



STATE OF TENNESSEE
FINANCE & ADMINISTRATION, BENEFITS ADMINISTRATION

**REQUEST FOR PROPOSALS # 31786-00165
AMENDMENT #FIVE FOR LIFE INSURANCE**

DATE: December 3, 2021

RFP # 31786-00165 IS AMENDED AS FOLLOWS:

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

EVENT	TIME (central time zone)	DATE
1. RFP Issued		October 5, 2021
2. Disability Accommodation Request Deadline	2:00 p.m.	October 6, 2021
3. Pre-response Conference	2:30 p.m.	October 13, 2021
4. Notice of Intent to Respond Deadline	2:00 p.m.	October 14, 2021
5. Written "Questions & Comments" Deadline	2:00 p.m.	October 20, 2021
6. State Response to Written "Questions & Comments"		November 16, 2021
7. Written "Questions & Comments" Round 2 Deadline *NOTE: Vendors may submit no more than five (5) questions to the State in the 2nd round of Written Questions and Comments.	2:00 p.m.	November 23, 2021
8. State Response to Written "Questions & Comments" Round 2		December 3, 2021
9. Response Deadline	2:00 p.m.	December 13, 2021
10. State Completion of Technical Response Evaluations		January 12, 2022
11. State Opening & Scoring of Cost Proposals	2:00 p.m.	January 13, 2022
12. State Notice of Intent to Award Released <u>and</u> RFP Files Opened for Public Inspection	2:00 p.m.	January 27, 2022
13. End of Open File Period		February 3, 2022
14. State sends contract to Contractor for signature		February 4, 2022
15. Contractor Signature Deadline	2:00 p.m.	February 11, 2022

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

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

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
RFP General	1.	Can you send the experience data in Excel so that underwriting can work with it -for example, 7.2, 7.3, 7.4, 7.16, 7.17, 7.21. These were sent in Word files and very difficult to convert to excel which is what underwriting needs to be able to work with.	Yes. See Appendix 7.2 CONVERTED, Appendix 7.3 CONVERTED, Appendix 7.4 CONVERTED, Appendix 7.16 REVISED, 7.17 REVISED, and 7.21 REVISED.
RFP General	2.	Please provide 'maximum premium' (opposed to 'remitted premium' in Appendix 7.2) for the minimum premium arrangement coverages from 2017 to current.	See Appendix 7.13 Basic Term Life and ADD Invoice, Contract Premium, column E for the maximum premium.
RFP General	3.	Please extend Appendix 7.21 (Detail Claims Listing) to include 2017 and 2018.	See Appendix 7.21 REVISED Detail Claims Listing.
RFP General	4.	It appears we were provided conversion counts and amount converted, but please also provide conversion charges by year.	See Appendix 7.13 Basic Term Life and ADD Invoice, Conversion Charge, column K.
RFP General	5.	Please provide Appendix 7.21 in Excel formatting.	See Appendix 7.21 REVISED Detail Claims Listing
RFP General	6.	Is the State willing to provide the following data elements/ fields on the files: reporting structure (assigned by vendor), eligible/ participant indicator, header and trailer records so we can administer the Supplemental Life coverages?	The State will work with the Contractor to possibly modify the eligibility file (see Appendix 7.8 BA067 Weekly Eligibility File Layout). The State would consult with its programming staff about including header and trailer records in the file. The State would need to know more about the reporting structure assigned by the vendor; e.g. fixed values. (The State provides a budget

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
			code for each eligible employee in the file.) There is no need for a eligible/participant indicator since all employees in the file are eligible for the voluntary term life insurance program.
RFP General	7.	In Excel, please provide the death claim listings for basic employee (2016-2018), basic deps (2016-2018) and basic ADD (2016-2018).The currently provided data was provided as screenshots of Excel.	See Appendix 7.21 REVISED Detail Claims Listing.
RFP General	8.	Please provide a basic life premium waiver listing with all premium waiver claims open as of 6/30/21	See NEW Appendix 7.22 Basic Term Life Approved Waiver Claims as of 11/28/2021. Keep in mind that the basic term life coverage for these members will remain with the current contractor.
RFP General	9.	Is the supplemental administrative charge of \$0.24/month included in the provided supplemental premiums?	No.
RFP General	10.	Please explain why the voluntary AD&D premiums per Appendix 7.3, significantly decreased in 2019-current (i.e was there a plan change, a rate change etc).	There was a decrease in the monthly premium rates as of January 1, 2019.
A.10(c) Information Systems	11.	Would the State accept changing Pro Forma provision A.10(c) – “Information Ownership” to match the current contract in place (Section A.8(f)? Specifically, we are asking to add the phrase, “excluding blinded aggregate data used by the Contractor” to the end of the first sentence in A.10(c)?	Yes, the State agrees. Please see Amendment Item #4 below.
C.3 viii Basic Term Life/Basic AD&D Liability Upon	12.	Can you please further explain the carry forward of excess premium from the contract section C.3 viii (Annual Financial Statement for Basic Term Life/Basic AD&D). I am assuming the 10% is of the total of section B Contract Premium in Appendix 7.13 annually. It appears that that greater than 10% was carried forward during the contract period.	The annual carry forward calculation shall be based upon the Annual Financial Statement described in contract section C.3.d.vii. The statement shall include all premiums earned, all claims payments, the

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
Termination of Contract			<p>change in reserves for incurred but unreported claims, administrative charges, conversion fees, interest earnings, premium tax, and interest on premium due.</p> <p>Contract Section C.3.d.vi. has been revised to clarify the process. In addition, the State has added two definitions to Contract Section A.2. See Amendment Items #3 And #5 below.</p> <p>The State has updated the contract reference in Contract attachment D, report #12. See Amendment Item #6 below.</p>

3. Add definitions to Pro forma Section A.2 (any sentence or paragraph containing revised or new text is highlighted):

dd. **Surplus:** the cumulative amount, as of a Valuation Date, by which Premiums were determined to be greater than the sum of Claims Incurred, Expenses, Cash Flow Credits, Taxes and the Risk Charge.

ee. **Deficit:** the cumulative amount, as of a Valuation Date, by which Premiums were determined to be less than the sum of Claims Incurred, Expenses, Cash Flow Charges, Taxes and the Risk Charge.

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

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 consent of the State In Writing.

5. Delete Pro forma Section C.3.d.vi in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

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.d. and C.6. 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 Annual Financial Accounting, as described in contract section C.3.d.vii., results in Surplus premium, the Surplus premium (up to 10% of the prior year's annual contract premium) may be carried forward by the State to the next Contract year. Although the Surplus premium will be determined on a cumulative basis, the amount of the Surplus premium carried forward cannot exceed ten percent (10%) of the annual premium for the prior Contract year.

6. Delete Pro forma Contract, Attachment D, Report #12 in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

- 12) **Annual Financial Statement for Basic Term Life/Basic AD&D**, submitted annually using the template prior approved In Writing by the State as described in Contract Section **C.3.d.vii.**

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

CONVERTED TO EXCEL:

7.2 CONVERTED Claims, conversion, and premium experience 2014 – June 2021 – Basic Term Life/Basic AD&D

7.3 CONVERTED Claims and premium experience 2014 – June 2021 – Voluntary AD&D

7.4 CONVERTED Claims and premium experience 2013 – June 2021 – Voluntary Term Life

REVISED:

7.16 REVISED Voluntary Term Life Enrollment History

7.17 REVISED Waiver of Premium Claims History

7.21 REVISED Detail Claims Listing

NEW:

7.22 Basic Term Life Approved Waiver Claims as of 11-28-2021

- 8. Delete RFP #31786-00165 in its entirety, and replace with RFP #31786-00165, Release #3.** Revisions of the original RFP document are emphasized within the new release. **Any sentence or paragraph containing revised or new text is highlighted.**

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