

ATTACHMENT A - 2

ACCIDENTAL DISMEMBERMENT INSURANCE CONTRACT

THIS CONTRACT is made this 23 day of September, 2002 by and between **Metropolitan Life Insurance Company ("MetLife")**, 8825 Stanford Blvd., Suite 105, Columbia, MD 21045, and the **STATE OF MARYLAND**, acting through the **MARYLAND DEPARTMENT OF BUDGET AND MANAGEMENT**.

IN CONSIDERATION of the premises and the covenants herein contained, the parties agree as follows:

1. Definitions

For purposes of this Contract, the following words have the meanings indicated:

- 1.1 "Contractor" means Metropolitan Life Insurance Company whose principal address is One Madison Avenue, New York, New York 10010, and whose principal address in Maryland is 8825 Stanford Boulevard, Suite 105, Columbia, MD 21045.
- 1.2 "Department" means the Maryland Department of Budget and Management.
- 1.3 "Financial Proposal" means the Contractor's Best and Final Financial Proposal dated July 8, 2002.
- 1.4 "Procurement Officer" means Janice Jackson of the Department.
- 1.5 "PA&D insurance" means personal, accident and dismemberment insurance.
- 1.6 "RFP" means the Request for Proposals for Life/PA&D Insurance Services, No. F10R2200273, dated March 19, 2002.
- 1.7 "State" means the State of Maryland.
- 1.8 "Technical Proposal" means the Contractor's Technical Proposal, dated May 10, 2002 and the follow-up technical submission dated June 17, 2002.

2. Scope of Work

- 2.1 The Contractor shall provide PA&D insurance services for Maryland state employees and their dependents. These services shall be provided in accordance with this Contract and the following exhibits, which are attached and incorporated herein by reference:

Exhibit A - The RFP.

Exhibit B - The Technical Proposal.

Exhibit C - The Financial Proposal.

- 2.2 If there are any inconsistencies between this Contract and Exhibits A, B, and C, the terms of this Contract shall control. If there is any conflict among the Exhibits, Exhibit A shall control.
- 2.3 The State will provide plan and eligibility information to the Contractor for the Contractor's use in processing claims under this Contract.
- 2.4 The Procurement Officer may, at any time, by written order, make changes in the work within the general scope of the contract. No other order, statement or conduct of the Procurement Officer or any other person shall be treated as a change or entitle the Contractor to an equitable adjustment under this section. Except as otherwise provided in this Contract, if any change under this section causes an increase or decrease in the Contractor's cost of, or the time required for, the performance of any part of the work, whether or not changed by the order, an equitable adjustment in the Contract price shall be made and the Contract modified in writing accordingly. The Contractor must assert in writing its right to an adjustment under this section within thirty (30) days of receipt of written change order and shall include a written statement setting forth the nature and cost of such claim. No claim by the Contractor shall be allowed if asserted after final payment under this Contract. Failure to agree to an adjustment under this section shall be a dispute under the Disputes clause. Nothing in this section shall excuse the Contractor from proceeding with the Contract as changed.

3. Consideration, Payment and Performance

- 3.1 In consideration of the satisfactory performance of the work set forth in this Contract, the Contractor shall be paid in accordance with the RFP and the terms of the Financial Proposal. Payment to the Contractor pursuant to this Contract shall not exceed the total sum of \$6,110,605.
- 3.2 Each invoice must reflect the Contractor's federal tax identification number, which is _____ Charges for late payment of invoices, other than as prescribed by Title 15, Subtitle I, of the State Finance and Procurement Article, Annotated Code of Maryland, as from time to time amended, are prohibited. The final Contract payment will not be made until after certification is received from the Comptroller of the State that all taxes have been paid.

3.3 In addition to any other available remedies if, in the opinion of the Procurement Officer, the Contractor fails to perform in a satisfactory and timely manner, the Procurement Officer may refuse or limit approval of any invoice for payment, and may cause payments to the Contractor to be reduced or withheld until such time as the Contractor meets performance standards as established by the Procurement Officer pursuant to this Contract.

4. **Time of Performance.** The Contractor shall begin providing services under this Contract upon the later of execution by the Department or August 1, 2002. Unless terminated earlier as provided in this Contract, the Contractor shall continue to provide services until December 31, 2005, and, as provided in the RFP, for claims incurred before the ending date of the contract. The State, at its sole option, has the unilateral right to extend the term of the Contract for up to two additional, successive one year calendar year terms.

5. **Rights to Records**

5.1 The Contractor agrees that all documents and materials, including but not limited to, reports, drawings, studies, specifications, estimates, tests, maps, photographs, designs, graphics, mechanical, artwork, computations and data prepared by the Contractor for purposes of performing work on this Contract shall be the sole property of the Department and shall be available to the Department at any time. The Department shall have the right to use same without restriction and without compensation to the Contractor other than that specifically provided by this Contract.

5.2 The Contractor agrees that at all times during the term of this Contract and thereafter, the works created and services performed shall be works made for hire as that term is interpreted under U.S. copyright law. To the extent that any products created under this Contract are not works for hire for the Department, the Contractor hereby relinquishes, transfers, and assigns to the State all of its rights, title, and interest (including all intellectual property rights) to all such products created under this Contract, and will cooperate reasonably with the State in effectuating and registering any necessary assignments.

5.3 The Contractor shall report to the Department, promptly and in written detail, each notice or claim of copyright infringement received by the Contractor with respect to all data delivered under this agreement.

5.4 The Contractor shall not affix any restrictive markings upon any data and if such markings are affixed, the Department shall have the right any time to modify, remove, obliterate, or ignore such markings.

5.5 The parties agree that data provided or generated under this Contract is subject to applicable confidentiality and public information laws and the data may be collected, used, disclosed, stored and disseminated only as provided by and consistent with such laws. Subject to the Maryland Public Information Act, nothing herein shall require either party

to maintain in confidence any information that (a) is in the public domain, (b) enters the public domain through no fault of such party, (c) was already in the possession of such party, (d) was supplied to such party by a third party lawfully in possession thereof and legally permitted to further disclose the information or (e) which such party is required to divulge pursuant to judicial or governmental process.

- 5.6 Upon termination of this Contract, the Contractor, at its own expense, shall deliver any equipment, software or other property provided by the State to the place designated by the Procurement Officer.
6. **Non-Hiring of Employees.** No employee of the State of Maryland or any unit thereof whose duties as such employee include matters relating to or affecting the subject matter of this Contract shall, while so employed, become or be an employee of the Contractor.
7. **Disputes.** This Contract shall be subject to the provisions of Title 15, Subtitle 2, of the State Finance and Procurement Article of the Annotated Code of Maryland, as from time to time amended, and COMAR 21.10 (Administrative and Civil Remedies). Pending resolution of a claim, the Contractor shall proceed diligently with the performance of the Contract in accordance with the Procurement Officer's decision. Unless a lesser period is provided by applicable statute, regulation, or the Contract, the Contractor must file a written notice of claim with the Procurement Officer within 30 days after the basis for the claim is known or should have been known, whichever is earlier. Contemporaneously with or within 30 days of the filing of a notice of claim, but no later than the date of final payment under the Contract, the Contractor must submit to the Procurement Officer its written claim containing the information specified in COMAR 21.10.04.02.
8. **Maryland Law.** This Contract shall be construed, interpreted, and enforced according to the laws of the State of Maryland.
9. **Nondiscrimination in Employment.** The Contractor agrees: (a) not to discriminate in any manner against an employee or applicant for employment because of race, color, religion, creed, age, sex, marital status, national origin, ancestry, or physical or mental handicap unrelated in nature and extent so as reasonably to preclude the performance of such employment; (b) to include a provision similar to that contained in subsection (a), above, in any underlying subcontract except a subcontract for standard commercial supplies or raw materials; and (c) to post and to cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this clause.
10. **Contingent Fee Prohibition.** The Contractor warrants that it has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency working for the Contractor to solicit or secure this Agreement, and that it has not paid or agreed to pay any person, partnership, corporation or other entity, other than a bona fide employee, bona fide salesperson or commercial selling agency, any fee or other consideration

contingent on the making of this Agreement.

11. Nonavailability of Funding. If the General Assembly fails to appropriate funds or if funds are not otherwise made available for continued performance for any fiscal period of this Contract succeeding the first fiscal period, this Contract shall be canceled automatically as of the beginning of the fiscal year for which funds were not appropriated or otherwise made available; provided, however, that this will not affect either the State's rights or the Contractor's rights under any termination clause in this Contract. The effect of termination of the Contract hereunder will be to discharge both the Contractor and the State of Maryland from future performance of the Contract, but not from their rights and obligations existing at the time of termination. The Contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the Contract. The State shall notify the Contractor as soon as it has knowledge that funds may not be available for the continuation of this Contract for each succeeding fiscal period beyond the first.

12. Termination

12.1 Termination for Cause. If the Contractor fails to fulfill its obligations under this Contract properly and on time, or otherwise violates any provision of the Contract, the State may terminate the Contract by written notice to the Contractor. The notice shall specify the acts or omissions relied upon as cause for termination. All finished or unfinished work provided by the Contractor shall, at the State's option, become the State's property. The State of Maryland shall pay the Contractor fair and equitable compensation for satisfactory performance prior to receipt of notice of termination, less the amount of damages caused by the Contractor's breach. If the damages are more than the compensation payable to the Contractor, the Contractor will remain liable after termination and the State can affirmatively collect damages. Termination hereunder, including the termination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.11B.

12.2 Termination for Convenience. The performance of work under this Contract may be terminated by the State in accordance with this clause in whole, or from time to time in part, whenever the State shall determine that such termination is in the best interest of the State. The State will pay all reasonable costs associated with this Contract that the Contractor has incurred up to the date of termination, and all reasonable costs associated with termination of the Contract; provided, however, the Contractor shall not be reimbursed for any anticipatory profits that have not been earned up to the date of termination. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.12 (A)(2).

13. Delays and Extensions of Time. The Contractor agrees to perform this agreement continuously and diligently. No charges or claims for damages shall be made by the Contractor for any delays or hindrances, regardless of cause, in the performance of

services under this Contract. Time extensions will be granted only for excusable delays that arise from unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including but not restricted to acts of God, acts of the public enemy, acts of the State in either its sovereign or contractual capacity, acts of another contractor in the performance of a contract with the State, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or delays of subcontractors or suppliers arising from unforeseeable causes beyond the control and without the fault or negligence of either the Contractor or the subcontractors or suppliers.

14. **Suspension of Work.** The State unilaterally may order the Contractor in writing to suspend, delay, or interrupt all or any part of its performance for such period of time as the Procurement Officer may determine to be appropriate for the convenience of the State.
15. **Pre-Existing Regulations.** In accordance with the provisions of Section 11-206 of the State Finance and Procurement Article, Annotated Code of Maryland, as from time to time amended, the regulations set forth in Title 21 of the Code of Maryland Regulations (COMAR 21) in effect on the date of execution of this Contract are applicable to this Contract.
16. **Financial Disclosure.** The Contractor shall comply with the provisions of Section 13-221 of the State Finance and Procurement Article of the Annotated Code of Maryland, as from time to time amended, which requires that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate, \$100,000 or more, shall within 30 days of the time when the aggregate value of these contracts, leases or other agreements reaches \$100,000, file with the Secretary of the State of Maryland certain specified information to include disclosure of beneficial ownership of the business.
17. **Political Contribution Disclosure.** The Contractor shall comply with the provisions of Article 33, Sections 14-101 through 14-104 of the Annotated Code of Maryland, which require that every person that enters into contracts, leases, or other agreements with the State of Maryland, a county or an incorporated municipality or their agencies, during a calendar year under which the person receives in the aggregate, \$100,000 or more, shall, file with the State Board of Elections a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election. The statement shall be filed with the State Board of Elections: (1) before a purchase or execution of a lease or contract by the State, a county, an incorporated municipality, or their agencies, and shall cover the preceding two calendar years; and (2) if the contribution is made after the execution of a lease or contract, then twice a year, throughout the contract term, on: (a) February 5, to cover the 6-month period ending January 31; and (b) August 5, to cover the 6-month period ending July 31.
18. **Retention of Records.** The Contractor shall retain and maintain all records and documents in any way relating to this Contract for three years after final payment by the State of Maryland under this Contract or any applicable statute of limitations, whichever is

longer, and shall make them available for inspection and audit by authorized representatives of the State, including the Procurement Officer or the Procurement Officer' designee, at all reasonable times. All records related in any way to the Contract are to be retained for the entire time provided under this section.

19. **Compliance with Laws.** The Contractor hereby represents and warrants that:
- A. It is licensed to issue PA&D insurance policies in the State of Maryland;
 - B. The policies issued under the contract are in compliance with applicable federal and Maryland law;
 - C. It is qualified to do business in the State of Maryland and that it will take such action as, from time to time hereafter, may be necessary to remain so qualified;
 - D. It is not in arrears with respect to the payment of any monies due and owing the State of Maryland, or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of this Contract;
 - E. It shall comply with all federal, State and local laws, regulations, and ordinances applicable to its activities and obligations under this Contract; and,
 - F. It shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Contract.
20. **Cost and Price Certification.** By submitting cost or price information, the Contractor certifies to the best of its knowledge that the information submitted is accurate, complete, and current as of the date of its bid or offer.

The price under this Contract and any change order or modification hereunder, including profit or fee, shall be adjusted to exclude any significant price increases occurring because the Contractor furnished cost or price information which, as of the date of its bid or offer, was inaccurate, incomplete, or not current.

21. **Subcontracting Assignment.** The Contractor may not subcontract any portion of the services provided under this Contract without obtaining the prior written approval of the State of Maryland, nor may the Contractor assign this Contract or any of its rights or obligations hereunder, without the prior written approval of the State. Any such subcontract or assignment shall include the terms of Sections 6 through 21(except Section 7) and any other terms and conditions that the State deems necessary to protect its interests. The State shall not be responsible for the fulfillment of the Contractor's obligations to the subcontractors.

22. Indemnification

- 22.1 The Contractor shall indemnify the State against liability for any third party suits, actions, or claims of any character for bodily injury to persons and damage to tangible property to the extent caused directly and proximately by the negligence or willful misconduct of the Contractor or its subcontractors in the performance of services hereunder. The State shall give Contractor prompt notice of any such claim and Contractor shall control the defense or settlement thereof.
- 22.2 The State of Maryland has no obligation to provide legal counsel or defense to the Contractor or its subcontractors in the event that a suit, claim, or action of any character is brought by any person not party to this Contract against the Contractor or its subcontractors as a result of or relating to the Contractor's obligations under this Contract.
- 22.3 The State has no obligation for the payment of any judgments or the settlement of any claims against the Contractor or its subcontractors as a result of or relating to the Contractor's obligations under this Contract.
- 22.4 The Contractor shall immediately notify the Procurement Officer of any claim or suit made or filed against the Contractor or its subcontractors regarding any matter resulting from or relating to the Contractor's obligations under the Contract, and will cooperate, assist and consult with the State in the defense or investigation of any claim, suit, or action made or filed against the State as a result of or relating to the Contractor's performance under this Contract.

23. Administrative

- 23.1 **Procurement Officer.** The work to be accomplished under this Contract shall be performed under the direction of the Procurement Officer. All matters relating to the interpretation of this Agreement shall be referred to the Procurement Officer for determination.
- 23.2 **Notices.** All notices hereunder shall be in writing and either delivered personally or sent by certified or registered mail, postage prepaid as follows:

If to the State:

Ms. Gladys B. Gaskins
Director, Employee Benefits Division
Department of Budget and Management
301 West Preston Street, Room 509
Baltimore, Maryland 21201

If to the Contractor:

Ms. Susan Miller
Client Executive
MetLife
8825 Stanford Boulevard
Columbia, Maryland 21045

IN WITNESS THEREOF, the parties have executed this Contract as of the date hereinabove set forth.

7/27/02
Date

CONTRACTOR

MetLife

Witness: _____

9/17/02
Date

**MARYLAND DEPARTMENT OF BUDGET
AND MANAGEMENT**

By _____

Witness: _____

Approved for form and legal
sufficiency this 26 day
of July, 2002.

[Signature]
Assistant Attorney General

**ATTACHMENT C
COMAR 21.07.01.25
CONTRACT AFFIDAVIT**

A. AUTHORIZED REPRESENTATIVE

I HEREBY AFFIRM THAT:

I am the Regional Vice-President and the duly authorized representative of MetLife and that I possess the legal authority to make this Affidavit on behalf of myself and the business for which I am acting.

B. CERTIFICATION OF CORPORATION REGISTRATION AND TAX PAYMENT

I FURTHER AFFIRM THAT:

(1) The business named above is a (domestic x) (foreign) corporation registered in accordance with Corporations and Associations Article, Annotated Code of Maryland, and that it is in good standing and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessments and Taxation, and that the name and address of its resident agent filed with the State Department of Assessment and Taxation is:

Name: Steven B. Larsen

Address: 525 St. Paul Place, Baltimore, Maryland 21202

(2) Except as validly contested, the business has paid, or has arranged for payment of, all taxes due the State of Maryland and has filed all required returns and reports with Comptroller of the Treasury, the State Department of Assessments and Taxation, and the Employment Security Administration, as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.


C. CERTAIN AFFIRMATIONS VALID

I FURTHER AFFIRM THAT:

To the best of my knowledge, information, and belief, each of the affirmations, certifications, or acknowledgments contained in that certain Bid/Proposals Affidavit dated May 10, 2002, and executed by me for the purposed of obtaining the contract to which this Exhibit is attached remains true and correct in all respects as if made as of the date of this Contract Affidavit and as if fully set forth herein.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

DATE: 7/23/02


Signature _____

(Authorized Representative and Affidavit)

**MODIFICATION TO ACCIDENTAL DISMEMBERMENT INSURANCE SERVICES
CONTRACT**

THIS MODIFICATION AGREEMENT is made this ^{6th} ~~20th~~ day of ~~June~~ ^{July}, 2005 by and between Metropolitan Life Insurance Company (aka MetLife) and the State of Maryland, acting through the Department of Budget and Management.

IN CONSIDERATION of the promises and the covenants herein contained, the parties agree as follows:

1. Definitions

In this Contract, the following words have the meanings indicated:

- 1.1 "Contract" means the Contract for Accidental Dismemberment Insurance Services dated the 23rd of September, 2002 between the Contractor and the State of Maryland acting through the Department of Budget and Management.
- 1.2 "Contractor" means Metropolitan Life Insurance Company (aka MetLife), whose principal business address is One Madison Avenue, New York, New York 10010, and whose principal address in Maryland is 8825 Stanford Boulevard, Suite 105, Columbia, Maryland 21045.
- 1.3 "Department" means the Maryland Department of Budget and Management.
- 1.4 "Financial Proposal" means the Contractor's Financial Proposal dated July 8, 2002.
- 1.5 "Modification" means this Modification Agreement.
- 1.6 "RFP" means the Request for Proposals for Life/PA&D Insurance Services, No. F10R2200273, dated March 19, 2002.
- 1.7 "State" means the State of Maryland.

2. Scope of Modification

This Modification amends the Contract specifically as described herein. Except as specifically revised by the terms of this Modification, all of the terms of the Contract shall remain in full force and effect and shall apply to this Modification.

3. Term of the Contract

- 3.1 Section 4 of the Contract shall be amended to provide that the base term of the Contract terminates on June 30, 2006. The State, at its sole option, has the right to extend the term of the Contract for up to two additional, successive one-year terms, from July 1, 2006 through June 30, 2007 and from July 1, 2007 through June 30, 2008.
- 3.2 Beginning with July 1, 2005, the anniversary date for the insurance policy issued in accordance with the Contract shall be July 1.

4. Plan Year

4.1 The RFP, Section 1.2, shall be amended to include a definition of "Plan Year" as follows:

"Plan Year - means the twelve (12) month period from July 1 through the following June 30."

4.2 For purposes of administering benefits as required by the Contract, references to "year" and "calendar year" shall mean "Plan Year."

5. Dependent Eligibility

5.1 The RFP, Section 1.2, as it defines "Dependent" shall be amended to read as follows:

"Dependent – means a spouse, natural child, stepchild, legally adopted child, dependent relative child, or legal ward of an eligible member, as defined in and made eligible for benefits by COMAR 17.04.13.03.A(11) as amended."

COMAR 17.04.13.03A(11) as amended effective January 1, 2005 is available on-line at:
<http://www.dsd.state.md.us/comar/17/17.04.13.03.htm>.

5.2 The RFP shall be amended to provide that Dependents as defined in the RFP, Section 1.2, and COMAR 17.04.13.03A(11) shall be eligible for benefits coverage.

6. Rates and Compensation

6.1 The Contract, Section 3.1 is amended to provide that payments to the Contract pursuant to the Contract as amended by this Modification shall not exceed the total sum of \$7,500,000. The Contractor shall notify the State, in writing, at least 60 days before payments reach this amount.

6.2 The rates quoted in the Financial Proposal for the base term of the Contract shall apply to the base term as amended in this Modification. The rates quoted in the Financial Proposal for the option years of the Contract shall apply to the option years identified in this Modification.

IN WITNESS THEREOF, the parties have executed this Agreement as of the date hereinabove set forth.

CONTRACTOR

STATE OF MARYLAND
DEPARTMENT OF BUDGET AND
MANAGEMENT

By: _____

By: Cecilia Januszkiewicz
Deputy Secretary

Date

6/20/05

Date

July 6, 2005

Witness

Witness

Approved for form and legal
sufficiency this 24 day May, 2005.

Assistant Attorney General

SECOND MODIFICATION TO ACCIDENTAL DISMEMBERMENT INSURANCE SERVICES CONTRACT

THIS MODIFICATION AGREEMENT is made this 22nd day of May, 2006 by and between Metropolitan Life Insurance Company (aka MetLife) and the State of Maryland, acting through the Department of Budget and Management.

IN CONSIDERATION of the promises and the covenants herein contained, the parties agree as follows:

1. Scope of Modification

This Modification amends the Contract for Accidental Dismemberment Insurance Services dated the 23rd day of September, 2002 as modified by a First modification dated July 6, 2005 between the Contractor and the State of Maryland acting through the Department of Budget and Management, specifically as described herein. Except as specifically revised by the terms of this Modification, all of the terms of the Contract shall remain in full force and effect and shall apply to this Modification.

2. Term of the Contract

By this Modification, the State exercises its unilateral option to extend the term of the Contract for the period July 1, 2006 through June 30, 2007.

3. Compensation to the Contractor

3.1 The Contact, section 3.1 is amended to read as follows:

In consideration of the satisfactory performance of the work set forth in this Contract, the Contractor shall be paid in accordance with the RFP and the terms of the Financial Proposal.

3.2 The rates quoted in the Contractor's Financial Proposal dated July 9, 2002 for the base term of the Contract shall apply to the period July 1, 2006 through June 30, 2007.

IN WITNESS THEREOF, the parties have executed this Agreement as of the date hereinabove set forth.

CONTRACTOR

STATE OF MARYLAND
DEPARTMENT OF BUDGET AND
MANAGEMENT

By: _____

to By: Cecilia Januszkiewicz, Secretary

5/22/06

6/7/06

Date

Date

Approved for form and legal sufficiency this 31 day May, 2006.

Assistant Attorney General

Best and Final Offer - July 8, 2002

ATTACHMENT E-5

Personal Accident and Dismemberment Unit Cost Detail

The offeror shall provide monthly unit costs for PA & D insurance for each of the three coverage levels indicated. The rates provided shall apply to all eligible employees, spouses and children. Rates quoted in the tables below shall apply to each of the contract periods indicated.

Base Contract Term

Coverage Level	Employee Only	Family
\$100,000	1.80	3.30
\$200,000	3.60	6.60
\$300,000	5.40	9.90

Option Year #1

Coverage Level	Employee Only	Family
\$100,000	1.80	3.30
\$200,000	3.60	6.60
\$300,000	5.40	9.90

Option Year #2

Coverage Level	Employee Only	Family
\$100,000	1.80	3.30
\$200,000	3.60	6.60
\$300,000	5.40	9.90

Best and Final Offer - July 8, 2002

ATTACHMENT E-6

Personal Accident and Dismemberment Cost Proposal Summary

Base Contract Term: August 1, 2002 – December 31, 2005
Option Period 1: January 1, 2006 – December 31, 2006
Option Period 2: January 1, 2007 – December 31, 2007

COVERAGE LEVELS	PREMIUMS		
	Base Contract Term**	Option Year #1	Option Year #2
\$100,000 (D)	1,489,932	496,644	496,644
\$200,000 (E)	1,425,996	475,332	475,332
\$300,000 (F)	3,025,788	1,008,596	1,008,596
TOTAL PREMIUMS (D+ E+F)	*5,941,716	1,980,572	1,980,572

** represents 3 years of annualized estimated premium

Offerors shall use the unit rates quoted in Attachment E-5 along with the Enrollment and Utilization Data provided in Attachment G to calculate the Total Premiums for each Coverage Level listed above. **For purposes of cost model uniformity, enrollment figures that have been provided for satellite groups, contractual/part-time, and LAW employees (see response to Q&A #29) should NOT be included in the calculation of premiums entered on E-6 above.**

*For purposes of financial ranking, the State will use the **“TOTAL PREMIUMS” (D+E+F)** for the Base Contract Term in order to rank offerors' proposals in order of lowest to highest cost to the State. Premium costs for Option Year periods will not be considered for purposes of making an award determination for the Base contract. However, Option Period pricing will be used to determine whether or not it is in the State's best interest to exercise each renewal option.

NOTE: The State will begin collecting premiums for term life insurance from enrolled members in January, 2003. Beginning February, 2003, contractors will be paid based on the actual premiums collected from members enrolled in the PA & D insurance plan as of January 1, 2003 (see Section 1.24). No other payments shall be made to the contractor under the base contract resulting from this RFP.