

New RFS #

# 31786-00019 CONTRACT SUMMARY SHEET

021908

RFS # <b>2034</b>		Contract # <b>317.86 - 029 - 06</b>		Contract # <b>FA-06-16434-01</b>	
State Agency <b>Finance and Administration</b>			State Agency Division <b>Benefits Administration</b>		
Contractor Name <b>Provident Life Insurance Company</b>			Contractor ID # (FEIN or SSN) <input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- <b>62-0331200</b>		

Service Description  
Optional Universal Life Insurance amendment extends term to June 30, 2010.

Contract Begin Date <b>September 1, 2005</b>	Contract End Date <b>June 30, 2010</b>	SUBRECIPIENT or VENDOR? <b>Vendor</b>	CFDA #
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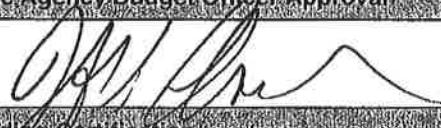
Mark Each TRUE Statement

Contractor is on STARS       Contractor's Form W-9 is on file in Accounts

Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
317.86	52	905	55		
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2006			\$11,500,000.00		\$11,500,000.00
2007			\$2,000,000.00	OCR RELEASED JUN 20 2008 TO ACCOUNTS	\$2,000,000.00
2008			\$2,000,000.00		\$2,000,000.00
2009			\$2,000,000.00		\$2,000,000.00
2010			\$0.00		\$0.00
<b>TOTAL:</b>			<b>\$17,500,000.00</b>		<b>\$17,500,000.00</b>

COMPLETE FOR AMENDMENTS ONLY		
FY	Base Contract & Prior Amendments	THIS Amendment ONLY
2006	\$11,500,000.00	
2007	\$2,000,000.00	
2008	\$2,000,000.00	
2009	\$2,000,000.00	
2010		
<b>TOTAL:</b>	<b>\$17,500,000.00</b>	
<b>End Date:</b>	<b>June 30, 2008</b>	<b>June 30, 2010</b>

State Agency Fiscal Contact & Telephone #  
Laurie Lee, Executive Director  
26<sup>th</sup> Floor of the Tennessee Tower  
615-253-2861

State Agency Budget Officer Approval  


Funding Certification (certification required by F.O.A. 19.451-13 that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)

Contractor Ownership (complete for ALL base contracts - N/A to amendments or delegated authorities)

African American     Person w/ Disability     Hispanic     Small Business     Government  
 Asian     Female     Native American     NOT Minority/Disadvantaged     Other

Contractor Selection Method (complete for ALL base contracts - N/A to amendments or delegated authorities)

RFP     Competitive Negotiation \*     Alternative Competitive Method \*  
 Non-Competitive Negotiation \*     Negotiation w/ Government (ID, GG, GU)     Other \*

Procurement Process Summary (complete for selection by Non-Competitive Negotiation, Competitive Negotiation, OR Alternative Method)

**PROCESSED**  
**JUN 20**  
DIRT & ...

**RECEIVED**  
**2008 JUN 16 AM 11:07**  
**COMPTROLLER'S OFFICE**  
**MANAGEMENT SERVICES**

**OCR**  
**MAY 28 2008**  
**RECEIVED**

**AMENDMENT ONE  
TO FA-06-16434-00**

This Contract Amendment is made and entered by and between the State of Tennessee, State Insurance Committee, hereinafter referred to as the "State" and Provident Life and Accident Insurance Company, hereinafter referred to as the "Contractor." It is mutually understood and agreed by and between said, undersigned contracting parties that the subject Contract is hereby amended as follows:

1. The text of Contract Section B.1. is deleted in its entirety and replaced with the following:

**B.1. Contract Term.** This Contract shall be effective for the period commencing on September 1, 2005 and ending on June 30, 2010. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

2. The text of Contract Section B.2. is deleted in its entirety and replaced with the following:

**B.2. Term Extension.** The State reserves the right to extend this Contract for an additional period or periods of time representing increments of no more than two (2) years and a total contract term of no more than five (5) years, provided that such an extension of the contract term is effected prior to the current, contract expiration date by means of an amendment to the Contract. If the extension of the Contract necessitates additional funding beyond that which was included in the original Contract, the increase in the State's maximum liability will also be effected through an amendment to the Contract, and shall be based upon payment rates provided for in the original Contract.

3. The text of Contract Section C.3. is deleted in its entirety and replaced with the following:

**C.3. Payment Methodology.** The Contractor shall be compensated based on the amount of insurance elected by Plan Participants and the Premium Rates and Administrative Fees listed below in a total amount not to exceed the Contract Maximum Liability (Section C.1). These rates shall be in effect for the initial three year contract term (September 1, 2005 – June 30, 2008) and for the two year term extension (July 1, 2008 – June 30, 2010):

**C.3.1 Monthly Premium Rates per \$1000 of Coverage: Life only charges**

Issue Age	Premium Rate/\$1000 (Employees & Spouses)	Issue Age	Premium Rate/\$1000 (Employees & Spouses)	Issue Age	Premium Rate/\$1000 (Employees & Spouses)
15	0.19	36	0.38	56	2.43
16	0.20	37	0.62	57	2.53
17	0.21	38	0.66	58	2.64
18	0.22	39	0.70	59	2.74
19	0.23	40	0.76	60	2.83
20	0.24	41	0.81	61	2.97
21	0.25	42	0.86	62	3.12
22	0.26	43	0.90	63	3.26
23	0.27	44	1.00	64	3.44
24	0.29	45	1.07	65	3.61
25	0.30	46	1.16	66	3.80
26	0.32	47	1.25	67	3.99
27	0.34	48	1.36	68	4.19
28	0.35	49	1.48	69	4.41
29	0.37	50	1.61	70	4.64
30	0.40	51	1.76	71	4.88
31	0.42	52	1.93	72	5.14
32	0.44	53	2.13	73	5.42

33	0.47	54	2.36	74	5.71
34	0.51	55	2.31	75	6.03
35	0.54				

**C.3.1.1. Monthly Premium Rates per \$1000 of Coverage: Waiver of Premium only charges**

Issue Age	Waiver of Premium Rate/\$1000 (Employees & Spouses)	Issue Age	Waiver of Premium Rate/\$1000 (Employees & Spouses)	Issue Age	Waiver of Premium Rate/\$1000 (Employees & Spouses)
15	0.01	36	0.02	56	0.21
16	0.01	37	0.02	57	0.24
17	0.01	38	0.02	58	0.27
18	0.01	39	0.02	59	0.30
19	0.01	40	0.03	60	0.00
20	0.01	41	0.03	61	0.00
21	0.01	42	0.03	62	0.00
22	0.01	43	0.03	63	0.00
23	0.01	44	0.04	64	0.00
24	0.01	45	0.04	65	0.00
25	0.01	46	0.05	66	0.00
26	0.01	47	0.05	67	0.00
27	0.01	48	0.06	68	0.00
28	0.01	49	0.07	69	0.00
29	0.01	50	0.08	70	0.00
30	0.01	51	0.09	71	0.00
31	0.01	52	0.11	72	0.00
32	0.01	53	0.13	73	0.00
33	0.01	54	0.15	74	0.00
34	0.02	55	0.17	75	0.00
35	0.02				

**C.3.2. Monthly Cost of Insurance Rates/\$1000 of Coverage**

Attained Age	COI Rate/\$1000 (Employees & Spouses)	Attained Age	COI Rate/\$1000 (Employees & Spouses)	Attained Age	COI Rate/\$1000 (Employees & Spouses)
15	\$ 04356	42	\$ 13039	69	\$1,61530
16	05318	43	14415	70	1,77241
17	05808	44	15938	71	1,94491
18	06198	45	17638	72	2,13566
19	06517	46	19479	73	2,34849
20	06765	47	21427	74	2,58786
21	06971	48	23552	75	2,86794
22	06971	49	25819	76	3,16088
23	06800	50	28298	77	3,49994
24	06594	51	30980	78	3,89651
25	06352	52	34000	79	4,28955
26	06075	53	37294	80	4,74010
27	06198	54	40871	81	5,22572
28	06127	55	44888	82	5,74674
29	06056	56	49194	83	6,30914
30	06021	57	53975	84	6,92063
31	06092	58	59288	85	7,58805
32	06198	59	65167	86	8,28948

33	06410
34	06729
35	07119
36	07379
37	08146
38	08854
39	09669
40	10625
41	11794

60	71613
61	78660
62	86240
63	94421
64	103346
65	111990
66	122648
67	134394
68	147297

87	9104683
88	9,85010
89	10,69091
90	11,36607
91	12,47489
92	13,41806
93	14,39491
94	15,40611

**C.3.3 Administrative Fee**

The Contractor's per payment Administrative Fee for the administration of the Optional Universal Life Insurance coverage is:

- \$1.00 per month employee coverage
- \$1.00 per month spouse coverage

**C.3.4. Percent of Premium Loads**

The Contractor shall maintain the following percent of Premium Loads throughout the term of the contract:

Year One	0%
Year Two	0%
Year Three	0%

Year Four	0%
Year Five	0%

**C.3.5. Asset Based Charges**

The Contractor shall maintain the following Asset Based Charges, expressed as percent of Cash Values, throughout the term of the contract:

Year One	0%
Year Two	0%
Year Three	0%

Year Four	0%
Year Five	0%

**C.3.6 Surrender Charges**

The Contractor's Surrender Charges, as a percent of accumulated cash value, for individuals canceling participation in Optional Universal Life Insurance coverage are:

Year One	40%
Year Two	40%
Year Three	40%

Year Four	40%
Year Five	20%

**C.3.7. Interest Crediting Rates**

The monthly interest crediting rate, beginning September 1, 2005 and ending June 30, 2008 shall be equal to one twelfth of the greater of:

- a minimum effective interest crediting rate of Five percent (5%) for year one of the contract; five percent (5%) for year two of the contract; and five percent (5%) for year three of the contract (Absolute Minimum); OR
- the published six month U. S. treasury bill discount rate, established as a result of the auction coinciding with or immediately following the 15th day of the month preceding the monthly anniversary date, plus ten basis points (Variable Rate); OR
- a rate declared quarterly, in advance, by the Contractor; OR
- four and one half percent (4.5%).

The monthly interest crediting rate, beginning July 1, 2008 and ending June 30, 2010 shall be equal to one twelfth of the greater of:

- a minimum effective interest crediting rate of five percent (5%) for year four and five of the contract; OR
- the published six month U. S. treasury bill discount rate, established as a result of the auction coinciding with or immediately following the 15th day of the month preceding the monthly anniversary date, plus fifty (50) basis points (Variable Rate); OR
- a rate declared quarterly, in advance, by the Contractor; OR
- four and one half percent (4.5%).

**C.3.8 Certificate Loan Interest Rate**

The Contractor agrees to the following annual Loan Interest Rates, for each of the six calendar years during the term of the contract – September 1, 2005 through June 30, 2010.

2005	7.5%
2006	7.5%
2007	7.5%
2008	7.5%
2009	7.5%
2010	7.5%

4. The text of Contract Section E.10. is deleted in its entirety and replaced with the following:

E.10. 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. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

Ms. Marlene D. Alvarez, Manager of Procurement and Contracts  
Benefits Administration  
312 Eighth Ave. North  
26<sup>th</sup> Floor, WRS Tennessee Tower  
Nashville, TN 37243  
E-mail Address: [Marlene.Alvarez@state.tn.us](mailto:Marlene.Alvarez@state.tn.us)  
Telephone: 615.253.8358  
Fax: 615.253.8556

The Contractor:

Ms Myra Fox  
Provident Life Insurance Company  
One Fountain Square  
Chattanooga, TN 37402  
E-mail Address: [mfox@unum.com](mailto:mfox@unum.com)  
Telephone: 423.294.1609  
Fax: 423.209.4683

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

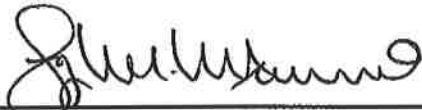
5. The following is added as Contract Section A.3.9.:

A.3.9. Following the conversion from Tennessee Insurance System (TIS) to an Enterprise Readiness Planning system known as Edison, the Contractor shall provide on a date specified by the State, monthly change (adds, changes, terminations) billing statements to the State, which details the premiums due for enrolled active employees. This detail shall be submitted via an electronic means in a format provided by the State. In accordance with Public Law 104-191, HIPAA, all EPHI data will be protected both in transit and at rest. Data will be transferred via secure file transfer protocol (SFTP). While residing on the State SFTP server, data will be protected via encryption. Encryption and decryption will be performed using products available via State contract. The Contractor shall deposit and retrieve data on the State SFTP server. Following the conversion from TIS to Edison, the requirements outlined in A.3.7 and A.3.8 will no longer apply.

The revisions set forth herein shall be effective July 1, 2008. All other terms and conditions not expressly amended herein shall remain in full force and effect.

**IN WITNESS WHEREOF:**

**PROVIDENT LIFE INSURANCE COMPANY:**



May 23, 2008

CONTRACTOR SIGNATURE

DATE

Jay M. Menario, Vice Pres., Product Development

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

**STATE OF TENNESSEE,  
STATE INSURANCE COMMITTEE:**



M. D. GOETZ, JR., CHAIRMAN

5-29-08

DATE

**APPROVED:**



M. D. GOETZ, JR., COMMISSIONER  
DEPARTMENT OF FINANCE AND ADMINISTRATION



DATE

*John G. Morgan*

6/18/08

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JOHN G. MORGAN, COMPTROLLER OF THE TREASURY

DATE