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**GROUP TERM LIFE AND ACCIDENTAL DEATH AND
DISMEMBERMENT (AD&D) INSURANCES**

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RFP No. F10B8400043

**Q&A #1
ISSUED APRIL 17, 2018**

Ladies/Gentlemen:

This List of QUESTIONS and ANSWERS #1, QUESTIONS 1 through 52, is being issued to clarify certain information contained in the above named RFP.

No provided ANSWER to a QUESTION may in and of itself change any requirement of the RFP.

1) Section 2.26, pages 3 and 4 do not provide underwriting with the necessary information to properly underwrite the risk for the life and AD&D coverages. As such we will need the following information:

- a. 5 years of premium history on a paid and constant rated basis by line of coverage- life, dependent life, retiree life and AD&D;*
- b. 5 years of incurred claims history to coincide with the premium years by line of coverage- life, dependent life, retiree life and AD&D;*
- c. 5 years' worth of waiver of premium claims on the life insurance to include gender, date of birth, date of waiver approval, face amount of life insurance and waiver reserve amount; and*
- d. A 5 year detailed claim history with individual claim amounts by line of coverage- life, dependent life, retiree life and AD&D. All individual claims should include gender, date of birth, date of claim, paid, pending or denied status and actual paid amount with any interest.*
- e. Any plan change or rate change history that has occurred over the most recent 5 years.*

In addition to the claims information we would need census information for each of the current plan participants- life, dependent life, retiree life and AD&D to include gender date of birth and coverage elections with amount.

ANSWER: Census and claims information will be provided to all potential Offerors that submit a signed Non-Disclosure Agreement (Offeror), Appendix 3, added by Amendment #1, issued

April 10, 2018. Once the procurement officer receives a completed Non-Disclosure Agreement (Offeror) form, the State will forward a copy to the consultant. The consultant will send an email to the vendor with each vendor's specific link to the consultant's secure file transfer site. The vendor will open the email, establish a password with the secure site, and download the attachments. The consultant will forward to the State an electronic copy of the notification that the vendor opened and downloaded the attachments.

To the specific items requested:

- a. Premium is guaranteed for five years so rates have not changed.
- b. Will provide incurred claims and premium for three years.
- c. Will provide Waiver of Premium claims.
- d. Will provide detailed claims history for three years.
- e. There have been no plan changes or rate changes.

2) Will you be sending a 5 year paid and incurred claims history from the current carrier? We will need this information in order to underwrite the risk. The information required would be premium on a constant rated basis and incurred claims for each of the last 5 years by line of coverage (employee life, dependent life, AD&D and retiree life), a waiver of premium claims listing to include the face amount of the waiver claim and the current carrier reserves, and a detailed claims listing with each individual claim for the last 5 years coded as employee, dependent, retiree and AD&D. In addition we will need any plan change or rate change history that may have occurred over the last 5 years.

We will also need census information on the employees in the plan and their coverage elections. The census should include gender and date of birth as well as a distinction between employees, dependents and retirees.

The experience information request should be standard exhibits available from your current carrier. We would need this information in order to start formally evaluating the RFP.

ANSWER: See the answer to Question 1.

3) Please provide:

- *a census indicating Date of Birth, Date of Hire, Gender, Occupation Title, Classes Indicated (to correctly determine the life insurance amount), Current Life insurance elections (per section 2.3.1);*
- *a copy of the current Group Term Life and AD&D contract;*
- *at least three years of experience data:*
 - *Paid Claims by year;*
 - *Paid premium by year;*
 - *Waiver of Premium Reserves by year; and*
 - *Number of employees by year; and*
- *current/renewal rates.*

ANSWER: As to the census, claims and rate information, see QUESTION 1, above. The current Group Term Life and AD&D contract is available online in the Department of Budget and Management Contracts Library, Employee Benefits Contracts, at:

<http://dbm.maryland.gov/proc-contracts/Pages/contract-library/EmpIBen/GroupLifeInsurances.aspx>

4) *To assist with building our proposal, will an employee census be provided for this opportunity?*

ANSWER: See the answer to Question 1.

5) *In order to provide a proposal on the state, we requires a census containing:*

- *Date of Birth*
- *Gender*
- *Income*
- *Dependent Status*
- *Zip Code*

ANSWER: See the answer to Question 1.

6) *Could you provide the following information?*

- *Census that includes*
 - *Date of Birth*
 - *Gender*
 - *Salary*
 - *Volume of Benefit*
 - *Class Designation*
 - *Inforce Booklets or Summary Plan Descriptions*
 - *Copy of Current Bill*
 - *Inforce/Requested Commissions*
 - *Occupations*
 - *Location by state*
 - *Supplemental/Voluntary Elections*
- *If more than 500 eligible employees, the following information is also required:*
 - *Inforce rates and rate history, including effective dates*
 - *Plan changes with effective dates*
 - *3-5 years of experience on carrier letterhead*
- *Paid claims by product broken out by month or year*
- *Paid premium and lives history by products broken out by month or year*
- *Waiver claims including DOB, date of disability, gender, volume*

ANSWER: See the answer to Question 1. As to commissions, financial proposals must be net of commissions.

7) *Please provide an Excel census file with the following information on each insured:*

- *Gender*
- *Date of birth*
- *Annual salary*
- *Class of insured (Active or Retiree)*
- *Resident state*
- *Employment zip code*
- *Amount of Supplemental Life coverage*

- *Amount of Spouse and Child Life coverage*
- *Amount of VAD&D coverage, along with a single or family indicator*

ANSWER: See the answer to Question 1.

8) *For all employees working outside of the United States, including in US territories, please identify them on the census and provide each employee's country of citizenship and country of employment.*

ANSWER: See the answer to Question 1.

9) *Please confirm the following requirements have to be met:*

- *Financial Rating of A for last 7 years*
- *Dedicated 24 hour/7 days week telephone number*
- *Requested Performance Guarantees*
- *Booklet mailings to employee/retiree homes*
- *Accelerated Death Benefit: 100% of the coverage amount*
- *Waiver of Premium for dependents and retirees*
- *Will the NDA provided with the original RFP need to be included with the final proposal?*

ANSWER: All requirements are set out in the RFP. As set out in section 1.1, Financial Rating of no less than A is one of the minimum qualifications that must be met by the primary Offeror. If there are any deviations from the Scope of Work that are listed in Sections 2.3, 2.3 and 2.6, list any deviations in Appendix 2.1-2, 2.2-2 and/or 2.3 Explanations and Deviations. And as set out in Section 4.31.2, the NDA provided with the original RFP must be provided within five Business Days of notification of recommended awardee.

10) *The eligibility for the supplemental life includes "high risk active State employees". Can this be defined to have a better understanding of high risk?*

ANSWER: This refers to the employees who pilot aircraft or scuba dive as part of their employment with the State.

11) *Have there been any plan changes in this timeframe (2013-2017)?*

ANSWER: There have been no plan changes during the current contract.

12) *Please confirm, should we include the Implementation credits?*

ANSWER: Implementation credits are not requested by the State. If you choose to include them in your financial proposal, you must still follow the financial instructions in that the rates presented are "fully loaded" and include all services being offered. Do not include references to any part of the financial proposal in your technical response.

13) *Please provide more details regarding the MBE (Minority Business Enterprise) Subcontracting Goal: 1% with no subgoals. Is the dollar amount based on total premiums?*

ANSWER: Yes, the dollar amount is based on total premiums.

14) Please provide more details regarding the VSBE (Veteran Small Business Enterprise) Subcontracting Goal: 0.5%. Is the dollar amount based on total premium?

ANSWER: Yes, the dollar amount is based on total premiums.

15) What is the maximum time on continuation of coverage for paid/unpaid leaves of absence?

ANSWER: Contingent on continued premium payment, for an employee on non-medical leave of absence or temporary layoff, insurance may be continued for up to two years from the last day the insured employee was actively at work; for an employee on military leave of absence, insurance may be continued for up to five years from the last day the insured employee was actively at work; for an employee on approved FMLA leave, insurance may be continued until the insured is no longer on an approved FMLA leave.

16) Will there be a minimum 200 employees at each benefit fair?

ANSWER: Benefit fair attendance is not guaranteed and will vary by location. Some locations could have significantly more than 200 attendees while others may have fewer.

17) Please provide paid premium from 2013-2017 broken down for each coverage amount (actives, retirees, dependents, and AD&D all separately).

ANSWER: Total premiums paid for 2015 through 2017 broken down for each coverage amount are set out in Section 2.2.6 of the RFP, broken down for employee/retiree life, dependent life, and AD&D. Premiums for 2013 and 2014 are not provided.

18) Please provide current and rate history for all lines of coverage from 2013-2017 broken down for each coverage amount (actives, retirees, dependents, and AD&D all separately).

ANSWER: See the answer to Question 17.

19) Please provide the full eligible census including: gender, date of birth, date of hire, annual salary, work location, elections for supplemental life (employee & dependent) and supplemental AD&D, retiree indicator.

ANSWER: See the answer to Question 1.

20) Please provide Booklets for the Supplemental Life (employee & dependent) and Supplemental AD&D – specific plan provisions.

ANSWER: See the answer to Question 3.

21) Please provide premium waiver listing from 2013-2017 – inclusive of: gender, date of birth, date of disability, and face amount – broken down for each coverage amount (actives, retirees, and dependents all separately)

ANSWER: See the answer to Question 1.

22) *Please provide average number of lives and volume from 2013-2017 broken down for each coverage amount (actives, retirees, dependents, and AD&D all separately)*

ANSWER: See the answer to Question 1.

23) *Please provide an individual claim listing from 2013-2017 – inclusive of gender, date of birth, date claim incurred, paid amount – broken down for each coverage amount (actives, retirees, dependents, and AD&D all separately)*

ANSWER: See the answer to Question 1.

24) *Do you currently use a third-party administrator (TPA) or software vendor for your benefits enrollment and eligibility? If so, can the name of the vendor be released?*

ANSWER: The State does not use a TPA, but will be transitioning to Workday benefits effective January 1, 2019.

25) *What is the format and transmission efforts for enrollment information?*

ANSWER: Eligibility file format and transmission instructions will be provided following award.

26) *We see that you are requesting Beneficiary Management and Claim Preparation Life Recordkeeping Services. Are you interested in any additional Life Recordkeeping Services, i.e., Enrollment, Statement of Health, etc.?*

ANSWER: Offeror's technical proposal should describe all services provided, and the financial proposal should reflect the costs to provide these services in addition to providing the insurance.

27) *Regarding 5.3.1 – Can the sequential order of page numbering start back to 1 for each separate Tab/Subsection? Or does the entire Technical proposal need to be numbered from 1-X, no breaks by Tabs?*

ANSWER: As set out in section 5.3.1, all pages of both Proposal volumes shall be consecutively numbered from the beginning (Page 1) to end (Page "x"). The entire technical proposal needs to be numbered from 1-X, no breaks by Tabs.

28) *With respect to Section 4.32 (page 39) and a Business Associate Agreement (Att. J-1, starting on page 115), HIPAA does not apply to Life and AD&D coverages. Therefore, will the State reconsider a Business Associate Agreement being required for this contract?*

ANSWER: The Business Associate Agreement is required due to the provision of personal information on the weekly eligibility files that will be provided.

29) *Can you please provide an open waiver claim listing?*

ANSWER: See the answer to Question 1.

30) *Can you please provide a paid claims listing?*

ANSWER: See the answer to Question 1.

31) *Can you please provide 2013 & 2014 experience?*

ANSWER: We will provide experience only for the most recent three years. See the answer to Question 1.

32) *Can you please provide a current census?*

ANSWER: See the answer to Question 1.

33) *If the Offeror chooses to work with more than 4 subcontractors, will you accept additional subcontractor questionnaires, in addition to A-D?*

ANSWER: Yes, additional pages can be added to the D-1A Part 3 schedule. See the bottom of page 72 of the RFP, which states "Continue on separate page if needed".

34) *In Appendix 2.1/2.2/2.3, we understand that you are requesting concise ANSWERS, but if our response must exceed the character limit on the open text boxes (Click here to enter text), will you accept additional page(s) of text to complete our response?*

ANSWER: No, the answer must fit into the open text box. No additional pages of text will be considered.

35) *Is the State interested in reviewing plan design alternatives?*

ANSWER: Please respond to the RFP as it is written. Please be advised that the State will not accept alternate proposals.

36) *Can you please provide lives and volume of employees that fly helicopters as part of their job?*

ANSWER: This information can be found on the census due to the higher life insurance maximum.

37) *Please describe your enrollment process. Is it on-line or done via paper or both?*

ANSWER: Currently, enrollment is handled via paper and an interactive voice response system. Beginning January 1, 2019, it will be web-based, but some paper is expected.

38) *Please describe your statement of health process. Do you have single sign on with your current carrier?*

ANSWER: The current process for statements of health is not relevant to your response to our RFP. Please provide your process in your technical response.

39) *Please describe the claims submission process.*

ANSWER: The current process for claims submission is not relevant to your response to our RFP. Please provide your process in your technical response.

40) *Were there any open enrollment or underwriting liberalization during the last five years?*

ANSWER: There is an annual open enrollment in which active members may elect employee term life insurance for the first time or increase employee term life insurance up to five increments, provided the resulting amount of insurance does not exceed the guaranteed issue amount of \$50,000 for employees, lesser of 50% of employee term life insurance or \$25,000 for spouses and/or children.

41) *Please describe how the beneficiary designations are housed. Are they held electronically or paper or on images or a combination of mediums?*

ANSWER: All beneficiary information and management is handled by the insurance carrier via paper and web-based submission.

42) *Could you provide the following information?*

Census that includes

- o Date of Birth*
- o Gender*
- o Salary*
- o Volume of Benefit*
- o Class Designation*
- o Inforce Booklets or Summary Plan Descriptions*
- o Copy of Current Bill*
- o Inforce/Requested Commissions*
- o Occupations*
- o Location by state*
- o Supplemental/Voluntary Elections*

If more than 500 eligible employees, the following information is also required:

- o Inforce rates and rate history, including effective dates*
- o Plan changes with effective dates*
- o 3-5 years of experience on carrier letterhead*
 - o Paid claims by product broken out by month or year*
 - o Paid premium and lives history by products broken out by month or year*
 - o Waiver claims including DOB, date of disability, gender, volume*

ANSWER: See the answer to Question 1. As to commissions, financial proposals should be net of commissions.

43) *Who is the current vendor providing Life and AD&D insurance benefits? How long has the current vendor been performing these services? Is the current vendor eligible to bid again?*

ANSWER: The current vendor is Minnesota Life Insurance Co. (Minnesota Life), now known as Securian. They have been performing these services since 2013. The incumbent is eligible to submit a proposal to this RFP.

44) Can you please provide background on the experience with the current carrier? Have there been any claim underwriting or administrative challenges? Are there any areas of service improvement desired by the DBM?

ANSWER: The current experience with the incumbent is not relevant to your response to the RFP.

45) How many work sites does DBM have? What are the addresses of these worksites? Can you provide us with an estimated number of employees at each of the geographic locations? Will the employees at these sites be permitted to attend group meetings? Would DBM be able to provide a sample or past schedule of how it conducted these enrollment processes in the past?

ANSWER: The State has over 300 agencies and we generally hold approximately 130 fairs across the State during Open Enrollment. Head counts will be provided following award.

46) Please describe any plan design changes over the last 5 years. Do you anticipate any plan design changes in the future, resulting from labor negotiations?

ANSWER: No plan changes have occurred during the current contract and none are planned for future contracts.

47) Will the DBM accept and review multiple proposals submitted from the same carrier, if there is a different MBE and/or subcontractor plan?

ANSWER: As stated in Section 4.6 of the RFP: "Multiple or alternative Proposals will not be accepted. Submitting proposals for both Service Categories is not considered multiple proposals, but separate and financial submissions must be prepared for each service Category. (See Section 2.1.3.)"

48) Will you accept and consider proposal submitted by a broker as the prime bringing carriers with the lines of coverage requested?

ANSWER: The minimum qualifications for offerors are set forth in section 1 of the RFP. These minimum qualifications must be satisfied by the offeror, without reliance on any subcontractors.

49) What is the name of the Minority Business Enterprise ("MBE") subcontractor participating in the current contract? Can you provide a brief description of their services and the dollar amount of their annual fee?

ANSWER: No, this information is not public and will not be shared at this time.

50) To help facilitate MBE participation, can DBM provide a copy of the attendance sign-in sheet from the pre-proposal meeting, including DBM department representatives?

ANSWER: A copy of the sign-in sheet has been provided with the summary of the pre-proposal conference.

51) Can you please provide name of consultant and their sub-contractor that was present at the preproposal meeting? What is their role in the proposal evaluation process?

ANSWER: The consultant is from The Segal Company. The subcontractor is from Managed Care Advisors, Inc. The State of Maryland has retained The Segal Company and Managed Care Advisors, Inc. to provide technical support for the marketing of the Life and AD&D benefit programs. They will compile the financial and technical responses from the Offerors.

52) Please see the proposed revisions in Attachment I, Non-Disclosure Agreement (Contractor) and let me know if the State of Maryland would be agreeable.

ANSWER: The State will not agree to any revisions of the Non-Disclosure Agreement (Contractor), Attachment I of the RFP.