



C O N T R A C T A M E N D M E N T

Agency Tracking # 31786-00019	Edison ID 2034	Contract # FA-06-16434-00	Amendment # 2
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Contractor Provident Life Insurance Company	Contractor Federal Employer Identification or Social Security # <input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 62-0331200
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Amendment Purpose/ Effects
Extend the current term date through December 31, 2012 to allow time for the procurement for these optional universal life insurance services.

Contract Begin Date September 1, 2005	Contract End Date December 31, 2012	Subrecipient or Vendor <input type="checkbox"/> Subrecipient <input checked="" type="checkbox"/> Vendor	CFDA #(s)
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FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2006			\$11,500,000.00		\$11,500,000.00
2007			\$2,000,000.00		\$2,000,000.00
2008			\$2,000,000.00		\$2,000,000.00
2009			\$2,000,000.00		\$2,000,000.00
2010			\$2,050,000.00		\$2,050,000.00
2011			\$2,000,000.00		\$2,000,000.00
2012			\$2,000,000.00		\$2,000,000.00
TOTAL:			\$23,550,000.00		\$23,550,000.00

American Recovery and Reinvestment Act (ARRA) Funding - YES NO

— COMPLETE FOR AMENDMENTS —				
END DATE AMENDED?				
	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO		
FY	Base Contract & Prior Amendments	THIS Amendment ONLY		
2006	\$11,500,000.00		Agency Contact & Telephone # Marlene Alvarez- Manager of Procurement & Contracting Tennessee Department of Finance & Administration, Benefits Administration 312 Rosa L. Parks Avenue, Suite 2600 Nashville, Tennessee 37243 615.253.8358 Agency Budget Officer Approval (there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred) 	
2007	\$2,000,000.00			
2008	\$2,000,000.00			
2009	\$2,000,000.00			
2010		\$2,050,000.00		
2011		\$2,000,000.00		
2012		\$2,000,000.00	Speed Code	Account Code
TOTAL:	\$17,500,000.00	\$6,050,000.00	IA-00000098	79005000

— OCR USE —

Procurement Process Summary (non-competitive, FA- or ED-type only)



F&A Secured Document

FA0616434-02

**AMENDMENT TWO
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, 2006 and ending on December 31, 2012. 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:

R.C. 7/1/10
B.2. Term Extension. The State reserves the right to extend this Contract for an additional period or periods of time 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.

MDG 7/1/10

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

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Twenty-three Million Five Hundred Fifty Thousand Dollars (\$23,550,000.00). The rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the Service Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

4. The text of Contract Sections C.3. and C.4 are deleted in their 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, 2006 - June 30, 2008) and for the remainder of the term of the contract December 31, 2012:

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

Issue	Premium	Issue	Premium	Issue	Premium
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Age	Rate/\$1000 (Employees & Spouses)	Age	Rate/\$1000 (Employees & Spouses)	Age	Rate/\$1000 (Employees & Spouses)
15	\$0.19	36	\$0.58	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	0.93	63	3.28
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	\$.13033	69	\$1.61533
16	.05313	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	2.58796
21	.06871	48	.23552	75	2.85794
22	.06871	49	.25819	76	3.16088
23	.06800	50	.28298	77	3.49994
24	.06694	51	.30990	78	3.87651
25	.06562	52	.34000	79	4.28955
26	.06375	53	.37294	80	4.74010
27	.06198	54	.40871	81	5.22572
28	.06127	55	.44838	82	5.74674
29	.06056	56	.49194	83	6.30914
30	.06021	57	.53975	84	6.92063
31	.06092	58	.59288	85	7.58051
32	.06198	59	.65167	86	8.28948
33	.06410	60	.71613	87	9.04683
34	.06729	61	.78660	88	9.85010
35	.07119	62	.86240	89	10.69091
36	.07579	63	.94421	90	11.56607
37	.08146	64	1.03346	91	12.47489
38	.08854	65	1.11990	92	13.41806
39	.09669	66	1.22648	93	14.39491
40	.10625	67	1.34394	94	15.40611
41	.11794	68	1.47297		

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 Five	0%
Year Two	0%	Year Six	0%
Year Three	0%	Year Seven	0%
Year Four	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 Five	0%
Year Two	0%	Year Six	0%
Year Three	0%	Year Seven	0%
Year Four	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 Five	20%
Year Two	40%		
Year Three	40%		
Year Four	40%		

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 December 31, 2012 shall be equal to one twelfth of the greater of:

- a minimum effective interest crediting rate of five percent (5%); 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 December 31, 2012.

2005	7.5%
2006	7.5%
2007	7.5%
2008	7.5%
2009	7.5%
2010	7.5%
2011	7.5%
2012	7.5%

C.4 Payments to the Contractor shall be based upon payroll deduction information provided by the Contractor and payment of premium by former employees who are paying premium directly to the Contractor. The payroll deduction information shall be provided in a form and medium acceptable to the State and, at a minimum, shall include employees' identification numbers, the type(s) and amount(s) of coverage, and the deduction amounts.

5. 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
26th Floor, WRS Tennessee Tower
Nashville, TN 37243
E-mail Address: Marlene.Alvarez@state.tn.us
Telephone: 615.253.8358
Fax: 615.253.8556

The Contractor:


Mr. Ryan Chamberlain
Provident Life and Accident Insurance Company
One Fountain Square
Chattanooga, TN 37402
E-mail Address: RChamberlain@unum.com
Telephone: 423.294.5187
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.

The revisions set forth herein shall be effective July 1, 2010. All other terms and conditions not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF:

PROVIDENT LIFE AND ACCIDENT INSURANCE COMPANY:



CONTRACTOR SIGNATURE


6/4/10

DATE

Ryan Chamberlain Director Voluntary Benefits Life Pricing

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

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



M. D. GOETZ, JR., CHAIRMAN *noa*
gc

6-9-10

DATE