor's right to underwrite and terminate the Master Group Policy(ies)."</p>	<p>The State does not agree to this revision.</p> <p>Eligibility and benefits are incorporated in the Pro Forma Contract in Contract Attachment D which states that the Contractor shall provide the benefits listed in the Attachment and that the certificate of coverage will describe the complete benefit details as approved by the State.</p>
<p>141. E-3, Ownership of Software and Work Products: What kind of Work Product is referred to in this section? We need to clarify in light of proprietary pricing, process, etc.</p>	<p>The State agrees and will modify the language in E.3.</p> <p>See Amendment Section #11 below.</p>
<p>142. E.3. [redacted name] does not intend to create any Work Product for the State as part of our group insurance coverage. Our preference would be to remove this section E.3. However, if the State requires this provision to remain, we request the following provision be added to this section: "d. The parties do not intend for the Contractor to create Work Product as part of the Contract. Should Contractor create Work Product for the State, the parties will explicitly list all such Work Product and attach the list as an addendum to the Contract."</p>	<p>See Question #142.</p>
<p>143. E.5. Since the business of insurance is highly regulated we cannot agree to this provision unless the State is willing to ensure it will become properly licensed to perform whatever obligation it seeks to take-over prior to taking such task over. Further, we cannot agree that</p>	<p>If the reference should be E.7, the State agrees to remove the language.</p> <p>See Amendment Section #13 below.</p>

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<p>applicable law would permit us to conduct business with the State in its take-over function. Our strong preference is to remove this paragraph E.5 since in the context of providing group insurance coverage it is unlikely to be lawful or feasible.</p>	
<p>144. E.6. We request the following revisions to this first paragraph of section E.6: "...Contractor shall notify the State within ten (10) days of determining any unauthorized disclosure or use of any PII by Contractor or any of its employees, agents and representatives that could reasonably result in actual harm in breach of this Contract ("Breach"). Contractor shall, and cause its employees, agents and representatives to, comply with all reasonable requests or directions from the State to enable the State to verify and/or procure that Contractor is in full compliance with its obligations under this Contract in relation to PII, subject to applicable law including intellectual property law." For clarification, we request the final sentence of this first paragraph be removed because [redacted name] has legal obligations to retain records and cannot agree to destroy or return such records. Other sections of this contract provide that [redacted name] will retain and destroy records pursuant to applicable law. We request the following revisions to the second paragraph of section E.6: "The Contractor shall report to the State any instances of unauthorized access to or disclosure of PII that may reasonable result in actual harm, which was in the custody or control of Contractor ("Unauthorized Disclosure") that</p>	<p>The State does not agree to this revision.</p>

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<p>come to the Contractor's attorney. Any such report shall be made by the Contractor within ten (10) days after the Contractor has determined that an Unauthorized Disclosure has occurred. Contractor shall take all necessary measures to halt any further Unauthorized Disclosures. The Contractor, upon agreement with the State, shall provide no cost credit monitoring services for the individuals whose PII was affected by the Unauthorized Disclosure. The Contractor shall bear the cost of notification to all individuals affected by the Unauthorized..."</p>	
<p>145. [redacted name] will require additional resources to review and consider any new requirements that have been added to the pro forma contract since last year. We are willing to do that on the condition that the State will not consider us non-responsive given the above stated exceptions, and that the State would give us the opportunity to have further discussions to negotiate terms agreeable to both [redacted name] and the State after such review. Does the state agree to deem [redacted name] as responsive, and further negotiate the pro forma contract?</p>	<p>It is a mandatory requirement of the RFP that the respondent certify that it accepts and agrees to all terms and conditions set out in the RFP Attachment 6.6, Pro Forma Contract. Mandatory Requirement A.1 and Attachment 6.1. The State cannot waive this mandatory requirement. The State's authority to negotiate is limited to the circumstances set forth in Section 5.3.5.</p>
<p>146. Regarding waiver claims that are required to reserve at 40% on basic life - [redacted name] will use our standard reserving factors for waivers. Does the State agree to this reserving change?</p>	<p>No, the State does not agree.</p>
<p>147. Administrative requirements, including: Maintaining in-force enrollment records of all individuals covered by the Voluntary Term Life Insurance Program Maintaining Voluntary Life beneficiary forms</p>	<p>Yes, the Contractor may utilize approved subcontractor(s). See below.</p> <p>RFP</p> <p>1. Through this RFP, the State seeks to procure necessary goods or services at the most favorable,</p>

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<p>Contractor's own website shall have a member log-in portal so members can apply or make changes for Voluntary Term Life Insurance coverage, view member-specific documents including but not limited to claims information, plan documents and other material pertaining to benefits. Information Systems – shall for reporting purposes capture in its system the Member's agency of employment as identified in the State's Eligibility File Systems – From [redacted name] to the State: weekly eligibility files, monthly premium due update files, monthly premiums collected, update files [redacted name] will need to bring in a third party vendor to administer the plan for the voluntary life benefits in order to meet some of the outlined administrative requirements. Is the State agreeable to some administrative requirements being outsourced to a third party vendor?</p>	<p>competitive prices and to give ALL qualified businesses, including those that are owned by minorities, women, Tennessee service-disabled veterans, and small business enterprises, an opportunity to do business with the state as contractors, subcontractors or suppliers.</p> <p>3.3.7. A Respondent must not submit a response as a prime contractor while also permitting one or more other Respondents to offer the Respondent as a subcontractor in their own responses. Such may result in the disqualification of all Respondents knowingly involved. This restriction does not, however, prohibit different Respondents from offering the same subcontractor as a part of their responses (provided that the subcontractor does not also submit a response as a prime contractor).</p> <p>4.4.2. If a Respondent intends to use subcontractors, the response to this RFP must specifically identify the scope and portions of the work each subcontractor will perform (refer to RFP Attachment 6.2., Section B, General Qualifications & Experience Item B.15.).</p> <p>4.4.3. Subcontractors identified within a response to this RFP will be deemed as approved by the State unless the State expressly disapproves one or more of the proposed subcontractors prior to signing the Contract.</p> <p>4.4.4. After contract award, a Contractor may only substitute an approved subcontractor at the discretion of the State and with the State's prior, written approval.</p> <p>4.4.5. Notwithstanding any State approval relating to subcontracts, the Respondent who is awarded a contract pursuant to this RFP will be the prime contractor and will be responsible for all work under the Contract.</p> <p>4.5. Right to Refuse Personnel or Subcontractors The State reserves the right to refuse, at its sole discretion and notwithstanding any prior approval, any personnel of the prime contractor or a subcontractor providing goods or services in the performance of a contract resulting from this RFP. The State will document in writing the reason(s) for any rejection of personnel.</p>
<p>148. Underwriting: Is there currently a PSR held by the current carrier which will be transferred to the new carrier? If yes, what is the current balance?</p>	<p>No, the surplus of premiums will be retained by the incumbent Contractor until after final accounting. Any surplus balance at that time may be used by the incumbent contractor toward any deficits with any</p>

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	remaining balance being returned to the State.
<p>149. Underwriting: Do current ports remain with the current carrier or are they to be transferred to the new carrier?</p> <p>If the ported policies are transferred to the new carrier, does the new carrier have to honor the current port rate levels or can the new carrier set their own port rate levels based on the quoted active rates +20%?</p>	<p>The current voluntary term life insurance ported members will transfer to the new carrier (Contractor).</p> <p>The premium rates for the transferred ported members shall be as quoted by the new Contractor in RFP Attachment 6.3 TABLE H: GUARANTEED MONTHLY PORTED EMPLOYEE AND SPOUSE PREMIUMS.</p>
<p>150. Underwriting: Is there an alternate funding arrangement in place currently on the Basic Life where the State pays less than the contract/maximum rate on a monthly basis? The Basic life experience reports mention "Maximum Premium" which differs from the "Remitted Premium" on the experience reports.</p>	<p>Yes, if the following criteria per pro forma contract section C.3.b.vii. applies:</p> <p>Basic Term Life/Basic AD&D Expenses and Earned Premium: In months when the expenses are less than the earned premium, based on the provisions of Sections C.3.b. and C.5. of this Contract, the Contractor shall be paid the expenses. When monthly expenses exceed the monthly premium, year to date expenses are compared to year to date earned premium and the monthly expenses are paid, if they are less than the difference between the year to date earned premium and year to date expenses or there is sufficient balance in Prior Surplus of Premiums. To the extent that a deficit exists on a year to date basis, the amount of the monthly deficit can be carried forward to a following month(s), and treated as an expense. If, at the end of any Contract year, except the last, subject to the payment provisions of Section C.3 above, the total annual charges exceed the maximum annual liability, the deficit may be carried forward into the next contract year. The Contractor may amortize the deficit over the next Contract year and include it in the monthly cost statement. The deficit can only be recovered each year up to the maximum annual liability. Any deficit incurred during the final year of this Contract shall be the responsibility of the Contractor.</p> <p>If, at the end of any Contract year, subject to the payment provisions of Section C.3 above, the maximum annual liability exceeds the total annual charges, the excess premium (up to 10% of the year's annual premium) may be carried forward by the State to the next Contract year. Although the excess premium will be determined on a cumulative</p>

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	basis, the amount of the excess premium carried forward cannot exceed Ten Percent (10%) of the annual premium for the prior Contract year.
151. Underwriting: Please clarify the financial bid responses - Is the Administrative Fee and Reserve cost in addition to the Quoted Premium Rates or included in the quoted Premium Rates to reflect the maximum premium liability?	The administrative fee and reserve cost are In addition to the quoted premium rates.
152. Underwriting: Need paid claims for all coverage for all experience periods, only incurred provided.	Please see revised Appendices 7.10 and 7.12.
153. Underwriting: Does the current carrier retain liability for approved waiver of premiums or does that liability transfer to the succeeding carrier?	The current Contractor retains liability for approved waiver of premium.
154. Item #8 (Unauthorized Usage of Information), in the Performance Guarantees in Attachment B references vision insurance. Can we assume that this is not relevant to the Life RFP?	The State agrees to modify the language. See Amendment Section #13 below.
155. Performance Reporting #1: We request revisions to this section as follows: "...on or before the 45th calendar day following the reporting quarter."	The State does not agree to this revision. Note that the language says "...on or before the 20th day of the month following the reporting quarter <u>unless approved otherwise in writing by the State.</u> " Such a change could be considered during implementation if there is a valid reason for the request and it is in the state's best interest.
156. Performance Guarantees #7: We request revisions to the guarantee to read as follows: All reports that relate to claims information shall be delivered as specified in Section A.12. and Contract Attachment C. unless otherwise directed by the state.	The State does not agree to this revision.
157. Contract Attachment C: We ask that the State allow us to provide quarterly & semi-annual reports on the 45th day vs. the 20 th day following the end of the reporting period. Quarterly/semi-	The State does not agree. Note that the language says "...on or before the 20th day of the month following the reporting quarter <u>unless approved otherwise in writing by the State.</u> " Such a change could be considered during implementation if there is a valid reason for the request and it is in the state's

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annual reporting would include all performance guarantee related reporting.	best interest.
158. Contract Attachment C: We request that item 4 above be changed to say "...submitted monthly." We are unable to track it e m b.	The State does not agree to this revision. However, the reference in Contract Attachment C item 4 has been changed from A.3.c to A.3.d.
159. RFP Technical Section A.9. states that the Respondent must hold a Certificate of Authority. Does the Respondent have to be an insurance company?	Yes. The State has modified the language. See Amendment Section #3 below.

3. **Delete RFP Attachment 6.2 Technical Response and Evaluation Guide Section A.9 in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):**

The Respondent must **be an insurance company holding** a current certificate of authority from the Tennessee Department of Commerce and Insurance which authorizes the Respondent to issue group term life and accidental death and dismemberment insurance **policies** in Tennessee. Submit a copy of your organization's current State of Tennessee Certificate of Authority.

4. **Delete Pro Forma Contract Section A.8.j(4) in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):**

(4) The Contractor shall provide for the physical safeguarding of its data processing facilities and the systems and information housed therein. The Contractor shall provide the State or a third party who performs assessment work for the State or a **third party who performs assessment work for the State** with access to data facilities upon request. The physical security provisions shall be in effect for the life of this Contract. All data must be stored in the United States.

5. **Delete Pro Forma Contract Section A.8.j(5) in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):**

(5) Unless the State prior-approves in writing the Contractor's use of alternate mitigating controls, the Contractor shall use Federal Information Processing Standard (FIPS) 140-2 **or AES-256** complaint technologies to encrypt all member specific information in motion or rest, including back-up media.

6. **Delete Pro Forma Contract Section A.10.a. in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):**

- a. The Contractor shall develop, adopt, and implement standards to safeguard the privacy and confidentiality of all personal information about eligible employees and Members. For example, the Contractor shall ensure that it does not have completed forms containing personal information sitting in public view, left in unsecured boxes or files, or left unattended in any off-site location (e.g., in an automobile). The Contractor's procedures shall include but not be limited to safeguarding the identity of Members as Members of the Program and preventing the unauthorized disclosure of personal information. The Contractor shall comply with all **applicable** federal and state laws concerning the privacy and confidentiality of Members' information, and shall implement any regulations when they become effective.

7. Delete Pro Forma Contract Section A.10.c. in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

- c. The Contractor shall use appropriate safeguards to prevent the unauthorized use or disclosure of the Members' personal information. The Contractor shall report to the State any unauthorized use or disclosure of the Members' personal information within **forty-eight (48)** hours of any incident of which it becomes aware.

8. Delete Pro Forma Contract Section A.17 Inspection and Acceptance in its entirety and renumber any subsequent sections as necessary:

A.17. Inspection and Acceptance.

9. Delete Pro Forma Contract A.14.a. in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

- a. The Contractor shall prepare and submit to the State for approval no later than sixty **(60)** days prior to the Voluntary Term Life Insurance Program go-live on January 1, 2018, the Group Master Policy and/or Certificate of Coverage for approval by the Division of Benefits Administration before submission to the State of Tennessee Department of Commerce and Insurance. The Contractor shall prepare and submit to the State for approval no later than sixty **(60)** days prior to the Basic Term Life/Basic AD&D/Voluntary AD&D Insurance Programs go-live on January 1, 2019, the Group Master Policies and/or Certificates of Coverage for approval by the Division of Benefits Administration before submission to the State of Tennessee Department of Commerce and Insurance. Such final approved Group Master Policies and/or Certificates of Coverage shall be added as a Contract Attachment incorporated by reference once approved. The Certificates of Coverage shall include at a minimum the following:

- (1) General Benefit and Eligibility Provisions;
- (2) Description of Claims Process;
- (3) General Limitations, Exclusions and Elimination Periods;
- (4) Optional Services; and
- (5) Schedule of Benefits

10. Delete Pro Forma Contract Section A.16 in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

A.16 Warranty. Contractor represents and warrants that the term of the warranty ("Warranty Period") shall be the greater of the Term of this Contract or any other warranty general offered by Contractor, its suppliers, or manufacturers to customers of its goods or services. The goods or services provided under this Contract shall conform to the terms and conditions of this Contract throughout the Warranty Period. Any nonconformance of the goods or services to the terms and conditions of this Contract shall constitute a "Defect" and shall be considered "Defective." If Contractor receives notice of a Defect during the Warranty Period, then Contractor shall correct the Defect, at no additional charge.

Contractor represents and warrants that the State is authorized to possess and use all equipment, materials, software, and deliverables provided under this Contract.

Contractor represents and warrants that all goods or services provided under this Contract shall be provided in a timely and professional manner, by qualified and skilled individuals, and in conformity with standards generally accepted in Contractor's industry.

If Contractor fails to provide the services as warranted, the State shall be entitled to recover the fees paid to Contractor for the Defective services. Any exercise of the State's rights under this Section shall not prejudice the State's rights to seek any other remedies available under this Contract or applicable law.

11. Delete Pro Form Contract Section E.3 in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

E. 3 Software License Warranty. Contractor grants a license to the State to use all software provided under this Contract in the course of the State's business and purposes.

12. Delete Pro Form Contract Section E.7 Partial Takeover of Contract in its entirety and renumber any subsequent sections as necessary:

13. Delete Contract Attachment B #8 in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

8. Unauthorized Usage of Information (see Contract Section A.7.m.)	
Guarantee	Unless prior approved in writing by the State, and in compliance with State and Federal law, the Contractor shall not use information gained through this Contract, including but not limited to utilization and pricing information, in marketing or expanding non-State business relationships or for any pecuniary gain.
Assessment	One hundred dollars (\$100) per impacted member per instance unless that cannot be determined in which case the assessment shall be one hundred dollars per enrollee per instance.
Measurement	Measured, reported, reconciled upon identification of occurrence.

14. Delete RFP Appendices 7.10, 7.11, 7.12, 7.13, 7.14, 7.15 in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

Appendix 7.10 Enrollment, Claims, and Premium Experience 2014 - Jan 2017-Basic Term Life Basic AD&D REVISED
 Appendix 7.11 Vol ADD March Billing
 Appendix 7.12 ENROLLMENT, CLAIMS, AND PREMIUM EXPERIENCE 2013-JAN 2017 – VOLUNTARY TERM REVISED
 Appendix 7.13 Jan 2017 - Demographics For Eligible Employees REVISED
 Appendix 7.14 Demographics for Members in Voluntary AD&D Insurance Program REVISED
 Appendix 7.15 Issue_Age_and_Atained_Age_for_Members_in_Voluntary_Term_Life_Insurance REVISED

15. Add the following as RFP Appendices and renumber any subsequent sections as necessary:

Appendix 7.21 Consolidated Monthly Basic Life
 Appendix 7.22 Monthly Invoicing Report (Dearborn National)
 Appendix 7.23 MN Life & Dearborn National Basic Monthly Invoice
 Appendix 7.24 Vol Term MN Life & Unum Prem Rates
 Appendix 7.25 - State of TN Beneficiary Data File Layout

- 16. Delete Pro Forma Contract Section A.3.g. in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):**

The Contractor's call management systems shall be equipped with caller identification **for itself on outbound calls.**

- 17. RFP Amendment Effective Date.** The revisions set forth herein shall be effective upon release. All other terms and conditions of this RFP not expressly amended herein shall remain in full force and effect.