



# CONTRACT

(fee-for-goods or services contract with an individual, business, non-profit, or governmental entity of another state)

<b>Begin Date</b> 9/1/2017	<b>End Date</b> 12/31/2023	<b>Agency Tracking #</b> 31786-00138	<b>Edison Record ID</b>
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<b>Contractor Legal Entity Name</b> Minnesota Life Insurance Company	<b>Edison Vendor ID</b> 157401
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**Goods or Services Caption (one line only)**  
Basic Term Life, Basic AD&D, Voluntary Term Life, and Voluntary AD&D insurance

<b>Contractor</b> <input checked="" type="checkbox"/> Contractor	<b>CFDA #</b>
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Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2018			\$5,300,000.00		\$5,300,000.00
2019			\$16,750,000.00		\$16,750,000.00
2020			\$23,650,000.00		\$23,650,000.00
2021			\$24,350,000.00		\$24,350,000.00
2022			\$25,150,000.00		\$25,150,000.00
2023			\$12,800,000.00		\$12,800,000.00
<b>TOTAL:</b>			<b>\$108,000,000.00</b>		<b>\$108,000,000.00</b>

**Contractor Ownership Characteristics:**

- Minority Business Enterprise (MBE): African American, Asian American, Hispanic American, Native American
- Woman Business Enterprise (WBE)
- Tennessee Service Disabled Veteran Enterprise (SDVBE)
- Tennessee Small Business Enterprise (SBE): \$10,000,000.00 averaged over a three (3) year period or employs no more than ninety-nine (99) employees.
- Other:

**Selection Method & Process Summary (mark the correct response to confirm the associated summary)**

<input checked="" type="checkbox"/> Competitive Selection	RFP
<input type="checkbox"/> Other	

**Budget Officer Confirmation:** There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.

*Veronica Colman* 8/22/17

<b>Speed Chart (optional)</b>	<b>Account Code (optional)</b> C7M
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**CONTRACT  
BETWEEN THE STATE OF TENNESSEE,  
DEPARTMENT OF FINANCE AND ADMINISTRATION, STATE INSURANCE COMMITTEE  
AND  
MINNESOTA LIFE INSURANCE COMPANY**

This Contract, by and between the State of Tennessee, Department of Finance and Administration/State Insurance Committee ("State") and Minnesota Life Insurance Company ("Contractor"), is for the provision of group term life (basic and voluntary) and accidental death & dismemberment (basic and voluntary) insurance programs, as further defined in the "SCOPE." State and Contractor may be referred to individually as a "Party" or collectively as the "Parties" to this Contract.

The Contractor is a For-Profit Corporation.  
Contractor Place of Incorporation or Organization: Minnesota  
Contractor Edison Registration ID # 157401

**A. SCOPE:**

- A.1. The Contractor shall provide all goods or services and deliverables as required, described, and detailed below and shall meet all service and delivery timelines as specified by this Contract.
- a. The Contractor agrees to provide a group minimum premium insured basic term life insurance and basic accidental death & dismemberment (AD&D) program, a voluntary group employee pay-all fully insured accidental death & dismemberment program, and a voluntary group employee pay-all fully insured term life insurance program to eligible employees of State agencies and their dependents (hereafter referred to as "Members" if enrolled), in accordance with Contract Attachment D. The Contractor shall initially provide a group basic term life and basic accidental death & dismemberment insurance program with benefits as described in Contract Attachment D as the "Traditional" program. Upon request by the State, the Contractor shall on a date determined by the State change the benefits of the basic term life, basic accidental death & dismemberment, and voluntary accidental death & dismemberment insurance program to be as described in Contract Attachment D as the "Contemporary" program.
- The basic term life, basic AD&D, and voluntary AD&D benefit period under this contract shall be January 1, 2019 through December 31, 2022. The voluntary term life benefit period under this contract shall be January 1, 2018 through December 31, 2022. The time period January 1, 2023 through December 31, 2023 shall be considered a claims run-out period during which the Contractor shall adjudicate basic term life/basic AD&D claims incurred during the term of this contract prior to January 1, 2023.
- b. The Contractor shall administer the State Group Basic Term Life Insurance Program, the Basic Accidental Death & Dismemberment Program, the Voluntary Accidental Death & Dismemberment, and the Voluntary Term Life Insurance Program (hereinafter referred to as the "Program") in accordance with this Contract, the applicable Group Master Policy, and the applicable Certificate of Coverage.
- c. The Contractor shall accept confirmation from the State of the in-force status of each Member's basic term life/basic AD&D and/or voluntary AD&D coverage and the eligibility of each claimant as claims are submitted, on the basis of information maintained electronically in the State's computer system ("Edison"). The Contractor shall accept and maintain enrollment records in its computer system for the voluntary term life insurance program and utilize this information for claims processing. The Contractor shall process said claims in a timely and accurate manner.

- d. For the basic term life/basic AD&D and voluntary AD&D programs, the Contractor shall accept from the State, as accurate and complete confirmation of eligibility as a beneficiary, a printed statement listing the beneficiary(ies) of record at time of death as maintained electronically in the State's Edison system. The Contractor shall maintain beneficiary information in its computer system for the voluntary term life insurance program and utilize this information for claims processing. The contractor shall also accept hand signed beneficiary statements from the State.
- e. The Contractor shall provide customary life insurance services and functions including but not limited to actuarial services, underwriting, claims payment, administration and accounting.
- f. The Contractor shall provide assistance with regard to questions as raised by the State, individual employees, former employees and/or survivors.
- g. The Contractor shall provide assistance and information with regard to applicable Federal and State laws, court holdings and regulations affecting group insurance, and other Program related matters as needed. The information provided under this section shall not be considered legal advice or as an indication that an attorney-client relationship has been created
- h. The Contractor shall accept all current certificate holders' coverage transferred from the prior contracts (including ported members in the voluntary term life insurance program), without any break or lapse in coverage. Coverages held by current members shall be at the rates indicated in Section C.3 of this contract.
- i. The Contractor shall provide for conversion of the Basic Term Life insurance coverage by former Members through the conversion provisions of the Group Master Policy and/or Certificate of Coverage and payment of premium directly to the Contractor through individual whole life policies or individual term life policies. This conversion option shall at a minimum be offered to:
  - Employees and their dependents upon the employee's termination of employment
  - Employees and their dependents upon retirement of the employee
  - Enrolled spouses who lose dependent eligibility due to a divorce
  - Enrolled dependent children who lose eligibility due to age
  - Employees who lose basic term life insurance face value coverage upon transition from the Traditional Program to the Contemporary Program as described in Contract Attachment D. (Conversion shall be offered for the amount of face value lost due to the transition.)
  - Enrolled dependents who lose coverage upon transition from the Traditional Program to the Contemporary Program as described in Contract Attachment D
  - Employees who lose basic term life insurance face value coverage due to reaching a specific age or have a reduction in salary. (Conversion shall be offered for the amount of face value lost.)

Members are to be notified by the Contractor of their options through written correspondence. Such notification shall be the responsibility of the Contractor and shall be mailed to the member's home address within fifteen (15) days of receipt of notice from the State of such terminations or loss of coverage as stated above.

- j. The Contractor shall provide a full range of actuarial services related to the insurance provided through this Contract. Such services shall be certified by a Fellow of the Society of Actuaries or a member of the American Academy of Actuaries.
- k. The Contractor shall provide all necessary forms, including but not limited to, submission and processing of claims, waiver of premium requests, and advanced payment of life insurance benefits unless otherwise directed by the State.

- l. The Contractor shall furnish information to each claimant regarding the payment or rejection of claims.
- m. The Contractor shall assess applications for the advanced payment of life insurance benefits as provided in the Group Master Policy and/or Certificate of Coverage and Contract Attachment D. Any payment shall be considered an incurred claim for the purpose of determining payments by the State to the Contractor for the basic term life insurance program.
- n. The Contractor shall maintain through the basic term life insurance/basic AD&D program the coverage to State of Tennessee active employees also enrolled in the closed Permaplan insurance product. The coverage under this contract is consistent with the policies and benefits of other eligible active state employees, except that the face amount of coverage for this group of individuals is not subject to reduction at age 70 or any subsequent age. There is no additional cost to these employees who are not subject to the reduction at age 70 or beyond in face amount of basic term life/basic AD&D coverage by virtue of age.
- o. The Contractor shall process statements of health for delayed or revised enrollment applications for the voluntary term life insurance program.
- p. The Contractor shall provide for former members (employees, spouses, children) continuation of the Voluntary Term Life insurance coverage through the portability provision of the Group Master Policy or conversion of the Voluntary Term Life insurance coverage to individual life policies and payment of premium directly to the Contractor. 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. 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. Members 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 pursuant to its receipt from the State's eligibility file.

A.2. Staffing

- a. The Contractor shall provide and maintain qualified personnel and staffing to provide the deliverables and services in accordance with this Contract.
- b. The Contractor shall ensure that all staff, including the Contractor's employees, independent contractors, consultants, and subcontractors, performing services under this contract, has the experience and qualifications to perform the applicable services. The State may also direct the Contractor to replace staff members providing core services and/or interacting regularly with the State as it deems necessary and appropriate. The decision of the State on these matters shall not be subject to appeal.
- c. The Contractor shall designate an Account Manager and a back-up with overall responsibility for the State Program for the duration of the Contract. The Account Manager shall serve as the single point of contact for the State and have overall responsibility for the Contractor's functions under the Contract. The Account Manager shall have the authority to make decisions and resolve problems on behalf of the Contractor with the State provided, however, that amendment and modifications to this contract are governed by Section D.3.
- d. In addition to the Account Manager, the Contractor shall designate a Customer Service Manager, who shall manage the Call Center operations and staff for the duration of the Contract.

- e. The Contractor shall also designate an Information Systems Project Coordinator who shall be responsible for implementation of the systems requirements necessary to administer the Program and interface with the State.
- f. All key Contractor project staff shall attend a project kick-off meeting at the State of Tennessee offices in Nashville, TN within the first thirty (30) days after the Contract Award Date or on a date established by the State.
- g. The Contractor shall train its representatives/operators and other staff regarding the provisions of the State's Program. The Contractor's staff shall successfully complete the training program prior to assuming their duties. The Contractor shall conduct regular staff refresher training to address current Program benefits, process, and policy.
- h. For work under this Contract, the Contractor shall employ no employees or contract with subcontractors that are on the U.S. Department of Health and Human Services' Office of Inspector General (OIG) exclusions list unless the Contractor receives prior, written approval from the State.
- i. The Contractor agrees that, prior to the execution of the Contract, it will provide the State with a list of the subcontractors that will be utilized in connection with this Contract and will provide reasonable advance notice of any additional subcontractors that may be used. The State may 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. Should the State disapprove of any particular subcontractor, the Contractor will work with the State in good faith to procure a reasonable alternative subcontractor.
- j. Key personnel commitments made by the Contractor shall not be changed unless prior approval is received from the State. For these purposes, such commitments shall include any named individuals in the proposal and the levels of effort proposed. The Contractor shall notify the State at least fifteen (15) days in advance of proposed changes and shall submit justification (including proposed substitutions) in sufficient detail to the State to evaluate the impact upon the Contract.
- k. The Contractor shall survey State staff named by the State annually to determine the State's satisfaction with the Account Team and report the results of the survey to the State (see Contract Attachment C – Reporting Requirements # 5).

A.3. Call Center

- a. The Contractor shall maintain a Call Center and provide a dedicated toll-free line, by the date specified in A.13.e.10., for the exclusive purpose of responding to Member inquiries. The Contractor shall provide advice and assistance to Members regarding issues such as, but not limited to, Program benefits, frequency limitations met, and claims status.
- b. Call Center Requirements
  - (1) The Contractor shall operate a Call Center that uses a designated toll-free number as the "front-end" entry point for callers. The Contractor's Call Center shall have designated representatives/operators to respond to inquiries from Members.
  - (2) The Contractor's call center and staff shall be located in the continental United States.
  - (3) The Contractor's Call Center shall accept calls, at a minimum, from 7:00 a.m. to 4:30 p.m. Central Time (CT), Monday through Friday.
- c. Call Center Processes

- (1) The Contractor's call center shall maintain a monthly average rate of thirty (30) seconds or less for the Average Speed of Answer (ASA)
  - (2) The Contractor's call center shall maintain a monthly average rate of ninety percent (90%) for First Call Resolution.
- d. The Contractor shall provide statistics related to the call center performance standards above to the State on a weekly basis during the period from the date the call center begins accepting calls for this Program as identified in Contract Section A.13.e.10. through sixty (60) days after the go-live date. After sixty (60) days from the go-live date, the call center statistics report shall be submitted to the State only on a monthly basis. (See Contract Attachment C – Reporting Requirements # 4.)
  - e. The Contractor's call center shall have call management systems and communications infrastructure that can manage the potential call volume and achieve the performance standards described in this Contract.
  - f. The Contractor's call management systems shall be scalable and flexible so they can be adapted as needed, within negotiated timeframes where applicable, in response to Program, benefit, or enrollment changes.
  - g. The Contractor's call management systems shall be equipped with caller identification for itself on outbound calls.
  - h. The Contractor's call management system shall record and index all calls such that the Contractor can easily retrieve recordings of individual calls based on the phone number of the caller, the caller's name, the date/time of the call and the staff member who handled the call. The Contractor shall be able to provide a full recording of each call upon the State's request. The Contractor shall archive the recordings for one year from the date of each call.
  - i. The Contractor may use an automated interactive voice response (IVR) system for managing inbound calls, provided that the caller always has the ability to leave the IVR system and wait in the queue in order to speak directly with a live-voice call center staff member rather than continuing through additional prompts.
  - j. The Contractor shall have the ability to make outbound calls without interrupting the ability of callers to continue to access the call center.
  - k. The call management system shall enable the logging of all calls, including:
    - (1) The caller's identifying information (e.g., Edison employee ID);
    - (2) The call date and time;
    - (3) The reason for the call;
    - (4) The member services representative that handled the call;
    - (5) The length of call; and
    - (6) The resolution of the call and if unresolved, the action taken and follow up steps required.
  - l. The call management system shall maintain a history of correspondence and call transactions for performance management, quality management and audit purposes. This history shall contain the actual information, a date/time stamp that corresponds to when the transaction took place, the origin of the transaction (e.g., the State and /or one of its authorized representatives or the Member), and the member services representative that processed the transaction. Related correspondence and calls shall be indexed and properly

recorded such that they can be treated in reporting and analysis as part of a distinct transaction.

- m. Call Center Systems Access: The Contractor's call center staff shall have access to claims management and other systems as necessary to respond to inquiries from Members.

#### A.4. Member Communications/Materials

- a. The Contractor shall, in consultation with and following written approval by the State, develop and disseminate Member information and communication materials (hereinafter referred to as Member materials). Contractor shall ensure that Member material meets any regulatory compliance, if applicable. Member materials shall include, but are not limited to, Member handbooks, administrative forms, letters, manuals, brochures, fliers, webinars and online videos.
- b. Member materials for go-live shall be finalized (including State review and sign-off) and ready for distribution on a date established by the State in contract section A.13.e.
- c. In addition to the Member materials referenced above, the Contractor shall provide and disseminate, if requested by the State, general information regarding the Program. This may include but not be limited to:
  - (1) Written information;
  - (2) Audio/video presentations;
  - (3) Attendance at meetings, workshops, and conferences;
  - (4) Preparing materials and participating in educational training for human resources professionals and members; and
  - (5) Educating State staff and other persons on Contractor's administrative and benefits procedures.
- d. Unless otherwise specified in this Contract, the Contractor shall be responsible for all costs related to the design, development, printing, distribution, mailing (if applicable), and revision of all Member materials that are required to be produced under the terms of this Contract.
- e. If the State requires mailings above those identified in the contract, the State shall pay the postage, printing and production costs of such mailings pursuant to Contract Sections. C.3.d.
- f. Unless otherwise directed by the State, the Contractor shall obtain approval in writing from the State prior to printing, using or distributing any Member materials under this contract.
- g. The Contractor shall work in conjunction with the State's staff to ensure continuity of branding across all Program and Member materials, mailings, website, and any other communications information. This branding shall include, but is not limited to, use of the ParTNers for Health logo, color scheme and applicable taglines. All uses of these branding elements shall be subject to prior written approval by the State.
- h. The Contractor shall have the exclusive responsibility to write, edit, and arrange for clearance of materials (such as securing full time use of a stock photograph for perpetuity) for any and all member materials in time for the materials to be approved by the State and printed.
- i. The Contractor shall ensure that its member materials are culturally sensitive and professional in content, appearance, and design.

- j. The Contractor shall prominently display the Contractor's call center telephone number and website address in large, bolded typeface on all Member materials, unless otherwise approved by the State.
- k. The Contractor shall, to the extent practicable, use relatively large and legible fonts in its Member materials. Additionally, the Contractor shall make maximum use of graphics to communicate key messages to populations with limited literacy, limited insurance plan literacy or limited English proficiency.
- l. Unless otherwise prior approved in writing by the State, the Contractor shall design all member materials at the sixth (6.0) grade level or lower using the Flesch-Kincaid Index or other suitable metric that the State prior approves in writing. The Contractor shall evaluate materials using the entire text of the materials (except return addresses). When submitting draft materials to the State for approval, the Contractor shall provide a reading level analysis and certification of the reading level of each piece of material.
- m. The Contractor covenants that all materials distributed to Members and prepared or produced by the Contractor shall be accurate in all material respects.
- n. The Contractor shall ensure that up-to-date versions of all printed Member materials can be downloaded from its website/portal and/or splash page.
- o. The number of Member handbooks and other relevant information to be printed shall be in sufficient quantities for distribution by the Contractor to the State's Subscribers, plus a quantity of handbooks and brochures as requested by the State for distribution to potential new Members.
- p. At the State's request, the Contractor shall attend meetings, workshops, and conferences to discuss and market the Program. Any on-site visits to agencies covered under this Program shall require prior approval by the State.
- q. Prohibition on Promotional Materials: Unless approved in advance and in writing by the State, the Contractor shall not distribute any promotional materials or gifts to employees or Program Members, even if such gifts are of a de minimus value (e.g., magnets, pens, etc.).
- r. The Contractor shall not publish or distribute terms and conditions binding on plan members using Contractor's services under this Contract unless these terms and conditions are approved by the State in writing. This includes terms and conditions on a website that plan members must click on to accept as a condition of using the Contractor's website for services or information relating to this Contract.

A.5. Member Handbook

- a. The Contractor, following review and approval by the State, shall write, update, print and distribute, upon the State's request, Member handbooks and shall maintain on the State's splash page (Contract Section A.6.) an up-to-date version of the Member handbook.
- b. The Member handbook shall be specific to the Program and shall detail benefits and provide other information helpful to Members.
- c. The Contractor shall distribute the Member handbook with a cover letter, if requested by the State, to every Subscriber no later than the date specified in Contract section A.13.e.13. and thereafter if requested by the State.
- d. During the benefit year, the Contractor shall mail handbooks to new Subscribers, if requested by the State, no later than ten (10) days from receipt of new enrollment and State's delivery of the new Subscriber's address or email to Contractor. With the State's approval, electronic

means may be utilized to provide the Member handbook. The Contractor shall mail a hard copy of the Member handbook to a Member who requests a printed version of the handbook.

- e. Upon the State's request, the Contractor shall provide Member handbooks to specified parties, e.g., Agency Benefits Coordinators, within fifteen (15) days of the State's request to provide copies.
- f. The Contractor shall provide an electronic copy of the Member handbook to the State for posting on the State's website.

A.6. Website

- a. The Contractor shall maintain a "splash" page (defined A.15.hh.) dedicated to and customized for this Contract containing general Program information, specific to the State program membership, which does not require a Member to login. The design of the splash page; inclusive of the site map, page layout, color/font scheme and branding, static content and any documents which can be accessed via, or downloaded from the splash page; must be prior approved in writing by the State. Additionally, the Contractor shall obtain prior written approval from the State for any links from the site to an external website/portal or webpage.
- b. The Contractor shall link to Benefits Administration's (a division of the Department of Finance and Administration responsible for benefits management) websites, other State contracted vendor websites, microsites, content or other web or mobile device enabled video/multimedia tools or apps as determined by the State that are useful or applicable for members (State-approved tools from other approved vendors).
- c. 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.
- d. The splash page shall be fully operational on or before the date specified in Contract Section A.13.e.14.
- e. Unless otherwise approved by the State, the Contractor shall update content and/or documents posted to the splash page within five (5) business days of the State's approval of changes to said content and/or documents.
- f. The Contractor shall provide all information pertinent to each new Plan year on the splash page by the date specified by the State.
- g. The Contractor shall grant the State access to the customized development splash page for review and approval no later than the date specified in Contract Section A.13.e.15.
- h. The Contractor shall host the splash page on a non-governmental server, which shall be located within the United States.
- i. The Contractor shall ensure that the splash page meets all of the capacity, availability, performance and security requirements outlined in Contract Sections A.8. and A.9.
- j. To ensure accessibility among persons with a disability, the Contractor's splash page shall substantially comply with Section 508 of the Rehabilitation Act of 1973 (29 USC Section 794d) and implementing regulations at 36 CFR 1194 Parts A-D.
- k. At a minimum the splash page shall contain a home page with general information and links to additional information including, but not limited to, benefits, frequently asked questions

(FAQs), the Member handbook, certificates of coverage, forms, and other information as requested by the State.

A.7. Administrative Services

- a. The Contractor, upon request by the State, shall review and comment on benefits provisions in the Program. When so requested, the Contractor shall comment in regard to:
  - (1) industry practices; and/or
  - (2) the general financial impact to premium rates and claims expense if future changes were made to the benefits of the Program.
- b. The Contractor shall provide assistance and information to the State regarding applicable existing and proposed Federal and State laws, court holdings and regulations affecting the Program, and other Program related matters as needed. The information provided under this section shall not be considered legal advice or as an indication that an attorney-client relationship has been created
- c. The Contractor shall provide assistance with questions raised by the State, individual employees/retirees, former Members and others identified by the State.
- d. Unless otherwise directed by the State, the Contractor shall refer calls regarding eligibility and premium payment issues to the State.
- e. The Contractor shall respond to all inquiries in writing from the State within three (3) business days after receipt of said inquiry. In cases where additional information to answer the State's inquiry is required, the Contractor shall notify the State within two (2) business days as to when the response can be furnished to the State. For matters designated as urgent by the State, the Contractor shall provide a response to the State within four (4) hours during normal business hours. During non-business hours, the Contractor shall provide a response to urgent matters to the State within twenty-four (24) hours. Staff members, from the applicable business unit, with final decision making authority shall provide responses. Said responses may be communicated through the Account Manager.
- f. The Contractor shall answer, in writing, within five (5) business days, all written inquiries from Members concerning the status of claims submitted, all benefits available through the benefit option, its clarifications and revisions, and other relevant information.
- g. The Contractor shall establish a formal grievance procedure for Members and providers 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 A.13.e.16. and the State reserves the right to require changes in the procedures when appropriate.
- h. To maintain the privacy of personal information, the Contractor shall enable Transport Layer Security (TLS), or other encryption software as directed by the State, on the mail server used for daily communications between the State and the Contractor. TLS, or other protocols that provide data encryption, shall be enabled no later than the go-live date as listed in contract section A.13.e.17. and shall remain in effect throughout the term of the contract unless otherwise directed by the State.
- i. The Contractor shall meet with representatives of the State periodically, but no less than annually, to discuss programmatic, operational and contractual issues related to the Program. The Contractor shall have in attendance the staff requested by the State, which shall include the Account Manager and representatives from the Contractor's organizational units required to respond to topics indicated by the agenda. These meetings will take place at the State of Tennessee offices in Nashville, TN. Quarterly meetings between the Contractor and the

State may also be held upon request by either the Contractor or the State. However, at its discretion, the State may allow the Contractor to participate in quarterly meetings by teleconference.

- j. The Contractor shall perform, following review and approval by the State, annual customer satisfaction surveys. The survey instrument shall be developed and approved by the State by the date specified in Contract Section A.13.e.19. and annually thereafter. The survey shall be conducted at a time mutually agreed upon by the State and the Contractor and shall involve a statistically valid random sample of State members. The Contractor shall guarantee a statistically valid response rate consistent with the sample size. Based upon the results of the survey, the Contractor and the State shall jointly develop an action plan to correct problems or deficiencies identified through this activity.
- k. The Contractor shall not modify the services or benefits provided to Members during the term of this Contract without the prior written consent of the State.
- l. The Contractor shall refer all media and legislative inquiries concerning the Program to the State's Division of Benefits Administration, which will have the sole and exclusive responsibility to respond to all such inquiries. However, the Contractor shall respond directly to audit requests from the Comptroller, to audit requests from divisions within the Department of Finance & Administration, and to subpoenas; in all such instances, the Contractor shall copy the State's Division of Benefits Administration on all correspondence.
- m. 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.
- n. The Contractor shall ensure that the U. S. Postal Service or other mailing service does not return any undeliverable mail to the State.

A.8. Information Systems

- a. The Contractor shall save in its computer system the State's Edison employee identification number for Members and shall include the Edison identification number when communicating with the State about a particular Member.
- b. The Contractor shall for reporting purposes capture in its system the Member's agency of employment as identified in the State's Eligibility File.
- c. All Contractor systems shall maintain linkages between initial and related subsequent interactions/transactions/events/activities. Additionally, when the Contractor houses indexed images of documents used by Members and subcontractors to transact with the Contractor, the Contractor shall ensure that these documents maintain logical relationships to certain key data such as Member identification and subcontractor identification numbers. The Contractor shall also ensure that records associated with a common event, transaction or customer service issue have a common index that facilitates search, retrieval and analysis of related activities, e.g., interactions with a particular Member about the same matter/problem/issue.
- d. Upon the State's request, the Contractor shall be able to generate a listing of all Members (including each Member's Edison identification number) that were sent a particular document, the date and time that the document was generated, and the date and time that it was sent to particular Members or groups thereof. The Contractor shall also be able to generate a sample of said document.
- e. Retention and Accessibility of Information

- (1) The Contractor shall provide and maintain a comprehensive information retention plan that is in compliance with applicable State and Federal requirements, including but not limited to 508 compliance (See Section A.15.o).
  - (2) The Contractor shall maintain information on-line for a minimum of one (1) year, based on the last date of update activity, and update detailed and summary history data for up to two (2) years to reflect adjustments.
  - (3) The Contractor shall provide within three (3) business days turnaround or better on requests for access to information. Such requests for information shall be made by the State or its authorized designee.
  - (4) If an audit or administrative, civil or criminal investigation or prosecution is in progress or audit findings or administrative, civil or criminal investigations or prosecutions are unresolved, information shall be kept in electronic form until all tasks or proceedings are complete.
- f. Information Ownership. All information, whether data or documents, and reports that contain or make references to said information, involving or arising out of this Contract is owned by the State, excluding blinded aggregate data used by the Contractor. The Contractor is expressly prohibited from sharing or publishing State information and reports or releasing such information to external entities, affiliates, parent company, or subsidiaries without the prior written consent of the State.
- g. Upon termination of this Contract or request by the State, 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 format and medium as is compatible with the data processing system maintained by the State or its designated agent. Additionally, the Contractor shall provide all information necessary to properly interpret the data supplied. 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 at least 45 days prior to the termination date of this Contract; further, the State may require the Contractor to provide this information at various other times prior to or after the termination date of this Contract. Upon termination of the Contract, all Confidential Information in the Contractor's possession shall be returned to the State or destroyed in accordance with NIST Special Publication 800-88. Contractor may retain copies of confidential information if it demonstrates to the State's satisfaction that a state or Federal statute requires such retention.
- h. System Availability, Business Continuity and Disaster Recovery (BC-DR)
- (1) The Contractor shall ensure that critical Member and other web-accessible and/or telephone-based functionality and information, including the website described in Contract Section A.6. (to be agreed to in writing by the State and the Contractor), are available to the applicable System users twenty-four (24) hours a day, seven (7) days a week, except during periods of scheduled system unavailability agreed upon in writing by the State and the Contractor. Unavailability caused by events outside of the Contractor's span of control is outside of the scope of this requirement. Notification of any scheduled maintenance shall be posted on the member website/portal. The Contractor shall make efforts to minimize any down-time between 5:00 a.m. and 10:00 p.m. Central Time.
  - (2) The Contractor shall ensure that the systems within its span of control that support its data exchanges with the State are available and operational according to the specifications and schedule associated with each exchange.

- (3) Regardless of the architecture of its systems, the Contractor shall develop and be continually ready to invoke a business continuity and disaster recovery (BC-DR) plan. The BC-DR plan shall encompass all information systems supporting this Contract. At a minimum the Contractor's BC-DR plan shall address the following scenarios:
  - i. Central and/or satellite data processing, telecommunications, print and mailing facilities and functions therein, hardware and software are destroyed or damaged;
  - ii. System interruption or failure resulting from network, operating hardware, software, communications infrastructure or operational errors that compromise the integrity of transactions that are active in a live system at the time of the outage;
  - iii. System interruption or failure resulting from network, operating hardware, software, communications infrastructure or operational errors that compromise the integrity of data maintained in a live or archival system; and
  - iv. System interruption or failure resulting from network, operating hardware, software, communications infrastructure or operational errors that does not compromise the integrity of transactions or data maintained in a live or archival system but does prevent access to the system.
- (4) The Contractor shall provide the State a written summary of its BC-DR plan and latest test results by the date specified in Contract Section A.13.e.20. The Contractor shall provide the State a copy of its BC-DR plan within ten (10) business days of the Contractor's revision of the plan.
- (5) The Contractor shall periodically, but no less than annually, test its BC-DR plan through simulated disasters and lower level failures in order to demonstrate to the State that it can restore system functions. The Contractor shall submit a written summary of its annual BC-DR test results to the State.
- (6) In the event that the Contractor fails to demonstrate in the tests of its BC-DR plan that it can restore system functions per the standards outlined in this Contract, the Contractor shall submit to the State a summary of its BC-DR corrective action plan that describes how the failure will be resolved. If the summary results show failure or that remedial action is necessary, the Contractor shall also provide a timeline of how long exposure is and when remediation will be implemented.
- (7) In the event of a declared major failure or disaster, as defined in the Contractor's BC-DR plan, the Contractor's critical functionality as discussed in Contract Section A.8. shall be restored within seventy-two (72) hours of the failure's or disaster's occurrence.
- (8) The Contractor shall maintain a duplicate set of all records relating to this Program in electronic medium, usable by the State and the Contractor for the purpose of disaster recovery or data restoration. A duplicate set of records shall be created every 24-hours of business processing. Prior versions of duplicate records may be destroyed when the Contractor has tested and verified that a replacement duplicate set of records is valid and usable for this purpose.
  - i. Prior to implementing any major modifications to, or replacement of, the Contractor's core information systems functionality and/or associated operating environment, the Contractor shall notify the State in writing of the change or modification within a reasonable amount of time (commensurate with the nature and effect of the change or modification) if the change or

modification; (a) would affect the Contractor's ability to perform one or more of its obligations under this Contract; (b) would be visible to State system users and Members; (c) might have the effect of putting the Contractor in noncompliance with the provisions or substantive intent of this Contract; or (d) would materially reduce the coverage amounts payable or services provided to the average member. If so directed by the State, the Contractor shall discuss the proposed change with the State prior to implementing the change. Subsequent to this discussion, the State may require the Contractor to demonstrate the readiness of the impacted systems prior to the effective date of the actual modification or replacement.

j. System and Information Security and Access Management Requirements

- (1) The Contractor shall make system information available to duly authorized representatives of the State and other State and Federal agencies to evaluate, through inspections or other means, the quality, appropriateness and timeliness of services performed.
- (2) The Contractor's systems shall contain controls to maintain information integrity. These controls shall be in place at all appropriate points of processing. The controls shall be tested in periodic and spot audits following a methodology to be mutually agreed upon by the Contractor and the State.
- (3) Audit trails shall be incorporated into all systems to allow information on source data files and documents to be traced through the processing stages to the point where the information is finally recorded.
- (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 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) 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 compliant technologies to encrypt all member specific information in motion or rest, including back-up media.

- k. The Contractor shall provide the State a written copy of its most current FedRamp, IS0 27000 or SOC2 Type 2 report at least one (1) month prior to the go-live date as shown in Contract Section A.13.e.27. The Contractor shall provide the State a copy of its FedRamp, IS0 27000 or SOC2 Type 2 report on an annual basis beginning with the second year of the contract term. (See Contract Attachment C.8.) The Contractor shall also provide a copy of the SOC2 Type 2 report at least one (1) month prior to the go-live date (see Contract Section A.13.e.27.) and on an annual basis for any subcontractor processing claims that represent more than twenty percent (20%) of Member claims.

If Contractor has not obtained a FedRamp, IS0 27000 or SSAE-16 SOC2 Type 2 report, the Contractor shall provide the State a compliance and timeline plan sixty (60) days from the effective date of the contract as shown in contract section A.13.e.26. Once obtained, a copy of the FedRamp, IS0 27000 or SSAE-16 SOC2 Type 2 report shall be provided to the State on an annual basis. (See Contract Attachment C.8.)

A.9. Data Integration and Technical Requirements

- a. The Contractor shall maintain an electronic data interface with the State's Enterprise Resource Planning application for the purpose of retrieving and processing eligibility and payroll records and any other files which may be identified and generated by the State. The Contractor shall be responsible for providing and installing the necessary hardware and

software to maintain this interface. The State requires the use by the Contractor of second level authentication for the exchange of member personal information. This is accomplished using the State's standard software product, which supports Public Key Infrastructure (PKI). The Contractor shall design a solution, in coordination with the State, to connect to the State's Secure File Transfer Protocol (SFTP) server using a combination of the password and the authentication certificate. The initial sign-on and transmission testing will use a password. Certificate testing may also be performed during the test cycle. Subsequent production sign-on will be done using the authentication certificate. The Contractor will then download the file and decrypt the file in its secure environment. The State of Tennessee uses public key encryption with Advanced Encryption Standard (AES) to encrypt PHI. If the State adopts a different or additional encryption standard or tool in the future, the Contractor shall, with adequate notice, cooperate with the State to maintain the security of protected information according to all applicable State and Federal standards.

- (1) **Weekly Eligibility Update:** To ensure that the State's eligibility and enrollment records remain accurate and complete, the Contractor shall, unless otherwise directed by the State, retrieve, via secure medium weekly eligibility files from the State, in the State's Edison format, which may be revised- files will include full population records for all eligible employees, including recent terminations.
- (2) **Monthly Premiums Due Update:** To ensure that the State deducts from members paychecks issued by the State through its Edison Payroll System a current amount due for voluntary term life premium payment, the Contractor shall, unless otherwise directed by the State, submit on or before the 5<sup>th</sup> calendar day of each month, via secure medium monthly premium due update files for the State, in the State's Edison format, which may be revised- files will include new or changed records for members on payroll deduction.
- (3) **Monthly Premiums Collected Update:** To ensure that the Contractor's premiums collected records remain accurate and complete, the Contractor shall, unless otherwise directed by the State, retrieve, via secure medium monthly voluntary term life premiums collected via payroll files from the State, in the State's Edison format, which may be revised- files will include full population records for all employees for whom a premium amount was deducted via the State's Edison Payroll System. Members set-up on payroll deduction for which no deduction was taken will not appear in the file.
- (4) The Contractor and/or its subcontractors, as applicable, shall electronically process one hundred percent (100%) of electronically transmitted eligibility records within three (3) business days of receipt of the Weekly Eligibility Update file.
- (5) The Contractor and/or its subcontractors, as applicable, shall electronically process one hundred percent (100%) of electronically transmitted monthly premiums collected records within three (3) business days of receipt of the Monthly Premiums Collected Update file.
- (6) The Contractor and/or its subcontractors, as applicable, shall resolve all discrepancies identified by the processing of the eligibility file within five (5) business days of receipt of the file from the State. The State and the Contractor shall work to develop a process for responding to invalid or non-processed records.
- (7) **State Enrollment/Elig Data Match:** Upon request by the State, not to exceed four (4) times annually, the Contractor shall submit to the State, in a secure manner, its full file of State Members in the Voluntary Term Life Insurance Program, by which the State may conduct a data match against the State's Edison eligibility

database. The purpose of this data match will be to determine the extent to which the Contractor is maintaining its database of State members. The State will communicate results of this match to the Contractor, including any Contractor requirements, and associated timeframes, for resolving the discrepancies identified by the data match.

- b. The Contractor will accept an email from the State requesting an add, change, or termination of eligibility information in an urgent situation prior to the information being included in the State's Edison eligibility file.
- c. Prior to the go-live date, the Contractor shall complete testing of the transmission, receipt, and loading of the eligibility file from the State as specified in Contract Section A.13.e.21. The Contractor shall certify, in writing, to the State that the Contractor understands and can fully accept and utilize the eligibility files as provided by the State as specified in Contract Section A.13.e.21.
- 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 A.13.e.22.
- e. The Contractor shall maintain, in its systems, in-force enrollment records of all individuals covered by the Voluntary Term Life Insurance Program.
- f. The Contractor shall reconcile, within ten (10) business days of receipt, payment information provided by the State. Upon identification of any discrepancies, the Contractor shall immediately advise the State.
- g. The Contractor's systems shall conform to any future federal and state specific standards for data exchange by the standard's effective date.
- h. The Contractor shall partner with the State and member agencies in the management of current and future data exchange formats and methods and in the development and implementation planning of future data exchange methods not specific to HIPAA or other federal effort.
- i. The Contractor's system(s) shall possess mailing address standardization functionality in accordance with U.S. Postal Service conventions.

A.10. Privacy & Confidentiality

The following privacy and confidentiality standards apply to all forms of assistance that the Contractor provides.

- 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.
- b. In the absence of exigent circumstances, the Contractor shall not disclose any Member's personal information to another Business Associate for pecuniary gain unless the State specifically prior authorizes such disclosure in writing or the Member specifically prior authorizes such disclosures in writing.
- 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.

- d. The Contractor shall mitigate, to the extent reasonably practicable, any harmful effect that is known to the Contractor of a use or disclosure of Members' personal information by the Contractor in violation of the requirements of this contract or federal or state laws.
- e. The Contractor shall (i) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic personal information of Members that it creates, receives, maintains, or transmits, (ii) report to the State any unauthorized disclosure of information pertaining to this Contract of which the Contractor becomes aware, and (iii) ensure that any agent of the Contractor, including any subcontractor, agrees to the same restrictions and conditions that apply to the Contractor with respect to such information.
- f. The Contractor shall not sell Member information. The Contractor shall not use Member information for purposes other than those permitted by this Contract unless it is aggregated blinded data, which is not identifiable on a Member basis.
- g. The Contractor shall not use Member identified or non-aggregated information for advertising, marketing, promotion or any activity intended to influence sales or market share of any product or service except when permitted by the State, such as advertisements of the Program for enrollment purposes.
- h. The Contractor shall have full financial responsibility for any penalties, fines, or other payments imposed or required as a result of the Contractor's non-compliance with, or violation of, federal or state requirements, and the Contractor shall indemnify the State with respect to any such penalties, fines, or payments.
- i. The Contractor shall assure that all Contractor staff is trained in all privacy requirements, as applicable.
- j. At the request of the State, the Contractor shall offer credit protection for those times in which a Member's personal information is accidentally or inappropriately disclosed.

A.11. Audits and Quality Assurance

- a. The Contractor shall cooperate fully with audits the State may conduct related to any aspect of the Program the State deems appropriate (at the Contractor's expense). The State may select any qualified persons or organization to conduct the audits. To the extent allowed by applicable law, the State agrees that persons or organizations conducting audits of the Contractor shall be prohibited from disclosing confidential records or proprietary or confidential information reasonably designated as such by the Contractor.
- b. The Contractor shall maintain an internal quality assurance plan. The Contractor shall provide by the date specified in Contract Section A.13.e.24. a summary of the internal quality assurance plan indicating areas addressed, established criteria and standards and those methods employed to evaluate results.
- c. The Contractor shall submit to the State by the date specified in Contract Section A.13.e.24. a summary of its methodology for conducting internal claims and operational audits, including audits to determine claims payment and processing accuracy and claims payment turnaround. The Contractor shall notify the State in writing at least thirty (30) calendar days in advance of any significant changes to its methodology. The State reserves the authority to review the change and require changes, where appropriate.
- d. Security Audit. The State may conduct audits of Contractor's compliance with the State's Enterprise Information Security Policy ("The Policy") or under this Contract, including those obligations imposed by Federal or State law, regulation or policy. The Policy, as may be periodically revised and will be provided to the Contractor by the State. The State's right to

conduct security audits is independent of any other audit or monitoring required by this Contract. The timing and frequency of such audits shall be at the State's discretion and may, but not necessarily shall, be in response to a security incident.

A security audit may include the following: (i) review of de-identified access logs, screen shots and other paper or electronic documentation relating to Contractor's compliance with the Policy. This may include review of documentation relevant to subcontractors or suppliers of security equipment and services used with respect to State data; (ii) physical inspection of controls such as door locks, file storage, communications systems, and employee identification procedures; and (iii) interviews of responsible technical and management personnel regarding security procedures.

Contractor shall provide reports or additional information upon request of the state and access by the State or the State's designated staff to Contractor's facilities and/or any location involved with providing services to the State or involved with processing or storing State data, and Contractor shall cooperate with State staff and audit requests submitted under this Section. Any confidential information of either party accessed or disclosed during the course of the security audit shall be treated as set forth under this Contract or federal or state law or regulations. Each party shall bear its own expenses incurred in the course of conducting this security audit. Contractor shall at its own expense promptly rectify any non-compliance with the Policy or other requirements identified by this security audit and provide proof to the State thereof.

#### A.12. Reporting

- a. As required by this Contract, the Contractor shall submit reports to the State. Reports shall be submitted electronically, in the format specified by the State (e.g. Excel instead of PDF), and shall be of the type and at the frequency indicated in Contract Attachment C. The State reserves the right to modify reporting requirements as deemed necessary to monitor the Program. The State will provide the Contractor with at least ninety (90) days' notice prior to implementation of a report modification.
- b. Unless prior approved in writing by the State, each report required in Contract Attachment C shall be specific to the Program (not the Contractor's book of business).
- c. The Contractor shall ensure that reports submitted by the Contractor to the State shall meet the following standards:
  - (1) The Contractor shall verify the accuracy and completeness of data and other information in reports submitted.
  - (2) The Contractor shall ensure delivery of reports or other required data on or before scheduled due dates.
  - (3) Reports or other required data shall conform to the State's defined written standards.
  - (4) All required information shall be fully disclosed in a manner that is responsive and with no material omission.
  - (5) Each report shall be accompanied by a brief narrative that describes the content of the report and highlights salient findings of the report.
  - (6) As applicable, the Contractor shall analyze the reports for any early patterns of change, identified trend, or outliers and shall submit a written summary with the report including such analysis and interpretation of findings. At a minimum, such analysis shall include the identification of change(s), the potential reasons for change(s), and the proposed action(s).

- (7) The Contractor shall notify the State regarding any significant changes in its ability to collect information relative to required data or reports.
  - (8) The submission of late, inaccurate or otherwise incomplete reports shall be considered failure to report within the specified timeframe (see Contract Attachment B.7.).
  - (9) State requirements regarding reports, report content and frequency of submission may change during the term of the Contract. The Contractor shall have at least forty-five (45) days to comply with changes specified in writing by the State.
- d. The Contractor shall notify the State, within three (3) business days of identification, about any situation that appears to negatively impact the administration or delivery of the program or benefits. Failure to do so may result in Liquidated Damages as specified in Attachment B. The situation shall be researched and resolved in a timeframe mutually agreed upon with the State.

A.13. Implementation

- a. The Contractor shall provide to the State a comprehensive Implementation Plan no later than thirty (30) days after the Contract Award Date as specified in Contract Section A.13.e.1. or upon another date established by the State. The plan shall outline the steps necessary for the Contractor to submit deliverables by the dates specified in Contract Section A.13.e. for the Contractor to be fully operational by the go-live date of January 1, 2018. This plan shall include a detailed timeline description of all work to be performed both by the Contractor and the State. The implementation plan shall also provide specific details on the following:
- (1) Identification, timing, and assignment of significant responsibilities and tasks;
  - (2) Names and titles of key implementation staff;
  - (3) Identification and timing of the State's responsibilities;
  - (4) Processing of test data for appropriate interpretation of data values;
  - (5) Identification and timing for the testing, acceptance and certification of exchange of data between the Contractor and Edison and other relevant information systems;
  - (6) Member communications and their timing (consistent with Benefits Administration's larger member communication strategy); and
  - (7) Schedule of in-person meetings and conference calls with the State.
- b. The Contractor shall have a designated full-time implementation team to service this account. All of the Contractor's implementation team members shall have participated, as team members, in the implementation of a life insurance program for at least one other large client (i.e., a client plan with at least 10,000 members). The Contractor's implementation team shall include a full-time, designated project manager ready to begin work immediately following the contract signing until thirty (30) days after the go-live date. The team shall also include an Account Manager dedicated to this Contract, who will be the main contact with the State for all of the day-to-day matters relating to the implementation and ongoing operations of this Contract. Also, the Contractor shall assign a backup to the Account Manager. An Information Systems Project Manager shall be part of the implementation team. All implementation team members shall be available as needed during the implementation as well as thirty (30) days after the go-live date.
- c. Staffing Plan:

- (1) As part of its Project Implementation Plan described above, the Contractor shall submit to the State for review and approval a detailed staffing plan. The Contractor shall submit to the State its Staffing Plan with its Project Implementation Plan by the date specified in Contract Section A.13.e.8.
- (2) The staffing plan shall provide staffing estimates for all functions and requirements of the Contract, including:
  - i. Representatives/operators, serving in the Call Center
  - ii. Contractor supervisory/account management staff; and
  - iii. Technical Staff, as required to process the State's Program enrollment files from the State's Edison system.
- d. The State may conduct a comprehensive readiness review of the Contractor at least sixty (60) days prior to January 1, 2018, per Contract Section A.13.e.5. in order to ensure that the Contractor is able and prepared to perform all functions required by this Contract and to provide high quality services to Members. Such review by the State may include an on-site review of the Contractor's customer service, claims adjudication, and operations facilities. Contractor shall participate in all readiness review activities conducted by the State staff and/or the State's benefit consultants to ensure the Contractor's operational readiness for all products and services (e.g. claims adjudication, enrollment, Member services, reporting requirements, Edison interface, etc.). The State will provide the Contractor with a summary of findings that may include areas requiring corrective action prior to January 1, 2018.
- e. Due Dates for Project Deliverables/Milestones

Unless otherwise specified in writing by the State, the Contractor shall adhere to the following schedule for the deliverables and milestones for which it is responsible under this Contract:

<b>Deliverables/Milestones:</b>	<b>Contract Reference(s):</b>	<b>Deliverable Due Dates:</b>
<b>Implementation</b>		
1. Provide Implementation plan with Timetable and Staffing Plan	A.13.a. and c.	Within 30 days post Contract Award Date or on a date determined by the State
2. Submit list of all Subcontractors for approval by State	A.2.i.	Within 45 days post Contract Award Date or on a date determined by the State
3. Go-Live	A.1.a.	January 1, 2018
4. Kick-off meeting for all key Contractor Staff	A.2.f	No later than 30 days after Contract Award Date or on a date determined by the State
5. State readiness review if requested by State	A.13.d.	November 1, 2017
<b>Staffing</b>		
8. Staff identified and assigned responsibilities with Staffing Plan presented to State	A.2.a., A.13.c.	30 days post Contract Award Date or on a date determined by the State

<b>Deliverables/Milestones:</b>	<b>Contract Reference(s):</b>	<b>Deliverable Due Dates:</b>
9. Initial Account Team Satisfaction Survey	A.2.k.	Within 60 days after Go-Live
<b>Call Center</b>		
10. Call center open and accepting calls	A.3.a.	September 5, 2017
11. Call center statistics	A.3.d.	Weekly from, September 5, 2017 through March 2, 2018 and thereafter monthly
<b>Member Communications/Materials</b>		
12. Approved Member Handbook and Certificates of Coverage on website	A.5.a.	Annually by September 5
13. Member Handbook and Certificates of Coverage mailed to Members unless otherwise approved by the State	A.4.b., A.5.a.	Annually by December 14
<b>Website</b>		
14. Web site go-live	A.6.d.	September 5, 2017
15. State access to website for review	A.8.g.	August 1, 2017
<b>Administrative Services</b>		
16. Grievance procedure description	A.7.g.	October 1, 2017
17. Transport Layer Security (TLS)	A.7.h.	December 1, 2017
18. First quarterly meeting with the State	A.7.i.	Between April 23, 2018 and May 18, 2018
19. Customer Satisfaction Survey template approved by State	A.7.j.	July 2, 2018
<b>Information Systems</b>		
20. Initial Business Continuity Disaster Recovery (BC/DR) Results Report	A.8.h.(4)	October 1, 2017
<b>Data Integration &amp; Technical Requirements</b>		
21. Completion of eligibility and payroll files testing	A.9.c.	November 1, 2017
22. Edison System Interface/Eligibility file acceptance/Eligibility data online	A.9.d.	December 11, 2017
<b>Reporting</b>		
23. Confirm with State the format, data needed, and due dates for each required report	A.12. and Contract Attachment C	October 1, 2017

<b>Deliverables/Milestones:</b>	<b>Contract Reference(s):</b>	<b>Deliverable Due Dates:</b>
<b>Quality Assurance</b>		
24. Copy of internal quality assurance plan and methodology for conducting internal claims and operational audits	A.11.b. and c.	October 1, 2017
<b>Regulatory Requirements</b>		
25. Draft of Group Master Policy and/or Certificate of Coverage	A.14.a.	October 1, 2017
<b>Security Reporting</b>		
26. Provide the State a written copy of its most current FedRamp, ISO 27000 or SOC2 Type 2 report.  The Contractor shall also provide a copy of the SOC2 Type 2 report for any subcontractor processing claims that represent more than twenty percent (20%) of Member claims.  If Contractor has not obtained a FedRamp, ISO 27000 or SSAE-16 SOC2 Type 2 report, the Contractor shall provide the State a compliance and timeline plan sixty (60) days from the effective date of the contract.	A.8.k.	December 1, 2017  December 1, 2017  Sixty (60) days from the effective date of the contract

A.14. Regulatory Requirements

- 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) General Limitations, Exclusions and Elimination Periods;
  - (3) Optional Services; and
  - (4) Schedule of Benefits
- b. The Contractor shall post the most current Certificates of Coverage on its State of Tennessee Member website and provide a copy of the Certificates for the State to post on its website.

- c. The Contractor shall submit to the State a revised Certificate within thirty (30) days of any changes to the benefits, limitations, exclusions or other provisions of the Program which are detailed in the Certificate.
- d. The Contractor shall immediately notify the State of any pending disciplinary action initiated by the State of Tennessee Department of Commerce and Insurance that may materially impact its ability to perform under this Contract.
- e. The Contractor shall perform, if applicable, the administration of tax calculations, payments, and filing of appropriate federal and/or state tax forms.

A.15. Definitions

- a. **Active Pay Status:** Means conditions under which an employee is eligible to receive pay, and includes, but is not limited to, vacation leave, sick leave, bereavement leave, administrative leave, compensatory time, holidays, and personal leave. For the purpose of determining overtime or compensatory time for an employee who is eligible for overtime compensation, active pay status does not include sick leave or leave used in lieu of sick leave.
- b. **Affiliate:** A business organization or entity that, directly or indirectly, is owned or controlled by the Contractor, or owns or controls the Contractor, or is under common ownership or control with the Contractor.
- c. **Agency Benefits Coordinator:** The individual within each agency or department who is the officially-designated liaison between Benefits Administration and employees.
- d. **Average Speed of Answer (ASA):** The mean time between (a) the moment at which a caller to the Contractor's call center first hears an introductory greeting and enters the queue and (b) the time at which a call center representative at the call center answers the call. For this definition, the term "answer" shall mean to begin an uninterrupted dialogue with the caller. If a call center representative asks the caller to hold during the first 60 seconds of the dialogue, the Contractor shall not consider the call to be "answered" for purposes of this definition until the call center representative returns to the caller and begins an uninterrupted dialogue.
- e. **BC/DR:** Business Continuity/Disaster Recovery. Disaster Recovery and its associated planning refer to specific steps that must be undertaken to resume operations in the aftermath of a catastrophic natural disaster or complete technology failure. Business Continuity describes the higher-level processes that must be put in place so that an organization's mission-critical functions can continue during and after a disaster.
- f. **Benefits:** The services available to members and the corresponding amounts that Members and the Program will pay for covered services under this contract.
- g. **Benefits Administration:** The division of the Tennessee Department of Finance & Administration that administers the Program on behalf of the State Insurance Committee.
- h. **Business Days:** Traditional workdays, including Monday, Tuesday, Wednesday, Thursday, and Friday. State Holidays are excluded.
- i. **Calendar Days:** All seven days of the week.
- j. **Claim:** Notification to an insurance company requesting payment of an amount due under the terms of the policy.
- k. **Claims Payment Accuracy:** The measurement of claims processed with an accurate payment of benefits divided by the total number of claims with payments in the audited population.

- l. **Claims Processing Accuracy:** The measurement of claims processed without any type of error divided by the total number of claims in the audited population.
- m. **Claims Processing Turnaround:** The time elapsed from the date all information necessary to process a claim is received to the date the claim is processed.
- n. **Clean Claim:** A claim received by the Contractor for adjudication that requires no further information, adjustment, or alteration by the provider in order to be processed by the Contractor. In addition to the provider, this includes information, adjustment, or alteration by the Member, the Subscriber, third-party payers, and/or Plan Sponsor.
- o. **Compliance with Section 508:** To ensure accessibility among persons with a disability, the Contractor's multimedia/video tools, website content shall substantially comply with Section 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794d) and implementing regulations at 36 CFR 1194 Parts A-D.
- p. **Contract Award Date:** The date on which the State, Local Education, and Local Government Insurance Committees approved entering into a contract with the best evaluated respondent on RFP 31786-00138.
- q. **Days:** Unless otherwise specified, refers to calendar days.
- r. **Deliverable:** A document, manual, or report (in hard copy, electronic format or specific medium as required) that the Contractor submits to the State to fulfill requirements of this Contract.
- s. **Denied Claim:** A claim that is not paid for reasons such as eligibility and coverage rules.
- t. **Dependent:** The child or spouse of an employee or retiree.
- u. **Edison:** The State's enterprise resource planning system, which supports human resources, payroll, employee benefits, contracting, procurement and other agency functions.
- v. **First Call Resolution:** A Member or employee's question(s) is answered during their first call eliminating the need for the Contractor to call back.
- w. **Holidays:** Days on which official holidays and commemorations as defined in Tennessee Code Annotated § 15-1-101 *et seq.*, are observed.
- x. **Information Technology (IT):** A combination of computing hardware and software that is used in: (a) the capture, storage, manipulation, movement, control, display, interchange and/or transmission of information, i.e. structured data (which may include digitized audio and video) and documents; and/or (b) the processing of such information for the purposes of enabling and/or facilitating a business process or related transaction.
- y. **Loss Ratio:** The percentage ratio derived from the sum of total claims dollars paid divided by the total collected premiums.
- z. **Member(s):** Eligible dependents, employees, and retirees enrolled in the Program.
- aa. **Open Call/Inquiry Closure:** The completion (responding with an answer to the appropriate caller or other identified entity) of calls which required additional handling beyond the initial call.
- bb. **Paid Claim:** A claim that meets all coverage criteria of the Program and is paid by the Contractor.
- cc. **Plan Sponsor:** The State Insurance Committee.
- dd. **Plan Year:** January 1 through December 31 of the same calendar year.
- ee. **Processed Claim:** The action by the Contractor of adjudicating a claim which results in assigning a status to the claim of denied, paid, or externally pending for missing information needed to process a claim.

- ff. **Splash Page**: Dedicated and customized webpage for this Contract containing general program information, specific to the State program membership, which does not require a Member to login.
- gg. **State Employee**: An employee of the State of Tennessee, including employees of one of the Tennessee Board of Regents schools and one of the University of Tennessee schools.
- hh. **State Insurance Committee**: Policy making body for the State Group Insurance Plan established under Tennessee Code Annotated Title 8, Chapter 27-201.
- ii. **State Plan**: Refers to all group insurance plan options sponsored by the State Insurance Committee.
- jj. **Subcontractor**: Any organization or person who provides any function or service for the Contractor specifically related to securing or fulfilling the Contractor's obligations to the State under the terms of this Contract.
- kk. **Subscriber**: An employee or retiree enrolled in the Life/AD&D Insurance Program.
- ll. **Week**: The traditional seven-day week, Sunday through Saturday.
- mm. **Traditional Plan**: benefit plan design as defined in Contract Attachment D.
- nn. **Contemporary Plan**: benefit plan design as defined in Contract Attachment D.
- oo. **Business Associate**: a person or entity that performs certain functions or activities that involve the use or disclosure of protected health information on behalf of, or provides services to, a covered entity. A member of the covered entity's workforce is not a business associate. A covered health care provider, health plan, or health care clearinghouse can be a business associate of another covered entity.

- 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.

**B. TERM OF CONTRACT:**

This Contract shall be effective on September 1, 2017 ("Effective Date") and extend for a period of seventy-six (76) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

**C. PAYMENT TERMS AND CONDITIONS:**

- C.1. **Maximum Liability.** In no event shall the maximum liability of the State under this Contract exceed One Hundred Eight Million Dollars (\$108,000,000.00) ("Maximum Liability"). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.
- C.2. **Compensation Firm.** The payment methodology in Section C.3. of this Contract shall constitute the entire compensation due the Contractor for all goods or services provided under this Contract regardless of the difficulty, materials or equipment required. The payment methodology includes all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Contractor.
- C.3. **Payment Methodology.** The Contractor shall be compensated based on the payment methodology for goods or services authorized by the State in a total amount as set forth in Section C.1.
- a. The Contractor's compensation shall be contingent upon the satisfactory provision of goods or services as set forth in Section A.
  - b. The Contractor shall be compensated based upon the following payment methodology:
    - i. **Premium Rates:** The Contractor shall be compensated for the basic term life, basic AD&D, and voluntary AD&D programs based upon the following guaranteed premium rates for the term of the contract:

<b>Traditional* Basic Term Life &amp; Basic AD&amp;D Program</b> (*as defined in Contract Amendment D) <b>January 1, 2019 – December 31, 2022</b>	<b>Amount per month</b> (per compensable increment)
Employee Basic Group Term Life	\$0.16 /per \$1000 of Benefit
Dependent Basic Group Term Life: Spouse Only	\$0.584 /per unit
Dependent Basic Group Term Life: Spouse & Child(ren)	\$0.887/per unit
Dependent Basic Group Term Life: Child(ren) Only	\$0.303/per unit
Employee Basic Group AD&D	\$0.019/per \$1000 of Benefit
Dependent Basic Group AD&D	\$0.013/per \$1000 of Benefit

<b>Traditional* Voluntary Accidental Death &amp; Dismemberment Program</b> (*as defined in Contract Amendment D) <b>January 1, 2019 – December 31, 2022</b>	<b>Amount per month</b> (per compensable increment)
Employee Voluntary AD&D	\$0.018/per \$1000 of Benefit
Dependent (Spouse & Children) Voluntary AD&D	\$0.18/per Unit

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- ii. Should the State implement the Contemporary Basic Term Life/Basic AD&D program at any point during the life of this contract, the following guaranteed premium rates shall apply for the remainder of the term of the contract:

<b>Contemporary* Basic Term Life &amp; Basic AD&amp;D Program</b> (*as defined in Contract Amendment D) <b>January 1, 2019 – December 31, 2022</b>	<b>Amount per month</b> (per compensable increment)
Employee Basic Group Term Life	\$0.199/per \$1000 of Benefit
Employee Basic Group AD&D	\$0.019/per \$1000 of Benefit

<b>Contemporary* Voluntary Accidental Death &amp; Dismemberment Program</b> (*as defined in Contract Amendment D) <b>January 1, 2019 – December 31, 2022</b>	<b>Amount per month</b> (per compensable increment)
Employee Voluntary AD&D	\$0.018/per \$1000 of Benefit
Spouse Voluntary AD&D	\$0.54/per Unit
Children Voluntary AD&D	\$0.18/per Unit

The above premium rates, multiplied by the appropriate volumes of insurance outstanding, constitute the maximum monthly liability of the State. Actual compensation of the Contractor will be governed by the terms of Section C.3, Payment Methodology, of this Contract.

iii. **Reserves:**

**BASIC TERM LIFE and BASIC AD&D PROGRAM (Traditional or Contemporary)**

In addition to the charges listed in Section C.3.b.i. and C.3.b.ii. above, the Contractor shall include, only in the first year of benefits for these products (2019), a per employee per month charge of **\$.434** to establish the reserves outlined below. After the first year, the Contractor shall revise this rate to reflect only adjustments required to maintain the reserve percentages below. All reserves accumulated under either the Traditional or Contemporary Program shall be carried forward to the other program when/if a change in the program is approved by the state.

The Contractor is permitted to apply the following factors for the purpose of establishing reserves for incurred but unreported claims at Contract termination:

<b>Basic Term Life &amp; Basic AD&amp;D Program</b> <b>January 1, 2019 – December 31, 2022</b>	<b>Amount per month</b> (per compensable increment)
Employee Basic Group Term Life	4.9% of Annual Premium
Dependent Basic Group Term Life	4.7% of Annual Premium

Employee Basic Group AD&D	4.2% of Annual Premium
Dependent Basic Group AD&D	4.2% of Annual Premium

Should the total membership in either of the Basic Employee Term Life, Basic Dependent Term Life, Basic Employee AD&D and Basic Dependent AD&D products change from one year to the next by more than twenty percent (20%) during any given year of the Contract, the Contractor may request a change in the percentage upon which the reserves are accumulated. Request for such change must be made at least ninety days (90) prior to the proposed effective date, and must be approved by the State and implemented via an amendment to this contract.

iv. **WAIVER OF PREMIUM**

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 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.

Should an employee who is approved for the "Insurance During Disability Before Age 60" provision be insured with respect to dependents at the time disability occurs, the premium for Dependent Life Insurance will also be waived by the Contractor, as long as the employee is eligible for the "Insurance During Disability Before Age 60" provision. The Contractor may establish a reserve of five percent (5%) of the dependent's face amount of basic term coverage at the same time as the reserve for the employee is established. Such reserving charges shall be reported by the Contractor as a disability claim for the purpose of the monthly statement and annual accounting. In the event of the employee's recovery from disability during the term of this Contract, the Program shall be credited with the reserve amount established.

v. **REFUND**

Upon expiration or termination of this Contract, all basic term life and basic AD&D reserves specified above, except those reserves established for the Program's "Insurance During Disability Before Age 60" provision under Section C.3.b.iv. above, shall be refunded to the State following completion of the final accounting. If a deficit exists at Contract expiration or termination, the Contractor may, after payment of all claims filed within one (1) year of the Contract expiration or termination date, recover such deficit from the reserves prior to refund of reserves to the State.

vi. **Administrative & Conversion Charge:**

The Basic Term Life, Basic AD&D, and Voluntary AD&D Administrative fee includes all retention charges, except the premium tax and incurred claims reserves listed above (if applicable), and is to be paid once a month, for the preceding month. The Basic Term Life and Basic AD&D Conversion charge is for per One-Thousand dollars (\$1,000) of life insurance converted during the preceding calendar month.

<b>Administrative &amp; Conversion Charges Traditional &amp; Contemporary Plan January 1, 2019 – December 31, 2022</b>	<b>Amount per month (per compensable increment)</b>
Basic Term, Basic AD&D and Voluntary AD&D Administrative	\$.135/per Employee per month

Charge (Charge against the plan for program administration)	
Basic Term and Basic AD&D Conversion Charge (Charge against the plan for each \$1,000 of Conversion Life insurance issued)	\$227/per \$1000 of Benefit

- vii. **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.

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 basis, the amount of the excess premium carried forward cannot exceed Ten Percent (10%) of the annual premium for the prior Contract year.

- viii. **Annual Financial Statement for Basic Term Life/Basic AD&D.** Within ninety (90) days of the end of each calendar year, the Contractor shall prepare and provide to the State an annual financial statement. The statement shall include all premiums earned, all claims payments, the change in reserves for incurred but unreported claims, administrative charges, conversion fees, interest earnings, premium tax, and interest on premium due. To the extent that the annual expenses exceed the sum of the monthly payments determined under the provision of Section C.3, the State shall make a payment to the Contractor of the difference. The annual expenses may not exceed the maximum annual liability.

The State shall receive an annual interest credit or charge based upon the total cash flow of the Program, including all reserves established thereunder. On an annual basis, the Contractor shall perform a cash flow analysis to establish the actual interest credit or charge to the Program for the prior year. In performing the analysis, the Contractor shall calculate interest to the Program monthly at a rate equal to the discount rate on six-month U.S. Treasury Bill plus one-half (1/2) percent divided by twelve (12). The U.S. Treasury Bill rate used for a given month shall be the discount rate determined by the first auction of six-month Treasury Bills occurring on or after the fifteenth day of the prior month.

Following the presentation of the annual financial statement, the Contractor will provide to the State a summary of the invoicing and payment dates for the monthly invoices for the year covered by the annual statement. The Contractor and the State will confer on ways to improve the payment practices if either party determines such discussions are necessary.

- ix. **Basic Term Life/Basic AD&D Liability Upon Termination of Contract:** Upon expiration or termination of this Contract, the Contractor shall have the claim liability for all claims incurred on or before December 31, 2022. This liability shall include all employees who have been approved for or who have applied for the Program's "Insurance During Disability Before Age 60" provision on or before the date of Contract termination or expiration and who are granted such waiver and continue to provide annual proof of total disability.
- x. **Basic Term Life Converted Members:** The Contractor shall accept payments directly from members who are no longer employed and have converted to an individual policy.
- xi. **Premium Rates:** The Contractor shall be compensated for the voluntary term life program based upon the following guaranteed premium rates for January 1, 2018 through December 31, 2022. The ported rates shall not exceed the active rates by more than twenty-percent (20%).

<b>GUARANTEED MONTHLY ACTIVE EMPLOYEE AND SPOUSE VOLUNTARY TERM LIFE INSURANCE PREMIUM RATES</b>					
<b>Attained Age Brackets</b>	<b>1/1/2018-12/31/2018</b>	<b>1/1/2019-12/31/2019</b>	<b>1/1/2020-12/31/2020</b>	<b>1/1/2021-12/31/2021</b>	<b>1/1/2022-12/31/2022</b>
Under 20	\$.049/\$1000 Coverage				
20-24	\$.049/\$1000 Coverage				
25-29	\$.049/\$1000 Coverage				
30-34	\$.053/\$1000 Coverage				
35-39	\$.065/\$1000 Coverage				
40-44	\$.099/\$1000 Coverage				
45-49	\$.167/\$1000 Coverage				
50-54	\$.282/\$1000 Coverage				
55-59	\$.440/\$1000 Coverage				
60-64	\$.685/\$1000 Coverage				
65-69	\$1.136/\$1000 Coverage				
70-74	\$1.585/\$1000 Coverage				
75-79	\$2.435/\$1000 Coverage				
80 and over	\$4.399/\$1000 Coverage				

<b>GUARANTEED MONTHLY PORTED EMPLOYEE AND SPOUSE VOLUNTARY TERM LIFE INSURANCE PREMIUM RATES</b>					
<b>Attained Age Brackets</b>	<b>1/1/2018-12/31/2018</b>	<b>1/1/2019-12/31/2019</b>	<b>1/1/2020-12/31/2020</b>	<b>1/1/2021-12/31/2021</b>	<b>1/1/2022-12/31/2022</b>

Under 20	\$.049/\$1000 Coverage				
20-24	\$.049/\$1000 Coverage				
25-29	\$.049/\$1000 Coverage				
30-34	\$.053/\$1000 Coverage				
35-39	\$.065/\$1000 Coverage				
40-44	\$0.099/\$1000 Coverage				
45-49	\$0.167/\$1000 Coverage				
50-54	\$0.282/\$1000 Coverage				
55-59	\$0.440/\$1000 Coverage				
60-64	\$0.685/\$1000 Coverage				
65-69	\$1.136/\$1000 Coverage				
70-74	\$1.585/\$1000 Coverage				
75-79	\$2.435/\$1000 Coverage				
80 and over	\$4.399/\$1000 Coverage				

COVERAGE OPTION	GUARANTEED MONTHLY CHILD TERM LIFE RIDER PREMIUM RATES					
	Component	1/1/2018-12/31/2018	1/1/2019-12/31/2019	1/1/2020-12/31/2020	1/1/2021-12/31/2021	1/1/2022-12/31/2022
Child Term Rider - \$2,500 face amount		\$0.2/Rider	\$0.2/Rider	\$0.2/Rider	\$0.2/Rider	\$0.2/Rider
Child Term Rider - \$5,000 face amount		\$0.4/Rider	\$0.4/Rider	\$0.4/Rider	\$0.4/Rider	\$0.4/Rider
Child Term Rider - \$10,000 face amount		\$0.8/Rider	\$0.8/Rider	\$0.8/Rider	\$0.8/Rider	\$0.8/Rider

- xii. The contractor shall be compensated the following administrative fee for each covered employee and spouse enrolled in the Voluntary Term Life Insurance Program for the contract term of January 1, 2018 – December 31, 2022:

VOLUNTARY TERM LIFE MONTHLY ADMINISTRATIVE CHARGE	
Administrative Fee	January 1, 2018 - December 31, 2022
Employee	\$0.24/Month
Spouse	\$0.24/Month

The above premium rates and fees, multiplied by the appropriate volumes of insurance outstanding, constitute the maximum monthly liability of the State. Actual compensation of the Contractor will be governed by the terms of Section C.3, Payment Methodology, of this Contract.

- c. If Member materials containing an error were approved by the State in writing and the error was detected after the materials were mailed, the State will reimburse the Contractor the production and postage cost of mailing the corrected version pursuant to Contract Section C.3.d.
- d. For mailings in addition to those identified in the contract, the State shall reimburse the Contractor for the following, selected actual costs in the performance of this Contract upon Contractor providing documentation of actual costs incurred.
  - (1) Postage. The State shall reimburse the Contractor for the actual cost of postage for mailing materials produced under the terms of this Contract and as directed and authorized by the State.
  - (2) Printing/Production. The State shall reimburse the Contractor an amount equal to the actual cost of document printing/production as required and authorized by the State and as detailed by the Contract Scope of Services as referred to in A.5.e.

Notwithstanding the foregoing, the State retains the option to authorize the Contractor to deliver a product to be printed. The State also retains the option to approve and accept the product but not use the Contractor to print the material. In those situations, the State shall have the discretion to use other printing and production services at its disposal.

C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel time, travel expenses, meals, or lodging.

C.5. Invoice Requirements for Basic Term Life/Basic AD&D.

The Contractor shall invoice the State only for goods delivered and accepted by the State or services satisfactorily provided at the amounts stipulated in Section C.3. above. Contractor shall submit via email invoices and necessary supporting documentation, no more frequently than once a month, and no later than thirty (30) days after goods or services have been provided to staff identified by the State in the following State department:

Tennessee Department of Finance and Administration

- a. Each invoice, on Contractor's letterhead, shall clearly and accurately detail all of the following information (calculations must be extended and totaled correctly):
  - (1) Invoice number (assigned by the Contractor);
  - (2) Invoice date;
  - (3) Contract number (assigned by the State);
  - (4) Customer account name: Tennessee Department of Finance and Administration/Benefits Administration;
  - (5) Customer account number (assigned by the Contractor to the above-referenced Customer);
  - (6) Contractor name;
  - (7) Contractor Tennessee Edison registration ID number;
  - (8) Contractor contact for invoice questions (name, phone, or email);
  - (9) Contractor remittance address;
  - (10) Description of delivered goods or services provided and invoiced, including identifying information as applicable;

- (11) Number of delivered or completed units, increments, hours, or days as applicable, of each good or service invoiced;
- (12) Applicable payment methodology (as stipulated in Section C.3.) of each good or service invoiced;
- (13) Amount due for each compensable unit of good or service; and
- (14) Total amount due for the invoice period.

b. Contractor's invoices shall:

- (1) Only include charges for goods delivered or services provided as described in Section A and in accordance with payment terms and conditions set forth in Section C;
- (2) Only be submitted for goods delivered or services completed and shall not include any charge for future goods to be delivered or services to be performed;
- (3) Not include Contractor's taxes, which includes without limitation Contractor's sales and use tax, excise taxes, franchise taxes, real or personal property taxes, or income taxes; and
- (4) Include shipping or delivery charges only as authorized in this Contract.

c. The timeframe for payment (or any discounts) begins only when the State is in receipt of an invoice that meets the minimum requirements of this section.

C.6. Purchase Order in lieu of Invoicing for Voluntary Accidental Death & Dismemberment and for Voluntary Term Life Insurance

The State will generate a monthly purchase order for the Voluntary Accidental Death & Dismemberment Program and for the Voluntary Term Life Insurance Program and initiate payment of the purchase orders, based upon payroll deduction information provided by the State, utilizing the rates listed above in Contract Section C.3.

C.7. Payment of Invoice or Purchase Order. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or other matter. A payment by the State shall not be construed as acceptance of goods delivered, any part of the services provided, or as approval of any amount invoiced.

C.8. Invoice or Payment Reductions. The Contractor's invoice or purchase order shall be subject to reduction for amounts included in any invoice or payment that is determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, to not constitute proper compensation for goods delivered or services provided.

C.8. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee, any amounts that are or shall become due and payable to the State of Tennessee by the Contractor.

C.9. Prerequisite Documentation. The Contractor shall not invoice the State or be paid by purchase order under this Contract until the State has received the following, properly completed documentation.

- a. The Contractor shall complete, sign, and present to the State the "Authorization Agreement for Automatic Deposit Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once this form is received by the State, payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee, may be made by ACH; and
- b. The Contractor shall complete, sign, and return to the State the State-provided W-9 form. The taxpayer identification number on the W-9 form must be the same as the Contractor's Federal Employer Identification Number or Social Security Number referenced in the Contractor's Edison registration information.

**D. MANDATORY TERMS AND CONDITIONS:**

- D.1. Required Approvals. The State is not bound by this Contract until it is duly approved by the Parties and all appropriate State officials in accordance with applicable Tennessee laws and regulations. Depending upon the specifics of this Contract, this may include approvals by the Commissioner of Finance and Administration, the Commissioner of Human Resources, the Comptroller of the Treasury, and the Chief Procurement Officer. Approvals shall be evidenced by a signature or electronic approval.
- D.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective Party at the appropriate mailing address, facsimile number, or email address as stated below or any other address provided in writing by a Party.

The State:

Seannalyn Brandmeir, Procurement and Contracting Manager  
Tennessee Department of Finance & Administration  
Division of Benefits Administration  
312 Rosa L. Parks Avenue, Suite 1900  
Nashville, Tennessee 37243  
Seannalyn.Brandmeir@tn.gov  
Telephone: 615.532.4598  
Fax: 615.253.8556

The Contractor:

Paul J. Romuald, Manager  
Minnesota Life Insurance Company  
1909 Hillbrooke Trail, Suite #2  
Tallahassee FL 32311  
[Paul.romuald@securian.com](mailto:Paul.romuald@securian.com)  
Telephone # (850) 878-0038 ext: 101  
Fax # (888) 826-2756

All instructions, notices, consents, demands, or other communications shall be considered effective upon receipt or recipient confirmation as may be required.

- D.3. Modification and Amendment. This Contract may be modified only by a written amendment signed by all Parties and approved by all applicable State officials.
- D.4. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State or federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate this Contract upon written notice to the Contractor. The State's exercise of its right to terminate this Contract shall not constitute a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. If the State terminates this Contract due to lack of funds availability, the Contractor shall be entitled to compensation for all conforming goods requested and accepted by the State and for all satisfactory and authorized services completed as of the termination date. Should the State exercise its right to terminate this Contract due to unavailability of funds, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages of any description or amount.

- D.5. Termination for Convenience. The State may terminate this Contract for convenience without cause and for any reason. The State shall give the Contractor at least thirty (30) days written notice before the termination date. The Contractor shall be entitled to compensation for all conforming goods delivered and accepted by the State or for satisfactory, authorized services completed as of the termination date. In no event shall the State be liable to the Contractor for compensation for any goods neither requested nor accepted by the State or for any services neither requested by the State nor satisfactorily performed by the Contractor. In no event shall the State's exercise of its right to terminate this Contract for convenience relieve the Contractor of any liability to the State for any damages or claims arising under this Contract.
- D.6. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor materially violates any terms of this Contract ("Breach Condition"), the State shall have the right to immediately terminate the Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any Breach Condition and the State may seek other remedies allowed at law or in equity for breach of this Contract.
- D.7. Assignment and Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the goods or services provided under this Contract without the prior written approval of the State. Notwithstanding any use of the approved subcontractors, the Contractor shall be the prime contractor and responsible for compliance with all terms and conditions of this Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving an assignment of this Contract in whole or in part or the use of subcontractors in fulfilling the Contractor's obligations under this Contract.
- D.8. Conflicts of Interest. The Contractor warrants that no part of the Contractor's compensation shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed under this Contract.

The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six (6) months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six (6) months has been, an employee of the State of Tennessee.

- D.9. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, creed, color, religion, sex, national origin, or any other classification protected by federal or state law. The Contractor shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.10. Prohibition of Illegal Immigrants. The requirements of Tenn. Code Ann. § 12-3-309 addressing the use of illegal immigrants in the performance of any contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.
- a. The Contractor agrees that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment A, semi-annually during the Term. If the Contractor is a party to more than one contract with the State, the Contractor may submit one attestation that applies to all contracts with the

State. All Contractor attestations shall be maintained by the Contractor and made available to State officials upon request.

- b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the Term, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work under this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work under this Contract. Attestations obtained from subcontractors shall be maintained by the Contractor and made available to State officials upon request.
  - c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Contractor's records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
  - d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Tenn. Code Ann. § 12-3-309 for acts or omissions occurring after its effective date.
  - e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not: (i) a United States citizen; (ii) a Lawful Permanent Resident; (iii) a person whose physical presence in the United States is authorized; (iv) allowed by the federal Department of Homeland Security and who, under federal immigration laws or regulations, is authorized to be employed in the U.S.; or (v) is otherwise authorized to provide services under the Contract.
- D.11. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, for work performed or money received under this Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.12. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.13. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.14. Strict Performance. Failure by any Party to this Contract to require, in any one or more cases, the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the Parties.
- D.15. Independent Contractor. The Parties shall not act as employees, partners, joint venturers, or associates of one another. The Parties are independent contracting entities. Nothing in this Contract shall be construed to create an employer/employee relationship or to allow either Party to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one Party are not employees or agents of the other Party.
- D.16. Patient Protection and Affordable Care Act. The Contractor agrees that it will be responsible for compliance with the Patient Protection and Affordable Care Act ("PPACA") with respect to itself and its employees, including any obligation to report health insurance coverage, provide health insurance coverage, or pay any financial assessment, tax, or penalty for not providing health insurance. The Contractor shall indemnify the State and hold it harmless for any costs to the

State arising from Contractor's failure to fulfill its PPACA responsibilities for itself or its employees.

- D.17. Limitation of State's Liability. The State shall have no liability except as specifically provided in this Contract. In no event will the State be liable to the Contractor or any other party for any lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, money, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Contract or otherwise. The State's total liability under this Contract (including any exhibits, schedules, amendments or other attachments to the Contract) or otherwise shall under no circumstances exceed the Maximum Liability. This limitation of liability is cumulative and not per incident.
- D.18. Limitation of Contractor's Liability. In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to two (2) times the Maximum Liability amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of the Contractor for: (i) intellectual property or any Contractor indemnity obligations for infringement for third-party intellectual property rights; (ii) any claims covered by any specific provision in the Contract providing for liquidated damages; or (iii) any claims for intentional torts, criminal acts, fraudulent conduct, or acts or omissions that result in personal injuries or death.
- D.19. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State to enforce the terms of this Contract.
- In the event of any suit or claim, the Parties shall give each other immediate notice and provide all necessary assistance to respond. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.
- D.20. Tennessee Consolidated Retirement System. Subject to statutory exceptions contained in Tenn. Code Ann. §§ 8-36-801, *et seq.*, the law governing the Tennessee Consolidated Retirement System ("TCRS"), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established under Tenn. Code Ann. §§ 8-35-101, *et seq.*, accepts State employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the Term.
- D.21. Tennessee Department of Revenue Registration. The Contractor shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Contract.
- D.22. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
- b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
- c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
- d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Contractor shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded, disqualified, or presently fall under any of the prohibitions of sections a-d.

- D.23. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Contract arising from a Force Majeure Event is not a default under this Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Contractor's representatives, suppliers, subcontractors, customers or business apart from this Contract is not a Force Majeure Event under this Contract. Contractor will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Contractor's performance longer than forty-eight (48) hours, the State may, upon notice to Contractor: (a) cease payment of the fees until Contractor resumes performance of the affected obligations; or (b) immediately terminate this Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Contractor will not increase its charges under this Contract or charge the State any fees other than those provided for in this Contract as the result of a Force Majeure Event.
- D.24. State and Federal Compliance. The Contractor shall comply with all applicable state and federal laws and regulations in the performance of this Contract.
- D.25. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Tennessee Claims Commission or the state or federal courts in Tennessee shall be the venue for all claims, disputes, or disagreements arising under this Contract. The Contractor acknowledges and agrees that any rights, claims, or remedies against the State of Tennessee or its employees arising under this Contract may be subject to and limited to those rights and remedies available under Tenn. Code Ann. §§ 9-8-101 - 407.

- D.26. Entire Agreement. This Contract is complete and contains the entire understanding between the Parties relating to its subject matter, including all the terms and conditions of the Parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the Parties, whether written or oral.
- D.27. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions of this Contract shall not be affected and shall remain in full force and effect. The terms and conditions of this Contract are severable.
- D.28. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.
- D.29. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below:
- a. any amendment to this Contract, with the latter in time controlling over any earlier amendments;
  - b. this Contract with any attachments or exhibits (excluding the items listed at subsections c. through f., below), which includes:
    - i. Contract Attachment A Attestation Re Personnel Used in Contract Performance
    - ii. Contract Attachment B Performance Guarantees and Liquidated Damages
    - iii. Contract Attachment C Reporting Requirements
    - iv. Contract Attachment D Plan Benefits
  - c. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
  - d. the State solicitation, as may be amended, requesting responses in competition for this Contract;
  - e. any technical specifications provided to proposers during the procurement process to award this Contract; and
  - f. the Contractor's response seeking this Contract.
- D.30. Iran Divestment Act. The requirements of Tenn. Code Ann. § 12-12-101 et seq., addressing contracting with persons with investment activities in Iran, shall be a material provision of this Contract. The Contractor agrees, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.
- D.31. Insurance. Contractor shall provide the State a certificate of insurance ("COI") evidencing the coverages and amounts specified below. The COI shall be provided ten (10) business days prior to the Effective Date and again upon renewal or replacement of coverages required by this Contract. If insurance expires during the Term, the State must receive a new COI at least thirty (30) calendar days prior to the insurance's expiration date. If the Contractor loses insurance coverage, does not renew coverage, or for any reason becomes uninsured during the Term, the Contractor shall notify the State immediately.

The COI shall be on a form approved by the Tennessee Department of Commerce and Insurance ("TDCI") and signed by an authorized representative of the insurer. The COI shall list each insurer's national association of insurance commissioners (also known as NAIC) number or federal employer identification number and list the State of Tennessee, Risk Manager, 312 Rosa L. Parks Ave., 3<sup>rd</sup> floor Central Procurement Office, Nashville, TN 37243 in the certificate holder section. At any time, the State may require the Contractor to provide a valid COI detailing coverage description; insurance company; policy number; exceptions; exclusions; policy effective date; policy expiration date; limits of liability; and the name and address of insured. The Contractor's failure to maintain or submit evidence of insurance coverage is considered a material breach of this Contract.

If the Contractor desires to self-insure, then a COI will not be required to prove coverage. In place of the COI, the Contractor must provide a certificate of self-insurance or a letter on the Contractor's letterhead detailing its coverage, liability policy amounts, and proof of funds to reasonably cover such expenses. Compliance with Tenn. Code Ann. § 50-6-405 and the rules of the TDCI is required for the Contractor to self-insure workers' compensation.

All insurance companies must be: (a) acceptable to the State; (b) authorized by the TDCI to transact business in the State of Tennessee; and (c) rated A- VII or better by A. M. Best. The Contractor shall provide the State evidence that all subcontractors maintain the required insurance or that the subcontractors are included under the Contractor's policy.

The Contractor agrees to name the State as an additional insured on any insurance policies with the exception of workers' compensation (employer liability) and professional liability (errors and omissions) ("Professional Liability") insurance. Also, all policies shall contain an endorsement for a waiver of subrogation in favor of the State.

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. 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. The State agrees that it shall give written notice to the Contractor as soon as practicable after the State becomes aware of any claim asserted or made against the State, but in no event later than thirty (30) calendar days after the State becomes aware of such claim. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor or its insurer, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.

All coverage required 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 (e.g. umbrella liability insurance) in addition to the general requirements listed below.

**The Contractor shall obtain and maintain, at a minimum, the following insurance coverages and policy limits.**

a. Commercial General Liability Insurance

- 1) The Contractor shall maintain commercial general liability insurance, which shall be written on an Insurance Services Office, Inc. (also known as ISO) occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from property damage, premises/operations, independent contractors, contractual liability, completed operations/products, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).
- 2) The Contractor shall maintain bodily injury/property damage with a combined single limit not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate for bodily injury and property damage, including products and completed operations coverage with an aggregate limit of at least two million dollars (\$2,000,000).

b. Workers' Compensation and Employer Liability Insurance

- 1) For Contractors statutorily required to carry workers' compensation and employer liability insurance, the Contractor shall maintain:
  - i. Workers' compensation and employer liability insurance in the amounts required by appropriate state statutes; or
  - ii. In an amount not less than one million dollars (\$1,000,000) including employer liability of one million dollars (\$1,000,000) per accident for bodily injury by accident, one million dollars (\$1,000,000) policy limit by disease, and one million dollars (\$1,000,000) per employee for bodily injury by disease.
  
- 2) If the Contractor certifies that it is exempt from the requirements of Tenn. Code Ann. §§ 50-6-101 – 103, then the Contractor shall furnish written proof of such exemption for one or more of the following reasons:
  - i. The Contractor employees fewer than five (5) employees;
  - ii. The Contractor is a sole proprietor;
  - iii. The Contractor is in the construction business or trades with no employees;
  - iv. The Contractor is in the coal mining industry with no employees;
  - v. The Contractor is a state or local government; or
  - vi. The Contractor self-insures its workers' compensation and is in compliance with the TDCI rules and Tenn. Code Ann. § 50-6-405.

**E. SPECIAL TERMS AND CONDITIONS:**

E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, the special terms and conditions shall be subordinate to the Contract's other terms and conditions.

E.2. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State that is regarded as confidential under state or federal law shall be regarded as "Confidential Information." Nothing in this Section shall permit Contractor to disclose any Confidential Information, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties. Confidential Information shall not be disclosed except as required or permitted under state or federal law. Contractor shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state and federal law.

The obligations set forth in this Section shall survive the termination of this Contract.

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.

E.4. State Furnished Property. The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible, personal property furnished by the State for the Contractor's use under this Contract. Upon termination of this Contract, all property

furnished by the State shall be returned to the State in the same condition as when received, less reasonable wear and tear. Should the property be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the fair market value of the property at the time of loss.

- E.5. Contractor Commitment to Diversity. The Contractor shall comply with and make reasonable business efforts to exceed the commitment to diversity represented by the Contractor's response to RFP-31786-00138 (RFP Attachment 6.2, Section B.15) and resulting in this Contract.

The Contractor shall assist the State in monitoring the Contractor's performance of this commitment by providing, as requested, a quarterly report of participation in the performance of this Contract by small business enterprises and businesses owned by minorities, women, and Tennessee service-disabled veterans. Such reports shall be provided to the state of Tennessee Governor's Office of Diversity Business Enterprise in the required form and substance.

- E.6. Liquidated Damages. If the Contractor fails to perform in accordance with any term or provision of this contract, occurs, ("Liquidated Damages Event"), the State may assess damages on Contractor ("Liquidated Damages"). The State shall notify the Contractor of amounts to be assessed as Liquidated Damages. The Parties agree that due to the complicated nature of the Contractor's obligations under this Contract it would be difficult to specifically designate a monetary amount for Contractor's failure to fulfill its obligations regarding the Liquidated Damages Event as these amounts are likely to be uncertain and not easily proven. Contractor has carefully reviewed the Liquidated Damages contained in Attachment B and agrees that these amounts represent a reasonable relationship between the amount and what might reasonably be expected in the event of a Liquidated Damages Event, and are a reasonable estimate of the damages that would occur from a Liquidated Damages Event. The Parties agree that the Liquidated Damages represent solely the damages and injuries sustained by the State in losing the benefit of the bargain with Contractor and do not include any injury or damage sustained by a third party. The Contractor agrees that the Liquidated Damages are in addition to any amounts Contractor may owe the State pursuant to the indemnity provision or any other sections of this Contract.

The State is not obligated to assess Liquidated Damages before availing itself of any other remedy. The State may choose to discontinue Liquidated Damages and avail itself of any other remedy available under this Contract or at law or equity.

- E. 7. Personally Identifiable Information. While performing its obligations under this Contract, Contractor may have access to Personally Identifiable Information held by the State ("PII"). For the purposes of this Contract, "PII" includes "Nonpublic Personal Information" as that term is defined in Title V of the Gramm-Leach-Bliley Act of 1999 or any successor federal statute, and the rules and regulations thereunder, all as may be amended or supplemented from time to time ("GLBA") and personally identifiable information and other data protected under any other applicable laws, rule or regulation of any jurisdiction relating to disclosure or use of personal information ("Privacy Laws"). Contractor agrees it shall not do or omit to do anything which would cause the State to be in breach of any Privacy Laws. Contractor shall, and shall cause its employees, agents and representatives to: (i) keep PII confidential and may use and disclose PII only as necessary to carry out those specific aspects of the purpose for which the PII was disclosed to Contractor and in accordance with this Contract, GLBA and Privacy Laws; and (ii) implement and maintain appropriate technical and organizational measures regarding information security to: (A) ensure the security and confidentiality of PII; (B) protect against any threats or hazards to the security or integrity of PII; and (C) prevent unauthorized access to or use of PII. Contractor shall immediately notify State: (1) of any disclosure or use of any PII by Contractor or any of its employees, agents and representatives in breach of this Contract; and (2) of any disclosure of any PII to Contractor or its employees, agents and representatives where the purpose of such disclosure is not known to Contractor or its employees, agents and representatives. The State reserves the right to review Contractor's policies and procedures used to maintain the security and confidentiality of PII and 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. Upon termination or expiration of the Contract or at the State's direction at any time in its sole discretion, whichever is earlier, Contractor shall immediately return to the State any and all PII which it has received under this Contract and shall destroy all records of such PII.

The Contractor shall report to the State any instances of unauthorized access to or potential disclosure of PII in the custody or control of Contractor ("Unauthorized Disclosure") that come to the Contractor's attention. Any such report shall be made by the Contractor within twenty-four (24) hours after the Unauthorized Disclosure has come to the attention of the Contractor. Contractor shall take all necessary measures to halt any further Unauthorized Disclosures. The Contractor, at the sole discretion of the State, shall provide at no cost credit monitoring services for individuals whose PII was affected by the Unauthorized Disclosure. The Contractor shall bear the cost of notification to all individuals affected by the Unauthorized Disclosure, including individual letters and public notice. The remedies set forth in this Section are not exclusive and are in addition to any claims or remedies available to this State under this Contract or otherwise available at law.

IN WITNESS WHEREOF,

MINNESOTA LIFE INSURANCE COMPANY



8-16-2017

CONTRACTOR SIGNATURE

DATE

PAUL RUDEEN, VICE PRESIDENT & ACTUARY

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

STATE INSURANCE COMMITTEE:



8-24-17

LARRY MARTIN, CHAIRMAN

DATE

### ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	
EDISON VENDOR IDENTIFICATION NUMBER:	

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.




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**CONTRACTOR SIGNATURE**

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. Attach evidence documenting the individual's authority to contractually bind the Contractor, unless the signatory is the Contractor's chief executive or president.

*PAUL RUDEEN, VICE PRESIDENT & ACTUARY*

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**PRINTED NAME AND TITLE OF SIGNATORY**

*8-16-2017*

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**DATE OF ATTESTATION**

**PERFORMANCE GUARANTEES AND LIQUIDATED DAMAGES**

To effectively manage contractual performance, the State has established performance guarantees to evaluate the Contractor's obligations with respect to the Contract. The Contractor is expected to perform according to a certain level of standards. If these standards are not met, the State is entitled to impose liquidated damage assessments. The list of Performance Guarantees and associated Liquidated Damages are included in this Attachment.

1. **Performance Reporting:** The Contractor shall develop a Performance Report Card as a means to measure compliance on a quarterly basis. The Contractor shall provide the quarterly performance report card in a manner acceptable to the State, on or before the 20th day of the month following the reporting quarter unless approved otherwise in writing by the State. Supporting documentation used to calculate the performance guarantees shall be provided with the Performance Report Card. The Performance Report Card shall include cumulative data over the life of the contract.
  2. **Payment of Liquidated Damages:** It is agreed by the State and the Contractor that any liquidated damages assessed by the State shall be due and payable to the State within forty-five (45) calendar days after Contractor receipt of the Invoice containing an assessment of liquidated damages. If payment is not made by the due date, said liquidated damages may be withheld from future payments by the State without further notice.
  3. **Maximum Assessment:** The maximum amount of Liquidated Damages payable over any twelve (12) month period shall not exceed five percent (5%) of the annual maximum liability in the Contract at the beginning of the calendar year during which the assessments occurred. In the event that a single occurrence subjects the Contractor to Liquidated Damages in multiple subsections of this provision, the State is entitled to assess a single Liquidated Damage selected at the discretion of the State.
  4. **Waiver of Liquidated Damages:** The State, in its sole discretion, may elect not to assess Liquidated Damages against the Contractor in certain instances, including but not limited to the following:
    - a. Where the State determines that only inconsequential damage has occurred, unless the deficiency is part of a recurring or frequent pattern of deficiency, with regard to one (1) or more Contract deliverables or requirements
    - b. For performance measures that are resolved based on the Contractor's corrective action plan
    - c. If the failure is not due to Contractor fault (i.e. caused by factors beyond the reasonable control and without any material error or negligence of the Contractor, its staff or subcontractors)
    - d. Where no damage or injury has been sustained by the State or its Members
    - e. Where the failure does not result in increased Contract management time or expense
    - f. Where the failure results from the State's failure to perform
    - g. For other reasons at the State's sole discretion
  5. **General Liquidated Damages:** In the event that the Contractor has failed to meet a performance guarantee that is set out in the Contract, but for which the Liquidated Damage standards are not spelled out in this Attachment, the State may assess liquidated damages under this General Liquidated Damages provision. The liquidated damages may be assessed at the rate of five hundred dollars (\$500.00) per business day or percentage point missed until the guarantee has been met.
  6. The Contractor shall pay to the State the indicated total dollar assessment upon notification by the State that an amount is due, through the term of this Contract.
  7. As prior approved by the State in writing, performance guarantees shall be measured specific to the Program.
- This section does not prohibit or restrict the State's right to claim actual damages pursuant to the Contract in lieu of the Liquidated Damages provided for in Section E.6 and this Attachment B.

**Performance Guarantees:**

<b>1. Program Start-up (see Contract Section A.13.)</b>	
<b>Guarantee</b>	All services required by this contract between the "contract start date" and the "go-live" date as specified in contract section A.13. shall be completed as specified.
<b>Assessment</b>	One thousand dollars (\$1,000.00) for each day beyond the deadline that any service deliverable is not completed.
<b>Measurement</b>	Measured, reported, reconciled, and paid no later than three (3) months after the go-live date.
<b>2. Program Go-Live (see Contract Section A.)</b>	
<b>Guarantee</b>	All services required by this contract shall take effect (i.e. "go-live") and be fully operational on January 1, 2018.
<b>Assessment</b>	One thousand dollars (\$1,000.00) for each day beyond the deadline that all services are not fully operational.
<b>Measurement</b>	Measured, reported, reconciled, and paid no later than four (4) months after the go-live date.
<b>3. Approval of Communication Materials (see Contract Section A.4.)</b>	
<b>Guarantee</b>	All materials, including but not limited to: brochures, handbooks, and letters produced by the Contractor shall be provided to the State for review and approval prior to planned printing, assembly, and/or distribution, as required in Contract Section A.4.f.
<b>Assessment</b>	One thousand dollars (\$1,000.00) for each occurrence the standard is not met. An occurrence is defined as per mailing and not per mail piece.
<b>Measurement</b>	Reported, reconciled, and paid per occurrence through the duration of the Contract.
<b>4. Tennessee Edison System Interface (see Contract Section A.9.)</b>	
<b>Guarantee</b>	Contractor's interface with the Edison System shall be fully operational by the date specified in Contract Sections A.13.e.22., and the contractor shall maintain, from December 1, 2017 through the term of the contract, a valid interface with the Edison System.
<b>Assessment</b>	One thousand dollars (\$1,000.00) per day for every day out of compliance.
<b>Measurement</b>	Fully operational shall mean the Edison Certification of Interface Acceptance has been executed and that weekly files obtained by the Contractor from the State's Edison system will be timely and accurately processed and the data loaded directly into the Contractor's production database. Ongoing measurement, reconciled quarterly, and quarterly assessment paid annually.
<b>5. Average Speed of Answer (see Contract Section A.3.)</b>	
<b>Guarantee</b>	The Contractor's call center shall maintain a monthly average speed of answer (ASA) of thirty (30) seconds or less, as required in Contract Section A.3.c.(1).
<b>Assessment</b>	One thousand dollars (\$1,000) for each calendar month that the average speed of answer exceeds the threshold above.
<b>Measurement</b>	The Contractor shall calculate the number of instances during each day during which a caller's time-to-answer exceeds this threshold (based on Contractor's internal telephone support system reports) compared to the total number of calls per day. Measured and reported on a weekly basis from September 5, 2017 through March 2, 2018. Thereafter, measured and reported monthly. Reconciliation shall be quarterly and quarterly assessment paid annually.

<b>6. First Call Resolution (see Contract Section A.3.)</b>	
<b>Guarantee</b>	The Contractor's call center shall maintain a monthly average rate of ninety percent (90%) for first call resolution, as required in Contract Section A.3.c.(2).
<b>Assessment</b>	One thousand dollars (\$1,000) for each calendar month that the average first call resolution rate exceeds the threshold above.
<b>Measurement</b>	The Contractor shall calculate the number of instances during each day during which a caller's initial call was answered without requiring a call back from the Contractor (based on Contractor's internal telephone support system reports) compared to the total number of calls. Measured and reported on a weekly basis from September 5, 2017 through March 2, 2018. Thereafter, measured and reported monthly. Reconciliation shall be quarterly and quarterly assessment paid annually.
<b>7. Management Reporting (see Contract Section A.12.)</b>	
<b>Guarantee</b>	All reports shall be delivered as specified in Section A.12 and Contract Attachment C, unless otherwise directed by the state.
<b>Assessment</b>	One hundred dollars (\$100.00) for each report not delivered within the time frame specified in the contract.
<b>Measurement</b>	Measured based on report due date (weekly, monthly, quarterly, semi-annually, and annually); Reconciled quarterly and quarterly assessment paid annually.
<b>8. Unauthorized Usage of Information (see Contract Section A.7.m.)</b>	
<b>Guarantee</b>	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.
<b>Assessment</b>	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.
<b>Measurement</b>	Measured, reported, reconciled upon identification of occurrence.

**Liquidated Damages:**

<b>1. Privacy and Security of Member Information (see Contract Section A.10.)</b>	
<b>Guarantee</b>	The Contractor shall not release, intentionally or unintentionally, members' personal information, enrollment information, or claims information to unauthorized parties.
<b>Liquidated Damages Assessment</b>	<p>For releases affecting fewer than five hundred (500) members: Two thousand five hundred dollars (\$2,500) for the first violation, five thousand dollars (\$5,000) for the second violation and ten thousand dollars (\$10,000) for the third and any additional violations.</p> <p>For releases affecting five hundred (500) or more members: Twenty-five thousand dollars (\$25,000) per violation.</p> <p>The assessment will be imposed on a per incident basis and the assessment will be levied on the graduated basis detailed above.</p> <p>***In the event Contractor is responsible for any Federal or State Penalties related to a privacy violation, the State may, at its discretion waive any Liquidated Damages due the State in association with the same violation.***</p>
<b>Measurement</b>	Measured, reported, reconciled, and paid per occurrence.

**REPORTING REQUIREMENTS**

As required by Contract Section A.12., the Contractor shall submit Management Reports to the State. The reports shall be used by the State to assess the Life Insurance Program costs and utilization as well as reconcile the Liquidated Damages. All reports shall be submitted in Microsoft Excel format, unless otherwise specified by the State, and shall be sent to the State via secure email.

Unless otherwise directed by the State, the Contractor shall submit reports as follows:

- 1) Weekly reports shall be submitted by Tuesday of the following week;
- 2) Monthly reports shall be submitted by the 15<sup>th</sup> of the following month;
- 3) Quarterly reports shall be submitted by the 20<sup>th</sup> of the following month;
- 4) Semi-Annual Reports shall be submitted by the 20<sup>th</sup> of the following month;
- 5) Annual reports shall be submitted within sixty (60) days after the end of the calendar year.

Reports shall include:

- 1) **Performance Guarantees and Liquidated Damages Tracking**, as detailed in Contract Attachment B, each component to be listed with guarantee and actual results, submitted quarterly and annually using the template prior approved in writing by the State; the report shall also include a narrative statement regarding the status of each item
- 2) **Basic Term Life/Basic AD&D/Voluntary AD&D Summary Plan Information**: submitted quarterly and annually.

Premium Level	Subscribers	Premium	Claims Paid
Employee			
Spouse			
Children			
<b>Total</b>			

- 3) **Program Loss Ratio**  
As defined by Contract Section A.15.z. Contractor shall quarterly and annually calculate its Loss Ratio (LR) on each program and submit such calculation and any necessary supporting data to the State.
- 4) **Call Center Activity Reports**, as detailed in Contract Section A.3.c, submitted weekly, then monthly.
  - a. Average Speed of Answer – statistics to support an average speed of answer (ASA) of thirty (30) seconds or less during each month
  - b. First Call Resolution – statistics to support a monthly average rate of ninety percent (90%) for first call resolution
- 5) **Account Team Satisfaction Survey Report**, submitted annually using the template prior approved in writing by the State
- 6) **BC/DR Test Results Report**, submitted annually by email using the template prior approved in writing by the State.
- 7) **AdHoc Reports**, The Contractor shall submit such ad hoc reports as are deemed by the State to be necessary to analyze the Life Insurance Program. The exact format, frequency and due dates for such reports shall be mutually agreed upon with the Contractor and shall be submitted at no cost to the State.
- 8) **FedRamp, ISO 27000 or SOC2 Type 2 report**, once a final report has been obtained by the Contractor, the Contractor shall submit report annually as required in A.8.k.

- 9) **Basic Term Life/Basic AD&D Monthly Invoice**, as detailed in Contract Section C.5. submitted monthly by email using the template prior approved in writing by the State
- 10) **Annual Financial Analysis and Invoice Summary**, submitted annually using a template approved by the State.
- 11) **Claims Listing and Summary**, submitted monthly, using a template approved by the State, showing
  - Monthly volume of claims and dollars paid by line of coverage
  - Monthly loss ratio by lines of coverage
  - Monthly turnaround time from receipt to payment of death and AD&D claims
  - Monthly summary of newly approved and existing waiver of premium cases
  - Monthly summary of issued conversion policies
  - Monthly summary of approved advance benefit claims
  - Monthly summary of AD&D supplemental benefit paid on claims
  - Monthly summary of cause of death on life insurance claims
  - A year to date cumulative total for each item above which in the December report will be an annual summary
- 12) **Quality Assurance**, submitted annually showing a summary for the previous calendar year of the claims payment accuracy of claims selected on the State programs for auditing by the Contractor
- 13) **Financial Rating**, submitted annually showing the Contractor's most recent rating by A. M. Best or other nationally recognized rating firm approved by the State
- 14) **Voluntary Term Life Summary Plan Information:** Must be submitted each quarter separately for payroll deduction and pay-direct members with a summary for both.
  - a. Number of certificates in force by type of coverage
  - b. Total amount of insurance in force by type of coverage
  - c. Premium earned by type of coverage
  - d. Gross and net claims paid by type of coverage
- 15) **Issue and Attained Age** Provide at the end of each calendar year a listing for the voluntary term life insurance program showing the number of participant lives and volume of insurance coverage by issue and attained age. The listing will distinguish between premium payment method (payroll deduction and pay direct) and provide separate counts for employees and spouses. The data will reflect enrollment at December 31.
- 16) **Policy Master Report** Provide at the end of each calendar year, a monthly listing of the voluntary term life insurance policies issued including face amount, annual premium, and tally of policies that were in effect as of the end of the calendar year.

Unless otherwise approved by the State, the Contractor shall provide the following benefits as of the benefit go-live date specified in Contract Section A.1. Enhanced, additional, or subsequently modified benefits may be provided by the Contractor for the Members upon approval by the State with no premium costs other than those specified in Contract Section C.3. Complete benefit details shall be described in the Contractor's Certificate of Coverage as approved by the State.

TRADITIONAL BASIC TERM LIFE and BASIC ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE BENEFITS																																																								
Benefit/Provision	Description																																																							
<b>Plan Policy Requirements</b>	The basic term life and basic accidental death & dismemberment insurance must be based on a <b>group plan platform</b> issued to the State of Tennessee.																																																							
<b>Underwriting Criteria</b>	1) Eligible Employees and dependents who apply for coverage during an open enrollment period, eligible Employees employed on and after January 1, 2019 who enroll themselves and dependents within thirty (31) days of the first day of work, and eligible Employees and/or dependents who enroll within sixty (60) days of a special qualifying event.  2) Not applicable																																																							
<b>Guaranteed Issue</b>																																																								
<b>Underwritten</b>																																																								
<b>Annual Enrollment</b>	Each year during a time period specified by the State, employees may elect to participate in the State's Group Health Insurance Plan; thus qualifying them for an increase in coverage for the basic term life/basic AD&D insurance program according to the table below in this section.																																																							
<b>Benefit Amounts</b>	In-force coverage being transferred to the Contractor on January 1, 2019, shall transfer with the same coverage amount. The guaranteed issue amount of insurance under the Basic Term Life/Basic AD&D Insurance Program shall be as shown below.  <b>TRADITIONAL BASIC TERM LIFE</b> <b>Employee Schedule of Benefits</b> <table border="1" data-bbox="375 1146 1446 1619"> <thead> <tr> <th>Employees with Base Annual Earnings of:</th> <th>Under Age 65</th> <th>Age 65 but Under 70</th> <th>Age 70 but Under 75</th> <th>Age 75 or Over</th> </tr> </thead> <tbody> <tr> <td>Less than \$15,000</td> <td>\$20,000</td> <td>\$13,000</td> <td>\$ 9,000</td> <td>\$ 6,000</td> </tr> <tr> <td>\$15,000 but less than \$17,500</td> <td>\$22,000</td> <td>\$14,300</td> <td>\$ 9,900</td> <td>\$ 6,600</td> </tr> <tr> <td>\$17,500 but less than \$20,000</td> <td>\$25,000</td> <td>\$16,250</td> <td>\$11,250</td> <td>\$ 7,500</td> </tr> <tr> <td>\$20,000 but less than \$22,500</td> <td>\$30,000</td> <td>\$19,500</td> <td>\$13,500</td> <td>\$ 9,000</td> </tr> <tr> <td>\$22,500 but less than \$25,000</td> <td>\$33,500</td> <td>\$21,775</td> <td>\$15,075</td> <td>\$10,050</td> </tr> <tr> <td>\$25,000 but less than \$27,500</td> <td>\$37,000</td> <td>\$24,050</td> <td>\$16,650</td> <td>\$11,100</td> </tr> <tr> <td>\$27,500 but less than \$30,000</td> <td>\$40,500</td> <td>\$26,325</td> <td>\$18,225</td> <td>\$12,150</td> </tr> <tr> <td>\$30,000 but less than \$32,500</td> <td>\$44,000</td> <td>\$28,600</td> <td>\$19,800</td> <td>\$13,200</td> </tr> <tr> <td>\$32,500 but less than \$35,000</td> <td>\$47,500</td> <td>\$30,875</td> <td>\$21,375</td> <td>\$14,250</td> </tr> <tr> <td>\$35,000 and over</td> <td>\$50,000</td> <td>\$32,500</td> <td>\$22,500</td> <td>\$15,000</td> </tr> </tbody> </table>	Employees with Base Annual Earnings of:	Under Age 65	Age 65 but Under 70	Age 70 but Under 75	Age 75 or Over	Less than \$15,000	\$20,000	\$13,000	\$ 9,000	\$ 6,000	\$15,000 but less than \$17,500	\$22,000	\$14,300	\$ 9,900	\$ 6,600	\$17,500 but less than \$20,000	\$25,000	\$16,250	\$11,250	\$ 7,500	\$20,000 but less than \$22,500	\$30,000	\$19,500	\$13,500	\$ 9,000	\$22,500 but less than \$25,000	\$33,500	\$21,775	\$15,075	\$10,050	\$25,000 but less than \$27,500	\$37,000	\$24,050	\$16,650	\$11,100	\$27,500 but less than \$30,000	\$40,500	\$26,325	\$18,225	\$12,150	\$30,000 but less than \$32,500	\$44,000	\$28,600	\$19,800	\$13,200	\$32,500 but less than \$35,000	\$47,500	\$30,875	\$21,375	\$14,250	\$35,000 and over	\$50,000	\$32,500	\$22,500	\$15,000
Employees with Base Annual Earnings of:		Under Age 65	Age 65 but Under 70	Age 70 but Under 75	Age 75 or Over																																																			
Less than \$15,000	\$20,000	\$13,000	\$ 9,000	\$ 6,000																																																				
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<b>Employee and dependents</b>	Employees not enrolled in the State of Tennessee's Group Health Insurance Plan shall only have \$20,000 of basic term life and shall not be eligible to add dependent coverage. Employees enrolled in the State of Tennessee's Group Health Insurance Plan shall have coverage based upon the employee's annual base salary as shown in the table above.  The determination of coverage for an employee shall be based upon the employee's age and salary as of September 1 of each year or an alternative date established by the State with the effective date of the recalculated coverage to be on October 1 of the same year or																																																							

on an alternative date established by the State.

The amount of basic term life insurance coverage for the employee begins to decrease at age 65. Reductions are to 65 percent of the scheduled amount at age 65; to 45 percent at age 70; and to 30 percent at age 75. Basic Term Life face amounts do not reduce at age 70 or above for those employees enrolled in the State's Permaplan program. Basic term life insurance coverage for dependents does not reduce.

**Dependent Schedule of Benefits**

Definition	Amount
Eligible Dependents of Insured who are:	
Spouse .....	\$3,000
Each dependent child (from live birth) .....	\$3,000

**TRADITIONAL BASIC ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D)  
Schedule of Benefits**

Employees with Base Annual Earnings of:	Employee	Family Coverage		
		Spouse Only (No Children)	Spouse and Children	
			Spouse	Each Child
Less than \$15,000	\$ 40,000	\$24,000	\$16,000	\$ 4,000
\$15,000 but less than \$17,500	\$ 44,000	\$26,000	\$18,000	\$ 4,000
\$17,500 but less than \$20,000	\$ 50,000	\$30,000	\$20,000	\$ 5,000
\$20,000 but less than \$22,500	\$ 60,000	\$36,000	\$25,000	\$ 5,000
\$22,500 but less than \$25,000	\$ 67,000	\$40,000	\$27,000	\$ 6,000
\$25,000 but less than \$27,500	\$ 74,000	\$44,000	\$30,000	\$ 7,000
\$27,500 but less than \$30,000	\$ 81,000	\$49,000	\$32,000	\$ 8,000
\$30,000 but less than \$32,500	\$ 88,000	\$53,000	\$35,000	\$ 9,000
\$32,500 but less than \$35,000	\$ 95,000	\$57,000	\$38,000	\$ 9,000
\$35,000 and over	\$100,000	\$60,000	\$40,000	\$10,000

The amount of basic accidental death and dismemberment coverage for the employee and dependent(s) begin to decrease at age 65. Reductions are to 65 percent of the scheduled amount at age 65; to 45 percent at age 70; and to 30 percent at age 75. Basic accidental death and dismemberment face amounts do not reduce at age 70 or above for those employees enrolled in the State's Permaplan program and their dependents.

**Table of Losses**

These losses must:

1. Be the result of bodily injury caused solely by accident and independent of all other causes;
2. Occur within 90 days of the date of the accident; and
3. Be losses for which Proof of Loss is submitted within 180 days of the accident.

Accidental Death Both hands or both feet Sight of both eyes One hand and one foot One hand and sight of one eye One foot and sight of one eye	THE MAXIMUM BENEFIT
One hand One foot Sight of one eye	ONE-HALF THE MAXIMUM BENEFIT
Thumb and index finger of either hand	ONE-FOURTH THE MAXIMUM BENEFIT

	<p>The amount of payment will be determined by the Maximum Benefit shown for this coverage in the Schedule of Benefits. With respect to hands or feet, "loss" means actual severance at or above wrist or ankle joints; with respect to eyes, permanent and total loss of sight; with respect to thumb and index finger, actual severance of entire digit at or above joints. No more than 100 percent of the Maximum Benefit will be paid for any one accident, no matter how many of the above listed losses occur as a result of that accident.</p> <p><b>Limitations</b></p> <p>There are some limitations. A benefit will not be paid if the accident results from or is due to:</p> <ol style="list-style-type: none"> <li>1. Any disease or infirmity of mind or body, and any medical or surgical treatment thereof;</li> <li>2. Suicide or attempted suicide, while sane or insane;</li> <li>3. Any intentionally self-inflicted injury;</li> <li>4. War, declared or undeclared war, whether or not you are a member of any armed force;</li> <li>5. Commission of, participation in, or an attempt to commit an assault or felony;</li> <li>6. Being under the influence of any narcotic, hallucinogen, barbiturate, gas or fumes, poison or any other controlled substance as defined in Title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970, as now or hereafter amended, unless as prescribed by the Insured's licensed physician. Conviction is not necessary for a determination of being under the influence;</li> <li>7. Intoxication as defined by the laws of the jurisdiction in which the accident occurred. Conviction is not necessary for a determination of being intoxicated; or</li> <li>8. Active participation in a riot. "Riot" means all forms of public violence, disorder, or disturbance of the public peace, by three or more persons assembled together, whether with or without a common intent and whether or not damage to person or property or unlawful act is the intent or the consequence of such disorder.</li> </ol>
<p><b>Advance Benefit Option</b></p>	<p>If the employee is terminally ill with a diagnosed life expectancy of no more than nine months, the employee can request a payment of up to 50 percent of the scheduled amount of his basic term life insurance. This advanced payment is subject to a minimum withdrawal of \$5,000 and will reduce the scheduled amount of coverage paid to the designated beneficiary. The advanced payment will be reported to the Internal Revenue Service, and it may be considered taxable income.</p> <p><b>Limitations.</b> There are some limitations on the advanced benefit option. A benefit will not be paid if:</p> <ol style="list-style-type: none"> <li>1. The terminal illness resulted from attempted suicide or self-inflicted injury;</li> <li>2. The coverage has been assigned;</li> <li>3. The coverage is payable to an irrevocable beneficiary;</li> <li>4. You are required by law to use this option to meet the claims of creditors; or</li> <li>5. You are required by a government agency to use this option in order to get or keep a government benefit or entitlement.</li> </ol>
<p><b>Supplemental Basic AD&amp;D Benefits</b></p>	<p>A supplemental basic accidental death benefit is payable if the employee dies as a result of an automobile accident for which a basic accidental death and dismemberment benefit is paid and the employee was properly secured by a seatbelt. The vehicle must have been operated by a licensed driver who was not intoxicated, driving while impaired, or under the influence of certain substances. The benefit will be the lesser of: \$25,000; the basic accidental death and dismemberment benefit; or \$1,000 if an official police report certifying proper seatbelt use is not submitted with the claim.</p> <p>If the employee dies as the result of an accident which occurs more than 75 miles from the employee's principal residence, a supplemental benefit of up to \$5,000 for preparation and transportation of the body will be paid. The accident must qualify for the provision of basic accidental death and dismemberment benefits for the repatriation benefit to be provided.</p>
<p><b>Waiver of Premium</b></p>	<p>If the employee is totally disabled prior to age 70, the employee's basic term life coverage will continue for one year from the last day of the month following end of positive pay status.</p> <p>In addition, if the employee becomes totally and permanently disabled before age 60 and remains disabled for nine consecutive months, the employee may be eligible to continue the basic term life coverage on him/herself and his covered dependents until the employee turns age 70. The Contractor determines whether the employee's disability is considered</p>

	<p>total and permanent. To be granted a continuation under the waiver of premium provision the employee must:</p> <ol style="list-style-type: none"> <li>1. apply within twelve months following the last day of the month following end of positive pay status;</li> <li>2. provide proof of the disability each year that is satisfactory to the Contractor; and</li> <li>3. remain totally disabled.</li> </ol> <p>Any amount payable under the Waiver of Premium or one year extension provision will be reduced by the amount of a conversion policy. The employee is not allowed to increase coverage above the level the employee had as an active employee. The conversion policy can be surrendered and the employee would be eligible for full coverage under the extension and approved Waiver of Premium claim.</p> <p>There are no extended benefits for the basic accidental death and dismemberment coverage.</p>
<b>Beneficiary Designation</b>	<p>Benefits for the loss of life under the basic term life and the basic and accidental death and dismemberment coverages will be paid to a beneficiary designated by the employee. The beneficiary information shall be maintained by the State. Changes in beneficiary take effect when made by the employee.</p> <p>The beneficiary for all dependent coverage and for the dismemberment coverage is the employee.</p> <p>If two or more persons are designated beneficiaries and the employee does not indicate otherwise, they will share the benefits equally. If one of them does not survive the employee, that share will pass to the surviving beneficiaries.</p> <p>If no beneficiary is designated, the benefits will be paid according to the Contractor's standard order of payment.</p>
<b>Conversion of Coverage</b>	<p>If the employee's basic term life insurance coverage ends because his employment with the State of Tennessee ceases, for any reason including retirement, or because the class of employees is no longer eligible, the employee will be entitled to enroll in an individual life policy of insurance offered by the Contractor. No evidence of insurability will be required. This coverage will not be the same as that provided to the employee as an active employee and the premium will be affected by the form and amount of the policy, the employee's age, and the class of risk to which the employee belongs.</p> <p>The Contractor will send a notice concerning the former employee's eligibility to convert coverage. Payment of premium will be made directly to the Contractor by the former employee.</p> <p>Dependents may exercise a conversion option when they become ineligible for coverage, as well.</p> <p>If the employee or dependent dies during the 31-day period following the termination of insurance, the Contractor shall pay the maximum amount of life insurance for which an individual policy could have been issued.</p>

<b>CONTEMPORARY BASIC TERM LIFE and BASIC ACCIDENTAL DEATH &amp; DISMEMBERMENT INSURANCE BENEFITS</b>	
<b>Benefit/Provision</b>	<b>Description</b>
<b>Plan Policy Requirements</b>	The basic term life and basic accidental death & dismemberment insurance must be based on a <b>group plan platform</b> issued to the State of Tennessee.
<b>Underwriting Criteria</b>	
<b>Guaranteed Issue</b>	Eligible Employees and dependents who apply for coverage during an open enrollment period, eligible Employees employed on and after January 1, 2019 who enroll themselves and dependents within thirty (31) days of the first day of work, and eligible Employees and/or dependents who enroll within sixty (60) days of a special qualifying event.
<b>Underwritten</b>	Not applicable
<b>Annual Enrollment</b>	There are no options available during the State's annual enrollment period.

**Benefit Amounts**

**CONTEMPORARY BASIC TERM LIFE**

The guaranteed issue amount of insurance under the Contemporary Basic Term Life Insurance Program shall be one times (1x) the employee's base annual salary rounded to the next highest thousand. For example, an employee whose base annual salary is \$39,000 shall receive a basic term life coverage amount of \$39,000, and an employee whose base annual salary is \$39,001 will receive a basic term life coverage amount of \$40,000. The total maximum amount of basic term life insurance coverage in force per employee shall not exceed \$250,000. The Contemporary Basic Term Life Insurance Program does not include coverage for dependents.

The amount of basic term life insurance coverage for the employee begins to decrease at age 65. Reductions are to 65 percent of the scheduled amount at age 65; to 45 percent at age 70; and to 30 percent at age 75. Basic Term Life face amounts do not reduce at age 70 or above for those employees enrolled in the State's Permaplan program.

The determination of coverage for an employee shall be based upon the employee's age and salary as of September 1 of each year or an alternative date established by the State with the effective date of the recalculated coverage to be on October 1 of the same year or on an alternative date established by the State.

**CONTEMPORARY BASIC ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D)**

The guaranteed issue amount of insurance under the Contemporary Basic Accidental Death & Dismemberment Program shall be one times (1x) the employee's base annual salary rounded to the next highest thousand. For example, an employee whose base annual salary is \$39,000 shall receive a basic AD&D coverage amount of \$39,000, and an employee whose base annual salary is \$39,001 will receive a basic AD&D coverage amount of \$40,000. The total maximum amount of basic AD&D insurance coverage in force per employee shall not exceed \$250,000. The Contemporary Basic Accidental Death and Dismemberment Insurance Program does not include coverage for dependents.

The amount of basic accidental death and dismemberment coverage for the employee begins to decrease at age 65. Reductions are to 65 percent of the scheduled amount at age 65; to 45 percent at age 70; and to 30 percent at age 75. Basic accidental death and dismemberment face amounts do not reduce at age 70 or above for those employees enrolled in the State's Permaplan program.

**Table of Losses**

These losses must:

1. Be the result of bodily injury caused solely by accident and independent of all other causes;
2. Occur within 90 days of the date of the accident; and
3. Be losses for which Proof of Loss is submitted within 180 days of the accident.

Accidental Death Both hands or both feet Sight of both eyes One hand and one foot One hand and sight of one eye One foot and sight of one eye	THE MAXIMUM BENEFIT
One hand One foot Sight of one eye	ONE-HALF THE MAXIMUM BENEFIT
Thumb and index finger of either hand	ONE-FOURTH THE MAXIMUM BENEFIT

	<p>The amount of payment will be determined by the Maximum Benefit shown for this coverage in the Schedule of Benefits. With respect to hands or feet, "loss" means actual severance at or above wrist or ankle joints; with respect to eyes, permanent and total loss of sight; with respect to thumb and index finger, actual severance of entire digit at or above joints.</p> <p>No more than 100 percent of the Maximum Benefit will be paid for any one accident, no matter how many of the above listed losses occur as a result of that accident.</p> <p><b>Limitations</b> There are some limitations. A benefit will not be paid if the accident results from or is due to:</p> <ol style="list-style-type: none"> <li>1. Any disease or infirmity of mind or body, and any medical or surgical treatment thereof;</li> <li>2. Suicide or attempted suicide, while sane or insane;</li> <li>3. Any intentionally self-inflicted injury;</li> <li>4. War, declared or undeclared war, whether or not you are a member of any armed force;</li> <li>5. Commission of, participation in, or an attempt to commit an assault or felony;</li> <li>6. Being under the influence of any narcotic, hallucinogen, barbiturate, gas or fumes, poison or any other controlled substance as defined in Title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970, as now or hereafter amended, unless as prescribed by the Insured's licensed physician. Conviction is not necessary for a determination of being under the influence;</li> <li>7. Intoxication as defined by the laws of the jurisdiction in which the accident occurred. Conviction is not necessary for a determination of being intoxicated; or</li> <li>8. Active participation in a riot. "Riot" means all forms of public violence, disorder, or disturbance of the public peace, by three or more persons assembled together, whether with or without a common intent and whether or not damage to person or property or unlawful act is the intent or the consequence of such disorder.</li> </ol>
<p><b>Advance Benefit Option</b></p>	<p>If the employee is terminally ill with a diagnosed life expectancy of no more than nine months, the employee can request a payment of up to 50 percent of the scheduled amount of his basic term life insurance. This advanced payment is subject to a minimum withdrawal of \$5,000 and will reduce the scheduled amount of coverage paid to the designated beneficiary. The advanced payment will be reported to the Internal Revenue Service, and it may be considered taxable income.</p> <p><b>Limitations.</b> There are some limitations on the advanced benefit option. A benefit will not be paid if:</p> <ol style="list-style-type: none"> <li>1. The terminal illness resulted from attempted suicide or self-inflicted injury;</li> <li>2. The coverage has been assigned;</li> <li>3. The coverage is payable to an irrevocable beneficiary;</li> <li>4. You are required by law to use this option to meet the claims of creditors; or</li> <li>5. You are required by a government agency to use this option in order to get or keep a government benefit or entitlement.</li> </ol>
<p><b>Supplemental Basic AD&amp;D Benefits</b></p>	<p>A supplemental basic accidental death benefit is payable if the employee dies as a result of an automobile accident for which a basic accidental death and dismemberment benefit is paid and the employee was properly secured by a seatbelt. The vehicle must have been operated by a licensed driver who was not intoxicated, driving while impaired, or under the influence of certain substances. The benefit will be the lesser of: \$25,000; the basic accidental death and dismemberment benefit; or \$1,000 if an official police report certifying proper seatbelt use is not submitted with the claim.</p> <p>If the employee dies as the result of an accident which occurs more than 75 miles from the employee's principal residence, a supplemental benefit of up to \$5,000 for preparation and transportation of the body will be paid. The accident must qualify for the provision of basic accidental death and dismemberment benefits for the repatriation benefit to be provided.</p>
<p><b>Waiver of Premium</b></p>	<p>If the employee is totally disabled prior to age 70, the employee's basic term life coverage will continue for one year from the last day of the month following end of positive pay status.</p> <p>In addition, if the employee becomes totally and permanently disabled before age 60 and remains disabled for nine consecutive months, the employee may be eligible to continue</p>

	<p>the basic term life coverage on him/herself and his covered dependents until the employee turns age 70. The Contractor determines whether the employee's disability is considered total and permanent. To be granted a continuation under the waiver of premium provision the employee must:</p> <ol style="list-style-type: none"> <li>1. apply within twelve months following the last day of the month following end of positive pay status;</li> <li>2. provide proof of the disability each year that is satisfactory to the Contractor; and</li> <li>3. remain totally disabled.</li> </ol> <p>Any amount payable under the Waiver of Premium or one year extension provision will be reduced by the amount of a conversion policy. The employee is not allowed to increase coverage above the level the employee had as an active employee. The conversion policy can be surrendered and the employee would be eligible for full coverage under the extension and approved Waiver of Premium claim.</p> <p>There are no extended benefits for the basic accidental death and dismemberment coverage.</p>
<b>Beneficiary Designation</b>	<p>Benefits for the loss of life under the basic term life and the basic and accidental death and dismemberment coverages will be paid to a beneficiary designated by the employee. The beneficiary information shall be maintained by the State. Changes in beneficiary take effect when made by the employee.</p> <p>If two or more persons are designated beneficiaries and the employee does not indicate otherwise, they will share the benefits equally. If one of them does not survive the employee, that share will pass to the surviving beneficiaries.</p> <p>If no beneficiary is designated, the benefits will be paid according to the Contractor's standard order of payment.</p>
<b>Conversion of Coverage</b>	<p>If the employee's basic term life insurance coverage ends because his employment with the State of Tennessee ceases, for any reason including retirement, or because the class of employees is no longer eligible, the employee will be entitled to enroll in an individual life policy of insurance offered by the Contractor. No evidence of insurability will be required. This coverage will not be the same as that provided to the employee as an active employee and the premium will be affected by the form and amount of the policy, the employee's age, and the class of risk to which the employee belongs.</p> <p>The Contractor will send a notice concerning the former employee's eligibility to convert coverage. Payment of premium will be made directly to the Contractor by the former employee.</p> <p>If the employee dies during the 31-day period following the termination of insurance, the Contractor shall pay the maximum amount of life insurance for which an individual policy could have been issued.</p>

<b>TRADITIONAL VOLUNTARY ACCIDENTAL DEATH &amp; DISMEMBERMENT INSURANCE BENEFITS</b>	
<b>Benefit/Provision</b>	<b>Description</b>
<b>Plan Policy Requirements</b>	The voluntary accidental death & dismemberment insurance must be based on a <b>group plan platform</b> issued to the State of Tennessee.
<b>Underwriting Criteria</b>	Eligible Employees and dependents who apply for coverage during an open enrollment period, eligible Employees employed on and after January 1, 2019 who enroll themselves and dependents within thirty (31) days of the first day of work, and eligible Employees and/or dependents who enroll within sixty (60) days of a special qualifying event.
<b>Guaranteed Issue</b>	Not applicable
<b>Underwritten</b>	
<b>Annual Enrollment</b>	Each year during the State's Annual Enrollment Period specified by the State, employees may elect to participate in the voluntary accidental death & dismemberment program by enrolling themselves and if desired, any eligible dependents.

**Benefit Amounts**  
**Employee and dependents**

In-force coverage being transferred to the Contractor on January 1, 2019, shall transfer with the same coverage amount. The guaranteed issue amount of insurance under the Traditional Voluntary AD&D Insurance Program shall be as shown below.

**TRADITIONAL VOLUNTARY ACCIDENTAL DEATH & DISMEMBERMENT (AD&D)**  
**Schedule of Benefits**

Employees with Base Annual Earnings of:	Employee	Family Coverage		
		Spouse Only (No Children)	Spouse and Children	
			Spouse	Each Child
Less than \$3,000	\$6,000	\$4,000	\$2,000	\$1,000
\$3,000 but less than \$4,000	\$9,000	\$5,000	\$3,000	\$1,000
\$4,000 but less than \$5,000	\$12,000	\$7,000	\$4,000	\$2,000
\$5,000 but less than \$6,000	\$15,000	\$9,000	\$5,000	\$2,000
\$6,000 but less than \$7,000	\$18,000	\$11,000	\$7,000	\$2,000
\$7,000 but less than \$8,000	\$21,000	\$13,000	\$8,000	\$3,000
\$8,000 but less than \$9,000	\$24,000	\$15,000	\$10,000	\$3,000
\$9,000 but less than \$10,000	\$27,000	\$17,000	\$11,000	\$3,000
\$10,000 but less than \$12,500	\$32,000	\$19,000	\$13,000	\$3,000
\$12,500 but less than \$15,000	\$38,000	\$23,000	\$15,000	\$4,000
\$15,000 but less than \$17,500	\$44,000	\$26,000	\$18,000	\$4,000
\$17,500 but less than \$20,000	\$50,000	\$30,000	\$20,000	\$5,000
\$20,000 and over	\$60,000	\$36,000	\$25,000	\$5,000

The determination of coverage for an employee shall be based upon the employee's age and salary as of September 1 of each year or an alternative date established by the State with the effective date of the recalculated coverage to be on October 1 of the same year or on an alternative date established by the State.

**Table of Losses**

Please refer to the Basic Accidental Death and Dismemberment coverage.

**Limitations**

Please refer to Basic Accidental Death and Dismemberment coverage.

**Reductions**

There are no age benefit reductions in the Voluntary (Optional) Accidental Death and Dismemberment coverage.

**Beneficiary Designation**

Benefits for the loss of life under the voluntary (optional) accidental death and dismemberment coverage will be paid to a beneficiary designated by the employee. This beneficiary designation is separate from the beneficiary designation under the Basic Term Life and Basic Accidental Death & Dismemberment Program. The beneficiary information shall be maintained by the State. Changes in beneficiary take effect when made by the employee.  
The beneficiary for all dependent coverage and for the dismemberment coverage is the employee.  
If two or more persons are designated beneficiaries and the employee does not indicate otherwise, they will share the benefits equally. If one of them does not survive the employee, that share will pass to the surviving beneficiaries.  
If no beneficiary is designated, the benefits will be paid according to the Contractor's standard order of payment.

CONTEMPORARY VOLUNTARY ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE BENEFITS	
Benefit/Provision	Description

<b>Plan Policy Requirements</b>	The voluntary accidental death & dismemberment insurance must be based on a <b>group plan platform</b> issued to the State of Tennessee.
<b>Underwriting Criteria</b>  <b>Guaranteed Issue</b>  <b>Underwritten</b>	<p>Eligible Employees and dependents who apply for coverage during an open enrollment period, eligible Employees employed on and after January 1, 2019 who enroll themselves and dependents within thirty (31) days of the first day of work, and eligible Employees and/or dependents who enroll within sixty (60) days of a special qualifying event.</p> <p>Not applicable</p>
<b>Annual Enrollment</b>	Each year during the State's Annual Enrollment Period specified by the State, employees may elect to participate in the voluntary accidental death & dismemberment program by enrolling themselves and if desired, any eligible dependents.
<b>Benefit Amounts</b>  <b>Employee and dependents</b>	<p>In-force coverage being transitioned from the Traditional program shall be as shown below. The guaranteed issue amount of insurance under the Contemporary Voluntary AD&amp;D Insurance Program shall be as shown below.</p> <p><b>CONTEMPORARY VOLUNTARY ACCIDENTAL DEATH &amp; DISMEMBERMENT (AD&amp;D) Schedule of Benefits</b></p> <p>The employee guaranteed issue amount of insurance available under the Contemporary Voluntary Accidental Death &amp; Dismemberment Program shall be five times (5x) the employee's base annual salary rounded to the next highest thousand. For example, an employee whose base annual salary is \$39,000 shall receive a voluntary AD&amp;D coverage amount of \$195,000, and an employee whose base annual salary is \$39,001 will receive a voluntary AD&amp;D coverage amount of \$196,000. The total maximum amount of voluntary AD&amp;D insurance coverage in force per employee shall not exceed \$500,000.</p> <p>The determination of coverage for an employee shall be based upon the employee's salary as of September 1 of each year or an alternative date established by the State with the effective date of the recalculated coverage to be on October 1 of the same year or on an alternative date established by the State.</p> <p>The employee may, if enrolled, purchase coverage for an eligible spouse in the amount of \$30,000.</p> <p>The employee may, if enrolled, purchase a unit of coverage for all children in the amount of \$10,000 per child.</p> <p><b>Table of Losses</b> Please refer to the Basic Accidental Death and Dismemberment coverage.</p> <p><b>Limitations</b> Please refer to Basic Accidental Death and Dismemberment coverage.</p> <p><b>Reductions</b> There are no age benefit reductions in the Voluntary Accidental Death and Dismemberment coverage.</p>

<b>Beneficiary Designation</b>	<p>Benefits for the loss of life under the voluntary (optional) accidental death and dismemberment coverage will be paid to a beneficiary designated by the employee. This beneficiary designation is separate from the beneficiary designation under the Basic Term Life and Basic Accidental Death &amp; Dismemberment Program. The beneficiary information shall be maintained by the State. Changes in beneficiary take effect when made by the employee.</p> <p>The beneficiary for all dependent coverage and for the dismemberment coverage is the employee.</p> <p>If two or more persons are designated beneficiaries and the employee does not indicate otherwise, they will share the benefits equally. If one of them does not survive the employee, that share will pass to the surviving beneficiaries.</p> <p>If no beneficiary is designated, the benefits will be paid according to the Contractor's standard order of payment.</p>
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**VOLUNTARY TERM LIFE INSURANCE BENEFITS**

Benefit/Provision	Description
<b>Plan Policy Requirements</b>	The voluntary term life insurance must be based on a <b>group plan platform</b> issued to the State of Tennessee.
<p data-bbox="188 279 456 310"><b>Underwriting Criteria</b></p> <p data-bbox="228 346 456 378"><b>Guaranteed Issue</b></p> <p data-bbox="285 695 456 726"><b>Underwritten</b></p>	<p data-bbox="480 338 1398 457">1) Eligible Employees who apply for coverage during an open enrollment period or Employees employed on and after January 1, 2018 who enroll within thirty-one days of the hire date on a guaranteed issue and maximum issue basis.</p> <p data-bbox="480 491 1419 583">2) A spouse who has not been hospitalized, advised to seek medical treatment, or received disability benefits during the six months prior to the date of the application to enroll</p> <p data-bbox="480 617 1403 674">3) A child term rider may be issued without answering health questions for the children.</p> <p data-bbox="480 707 1403 764">1) New Employees who choose to apply for coverage more than 31 days after their hire date;</p> <p data-bbox="480 768 1403 858">2) A Member who applies for a coverage amount above the guaranteed issue amount: and</p> <p data-bbox="480 863 1468 953">3) A spouse who has been hospitalized, advised to seek medical treatment, or received disability benefits during the six months prior to the date of the application to enroll.</p>
<p data-bbox="139 989 391 1079"><b>Benefit Amounts/Maximum Amounts</b></p> <p data-bbox="321 1104 456 1136"><b>Employee</b></p> <p data-bbox="354 1503 456 1535"><b>Spouse</b></p> <p data-bbox="233 1654 456 1686"><b>Child Term Rider</b></p> <p data-bbox="321 1808 456 1839"><b>Revisions</b></p>	<p data-bbox="480 1104 1430 1472">In-force active and ported certificates of coverage being transferred to the Contractor on January 1, 2018, shall transfer with the same coverage amount. The guaranteed issue amount of insurance under the Voluntary Term Life Insurance Plan shall be five (5) times the employee's Annual Base Salary, 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 Voluntary Term Life Insurance Program 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 or her 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 data-bbox="480 1503 1411 1623">In-force active and ported certificates of coverage being transferred to the Contractor on January 1, 2018, shall transfer with the same coverage amount. Spouse under age 55: increments of \$5,000 up to a maximum of \$30,000. Spouse age 55 and over: increments of \$5,000 up to a maximum of \$15,000.</p> <p data-bbox="480 1654 1468 1774">All child term riders in force as of December 31, 2017, including those in the amount of \$2,500, shall carryover to the Contractor as of January 1, 2018. A new child term rider to be effective January 1, 2018 or later shall be issued in the amount of \$5,000 or \$10,000.</p> <p data-bbox="480 1808 1403 1898">The State reserves the right to negotiate with the Contractor to increase the maximum issue amounts and to adjust the unit rates based on the increase in coverage. Such changes would be effected through an amendment to the</p>

	contract.
<b>Annual Enrollment</b>	<p>Each year during a time period specified by the State, employees may qualify to participate in the Program or to increase amounts of coverage by demonstrating insurability through the response to health questions. Employees may also elect to decrease the face amount during the same time period. Coverage shall become effective within three (3) months of receipt of application. Decrease in coverage shall become effective on January 1 of the subsequent year.</p> <p>Each year during a time period specified by the State, current members may increase the face amount of their coverage by up to \$5,000 if that action will not exceed the guaranteed issue amount, without answering health questions.</p>
<b>Advance Benefit Rider</b>	A rider may be issued if the Member becomes terminally ill and is not expected to live more than nine (9) months, as certified by a medical doctor, in an amount up to fifty percent (50%) of the face amount not to exceed \$500,000. Any payout will reduce the death benefit.
<b>Exclusions/Limitations</b>	<p>Benefits will not be paid for deaths caused by suicide in the first 24 months after a Member's coverage takes effect. Additional or increased coverage amounts will not be paid for deaths caused by suicide within 24 months of the date the changes were made.</p> <p>In the event an individual is approved for coverage through medical underwriting, that coverage will be in full force on the general effective date unless limited by another provision of the Group Master Policy.</p>
<b>Premiums/Fees</b>	The premium rates and administrative fees may be found in section C.3 of the <i>Pro Forma</i> Contract. Premiums for each Certificate are based upon the Member's age as of his or her last birthday. The monthly premium amount will automatically increase as age increases. The monthly premium will be based on age as of January 1 of each year.
<b>Premium Rate Guarantee</b>	The entire term of the contract.
<b>Waiver of Premium</b>	The premium payment will be waived during a period of disability if a Member becomes totally disabled before age 60 and remains disabled for nine consecutive months. The Member may continue the waiver of premium provision up to age 70. This provision only applies to an employee or spouse who is enrolled.
<b>Grace Period</b>	The Insured shall have a grace period of at least thirty-one (31) days for late payment of premium. The Certificate will remain in force during the grace period.
<b>Reinstatement</b>	<p>If the insurance Lapses, coverage may be reinstated within three (3) years after the date of Lapse as long as:</p> <ol style="list-style-type: none"> <li>(1) The Group Policy has not terminated;</li> <li>(2) Acceptable evidence of insurability, at the Member's cost, is submitted to the Contractor; and</li> <li>(3) A premium is paid which is sufficient to keep the insurance in force for at least three (3) months after the reinstatement.</li> </ol>
<b>Continuation and Conversion of Coverage</b>	The Contractor shall provide for continuation of the Voluntary Term Life insurance coverage by former employees and spouses with any affiliated child term riders through participation in the coverage offered through this contract and payment of premium directly to the Contractor. The continued (ported) amount of coverage for a former employee or spouse may not exceed one-half (1/2) the amount the employee or spouse had under active coverage, but no less than \$5,000, subject to an overall maximum of \$250,000. The former employee, spouse, or child may convert coverage to an individual life policy, instead of continuing (porting) the group program. Premium for continuation (porting) of individual certificates shall be as shown in Contract Section C.3. Conversion policies will be priced according to the type of individual life insurance product selected, the classification risk to which

the individual belongs, and the Contractor's premium rate. 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. Notwithstanding the preceding, the Member may not continue (port) coverage if termination is due to non-payment of premium.

For an Employee Member whose employment is terminated or a Spouse Member who becomes ineligible for coverage because of the Employer's eligibility rules, the following options will apply:

- (1) If younger than age 70, the Certificate may be:
  - a. Continued by paying the premiums on a direct bill basis to the Contractor. If this option is elected, the coverage provided by the Certificate will automatically terminate on the last day of the year in which age 70 is obtained. A request to convert to an individual life policy may be made within 31 days of when the Certificate terminates at age 70; or
  - b. Converted to an individual life policy.
- (2) If age 70 or older, the Certificate may be converted to an individual life policy.

The above options will not be available if the Member fails to notify the Contractor of a change in the eligibility status of the Spouse.

If conversion to an individual life policy is chosen by the Member as described above, the application must be made for the policy within 31 days from the date of the notification offering the conversion. Proof of insurability will not be required.

The premium for the policy will be based upon the Member's:

- (1) Age;
- (2) Class of risk; and
- (3) The policy form and face amount of the policy.

If the Member dies during the 31 day period before applying for an individual life policy, the amount of life insurance he/she had under the Certificate will be paid to the beneficiary.

If the life insurance provided by the Group Policy has been in effect for at least five (5) years and the Plan ends or the Plan ceases to include a Member's class of employees, coverage may be converted to an individual life policy, subject to the same conversion restrictions above, except as provided below. The converted policy will be limited to the less of:

- (1) The amount of life insurance the Member had under the Plan, less any amount of life insurance the Member becomes eligible for under another group policy within 31 days after the Plan ends; or
- (2) \$2,000.

### Document Approval Status

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Supplier Minnesota Life Insurance Company	

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<b>Self Approved</b> ✓ Seannalyn N Brandmeir Document Approval 1 08/25/17 - 10:42 AM	→	<b>Approved</b> ✓ Sherry M Snorton Document Approval 2 08/25/17 - 1:59 PM
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CPO Level 1 & 2 Approvals

<b>Approved</b> ✓ Sharon L Pope Document Approval 3 08/28/17 - 10:51 AM
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**Comments**

#### CPO Dir/ Chief Proc Off/ Legal

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<b>Approved</b> ✓ Christopher Salita CPO Approval - Director 08/28/17 - 1:10 PM
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CPO Chief Proc Off

<b>Approved</b> ✓ Shannon B Howell CPO Appr -Chief Proc Officer 08/29/17 - 7:22 AM
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