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QUESTIONS AND ANSWERS # 1
PROJECT NO. F10B3400001
Group Term Life and Accidental Death and Dismemberment Insurances
July 30, 2012

Ladies/Gentlemen:

This List of Questions and Answers #1, questions #1 through #62 is being issued to clarify certain information contained in the above named RFP. The statements and interpretations of Contract requirements which are stated in the following questions of potential Offerors, are not binding on the State, unless the State expressly amends the RFP. Nothing in the State's responses to these questions is to be construed as agreement to or acceptance by the State of any statement or interpretation on the part of the vendor asking the question as to what the contract does or does not require. However, if from a particular vendor question(s) it seems as if the vendor has misinterpreted RFP wording referenced in a question, the State's response typically will point out the misinterpretation as part of the answer to the question.

- 1) **Question:** Can you please provide the type of MBE service the incumbent is currently using to meet the goal of the current contract?

Answer: Printing, promotional merchandising, and health fair staffing.

- 2) **Question:** Please provide AD&D census.

Answer: To obtain a copy of all available census data, a completed and signed copy of the Non-Disclosure Agreement (Attachment I of the RFP) must first be submitted to the procurement officer. This can be scanned and emailed. Upon receipt of the signed NDA, the procurement office will email a password-protected zip file containing both the census data and claims experience.

- 3) **Question:** Do you have a copy of the Summary Plan Description for Accidental Death and Dismemberment benefit?

Answer: A copy can be found on the State's website.

Please click on the following link:

<http://dbm.maryland.gov/benefits/Documents/PlanYear2013/MetlifePlanSummary.pdf>

- 4) **Question:** Please confirm commissions.

Answer: The State does not enter into commission-based contracts. The Contractor shall perform all requirements of the RFP and the offerings in their technical proposal for the compensation contained in the financial proposal. See Section 1.6.3 of the RFP.

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- 5) **Question:** The experience summary included information starting in 7/2009. Is there experience available prior to 7/2009 (2/14/2008 – 6/2009)?

Answer: Yes, claims experience from July 1, 2008 through March 31, 2012 will be provided in the zip file noted in the response to question #2. This information will be sent in a separate email to all those Offerors who have submitted a completed NDA.

- 6) **Question:** Can you provide experience split between actives and retirees?

Answer: Yes; this experience will be in the zip file noted in the response to question #2. . This information will be sent in a separate email to all those Offerors who have submitted a completed NDA.

- 7) **Question:** Is there a detailed claim list available that contains active vs. retiree status, total paid, date paid and incurred date?

Answer: No, claims experience is provided as indicated above, in the zip file noted in the response to question #2. This information will be sent in a separate email to all those Offerors who have submitted a completed NDA.

- 8) **Question:** Is there a waiver of premium list available that contains face amount, reserve amount and date of disability?

Answer: Please see Attachment #1, tab 5 (Life Waiver). This information is provided as indicated above in the zip file noted in the response to question #2. This information will be sent in a separate email to all those Offerors who have submitted a completed NDA.

- 9) **Question:** Can you provide a monthly premium report split between actives and retirees?

Answer: No, this report cannot be provided at this time.

- 10) **Question:** Do the incurred claims on the experience summary include paid claims, reserves and incurred but not reported (IBNR)? Are portability and conversion charges included?

Answer: Yes, the experience chart includes paid claims and reserves and portability and conversation charges are included.

- 11) **Question:** Can you provide a copy of the current contract?

Answer: A copy of the current contract can be found on the State's website.

Please click on the following link:

<http://dbm.maryland.gov/contractors/contractlibrary/Pages/LifeInsurance.aspx>

- 12) **Question:** Does the benefit reduction schedule apply to active employees as well or only retirees and their dependents?

Answer: The benefit reduction schedule only applies to retirees.

- 13) **Question:** Please provide the current and historical rates.

Answer: The rates are located on the State's website. These rates have remained unchanged since 2007.

Please click on the following link:

<http://dbm.maryland.gov/benefits/Documents/PlanYear2013/PremiumRatesFY2013.pdf>

- 14) **Question:** In order to take over current employees on waiver of premium, we will need a census with genders, dates of birth and benefit amounts.

Answer: Please see Amendment # 3, item 2. This amendment removes the requirement for the Contractor to take over currently approved waiver of premium cases.

- 15) **Question:** How long has the current carrier been in place?

Answer: The current carrier has been in place about 4.5 years.

- 16) **Question:** If the current carrier(s) was not in place for more than one (1) contract period, who was the previous carrier(s)?

Answer: The Standard was the prior carrier for both service categories.

- 17) **Question:** What are Maryland's Department of Budget and Management (DBM) expectations for open enrollment and carrier representation during benefit fairs?

Answer: DBM's expectations are detailed in Sections 3.5.2 through 3.5.4 and 3.5.7 of the RFP.

- 18) **Question:** How many benefit fairs are expected per year and what type of carrier participation do you expect?

Answer: The State expects approximately 150 health fairs per year. The Contractor's participation requirements are outlined in the RFP.

- 19) **Question:** Can a local enroller be utilized to attend a few of the fairs on the carrier's behalf?

Answer: No, "enrollers" are not permitted under this contract.

- 20) **Question:** Do you expect to have multiple benefits fairs held on the same day? If so, approximately how many different locations do you expect to have going on at once?

Answer: The health fairs are held regionally. The State could hold 2-3 a day in the same region.

- 21) **Question:** Approximately how many employees will be at each location (if multiple fair locations, please indicate number at each location)?

Answer: The number of employees will vary depending on the agency. The State provides an approximate count with the health fair schedule each year so carriers know what materials to have sent to each location in advance.

- 22) **Question:** How many benefits coordinators training sessions per year are expected to be held?

Answer: The State anticipates seven to nine training sessions prior to Open Enrollment.

- 23) **Question:** Do you expect to have multiple benefits coordinators training sessions held on the same day? If so, approximately how many different locations do you expect to have going on at once?

Answer: The State will hold only one coordinator training session per day. Training typically is scheduled for a full work day.

- 24) **Question:** Approximately how many employees will be at each location (if multiple benefits coordinators training session's locations, please indicate number at each location)?

Answer: Attendance varies by location. The State will provide anticipated attendance counts in advance of each training session.

- 25) **Question:** Other than what is indicated on the implementation schedule, will there be any other activity the carrier must/should attend?

Answer: DBM typically holds health fairs in different locations quarterly. Carriers may be expected to attend those, but will be notified in advance.

- 26) **Question:** In the event that there are two proposals with relatively equal technical scoring and pricing, and one proposal has meaningful MBE participation and one does not, which proposal will receive more favorable consideration?

Answer: Proposals will be evaluated according to the evaluation criteria in Section 5.2 of the RFP.

- 27) **Question:** Can you please provide background on the experience with the current carrier?

Answer: The current carrier has met all of the requirements of the contract.

- 28) **Question:** Have there been any claim, underwriting, or administrative challenges under the current contract?

Answer: No.

- 29) **Question:** What are the services the Maryland Department of Budget and Management is looking for that the current carrier does not provide?

Answer: The State is only looking for the services detailed in the RFP.

- 30) **Question:** Have employees been happy with the claim experience?

Answer: Yes.

- 31) **Question:** Can you please provide a copy of the current renewal?

Answer: Rates are guaranteed and fixed for the life of the contract. Claims experience is available separately as indicated in the response to question #2. This information will be sent in a separate email to all those Offerors who have submitted a completed NDA.

- 32) **Question:** Can you please provide a copy of the employee census as it relates to females versus males on the group term life and AD&D separately?

Answer: Please see response to question #2. This information will be sent in a separate email to all those Offerors who have submitted a completed NDA.

- 33) **Question:** Can you please provide a copy of the Life Quarterly reports for the past two (2) years?

- i. Premium vs. Claims Report?
- ii. WOP claims report?

iii. Life claims Report?

Answer: Experience information is included in the zip file noted in response to question #2. This information will be sent in a separate email to all those Offerors who have submitted a completed NDA.

34) **Question:** Can you please provide a copy of the AD&D quarterly reports for the past two (2) years?

- i. Premium vs. claims report?
- ii. WOP claims Report?
- iii. Accidental Death Claims Report?
- iv. Dismemberment Claims Report?

Answer: Experience information is included in the zip file noted in response to question #2.

35) **Question:** In the event Maryland Department of Budget & Management does not retain the incumbent carrier, will the liability for current (WOP) disabled lives be retained by the incumbent carrier, or will this liability be transferred to the new carrier?

Answer: The liability will be kept with the incumbent. Please see Amendment #3, item 2 to the RFP.

36) **Question:** Typically, Waiver Claims are not transferred to a new carrier and have Terminal Liability. Please address why a new vendor would be asked to assume liability as of June 30, 2013 (3.2.16. page 22)? If so, a census of employees on waiver is needed.

Answer: The liability will be kept with the incumbent. Please see Amendment #3, item 2 to the RFP.

37) **Question:** Can the claims data be provided in Excel to facilitate underwriting?

Answer: Yes.

38) **Question:** Can you please provide a report on the employees on life waiver?

Answer: Please see Attachment 1, tab 5 (Life Waiver). This information is provided as indicated above in the zip file noted in the response to question #2. This information will be sent in a separate email to all those Offerors who have submitted a completed NDA.

39) **Question:** Is a Census available for DOB, Gender, Pre-Tax Life Amount, Post Tax Life Amount, Active or Retiree designation, Spouse amounts along with DOB's and gender, and Child life amounts?

Answer: Census information is provided in the zip file noted in response to question #2. This information will be sent in a separate email to all those Offerors who have submitted a completed NDA.

40) **Question:** Can the Active and Retiree experience be broken out?

Answer: Please see response to question #6.

41) **Question:** Is Dependent experience available, separated by Spouse and Child?

Answer: Experience information is included in the zip file noted in response to question #2. This information will be sent in a separate email to all those Offerors who have submitted a completed NDA.

- 42) **Question:** Can we please get the Waiver of Premium Reserves with amounts and disability dates?
- Answer:** The liability will be kept with the incumbent. Please see Amendment # 3, item 2 to the RFP.
- 43) **Question:** Are the Beneficiary Designations with the in force vendor available to us electronically, if we are chosen as the new vendor?
- Answer:** Yes, they can be provided electronically, in the vendor file format.
- 44) **Question:** Will proposals with a 3 year rate guarantee and contingent 4th and 5th years based on specified loss ratios be considered?
- Answer:** No.
- 45) **Question:** Can you provide a census of all active and retired employees eligible for these programs (preferred data would include date of birth and gender)?
- Answer:** No, that information is not available. We only have information on current participants.
- 46) **Question:** Can you provide a census of all eligible employees and retirees who are currently participating in the plan (preferred data would include date of birth, gender, covered life and/or AD&D amount, and dependent life amount if applicable)?
- Answer:** Census information is provided in the zip file noted in response to question #2. This information will be sent in a separate email to all those Offerors who have submitted a completed NDA.
- 47) **Question:** Would it be possible to get an individual claim listing for the group life insurance, the AD&D insurance and the dependent life insurance?
- Answer:** No, such individual listings cannot be provided at this time.
- 48) **Question:** Would it be possible to get a waiver of premium listing showing the insured's date of birth, gender, date of disability and face amount of insurance?
- Answer:** Please see response to question #38.
- 49) **Question:** Please confirm that employees hired after January 1, 1995 are not eligible for retiree coverage.
- Answer:** That statement is incorrect. Retirees who were employed on or after January 1, 1995 are permitted to continue coverage for themselves and their dependents at the amount carried at the time of retirement. Please see section 3.2.4 of the RFP.
- 50) **Question:** Can the historical experience provided in section 3.1.5 of the RFP be split by active employee versus retiree?
- Answer:** The census data that is provided does break out active and retiree data. The chart attached to the census data illustrates what codes include each category.
- 51) **Question:** How are beneficiary records currently managed (e.g. electronically or via paper records)?
- Answer:** Beneficiary records are currently managed electronically.
- 52) **Question:** Does ported coverage reduce or terminate at any age?

Answer: Once coverage is ported it is beyond the scope of this contract; we have no information on ported coverage elected by former participants.

53) **Question:** Can you provide a copy of a recent premium remittance statement to compare census volumes to reported volumes?

Answer: The plans are self-administered; volumes are reported in the aggregate.

54) **Question:** Can you provide a list of open waiver of premium claims, including date of disability, gender, date of birth, and amount of coverage for each claimant?

Answer: Please see Attachment 1, tab 5 (Life Waiver) and Attachment 2. This information is provided as indicated above in the zip file noted in the response to question #2. This information will be sent in a separate email to all those Offerors who have submitted a completed NDA.

55) **Question:** Is there currently a broker/consultant involved with Group Term Life and Accidental Death and Dismemberment (AD&D) insurances programs? If no, is the State willing to use a broker/consultant on this project?

Answer: Yes, DBM works with Segal Company as a consultant to the process. The State does not work with brokers and no commissions are payable under this RFP.

56) **Question:** Why is the State of Maryland currently marketing the Group Term Life and Accidental Death and Dismemberment (AD&D) insurances programs at this time?

Answer: The State's current contracts for these services will expire on June 30, 2013, and the current procurement is necessary to acquire a new contract for services beginning July 1, 2013.

57) **Question:** How are you aging enrollees for the purposes of calculating billed premium?

Answer: Enrollees are enrolled each policy anniversary date of July 1st (uses age on July 1 for the next 12 months).

58) **Question:** Relative to Section 3.2.13, regarding the ASM assigned to the State Account. Can the ASM be an internal employee?

Answer: Yes, we expect a highly trained individual who will be responsive to our needs and can answer enrollee questions.

59) **Question:** How is the information collected and disseminated during Open Enrollment? (electronically or paper forms?)

Answer: The Contractor will need to mail all enrollees the open enrollment marketing materials and provide the Department with an electronic version for our website.

60) **Question:** If a carrier determines, due to the coverage requested, that they can be more efficient without subcontracting any services out to an MBE, would that go against the carrier's chances of being awarded this business?

Answer: An Offeror that does not commit to meeting the MBE goal must submit a request for a full waiver with its proposal submission based upon its outreach prior to submission of its proposal. (Refer to RFP page 11, Section 1.10). Such a waiver request would need to be followed up with documentation from the offer indicating that a good faith effort was made by the offeror to solicit participating MBEs in order for the waiver request to be considered for approval. Note that an Offeror's "efficiency" is not a factor in it making the determination that

it can not find a MBE(s) that can perform a part(s) of the Scope of Work in order to meet the RFP's MBE goal. COMAR 21.11.03.09(2) establishes in part those factors that may be used to anticipate the degree of MBE participation in a State solicitation and the Offeror's efficiency is not one of the factor.

61) **Question:** If a carrier says they will partially meet the 1% MBE goal, would that go against the carrier's chances of being awarded this business? In other words, would the carrier requesting a partial waiver to the MBE goal have a reduced number of points relative to the grading of their bid?

Answer: An Offeror that commits to partially meeting the MBE goal must submit a request for a partial waiver with its proposal submission based upon its good faith outreach prior to submission of its proposal. (Refer to RFP page 11, Section 1.10). The RFP does not assign "points" to any of the evaluation criteria. The MBE goal is not a technical evaluation criteria (refer to RFP Page 36, Section 5.2).

62) **Question:** Would an Offeror be permitted to put in its response that it would utilize two (2) named MBE subcontractors during the life of the contract, but would have those MBEs compete for various work the Offeror had proposed would be fulfilled by an MBE subcontractor?

Answer: According to COMAR 21.11.03.09 (4)(b), a Certified MBE Utilization and Fair Solicitation Affidavit shall include "the items of work to be performed or furnished and the committed price or percentage of the contract to be paid to each MBE for the work or supply." Without submitting a request for a full or partial waiver, an Offeror must include specific percentage commitments for each MBE proposed, totaling or exceeding the amount of the MBE goal percentage. If the Offeror elects to add more work beyond the percentage of the contract that it committed to each MBE in its initial Affidavit, it can do so. If however, the Offeror elects to revise downward the initial percentage or portion of the work committed to either of the two (2) named MBE in the Affidavit, the Offeror would need DBM approval through a contract modification. A vendor is not permitted to revise downward the overall MBE compliance goal of 1% once the Offeror has committed to it.

Should you require clarification of the information provided, please contact me at (410) 260-7681 as soon as possible.

Date Issued: **July 30, 2012**

By: John Saunders
<signed>
Procurement Officer