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

RFP No. F10B8400043

**Q&A #2
ISSUED APRIL 24, 2018**

Ladies/Gentlemen:

This List of Questions and Answers #2, Questions 53 through 85, 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.

53) Can we see a revised census with Active, Direct Pay, High Risk, and Retirees indicators for Basic Life?

ANSWER: An updated census with High Risk indicator (noting those with \$500,000 in Life insurance) will be provided.

54) Please provide indicators to tie the Employee Life amounts to the Spouse and Child Life amounts (i.e., Employee ID number).

ANSWER: An updated census with indicator will be provided.

55) Please provide salary amounts and zip codes, if available.

ANSWER: Zip codes have been provided on the updated census; salary is not available.

56) What are your current leave parameters? Amount of time allowed per leave type?

ANSWER: The details of the State's current leave policies are not relevant to the purpose of this procurement.

57) *RFP Section 2.3.8 mentions that Waiver of Premium applies to Active Employees and Dependents and Retirees. However, certificates only show that Active Employees are eligible for Waiver of Premium. We are assuming that the plan certs govern. However, please confirm that this is the case.*

ANSWER: This is confirmation that the certificate is correct; waiver of premium does apply to active employees only. An amendment to the RFP will be issued with this response.

58) *RFP Section 2.6.1 references printing requirements: Is this an ongoing requirement that will require the Contractor to print revised confirmation of coverage amounts for increases at annual enrollment, new hires, and newly retired employees? Or is this expectation one-time for implementation and then handled internally thereafter?*

ANSWER: It is anticipated that the Contractor will print certificates for first year participants and new enrollments thereafter. The Contractor will also provide written confirmation of any increased or decreased benefits as they occur.

59) *Please provide experience lives history per employment type for 2015-2017.*

ANSWER: Average insured employee versus retiree lives for 2015 through 2017 are not available. Average insured lives have been provided in Section 2.2.6 of the State of Maryland Request for Proposal for Life and AD&D.

60) *Please provide rate history.*

ANSWER: This information is no rate history as the rates are guaranteed for the duration of the contract. Rates are available on the DBM Health Benefits website, www.dbm.maryland.gov/benefits.

61) *What is the Plan change history?*

ANSWER: There have been no plan changes during the current contract (2013-2017). See answer to Question 11 in Q&A #1, issued April 17, 2018.

62) *Please provide data for the following:*

- *How many new hires on average per year?*
- *How many active employees retire per year on average?*
- *During Open Enrollment periods, on average how many elect to increase coverage?*
- *Of those electing to increase coverage, how many on average require medical evidence of insurability?*

ANSWER: This information is not available due to the data being housed independently in several systems.

63) *What is the anticipated Renewal action?*

ANSWER: The current contract ends on December 31, 2018; there is no renewal action.

64) *Are Direct Pay employees full-time on a contract basis?*

ANSWER: Direct Pay participants include various types of employees who are benefits eligible. Please refer to the online benefits guide for eligibility provisions.

65) *Are Waiver of Premium Reported reserve amounts the face value or a reduced benefit amount?*

ANSWER: Age reduction schedule does not apply to employees. All of the individuals with approved waiver of premium as of December 31, 2017 are all employees.

66) *The experience claim list shows a column titled Unit with numbers 001-004. 002=2 Retirees, 004=4 Direct Pay. What is the difference between 001 and 003?*

ANSWER: The State is preparing an answer to this question and will distribute it once we have it.

67) *Can we get confirmation of where the VSBE vendor list is hosted online?*

ANSWER: The State of Maryland does not maintain a VSBE vendor list. However, the United States Department of Veterans Affairs' (VA's) website has a list of veteran-owned businesses that can be searched by state. See <https://www.vip.vetbiz.gov>.

68) *Is it necessary to complete all forms and binders twice (once for life and once for AD&D)?*

ANSWER: RFP Section 5.2 on page 42 of the RFP states:

If an Offeror is submitting a proposal for **both** Service Categories, the Offeror shall submit either Appendix 2.1, Technical RFP Response (combined SC 1 and SC II), along with a complete proposal for one Service Category, identified as the "Complete Proposal." For the second Service Category, the proposal shall include only the information that is different from the contents of the "Complete Proposal", which includes, but is not limited to a Title and Table of Contents (Ref. Section 5.3.2.A.) and Technical Proposal (Ref. Section 5.3.2). This second Proposal shall reference the "Complete Proposal" for the information which is the same.

69) *What is the current enrollment method?*

ANSWER: Currently enrollment is via paper and, during Open Enrollment, an interactive voice response system. Beginning January 1, 2019, enrollment will be via a combination of paper and web enrollment.

70) *What is the method for beneficiary designation storage: paper and/or online?*

ANSWER: Beneficiary designations are held by the Contractor may be collected via paper or online.

71) *Regarding the requested 5-year rate guarantee, would the State consider a three-year rate guarantee with two additional one year contingent rate guarantees? Contingent meaning based on the incurred loss ratio?*

ANSWER: No, guaranteed rates must be provided for 5 years, as set out in the RFP and required in Attachment B.

72) *Regarding RFP Section 5.3.2F(6), second paragraph, on page 44:*

- a. *Is the requirement to hire the existing personnel working on this contract at the State?*
- b. *How many employees are in this role?*
- c. *What functions do these employees perform now?*
- d. *Can you please provide a copy of their job description?*
- e. *Is this related to account management or, as referenced in section 2.6.7, only those serving as subcontract(s) for open enrollment, etc.?*

ANSWER: There is no requirement under this RFP to hire existing personnel for this contract. All account service staff are employees of the Contractor.

73) *Questions regarding Portability:*

- a. *If the State terminates the current contract with Minnesota Life, will the new carrier be expected to take over the open ported coverage or will they continue this under Minnesota Life?*
- b. *If the new carrier will be required to take over this, how many will the new carrier be taking over? Is there a list available?*
- c. *What are expectations for ported coverage on an annual basis?*

ANSWER:

- a. According to the Life certificate of insurance, termination of the group policy by the State or Securian will not terminate the life insurance in force for any person who has ported the group life coverage.
- b. Not applicable. See answer a. above
- c. Aggregate summary of ported premium and claims are included in the experience report.

74) *Please provide instructions on what belongs in Tab F of the Technical Proposal, Section 5.3.2, Section F, page 45 of 158.*

ANSWER: As a result of the editing the template for this RFP, Tab F of the Technical Proposal is empty.

75) *Please provide copies of your plan booklets.*

ANSWER: See <http://dbm.maryland.gov/benefits/Pages/LifeInsurance.aspx> for information about the current Term Life and AD&D Insurances, including benefits information. Hard copies of plan booklets will not be provided at this time.

76) *Please provide current rates and historical rates.*

ANSWER: See answer to Question 60 above.

77) *Please provide historical volume for the 2015, 2016, and 2017 experience data provided.*

ANSWER: Historical volumes have been provided in Section 2.2.6 of the State of Maryland Request for Proposal for Life and AD&D.

78) *Please provide the Waiver of Premium benefit provisions.*

ANSWER: See Term Life Waiver of Premium Certificate Supplement in the Term Life Certificate of Insurance. Employees are eligible for Life Waiver of Premium. To qualify for waiver of premium, the employee must be totally disabled, disabling event before age 60, nine months elimination period, and terminates at age 65.

79) *In regards to the AD&D, please confirm if there are high risk, helicopter pilots and scuba divers eligible for AD&D coverage. If yes, please provide the following information:*

- *For the helicopters, we will provide you with the pricing for this and you enter it into the pricing tool.*
- *For the owned aircraft, we will need the following information:*
 - *For each policyholder Owned/Operated/Controlled Aircraft*
 - *Year*
 - *Make*
 - *Model*
 - *# of Passenger Seats*
 - *# of Crew Seats*
 - *Number of flight hours per year*
 - *What is the aircraft used for/nature of flights.*
 - *If not already provided, request a list of all employees who regularly fly on owned aircraft, including list of all pilots.*
- *For scuba divers, ask how many people participate in scuba diving.*

- *For other high-risk services, ask what this entails and how many employees are involved.*

ANSWER: It is unknown how many scuba divers are employed at any point in time. The names of employees or number of participants that you are requesting are not readily available, and we do not believe it is critical for responding to the RFP.

High risk services are defined as scuba diving and piloting aircraft. Currently, there are two airplanes and one helicopter. Details are below:

- 2001 Beechcraft King Air 350 (BE300) that has two crew seats and eight passenger seats. It is used for prisoner extradition transport mission and the pilots average 125 hours per year.
- 1986 Piper Saratoga PA32-301 that has one crew seat and five passenger seats. This is used for personnel transport and law enforcement missions. The pilot averages 70 hours per year.
- 2013 AugustaWestland AW-139 helicopter that has two crew seats and can hold up to six passengers. Missions include medevac, search and rescue and airborne law enforcement. The pilots average 80 hours per year.

80) Can you please provide additional details regarding the Economic Benefits Attainment Report and what should be included in this report?

ANSWER: As stated in Section 5.3.2N, economic benefit attainment reports are required quarterly during Contract performance. They are not required in responding to the RFP. What specifically will be required to be included in this report will be determined between the Contractor and the Contract Manager during Contract performance.

81) Regarding the statement below, can we provide one complete proposal for both service categories, as long as we identify any differences between the two service categories in our Work Plan and response to Appendix 2.1? Differences will be very minimal. And, the structure of Appendix 2.1 gives us the format to note the majority of differences (references, performance guarantees, etc.). Or, would you prefer that we note just the differences between SC 1 and SC 2 in a 2nd technical proposal?

ANSWER: See Section 5.2 on page 42 of the RFP and the answer to Question 68.

82) Please provide us with a copy of the claims file that you provide to Minnesota Life.

ANSWER: We do not provide claims files to Minnesota Life (Securian).

83) Regarding the statement below, can we provide one complete proposal for both service categories, as long as we identify any differences between the two service categories in our Work Plan and response to Appendix 2.1? Differences will be very minimal. And, the structure of Appendix 2.1 gives us the format to note the majority of differences (references, performance guarantees, etc.). Or, would you prefer that we note just the differences between SC 1 and SC 2 in a 2nd technical proposal?

If an Offeror is submitting a proposal for both Service Categories, the Offeror shall submit Appendix 2.1, Technical RFP Response (Combined SC I and SC II),

along with a complete package for one Service Category, identified as the "Complete Proposal." For the second Service Category, the proposal shall include only the information that is different from the contents of the "Complete Proposal", which includes, but is not limited to a Title and Table of Contents (Ref. Section 5.3.2.A.) and Technical Proposal (Ref. Section 5.3.2). This second Proposal shall reference the "Complete Proposal" for the information which is the same.

ANSWER: See Question 68. As stated in Section 5.2, quoted in the question, two technical proposals are required if offering in both service areas. The second one shall reference the complete proposal for the information which is the same.

84) Can the State provide an estimate of annual employee turnover? Preferably separate statistics for turnover vs retirement. It would be helpful to know the State's attrition rate (%) and the average number of actives that move into retirement status each year.

ANSWER: Unfortunately, at this time we do not have that information. However, we can say that our population is stable. As a government entity, our employees typically stay for a long time.

85) We're not able to enter a premium rate in Cell D40 on the B4a-SC1 Fees tab in Attachment B.1, because the cell is locked. Could you please provide an updated bid form or alternate location to provide that rate.

ANSWER: A corrected Attachment B.1 is provided with Amendment #2, issued concurrently with this Q&A #2.