



BILL LEE
GOVERNOR

STATE OF TENNESSEE
DEPARTMENT OF EDUCATION
NINTH FLOOR, ANDREW JOHNSON TOWER
710 JAMES ROBERTSON PARKWAY
NASHVILLE, TN 37243-0375

PENNY SCHWINN
COMMISSIONER

April 9, 2019

Dear TEIS provider community:

Thank you for your continued commitment to serving Tennessee's children. We appreciate all of your hard work in preparing your applications and communicating with the State as questions arise.

We wanted to send out a quick update on the questions we have been receiving regarding the insurance requirements. As we have updated information, we will communicate that out.

1. CPO has been in contact with the Treasury Department's risk manager and the State's insurance broker about creating an insurance pool for the three requested coverages (cyber liability, crime, and sexual abuse & molestation). Treasury and the State's insurance broker will be able to create an affordable insurance pool that vendors would be able to utilize. This will reduce the premium amounts exponentially from the quotes vendors have been receiving.
2. Additionally, we are awaiting the State's insurance broker to get back to CPO hopefully this week with more reduced premium amounts based on potentially lowering the insurance limits. This would be in line with what the State's risk management consultants advise as best practices per the risk associated with the services being provided. At this time, the CPO and Education would advise contractors that have inquired about coverages with their private carriers to hold off on purchasing coverage as the requested insurance limit requirements could very well be relaxed, which will then reduce premiums. Further, at this time, the State has not decided to waive any of the aforementioned coverages; however, if your insurance broker advises that a particular coverage or limit is inapplicable for your profession, e.g., not needing cyber liability coverage if your job responsibilities do not involve accessing confidential state data, such as protected health information, you may provide documentation from your broker to the State of this along with a written statement that you understand that you assume the risk of declining a particular coverage or limit on the advice of your broker.
3. Education and the CPO are greatly concerned about the potential loss of services to children benefiting from these programs. We also empathize with and understand the severity of the concerns coming from the vendor community. However, at this time, it is still in the best interest of the State, the children, and the providers (as a means to insure against claims or allegations) to try and obtain industry standard coverages. These coverages are important and relevant since some vendors will be accessing state data concerning private health information of patients and working directly with Tennessee's most vulnerable children. Hopefully with some due diligence, we can produce a win-win situation for everyone. We will hopefully be providing a favorable update to all interested parties later this week.
4. We encourage you to move forward with submitting your applications by the deadlines in the solicitations even if you are still working on the insurance and fingerprinting. We will not consider your application incomplete if you submit all required materials but are still working out the details of your insurance and fingerprinting.

Please contact Barbara Bridges, TEIS Contracts Manager at: (615) 253-2595 or barbara.bridges@tn.gov if you have any questions.

Cc: Alex Komisar, Grants Program Manager, Central Procurement Office
Joanna Collins, Assistant General Counsel for Procurement, TN Department of Education
Linda Hartbarger, Executive Director, TEIS, TN Department of Education