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QUESTIONS AND ANSWERS # 3
PROJECT NO. F10B3400001
Group Term Life and Accidental Death and Dismemberment Insurances
August 8, 2012

Ladies/Gentlemen:

This List of Questions and Answers #3, questions #65 through #71 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.

65) Question: In its response to Q &A #1, Question #10, the State of Maryland indicated that the claims in the experience summary were incurred claims by responding "Yes, the experience chart includes paid claims and reserves and portability and conversion charges are included." However, in Amendment #3 the State has lined out "Incurred" and replaced it with "Paid" while the Incurred Claim Loss Ratio stayed the same. Can you explain for us? This can have a dramatic effect on rating depending upon your response.

Answer: The exhibit was relabeled to correctly reflect the fact that the figures provided in that column refer to paid claims and not incurred claims. Please refer to the first chart in the census data that provides the data needed. Please be reminded that completion of the revised NDA contained in Amendment #1 is a prerequisite to receiving the census data.

66) Question: Can the historical experience provided in section 3.1.5 of the RFP be split by active employee versus retiree?

Answer: This information is in the zip file that is being provided to potential Offerors on submission of the amended NDA, which was included as part of Amendment #1.

~Effective Resource Management~

67) **Question:** What do the incurred claims figures in section 3.1.5 represent (e.g. death claims, conversion charges, port charges, waiver reserves, IBNR reserves)?

Answer: As reflected in Q&A #1 and the answer to Question #10, the incurred claims on the experience summary chart include claims, reserves, portability and conversion charges.

68) **Question:** Since the life plan includes an insured Waiver of Premium provision, please explain item 3.2.16 of the RFP. Under a typical Waiver of Premium provision, the current insurance carrier would retain liability for all existing waiver claims.

Answer: This was explained in Q&A #1, answer to Question #36, and Amendment #3, item 2. The incumbent retains liability.

69) **Question:** Please confirm that employees hired after January 1, 1995 are not eligible for retiree coverage.

Answer: This question was answered in Q&A #1, Question #49. 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.

70) **Question:** How are beneficiary records currently managed (e.g. electronically or via paper records)?

Answer: This question was answered in Q&A #1, Question #51. Beneficiary records are currently managed electronically.

71) **Question:** Does ported coverage reduce or terminate at any age?

Answer: The RFP has no specific requirement regarding porting coverage, other than that it must be consistent with State and Federal law. This requirement is in the RFP in section 3.5.11.

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

Date Issued: **August 8, 2012**

By: John Saunders
<signed>
Procurement Officer