



**STATE OF TENNESSEE  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
DIVISION OF BENEFITS ADMINISTRATION**

**REQUEST FOR PROPOSALS  
FOR  
BASIC TERM LIFE, BASIC ACCIDENTAL DEATH &  
DISMEMBERMENT, VOLUNTARY ACCIDENTAL DEATH &  
DISMEMBERMENT, AND VOLUNTARY TERM LIFE  
INSURANCE PROGRAMS**

**RFP # 31786-00165**

**RELEASE #3**

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## 1. INTRODUCTION

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The State of Tennessee, Department of Finance and Administration, State Insurance Committee, hereinafter referred to as "the State," issues this Request for Proposals (RFP) to define minimum contract requirements; solicit responses; detail response requirements; and outline the State's process for evaluating responses and selecting a contractor to provide the needed goods or services.

Through this RFP, the State seeks to procure necessary goods or services at the most favorable, competitive prices and to give ALL qualified respondents, including those that are owned by minorities, women, service-disabled veterans, persons with disabilities and small business enterprises, an opportunity to do business with the state as contractors, subcontractors or suppliers.

### 1.1.1. Statement of Procurement Purpose

The State Insurance Committee seeks to secure a single contract with an insurance company for the delivery of 1. A group fully-insured, voluntary (employee pay all) term life insurance program; 2. A group fully-insured, voluntary (employee pay all) Accidental Death and Dismemberment (AD&D) insurance program; and 3. A group minimum premium insured basic term life and basic accidental death & dismemberment insurance program (employer/employee pay). The benefit period for all programs shall be January 1, 2023 through December 31, 2027.

The State seeks to continue offering these life and AD&D insurance programs for eligible employees of Central State Government and State Higher Education agencies and their eligible dependents. Appendix 7.1 to this RFP includes current eligibility information. Minimum benefit requirements are listed in Attachment E to Pro Forma Contract Attachment 6.6 to this RFP. The traditional benefits shall initially be implemented, which includes \$20,000 of basic-term and \$40,000 of basic AD&D funded by the State. Additional amounts of coverage are funded by the employee. The State will notify the contractor In Writing if it is desired to change from the traditional to the contemporary plan benefits. The contemporary basic term and basic AD&D benefits would include minimum coverage amounts of \$50,000 and maximum coverage amounts of \$250,000 and would be funded by the State.

- 1.1.2. The maximum liability for the resulting contract will be determined through the best evaluated cost proposal and estimated cost associated with this service. The maximum liability will exceed one dollar (\$1.00).

### 1.2. Scope of Service, Contract Period, & Required Terms and Conditions

The RFP Attachment 6.6., *Pro Forma* Contract details the State's requirements:

- Scope of Services and Deliverables (Section A);
- Contract Period (Section B);
- Payment Terms (Section C);
- Standard Terms and Conditions (Section D); and,
- Special Terms and Conditions (Section E).

The *pro forma* contract substantially represents the contract document that the successful Respondent must sign.

### 1.3. Nondiscrimination

No person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of a Contract pursuant to this RFP 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, Tennessee state constitutional, or statutory law. The Contractor pursuant to this RFP shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

#### 1.4. RFP Communications

- 1.4.1. The State has assigned the following RFP identification number that must be referenced in all communications regarding this RFP:

**RFP # 31786-00165**

- 1.4.2. **Unauthorized contact about this RFP with employees or officials of the State of Tennessee except as detailed below may result in disqualification from consideration under this procurement process.**

- 1.4.2.1. Prospective Respondents must direct communications concerning this RFP to the following person designated as the Solicitation Coordinator:

Seannalyn Brandmeir, Procurement and Contracts Director  
 Department of Finance and Administration, Division of Benefits Administration  
 312 Rosa L. Parks Avenue, Suite 1900  
[seannalyn.brandmeir@tn.gov](mailto:seannalyn.brandmeir@tn.gov)  
 Telephone: 615.532.4598  
 Fax: 615.253.8556

Heather Pease  
 Benefits and Contracting Assistant Director  
 Department of Finance & Administration, Division of Benefits Administration  
 312 Rosa L. Parks Avenue, Suite 1900  
 Nashville, Tennessee 37243  
[heather.pease@tn.gov](mailto:heather.pease@tn.gov)  
 Telephone: 615.253.1652  
 Fax: 615.253.8556

- 1.4.2.2. Notwithstanding the foregoing, Prospective Respondents may alternatively contact:

- a. staff of the Governor's Office of Diversity Business Enterprise for assistance available to minority-owned, woman-owned, service-disabled veteran-owned, businesses owned by persons with disabilities, and small businesses as well as general, public information relating to this RFP (visit <https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/governor-s-office-of-diversity-business-enterprise--godbe--/godbe-general-contacts.html> for contact information); and
- b. the following individual designated by the State to coordinate compliance with the nondiscrimination requirements of the State of Tennessee, Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, and associated federal regulations:

Lucian Geise, General Counsel  
 Tennessee Department of Finance & Administration  
 312 Rosa L. Parks Avenue, Suite 2000 Nashville, Tennessee 37243 Phone  
 Number: 615-532-9617  
 Fax: 615-532-8532  
[FA.CivilRights@tn.gov](mailto:FA.CivilRights@tn.gov)

- 1.4.3. Only the State's official, written responses and communications with Respondents are binding with regard to this RFP. Oral communications between a State official and one or more Respondents are unofficial and non-binding.
- 1.4.4. Potential Respondents must ensure that the State receives all written questions and comments, including questions and requests for clarification, no later than the Written Questions & Comments Deadline detailed in the RFP Section 2, Schedule of Events.
- 1.4.5. Respondents must assume the risk of the method of dispatching any communication or response to the State. The State assumes no responsibility for delays or delivery failures resulting from the Respondent's method of dispatch. Actual or digital "postmarking" of a communication or response to the State by a specified deadline is not a substitute for the State's actual receipt of a communication or response.
- 1.4.6. The State will convey all official responses and communications related to this RFP to the prospective Respondents from whom the State has received a Notice of Intent to Respond (refer to RFP Section 1.8).
- 1.4.7. The State reserves the right to determine, at its sole discretion, the method of conveying official, written responses and communications related to this RFP. Such written communications may be transmitted by mail, hand-delivery, facsimile, electronic mail, Internet posting, or any other means deemed reasonable by the State. For internet posting, please refer to the following website: <https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/supplier-information/request-for-proposals--rfp--opportunities1.html>.
- 1.4.8. The State reserves the right to determine, at its sole discretion, the appropriateness and adequacy of responses to written comments, questions, and requests related to this RFP. The State's official, written responses will constitute an amendment of this RFP.
- 1.4.9. Any data or factual information provided by the State (in this RFP, an RFP amendment or any other communication relating to this RFP) is for informational purposes only. The State will make reasonable efforts to ensure the accuracy of such data or information, however it is the Respondent's obligation to independently verify any data or information provided by the State. The State expressly disclaims the accuracy or adequacy of any information or data that it provides to prospective Respondents.

#### 1.5. **Assistance to Respondents With a Handicap or Disability**

Prospective Respondents with a handicap or disability may receive accommodation relating to the communication of this RFP and participating in the RFP process. Prospective Respondents may contact the Solicitation Coordinator to request such reasonable accommodation no later than the Disability Accommodation Request Deadline detailed in the RFP Section 2, Schedule of Events.

#### 1.6. **Respondent Required Review & Waiver of Objections**

- 1.6.1. Each prospective Respondent must carefully review this RFP, including but not limited to, attachments, the RFP Attachment 6.6., *Pro Forma* Contract, and any amendments, for questions, comments, defects, objections, or any other matter requiring clarification or correction (collectively called "questions and comments").
- 1.6.2. Any prospective Respondent having questions and comments concerning this RFP must provide them in writing to the State no later than the Written Questions & Comments Deadline detailed in the RFP Section 2, Schedule of Events.
- 1.6.3. Protests based on any objection to the RFP shall be considered waived and invalid if the objection has not been brought to the attention of the State, in writing, by the Written Questions & Comments Deadline.

### 1.7. Pre-Response Conference

A Pre-response Conference will be held at the time and date detailed in the RFP Section 2, Schedule of Events. Pre-response Conference attendance is not mandatory, and prospective Respondents may be limited to a maximum number of attendees depending upon overall attendance and space limitations.

WebEx information:

[WebEx meeting](#) (active link to web address)

Meeting number (access code): 1800 20 5191

Meeting password: kEjcp2a7vg6

The purpose of the conference is to discuss the RFP scope of goods or services. The State will entertain questions, however prospective Respondents must understand that the State's oral response to any question at the Pre-response Conference shall be unofficial and non-binding. Prospective Respondents must submit all questions, comments, or other concerns regarding the RFP in writing prior to the Written Questions & Comments Deadline date detailed in the RFP Section 2, Schedule of Events. The State will send the official response to these questions and comments to prospective Respondents from whom the State has received a Notice of Intent to respond as indicated in RFP Section 1.8 and on the date detailed in the RFP Section 2, Schedule of Events.

### 1.8. Notice of Intent to Respond

Before the Notice of Intent to Respond Deadline detailed in the RFP Section 2, Schedule of Events, prospective Respondents should submit to the Solicitation Coordinator a Notice of Intent to Respond (in the form of a simple e-mail or other written communication). Such notice should include the following information:

- the business or individual's name (as appropriate);
- a contact person's name and title; and
- the contact person's mailing address, telephone number, facsimile number, and e-mail address.

**A Notice of Intent to Respond creates no obligation and is not a prerequisite for submitting a response, however, it is necessary to ensure receipt of any RFP amendments or other notices and communications relating to this RFP.**

### 1.9. Response Deadline

A Respondent must ensure that the State receives a response no later than the Response Deadline time and date detailed in the RFP Section 2, Schedule of Events. The State will not accept late responses, and a Respondent's failure to submit a response before the deadline will result in disqualification of the response. It is the responsibility of the Respondent to ascertain any additional security requirements with respect to packaging and delivery to the State of Tennessee. Respondents should be mindful of any potential delays due to security screening procedures, weather, or other filing delays whether foreseeable or unforeseeable.

## 2. RFP SCHEDULE OF EVENTS

2.1. The following RFP Schedule of Events represents the State's best estimate for this RFP.

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 <b>*NOTE: Vendors may submit no more than five (5) questions to the State in the 2nd round of Written Questions and Comments.</b>	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

2.2. **The State reserves the right, at its sole discretion, to adjust the RFP Schedule of Events as it deems necessary.** Any adjustment of the Schedule of Events shall constitute an RFP amendment, and the State will communicate such to prospective Respondents from whom the State has received a Notice of Intent to Respond (refer to Section 1.8).

### 3. RESPONSE REQUIREMENTS

#### 3.1. Response Form

A response to this RFP must consist of two parts, a Technical Response and a Cost Proposal.

- 3.1.1. **Technical Response.** RFP Attachment 6.2., Technical Response & Evaluation Guide provides the specific requirements for submitting a response. This guide includes mandatory requirement items, general qualifications and experience items, and technical qualifications, experience, and approach items all of which must be addressed with a written response and, in some instances, additional documentation.

**NOTICE: A technical response must not include any pricing or cost information. If any pricing or cost information amounts of any type (even pricing relating to other projects) is included in any part of the technical response, the state may deem the response to be non-responsive and reject it.**

- 3.1.1.1. A Respondent should duplicate and use the RFP Attachment 6.2., Technical Response & Evaluation Guide to organize, reference, and draft the Technical Response by duplicating the attachment, adding appropriate page numbers as required, and using the guide as a table of contents covering the Technical Response.
- 3.1.1.2. A response should be economically prepared, with emphasis on completeness and clarity. A response, as well as any reference material presented, must be written in English and must be written on standard 8 ½" x 11" pages (although oversize exhibits are permissible) and use a 12 point font for text. All response pages must be numbered.
- 3.1.1.3. All information and documentation included in a Technical Response should correspond to or address a specific requirement detailed in the RFP Attachment 6.2., Technical Response & Evaluation Guide. All information must be incorporated into a response to a specific requirement and clearly referenced. Any information not meeting these criteria will be deemed extraneous and will not contribute to evaluations.
- 3.1.1.4. The State may determine a response to be non-responsive and reject it if:
- a. the Respondent fails to organize and properly reference the Technical Response as required by this RFP and the RFP Attachment 6.2., Technical Response & Evaluation Guide; or
  - b. the Technical Response document does not appropriately respond to, address, or meet all of the requirements and response items detailed in the RFP Attachment 6.2., Technical Response & Evaluation Guide.

- 3.1.2. **Cost Proposal.** A Cost Proposal must be recorded on an exact duplicate of the RFP Attachment 6.3., Cost Proposal & Scoring Guide.

**NOTICE: If a Respondent fails to submit a cost proposal exactly as required, the State may deem the response to be non-responsive and reject it.**

- 3.1.2.1. A Respondent must only record the proposed cost exactly as required by the RFP Attachment 6.3., Cost Proposal & Scoring Guide and must NOT record any other rates, amounts, or information.
- 3.1.2.2. The proposed cost shall incorporate ALL costs for services under the contract for the total contract period, including any renewals or extensions.



- 3.1.2.3. A Respondent must sign and date the Cost Proposal.
- 3.1.2.4. A Respondent must submit the Cost Proposal to the State on a separate USB flash drive from the Technical Response (as detailed in RFP Sections 3.2.2., et. seq).

## 3.2. Response Delivery

- 3.2.1. A Respondent must ensure that both the Technical Response and Cost Proposal files meet all form and content requirements, including all required signatures, as detailed within this RFP.
- 3.2.2. A Respondent must submit their responses as specified in one of the two formats below.

### 3.2.2.1 Technical Response

The Technical Response document should be in the form of one (1) digital document in “PDF” format properly recorded on its own otherwise blank, USB flash drive and should be clearly identified as the:

**“RFP #31786-00165 TECHNICAL RESPONSE ORIGINAL”**

and two (2) digital copies of the Technical Response each in the form of one (1) digital document with **separate individual corresponding appendices or exhibits** in “PDF” format properly recorded on its own otherwise blank, USB flash drive clearly labeled:

**“RFP # 3786-00165 TECHNICAL RESPONSE COPY”**

The customer references should be delivered by each reference in accordance with RFP Attachment 6.2, Section B.17.

### 3.2.2.2. Cost Proposal:

The Cost Proposal should be in the form of one (1) digital document in “PDF” or “XLS” format properly recorded on a separate, otherwise blank, USB flash drive clearly labeled:

**“RFP #31786-00165 COST PROPOSAL”**

An electronic or facsimile signature, as applicable, on the Cost Proposal is acceptable.

### 3.2.2.3. E-Mail Submission

#### 3.2.2.3.1. Technical Response

The Technical Response document should be in the form of one (1) digital document in “PDF” format or other easily accessible digital format attached to an e-mail to the Solicitation Coordinator. Both the subject and file name should both be clearly identified as follows:

**“RFP #31786-00165 TECHNICAL RESPONSE”**

The customer references should be delivered by each reference in accordance with RFP Attachment 6.2, Section B.17.

#### 3.2.2.3.2. Cost Proposal:

The Cost Proposal should be in the form of one (1) digital document in “XLS” format or other easily accessible digital format attached to an e-mail to the Solicitation Coordinator. Both the subject and file name should both be clearly identified as follows:

**“RFP #31786-00165 COST PROPOSAL”**

An electronic or facsimile signature, as applicable, on the Cost Proposal is acceptable.

- 3.2.3. For e-mail submissions, the Technical Response and Cost Proposal documents must be dispatched to the Solicitation Coordinator in separate e-mail messages. For digital media submissions, a Respondent must separate, seal, package, and label the documents and copies for delivery as follows:
- 3.2.3.1. The Technical Response copies must be placed in a sealed package that is clearly labeled:
- “DO NOT OPEN... RFP # 31786-00165 TECHNICAL RESPONSE FROM [RESPONDENT LEGAL ENTITY NAME]”**
- 3.2.3.2. The Cost Proposal must be placed in a separate, sealed package that is clearly labeled:
- “DO NOT OPEN... RFP # 31786-00165 COST PROPOSAL FROM [RESPONDENT LEGAL ENTITY NAME]”**
- 3.2.3.3. The separately, sealed Technical Response and Cost Proposal components may be enclosed in a larger package for mailing or delivery, provided that the outermost package is clearly labeled:
- “RFP # 31786-00165 SEALED TECHNICAL RESPONSE & SEALED COST PROPOSAL FROM [RESPONDENT LEGAL ENTITY NAME]”**
- 3.2.3.4. Any Respondent wishing to submit a Response in a format other than digital may do so by contacting the Solicitation Coordinator.
- 3.2.4. A Respondent must ensure that the State receives a response no later than the Response Deadline time and date detailed in the RFP Section 2, Schedule of Events at the following address:

Seannalyn Brandmeir, Procurement and Contracting Contracts Manager Director  
 Department of Finance and Administration, Division of Benefits Administration  
 312 Rosa L. Parks Avenue, Suite 1900  
 seannalyn.brandmeir@tn.gov  
 Telephone: 615.532.4598  
 Fax: 615.253.8556

Heather Pease  
 Benefits and Contracting Assistant Director  
 Department of Finance & Administration, Division of Benefits Administration  
 312 Rosa L. Parks Avenue, Suite 1900  
 Nashville, Tennessee 37243  
 heather.pease@tn.gov  
 Telephone: 615.253.1652  
 Fax: 615.253.8556

### 3.3. **Response & Respondent Prohibitions**

- 3.3.1. A response must not include alternate contract terms and conditions. If a response contains such terms and conditions, the State, at its sole discretion, may determine the response to be a non-responsive counteroffer and reject it.

- 3.3.2. A response must not restrict the rights of the State or otherwise qualify either the offer to deliver goods or provide services as required by this RFP or the Cost Proposal. If a response restricts the rights of the State or otherwise qualifies either the offer to deliver goods or provide services as required by this RFP or the Cost Proposal, the State, at its sole discretion, may determine the response to be a non-responsive counteroffer and reject it.
- 3.3.3. A response must not propose alternative goods or services (*i.e.*, offer services different from those requested and required by this RFP) unless expressly requested in this RFP. The State may consider a response of alternative goods or services to be non-responsive and reject it.
- 3.3.4. A Cost Proposal must be prepared and arrived at independently and must not involve any collusion between Respondents. The State will reject any Cost Proposal that involves collusion, consultation, communication, or agreement between Respondents. Regardless of the time of detection, the State will consider any such actions to be grounds for response rejection or contract termination.
- 3.3.5. A Respondent must not provide, for consideration in this RFP process or subsequent contract negotiations, any information that the Respondent knew or should have known was materially incorrect. If the State determines that a Respondent has provided such incorrect information, the State will deem the Response non-responsive and reject it.
- 3.3.6. A Respondent must not submit more than one Technical Response and one Cost Proposal in response to this RFP, except as expressly requested by the State in this RFP. If a Respondent submits more than one Technical Response or more than one Cost Proposal, the State will deem all of the responses non-responsive and reject them.
- 3.3.7. A Respondent must not submit a response as a prime contractor while also permitting one or more other Respondents to offer the Respondent as a subcontractor in their own responses. Such may result in the disqualification of all Respondents knowingly involved. This restriction does not, however, prohibit different Respondents from offering the same subcontractor as a part of their responses (provided that the subcontractor does not also submit a response as a prime contractor).
- 3.3.8. The State shall not consider a response from an individual who is, or within the past six (6) months has been, a State employee. For purposes of this RFP:
- 3.3.8.1. An individual shall be deemed a State employee until such time as all compensation for salary, termination pay, and annual leave has been paid;
- 3.3.8.2. A contract with or a response from a company, corporation, or any other contracting entity in which a controlling interest is held by any State employee shall be considered to be a contract with or proposal from the employee; and
- 3.3.8.3. A contract with or a response from a company, corporation, or any other contracting entity that employs an individual who is, or within the past six (6) months has been, a State employee shall not be considered a contract with or a proposal from the employee and shall not constitute a prohibited conflict of interest.
- 3.3.9. This RFP is also subject to Tenn. Code Ann. § 12-4-101—105.

#### 3.4. **Response Errors & Revisions**

A Respondent is responsible for any and all response errors or omissions. A Respondent will not be allowed to alter or revise response documents after the Response Deadline time and date detailed in the RFP Section 2, Schedule of Events unless such is formally requested, in writing, by the State.

#### 3.5. **Response Withdrawal**

A Respondent may withdraw a submitted response at any time before the Response Deadline time and date detailed in the RFP Section 2, Schedule of Events by submitting a written request signed by an

authorized Respondent representative. After withdrawing a response, a Respondent may submit another response at any time before the Response Deadline. After the Response Deadline, a Respondent may only withdraw all or a portion of a response where the enforcement of the response would impose an unconscionable hardship on the Respondent.

3.6. **Additional Services**

If a response offers goods or services in addition to those required by and described in this RFP, the State, at its sole discretion, may add such services to the contract awarded as a result of this RFP. Notwithstanding the foregoing, a Respondent must not propose any additional cost amounts or rates for additional goods or services. Regardless of any additional services offered in a response, the Respondent's Cost Proposal must only record the proposed cost as required in this RFP and must not record any other rates, amounts, or information.

**NOTICE: If a Respondent fails to submit a Cost Proposal exactly as required, the State may deem the response non-responsive and reject it.**

3.7. **Response Preparation Costs**

The State will not pay any costs associated with the preparation, submittal, or presentation of any response.

## 4. GENERAL CONTRACTING INFORMATION & REQUIREMENTS

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### 4.1. RFP Amendment

The State at its sole discretion may amend this RFP, in writing, at any time prior to contract award. However, prior to any such amendment, the State will consider whether it would negatively impact the ability of potential Respondents to meet the response deadline and revise the RFP Schedule of Events if deemed appropriate. If an RFP amendment is issued, the State will convey it to potential Respondents who submitted a Notice of Intent to Respond (refer to RFP Section 1.8). A response must address the final RFP (including its attachments) as amended.

### 4.2. RFP Cancellation

The State reserves the right, at its sole discretion, to cancel the RFP or to cancel and reissue this RFP in accordance with applicable laws and regulations.

### 4.3. State Right of Rejection

4.3.1. Subject to applicable laws and regulations, the State reserves the right to reject, at its sole discretion, any and all responses.

4.3.2. The State may deem as non-responsive and reject any response that does not comply with all terms, conditions, and performance requirements of this RFP. Notwithstanding the foregoing, the State reserves the right to waive, at its sole discretion, minor variances from full compliance with this RFP. If the State waives variances in a response, such waiver shall not modify the RFP requirements or excuse the Respondent from full compliance, and the State may hold any resulting Contractor to strict compliance with this RFP.

### 4.4. Assignment & Subcontracting

4.4.1. The Contractor may not subcontract, transfer, or assign any portion of the Contract awarded as a result of this RFP without prior approval of the State. The State reserves the right to refuse approval, at its sole discretion, of any subcontract, transfer, or assignment.

4.4.2. If a Respondent intends to use subcontractors, the response to this RFP must specifically identify the scope and portions of the work each subcontractor will perform (refer to RFP Attachment 6.2., Section B, General Qualifications & Experience Item B.12.).

4.4.3. Subcontractors identified within a response to this RFP will be deemed as approved by the State unless the State expressly disapproves one or more of the proposed subcontractors prior to signing the Contract.

4.4.4. After contract award, a Contractor may only substitute an approved subcontractor at the discretion of the State and with the State's prior, written approval.

4.4.5. Notwithstanding any State approval relating to subcontracts, the Respondent who is awarded a contract pursuant to this RFP will be the prime contractor and will be responsible for all work under the Contract.

### 4.5. Right to Refuse Personnel or Subcontractors

The State reserves the right to refuse, at its sole discretion and notwithstanding any prior approval, any personnel of the prime contractor or a subcontractor providing goods or services in the performance of a contract resulting from this RFP. The State will document in writing the reason(s) for any rejection of personnel.

#### 4.6. Insurance

The State will require the awarded Contractor to provide a Certificate of Insurance issued by an insurance company licensed or authorized to provide insurance in the State of Tennessee. Each Certificate of Insurance shall indicate current insurance coverages meeting minimum requirements as may be specified by this RFP. A failure to provide a current, Certificate of Insurance will be considered a material breach and grounds for contract termination.

#### 4.7. Professional Licensure and Department of Revenue Registration

- 4.7.1. All persons, agencies, firms, or other entities that provide legal or financial opinions, which a Respondent provides for consideration and evaluation by the State as a part of a response to this RFP, shall be properly licensed to render such opinions.
- 4.7.2. Before the Contract resulting from this RFP is signed, the apparent successful Respondent (and Respondent employees and subcontractors, as applicable) must hold all necessary or appropriate business or professional licenses to provide the goods or services as required by the contract. The State may require any Respondent to submit evidence of proper licensure.
- 4.7.3. Before the Contract resulting from this RFP is signed, the apparent successful Respondent must be registered with the Tennessee Department of Revenue for the collection of Tennessee sales and use tax. The State shall not award a contract unless the Respondent provides proof of such registration or provides documentation from the Department of Revenue that the Contractor is exempt from this registration requirement. The foregoing is a mandatory requirement of an award of a contract pursuant to this solicitation. To register, please visit the Department of Revenue's Tennessee Taxpayer Access Point (TNTAP) website for Online Registration and the Vendor Contract Questionnaire. These resources are available at the following:  
<https://tntap.tn.gov/eservices/#1>

#### 4.8. Disclosure of Response Contents

- 4.8.1. All materials submitted to the State in response to this RFP shall become the property of the State of Tennessee. Selection or rejection of a response does not affect this right. By submitting a response, a Respondent acknowledges and accepts that the full response contents and associated documents will become open to public inspection in accordance with the laws of the State of Tennessee.
- 4.8.2. The State will hold all response information, including both technical and cost information, in confidence during the evaluation process.
- 4.8.3. Upon completion of response evaluations, indicated by public release of a Notice of Intent to Award, the responses and associated materials will be open for review by the public in accordance with Tenn. Code Ann. § 10-7-504(a)(7).

#### 4.9. Contract Approval and Contract Payments

- 4.9.1. After contract award, the Contractor who is awarded the contract must submit appropriate documentation with the Department of Finance and Administration, Division of Accounts.
- 4.9.2. This RFP and its contractor selection processes do not obligate the State and do not create rights, interests, or claims of entitlement in either the Respondent with the apparent best-evaluated response or any other Respondent. State obligations pursuant to a contract award shall commence only after the Contract is signed by the State agency head and the Contractor and after the Contract is approved by all other state officials as required by applicable laws and regulations.
- 4.9.3. No payment will be obligated or made until the relevant Contract is approved as required by applicable statutes and rules of the State of Tennessee.

- 4.9.3.1. The State shall not be liable for payment of any type associated with the Contract resulting from this RFP (or any amendment thereof) or responsible for any goods delivered or services rendered by the Contractor, even goods delivered or services rendered in good faith and even if the Contractor is orally directed to proceed with the delivery of goods or the rendering of services, if it occurs before the Contract Effective Date or after the Contract Term.
- 4.9.3.2. All payments relating to this procurement will be made in accordance with the Payment Terms and Conditions of the Contract resulting from this RFP (refer to RFP Attachment 6.6., *Pro Forma Contract*, Section C).
- 4.9.3.3. If any provision of the Contract provides direct funding or reimbursement for the competitive purchase of goods or services as a component of contract performance or otherwise provides for the reimbursement of specified, actual costs, the State will employ all reasonable means and will require all such documentation that it deems necessary to ensure that such purchases were competitive and costs were reasonable, necessary, and actual. The Contractor shall provide reasonable assistance and access related to such review. Further, the State shall not remit, as funding or reimbursement pursuant to such provisions, any amounts that it determines do not represent reasonable, necessary, and actual costs.

#### 4.10. **Contractor Performance**

The Contractor who is awarded a contract will be responsible for the delivery of all acceptable goods or the satisfactory completion of all services set out in this RFP (including attachments) as may be amended. All goods or services are subject to inspection and evaluation by the State. The State will employ all reasonable means to ensure that goods delivered or services rendered are in compliance with the Contract, and the Contractor must cooperate with such efforts.

#### 4.11. **Contract Amendment**

After Contract award, the State may request the Contractor to deliver additional goods or perform additional services within the general scope of the Contract and this RFP, but beyond the specified Scope, and for which the Contractor may be compensated. In such instances, the State will provide the Contractor a written description of the additional goods or services. The Contractor must respond to the State with a time schedule for delivering the additional goods or accomplishing the additional services based on the compensable units included in the Contractor's response to this RFP. If the State and the Contractor reach an agreement regarding the goods or services and associated compensation, such agreement must be effected by means of a contract amendment. Further, any such amendment requiring additional goods or services must be signed by both the State agency head and the Contractor and must be approved by other state officials as required by applicable statutes, rules, policies and procedures of the State of Tennessee. The Contractor must not provide additional goods or render additional services until the State has issued a written contract amendment with all required approvals.

#### 4.12. **Severability**

If any provision of this RFP is declared by a court to be illegal or in conflict with any law, said decision will not affect the validity of the remaining RFP terms and provisions, and the rights and obligations of the State and Respondents will be construed and enforced as if the RFP did not contain the particular provision held to be invalid.

#### a.13. **Next Ranked Respondent**

The State reserves the right to initiate negotiations with the next ranked Respondent should the State cease doing business with any Respondent selected via this RFP process.

## 5. EVALUATION & CONTRACT AWARD

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### 5.1. Evaluation Categories & Maximum Points

The State will consider qualifications, experience, technical approach, and cost in the evaluation of responses and award points in each of the categories detailed below (up to the maximum evaluation points indicated) to each response deemed by the State to be responsive.

EVALUATION CATEGORY	MAXIMUM POINTS POSSIBLE
<b>General Qualifications &amp; Experience</b> (refer to RFP Attachment 6.2., Section B)	<b>10</b>
<b>Technical Qualifications, Experience &amp; Approach</b> (refer to RFP Attachment 6.2., Section C)	<b>40</b>
<b>Cost Proposal</b> (refer to RFP Attachment 6.3.)	<b>50</b>

### 5.2. Evaluation Process

The evaluation process is designed to award the contract resulting from this RFP not necessarily to the Respondent offering the lowest cost, but rather to the Respondent deemed by the State to be responsive and responsible who offers the best combination of attributes based upon the evaluation criteria. (“Responsive Respondent” is defined as a Respondent that has submitted a response that conforms in all material respects to the RFP. “Responsible Respondent” is defined as a Respondent that has the capacity in all respects to perform fully the contract requirements, and the integrity and reliability which will assure good faith performance.)

5.2.1. **Technical Response Evaluation.** The Solicitation Coordinator and the Proposal Evaluation Team (consisting of three (3) or more State employees) will use the RFP Attachment 6.2., Technical Response & Evaluation Guide to manage the Technical Response Evaluation and maintain evaluation records.

5.2.1.1. The State reserves the right, at its sole discretion, to request Respondent clarification of a Technical Response or to conduct clarification discussions with any or all Respondents. Any such clarification or discussion will be limited to specific sections of the response identified by the State. The subject Respondent must put any resulting clarification in writing as may be required and in accordance with any deadline imposed by the State.

5.2.1.2. The Solicitation Coordinator will review each Technical Response to determine compliance with RFP Attachment 6.2., Technical Response & Evaluation Guide, Section A— Mandatory Requirements. If the Solicitation Coordinator determines that a response failed to meet one or more of the mandatory requirements, the Proposal Evaluation Team will review the response and document the team’s determination of whether:

- a. the response adequately meets RFP requirements for further evaluation;
- b. the State will request clarifications or corrections for consideration prior to further evaluation; or,
- c. the State will determine the response to be non-responsive to the RFP and reject it.

5.2.1.3. Proposal Evaluation Team members will independently evaluate each Technical Response (that is responsive to the RFP) against the evaluation criteria in this RFP and



will score each in accordance with the RFP Attachment 6.2., Technical Response & Evaluation Guide.

- 5.2.1.4. For each response evaluated, the Solicitation Coordinator will calculate the average of the Proposal Evaluation Team member scores for RFP Attachment 6.2., Technical Response & Evaluation Guide, and record each average as the response score for the respective Technical Response section.
- 5.2.1.5. Before Cost Proposals are opened, the Proposal Evaluation Team will review the Technical Response Evaluation record and any other available information pertinent to whether or not each Respondent is responsive and responsible. If the Proposal Evaluation Team identifies any Respondent that does not meet the responsive and responsible thresholds such that the team would not recommend the Respondent for Cost Proposal Evaluation and potential contract award, the team members will fully document the determination.
- 5.2.2. **Cost Proposal Evaluation.** The Solicitation Coordinator will open for evaluation the Cost Proposal of each Respondent deemed by the State to be responsive and responsible and calculate and record each Cost Proposal score in accordance with the RFP Attachment 6.3., Cost Proposal & Scoring Guide.
- 5.2.3. **Total Response Score.** The Solicitation Coordinator will calculate the sum of the Technical Response section scores and the Cost Proposal score and record the resulting number as the total score for the subject Response (refer to RFP Attachment 6.5., Score Summary Matrix).

### 5.3. **Contract Award Process**

- 5.3.1 The Solicitation Coordinator will submit the Proposal Evaluation Team determinations and scores to the head of the procuring agency for consideration along with any other relevant information that might be available and pertinent to contract award.
- 5.3.2. Benefits Administration's executive director will determine the apparent best-evaluated Response. To effect a contract award to a Respondent other than the one receiving the highest evaluation process score, the head of the procuring agency must provide written justification and obtain the written approval of the Chief Procurement Officer and the Comptroller of the Treasury.
- 5.3.3. Benefits Administration will present the apparent best-evaluated Response recommendation before the State, Local Education, and Local Government Insurance Committees, as applicable, for approval to enter into a contract with the best-evaluated Respondent.
- 5.3.4. The State will issue a Notice of Intent to Award identifying the apparent best-evaluated response and make the RFP files available for public inspection at the time and date specified in the RFP Section 2, Schedule of Events.

**NOTICE: The Notice of Intent to Award shall not create rights, interests, or claims of entitlement in either the apparent best-evaluated Respondent or any other Respondent.**

- 5.3.5. The Respondent identified as offering the apparent best-evaluated response must sign a contract drawn by the State pursuant to this RFP. The Contract shall be substantially the same as the RFP Attachment 6.6., *Pro Forma* Contract. The Respondent must sign the contract by the Contractor Signature Deadline detailed in the RFP Section 2, Schedule of Events. If the Respondent fails to provide the signed Contract by this deadline, the State may determine that the Respondent is non-responsive to this RFP and reject the response.
- 5.3.6. Notwithstanding the foregoing, the State may, at its sole discretion, entertain limited terms and conditions or pricing negotiations prior to Contract signing and, as a result, revise the *pro forma* contract terms and conditions or performance requirements in the State's best interests,

PROVIDED THAT such revision of terms and conditions or performance requirements shall NOT materially affect the basis of response evaluations or negatively impact the competitive nature of the RFP and contractor selection process.

- 5.3.7. If the State determines that a response is non-responsive and rejects it after opening Cost Proposals, the Solicitation Coordinator will re-calculate scores for each remaining responsive Cost Proposal to determine (or re-determine) the apparent best-evaluated response.

**RFP ATTACHMENT 6.1.****RFP # 31786-00165 STATEMENT OF CERTIFICATIONS AND ASSURANCES**

The Respondent must sign and complete the Statement of Certifications and Assurances below as required, and it must be included in the Technical Response (as required by RFP Attachment 6.2., Technical Response & Evaluation Guide, Section A, Item A.1.).

**The Respondent does, hereby, expressly affirm, declare, confirm, certify, and assure ALL of the following:**

1. The Respondent will comply with all of the provisions and requirements of the RFP.
2. The Respondent will provide all services as defined in the Scope of the RFP Attachment 6.6., *Pro Forma* Contract for the total Contract Term.
3. The Respondent, except as otherwise provided in this RFP, accepts and agrees to all terms and conditions set out in the RFP Attachment 6.6., *Pro Forma* Contract.
4. The Respondent acknowledges and agrees that a contract resulting from the RFP shall incorporate, by reference, all proposal responses as a part of the Contract.
5. The Respondent will comply with:
  - (a) the laws of the State of Tennessee;
  - (b) Title VI of the federal Civil Rights Act of 1964;
  - (c) Title IX of the federal Education Amendments Act of 1972;
  - (d) the Equal Employment Opportunity Act and the regulations issued there under by the federal government; and,
  - (e) the Americans with Disabilities Act of 1990 and the regulations issued there under by the federal government.
6. To the knowledge of the undersigned, the information detailed within the response submitted to this RFP is accurate.
7. The response submitted to this RFP was independently prepared, without collusion, under penalty of perjury.
8. No amount 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 Respondent in connection with this RFP or any resulting contract.
9. Both the Technical Response and the Cost Proposal submitted in response to this RFP shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract pursuant to the RFP.
10. The Respondent affirms the following statement, as required by the Iran Divestment Act Tenn. Code Ann. § 12-12-111: "By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each bidder is not on the list created pursuant to §12-12-106." For reference purposes, the list is currently available online at: <https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/library-public-information-library.html>.

**By signing this Statement of Certifications and Assurances, below, the signatory also certifies legal authority to bind the proposing entity to the provisions of this RFP and any contract awarded pursuant to it. If the signatory is not the Respondent (if an individual) or the Respondent's company *President* or *Chief Executive Officer*, this document must attach evidence showing the individual's authority to bind the Respondent.**

**DO NOT SIGN THIS DOCUMENT IF YOU ARE NOT LEGALLY AUTHORIZED TO BIND THE RESPONDENT**

**SIGNATURE:**

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**PRINTED NAME & TITLE:**

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**DATE:**

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**RESPONDENT LEGAL ENTITY  
NAME:**

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## RFP ATTACHMENT 6.2. — Section A

## TECHNICAL RESPONSE &amp; EVALUATION GUIDE

**SECTION A: MANDATORY REQUIREMENTS.** The Respondent must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Respondent must also detail the response page number for each item in the appropriate space below.

The Solicitation Coordinator will review the response to determine if the Mandatory Requirement Items are addressed as required and mark each with pass or fail. For each item that is not addressed as required, the Proposal Evaluation Team must review the response and attach a written determination. In addition to the Mandatory Requirement Items, the Solicitation Coordinator will review each response for compliance with all RFP requirements.

RESPONDENT LEGAL ENTITY NAME:			
Response Page # (Respondent completes)	Item Ref.	Section A— Mandatory Requirement Items	Pass/Fail
		The Response must be delivered to the State no later than the Response Deadline specified in the RFP Section 2, Schedule of Events.	
		The Technical Response and the Cost Proposal documentation must be packaged separately as required (refer to RFP Section 3.2., <i>et. seq.</i> ).	
		The Technical Response must NOT contain cost or pricing information of any type.	
		The Technical Response must NOT contain any restrictions of the rights of the State or other qualification of the response.	
		A Respondent must NOT submit alternate responses (refer to RFP Section 3.3.).	
		A Respondent must NOT submit multiple responses in different forms (as a prime and a subcontractor) (refer to RFP Section 3.3.).	
	A.1.	Provide the Statement of Certifications and Assurances (RFP Attachment 6.1.) completed and signed by an individual empowered to bind the Respondent to the provisions of this RFP and any resulting contract. The document must be signed without exception or qualification.	
	A.2.	Provide a statement, based upon reasonable inquiry, of whether the Respondent or any individual who shall cause to deliver goods or perform services under the contract has a possible conflict of interest ( <i>e.g.</i> , employment by the State of Tennessee) and, if so, the nature of that conflict.  NOTE: Any questions of conflict of interest shall be solely within the discretion of the State, and the State reserves the right to cancel any award.	
	A.3.	Provide a current bank reference indicating that the Respondent's business relationship with the financial institution is in positive standing. Such reference must be written in the form of a standard business letter, signed, and dated within the past three (3) months.	
	A.4.	Provide two current positive credit references from vendors with which the Respondent has done business written in the form of standard business letters, signed, and dated within the past three (3) months.	

RESPONDENT LEGAL ENTITY NAME:			
Response Page # (Respondent completes)	Item Ref.	Section A— Mandatory Requirement Items	Pass/Fail
	A.5.	<p>Provide <b>EITHER</b>:</p> <p>(a) Provide an official document or letter from an accredited credit bureau, verified and dated within the last three (3) months and indicating a satisfactory credit rating for the Respondent (NOTE: A credit bureau report number without the full report is insufficient and will not be considered responsive.)</p> <p><b>OR</b></p> <p>(b) Provide a current credit rating from Moody's, Standard &amp; Poor's, Dun &amp; Bradstreet, A.M. Best or Fitch Ratings, verified and dated within the last three (3) months and indicating a positive credit rating for the Respondent.</p>	
	A.6.	<p>Provide the Respondent's most recent independent audited financial statements. Said independent audited financial statements must:</p> <p>(1) reflect an audit period for a fiscal year ended within the last 36 months;</p> <p>(2) be prepared with all monetary amounts detailed in United States currency;</p> <p>(3) be prepared under United States Generally Accepted Accounting Principles (US GAAP);</p> <p>(4) include the auditor's opinion letter; financial statements; and the notes to the financial statements; and</p> <p>(5) be deemed, in the sole discretion of the State to reflect sufficient financial stability to undertake the subject contract with the State if awarded pursuant to this RFP.</p> <p>NOTES:</p> <p>✦ Reviewed or Compiled Financial Statements will not be deemed responsive to this requirement and will not be accepted.</p> <p>✦ All persons, agencies, firms, or other entities that provide opinions regarding the Respondent's financial status must be properly licensed to render such opinions. The State may require the Respondent to submit proof that the person or entity who renders an opinion regarding the Respondent's financial status is licensed, including the license number and state in which the person or entity is licensed.</p>	
	A.7.	Submit a written statement indicating that the Respondent has at least six (6) years' experience in providing Group Life and Accidental Death & Dismemberment Insurance plan benefits to at least five (5) employer accounts, one (1) of which serves at least 10,000 Members.	
	A.8.	Submit a written statement indicating that the Respondent acknowledges it is required to and agrees to administer the Group Life and AD&D benefits as contained in Attachment 6.6 - <i>Pro Forma</i> Contract.	
	A.9.	Submit a written statement indicating the Proposer will comply with the State's requirement that <b>no minimum membership enrollment</b> levels are contained as a provision of the proposal.	

<b>RESPONDENT LEGAL ENTITY NAME:</b>			
<b>Response Page # (Respondent completes)</b>	<b>Item Ref.</b>	<b>Section A— Mandatory Requirement Items</b>	<b>Pass/Fail</b>
	<b>A.10</b>	The Respondent must hold a current certificate of authority from the Tennessee Department of Commerce and Insurance which authorizes the Respondent to issue group life and accidental death & dismemberment insurance benefits in the State of Tennessee. Submit a copy of your organization's current State of Tennessee Certificate of Authority.	
<i>State Use – Solicitation Coordinator Signature, Printed Name &amp; Date:</i>			

## RFP ATTACHMENT 6.2. — SECTION B

## TECHNICAL RESPONSE &amp; EVALUATION GUIDE

**SECTION B: GENERAL QUALIFICATIONS & EXPERIENCE.** The Respondent must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Respondent must also detail the response page number for each item in the appropriate space below. Proposal Evaluation Team members will independently evaluate and assign one score for all responses to Section B— General Qualifications & Experience Items.

<b>RESPONDENT LEGAL ENTITY NAME:</b>		
<b>Response Page #</b> (Respondent completes)	<b>Item Ref.</b>	<b>Section B— General Qualifications &amp; Experience Items</b>
	<b>B.1.</b>	Detail the name, e-mail address, mailing address, telephone number, and facsimile number of the person the State should contact regarding the response.
	<b>B.2.</b>	Describe the Respondent's form of business ( <i>i.e.</i> , individual, sole proprietor, corporation, non-profit corporation, partnership, limited liability company) and business location (physical location or domicile).
	<b>B.3.</b>	Detail the number of years the Respondent has been in business.
	<b>B.4.</b>	Briefly describe how long the Respondent has been providing the goods or services required by this RFP.
	<b>B.5.</b>	Describe the Respondent's number of employees, client base, and location of offices.
	<b>B.6.</b>	Provide a statement of whether there have been any mergers, acquisitions, or change of control of the Respondent within the last ten (10) years. If so, include an explanation providing relevant details.
	<b>B.7.</b>	Provide a statement of whether the Respondent or, to the Respondent's knowledge, any of the Respondent's employees, agents, independent contractors, or subcontractors, involved in the delivery of goods or performance of services on a contract pursuant to this RFP, have been convicted of, pled guilty to, or pled <i>nolo contendere</i> to any felony. If so, include an explanation providing relevant details.
	<b>B.8.</b>	Provide a statement of whether, in the last ten (10) years, the Respondent has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors. If so, include an explanation providing relevant details.
	<b>B.9.</b>	Provide a statement of whether there is any material, pending litigation against the Respondent that the Respondent should reasonably believe could adversely affect its ability to meet contract requirements pursuant to this RFP or is likely to have a material adverse effect on the Respondent's financial condition. If such exists, list each separately, explain the relevant details, and attach the opinion of counsel addressing whether and to what extent it would impair the Respondent's performance in a contract pursuant to this RFP.  NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Respondent must be properly licensed to render such opinions. The State may require the Respondent to submit proof of license for each person or entity that renders such opinions.
	<b>B.10.</b>	Provide a statement of whether there are any pending or in progress Securities Exchange Commission investigations involving the Respondent. If such exists, list each separately, explain the relevant details, and attach the opinion of counsel addressing whether and to what extent it will impair the Respondent's performance in a contract pursuant to this RFP.

## RFP ATTACHMENT 6.2. — SECTION B (continued)

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	Item Ref.	Section B— General Qualifications & Experience Items
		NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Respondent must be properly licensed to render such opinions. The State may require the Respondent to submit proof of license for each person or entity that renders such opinions.
	B.11.	Provide a brief, descriptive statement detailing evidence of the Respondent's ability to deliver the goods or services sought under this RFP (e.g., prior experience, training, certifications, resources, program and quality management systems, etc.).
	B.12.	Provide a statement of whether the Respondent intends to use subcontractors to meet the Respondent's requirements of any contract awarded pursuant to this RFP, and if so, detail: <ul style="list-style-type: none"> <li>(a) the names of the subcontractors along with the contact person, mailing address, telephone number, and e-mail address for each;</li> <li>(b) a description of the scope and portions of the goods each subcontractor involved in the delivery of goods or performance of the services each subcontractor will perform; <u>and</u></li> <li>(c) a statement specifying that each proposed subcontractor has expressly assented to being proposed as a subcontractor in the Respondent's response to this RFP.</li> </ul>
	B.13.	Provide documentation of the Respondent's commitment to diversity as represented by the following: <ul style="list-style-type: none"> <li>(a) <u>Business Strategy</u>. Provide a description of the Respondent's existing programs and procedures designed to encourage and foster commerce with business enterprises owned by minorities, women, service-disabled veterans, persons with disabilities, and small business enterprises. Please also include a list of the Respondent's certifications as a diversity business, if applicable.</li> <li>(b) <u>Business Relationships</u>. Provide a listing of the Respondent's current contracts with business enterprises owned by minorities, women, service-disabled veterans, persons with disabilities, and small business enterprises. Please include the following information: <ul style="list-style-type: none"> <li>(i) contract description;</li> <li>(ii) contractor name and ownership characteristics (i.e., ethnicity, gender, service-disabled veteran-owned or persons with disabilities);</li> <li>(iii) contractor contact name and telephone number.</li> </ul> </li> <li>(c) <u>Estimated Participation</u>. Provide an estimated level of participation by business enterprises owned by minorities, women, service-disabled veterans, persons with disabilities and small business enterprises if a contract is awarded to the Respondent pursuant to this RFP. Please include the following information: <ul style="list-style-type: none"> <li>(i) a percentage (%) indicating the participation estimate. (Express the estimated participation number as a percentage of the total estimated contract value that will be dedicated to business with subcontractors and supply contractors having such ownership characteristics only and <b>DO NOT INCLUDE DOLLAR AMOUNTS</b>);</li> <li>(ii) anticipated goods or services contract descriptions;</li> <li>(iii) names and ownership characteristics (i.e., ethnicity, gender, service-disabled veterans, or disability) of anticipated subcontractors and supply contractors.</li> </ul> <p>NOTE: In order to claim status as a Diversity Business Enterprise under this contract, businesses must be certified by the Governor's Office of Diversity Business Enterprise (Go-DBE). Please visit the Go-DBE website at <a href="https://tn.diversitysoftware.com/FrontEnd/StartCertification.asp?TN=tn&amp;XID=9810">https://tn.diversitysoftware.com/FrontEnd/StartCertification.asp?TN=tn&amp;XID=9810</a> for more information.</p> </li> <li>(d) <u>Workforce</u>. Provide the percentage of the Respondent's total current employees by ethnicity and gender.</li> </ul> <p>NOTE: Respondents that demonstrate a commitment to diversity will advance State efforts to expand opportunity to do business with the State as contractors and subcontractors.</p>



## RFP ATTACHMENT 6.2. — SECTION B (continued)

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	Item Ref.	Section B— General Qualifications & Experience Items
		Response evaluations will recognize the positive qualifications and experience of a Respondent that does business with enterprises owned by minorities, women, service-disabled veterans, persons with disabilities, and small business enterprises and who offer a diverse workforce.
	<b>B.14.</b>	<p>Provide a statement of whether or not the Respondent has any current contracts with the State of Tennessee or has completed any contracts with the State of Tennessee within the previous five (5) year period. If so, provide the following information for all of the current and completed contracts:</p> <ul style="list-style-type: none"> <li>(a) the name, title, telephone number and e-mail address of the State contact knowledgeable about the contract;</li> <li>(b) the procuring State agency name;</li> <li>(c) a brief description of the contract's scope of services;</li> <li>(d) the contract period; and</li> <li>(e) the contract number.</li> </ul>
	<b>B.15.</b>	<p>Provide customer references from individuals who are <u>not</u> current or former State employees for projects similar to the goods or services sought under this RFP and which represent:</p> <ul style="list-style-type: none"> <li>▪ two (2) accounts Respondent currently services that are similar in size to the State; <u>and</u></li> <li>▪ three (3) completed projects.</li> </ul> <p>References from at least three (3) different individuals are required to satisfy the requirements above, e.g., an individual may provide a reference about a completed project and another reference about a currently serviced account. The standard reference questionnaire, which <u>must</u> be used and completed, is provided at RFP Attachment 6.4. References that are not completed as required may be deemed non-responsive and may not be considered.</p> <p>The Respondent will be <u>solely</u> responsible for obtaining fully completed reference questionnaires and including them in the sealed Technical Response. In order to obtain and submit the completed reference questionnaires follow one of the two processes below.</p> <p>Written:</p> <ul style="list-style-type: none"> <li>(a) Add the Respondent's name to the standard reference questionnaire at RFP Attachment 6.4. and make a copy for each reference.</li> <li>(b) Send a reference questionnaire and new, standard #10 envelope to each reference.</li> <li>(c) Instruct the reference to: <ul style="list-style-type: none"> <li>(i) complete the reference questionnaire;</li> <li>(ii) sign and date the completed reference questionnaire;</li> <li>(iii) seal the completed, signed, and dated reference questionnaire within the envelope provided;</li> <li>(iv) sign his or her name in ink across the sealed portion of the envelope; and</li> <li>(v) return the sealed envelope directly to the Respondent (the Respondent may wish to give each reference a deadline, such that the Respondent will be able to collect all required references in time to include them within the sealed Technical Response).</li> </ul> </li> <li>(d) <u>Do NOT open the sealed references upon receipt.</u></li> <li>(e) Enclose all <u>sealed</u> reference envelopes within a larger, labeled envelope for inclusion in the Technical Response as required.</li> </ul> <p>E-mail:</p> <ul style="list-style-type: none"> <li>(a) Add the Respondent's name to the standard reference questionnaire at RFP Attachment 6.4. and make a copy for each reference.</li> <li>(b) E-mail the reference with a copy of the standard reference questionnaire.</li> </ul>

## RFP ATTACHMENT 6.2. — SECTION B (continued)

<b>RESPONDENT LEGAL ENTITY NAME:</b>		
<b>Response Page #</b> (Respondent completes)	<b>Item Ref.</b>	<b>Section B— General Qualifications &amp; Experience Items</b>
		<p>(c) Instruct the reference to:</p> <ul style="list-style-type: none"> <li>(i) complete the reference questionnaire;</li> <li>(ii) sign and date the completed reference questionnaire;</li> <li>(iii) E-mail the reference directly to the Solicitation Coordinator by the RFQ Technical Response Deadline with the Subject line of the e-mail as “[Respondent Name] Reference for RFP 31786-00165.</li> </ul> <p>NOTES:</p> <ul style="list-style-type: none"> <li>▪ The State will not accept late references or references submitted by any means other than that which is described above, and each reference questionnaire submitted must be completed as required.</li> <li>▪ The State will not review more than the number of required references indicated above.</li> <li>▪ While the State will base its reference check on the contents of the sealed reference envelopes included in the Technical Response package, the State reserves the right to confirm and clarify information detailed in the completed reference questionnaires and may consider clarification responses in the evaluation of references.</li> <li>▪ The State is under <u>no</u> obligation to clarify any reference information.</li> </ul>
	<b>B.16.</b>	<p>Provide a statement and any relevant details addressing whether the Respondent is any of the following:</p> <ul style="list-style-type: none"> <li>(a) is presently debarred, suspended, proposed for debarment, or voluntarily excluded from covered transactions by any federal or state department or agency;</li> <li>(b) has within the past three (3) years, been convicted of, or had a civil judgment rendered against the contracting party from commission of fraud, or a criminal offence 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;</li> <li>(c) is presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed above; and</li> <li>(d) has within a three (3) year period preceding the contract had one or more public transactions (federal, state, or local) terminated for cause or default.</li> </ul>
		<p><b>SCORE (for <u>all</u> Section B—Qualifications &amp; Experience Items above):</b> (maximum possible score =10)</p>
State Use – Evaluator Identification:		

## RFP ATTACHMENT 6.2. — SECTION C

## TECHNICAL RESPONSE &amp; EVALUATION GUIDE

**SECTION C: TECHNICAL QUALIFICATIONS, EXPERIENCE & APPROACH.** The Respondent must address all items (below) and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Respondent must also detail the response page number for each item in the appropriate space below.

A Proposal Evaluation Team, made up of three or more State employees, will independently evaluate and score the response to each item. Each evaluator will use the following whole number, raw point scale for scoring each item:

**0 = little value      1 = poor      2 = fair      3 = satisfactory      4 = good      5 = excellent**

The Solicitation Coordinator will multiply the Item Score by the associated Evaluation Factor (indicating the relative emphasis of the item in the overall evaluation). The resulting product will be the item's Raw Weighted Score for purposes of calculating the section score as indicated.

RESPONDENT LEGAL ENTITY NAME:					
Response Page # (Respondent completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
	C.1.	<p><b>Services (Contract Section A.1.):</b></p> <p>a. Provide a narrative illustrating how the Respondent will manage the project, ensure completion of the scope of services, and accomplish required objectives within the State's project schedule.</p> <p>b. Describe your experience delivering the services required in this contract to large employer groups.</p>		8	
	C.2.	<p><b>Insurance Programs (Contract Section A.1.a)</b></p> <p>a. Do you accept assignment and absolute assignment of this coverage?</p> <p>b. Will you accept and honor existing assignments or will new assignments be required?</p> <ul style="list-style-type: none"> <li>• If you will accept existing assignments, describe how you will assist and manage the migration of assignments to your systems.</li> </ul> <p>If new assignments will be required, how will you assist and manage obtaining the new documentation?</p>		5	

## RFP ATTACHMENT 6.2. — SECTION C (continued)

	<b>C.3.</b>	<p><b>Call Center (Contract Section A.4.):</b></p> <p>a. What is the location of the proposed call center and what are the hours of operation?</p> <p>b. Provide for calendar year 2020 by quarter the following statistics for the call center that will be assigned to this contract for calendar year 2022:</p> <ul style="list-style-type: none"> <li>• Average seconds to answer</li> <li>• First call resolution rates</li> </ul> <p>c. Describe how the quality of member service calls is measured, reported and used to enhance the member experience.</p> <p>d. Provide a summary of customer satisfaction results for the last two years for the call center that will be assigned to this account.</p>		<b>9</b>	
	<b>C.4.</b>	<p><b>Call Center Staff (Contract Section A.4.):</b></p> <p>a. What is your staffing ratio of customer service representatives (CSRs) to members?</p> <p>b. What are the qualifications and experience of the CSRs?</p> <p>c. What are the average annual turnover rates for this call center?</p>		<b>5</b>	
	<b>C.5.</b>	<p><b>Member Communications (Contract Section A.5.):</b></p> <p>a. Describe how you would effectively communicate with and educate plan members regarding the Program benefits throughout the plan year.</p> <p>b. Describe the various communications methods (written, electronic, in person, etc.) and the schedule of outreach you would utilize to reach members. Provide sample materials you propose to use for this account. Note: include any sample material as a separate exhibit file as required in RFP Section 3.2.2.1.</p> <p>c. What communication materials (e.g., letters) are provided to new Members of the Plan? Please provide samples.</p>		<b>6</b>	
	<b>C.6.</b>	<p><b>Website and Mobile Tools (Contract Section A.8.):</b></p> <p>a. Describe the website and mobile tools that the Respondent will make available to Members. Include a list of available materials and services.</p> <p>b. Identify which website and mobile tools are in current operation and any that would be developed to comply with a contract pursuant to this RFP.</p> <p>c. Share links and materials that describe your member tools. Note: include any sample material as a separate exhibit file as required in RFP Section 3.2.2.1.</p>		<b>6</b>	

## RFP ATTACHMENT 6.2. — SECTION C (continued)

	C.7.	<p><b>Administrative Services regarding Claims Processing (Contract Section A.9):</b></p> <p>a. Provide an overview by claim type of your claims processing and information needed to adjudicate claims.</p> <p>b. Which claim office would adjudicate claims for this account? How many claims did this office adjudicate during the 2020 calendar year?</p> <p>c. Identify the following statistics for this claim office for 2018, 2019 and 2020 for claims:</p> <p>i. Average clean (documentation complete) claims processing turnaround time, in days</p> <p>ii. Average claims payment accuracy percentage</p> <p>iii. Average claims processing accuracy percentage</p> <p>d. Describe the qualifications and experience of your claims analysts. What are the average years of experience for the claims processing staff to be assigned to this account?</p> <p>e. Indicate your 2021 performance standards for claims processing and member payments.</p>		9	
	C.8.	<p><b>Administrative Services regarding Member Complaints and Grievances (Contract Section A.9.):</b></p> <p>a. How are member inquiries or complaints tracked, reported and resolved?</p> <p>b. Describe the levels and timeframes available for grievance resolution. How will the status of grievances be reported back to the State of Tennessee?</p>		6	
	C.9.	<p><b>Conversion Options (Contract Section A.9.q.)</b></p> <p>Describe the conversion option available to employees who are terminating their employment, including your organization's procedures for notifying them of the availability of the conversion of their policy.</p>		5	
	C.10.	<p><b>Data Integration and Technical Requirements (Contract Section A.11.):</b></p> <p>Describe the following.</p> <p>a. Your premium administration, eligibility/enrollment, and claims processing system(s), indicating when it/they was/were implemented and last updated;</p> <p>b. Any modifications to existing hardware and software that will be required;</p> <p>c. The extent to which these information systems are already in operation;</p> <p>d. The timeframe for any implementation of components not currently in operation;</p> <p>e. How soon the system(s) can be updated to reflect plan changes; and</p> <p>The process for producing a monthly payroll deduction file for the State.</p>		9	

## RFP ATTACHMENT 6.2. — SECTION C (continued)

	C.11.	<p><b>Customer Interaction (Contract Section A.11.c.)</b></p> <p>a. Will you accept and honor existing Beneficiary Designations or will new designations be required?</p> <ul style="list-style-type: none"> <li>• If you will accept existing designations on file, describe how you will assist and manage the migration of designations to your systems.</li> <li>• If new designations are required, how will you assist and manage obtaining the new documentation for all covered persons?</li> </ul> <p>Describe your process for how you would promote having 100% of all covered persons with documented Beneficiary Designation information on file.</p>		5	
	C.12.	<p><b>Reporting (Contract Section A.13.):</b></p> <p>a. Describe your reporting systems and capabilities and how they will support your ability to deliver timely and accurate reports as required in the Contract Attachment D. Provide a sample of your standard reporting package.</p> <p>b. What plan performance data will be shared so that we can collaborate on plan strategy?</p>		9	
	C.13.	<p><b>Implementation (Contract Section A.14.):</b></p> <p>a. Describe your experience with large implementation projects including the transition of a large group to a new vendor.</p> <p>b. Provide a project implementation plan describing the major implementation tasks that will ensure the Respondent is prepared to assume all responsibilities as of the go-live date described in the <i>Pro Forma</i> Contract (RFP Attachment 6.6).</p> <p>c. Describe the major implementation tasks you deem to be the most critical and high risk and your ability to successfully manage these tasks.</p> <p>d. Provide a narrative description of the proposed project team, its members, and organizational structure along with an organizational chart identifying the key people who will be assigned to deliver the goods or services required by this RFP.</p> <p>e. Provide a personnel roster listing the names of key people who the Respondent will assign to meet the Respondent's requirements under this RFP along with the estimated number of hours that each individual will devote to that performance. Follow the personnel roster with a resume for each of the people listed. The resumes must detail the individual's title, education, current position with the Respondent, and employment history.</p>		9	

**RFP ATTACHMENT 6.2. — SECTION C (continued)**

	<p><b>C.14.</b></p>	<p><b>Waiver of Premium Determination (Contract Attachment E)</b></p> <p>a. How do you notify the client and/or employee of an approved or denied waiver of premium claim?</p> <p>b. Provide the approval process and any technology related systems that can ease the administrative process for the client.</p> <p>c. What is the process and frequency used to validate continued disability once approved?</p> <p>d. If mutually agreed upon, describe your capability and process to coordinate the Waiver of Premium determination with and from the State's current STD and LTD carrier (currently MetLife for Central State Government Employees, but subject to change in the future).</p>		<p><b>9</b></p>	
<p><i>The Solicitation Coordinator will use this sum and the formula below to calculate the section score. All calculations will use and result in numbers rounded to two (2) places to the right of the decimal point.</i></p>			<p><b>Total Raw Weighted Score:</b> <i>(sum of Raw Weighted Scores above)</i></p>		
<p><b>Total Raw Weighted Score</b> <b>Maximum Possible Raw Weighted Score</b> <i>(i.e., 5 x the sum of item weights above)</i></p>			<p><b>X 40</b> <i>(maximum possible score)</i></p> <p><b>= SCORE:</b></p>		
<p><i>State Use – Evaluator Identification:</i></p>					
<p><i>State Use – Solicitation Coordinator Signature, Printed Name &amp; Date:</i></p>					

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**COST PROPOSAL & SCORING GUIDE**

The Respondent shall complete and submit its Cost Proposal in accordance with the instructions given in RFP Section 3.2.2.2. The Respondent shall use an XLS spreadsheet to prepare the Cost Proposal. This spreadsheet is found at the following website address, under the section labeled RFP # 31786-00165:

<https://www.tn.gov/content/tn/generalservices/procurement/central-procurement-office--cpo-/supplier-information/request-for-proposals--rfp--opportunities1.html>

Further instructions specific to the content of the Cost Proposal are found in the above referenced spreadsheet.

The spreadsheet will calculate the Total Evaluation Cost Amount. This Amount will be used in the formula below to derive the Proposer's Cost Proposal score.

Lowest Evaluation Cost Amount from <u>all</u> Proposals <hr style="width: 50%; margin: 0 auto;"/> Evaluation Cost Amount Being Evaluated	<b>X 50</b> <i>(maximum section score)</i>	<b>=</b> <b>SCORE:</b>	
<i>State Use – RFP Coordinator Signature, Printed Name &amp; Date:</i>			



**REFERENCE QUESTIONNAIRE**

**The standard reference questionnaire provided on the following pages of this attachment MUST be completed by all individuals offering a reference for the Respondent.**

The Respondent will be solely responsible for obtaining completed reference questionnaires as required (refer to RFP Attachment 6.2., Technical Response & Evaluation Guide, Section B, Item B.17.), and for enclosing the sealed reference envelopes within the Respondent's Technical Response.

**RFP # 31786-00165 REFERENCE QUESTIONNAIRE**

**REFERENCE SUBJECT:** RESPONDENT NAME (completed by Respondent before reference is requested)

The “reference subject” specified above, intends to submit a response to the State of Tennessee in response to the Request for Proposals (RFP) indicated. As a part of such response, the reference subject must include a number of completed and sealed reference questionnaires (using this form).

Each individual responding to this reference questionnaire is asked to follow these instructions:

- complete this questionnaire (either using the form provided or an exact duplicate of this document);
- sign and date the completed questionnaire; and follow either process outlined below:

Written

- seal the completed, signed, and dated questionnaire in a new standard #10 envelope;
- sign in ink across the sealed portion of the envelope; and
- return the sealed envelope containing the completed questionnaire directly to the reference subject.

E-Mail

- email the completed Questionnaire to: Seannalyn Brandmeir at [Seannalyn.Brandmeir@tn.gov](mailto:Seannalyn.Brandmeir@tn.gov) and Heather Pease as [Heather.Pease@tn.gov](mailto:Heather.Pease@tn.gov).

**(1) What is the name of the individual, company, organization, or entity responding to this reference questionnaire?**

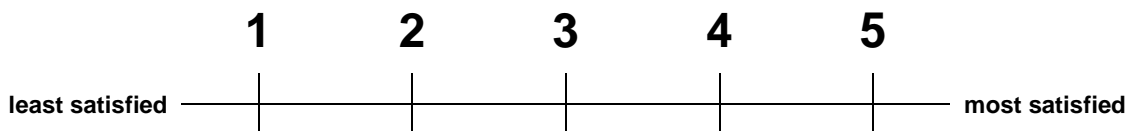
**(2) Please provide the following information about the individual completing this reference questionnaire on behalf of the above-named individual, company, organization, or entity.**

<b>NAME:</b>	
<b>TITLE:</b>	
<b>TELEPHONE #</b>	
<b>E-MAIL ADDRESS:</b>	

**(3) What goods or services does/did the reference subject provide to your company or organization?**

**(4) What is the level of your overall satisfaction with the reference subject as a vendor of the goods or services described above?**

*Please respond by circling the appropriate number on the scale below.*

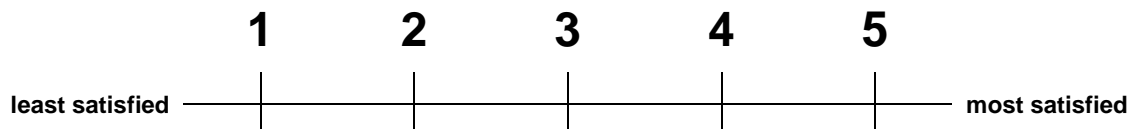


## RFP # 31786-00165 REFERENCE QUESTIONNAIRE — PAGE 2

If you circled 3 or less above, what could the reference subject have done to improve that rating?

- (5) If the goods or services that the reference subject provided to your company or organization are completed, were the goods or services provided in compliance with the terms of the contract, on time, and within budget? If not, please explain.
- (6) If the reference subject is still providing goods or services to your company or organization, are these goods or services being provided in compliance with the terms of the contract, on time, and within budget? If not, please explain.
- (7) How satisfied are you with the reference subject's ability to perform based on your expectations and according to the contractual arrangements?
- (8) In what areas of goods or service delivery does/did the reference subject excel?
- (9) In what areas of goods or service delivery does/did the reference subject fall short?
- (10) What is the level of your satisfaction with the reference subject's project management structures, processes, and personnel?

*Please respond by circling the appropriate number on the scale below.*



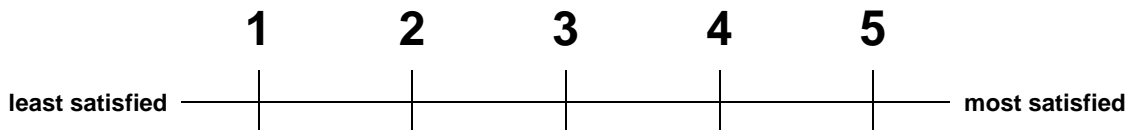
What, if any, comments do you have regarding the score selected above?

**RFP # 31786-00165 REFERENCE QUESTIONNAIRE — PAGE 3**

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(11) **Considering the staff assigned by the reference subject to deliver the goods or services described in response to question 3 above, how satisfied are you with the technical abilities, professionalism, and interpersonal skills of the individuals assigned?**

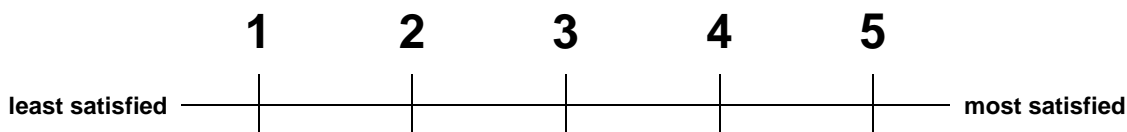
*Please respond by circling the appropriate number on the scale below.*



**What, if any, comments do you have regarding the score selected above?**

(12) **Would you contract again with the reference subject for the same or similar goods or services?**

*Please respond by circling the appropriate number on the scale below.*



**What, if any, comments do you have regarding the score selected above?**

**REFERENCE SIGNATURE:**

(by the individual completing this request for reference information)

\_\_\_\_\_  
(must be the same as the signature across the envelope seal)

**DATE:**

\_\_\_\_\_

**RFP ATTACHMENT 6.5.**

**SCORE SUMMARY MATRIX**

	<i>RESPONDENT NAME</i>		<i>RESPONDENT NAME</i>		<i>RESPONDENT NAME</i>	
<b>GENERAL QUALIFICATIONS &amp; EXPERIENCE</b> (maximum: 10)						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>REPEAT AS NECESSARY</i>						
	<b>AVERAGE:</b>		<b>AVERAGE:</b>		<b>AVERAGE:</b>	
<b>TECHNICAL QUALIFICATIONS, EXPERIENCE &amp; APPROACH</b> (maximum: 40)						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>REPEAT AS NECESSARY</i>						
	<b>AVERAGE:</b>		<b>AVERAGE:</b>		<b>AVERAGE:</b>	
<b>COST PROPOSAL</b> (maximum: 50)	<b>SCORE:</b>		<b>SCORE:</b>		<b>SCORE:</b>	
<b>TOTAL RESPONSE EVALUATION SCORE:</b> (maximum: 100)						

*Solicitation Coordinator Signature, Printed Name & Date:*

**RFP # 31786-00165 *PRO FORMA* CONTRACT**

The *Pro Forma* Contract detailed in following pages of this exhibit contains some “blanks” (signified by descriptions in capital letters) that will be completed with appropriate information in the final contract resulting from the RFP

**CONTRACT**  
**BETWEEN THE STATE OF TENNESSEE,**  
**Finance & Administration, Division of Benefits Administration, State**  
**Insurance Committee AND**  
**CONTRACTOR NAME**

This Contract, by and between the State of Tennessee, Finance & Administration, Division of Benefits Administration (BA), State Insurance Committee ("State") and **Contractor Legal Entity Name** ("Contractor"), is for the provision of a basic term life and Accidental Death & Dismemberment insurance program (AD&D), a Voluntary Accidental Death & Dismemberment (VAD&D) insurance program, and a voluntary term life insurance program ("Program"), 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/an Individual, For-Profit Corporation, Non-Profit Corporation, Special Purpose Corporation Or Association, Partnership, Joint Venture, Or Limited Liability Company.**

Contractor Place of Incorporation or Organization: **Location**

Contractor Edison Registration ID # **Number**

**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 and administer a group minimum premium basic term life insurance and basic Accidental Death & Dismemberment (AD&D) program, a group employee pay-all fully insured Voluntary Accidental Death & Dismemberment (VAD&D) program, and a voluntary group employee pay-all fully insured term life insurance program to central state government and state higher education employees and their dependents. The life and AD&D insurance options shall be delivered in accordance with the provisions of this Contract, including Contract Attachment E – Life and AD&D Insurance Minimum Benefit Provisions; the Contractor's response to RFP 31786-00165; and the group Master Policies and Certificates of Coverage created under Contract Section A.15.a. of this Contract, which shall be incorporated hereto by reference. Insurance coverage under this Contract shall begin (go-live) on January 1, 2023 and run through December 31, 2027.
  - b. The Traditional basic term life and basic AD&D insurance program shall initially be implemented on January 1, 2023 unless otherwise notified by the State In Writing. Upon notification by the State In Writing, the Contractor shall, on a date determined by the State, change the benefits of the basic term life and basic AD&D insurance program to be as described in Contract Attachment E as the "Contemporary" basic term life and basic AD&D insurance program.
  - c. The time period January 1, 2028 through June 30, 2029 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, 2028.
- A.2. Definitions. For purposes of this Contract, definitions shall be as follows and as set forth in the Contract:
- a. **Active Pay Status:** 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. **Agency Benefits Coordinator (“ABC”)**: The individual within each agency or department who is the officially-designated liaison between BA and employees.
- c. **At-Risk Performance Payment**: Contractor’s payment based on KPI performance listed on the SLA Scorecard set forth in Contract Attachment C. The payment is calculated based on the SLA Scorecard quarterly score and percentage of the administrative fees at risk.
- d. **Average Speed of Answer (“ASA”)**: The average waiting time for a caller before he/she is answered by a call center service representative. 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. **Benefits**: The services available to Members and the corresponding amounts that Members and the Program will pay for covered services under this contract.
- f. **Benefits Administration (“BA”)**: The division of the Tennessee Department of Finance & Administration that administers the State Group Insurance Program.
- g. **Business Days**: Traditional workdays, including Monday, Tuesday, Wednesday, Thursday, and Friday. State Government Holidays are excluded.
- h. **Certificate of Coverage**: A formal document detailing the eligibility and benefits for the Program that has been approved by the State’s Department of Commerce and Insurance.
- i. **Claim**: Notification to an insurance company or Third-Party Administrator (TPA) requesting payment of an amount due under the terms of the policy.
- j. **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.
- k. **Claims Processing Accuracy**: The measurement of claims processed without any type of error divided by the total number of claims in the audited population.
- l. **Edison**: The State’s enterprise resource planning system, which supports human resources, payroll, insurance, contracting, procurement and other agency functions.
- m. **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.
- n. **Holidays**: Days on which official holidays and commemorations as defined in Tenn. Code Ann. § [15-1-101](#) *et seq.*, are observed.
- o. **In Writing**: Written communication between the Parties, which may be in the form of an official memo, or documents sent via postal mail, fax, or email communications.
- p. **Key Performance Indicators (“KPI”)**: Performance indicators which are the metrics used to measure and evaluate Contractor’s performance against the desired outcomes. These indicators



are used to determine Contractor's At-Risk Performance Payment as set forth in Contract Section C and Contract Attachment D.

- q. **Loss Ratio:** The percentage ratio derived from the sum of total claims dollars paid divided by the total collected premiums.
- r. **Master Policy:** A formal document detailing the issuing insurance company, the policyholder (State of Tennessee), and effective date for the Program that has been approved by the Tennessee Department of Commerce and Insurance.
- s. **Member:** An employee, former employee, or dependent enrolled in the Program
- t. **Paid Claim:** A claim that meets all coverage criteria of the Program and is paid by the Contractor.
- u. **Plan Year:** January 1 through December 31 of the same calendar year.
- v. **Program:** The basic term life and basic accidental death and dismemberment, voluntary accidental death and dismemberment, and voluntary term life insurance programs provided under the provisions of this Contract.
- w. **Public Key Infrastructure ("PKI"):** The framework and services that provide for the generation, production, distribution, control, accounting, and destruction of public key certificates. Components include the personnel, policies, processes, server platforms, software, and workstations used for the purpose of administering certificates and public-private key pairs, including the ability to issue, maintain, recover, and revoke public key certificates.
- x. **Section 508:** Section 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794d) and implementing regulations at 36 CFR 1194 Parts A-D which requires accessibility among persons with a disability.
- y. **Service Level Agreement ("SLA") Scorecard:** Performance management scorecard that contains Contractor's KPIs and desired outcomes in Contract Attachment C. The At-Risk Performance Payments will be based on the Contractor's ability to meet the listed KPIs.
- z. **Splash Page:** Dedicated and customized webpage for this Contract containing program information, specific to the Plan, which does not require individuals to log in.
- aa. **State Group Insurance Program ("Plan"):** Refers to all benefit options sponsored by the State, Local Government, and Local Education Insurance Committees (e.g., health plan options, disability insurance, life insurance, other voluntary benefits).
- bb. **State Insurance Committee:** Policy making body for the State plans established under Tenn. Code Ann. § 8-27-101.
- cc. **Subscriber:** An employee or former employee enrolled in the Program.
- 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.

A.3. Staffing.

- a. The Contractor shall have a designated full-time implementation team to service this account. The Contractor's entire implementation team members shall have participated, as team members, in the implementation of a life insurance program for at least one other client with at least 5,000 members. The Contractor's implementation team shall include a full-time, designated project manager ready to begin work immediately following the Contract Effective Date. The team shall also include an account manager dedicated to this Contract, who will be the main contact with the State for all day-to-day matters relating to the implementation and ongoing operations. The Contractor shall also 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.
- b. Staffing Plan:
  - (1) As part of its project implementation plan described in Contract section A.14., 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.16.
  - (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;
    - iii. Technical staff, as required to process the Program eligibility files from the State's Edison system; and
    - iv. Communications staff responsible for published documents and text on websites.
- c. The Contractor shall provide and maintain qualified personnel and staffing to provide all contractual deliverables and services.
- d. The Contractor shall ensure that all staff; including the Contractor's employees, independent contractors, consultants, and subcontractors performing services 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.
- e. The Contractor shall designate an account manager and a back-up with overall responsibility for the Program. 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.
- f. In addition to the account manager, the Contractor shall designate a customer service manager, who shall manage the call center operations and staff assigned to the State.
- g. 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.

- h. Unless otherwise directed by the State, all key Contractor project staff shall attend a project kick-off meeting at the State offices in Nashville, Tennessee, within ten (10) Business Days after the Contract Effective Date or on a date established by the State. The State may also approve virtual meetings as appropriate.
- i. 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 and by the date specified in Contract Section A.16. The Contractor shall conduct regular staff refresher training to address current Benefits, process, and policy.
- j. 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, approval from the State In Writing.
- k. The Contractor agrees, by the date specified in Contract Section A.16. to 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.
- l. Key personnel commitments made by the Contractor shall not be changed unless prior approval is received from the State. Prior approval for promotions and/or employment terminations is not required. For these purposes, such commitments shall include any named individuals in the proposal and the levels of effort proposed. The Contractor shall notify In Writing the State at least fifteen (15) Business Days in advance of all proposed changes and shall submit proposed substitutions in sufficient detail to the State to evaluate the impact.
- m. The State shall perform an account satisfaction survey of the Contractor's performance annually during the Term to determine the State's satisfaction with the ongoing account team and Contractor. Results shall be shared with the Contractor including the identification of any deficiencies. The Contractor shall respond In Writing within fifteen (15) days of receiving the results with a corrective action plan as necessary to remedy any identified deficiencies.

#### A.4. Call Center.

- a. The Contractor shall maintain a call center and provide a dedicated toll-free line, by the date specified in Contract Section A.16. for the exclusive purpose of responding to inquiries and general questions from Members and those eligible for the Program. The Contractor shall provide advice and assistance to callers regarding matters such as, but not limited to, Benefits, Claim details, and underwriting applications.
- b. Call Center Requirements
  - (1) The Contractor shall operate a call center that uses a dedicated 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(s) and staff shall be located in the contiguous United States of

America.

- (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, except on official Holidays.
- c. Call Center Processes
    - (1) The Contractor's call center shall maintain a monthly ASA rate of thirty (30) seconds or less.
    - (2) The Contractor's call center shall maintain a monthly average First Call Resolution rate of eighty-five (85%) or greater.
  - d. The Contractor shall provide a monthly call center activity report to the State which shall include statistics related to the call center performance standards above. See Contract Attachment D #3.
  - 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.
  - 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. In addition, the Contractor's call center shall adopt caller identification for outgoing 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 Edison ID of the caller, 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 maintain a history of correspondence and call transactions for performance management, quality management, and audit purposes. This history is subject to the records retention and auditing requirements in Contract Sections A.12 and D.11. 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.
  - l. The Contractor's call center staff shall have access to the Contractor's enrollment and other systems as necessary to respond to inquiries from Members.
  - m. During normal business hours the Contractor's call center shall be able to offer

interpretation/translation services, via telephone, to callers with Limited English Proficiency at no charge to the caller or the State.

A.5. Communications/Materials.

- a. The Contractor shall develop a written marketing and communications plan by the date specified in Contract Section A.16. In addition, the Contractor shall update this plan on an annual basis to reflect any changes in marketing strategy and updated methods, tools, or technology to engage with Members. Contractor's marketing plan will reflect a thoughtful, proactive approach to encourage Member enrollment, and drive engagement and utilization of applicable services and programs. Contractor shall identify what resources (e.g., MailChimp, Constant Contact, etc.) Contractor will use to support marketing and communications. All marketing and communications plan updates shall be approved In Writing by the State.
  - 1) Contractor will provide an annual analytics report of marketing and communications efforts that could include email or other communications statistics. Contractor shall use the State's template or the Contractor's template with prior approval In Writing by the State.
  - 2) The Contractor covenants that all materials distributed and prepared or produced by the Contractor shall be accurate in all material respects.
  
- b. The Contractor shall, in consultation with the State, develop and disseminate Member information and communication materials. All material must have approval In Writing by the State prior to distribution. Contractor shall ensure that all Member materials and other communications meet any state or federal regulatory compliance (e.g., Civil Rights Compliance), if applicable. The Contractor shall develop all materials in conformance with the style, formatting and other related standards developed by the State and its marketing staff.
  - 1) Materials could include, but are not limited to, Member handbooks, welcome packet, Certificates of Coverage, administrative forms, letters, emails, manuals, brochures, flyers, webinars, text messages, website copy, website images, mobile app and app content, social media content, PowerPoints, training materials, marketing materials specific to the Program and videos.
  - 2) Marketing/segmenting: Contractor may offer or suggest marketing and communications based on segmentation of population (e.g., demographics, geography, etc.). Contractor may provide data to address paths and barriers to engagement.
  - 3) Personalization of materials and digital communications may be an option upon request.
  - 4) Contractor shall provide marketing and communications samples of how they introduce Program options to Members.
  - 5) The Contractor shall use graphics to communicate key messages to populations with limited literacy, limited-benefit program literacy or limited English proficiency. The Contractor shall also prominently display the call center's telephone number in large, bolded typeface and hours of operation on all materials.
  - 6) The Contractor shall provide text and graphics, if applicable, for the State's communication to Members.
  - 7) As part of its submission to the State, the Contractor in consultation with the State shall specify how the materials will be sent (e.g., email, text, regular mail, other).
  
- c. Initial Member materials shall be finalized (including State review and sign-off) and ready for distribution on or before the date(s) specified in Contract Section A.16. or otherwise In Writing by the State.
  
- d. In addition to the Member information and communications referenced above, the Contractor

shall assist the State, if requested, in the education and dissemination of information regarding the Program. This assistance could include but may not be limited to:

- 1) Written information;
  - 2) Audio/video and webinar presentations;
  - 3) Member and Agency Outreach: With notification In Writing to the State, attendance at meetings, workshops, benefits fairs, marketing events and conferences (approximately 60-70 annually).
    - i. Educating State staff, Agency Benefits Coordinators, Members and other persons on Contractor's administrative and benefits procedures. Specifically, when a new agency joins the Plan, Contractor may be asked to attend onsite enrollment and benefits educational events.
    - ii. Educating Members and Agency Benefits Coordinators could include targeted agency outreach and partnering with other state departments on outreach efforts across the state on benefit implementation, engagement, and education.
    - iii. Any on-site visits to agencies, marketing or other state department co-marketing efforts covered shall require prior notification In Writing to the State. The State also reserves the right to request Contractor's attendance at specific events or webinars.
- e. Unless otherwise specified, the Contractor shall be responsible for all costs related to the design, development, printing, distribution, mailing (if applicable) and revision of all materials that are required to be produced under this Contract.
  - f. The Contractor shall use First Class Mail for all mailings, unless otherwise directed or unless otherwise approved by the State In Writing. With prior approval, the State may approve bulk or alternative rates.
  - g. The Contractor shall provide the State with draft versions of all communications materials and letters at least fourteen (14) Business Days prior to planned printing, assembly, and/or distribution (including web posting). The Contractor shall not distribute any materials until the State issues approval In Writing to the Contractor for the respective materials. The State has and retains the ability to edit and customize all communication pieces distributed by the Contractor, including the right to require that the State branding "ParTNers for Health" logo be included on any Member letters or correspondence. The Contractor shall ensure communications are specific to the Program design and not simply a rebranding/repackaging of standard book-of-business materials or communications unless it is to remain in compliance with other regulatory requirements.
  - h. The Contractor shall work in conjunction with the State's staff to ensure continuity of branding across all Program materials, mailings, emails, website, apps, social media and any other communications information, tools, communication methods, and resources. 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 approval In Writing by the State. All marketing and communications materials specific to this Program, including contact information for any Members, shall become property of the State.
  - i. 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 marketing and communication materials.
  - j. The Contractor shall distribute materials that are culturally sensitive and professional in content, appearance, and design with prior approval In Writing by the State.
  - k. The Contractor shall provide electronic templates of all finalized materials in a format that the

State can easily alter, edit, revise and update.

- l. Unless otherwise prior approved In Writing by the State, the Contractor shall design all marketing and communication materials at a sixth (6.0) grade reading level or lower using the Flesch-Kincaid Index, or a comparable product. 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 certification of the reading level of each piece of material.
- m. At any time and at the State's request, the Contractor shall notify Members, In Writing, of any benefit or other Program changes no less than thirty (30) Business Days prior to the implementation of the change.
- n. Unless otherwise directed by the State, the Contractor shall print and distribute any mass mailings developed by the State within fourteen (14) Business Days of receiving the language/copy from the State.
- o. The Contractor shall ensure that up-to-date versions of all printed Member marketing and communication materials can be downloaded from the Splash Page. The Contractor shall provide an electronic copy of all marketing and communication materials at the State's request to the State for posting on the State's website.
- p. The Contractor shall update web-based versions of all materials as Program changes are made and to correct errors. The Contractor shall update web-based versions at the request of the State, within five (5) Business Days or other time approved by the State. New Plan Year information must be added no later than one (1) month prior to the State's annual enrollment.
- q. Unless approved in advance and In Writing by the State, the Contractor shall not distribute any promotional materials or gifts to employees or Members, even if such gifts are of a de minimus value (e.g., magnets, pens, etc.).
- r. The Contractor shall furnish information to each claimant regarding the payment or rejection of claims.

#### A.6. Welcome Kit

- a. Unless otherwise directed by the State, the Contractor shall mail an initial welcome kit to at least ninety-five percent (95%) of Members in the voluntary term life insurance program on or before fourteen (14) Business Days prior to the go-live date. The welcome kit should include items approved by the State In Writing including, but not limited to: Certificate of Coverage for the voluntary term life insurance program, Member handbook, a URL to customized Splash Page maintained by the Contractor, toll-free customer service number, general Contractor website login information, and other agreed upon material. With the State's approval In Writing, electronic means may be utilized to provide the Member handbook.
- b. As a new Member joins the voluntary term life insurance program, he or she shall be mailed a welcome kit no later than ten (10) Business Days from the date initial enrollment was approved in the Contractor's system. At least ninety-five percent (95%) of ongoing welcome kits shall be mailed within ten (10) Business Days of new Member approved enrollment in the voluntary term life insurance program.

#### A.7. Member Handbooks

- a. The Contractor, following review and approval In Writing by the State, shall write, update, print

and distribute, upon the State's request, Member handbooks and shall maintain an up-to-date version of the Member handbook on the State's Splash Page (see Contract Section A.8).

- b. The Member handbook shall be specific to the Program. Handbooks shall include, but not be limited to, detailed Benefits and excluded events, services, and procedures; detailed cost-sharing requirements for each benefit option; description of additional features specific to any of the benefit options; description of procedures for accessing services; description of appeal procedures; and other information helpful to Members.
- c. Upon request by the State or a Member, the Contractor shall mail to the Member a Member handbook, with a cover letter no later than ten (10) Business Days from receipt of a request for a copy.
- d. At the State's request, the Contractor shall provide Member handbooks to specified parties, such as ABCs, within fourteen (14) Business Days of the State's request to provide copies. The number of Member handbooks, flyers and other relevant information to be printed shall be in sufficient quantities for distribution by the Contractor to the State's ABC, plus a quantity of handbooks and brochures as requested by the State for distribution to potential new Members, unless otherwise directed In Writing by the State.

A.8. Splash Page, Contractor Website, and Mobile Application

- a. The Contractor shall maintain a Splash Page, which does not require individuals to log in, dedicated to and customized to the State containing information specific to the Program. 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.
- b. The Splash Page shall at a minimum contain the following information or a link to the information with no login required:
  - (1) Contractor customer service phone number and hours;
  - (2) Program Benefits, limitations, and exclusions;
  - (3) Member handbook(s);
  - (4) Generic Certificate(s) of Coverage;
  - (5) Member tools, forms, and information; and
  - (6) Other information as requested by the State.
- c. The Contractor shall link the Splash Page to the BA website, other State-contracted vendor websites, microsities, content or other web or mobile device enabled video/multimedia tools apps, methods or technology as determined by the State that are useful or applicable including State-approved tools from other approved vendors. The Contractor shall obtain prior approval In Writing from the State for any links from the site to an external website/portal or webpage.
- d. Contractor shall have a website with a Member log-in portal on the Splash Page so Members can view Member-specific documents. Contractor must maintain this website, which shall be available twenty-four (24) hours a day, three hundred sixty-five (365) days a year except for maintenance windows.
- e. The Contractor's website shall be enabled for mobile devices, mobile app or by other methods that may apply. The Contractor website and/or Splash Page shall at a minimum contain the following for access via mobile devices, mobile apps, or other access methods:
  - (1) Member specific Benefits, including exclusions and limitations;



- (2) An intuitive user interface, including a frequently asked questions (FAQs) section and other resources;
  - (3) Applicable Member forms; and
  - (4) Links to other State contractors' websites, if requested by the State.
- f. The Contractor shall submit the text and screenshots of the Splash Page and Contractor website to the State for review and approval by the dates specified in Contract Section A.16.
  - g. The Contractor shall grant the State access to the customized developed Splash Page for review and approval no later than the date specified in Contract Section A.16.
  - h. The Splash Page and Contractor website shall be fully operational with the exception of Member data/Protected Health Information (PHI) on or before the date specified in Contract Section A.16.
  - i. Unless otherwise approved by the State, the Contractor shall update content and/or documents posted to the Splash Page and/or Contractor's website/portal within ten (10) Business Days of the State's prior approval of changes to said content and/or documents.
  - j. The Contractor shall ensure that all up-to-date versions of all printed materials can be downloaded from the Splash Page or accessible via a mobile device, or other method, if applicable.
  - k. The Contractor shall provide all information pertinent to each new Plan Year on the Splash Page and website by the date specified In Writing by the State.
  - l. The Contractor shall host the Splash Page on a non-governmental server, which shall be located within the United States. The contractor shall have adequate server capacity and infrastructure to support the likely volume of traffic from Members without disruption or delay.
  - m. The Contractor shall obtain and cover the cost of the domain name for the Contractor's Splash Page. The Splash Page URL must be prior approved by the State In Writing.
  - n. To ensure accessibility among persons with a disability, the Contractor's Splash Page and Contractor's own log-in portal and website shall be in compliance with Section 508. If the Contractor posts any video content, it shall include a closed captioning option and/or include text scripting to comply with Section 508 for these products.
  - o. The Contractor must agree to and adhere to all security measures as it relates to Member data. The Contractor must provide a one hundred percent (100%) secure web-based application that requires only a web browser and an internet connection.
  - p. Contractor agrees that the State shall have the authority to request any revisions to the Contractor's online Terms and Conditions or Online Service Agreement at any time and that the State shall be provided with a copy of any Terms and Conditions that a Member must consent to in order to be provided with online account access. If Contractor revises the online Terms and Conditions or Online Service Agreement, Contractor agrees to provide the State with a copy of the proposed changes at least sixty (60) Business Days prior to the new effective date and will allow the State to make revisions.

#### A.9. Administrative Services

- a. The Contractor shall provide customary corporate office services and functions including, but not limited to, actuarial services, call center, Claims adjudication, medical underwriting,

administration, reporting, and accounting.

- b. The Contractor, upon request by the State, shall review and comment on benefit 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 plus Program and Member costs if future changes were made to the Benefits of the Program.
- c. 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.
- d. The Contractor shall provide assistance with questions and issues raised by the State, individual employees/retirees, former Members and others identified by the State. The Contractor shall log escalated questions (other than general routine questions identified by the State In Writing) and issues and submit the log monthly to the State until notified by the State In Writing to begin sending the log to the State quarterly. (See Contract Attachment D, #8.)
- e. The Contractor shall refer calls regarding eligibility for all programs, premium payment for all programs, and non-claims questions regarding basic term life/AD&D and voluntary AD&D to the State.
- f. 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.
- g. The Contractor shall answer, In Writing, within five (5) Business Days, all written inquiries from Members concerning Benefits available through the benefit option, its clarifications and revisions, and other relevant information.
- h. The Contractor shall establish a formal grievance procedure for Members 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 in Contract Section A.16., and the State reserves the right to require changes in the procedures when appropriate. The Contractor shall submit a summary of appeals report, without Member identifying information, quarterly to the State per Contract Attachment D, #9.
- i. 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 by the date specified in Contract Section A.16. and shall remain in effect throughout the term of the contract unless otherwise directed by the State.
- j. 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 offices in Nashville, Tennessee, unless directed otherwise by the State. Quarterly meetings between the Contractor and the State may also be held upon request by either the Contractor or the State. At its discretion, the State may allow the Contractor to participate in meetings by webinar or teleconference.

- k. The Contractor shall report annual customer satisfaction scores to the State. The Contractor's survey instrument/methods shall be approved by the State annually. The survey shall involve a random, statistically valid sample of callers to the State's dedicated toll-free line at the Contractor's call center. 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.
- l. The Contractor shall not modify the services or Benefits provided to Members during the Term without the prior consent of the State In Writing.
- m. The Contractor shall refer all media and legislative inquiries concerning the Program to BA, 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 BA on all correspondence.
- n. 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.
- o. The Contractor shall ensure that the U. S. Postal Service or other mailing service does not return any undeliverable mail to the State.
- p. The Contractor shall develop a process, approved In Writing by the State, for coordinating with the State applications for enrollment and medical underwriting forms by employees for coverage or increase in coverage that require medical underwriting. The Contractor shall submit a summary of underwriting report, without Member identifying information, quarterly to the State per Contract Attachment D, #10.
- q. The Contractor shall provide for conversion of the Basic Term Life insurance coverage and Voluntary Term Life Insurance coverage and portability of the Voluntary Term Life Insurance coverage as described in Contract Attachment E. 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 termination or loss of coverage as stated above. The conversion option shall not be available to employees or dependents who have waived coverage.
- r. 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.

- s. The Contractor shall accept and review for insurability statements of health (evidence of insurability) applications for delayed enrollment or enhanced coverage amounts in the voluntary term life insurance program.

#### A.10. Information Systems

- a. All Contractor systems shall maintain linkages and Subscriber to dependent (e.g., spouse to spouse and parent to child) relationships 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.
- b. 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.
- c. 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.
- d. Upon termination of this Contract and request by the State, the Contractor shall provide to the State or its designated agent, pertinent data identified by the State for Members to support 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.
- e. 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.
- f. Upon request by the State, the Contractor shall provide designated State employees with access and update authority to the Contractor's enrollment and/or client system by the date specified in Contract Section A.16. Additional users may be added at any time at the State's request In

Writing.

- g. This Section does not prohibit disclosures of information required by law (including valid subpoena and court orders).

A.11. Data Integration and Technical Requirements

- a. The Contractor shall maintain an electronic data interface with the State's Edison System for the purpose of retrieving and processing employee eligibility, Member termination records, payroll deduction records, and any other files which may be identified and generated by the State. The Contractor shall be responsible for providing and installing the hardware and software necessary. 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 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.
- b. The Contractor shall accept without any break or lapse in coverage all current Members' coverage, including ported Members in the voluntary term life insurance program, transferred from the prior contract. Subscribers on waiver of premium under the prior contract shall remain the responsibility of the prior Contractor. Subscribers on waiver of premium under the prior contract shall be considered new hires and allowed to enroll without medical underwriting under this contract upon the return to an Active Pay Status.
- 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 voluntary AD&D coverage; plus beneficiary information; as claims are submitted, on the basis of information maintained electronically in the State's computer system ("Edison"). The contractor shall also accept hand signed beneficiary statements from the State. The Contractor shall allow direct entry by employees of application for enrollment and beneficiary information and shall maintain enrollment and beneficiary records in its computer system for the voluntary term life insurance program and utilize this information for claims processing.
- d. 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.
- e. At least two (2) months prior to the go-live date, the Contractor shall complete testing of the transmission, receipt, and loading of the test eligibility, termination, and payroll files from the State.
- f. At least one (1) month prior to the go-live date, the Contractor shall load, test, verify, and make available online for use by the Contractor's staff the State's voluntary term life enrollment information. The Contractor shall certify, In Writing, to the State that the Contractor understands and can fully accept and utilize the eligibility, termination, and payroll files as provided by the

State.

- g. The Contractor shall maintain, in its systems, in-force voluntary term life enrollment records of all individuals covered based upon entry by employees or the Contractor's staff into the Contractor's computer system.
- h. The Contractor shall maintain, in its systems, active eligibility records of all individuals eligible for the Program based upon weekly eligibility and termination records received from the State in the State's Edison format. In addition, the Contractor shall maintain, in its systems, premium payment information based upon monthly premiums collection records received from the State in the State's Edison format.
  - (1) Weekly Eligibility Update: To ensure that the State's eligibility records remain accurate and complete, the Contractor shall, unless otherwise directed by the State, retrieve, via secure medium, the weekly eligibility file from the State. Files will include full population records for all employees and will be in the State's Edison format.
  - (2) Weekly Termination of Eligibility Update: To ensure that the State's eligibility and voluntary term life insurance enrollment records remain accurate and complete, the Contractor shall, unless otherwise directed by the State, retrieve, via secure medium, the weekly termination file from the State. Files will include records for recently retired or terminated employees and employees previously enrolled who have waived coverage. The files will be in the State's Edison format.
  - (3) The Contractor shall electronically process the State's electronically retrieved eligibility full population file and termination file within two (2) Business Days of receipt of the weekly files.
  - (4) The Contractor shall submit to the State within one (1) Business Day of processing the weekly eligibility file and the weekly termination file, a Weekly Eligibility File and Weekly Termination File Error Report, in a format agreed upon by the State In Writing. The error report shall contain a) only errors that require correction by the State and b) an indication of the correction required to resolve the error. (See Contract Attachment D, #17.) A report is not necessary if there are no errors that require correction by the State.
  - (5) The Contractor shall resolve all file processing discrepancies identified by the Contractor for internal correction within two (2) Business Days of identification. The Contractor shall process all error corrections received from the State within two (2) Business Days of receipt of the correction information.
  - (6) 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 insurance 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.
  - (7) State Enrollment Data Match: Upon request by the State, not to exceed two (2) times annually, the Contractor shall submit to the State, in a secure manner, its full file of State Members, by which the State may conduct a data match against the State's Edison 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.

- i. 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 insurance 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. The Contractor shall examine its database of current enrollments prior to creation of the Monthly Premiums Due Update file to ensure payroll deduction records are accurate.

#### A.12. 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. 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 patient records or proprietary or confidential information reasonably designated as such by the Contractor. For the purpose of audit requirements, Contractor shall include its parents, affiliates, subsidiaries, and subcontractors.
- b. The Contractor shall provide access, at any time during the term of this contract and for five (5) years after final contract payment (longer if required by law), to the State and/or its authorized representative to examine and audit Contractor services, payments, and pricing pursuant to this Contract. The State reserves the right to request that documentation be provided for review at the authorized representative's location, the State's location, or at the Contractor's corporate site.
- c. The Contractor shall provide reasonable cooperation with requests for information, which includes but is not limited to the timing of the audit, deliverables, data/information requests and the Contractor's response time to the State's questions during and after the process. The Contractor shall also provide a response to all "findings" received. Such response shall occur within thirty (30) days, or at a later date if mutually determined with the State to be more reasonable based on the number and type of findings.
- d. The State shall not be responsible for time or any costs incurred by the Contractor in association with an audit including, but not limited to, the costs associated with providing data, reports, documentation, systems access, or space.
- e. If the outcome of the audit results in an amount due to the State, then the State will work with the Contractor to negotiate terms of repayment. In the absence of such agreement, the State will deduct the total amount due from the fees due to the Contractor pursuant to Section C.3. If the Contractor disagrees with a finding resulting in a payment to the State, the State will review the Contractor's comments, but if the State retains the original audit findings the Contractor will be responsible for any payment to the State.
- f. The Contractor shall maintain an internal quality assurance plan. The Contractor shall provide by the date specified in Contract Section A.16. a summary of the internal quality assurance plan indicating areas addressed, established criteria and standards and those methods employed to evaluate results.
- g. The Contractor shall submit to the State by the date specified in Contract Section A.16. 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.

- h. Upon request by the State In Writing, the Contractor shall fund a pre-implementation audit to include, at a minimum, whether the Contractor's adjudication system is configured according to the State's benefit design. The audit shall be conducted by a qualified organization or representative chosen by the State and the scope of the audit shall be defined by the State.

A.13. Reporting

- a. The Contractor shall submit reports to the State electronically, in the format specified by the State, and shall be of the type and at the frequency indicated in Contract Attachment D. 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 or a new report. The Contractor shall comply with the State's modifications to the reporting requirements by the end of the 90 day period from the notice.
- b. Unless prior approved In Writing by the State, each report required in Contract Attachment D 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, statistics relevant to the data that supports the final level of results 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 D).
- 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.14. Implementation

- a. The Contractor shall provide to the State a comprehensive Implementation plan no later than ten (10) Business Days after the Contract Effective Date as specified in Contract Section B 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.16. for the Contractor to be fully operational by the go-live date. 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 BA's larger Member communication strategy); and
  - (7) Schedule of in-person meetings and conference calls with the State.
- b. The State may conduct a comprehensive readiness review of the Contractor at least sixty (60) days prior to January 1, 2023, in order to ensure that the Contractor is able and prepared to perform all functions 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 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., 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, 2023.

A.15. Regulatory Requirements

- a. The Contractor shall prepare and submit to the State for approval by the date specified in Contract Section A.16. the group Master Policies and Certificates of Coverage for approval by BA before submission to the State of Tennessee Department of Commerce and Insurance. Such final approved group Master Policy and Certificates of Coverage shall be added as a Contract Attachment incorporated by reference once approved. Unless otherwise directed by the State, the Certificates of Coverage shall include at a minimum the following:
  - (1) Eligibility Provisions;
  - (2) Description of Claims Process;
  - (3) General Limitations and Exclusions;
  - (4) Optional Services; and
  - (5) Schedule of Benefits
- b. The Contractor shall post the most current Certificates of Coverage on its State of Tennessee Splash Page 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) Business Days of any changes to the eligibility, 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 or other state or federal agency that may materially impact its ability to perform under this Contract.
- e. The Contractor shall perform the administration of tax calculations, payments, and filing of appropriate IRS forms and any other required federal and/or state tax forms.

A.16. Due Dates for Key Contract Deliverables/Milestones.

- a. Unless otherwise specified In Writing by the State, the Contractor shall adhere to the following schedule for the key deliverables and milestones for which it is responsible under this Contract:

Key Deliverables/Milestones		Contract Reference(s)	Milestone/Deliverable Due Dates
<b>Implementation</b>			
1.	Provide a comprehensive implementation plan	A.14.a.	Within ten (10) Business Days after the Contract Effective Date or on a date established by the State
2.	Submit to the State for review and approval a detailed staffing plan	A.3.b.	Within ten (10) Business Days after the Contract Effective Date or on a date established by the State
3.	Kick-off meeting for all key Contractor Staff	A.3.h.	Within ten (10) Business Days after Contract Effective Date or on a date determined by the State
4.	Submit list of all subcontractors to be utilized in connection with this Contract	A.3.k.	Within ten (10) Business Days after the Contract Effective Date or on a date determined by the State
5.	Information systems project coordinator in place	A.3.g.	August 1, 2022
6.	Provide written marketing and communications plan	A.5.a.	June 1, 2022
7.	Submit the text and screenshots of the Splash Page and website to the State for review and approval	A.8.f.	July 1, 2022
8.	Account manager and backup in place	A.3.e.	August 1, 2022
9.	Customer service manager in place	A.3.f.	August 1, 2022

10.	Grant the State access to the customized developed Splash Page for review and approval	A.8.g.	August 1, 2022
11.	Contractor's representatives/operators and other staff trained on State's Program	A.3.i.	September 1, 2022
12.	Call center open and accepting calls	A.4.a.	September 1, 2022
13.	Initial Member materials shall be finalized and ready for distribution	A.5.c	September 1, 2022
14.	Write, update, print and distribute, upon the State's request Member handbook(s)	A.7.a.	September 1, 2022
15.	Splash Page and Contractor website fully operational	A.8.h.	September 1, 2022
16.	Enable Transport Layer Security (TLS) on the mail server	A.9.i.	September 1, 2022
17.	Confirm with State the format, data needed, and due date, for the weekly eligibility and termination files and the monthly payroll files	A.11.h.	September 1, 2022
18.	Provide State with a written copy of grievance procedure description	A.9.h.	October 3, 2022
19.	Provide a summary of the internal quality assurance plan indicating areas addressed, established criteria and standards and those methods employed to evaluate results	A.12.f.	October 3, 2022
20.	Provide a summary of methodology for conducting internal Claims and operational audits, including audits to determine Claims payment and processing accuracy and Claims payment turnaround.	A.12.g.	October 3, 2022
21.	Confirm with State the format, data needed, and due dates for each required report	A.13.a.	October 3, 2022
22.	Completion of system files testing	A.11.f.	November 1, 2022
23.	State readiness review of Contractor	A.14.b.	November 1, 2022
24.	Load, test, verify, and make available online for use the State's voluntary term life enrollment information	A.11.g.	December 1, 2022
25.	Mail a welcome kit and Certificates of Coverage on voluntary term life to Members	A.6.a.	December 16, 2022
26.	Provide requested State employees with access and update authority to the Contractor's eligibility system	A.10.f.	December 28, 2022
27.	Go-live	A.1.a.	January 1, 2023

28.	Basic term life/basic AD&D claims run-out period	A.1.c.	1/1/2028 – 6/30/2029
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A.17 Warranty.

- a. 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 generally 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 goods or services as warranted, then Contractor will re-provide the goods or services at no additional charge. If Contractor is unable or unwilling to re-provide the goods or services as warranted, then the State shall be entitled to recover the fees paid to Contractor for the Defective goods or 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.

A.18 Inspection and Acceptance.

- a. The State shall have the right to inspect all goods or services provided by Contractor under this Contract. If, upon inspection, the State determines that the goods or services are Defective, the State shall notify Contractor, and Contractor shall re-deliver the goods or provide the services at no additional cost to the State. If after a period of thirty (30) days following delivery of goods or performance of services the State does not provide a notice of any Defects, the goods or services shall be deemed to have been accepted by the State.

**B. TERM OF CONTRACT:**

This Contract shall be effective on March 1, 2022 (“Effective Date”) and extend for a period of eighty-seven (87) 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 **Written Dollar Amount (\$Number)** (“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. Any implementation efforts and activities prior to services performed starting January 1, 2023, will be at no additional cost to the State.
  - b. The premium rates are NOT contingent upon the State maintaining a minimum number of insured Members.
  - c. The Member's age and salary for the basic term life/basic AD&D and voluntary AD&D insurance programs shall be as of September 1 of the current calendar year, or another date established by the State, and shall be effective as of October 1 of the current calendar year, or another date established by the State. The Member's salary for the voluntary term life insurance program shall be as of September 1 of the current calendar year, or another date established by the State, and shall be effective as of October 1 of the current calendar year, or another date established by the State. The Employee and Spouse's age for the voluntary term life insurance program shall be as of January 1st of each calendar year.
  - d. The Contractor shall be compensated based upon the following payment methodology:

**Premium Rates:**

**PLACEHOLDER FOR COMPLETED COST PROPOSAL TABLES FROM BEST EVALUATED RESPONDENT**

- i. 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:

**PLACEHOLDER FOR COMPLETED COST PROPOSAL TABLES FROM BEST EVALUATED RESPONDENT**

- ii. **Reserves:**

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

In addition to the charges listed in premium rates tables in Section C.3.d. and C.3.d.i., the Contractor shall include, only in the first year of benefits for these products (2023), a per employee per month charge of \$.XX 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:

**PLACEHOLDER FOR COMPLETED COST PROPOSAL TABLES FROM BEST EVALUATED RESPONDENT**

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 In Writing and implemented via an amendment to this contract.

iii. **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.

iv. **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.d.iii. 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.

v. **Administrative & Conversion Charge**

The Basic Term Life and Basic 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.

**PLACEHOLDER FOR COMPLETED COST PROPOSAL TABLES FROM BEST EVALUATED RESPONDENT**

- vi. **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.

- vii. **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.

- viii. **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, 2027. 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.

- ix. **Converted and Ported Members**: The Contractor shall accept payments directly from members who are no longer employed and have converted to an individual policy or ported their coverage.
- x. **Premium Rates**: The Contractor shall be compensated for the voluntary term life insurance program based upon the following guaranteed premium rates for January 1, 2023 through December 31, 2027. The ported rates shall not exceed the active rates by more than twenty-percent (20%).

**PLACEHOLDER FOR COMPLETED COST PROPOSAL TABLES  
FROM BEST EVALUATED RESPONDENT**

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.

- e. 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.
- f. 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.
  - i. 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.
  - ii. 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. At-Risk Performance Payments and SLA Scorecard.**

- a. The Parties shall conduct a scorecard assessment (Contract Attachment C), beginning after the go-live date, on a quarterly basis during the Term.
- b. Based on the SLA Scorecard, Contractor shall send the State an At-Risk Performance Payment (if applicable) quarterly during the Term in accordance with Contract Attachment C and D. This payment is due within forty-five (45) calendar days of the quarterly SLA scorecard assessment.

**C.5. Travel Compensation.** The Contractor shall not be compensated or reimbursed for travel time,



travel expenses, meals, or lodging.

C.6. 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.7. 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.8. Reconciliation of Payment. 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.
- C.9. 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, purchase order, 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 reflected on the purchase order.
- C.10. Payment Reductions. The Contractor's payment shall be subject to reduction for amounts included in any purchase order 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.11. 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.12. Prerequisite Documentation. The Contractor shall not invoice the State 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.
- C.13. Unclaimed Property. The Contractor is holder as defined by Tenn. Code Ann. § 66-29-102 for purposes of unclaimed property arising from the performance of this Contract. The Contractor shall comply with all applicable escheat state laws and regulations including but not limited to the Uniform Unclaimed Property Act, Tenn. Code Ann. § 66-29-101 et. seq. The Contractor shall be responsible for compiling reports which meet National Association of Unclaimed Property Administrators (NAUPA) specifications and filing any required reports with the State through the ReportItTN.gov online portal.
- 1) The Contractor shall provide notice In Writing to Benefits Administration when a report has been filed through the ReportItTN.gov online portal.
  - 2) Upon request In Writing by the State, the Contractor shall provide copies of all escheat reports and supporting documentation to Benefits Administration.

**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 Director  
 Tennessee Department of Finance & Administration  
 Division of Benefits Administration  
 312 Rosa L. Parks Avenue, Suite 1900  
 Nashville, Tennessee 37243  
[Seannalyn.Brandmeir@tn.gov](mailto:Seannalyn.Brandmeir@tn.gov)  
 Telephone: 615.532.4598  
 Fax: 615.253.8556

The Contractor:

**Contractor Contact Name & Title Contractor Name**  
**Address**  
**Email Address**  
 Telephone # **Number**  
 FAX # **Number**

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 a Party ("Breaching Party") fails to properly perform its obligations under this Contract, or if a Party materially violates any terms of this Contract ("Breach Condition"), the other Party ("Non-breaching Party") may provide written notice to the Breaching Party specifying the Breach Condition. If within thirty (30) days of notice, the Breaching Party has not cured the Breach Condition, the Non-breaching Party may terminate the Contract. In the event the Non-breaching Party is the State, the State may withhold payments in excess of compensation for completed services or provided goods. The Breaching Party shall not be relieved of liability to the Non-breaching Party for damages sustained by virtue of any breach of this Contract, and the Non-breaching Party 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 from 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, 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. For clarity, except as otherwise expressly set forth in this Section, Contractor's indemnification obligations and other remedies available under this Contract are subject to the limitations on liability set forth in this Section.
- 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' fees, court costs, expert witness fees, and other litigation expenses 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 for the affected obligations 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 State and federal laws and regulations applicable to Contractor in the Contractor's 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, without regard to its conflict or choice of law rules. 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 shall be subject to and limited to those rights and remedies available under Tenn. Code Ann. §§ 9-8-101 - 408.
- 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 along with any riders or endorsements, 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 Service Level Agreement Scorecard;
    - iv. Contract Attachment D Reporting Requirements; and
    - v. Contract Attachment E Life and AD&D Insurance Minimum Benefit Provisions;



- vi. Contractor's group Master Policy; and
  - vii. Contractor's group certificate(s) of coverage.
- 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;
  - f. the Contractor's response seeking this Contract; and
  - g. any Contractor rules or policies contained in insurance policy filings by the Contractor with State regulators.
- D.30. Iran Divestment Act. The requirements of Tenn. Code Ann. § 12-12-101, *et seq.*, addressing contracting with persons as defined at Tenn. Code Ann. §12-12-103(5) that engage in investment activities in Iran, shall be a material provision of this Contract. The Contractor certifies, 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 maintain insurance coverage as specified in this Section. The State reserves the right to amend or require additional insurance coverage, coverage amounts, and endorsements required under this Contract. Contractor's failure to maintain or submit evidence of insurance coverage, as required, is a material breach of this Contract. If Contractor loses insurance coverage, fails to renew coverage, or for any reason becomes uninsured during the Term, Contractor shall immediately notify the State. All insurance companies providing coverage must be: (a) acceptable to the State; (b) authorized by the Tennessee Department of Commerce and Insurance ("TDCI"); and (c) rated A- / VII or better by A.M. Best. All coverage must be on a primary basis and noncontributory with any other insurance or self-insurance carried by the State. Contractor agrees to name the State as an additional insured on any insurance policy with the exception of workers' compensation (employer liability), professional liability (errors and omissions) insurance, and Cyber Liability/Technology (errors and omissions) insurance. All policies must contain an endorsement for a waiver of subrogation in favor of the State. Any deductible or self insured retention ("SIR") over fifty thousand dollars (\$50,000) must be approved by the State. The deductible or SIR and any premiums are the Contractor's sole responsibility. 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.

To achieve the required coverage amounts, a combination of an otherwise deficient specific policy and an umbrella policy with an aggregate meeting or exceeding the required coverage amounts is acceptable. For example: If the required policy limit under this Contract is for two million dollars (\$2,000,000) in coverage, acceptable coverage would include a specific policy covering one million dollars (\$1,000,000) combined with an umbrella policy for an additional one million dollars (\$1,000,000). If the deficient underlying policy is for a coverage area without aggregate limits (generally Automobile Liability and Employers' Liability Accident), Contractor shall provide a copy of the umbrella insurance policy documents to ensure that no aggregate limit applies to the umbrella policy for that coverage area. In the event that an umbrella policy is being provided to achieve any required coverage amounts, the umbrella policy shall be accompanied by an endorsement at least as broad as the Insurance Services Office, Inc. (also known as "ISO") "Noncontributory—Other Insurance Condition" endorsement or shall be written on a policy form

that addresses both the primary and noncontributory basis of the umbrella policy if the State is otherwise named as an additional insured.

Contractor shall provide the State a certificate of insurance (“COI”) evidencing the coverages and amounts specified in this Section. The COI must be on a form approved by the TDCI (standard ACORD form preferred). The COI must list each insurer’s National Association of Insurance Commissioners (NAIC) number and be signed by an authorized representative of the insurer. The COI must list the State of Tennessee – CPO Risk Manager, 312 Rosa L. Parks Ave., 3<sup>rd</sup> floor Central Procurement Office, Nashville, TN 37243 as the certificate holder. Contractor shall provide the COI ten (10) business days prior to the Effective Date and again thirty (30) calendar days before renewal or replacement of coverage. Contractor shall provide the State evidence that all subcontractors maintain the required insurance or that subcontractors are included under the Contractor’s policy. At any time, the State may require Contractor to provide a valid COI. The Parties agree that failure to provide evidence of insurance coverage as required is a material breach of this Contract. If Contractor self- insures, then a COI will not be required to prove coverage. Instead, Contractor shall provide a certificate of self-insurance or a letter, on Contractor’s letterhead, detailing its coverage, policy amounts, and proof of funds to reasonably cover such expenses. Upon notification of a claim or lawsuit naming the State, the State reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

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.

**The insurance obligations under this Contract shall be: (1)—all the insurance coverage and policy limits carried by the Contractor; or (2)—the minimum insurance coverage requirements and policy limits shown in this Contract; whichever is greater. Any insurance proceeds in excess of or broader than the minimum required coverage and minimum required policy limits, which are applicable to a given loss, shall be available to the State. No representation is made that the minimum insurance requirements of the Contract are sufficient to cover the obligations of the Contractor arising under this Contract. The Contractor shall obtain and maintain, at a minimum, the following insurance coverages and policy limits.**

a. Commercial General Liability (“CGL”) Insurance

- 1) The Contractor shall maintain CGL, which shall be written on an ISO Form CG 00 01 occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from property damage, premises and operations products and completed operations, bodily injury, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

The Contractor shall maintain single limits not less than one million dollars (\$1,000,000) per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this policy or location of occurrence or the general aggregate limit shall be twice the required occurrence limit.

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 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 employs 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.

c. Professional Liability Insurance

- 1) Professional liability insurance shall be written on an occurrence basis or on a claims- made basis. If this coverage is written on a claims-made basis, then:
  - i. The retroactive date must be shown, and must be on or before the earlier of the Effective Date of the Contract or the beginning of Contract work or provision of goods and services;
  - ii. Insurance must be maintained and evidence of insurance must be provided for at least five (5) full years from the date of the final Contract payment; and
  - iii. If coverage is canceled or non-renewed, and not replaced with another claims- made policy form with a retroactive date on or prior to the Contract Effective Date, the Contractor must purchase "extended reporting" or "tail coverage" for a minimum of five (5) full years from the date of the final Contract payment.
- 2) Any professional liability insurance policy shall have a limit not less than one million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) in the aggregate; and

- 3) If the Contract involves the provision of services by medical professionals, a policy limit not less than three million (\$3,000,000) per claim and three million dollars (\$3,000,000) in the aggregate for medical malpractice insurance.

d. Technology Professional Liability (Errors & Omissions)/Cyber Liability Insurance

- 1) The Contractor shall maintain technology professional liability (errors & omissions)/cyber liability insurance appropriate to the Contractor's profession in an amount not less than ten million dollars (\$10,000,000) per occurrence or claim and ten million dollars (\$10,000,000) annual aggregate, covering all acts, claims, errors, omissions, negligence, infringement of intellectual property (including copyright, patent and trade secret); network security and privacy risks, including but not limited to unauthorized access, failure of security, information theft, damage to destruction of or alteration of electronic information, breach of privacy perils, wrongful disclosure and release of private information, collection, or other negligence in the handling of confidential information, and including coverage for related regulatory fines, defenses, and penalties.
- 2) Such coverage shall include data breach response expenses, in an amount not less than ten million dollars (\$10,000,000) and payable whether incurred by the State or Contractor, including but not limited to consumer notification, whether or not required by law, computer forensic investigations, public relations and crisis management firm fees, credit file or identity monitoring or remediation services and expenses in the performance of services for the State or on behalf of the State hereunder.

D.32. Major Procurement Contract Sales and Use Tax. Pursuant to Tenn. Code Ann. § 4-39-102 and to the extent applicable, the Contractor and the Contractor's subcontractors shall remit sales and use taxes on the sales of goods or services that are made by the Contractor or the Contractor's subcontractors and that are subject to tax.

D.33. 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. 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. Additional lines, items, or options. At its sole discretion, the State may make written requests to the Contractor to add lines, items, or options that are needed and within the Scope but were not

included in the original Contract. Such lines, items, or options will be added to the Contract through a Memorandum of Understanding (“MOU”), not an amendment.

- a. After the Contractor receives a written request to add lines, items, or options, the Contractor shall have ten (10) business days to respond with a written proposal. The Contractor’s written proposal shall include:
  - (1) The effect, if any, of adding the lines, items, or options on the other goods or services required under the Contract;
  - (2) Any pricing related to the new lines, items, or options;
  - (3) The expected effective date for the availability of the new lines, items, or options; and
  - (4) Any additional information requested by the State.
- b. The State may negotiate the terms of the Contractor’s proposal by requesting revisions to the proposal.
- c. To indicate acceptance of a proposal, the State will sign it. The signed proposal shall constitute a MOU between the Parties, and the lines, items, or options shall be incorporated into the Contract as if set forth verbatim.
- d. Only after a MOU has been executed shall the Contractor perform or deliver the new lines, items, or options.

E.3. Prohibited Advertising or Marketing. The Contractor shall not suggest or imply in advertising or marketing materials that Contractor’s goods or services are endorsed by the State. The restrictions on Contractor advertising or marketing materials under this Section shall survive the termination of this Contract.

E.4. 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- 00165 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 monthly report of participation in the performance of this Contract by small business enterprises and businesses owned by minorities, women, service-disabled veterans, and persons with disabilities. Such reports shall be provided to the State of Tennessee Governor’s Office of Diversity Business Enterprise in the TN Diversity Software available online at:

<https://tn.diversitysoftware.com/FrontEnd/StartCertification.asp?TN=tn&XID=9810>.

E.5. Liquidated Damages. If the Contractor fails to perform in accordance with any term or provision of this contract, only provides partial performance of any term or provision of the Contract, violates any warranty, or any act prohibited or restricted by the 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.6. 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 or ensure that Contractor is in full compliance with its obligations under this Contract in relation to PII. In accordance with the timeframe for audits listed in Contract Section D.11 and in consultation with the State, 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 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. The obligations set forth in this Section shall survive the termination of this Contract.

- E.7. Contractor Hosted Services Confidential Data, Audit, and Other Requirements

- a. "Confidential State Data" is defined as data deemed confidential by State or Federal statute or regulation. The Contractor shall protect Confidential State Data as follows:
- (1) The Contractor shall ensure that all Confidential State Data is housed in the contiguous United States, inclusive of backup data.
  - (2) The Contractor shall encrypt Confidential State Data at rest and in transit using the current version of Federal Information Processing Standard ("FIPS") 140-2 validated encryption algorithms.
  - (3) The Contractor must annually perform Penetration Tests and Vulnerability Assessments against its Processing Environment. "Processing Environment" shall mean the combination of software and hardware on which the Application runs. "Application" shall mean the computer code that supports and accomplishes the State's requirements as set forth in this Contract. "Penetration Tests" shall be in the form of attacks on the Contractor's computer system, with the purpose of discovering security weaknesses which have the potential to gain access to the Processing Environment's features and data. The "Vulnerability Assessment" shall be designed and executed to define, identify, and classify the security holes (vulnerabilities) in the Processing Environment. The Contractor shall allow the State, at its option, access to the executive summary for independent third-party Penetration Tests and Vulnerability Assessments on the Processing Environment.
  - (4) Upon State request, the Contractor shall provide a copy of all Confidential State Data it holds. The Contractor shall provide such data on media and in a format determined by the State. The Contractor shall maintain a duplicate set of all records relating to this Contract in electronic medium, usable by the State and the Contractor for the purpose of Disaster recovery. Such duplicate records are to be stored at a secure fire, flood, and theft-protected facility located away from the storage location of the originals. The Contractor shall update duplicate records, at a minimum, on a daily basis and shall retain said records for a period of sixty (60) days from the date of creation.
  - (5) In accordance with the timeframe for audits listed in Contract Section D.11 and in consultation with the State, the Contractor shall destroy all Confidential State Data it holds (including any copies such as backups) in accordance with the current version of National Institute of Standards and Technology ("NIST") Special Publication 800 - 88. Notwithstanding anything to the contrary, the Contractor shall be allowed to keep copies of all necessary data and information in accordance with its records retention policies or as may be required by law. The Contractor shall provide a written confirmation of sanitization to the State within ten (10) business days after destruction.
- b. Minimum Requirements
- (1) The Contractor and all data centers used by the Contractor to host State data, including those of all Subcontractors, must comply with the State's Enterprise Information Security Policies as amended periodically. The State's Enterprise Information Security Policies document is found at the following URL: <https://www.tn.gov/finance/strategic-technology-solutions/strategic-technology-solutions/sts-security-policies.html>.

- (2) The Contractor agrees to maintain the Application so that it will run on a current, manufacturer-supported Operating System. "Operating System" shall mean the software that supports a computer's basic functions, such as scheduling tasks, executing applications, and controlling peripherals.
- (3) If the Application requires middleware or database software, Contractor shall maintain middleware and database software versions that are at all times fully compatible with current versions of the Operating System and Application to ensure that security vulnerabilities are not introduced.

c. Comptroller Audit Requirements

Upon reasonable notice and at any reasonable time, the Contractor and Subcontractor(s) agree to allow the State, the Comptroller of the Treasury, or their duly appointed representatives to perform information technology control audits of the Contractor and all Subcontractors used by the Contractor. Contractor will maintain and cause its Subcontractors to maintain a complete audit trail of all transactions and activities in connection with this Contract. Contractor will provide to the State, the Comptroller of the Treasury, or their duly appointed representatives access to Contractor and Subcontractor(s) personnel for the purpose of performing the information technology control audit.

The information technology control audit may include a review of general controls and application controls. General controls are the policies and procedures that apply to all or a large segment of the Contractor's or Subcontractor's information systems and applications and include controls over security management, access controls, configuration management, segregation of duties, and contingency planning.

Application controls are directly related to the application and help ensure that transactions are complete, accurate, valid, confidential, and available. The audit shall include the Contractor's and Subcontractor's compliance with the State's Enterprise Information Security Policies and all applicable requirements, laws, regulations or policies.

The audit may include interviews with technical and management personnel, physical inspection of controls, and review of paper or electronic documentation.

For any audit issues identified, the Contractor and Subcontractor(s) shall provide a corrective action plan to the State within 30 days from the Contractor or Subcontractor receiving the audit report.

Each party shall bear its own expenses incurred while conducting the information technology controls audit.

d. Business Continuity Requirements. The Contractor shall maintain a set(s) of documents, instructions, and procedures which enable the Contractor to respond to accidents, disasters, emergencies, or threats without any stoppage or hindrance in its key operations ("Business Continuity Requirements"). Business Continuity Requirements shall include:

- (1) The BC-DR plan shall encompass all Information Systems supporting this Contract. At a minimum the Contractor's BC-DR plan shall address and provide the results for 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.

(2) "Disaster Recovery Capabilities" refer to the actions the Contractor takes to meet the Recovery Point and Recovery Time Objectives defined below. Disaster Recovery Capabilities shall meet the following objectives:

- i. Recovery Point Objective ("RPO"). The RPO is defined as the maximum targeted period in which data might be lost from an IT service due to a major incident: one hour.
- ii. Recovery Time Objective ("RTO"). The RTO is defined as the targeted duration of time and a service level within which a business process must be restored after a disaster (or disruption) in order to avoid unacceptable consequences associated with a break in business continuity: seventy-two (72) hours.

(3) The Contractor shall perform at least one Disaster Recovery Test every three hundred sixty-five (365) days. A "Disaster Recovery Test" shall mean the process of verifying the success of the restoration procedures that are executed after a critical IT failure or disruption occurs. The Disaster Recovery Test shall use actual State Data Sets that mirror production data, and success shall be defined as the Contractor verifying that the Contractor can meet the State's RPO and RTO requirements. A "Data Set" is defined as a collection of related sets of information that is composed of separate elements but can be manipulated as a unit by a computer. The Contractor shall provide written confirmation to the State after each Disaster Recovery Test that its Disaster Recovery Capabilities meet the RPO and RTO requirements. The Contractor shall submit a written summary of its annual BC-DR test results to the State (see Contract Attachment D, #5).

- e. The Contractor and any Subcontractor used by the Contractor to host State data, including data center vendors, shall be subject to an annual engagement by a CPA firm in accordance with the standards of the American Institute of Certified Public Accountants ("AICPA") for a System and Organization Controls for service organizations ("SOC") 2 Type II audit. The SOC audit control objectives shall include all five trust services principles. The State shall approve the SOC audit control objectives. The Contractor shall provide the State with the Contractor's and Subcontractor's annual audit report within 30 days from when the CPA firm provides the audit report to the Contractor or Subcontractor and in addition to periodic bridge reports as requested by the State, see Contract Attachment D, #6. The Contractor shall submit corrective action plans to the State for any issues included in the audit report within 30 days after the CPA firm provides the audit report to the Contractor and Subcontractor.

If the scope of the most recent SOC audit report does not include all of the current State fiscal

year, upon request from the State, the Contractor must provide to the State a letter from the Contractor or Subcontractor stating whether the Contractor or Subcontractor made any material changes to their control environment since the prior audit and, if so, whether the changes, in the opinion of the Contractor or Subcontractor, would negatively affect the auditor’s opinion in the most recent audit report.

No additional funding shall be allocated for these audits as they are included in the Maximum Liability of this Contract.

E.8. Extraneous Terms and Conditions. Contractor shall fill all orders submitted by the State under this Contract. No purchase order, invoice, or other documents associated with any sales, orders, or supply of any good or service under this Contract shall contain any terms or conditions other than as set forth in the Contract. Any such extraneous terms and conditions shall be void, invalid and unenforceable against the State. Any refusal by Contractor to supply any goods or services under this Contract conditioned upon the State submitting to any extraneous terms and conditions shall be a material breach of the Contract and constitute an act of bad faith by Contractor.

E.9. Survival. The terms, provisions, representations, and warranties contained in this Contract which by their sense and context are intended to survive the performance and termination of this Contract, shall so survive the completion of performance and termination of this Contract.

**IN WITNESS WHEREOF,**

**CONTRACTOR LEGAL ENTITY NAME:**

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**CONTRACTOR SIGNATURE**

**DATE**

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**PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)**

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

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**Howard H. Eley, CHAIRMAN**

**DATE**

## ATTACHMENT A

**ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE**

<b>SUBJECT CONTRACT NUMBER:</b>	
<b>CONTRACTOR LEGAL ENTITY NAME:</b>	
<b>EDISON VENDOR IDENTIFICATION NUMBER:</b>	

**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.

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**PRINTED NAME AND TITLE OF SIGNATORY**


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**DATE OF ATTESTATION**

**CONTRACT ATTACHMENT B****PERFORMANCE GUARANTEES AND LIQUIDATED DAMAGES**

To effectively manage contractual performance, the State has established Liquidated Damages associated with 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. Damages are included in this Attachment.

The Parties agree that the Liquidated Damages represent solely the anticipated 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.

**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, the Liquidated Damages amount may be withheld from future payments by the State without further notice.

<b>1. Program Go-Live Date</b>	
<b>Guarantee</b>	The Program shall take effect and be fully Operational on the Program go-live date specified in Contract Section A.16. "Operational" is defined as the ability to electronically capture eligibility and termination records accurately for employees and Members, answer calls from Members and others, process Claims, and provide all other services described in the Contract.
<b>Assessment</b>	Twenty-five thousand dollars (\$25,000) for each Business Day beyond the go-live date that the Program is not operational up to thirty (30) Business Days.
<b>Justification</b>	Program go-live is an imperative performance guarantee listed in the Contract. If there is a delay in this, the State is unable to provide Program Benefits coverage to our Members. This assessment and amount take into account the State's increased staff time for Member inquiries, resolution of additional Member issues, and increased legislative inquiries.
<b>Measurement</b>	Assessed, reported, reconciled, and paid no later than three (3) months after the go-live date.
<b>2. Implementation</b>	
<b>Guarantee</b>	The Contractor shall comply with all tasks, deliverables, and milestones included in the project implementation plan, as required in Contract Section A.14., and meet the "Milestone/Deliverable Due Dates" as required in Contract Section A.16. necessary to install the Program by the go-live date.
<b>Assessment</b>	One thousand dollars (\$1,000) for each Business Day for each deliverable and/or milestone beyond the due date up to, and including the Program go-live date.
<b>Justification</b>	Timely and accurate completion of all tasks, deliverables, and milestones in the project implementation plan and key deliverables table is critical to the successful implementation of a new contract. This assessment calculates the potential impact of missed or inaccurate implementation milestones.
<b>Measurement</b>	Assessed, reported, and reconciled no later than three (3) months after go-live.

<b>3. Program Design</b>	
<b>Guarantee</b>	Program design per the Contract and Certificates of Coverage will be implemented correctly, as required in Contract Attachment Section A.1.
<b>Assessment</b>	Twenty-five thousand dollars (\$25,000) per each incorrect Program design setup such as, but not limited to, incorrect premium age brackets, incorrect coverage values, and incorrect exclusions.
<b>Justification</b>	Program design information must be timely and accurate as to not cause confusion or financial hardship to Members. This assessment and amount take into account the State's increased staff time for Member inquiries, resolution of additional Member issues, and increased legislative inquiries.
<b>Measurement</b>	Assessed as identified.
<b>4. Eligibility File Set-Up</b>	
<b>Guarantee</b>	Eligibility information must be loaded, tested, verified and available online for use as required in Contract Section A.11.g.
<b>Assessment</b>	Ten thousand dollars (\$10,000) for each Business Day beyond the date specified in Contract Section A.16.
<b>Justification</b>	Eligibility file set-up is a critical step in providing Member Benefits. Without the accurate and timely set-up of this file, there is a potential harm to Members financially and in receiving services. This assessment and amount take into account the State's increased staff time for Member inquiries, resolution of additional Member issues, and increased legislative inquiries.
<b>Measurement</b>	Assessed, reported, and reconciled no later than three (3) months after go-live.
<b>5. Splash Page</b>	
<b>Guarantee</b>	The Contractor's Splash Page shall be available on the internet, fully operational by the date specified in Contract Section A.16. and updated annually prior to the State's annual enrollment period as required in Contract Section A.8.k.
<b>Assessment</b>	One thousand dollars (\$1,000) per Business Day until operational or updated.
<b>Justification</b>	This assessment and amount take into account the State's increased staff time for Member inquiries, resolution of additional Member issues, and increased legislative inquiries.
<b>Measurement</b>	Assessed, reported, and reconciled annually.
<b>6. Privacy and Security of Member Information Impacting 1 to 499 Members</b>	
<i>Guarantee</i>	In accordance with Contract Section E.6., the Contractor shall not release, intentionally or unintentionally, Members' personal information, enrollment information, or claims information to unauthorized parties.
<i>Justification</i>	The guarantee and assessment estimate the impact on the State including the unpredictability of the timing of a breach; specifics of the breach's scope; length of time of investigation completion; number of Member calls to the BA service center; and level of legislative inquiries.

<i>Assessment</i>	<p>Four Thousand Eight Hundred dollars (\$4,800) per incident basis.</p> <p>This assessment is based on the previous experience BA has had in responding to similar incidents impacting less than five hundred (500) Members which includes the following predicted costs to BA:</p> <ol style="list-style-type: none"> <li>1. Compliance Officer time including investigating the breach, monitoring the privacy hotline and email address estimated at seventy-five (75) hours;</li> <li>2. Director of Financial Management and Program Integrity time and work estimated at seven and half (7.5) hours;</li> <li>3. Program Director associated with this contract time and work estimated at fifteen (15) hours;</li> <li>4. Executive Director's time and work estimated at one (1) hour;</li> <li>5. Department attorney time including legal review estimated at one (1) hour; and</li> <li>6. Service Center staff time and work answering Member questions/concerns estimated at fifteen (15) hours.</li> </ol>
<i>Measurement</i>	Assessed, reported, reconciled, and paid after each occurrence.
<b>7. Privacy and Security of Member Information Impacting 500 or more Members</b>	
<i>Guarantee</i>	In accordance with Contract Section E.6., the Contractor shall not release, intentionally or unintentionally, Members' personal information, enrollment information, or claims information to unauthorized parties.
<i>Justification</i>	The guarantee and assessment estimate the impact on the State including the unpredictability of the timing of a breach; specifics of the breach's scope; length of time of investigation completion; number of Member calls to the BA service center; and level of legislative inquiries.
<i>Assessment</i>	<p>Nineteen Thousand dollars (\$19,000) per incident basis.</p> <p>This assessment is based on the previous experience BA has had in responding to similar incidents impacting five hundred (500) or more Members which includes the following predicted costs to BA:</p> <ol style="list-style-type: none"> <li>1. Compliance Officer time including investigating the breach, monitoring the privacy hotline and email address estimated at one hundred thirty (130) hours;</li> <li>2. Director of Financial Management and Program Integrity time and work estimated at thirty (30) hours;</li> <li>3. Program Director associated with this Contract time and work estimated at forty-five (45) hours;</li> <li>4. Executive Director's time and work estimated at eighteen (18) hours;</li> <li>5. Department attorney time including legal review estimated at thirty (30) hours;</li> <li>6. Service Center staff time and work answering Member questions/concerns estimated at one-hundred (100) hours;</li> <li>7. Public Information Officer ("PIO")'s time and work estimated at forty-five (45) hours; and</li> <li>8. Communications Director's time and work estimated at thirty (30) hours.</li> </ol>
<i>Measurement</i>	Assessed, reported, reconciled, and paid after each occurrence.

**Contract Attachment C****Service Level Agreement (SLA) Scorecard**

Below is the SLA Scorecard and associated KPIs used to measure the Contractor's performance against the desired outcomes. KPIs shall be evaluated, scored, and reconciled quarterly via the SLA Scorecard with relevant documentation. Contractor must submit the SLA Scorecard each calendar quarter documenting the Contractor's outcome for each KPI for the previous quarter, in which services were delivered, as well as any At-Risk Performance Payment due (if applicable).

It is agreed by the State and the Contractor that any At-Risk Performance Payment 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 fees at risk. If payment is not made by the due date, the At-Risk Performance Payment amount may be withheld from future payments by the State without further notice.

Use the following for the quarterly calculations – the Contractor will fill in the Quarterly Score column for each individual KPI. If the individual KPI does not apply for the reported quarter, place 'n/a' in the Quarterly Score column. The total possible score will be adjusted accordingly. The State will calculate the Total Quarterly Score using the following formula: Sum of Quarterly Scores divided by maximum possible quarterly score multiplied by 100%. The At Risk Performance Payment will be determined by this percentage (see table below).

KPI		Description	Performance Requirement	Contractor Performance	Score if Met	Quarterly Score
1.	First Call Resolution	The Contractor's call center shall maintain a monthly average First Call Resolution rate of eighty-five percent (85%) or greater as required in Contract Section A.4.c.(2)	85%	85% or greater	10	
				83% - 84.9%	6	
				80% - 82.9%	2	
				Less than 80%	0	
2.	Mailing of ongoing welcome kit	Ninety-five percent (95%) of ongoing welcome kits shall be mailed within ten (10) Business Days of new Member enrollment as required in Contract Section A.6.b.	95%	95% or greater	10	
				93%-94.9%	6	
				Less than 93%	0	

KPI		Description	Performance Requirement	Contractor Performance	Score if Met	Quarterly Score
3.	Eligibility Posting	One hundred percent (100%) of electronically retrieved eligibility files processed within two (2) Business Days of receipt of the weekly file as required in Contract Section A.11.h.(3).	100%	100%	10	
				98-99.9%	6	
				96-97.9%	2	
				Less than 96%	0	
4.	Reporting	The Contractor shall distribute to the State all reports required in the Contract within the time frame and in the format specified in the Contract as required in Contract Section A.13.a.	100%	100%	10	
				98-99.9%	6	
				96-97.9%	2	
				Less than 96%	0	
5.	Average Speed of Answer	The Contractor's call center shall maintain a monthly Average Speed of Answer rate of thirty (30) seconds or less as required in Contract Section A.4.c.(1).	30 seconds or less	30 Sec. or less Avg.	10	
				31-35 Sec, Avg.	6	
				36-40 Sec Avg.	2	
				Greater than 40 Sec Avg.	0	
<b>Calculated Performance Payment</b>						
(Sum of Quarterly Score divided by total possible quarterly score multiplied by 100%).						

Quarterly Score	At-Risk Performance Payment
>=95%	\$0
90.1-94.9%	\$10,000
85-90%	\$20,000
80-84.9%	\$30,000
75-79.9%	\$40,000
74.9% or below	\$50,000



	<b>KPI</b>	<b>Description</b>	<b>Performance Requirement</b>	<b>At-Risk Performance Payment</b>
7.	Unauthorized Usage of Information	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 as specified in Contract Section A.9.n.	If Contractor uses data without prior State approval	\$25,000 per incident
8.	Authorization of Member Communications	The Contactor shall not distribute any materials to Members prior to receiving the express, written authorization by the State for the use of such materials, as required in Contract Section A.5.g.	If Contractor distributes materials without prior State approval	\$1,000 per incident
9.	Timely Notification	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, as required in Contract Section A.13.d.	If Contractor fails to notify the state within three (3) Business Days	\$10,000 per incident
10.	Call Center Responses	The Contractor shall have sufficient, trained staff to respond to inquiries, correspondence, complaints, and problems related to all aspects of the services required in this contract, as required in Contract Section A.4.a.	If a Member contacts the State with an unresolved issue that they previously attempted to resolve with the Contractor.	\$1,000 per incident

**Contract Attachment D****REPORTING REQUIREMENTS**

As required by the Contract, the Contractor shall submit Management Reports to the State. The reports shall be used by the State to assess the Plan costs, as well as reconcile the Liquidated Damages and Service Level Agreements. 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 month following the end of the quarter;
- 4) Semi-Annual Reports shall be submitted by January 20<sup>th</sup> and July 20<sup>th</sup>;
- 5) Annual reports shall be submitted within sixty (60) days after the end of the calendar year. Note: Any report due on a Holiday or weekend will then be due on the following Business Day.

Reports shall include:

- 1) **Liquidated Damages and Service Level Agreement Tracking Report**, as detailed in Contract Attachments B and C, each component to be listed with guarantee and actual results, submitted timely as outlined using the template prior approved In Writing by the State; the report shall also include a narrative statement regarding the status of each item with statistics supporting the results achieved.
- 2) **Claims Listing and Summary Report**, by line of coverage, submitted quarterly and annually using the template prior approved In Writing by the State.
  - Monthly enrollment of lives by premium tier
  - Monthly volume of premiums collected
  - Monthly volume of incurred and paid claims with dollars paid
  - Monthly Loss Ratio
  - 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
- 3) **Call Center Activity Report**, as detailed in Contract Section A.4.d., submitted 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 eighty-five percent (85%) or greater for First Call Resolution
- 4) **Member Satisfaction Survey Report**, submitted annually by agreed upon date by secure email using the template prior approved In writing by the State, as required in contract section A.9.k.
  - 5) **BC/DR Test Results Report**, submitted annually using the template prior approved In writing by the State, as required in Contract Section E.7.d.(3).
  - 6) **System and Organization Controls for service organizations (“SOC”) 2 Type II audit Report**, submitted annually within thirty (30) days from when the CPA firm provides the audit report and in addition to periodic bridge reports as requested by the State in compliance with contract Section E.7.e.
  - 7) **Marketing and Communications Plan and Efforts Report**, submitted annually, as required in contract section A.5.a.(1).
  - 8) **Member Issues Log**, submitted quarterly using template agreed to by the State, as required in Contract Section A.9.d.
  - 9) **Appeals Summary Report**, submitted quarterly using the template prior approved In Writing by the State as described in Contract Section A.9.h.
  - 10) **Underwriting Summary Report**, submitted quarterly using the template prior approved In Writing by the State as described in Contract Section A.9.p.
  - 11) **AdHoc Reports**, The Contractor shall submit such ad hoc reports as are deemed by the State to be necessary to analyze the Plan. 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.
  - 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**.
  - 13) **Basic Term Life/Basic AD&D Monthly Invoice**, as detailed in Contract Section C.6. submitted monthly by email using the template prior approved in writing by the State
  - 14) **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.
  - 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 as of 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.
  - 17) **Weekly Eligibility File and Termination File Error Report**, submitted weekly, in a format agreed upon by the State In Writing. The error report shall contain a) only errors that require correction by the State and b) an indication of the correction required to resolve the error. A report is not necessary if there are no errors that require correction by the State.

**CONTRACT ATTACHMENT E**

**Life and AD&D Insurance Minimum Benefit Provisions**

The Contractor shall provide the Program benefits shown below as the minimum provisions for each type of life and AD&D insurance program. Enhanced or additional benefits may be provided by the Contractor upon approval by the State; however, the Contractor's compensation shall not be other than specified in Contract Section C.3. These Program benefits and other detailed provisions of the benefits shall be included in the Contractor's group Master policies and/or Certificates of Coverage.

<b>TRADITIONAL 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 policy platform</b> issued to the State of Tennessee. Member's coverage shall be as described in approved Certificates of Coverage.								
<b>Annual Enrollment</b>	Each year during a time period specified by the State, employees may elect for the traditional basic term life/basic AD&D to drop the employee paid portion of basic term life/basic AD&D coverage, drop in total the dependent coverage, remove specific dependents from dependent coverage, add dependent coverage, and add specific dependents to dependent coverage.								
<b>Benefit Amounts</b>  <b>Employee and dependents</b>	<p><b>TRADITIONAL BASIC TERM LIFE</b> Coverage shall be one and one-half (1&amp;1/2) times the employee's base annual salary with a minimum coverage amount of \$20,000 and a maximum coverage amount of \$50,000. The employee may elect to enroll only in the coverage paid by the State.</p> <p>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.</p> <p>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 coverage 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.</p> <p><b>Dependent Schedule of Benefits</b></p> <table border="0"> <tr> <td>Definition</td> <td style="text-align: right;">Amount</td> </tr> <tr> <td colspan="2">Enrolled Dependents of Insured Employee who are:</td> </tr> <tr> <td>Spouse .....</td> <td style="text-align: right;">\$3,000</td> </tr> <tr> <td>Dependent child (from live birth) .....</td> <td style="text-align: right;">\$3,000</td> </tr> </table> <p><b>TRADITIONAL BASIC ACCIDENTAL DEATH AND DISMEMBERMENT (AD&amp;D) Schedule of Benefits</b></p> <p>The employee's basic AD&amp;D coverage shall be two (2) times the employee's basic term life coverage amount.</p> <p>Enrolled dependents' coverage amount shall be:</p> <ul style="list-style-type: none"> <li>Spouse Only Enrolled – 60% of employee's basic AD&amp;D amount</li> <li>Spouse and Children Enrolled             <ul style="list-style-type: none"> <li>Spouse 40% of employee's basic AD&amp;D amount</li> <li>Each child's coverage shall be 10% of employee's basic AD&amp;D amount</li> </ul> </li> <li>Children Only Enrolled – Each child's coverage shall be 10% of employee's basic AD&amp;D amount</li> </ul>	Definition	Amount	Enrolled Dependents of Insured Employee who are:		Spouse .....	\$3,000	Dependent child (from live birth) .....	\$3,000
Definition	Amount								
Enrolled Dependents of Insured Employee who are:									
Spouse .....	\$3,000								
Dependent child (from live birth) .....	\$3,000								

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

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.

#### Limitations

There are some limitations. A benefit will not be paid if the accident results from or is due to:

1. Any disease or infirmity of mind or body, and any medical or surgical treatment thereof;
2. Suicide or attempted suicide, while sane or insane;
3. Any intentionally self-inflicted injury;
4. War, declared or undeclared war, whether or not you are a member of any armed force;
5. Commission of, participation in, or an attempt to commit an assault or felony;
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;
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
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.

<p><b>Advance Benefit Option</b></p>	<p>If the employee is terminally ill with a diagnosed life expectancy of no more than twelve months, they may request a partial payment of the scheduled amount of their basic term life. The minimum death benefit to be eligible for an advance benefit is \$10,000. This advance payment is subject to a minimum withdrawal of \$5,000 and will reduce the scheduled amount of coverage paid to the beneficiary. The maximum death benefit that can be accelerated is 80% of the amount of the employee's basic term life coverage. 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 advance 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 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>

<p><b>Beneficiary Designation</b></p>	<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>
<p><b>Conversion of Coverage</b></p>	<p>If the employee's basic term life insurance coverage ends because their 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 or term policy of insurance offered by the Contractor not affiliated with the State's Group Insurance Program. 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>

<p align="center"><b>CONTEMPORARY BASIC TERM LIFE and BASIC ACCIDENTAL DEATH &amp; DISMEMBERMENT INSURANCE BENEFITS</b></p>	
<p><b>Benefit/Provision</b></p>	<p><b>Description</b></p>
<p><b>Plan Policy Requirements</b></p>	<p>The basic term life and basic accidental death &amp; dismemberment insurance must be based on a <b>group policy platform</b> issued to the State of Tennessee. Member's coverage shall be as described in approved Certificates of Coverage.</p>
<p><b>Annual Enrollment</b></p>	<p>The employee may reduce coverage to a maximum of \$50,000 or increase coverage to the full coverage amount available. There are no other options available during the State's annual enrollment period.</p>
<p><b>Benefit Amounts</b></p>	<p><b>CONTEMPORARY BASIC TERM LIFE</b></p> <p>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. The total minimum amount of basic term life insurance coverage in force per employee shall not be less than \$50,000, except when reduced at age milestones shown below. 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.</p> <p>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.</p> <p>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.</p>

**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 basic term life insurance coverage. The Contemporary Basic Accidental Death and Dismemberment Insurance Program does not include coverage for 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

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.

**Limitations**

There are some limitations. A benefit will not be paid if the accident results from or is due to:

1. Any disease or infirmity of mind or body, and any medical or surgical treatment thereof;
2. Suicide or attempted suicide, while sane or insane;
3. Any intentionally self-inflicted injury;
4. War, declared or undeclared war, whether or not you are a member of any armed force;
5. Commission of, participation in, or an attempt to commit an assault or felony;
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;
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
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.



<p><b>Advance Benefit Option</b></p>	<p>If the employee is terminally ill with a diagnosed life expectancy of no more than twelve months, they may request a partial payment of the scheduled amount of their basic term life. The minimum death benefit to be eligible for an advance benefit is \$10,000. This advance payment is subject to a minimum withdrawal of \$5,000 and will reduce the scheduled amount of coverage paid to the beneficiary. The maximum death benefit that can be accelerated is 80% of the amount of the employee's basic term life coverage. 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 advance 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 themselves 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>
<p><b>Beneficiary Designation</b></p>	<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</p>

	standard order of payment.
<b>Conversion of Coverage</b>	<p>If the employee's basic term life insurance coverage ends because their 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 or term policy of insurance offered by the Contractor not affiliated with the State's Group Insurance Program. 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>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 policy platform</b> issued to the State of Tennessee. Member's coverage shall be as described in approved Certificates of Coverage.
<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. Employees may also drop employee and/or dependent enrollment in the program. Employees may choose a different level of coverage.
<b>Benefit Amounts</b>  <b>Employee and dependents</b>	<p>In-force coverage being transferred to the Contractor on January 1, 2023, shall transfer with no break in coverage and new coverage amounts. The guaranteed issue amount of insurance under the Traditional Voluntary AD&amp;D Insurance Program shall be as shown below.</p> <p><b>TRADITIONAL VOLUNTARY ACCIDENTAL DEATH &amp; DISMEMBERMENT (AD&amp;D)</b></p> <p><b>Schedule of Benefits</b></p> <p>Employee Options for Coverage \$50,000; \$60,000; \$100,000; \$250,000; or \$500,000</p> <p>Dependents enrolled in coverage  Spouse Only – 60% of employee's voluntary AD&amp;D coverage  Spouse and Children Enrolled  Spouse – 40% of employee's voluntary AD&amp;D coverage  Each child – 10% of employee's voluntary AD&amp;D coverage</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 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. 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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<b>VOLUNTARY TERM LIFE INSURANCE BENEFITS</b>	
<b>Provision</b>	<b>Description</b>
<b>Plan Policy Requirements</b>	<p>Voluntary term life insurance must be based on a <b>group policy platform</b> issued to the Tennessee. Member's coverage shall be as described in approved Certificates of Coverage to be distributed to Subscribers.</p>
<b>Annual Enrollment</b>	<p>Each year during a time period specified by the State, active employees or spouses may qualify to participate in the Program or to increase amounts of coverage by demonstrating insurability through the response to health questions. Employees or spouses may also elect to decrease the face amount during the same time period. Coverage shall become effective on January 1 of the subsequent calendar year or the first of a month following approval via medical underwriting. Decrease in coverage shall become effective on January 1 of the subsequent calendar year.</p> <p>Each year during a time period specified by the State, current active Subscribers (employees) may without answering health questions increase the face amount of their coverage by up to \$5,000 if that action will not exceed the guaranteed issue amount.</p>
<b>Benefit Amounts/ Maximum Amounts</b>	<p><b>Employee</b> In-force active and ported certificates of coverage being transferred to the Contractor on January 1, 2023, shall transfer with the same coverage amount unless a change was made during the 2023 annual enrollment period by active employees.</p> <p>The guaranteed issue amount of insurance under the Voluntary Term Life Insurance Program 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><b>Spouse</b> In-force active and ported certificates of coverage being transferred to the Contractor on January 1, 2023, shall transfer with the same coverage amount unless a change was made during the 2023 annual enrollment period by active spouses.</p> <p>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><b>Child Term Rider</b></p> <p><b>Revisions</b></p>	<p>All child term riders in force as of December 31, 2022, including those in the amount of \$2,500, shall carryover to the Contractor as of January 1, 2023. A new child term rider to be effective January 1, 2023 or later shall be issued in the amount of \$5,000 or \$10,000.</p> <p>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 implemented through a contract amendment.</p>
<p><b>Advance Benefit</b></p>	<p>If the employee is terminally ill with a diagnosed life expectancy of no more than twelve months, they may request a partial payment of the scheduled amount of their voluntary term life. The minimum death benefit to be eligible for an advance benefit is \$10,000. This advance payment is subject to a minimum withdrawal of \$5,000 and will reduce the scheduled amount of coverage paid to the beneficiary. The maximum death benefit that can be advanced is 80% of the amount of the employee's voluntary term life insurance coverage. 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 advance 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 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>Exclusions/Limitations</b></p>	<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>
<p><b>Premiums</b></p>	<p>The premium rates 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.</p>
<p><b>Premium Rate Guarantee</b></p>	<p>The entire term of the contract.</p>
<p><b>Waiver of Premium</b></p>	<p>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.</p>
<p><b>Grace Period</b></p>	<p>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.</p>
<p><b>Reinstatement</b></p>	<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>
<p><b>Continuation and Conversion of Coverage</b></p>	<p>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</p>

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 or term 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. The conversion policies shall not be affiliated with the State Group Insurance Program. 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 or term life policy.
- (2) If age 70 or older, the Certificate may be converted to an individual or term 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 or term 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 or term policy, the amount of life insurance they 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.