

# STATE OF MARYLAND

## Request for Proposals

- 1) Group Term Life
- 2) Personal Accident & Dismemberment Insurance Services

Solicitation No. F10R2200273



Department of Budget and Management  
Employee Benefits Division  
Issue Date: March 19, 2002

### IMPORTANT NOTICE

Prospective offerors who have received this document from the Department of Budget & Management's website, or [eMarylandMarketplace.com](http://eMarylandMarketplace.com), or who have received this document from a source other than the Issuing Office should immediately contact the Procurement Officer and provide their name and mailing address so that the amendments to the RFP or other communications may be properly directed.

**Minority Businesses are Encouraged to Respond to this Solicitation**

## NOTICE TO OFFERORS

In order to help us improve the quality of State proposal solicitations, and to make our procurement process more responsive and business friendly, we ask that you take a few minutes and provide comments and suggestions regarding the enclosed solicitation. Please return your comments with your proposal. If you have chosen not to bid on this contract, please fax this completed form to: (410 333-7122).

**Proposal Number:** Solicitation No. F10R2200273  
**Entitled:** Group Term Life and PA & D Insurance Services  
**Date:** March 19, 2002

1. If you have responded with a "no bid", please indicate the reason(s) below:
  - Other commitments preclude our participation at this time.
  - The subject of the solicitation is not something we ordinarily provide.
  - We are inexperienced in the work required.
  - Specifications are unclear, too restrictive, etc. (please explain in the Remarks section).
  - The scope of work is beyond our present capacity.
  - Doing business with State of Maryland Government is simply too complicated (please explain in the Remarks section).
  - We cannot be competitive (please explain in the Remarks section).
  - Time allotted for completion of the proposal is insufficient.
  - Start-up/implementation time is insufficient.
  - Proposal requirements (other than specifications) are unreasonable or too risky (please explain in the Remarks section).
  - MBE requirements (please explain in the Remarks section).
  - Prior State of Maryland contract experience was unprofitable or otherwise unsatisfactory (please explain in the Remarks section).
  - Payment schedule is too slow.

Other:

2. If you have submitted a proposal, but wish to offer suggestions or express concerns, please use the Remarks section below (use reverse or attach additional pages as needed).

**REMARKS:**

Vendor Name:

Date:

Contact Person:

Phone:

Address:

## PROCUREMENT SCHEDULE

### Group Term Life and PA & D Insurance Services

March 19, 2002	Advertisement of the Request for Proposals for Group Term Life and PA & D Insurance Services in Maryland Contract Weekly and Issuance of Request For Proposals
April 3, 2002	Deadline for receipt of written questions to be answered during the pre-proposal conference. Must be received at the Issuing Office by 10:00 a.m. local time.
April 15, 2002	Pre-proposal Conference at 10:00 a.m. 300 West Preston Street - 1st floor auditorium Baltimore, MD 21201
May 10, 2002	Closing date for submission of proposals. Proposals must be received at the Issuing Office by 1:00 p.m.
May 29-31, 2002	Vendor Interviews (tentative)
July 19, 2002	Recommendation for Award at Board of Public Works Meeting

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- A1. Group Term Life Insurance Service Agreement (Contract)
- A2. PA & D Insurance Service Agreement (Contract)
- B: Proposal Affidavit
- C: Contract Affidavit
- D: Minority Business Enterprises Requirements
- E. Financial Proposal Form
- F: Employee and Dependent Eligibility Regulations (COMAR 17.04.13.03)
- G. Enrollment and Utilization Statistics
- H. Performance Standards
- I. Current Group Term Life/PA&D Description in Summary Booklet

**NOTE:** This RFP is available on the internet at (1) <http://www.dbm.state.md.us/html/dbmproc.html> and (2) <http://www.emarylandmarketplace.com/index2.cfm>. It is also available on diskette in MS Word. Potential offerors wishing to receive this information on diskette may submit a written request along with a blank formatted 3-1/2" IBM compatible diskette to the Procurement Officer. Information supplied on diskette or obtained via the internet is for convenience only. For printed copies of this written document, please contact the Procurement Officer.

## SECTION I. GENERAL INFORMATION

### 1.1 SUMMARY STATEMENT

The Department of Budget and Management (DBM) is issuing a Request for Proposals (RFP) for the following services:

- (1) Group term life insurance services for active, satellite account and retired State employees and their eligible dependents, and
- (2) Personal Accident and Dismemberment (PA&D) insurance services for active and satellite employees.

The State will contract separately for each of the desired services. A vendor may submit a proposal for the Group Term Life insurance plan, or for the PA & D plan, or for both plans.

### 1.2 DEFINITIONS

For the purposes of this RFP, the following terms have the meanings indicated below:

“**ASM**” means Account Service Manager

“**BAFO**” means Best and Final Offer; a BAFO may be requested by the Procurement Officer in order to permit written revisions to an offeror’s initial proposal.

“**COBRA**” means the amendments made to the Public Health Services Act made by the Consolidated Omnibus Budget Reconciliation Act of 1986 to require continuation of coverage when coverage is terminated due to a qualifying event.

“**COMAR**” means Code of Maryland Regulations.

“**Contract Employee**” means a non-permanent employee of the State of Maryland who is not eligible for State subsidy of benefits, but is eligible to enroll in the State of Maryland Benefits Program, paying full premium costs.

“**Covered Lives**” means each individual enrolled in a plan.

“**CPB**” means the State of Maryland Central Payroll Bureau

“**DBM**” means the Department of Budget and Management.

“**Dependent**” means a spouse, natural child, step-child, legally adopted child, or legal ward of an eligible member, as defined in COMAR 17.04.13.03A(11).

“**Direct Pay Enrollee**” means an individual who is billed directly by the Department of Budget and Management for selected benefits.

“**EBD**” means Employee Benefits Division.

“**FTE**” means Full-Time Equivalent.

**“FTP”** means File Transfer Protocol.

**“HIPAA”** means Health Insurance Portability and Accountability Act of 1996.

**“LAW”** means an unpaid leave of absence elected by a permanent employee, who is not eligible for State subsidy of benefits but is eligible to participate in certain benefits provided by the State of Maryland while on the unpaid leave of absence.

**“Local Time”** means Eastern Standard Time.

**“MBE”** means a Minority Business Enterprise that is certified by the Maryland Department of Transportation.

**“Member”** means an employee who is eligible to participate in the State of Maryland Benefits Program but does not include the member’s dependent(s).

**“No Pay”** means a member who did not have sufficient funds in their paycheck to have a health benefit premium deducted; “no pay” notifications are forwarded after each payroll to the EBD by the CPB.

**“PA & D”** means Personal, Accident and Dismemberment insurance.

**“Part-Time Employee”** means a permanent employee who works less than fifty percent of the standard work-week and is not eligible for State subsidy of benefits, but is eligible to enroll in the State of Maryland Benefits Program.

**“PPE”** means Pay Period Ending.

**“RFP”** means this Request for Proposals for term life and PA & D insurance services.

**“Satellite Account Employee”** means an employee of a political subdivision, agency, commission, or organization that is permitted by Maryland law to participate in the State of Maryland Benefits Program.

**“TIN”** means tax identification number.

**“TTY/TDD”** means a telephone device used by hearing impaired individuals whereby they communicate via telephone connected to a keyboard and screen.

**“USM”** means University System of Maryland.

**“Waiver of Premium”** means an insurance provision that waives the payment of the premium and continues insurance coverage during a period of total disability as defined by the insurer.

### **1.3 PROCUREMENT OFFICER**

The sole point of contact in the State for purposes of this RFP is the Procurement Officer at the address listed below:

State of Maryland  
Department of Budget and Management  
Employee Benefits Division  
301 West Preston Street, Room 509  
Baltimore, Maryland 21201  
Attn: Janice Jackson, Procurement Officer  
Telephone: (410) 767-2981  
Fax: (410) 333-7122

### **1.4 PRE-PROPOSAL CONFERENCE**

A Pre-Proposal Conference will be held on Monday, April 15, 2002 at 10:00 a.m. in the auditorium located on the 1st floor, 300 West Preston Street, Baltimore, Maryland 21201. Attendance at the pre-proposal conference is not mandatory, but all interested offerors are encouraged to attend in order to facilitate better preparation of their proposals. The conference will be transcribed. A copy of the transcript of the pre-proposal conference will be made available to potential offerors at a nominal charge directly from the transcription company. In addition, minutes of the conference will be distributed, free of charge, to all vendors who are known to have received the RFP. Both written and verbal questions will be considered at the pre-proposal conference. If there is a need for sign language interpretation and/or other special accommodations due to disability, it is requested that at least five (5) days advance notice be provided.

All questions, either verbal or written, should be submitted in a timely manner. Questions may be submitted after the pre-proposal conference, but the Procurement Officer shall, based on the availability of time to research and communicate an answer, decide whether an answer can be given before the proposal due date. Answers to all substantive questions which have not previously been answered, and which are not clearly applicable only to the requestor, will be distributed to all vendors who are known to have received the RFP,

### **1.5 PROPOSAL (CLOSING) DUE DATE**

Proposals must be received at the office of the Procurement Officer, as listed in Section 1.3 of this RFP, no later than Friday, May 10, 2002 at 1:00 p.m., local time, in order to be considered.



Requests for extension of this date/time will not be granted. Offerors mailing proposals should allow sufficient mail delivery time to ensure timely delivery at the office of the Procurement Officer. Proposals may not be submitted by e-mail or facsimile. Except as provided in COMAR 21.05.02.10, proposals or unsolicited amendments to proposals arriving after the closing date/time will not be considered. Offerors should refer to Section 5.2 of this RFP for proposal formatting instructions.

## **1.6 DURATION OF OFFER**

Proposals submitted in response to this RFP are irrevocable for 120 days following the closing date for the initial proposal or for the Best and Final Offer (BAFO), if any. This period may be extended at the Procurement Officer's request only by an offeror's written agreement.

## **1.7 REVISIONS TO THE RFP**

If it becomes necessary to revise this RFP before the proposal due date, amendments will be provided to all prospective offerors that were sent this RFP or otherwise are known by the Procurement Officer to have obtained this RFP. Amendments are also posted on the internet at (1) <http://www.dbm.state.md.us/html/dbmproc.html> and (2) <http://www.emarylandmarketplace.com/index2.cfm>. Amendments made after the proposal due date will be sent only to those offerors who submitted a timely proposal.

Acknowledgment of the receipt of all RFP amendments issued before the due date must accompany the offeror's technical proposal as part of the transmittal letter. Acknowledgement of receipt of amendments issued after the due date shall be accomplished in the manner specified in the amendment notice.

Failure to acknowledge receipt does not relieve the offeror from complying with all terms of any such amendment.

## **1.8 CANCELLATION; DISCUSSIONS**

The State reserves the right to cancel this RFP, to accept or reject any and all proposals, in whole or in part, received in response to this RFP, to waive or permit cure of minor irregularities, and to conduct discussions with all qualified or potentially qualified offerors in any manner necessary to serve the best interests of the State of Maryland. The State also reserves the right, in its sole discretion, to award a contract based upon the written proposals received without prior discussions or negotiations.

## **1.9 ORAL PRESENTATION**

Offerors may be required to make individual presentations to State representatives in order to clarify their proposals. Any statement made by an offeror during an oral presentation that significantly alters its proposal must be reduced to writing. Any such written submission shall become a part of the offeror's proposal and shall be binding if the contract is awarded.

## **1.10 INCURRED EXPENSES**

The State will not be responsible for any costs incurred by an offeror in preparing and submitting a proposal, in making an oral presentation, in providing a demonstration, or in performing any other activities relative to this solicitation.

## **1.11 ECONOMY OF PREPARATION**

Proposals should be prepared simply and economically, providing a straightforward, concise description of the offeror's proposal to meet the requirements of this RFP.

## **1.12 DISPUTES; PROTESTS**

Any protest or dispute related respectively to this solicitation or the resulting contract shall be subject to the provisions of COMAR 21.10 (Administrative and Civil Remedies).

## **1.13 MULTIPLE AND ALTERNATIVE PROPOSALS**

An offeror may not submit multiple proposals for the required services under this RFP. For example, an offeror may not submit more than one proposal for group term life insurance services or more than one proposal for PA & D services. However, an offeror may submit one proposal for each of these services.

An offeror may not submit an alternative proposal for either of the required services.

#### **1.14 ACCESS TO PUBLIC RECORDS ACT NOTICE**

An offeror should give specific attention to the clear identification of those portions of its proposal that it considers confidential, proprietary commercial information or trade secrets, and provide justification why such materials, upon request, should not be disclosed by the State under the Access to Public Records Act, Title 10, Subtitle 6, of the State Government Article of the Annotated Code of Maryland. This information is to be placed after the Title Page and before the Table of Contents in the offeror's technical proposal and, if applicable, the financial proposal. Respondents are advised that, upon request for this information from a third party, the Department is required to make an independent determination whether the information can be disclosed (see COMAR 21.05.08.01).

#### **1.15 OFFEROR RESPONSIBILITIES**

The selected offeror shall be responsible for all products and services required by this RFP. Subcontractors, except those used exclusively to meet MBE participation goals, must be identified and a complete description of their role relative to the proposal must be included in the offeror's proposal. Subcontractors retained for the sole purpose of meeting the established MBE participation goals must be identified as outlined in **Attachment D** of this RFP.

#### **1.16 MANDATORY CONTRACTUAL TERMS**

By submitting an offer in response to this RFP, an offeror, if selected for award, shall be deemed to have accepted the terms of this RFP and the Contract(s), **Attachments A1 and A2**. Any exceptions to this RFP or the Contract(s) must be clearly identified in the Executive Summary of the technical

proposal. A proposal that takes exception to these terms may be rejected.

### **1.17 PROPOSAL AFFIDAVIT**

Offerors must include a completed Proposal Affidavit with the proposals. A copy of this Affidavit is included as **Attachment B** of this RFP.

### **1.18 CONTRACT AFFIDAVIT**

The successful offeror(s) will be required to complete a Contract Affidavit. A copy of this Affidavit is included for informational purposes as **Attachment C** of this RFP. This Affidavit must be completed and submitted within 5 business days of notification of proposed contract award.

### **1.19 MINORITY BUSINESS ENTERPRISES**

A Minority Business Enterprise (MBE) subcontract participation goal of 1.0% percent (1.0%) of the actual Total Premiums Collected, found in the Financial Proposal, **Attachment E**, has been established for this procurement. A minimum of forty percent (40%) of the total dollars expended to meet the MBE participation goal shall be for certified women-owned businesses and a minimum of twenty-eight percent (28%) for certified African American owned businesses, with the balance to be expended with one or more other MDOT-certified MBE(s). The contractor shall structure its awards of subcontracts under the contract in a good faith effort to achieve the subcontracting goals using businesses certified by the State of Maryland as being owned and controlled by one or more socially and/or economically disadvantaged individuals. MBE participation in work performed under this contract will be monitored by the State. MBE requirements are specified in **Attachment D** of this RFP.

A current directory of MBEs is available through the Maryland State Department of Transportation, Office of Minority Business Enterprise, P. O. Box 8755, BWI Airport, Maryland 21240-0755. The phone number is (410) 865-1269. The directory is also available on-line at <http://www.mdot.state.md.us>; select MBE Program link. The most current information on available certified MBEs is available via the website.

### **1.20 ARREARAGES**

By submitting a response to this solicitation, each offeror represents that it is not in arrears in the payment of any obligations due and owing the State of Maryland, including the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of the contract if selected for contract award.

#### **1.21 PROCUREMENT METHOD**

This contract will be awarded in accordance with the competitive sealed proposals process under COMAR 21.05.03.

#### **1.22 CONTRACT DURATION**

The contracts resulting from this RFP shall be for the period beginning on or about August 1, 2002 and ending on or about December 31, 2005. The contractors shall be responsible for providing group term life insurance and/or PA & D insurance services for calendar years 2003, 2004 and 2005.

The State, at its sole option, shall have the right to extend the contract term for two additional, successive one-year terms. For the period from contract commencement until December 31, 2002, the contractor shall be responsible for the activities described under Section 3.4. Beginning January 1, 2003, the contractor will be responsible for processing claims incurred on or after January 1, 2003. Following the end of this contract (including any one-year extension(s) exercised by the State), the contractor shall be responsible for handling claims payments for claims incurred prior to the end of the contract. The successor vendor shall be responsible for all new enrollees after the expiration of the term of the contract(s).

#### **1.23 CONTRACT TYPE**

The contract(s) to be awarded shall be a indefinite quantity with fixed unit prices contract based on the monthly premium rates quoted (by age and coverage category) by the successful offeror in the offeror's financial proposal in the form attached as **Attachment E**. Rates quoted by the offeror shall remain fixed through the 3-year term of the base contract. Pricing for individual option years (if exercised by the State) shall also be fixed as outlined by the offeror in **Attachment E**.

#### **1.24 PAYMENT TERMS**

The contractor shall not receive compensation for services described under Section 3.4 that is performed prior to January 1, 2003 as part of the implementation of the new contract. The State shall make payment to the contractor as follows:

**Active Employees:** Active employees are generally paid on a biweekly basis, with deductions for group term life and/or PA&D insurance taken from 24 paychecks. State Employees who work at the University of Maryland or other State colleges or universities may choose a paycheck schedule in which they are not paid over the summer months (21-pay). These individuals may have multiple deductions of group term life insurance, PA & D and other premiums in their last scheduled deduction before the summer months. Certain employees of the Maryland General Assembly and Judiciary, i.e., State legislators and Judges, are paid on a monthly basis. Deductions will occur on a monthly, rather than a bi-weekly basis for these employees.

The State will send a payment to the contractor once a month. The first payment for the calendar year is paid in early February. This payment will provide an estimated payment for the months of January and February. The estimate is based on the first Central Payroll and University of Maryland deduction report for the month of January. The State will multiply this first payroll by four, thereby estimating two months worth of deductions. The next payment for the plan year will be paid in March and will include reconciliation for January. The contractor should receive this payment around March 15<sup>th</sup>. For example:

**Payment #1 - January & February Payment**

First deduction report in January for CPB employees		\$500,000
for USM employees		<u>\$250,000</u>
		\$750,000
January estimated payment	2 x \$750,000 =	\$1,500,000
February “ “	2 x \$750,000 =	<u>\$1,500,000</u>
Payment #1 of plan year		\$3,000,000

**Payment #2 – March Payment**

Actual deductions for January CPB – P.P.E. 01/11	\$500,000
P.P.E. 01/25	\$550,000
USM–P.P.E. 01/15	\$250,000
P.P.E. 01/29	<u>\$260,000</u>
Total January actual deductions	\$1,560,000
January estimated payment: 2 x \$750,000 =	<u>\$1,500,000</u>
Adjustment for January	\$60,000
March estimated payment based on January actual payment	<u>\$1,560,000</u>
Payment #2 – March 15 <sup>th</sup>	\$1,620,000

Payment # 3 will adjust for February and provide an estimated payment for April. Payments #4 through #12 will follow same procedure through the plan year.

These payments will also include any retroactive adjustments and No Pay payments received during the month.

**Retirees:** Pension and retirement allowance payments are processed at the end of the month, and deductions are taken once a month. The State will send a payment to the vendor once a month based upon the actual deduction reports from the State Retirement System. The first payment for the calendar year is paid in early February because deduction reports are not available until the first of the month following the period of coverage.

Payment #1 - January payment will be paid around the 10<sup>th</sup> of February based on the actual January retiree deduction report.

Payment #2 - February payment will be paid around the 10<sup>th</sup> of March based on the actual February retiree deduction report.

Payments #3 through #12 will follow the same procedure.

Retiree payments may also include any retroactive adjustments received during the month.

**Direct Pay Enrollees:** This category includes those on COBRA, contractual employees, and other individuals who are billed directly by the State for their health coverage. The State will send a payment to the contractor once a month. These payments are based on actual premiums received during a calendar month. The first payment for the calendar year is paid in early February. This payment will include all premiums received during the month of January, regardless of the month(s) for which premiums are being paid. For example, if the State receives a payment from an individual in January that pays for the months of January through April, the State will forward payment for the four months. A report detailing individuals for whom premiums have been received during the prior month will be forwarded to the contractor to support the monthly payment.

Payment #1 - January payment will be paid around the 15<sup>th</sup> of February based on the actual premiums received during the month of January.

Payment #2 - February payment will be paid around the 15<sup>th</sup> of March based on the actual premiums received during the month of January.

Payments #3 through #12 will follow the same procedure.

**Satellite Account Employees:** This category includes governmental and non-profit agencies covered by the State's program. The State will send a payment to the contractor once a month. These payments are based on actual premiums received during a calendar month. The first payment for the calendar year is paid in early February. This payment will include all premiums received during the month of January, regardless of the month(s) for which premiums are being paid. For example, if the State receives a payment from an agency in January that pays for the months of January and February, the State will forward payment for the two months. A report detailing individuals for whom premiums have been received during the prior month will be forwarded to the contractor to support the monthly payment.

Payment #1 - January payment will be paid around the 15<sup>th</sup> of February based on the actual premiums received during the month of January.

Payment #2 - February payment will be paid around the 15<sup>th</sup> of March based on the actual

premiums received during the month of January.

Payments #3 through #12 will follow the same procedure.

## **SECTION 2. OFFEROR QUALIFICATIONS**

In order to be considered for contract award, offerors must demonstrate within the Executive Summary of their proposals that they satisfy the following qualifications and provide reference to the page number in their proposal where such evidence can be found.

1. Has a A.M. Best rating of no less than A minus (A-), and,
2. Is licensed in Maryland at the time of proposal submission to issue the kinds of policies for which the proposals are submitted.

## **SECTION 3. SPECIFICATIONS**

### **3.1 DESCRIPTION OF CURRENT PLAN**

The State currently has approximately 68,000 active employees located throughout the State and 28,000 retirees located across the country and overseas. GroupTerm Life insurance and PA & D insurance benefits are offered to employees through the State's health benefits program. Approximately 76,000 lives are covered under the current life insurance program. Approximately 34,000 lives are covered under the current PA & D program.

The first \$50,000 of life insurance for employees is offered on a pre-tax basis; coverage for employees above \$50,000 and dependent coverage is available post-tax only. Both plans are fully insured and are employee-pay-all. Eligibility requirements are defined in **Attachment F**. None of the State's medical plans, including HMOs, offer additional life/PA & D benefits. The total cost of the group term life insurance program in CY 2001, representing the total premiums paid to the insurance provider, was approximately \$10.2 million for active employees, retirees, satellites and direct pay enrollees. The total cost of the PA & D program for active employees, satellites and direct pay enrollees during the same period was approximately \$1.8 million.

Detailed demographic information for State employees may be obtained from the 2001 OPSB



Annual Report. The report may be accessed from the DBM website at <http://www.dbm.state.md.us>.

## **3.2 PLAN SPECIFICATIONS**

**3.2.1** All group term life and PA & D insurance policies issued as part of the contracts resulting from this RFP must comply with Maryland law.

**3.2.2 Group Term Life Insurance Plan.** The optional employee-pay-all group term life insurance program includes all eligible employees, retirees and their dependents as defined in **Attachment F**. The successful offeror must agree to take over the accounts of the employees/retirees currently enrolled in the program at their current coverage levels without evidence of insurability.

**3.2.2.1** Annual renewable group term life insurance must be offered to active employees and retirees in \$10,000 increments up to a maximum of \$300,000. Dependent children and spouses must be offered insurance coverage at a minimum of \$5,000 and up to a maximum of 50% of the employee's coverage. Spousal coverage premiums must be based on the spouse's age; children's coverage must be offered based on a flat dependent child(ren)'s premium. Guaranteed issue amounts (no medical questionnaire) must be provided as follows:

- a) new employees within 60 days of hire may obtain up to \$50,000 (spouse \$25,000),
- b) existing employees not previously enrolled may obtain up to \$50,000 (spouse \$25,000) during the fall Open Enrollment period.

**3.2.2.2** Members must have the ability to increase coverage amounts during Open Enrollment, or when a qualifying event occurs; amounts requested above the guaranteed issue amount are subject to medical underwriting. However, members who do not make changes during Open Enrollment will have coverage automatically rolled over to the new benefit year without further medical underwriting.

**3.2.2.3** Coverage must include a Living Benefit provision whereby the employee (or the employee on behalf of the spouse/dependent) may choose to access as much as 50% of the coverage amount if the employee or dependent is medically certified as being terminally ill with less

than 6 months to live.

- 3.2.2.4** Retirees who were employed on or after January 1, 1995 must be permitted to continue coverage for themselves and their dependents at the amount carried at the time of retirement.
- 3.2.2.5** Employees on unpaid leave of absence from State service must be permitted to continue existing coverage for themselves and their dependents while on leave, as long as premiums are paid to the State.
- 3.2.2.6** Employees terminating State service must be provided the lowest cost conversion policy available under State law for themselves and their dependents.
- 3.2.2.7** There shall be no maximum age for enrollment or claims payments for employees, spouses, or their disabled dependents.
- 3.2.2.8** The plan must include a Waiver of Premium provision (see definition) for employees and dependents.

**3.2.3 PA&D Insurance Plan.** The optional employee-pay-all PA&D insurance program includes all eligible employees and their dependents as defined in **Attachment F**. Retirees are not eligible to participate in the PA&D insurance plan.

**3.2.3.1** Participants shall have the option of choosing a \$100,000, \$200,000, or \$300,000 death benefit (Principal Benefit Amount). The plan shall offer reduced benefits for dismemberment defined as a percentage of the Principal Benefit Amount.

**3.2.3.2** Employees on unpaid leave of absence must be permitted to continue coverage amounts while on leave as long as premiums are paid to the State.

**3.2.3.3** The plan shall also include a Waiver of Premium provision (see definition).

**3.2.3.4** Members must have the ability to increase coverage amounts during Open Enrollment, or

when a qualifying event occurs. However, members who do not make changes during Open Enrollment will have coverage automatically rolled over to the new benefit year.

### **3.2.4 Plan Eligibility**

The group term life insurance plan covers all State employees and retirees who are eligible under COMAR 17.04.13.03 to enroll in a health plan, and COBRA participants. Dependent coverage is available for spouses and eligible dependent children. Dependent children are eligible for coverage until the end of the calendar year in which they turn 19. If they are full-time students, they are eligible until the end of the calendar year in which they turn 25 or until the end of the month in which they cease to be full-time students, whichever occurs first. There is no age limit for the eligibility of a disabled dependent child as long as the disability began prior to the 19<sup>th</sup> birthday (25<sup>th</sup> if a full-time student).

The PA & D plan eligibility is limited to active State and Satellite Account employees and their dependents.

### **3.2.5 Plan Participation and Utilization**

There is no guaranteed participation level for either plan. Enrollment and utilization statistics for 1996, 1997, 1998, 1999 and 2000 are provided for both plans in **Attachment G**.

## **3.3 SCOPE OF WORK**

**3.3.1** The State is seeking an insurer(s) to provide a group term life insurance and PA & D insurance plan. The plan must be designed to ensure the highest level of customer service for State Plan members. The successful offeror(s) shall administer the group term life insurance and/or PA&D insurance plan(s) with specifications as outlined in this RFP and shall include the following services:

- (a) Plan Benefits booklets shall be provided by the plan and distributed to each employee enrolled in the plan(s); booklet design and format is subject to final approval by the State.
- (b) Camera-ready pages containing descriptive plan information to be incorporated into the State's Open Enrollment booklet shall be presented to the State within two weeks of notification.

- (c) Marketing brochures sufficient for all State employees and retirees (approximately 100,000) shall be made available for distribution to employees during Open Enrollment and throughout the benefit year. Design and format are subject to final approval by the State.
- (d) All applications, claim forms, and printed materials shall be mailed within 2 business days from the date of request.
- (e) The contractor shall provide medical underwriting services for the group term life insurance program; the medical underwriting criteria to be used under the State contract to make coverage determinations must be included in the offeror's proposal.
- (f) For the group term life insurance program, the ASM dedicated to the State account shall act as a liaison between the contractor and the State. The ASM will work full-time on-site at the State's 301 W. Preston Street building from October 1<sup>st</sup> through March 31<sup>st</sup> each benefit year. After March 31<sup>st</sup>, the ASM must be available to work on-site at the same location on a schedule to be mutually agreed upon. The schedule shall include at least one day on-site per week. If the vendor chooses to have access to its company's information system from the State location, the vendor will be responsible for any costs associated with establishing such access.

The ASM must have previous experience assisting with problems and concerns of enrollees and/or family members attempting to access their insurance benefits.

- (g) A toll-free, 24-hour, 7 days/week telephone number dedicated to the State account must be available to facilitate members' access to services. Individuals with disabilities must be provided with adequate access to all customer service options.
- (h) Open enrollment services once a year shall include, but are not limited to:
  - 1) Company Attendance at all regional benefit coordinator training sessions held in September of each benefit year (usually four regional sessions per year).
  - 2) Company attendance at benefit fairs across the state each year of the contract including option years to answer employees' questions and provide plan overview information (114 benefit fairs were held in preparation for benefit year 2001).

- 3) Payment of a proportionate amount of Open Enrollment materials printing and mailing costs which are split equally among participating vendors regardless of enrollment; costs for each vendor have historically ranged between \$12,000 and \$19,000.
- 4) Medical underwriting reviews as necessary.
  - (i) The contractor shall accept the State's format for eligibility information using the State's FTP.
  - (j) Quarterly and annual claims utilization reports shall be submitted to the State by the contractor not later than 30 days after the end of the reporting period.
  - (k) Attendance at quarterly vendor meetings by the ASM and attendance by the company's Information Technology representative at the annual IT vendor meeting is required. Meetings are held in Baltimore, Maryland and usually last 1½ -2 hours.
  - (l) Contractors must comply with the State's performance standards as described in Attachment H. Contractors shall submit performance reports to the State on a semi-annual basis. Performance reporting by contractors will be subject to verification by the State's audit contractor.
  - (m) The contractor must comply with all standards required under state and federal laws and regulations (HIPAA, privacy standards, etc.) and shall meet any state-mandated benefit provisions that may be required during the term of the contract.

**3.4 IMPLEMENTATION SCHEDULE**

The contractor must meet the following implementation schedule:

<b>DATE</b>	<b>ACTIVITY</b>
Upon contract commencement	Begin implementation meetings with the State of Maryland
September, 2002	Attend Benefit Coordinators Training Sessions
October, 2002	Attend Open Enrollment and Benefit Fairs
January 1, 2003	Commence Benefit Coverage

**3.5 QUESTIONNAIRE**

The following questions are designed to solicit information critical to the State's evaluation of the offeror's capabilities in terms of the evaluation criteria identified in Section 4.1 of this RFP. Although the offeror's standard material may contain the requested information, the responses in this section will be an important/critical component in the evaluation. In responding, offerors should repeat each question, followed by the answer. Answers should be concise, but complete. Offerors must respond specifically to each question in this section, regardless of whether the information appears in or may be gleaned from other sections of the offeror's proposal. Failure to respond in this section to all applicable questions may result in rejection of the offeror's proposal. To assist offerors in the preparation of their responses, a copy of this questionnaire is available as part of the RFP in Microsoft Word 97 or 2000 format in either a disk format or by visiting the Department's Internet web site at <http://www.dbm.state.md.us>; select the "Procurement" link.

## **ORGANIZATION**

Organization Name:

Primary Contact:

Title:

Headquarters Address:

Telephone Number:(    )

Fax Number:(    )

E-Mail Address:(    )

1. Provide a brief summary of the history of your company and information about the growth of your organization on a national level and within the State of Maryland. Provide the following information about your company:
  - a. Organization's legal name
  - b. State of incorporation or headquarters
  - c. Date of incorporation or founding
  
2. Describe any significant litigation and/or government action taken, proposed or pending against your company or any entities of your company during the most recent five (5) years.

Has your insurance license been suspended or revoked in any jurisdiction within the last 5 years? If so, please explain.

3. Provide the addresses, including city and state, for the following locations proposed to be used for State account activities. If more than one of any of the following will work on the State of Maryland contract, provide the requested information for all such offices.
  - a. Corporate/Firm Management Office
  - b. Customer Service Office
  - c. Provider Service Office
  - d. Account Management/Client Services Office
  - e. Technical Support Office
  
4. Provide the names, locations, telephone numbers and brief resumes for each of the following proposed contacts for the State of Maryland:
  - a. The person representing your company during the proposal process
  - b. Primary account service representative
  - c. Account Service Manager
  
5.
  - a. Explain your organization's ownership structure, listing all separate legal entities. Describe all major shareholders/owners (10% or greater ownership) and list the percent of total ownership of each such shareholder/owner.
  - b. Describe how long the current ownership structure has been in place.
  - c. Note any changes in ownership structure that have occurred within the last two years.
  - d. Note any changes in ownership structure anticipated to occur within the next two years.
  
6. Provide your company's most current A.M. Best rating and copies of one or more of the most recent reports on your company's claims paying ability from one or more of the following rating services: Standard & Poor, Moody's, or Fitch. If you are not rated by one or more of these organizations, please explain. Has there been any change in your ratings in the last two years? If yes, please explain the nature and reason(s) for the change.

7. Provide copies of your company's Annual Reports, audited financial statements or, if not publicly traded, the best available financial statements for your most recent three fiscal years.
8. Identify what general liability and errors and omissions insurance you carry to protect your clients. Describe the type and limits of each coverage that would protect this plan. What, if any, changes do you intend to make to these coverages if you are the successful contractor?
9. List your three (3) largest current clients for the type of service you are bidding on in terms of membership located outside of Maryland. For each client provide:
  - Client name & address
  - Name, title & telephone number of person we may contact
  - Number of employees/retirees covered
  - Total number of employees/retirees of the client
  - Length of time they have been a client
  - Reason for terminating contract



10. List your three (3) largest current clients for the type of service you are bidding on in terms of membership located in Maryland. For each Maryland client provide:

Client name & address

Name, title & telephone number of person we may contact

Number of employees/retirees covered

Total number of employees/retirees of the client

Length of time they have been a client

Reason for terminating contract

11. List three (3) former clients that have terminated their contracts with your organization within the last 24 months (do not include terminations for reasons other than merger, acquisitions or going out of business). For each terminated client provide:

Client name & address

Name, title & telephone number of person we may contact

Number of employees/retirees covered

Total number of employees/retirees of the client

Length of time they have been a client

Reason for terminating contract

12. Provide three references from client representatives who can attest to the capability of your company to perform the requirements of this RFP; include contact name, title, phone number and mailing address for each individual.

**Subcontractor Information - NOTE: Although the following two questions are preferred to be submitted with your proposal, the offeror is not required to identify MBE subcontractors until 10 working days after notification of intended contract award.**

13. Do you now subcontract with any other organization(s) for professional services? If so, provide a description of your subcontracting arrangements.

14. Provide the same information requested in Questions 1 through 7, 12,13 and 14 for each

subcontractor that you propose to have perform any of the required functions under this contract. Clearly identify if a proposed subcontractor is an MBE certified by the State.

15. Provide a draft plan description to be included in the Open Enrollment booklet. The plan description must describe in detail the procedures to be used by eligible members to obtain services. To assist offerors in the preparation of this draft, a copy of the plan description included in the Term Life Insurance and PA & D Section of the Summary of Benefits booklet for the plan year beginning January 1, 2002 is included as **Attachment I**.
16. Describe the proposed benefit plan to be offered to State employees under the contract, including all exclusions and limitations. Please provide a sample of: 1) the Benefits Booklet to be distributed to each plan enrollee, and, 2) the marketing brochure to be distributed during Open Enrollment and throughout the year to potential enrollees.
17. Have you ever conducted a customer satisfaction survey to determine if the level of service you provide to your members is perceived as being adequate? If so, please provide a copy of your survey template and a copy of the results of your most recent member survey.
18. Provide a detailed implementation plan that clearly demonstrates the offeror's ability to meet the State's requirements to have a fully functioning program in place and operable on January 1, 2003. This implementation plan should include a list of specific implementation tasks/transition protocols and a timetable for initiation and completion of such tasks, beginning with the contract commencement and continuing through the effective date of operation (January 1, 2003). The implementation plan should be specific about requirements for information transfer as well as any services or assistance required from the State during implementation. The implementation plan should also specifically identify those individuals, by area of expertise, responsible for key implementation activities and clearly identify their roles. A detailed organizational chart as well as resumes should be included.
19. Provide a detailed management plan that clearly demonstrates the offeror's ability to manage this program on an ongoing basis.
  - a. The management plan should include the name, title and resume of the person with

overall responsibility for planning, supervising, and performing account support services for the State. The management plan should also note what other duties, if any, this person has and the percentage of this person's time that will be devoted to the State.

- b. The management plan should also include an organizational chart identifying the names, functions, and reporting relationships of key people directly responsible for account support services to the State. It should also document how many account executives and group services representatives will work full-time on the State's account, and how many will work part-time on the State's account. The management plan should describe account management support, including the number of meetings to be held with the State each year (not less than quarterly), information to be reviewed at each meeting, frequency of ongoing communications, and assurance of accountability for account services satisfaction. It should identify the location of all service centers that will be used to service this contract. It should also include the mechanisms and processes in place to allow EBD personnel to communicate with account service representatives; the hours of operation; types of inquiries that can be handled by account service representatives; and a brief explanation of information available on-line. The EBD requires identification of an Account Services Manager to respond to inquiries and problems, and a description of how the offeror's customer service and other support staff will respond to subscriber or client inquiries and problems. The management plan should include the names, resumes and a description of functions and responsibilities for all supervisors and managers that will provide services to the State with respect to this contract.
20. List any additional or optional services that you offer without additional charge that have not been requested.
  21. Describe the kind of access to internet services that your company provides.
  22. Describe the kind of telephone access your company makes available to members.
  23. How quickly will changes to eligibility be made effective in your system?
  24. Define your company policy with regard to the "actively at work" requirement. For

example, how does your company handle a person who is on approved leave or is absent from work due to a holiday such as January 1<sup>st</sup>?

25. Does the group term life insurance benefit plan being proposed by your company include an automatic reduction in coverage for retirees? (See Attachment I, 'Retirement'). If not, describe how the proposed plan provides for coverage of members over the age of 65.
26. Describe the training that is provided to persons designated to represent your company at Open Enrollment benefit fairs.
27.
  - a) Describe the entire claims adjudication process, i.e., the process that takes place from the time a claim is received until the time a check is issued to a beneficiary. Describe the appeal's process for claims that are fully or partially denied.
  - b) Provide the physical location from which State of Maryland claims will be processed. Include the street address and phone number. For the proposed claim office, what is the average number of working days for a claim to be processed (check issued) from the date of receipt?
28. Describe the benefits that will accrue to the Maryland economy as a direct or indirect result of your performance of this contract. **Note: Do not include total contract dollars from the financial proposal in completing this section. Use percentages where appropriate.**
  - a. Indicate the amount or percentage (but not both) of contract dollars to be recycled into Maryland's economy in support of the contract through the use of Maryland subcontractors, Maryland suppliers, MBEs, and Maryland joint venture partners. Be as specific as possible. Provide a breakdown of expenditures in this category.
  - b. Indicate the number and type of jobs for Maryland residents resulting from this contract. Indicate job classifications, number of employees in each classification, and the aggregate payroll to which you commit at both prime and, if applicable, subcontract levels.
  - c. Estimate tax revenues to be generated for Maryland and its political subdivisions as a result of this contract. Indicate tax category (sales tax, payroll tax, inventory tax, and

estimated personal income tax for new employees).

- d. Indicate other benefits to the Maryland economy, which you promise will result from the award of this contract. Please describe the benefit, its value to the Maryland economy, and how it will result from the contract award.

## **SECTION 4. EVALUATION CRITERIA AND SELECTION PROCEDURE**

### **4.1 EVALUATION CRITERIA**

Evaluation of the proposals will be based on the criteria set forth below and developed from both the technical proposal and the financial proposal. In evaluating the proposals, technical merit will receive greater weight than price.

The following criteria listed in order of descending importance will be used to evaluate the quality, completeness and acceptability of the offeror's technical proposal.

1. Experience
  - a. Past Performance on Similar Contracts for Similarly Sized groups
  - b. Financial Viability
  - c. Client References
2. Administration
  - a. Program Administration
  - b. Customer Services
  - c. Claim Paying Services and Ability
  - d. Data reporting
  - e. Proposed Implementation and Account Management
3. Quality Management
4. Maryland Economic Impact

### **4.2 SELECTION PROCEDURE**

The contract will be awarded in accordance with the competitive sealed proposals process

under Code of Maryland Regulations 21.05.03. The competitive sealed proposals method is based on discussions and revision of proposals during these discussions.

Accordingly, the State may hold discussions with all offerors judged reasonably susceptible of being selected for award. However, the State also reserves the right to make an award without holding discussions. In either case of holding discussions or not doing so, the State may determine an offeror to be not responsible and/or not reasonably susceptible of being selected for award, at any time after the initial closing date for receipt of proposals. Financial proposals of qualified offerors will be opened only after all technical proposals have been evaluated.

After a review of the financial proposals of qualified offerors, the Procurement Officer may again conduct discussions with the offerors.

Offerors must confirm in writing any substantive oral clarification of their proposals made in the course of discussions. When in the best interest of the State, the Procurement Officer may permit offerors who have submitted acceptable proposals to revise their initial proposals and submit a written BAFO.

Upon completion of all discussions and negotiations, reference checks, and site visits, if any, the Procurement Officer will recommend award of the contract to the responsible offeror whose proposal is determined to be the most advantageous to the State, considering price and the evaluation factors set forth in this RFP. In making the selection, technical merit will receive greater weight than price.

## **SECTION 5. PROPOSAL FORMAT**

### **5.1 GENERAL**

The proposal should address all points and questions outlined in the RFP. It should be clear and concise in response to the information and requirements described in the RFP. Do not include any promotional items or items not directly requested.

### **5.2 FORMAT OF THE PROPOSAL**

Proposals for each service (group term life insurance and PA & D insurance) must be submitted in two separate volumes, Technical and Financial. Technical volumes must be sealed separately from financial volumes, but submitted simultaneously at the Office of the Procurement Officer (see Section 1.3). An unbound original, so identified, and six (6) bound copies of each volume are to be submitted.

For each service being proposed, offerors are required to submit a separate sealed package for each volume; one to be labeled “Technical Proposal” (Volume I) and the other to be labeled “Financial Proposal” (Volume II). Each sealed package must also bear the RFP title, name and address of the offeror, the volume numbers (I and II), and the closing date and time for receipt of the proposal on the outside of the package. A transmittal letter and a statement acknowledging receipt of any and all addenda should accompany the technical proposal. The letter should be brief and signed by an individual who is authorized to commit the offeror to the services and requirements as stated in the RFP. All proposals must be page-numbered from beginning to end.

#### **5.2.1 Volume I - Technical Proposal**

The Technical Proposal shall include:

- a. Title Page**
- b. Table of Contents**
- c. Executive Summary**

The offeror shall condense and highlight the contents of the Technical Proposal in a

separate section titled “Executive Summary”. The summary shall provide a broad overview of the contents of the entire proposal and explain any deviations. The summary must specifically identify any deviations the offeror takes from the requirements of the RFP.

**d. Proposal**

Provide a detailed discussion of the Offeror’s service capabilities and approaches to address the qualifications outlined in Section 2 of this RFP.

**e. Completed Questionnaire**

Repeat each number and question as provided in Section 3.5. Provide clear and complete responses. To assist offerors in the preparation of their responses, a disk copy of this questionnaire is available as part of the RFP in Microsoft Word 97 or Word 2000 format. It is also available through the Department’s Internet web site address at: <http://www.dbm.state.md.us>; select “procurement”.

**f. Required Submissions**

Offerors must submit:

1. Completed Proposal Affidavit (Attachment B - original copy only).
2. Certified Minority Business Enterprise (MBE) Utilization and Fair Solicitation Affidavit (See Section 1.19 and Attachment D-1).
3. Financial Statements and Annual Reports (audited preferred).
4. Draft of Plan Description for Open Enrollment booklet (See question 15).
5. Sample Benefits Booklet.

**e. Subcontractors**

Offerors must identify subcontractors and the role these subcontractors will have in the performance of the contract. Disclosure of MBE subcontractors at this point is optional.



## **5.2.2 Volume II - Financial Proposal**

Under separate sealed cover from the Technical Proposal and clearly identified with the same information noted on the Technical Proposal, the Contractor must submit an unbound original and six (6) copies of the Financial Proposal. The Financial Proposal must contain all cost information in the format specified in **Attachment E** of this RFP.

## ATTACHMENTS

In accordance with State Procurement Regulations, the Proposal Affidavit, **Attachment B** and Certified MBE Utilization and Fair Solicitation Affidavit, **Attachment D-1**, must be completed and submitted with the Technical Proposal, and the Contract Affidavit, **Attachment C**, must be submitted at the time of contract award notification.

**ATTACHMENT A**

**LIFE INSURANCE SERVICES CONTRACT**

**THIS CONTRACT** is made this \_\_\_\_\_ day of \_\_\_\_\_, 2002 by and between \_\_\_\_\_ (Contractor's Name and Address), 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 \_\_\_\_\_ whose principal address is \_\_\_\_\_ and whose principle address in Maryland is \_\_\_\_\_.
- 1.2 "Department" means the Maryland Department of Budget and Management.
- 1.3 "Financial Proposal" means the Contractor's Financial Proposal dated \_\_\_\_\_.
- 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. \_\_\_\_\_, dated March \_\_, 2002.
- 1.7 "State" means the State of Maryland.
- 1.8 "Technical Proposal" means the Contractor's Technical Proposal, dated \_\_\_\_\_.

**2. Scope of Work**

- 2.1 The Contractor shall provide life insurance services for Maryland state employees, retirees 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 \$\_\_\_\_\_.
- 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 1, 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 life 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:

(To be filled in before execution by the Contractor)

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

CONTRACTOR

\_\_\_\_\_

Date

\_\_\_\_\_

By:

Witness:

**MARYLAND DEPARTMENT OF BUDGET  
AND MANAGEMENT**

\_\_\_\_\_

Date

\_\_\_\_\_

By: T. Eloise Foster, Secretary

Witness:

Approved for form and legal  
sufficiency this \_\_\_\_\_ day  
of \_\_\_\_\_, 2002.

\_\_\_\_\_  
Assistant Attorney General

**ATTACHMENT B**

**BID/PROPOSAL AFFIDAVIT**

**A. AUTHORIZED REPRESENTATIVE**

**I HEREBY AFFIRM THAT:**

**I am the [title] \_\_\_\_\_ and the duly authorized representative of**

**[business] \_\_\_\_\_ and that I possess the legal authority to make this Affidavit on behalf of myself and the business for which I am acting.**

**B. AFFIRMATION REGARDING BRIBERY CONVICTIONS**

**I FURTHER AFFIRM THAT:**

Neither I, nor to the best of my knowledge, information, and belief, the above business (as is defined in Section 16-101(b) of the State Finance and Procurement Article of the Annotated Code of Maryland), or any of its officers, directors, partners, or any of its employees directly involved in obtaining or performing contracts with public bodies (as is defined in Section 16-101(f) of the State Finance and Procurement Article of the Annotated Code of Maryland), has been convicted of, or has had probation before judgment imposed pursuant to Article 27, Section 641 of the Annotated Code of Maryland, or has pleaded nolo contendere to a charge of bribery, attempted bribery, or conspiracy to bribe in violation of Maryland law, or of the law of any other state or federal law, **except as follows** [indicate the reasons why the affirmation cannot be given and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of person(s) involved, and their current positions and responsibilities with the business]:

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**C. AFFIRMATION REGARDING OTHER CONVICTIONS**

**I FURTHER AFFIRM THAT:**

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, or any of its employees directly involved in obtaining or performing contracts with public bodies, has:

- (a) been convicted under state or federal statute of a criminal offense incident to obtaining, attempting to obtain, or performing a public or private contract, fraud, embezzlement, theft, forgery, falsification or destruction of records, or receiving stolen property;

(b) been convicted of any criminal violation of a state or federal antitrust statute;

(c) been convicted under the provisions of Title 18 of the United States Code for violation of the Racketeer Influenced and Corrupt Organization Act, 18 U.S.C. §§1961, et seq., or the Mail Fraud Act, 18 U.S.C. §§1341, et seq., for acts arising out of the submission of bids or proposals for a public or private contract;

(d) been convicted of a violation of the State Minority Business Enterprise Law, Section 14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland;

(e) been convicted of conspiracy to commit any act or omission that would constitute grounds for conviction or liability under any law or statute described in subsection (a), (b), (c), or (d) above;

(f) been found civilly liable under a state or federal antitrust statute for acts or omissions in connection with the submission of bids or proposals for a public or private contract;

(g) admitted in writing or under oath, during the course of an official investigation or other proceeding, acts or omissions that would constitute grounds for conviction or liability under any law or statute described above, **except as follows** [indicate reasons why the affirmation cannot be given, and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of the person(s) involved and their current positions and responsibilities with the business, and the status of any debarment]:

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#### **D. AFFIRMATION REGARDING DEBARMENT**

##### **I FURTHER AFFIRM THAT:**

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, or any of its employees directly involved in obtaining or performing contracts with public bodies, has ever been suspended or debarred (including being issued a limited denial of participation) by any public entity, **except as follows** [list each debarment or suspension providing the dates of the suspension or debarment, the name of the public entity and the status of the proceedings, the name(s) of the person(s) involved and their current positions and responsibilities with the business, the grounds for the debarment or suspension, and the details of each person's involvement in any activity that formed the grounds for the debarment or suspension]:

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#### **E. AFFIRMATION REGARDING DEBARMENT OF RELATED ENTITIES**

##### **I FURTHER AFFIRM THAT:**

1. The business was not established and it does not operate in a manner designed to evade the application of or defeat the purpose of debarment pursuant to Sections 16-101, et seq., of the State

Finance and Procurement Article of the Annotated Code of Maryland; and

2. The business is not a successor, assignee, subsidiary, or affiliate of a suspended or debarred business, **except as follows** [indicate the reason(s) why the affirmations cannot be given without qualification]:

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**F. SUB-CONTRACT AFFIRMATION**

**I FURTHER AFFIRM THAT:**

Neither I, nor to the best of my knowledge, information, and belief, the above business, has knowingly entered into a contract with a public body under which a person debarred or suspended under Title 16 of the State Finance and Procurement Article of the Annotated Code of Maryland will provide, directly or indirectly, supplies, services, architectural services, construction related services, leases of real property, or construction.

**G. AFFIRMATION REGARDING COLLUSION**

**I FURTHER AFFIRM THAT:**

Neither I, nor to the best of my knowledge, information, and belief, the above business has:

1. Agreed, conspired, connived, or colluded to produce a deceptive show of competition in the compilation of the accompanying bid or offer that is being submitted;
2. In any manner, directly or indirectly, entered into any agreement of any kind to fix the bid price or price proposals of the bidder or Offeror or of any competitor, or otherwise taken any action in restraint of free competitive bidding in connection with the contract for which the accompanying bid or offer is submitted.

**H. FINANCIAL DISCLOSURE AFFIRMATION**

**I FURTHER AFFIRM THAT:**

I am aware of, and the above business will comply with, the provisions of Section 13-221 of the State Finance and Procurement Article of the Annotated Code of Maryland, which require 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 the contracts, leases, or other agreements reaches \$100,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

**I. POLITICAL CONTRIBUTION DISCLOSURE AFFIRMATION**

**I FURTHER AFFIRM THAT:**

I am aware of, and the above business will comply with, Article 33, Sections 14-101 -- 14-104,

Annotated Code of Maryland, which requires that every person that enters into contracts, leases or other agreements with the State of Maryland, including its agencies or a political subdivision of the State, during a calendar year in 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.

## **J. DRUG AND ALCOHOL FREE WORKPLACE**

(Applicable to all contracts unless the contract is for a law enforcement agency and the agency head or the agency head's designee has determined that application of COMAR 21.11.08 and this certification would be inappropriate in connection with the law enforcement agency's undercover operations.)

### **I CERTIFY THAT:**

1. Terms defined in COMAR 21.11.08 shall have the same meaning when used in this certification.
2. By submission of its bid or offer, the business, if other than an individual, certifies and agrees that, with respect to its employees to be employed under a contract resulting from this solicitation, the business shall:
  - (a) Maintain a workplace free of drug and alcohol abuse during the term of the contract;
  - (b) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of drugs, and the abuse of drugs or alcohol is prohibited in the business' workplace and specifying the actions that will be taken against employees for violation of these prohibitions;
  - (c) Prohibit its employees from working under the influence of drugs or alcohol;
  - (d) Not hire or assign to work on the contract anyone whom the business knows, or in the exercise of due diligence should know, currently abuses drugs or alcohol and is not actively engaged in a bona fide drug or alcohol abuse assistance or rehabilitation program;
  - (e) Promptly inform the appropriate law enforcement agency of every drug-related crime that occurs in its workplace if the business has observed the violation or otherwise has reliable information that a violation has occurred;
  - (f) Establish drug and alcohol abuse awareness programs to inform its employees about:
    - (i) The dangers of drug and alcohol abuse in the workplace;
    - (ii) The business' policy of maintaining a drug and alcohol free workplace;
    - (iii) Any available drug and alcohol counseling, rehabilitation, and employee assistance programs; and
    - (iv) The penalties that may be imposed upon employees who abuse drugs and alcohol in the workplace;
  - (g) Provide all employees engaged in the performance of the contract with a copy of the statement required by § 2(b), above;
  - (h) Notify its employees in the statement required by § 2(b), above, that as a condition of continued employment on the contract, the employee shall:

(i) Abide by the terms of the statement; and

(ii) Notify the employer of any criminal drug or alcohol abuse conviction for an offense occurring in the workplace not later than 5 days after a conviction;

(i) Notify the Contract Officer within 10 days after receiving notice under 2(h)(ii), above, or otherwise receiving actual notice of a conviction;

(j) Within 30 days after receiving notice under § 2(h)(ii), above, or otherwise receiving actual notice of a conviction, impose either of the following sanctions or remedial measures on any employee who is convicted of a drug or alcohol abuse offense occurring in the workplace:

(i) Take appropriate personnel action against an employee, up to and including termination; or

(ii) Require an employee to satisfactorily participate in a bona fide drug or alcohol abuse assistance or rehabilitation program; and

(k) Make a good faith effort to maintain a drug and alcohol free workplace through implementation of §§ 2(a) - (j), above.

3. If the business is an individual, the individual shall certify and agree as set forth in § 4, below, that the individual shall not engage in the unlawful manufacture, distribution, dispensing, possession, or use of drugs or the abuse of drugs or alcohol in the performance of the contract.

4. I acknowledge and agree that:

(a) The award of the contract is conditional upon compliance with COMAR 21.11.08 and this certification;

(b) The violation of the provisions of COMAR 21.11.08 or this certification shall be cause to suspend payments under, or terminate the contract for default under, COMAR 21.07.01.11 or 21.07.03.15, as applicable; and

(c) The violation of the provisions of COMAR 21.11.08 or this certification in connection with the contract may, in the exercise of the discretion of the Board of Public Works, result in suspension and debarment of the business under COMAR 21.08.06.

**K. CERTIFICATION OF CORPORATION REGISTRATION AND TAX PAYMENT**

**I FURTHER AFFIRM THAT:**

1. The business named above is a (domestic \_\_\_\_ ) (foreign \_\_\_\_ ) corporation registered in accordance with the 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 Assessments and Taxation is:

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

[If not applicable, so state].

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 the Comptroller of the Treasury, the State Department of Assessments and Taxation, and the Department of Labor, Licensing and Regulation, as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.

**L. CONTINGENT FEES**

**I FURTHER AFFIRM THAT:**

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.

**M. ACKNOWLEDGEMENT**

**I ACKNOWLEDGE THAT** this Affidavit is to be furnished to the Procurement Officer and may be distributed to units of (1) the State of Maryland; (2) counties or other subdivisions of the State of Maryland; (3) other states; and (4) the federal government. I further acknowledge that this Affidavit is subject to applicable laws of the United States and the State of Maryland, both criminal and civil, and that nothing in this Affidavit or any contract resulting from the submission of this bid or proposals shall be construed to supersede, amend, modify, or waive, on behalf of the State of Maryland or any unit of the State of Maryland having jurisdiction, the exercise of any statutory right or remedy conferred by the Constitution and the laws of Maryland with respect to any misrepresentation made or any violation of the obligations, terms, and covenants undertaken by the above business with respect to (1) this Affidavit, (2) the contract, and (3) other Affidavits comprising part of the contract.

**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: \_\_\_\_\_

By: \_\_\_\_\_  
(Authorized Representative  
and Affiant)

BPAFF

6/13/01



**ATTACHMENT C**  
**COMAR 21.07.01.25**  
**CONTRACT AFFIDAVIT**

**A. AUTHORIZED REPRESENTATIVE**

I HEREBY AFFIRM THAT:

I am the \_\_\_\_\_  
(title)

and the duly authorized representative of \_\_\_\_\_  
(business)

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\_\_\_\_\_) (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:\_\_\_\_\_

Address:\_\_\_\_\_

(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/Proposal Affidavit dated\_\_\_\_\_, 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:\_\_\_\_\_

BY:\_\_\_\_\_ Signature

\_\_\_\_\_  
(Authorized Representative and Affidavit)

## ATTACHMENT D

STATE OF MARYLAND

# Department of Budget & Management

## MINORITY BUSINESS ENTERPRISE PARTICIPATION

### PURPOSE

Contractor shall structure its procedures for the performance of the work required in this contract to attempt to achieve the minority business enterprise (MBE) goal stated in the Invitation for Bids or Request for Proposals. MBE performance must be in accordance with this Exhibit, as authorized by Code of Maryland Regulations (COMAR) 21.11.03. Contractor agrees to exercise all good faith efforts to carry out the requirements set forth in this Exhibit.

### DEFINITIONS

As used in this Exhibit, the following words have the meanings indicated.

- ◆ “Certification” means a determination made by the Maryland Department of Transportation that a legal entity is a minority business enterprise.
- ◆ “MBE Liaison” is the employee designated to administer this Department’s MBE program.
- ◆ “Minority Business Enterprise” or “MBE” means any legal entity, other than a joint venture, organized to engage in commercial transactions, that is:
  - (1) at least 51 percent owned and controlled by one or more individuals who are socially and economically disadvantaged; and
  - (2) managed by, and the daily business operations of which are controlled by, one or more of the socially and economically disadvantaged individuals who own it.

*Note:* A minority business enterprise also includes a not-for-profit entity organized to promote the interests of physically or mentally disabled individuals.

An MBE **must be** certified in order to have its contract participation counted under the Department’s MBE program.

### MBE GOALS AND SUB-GOALS

**An overall MBE subcontract participation goal of 1 percent (1%) of the total insurance premiums paid to the contractor has been established for this procurement.** This dollar amount includes:

- A sub-goal of 40 percent of the total dollar amount paid to MBEs to be allocated to certified minority business enterprises classified as women-owned businesses.
- A sub-goal of 28 percent of the total dollar amount paid to MBEs to be allocated to certified minority business enterprises classified as African American-owned businesses.

By submitting a response to this solicitation, the bidder or offeror agrees that these dollar amounts of the contract will be performed by certified minority business enterprises as specified.

- ◆ A prime contractor — including an MBE prime contractor — must accomplish an amount of work not less than the MBE subcontract goal with certified MBE subcontractors.
- ◆ A prime contractor comprising a joint venture that includes MBE partner(s) must accomplish the MBE subcontract goal with certified MBE subcontractors.

## SOLICITATION AND CONTRACT FORMATION

- ◆ A bidder or offeror must include with its bid or offer a completed MBE Utilization and Fair Solicitation Affidavit (ATTACHMENT D-1) whereby the bidder or offeror acknowledges the certified MBE participation goal, commits to make a good faith effort to achieve the goal, and affirms that MBE subcontractors were treated fairly in the solicitation process. **If a bidder or offeror fails to submit this affidavit, the Department may deem the bid or offer non-responsive.**
  
- ◆ Within 10 working days from notification that it is the apparent awardee or from the date of the actual award, whichever is earlier, the apparent awardee must provide the following documentation to the MBE Liaison. **If the apparent awardee fails to return each completed document within the required time, the award is voidable.**
  - (1) Outreach Efforts Compliance (ATTACHMENT D-2)
  - (2) MBE Participation Schedule (ATTACHMENT D-3)
  - (3) Subcontractor Project Participation Statement (ATTACHMENT D-4)
  - (4) In the rare event that the apparent awardee believes a waiver is necessary of the overall MBE goal or of any sub-goal by MBE classification, it may submit a waiver request that complies with COMAR 21.11.03.11 in the place of the MBE Participation Schedule.
  - (5) Any other documentation required by the Department's MBE Liaison to ascertain bidder or offeror responsibility in connection with the certified MBE participation goal.

## CONTRACT ADMINISTRATION REQUIREMENTS

Contractor shall:

1. Submit monthly to the Department a report listing any unpaid invoices, over 30 days old, received from any certified MBE subcontractor, the amount of each invoice and the reason payment has not been made (Attachment D-5).
2. Include in its agreements with its certified MBE subcontractors a requirement that those subcontractors submit monthly to the Department a report that identifies the prime contract and lists all payments received from Contractor in the preceding 30 days, as well as any outstanding invoices, and the amount of those invoices (Attachment D-6).
3. Maintain such records as are necessary to confirm compliance with its MBE participation obligations. These records must indicate the identity of certified minority and non-minority subcontractors employed on the contract, the type of work performed by each, and the actual dollar value of work performed.
4. Consent to provide such documentation as reasonably requested and to provide right-of-entry at reasonable times for purposes of the State's representatives verifying compliance with the MBE participation obligations. Contractor must retain all records concerning MBE participation and make them available for State inspection for three years after final completion of the contract.
5. At the option of the procurement agency, upon completion of the contract and before final payment and/or release of retainage, submit a final report in affidavit form and under penalty of perjury, of all payments made to, or withheld from MBE subcontractors.

**ADDITIONAL ATTACHMENTS TO**  
**MINORITY BUSINESS ENTERPRISE PARTICIPATION FORMS**

**ATTACHMENT D-1** - *Certified MBE Utilization and Fair Solicitation Affidavit* (must be submitted with bid or offer)

**ATTACHMENT D-2** - *Outreach Efforts Compliance* (must be submitted within 10 working days of notification of apparent award)

**ATTACHMENT D-3** - *MBE Participation Schedule* (must be submitted with Attachment D-2)

**ATTACHMENT D-4** - *Subcontractor Project Participation Statement* (must be submitted with Attachment D-2)

**ATTACHMENT D-5** - Maryland Department of Budget and Management Minority Business Enterprise Participation – Prime Contractor Unpaid MBE Invoice Report

**ATTACHMENT D-6** - Maryland Department of Budget and Management Minority Business Enterprise Participation – Subcontractor Payment Report

**ATTACHMENT D-1**

**CERTIFIED MBE UTILIZATION**  
**AND FAIR SOLICITATION**

**AFFIDAVIT**

In conjunction with the bid or offer submitted in response to Solicitation No. F10R2200273, I affirm the following:

1. I acknowledge the overall certified Minority Business Enterprise (MBE) participation goal of 1 percent (1%) of paid premiums and, if specified in the solicitation, subgoals of 40 percent for MBEs classified as African American-owned and 28 percent for MBEs classified as women-owned. I commit to make a good faith effort to achieve this goal.
2. I understand that if I am notified that I am selected for contract award, I must submit the documentation described in the MBE Participation Exhibit within 10 working days of receiving notice of the potential award or from the date of actual award, whichever is earlier. If I fail to do so, I understand any apparent award will be deemed voidable.
3. In the solicitation of subcontract quotations or offers, MBE subcontractors were provided not less than the same information and amount of time to respond as were non-MBE subcontractors.
4. The solicitation process was conducted in such a manner so as to not place MBE subcontractors at a competitive disadvantage to non-MBE subcontractors.

I solemnly affirm under the penalties of perjury that the contents of this paper are true to the best of my knowledge, information, and belief.

\_\_\_\_\_  
Bidder/Offeror Name

\_\_\_\_\_  
Signature of Affiant

\_\_\_\_\_  
Address

\_\_\_\_\_  
Printed Name, Title

\_\_\_\_\_  
Date

**SUBMIT THIS AFFIDAVIT WITH BID/PROPOSAL**

## ATTACHMENT D-2

### OUTREACH EFFORTS COMPLIANCE

### STATEMENT

In conjunction with the bid or offer submitted in response to Solicitation No. F10R2200273, I state the following:

1. Bidder/ Offeror identified opportunities to subcontract in these specific work categories:
  
2. Attached to this form are copies of written solicitations (with bidding instructions) used to solicit certified MBEs for these subcontract opportunities.
  
3. Bidder/Offeror made the following attempts to contact personally the solicited MBEs:
  
4.  Bidder/Offeror assisted MBEs to fulfill or to seek waiver of bonding requirements. (DESCRIBE EFFORTS)
  
- This project does not involve bonding requirements.
  
5.  Bidder/Offeror did/did not attend the pre-bid conference  
 No pre-bid conference was held.

\_\_\_\_\_ By: \_\_\_\_\_  
Bidder/Offeror Name

\_\_\_\_\_ Name, Title

\_\_\_\_\_ Date

**ATTACHMENT D-3**

**MBE PARTICIPATION**

**SCHEDULE**

Prime Contractor (Firm Name, Address, Phone)	Project Description
Project Number	Total Contract Amount \$
List Information For Each Certified MBE Subcontractor On This Project	
A. Minority Firm Name, Address, Phone MBE Classification: _____	
MBE Certification Number	
Work To Be Performed	
Project Commitment Date	Project Completion Date
Agreed Dollar Amount	Percentage Of Total Contract
B. Minority Firm Name, Address, Phone MBE Classification: _____	
MBE Certification Number	
Work To Be Performed	
Project Commitment Date	Project Completion Date
Agreed Dollar Amount	Percentage Of Total Contract
C. Minority Firm Name, Address, Phone MBE Classification: _____	
MBE Certification Number	
Work To Be Performed	
Project Commitment Date	Project Completion Date
Agreed Dollar Amount	Percentage Of Total Contract
D. Minority Firm Name, Address, Phone MBE Classification: _____	
MBE Certification Number	
Work To Be Performed	
Project Commitment Date	Project Completion Date
Agreed Dollar Amount	Percentage Of Total Contract

MBE Firms Total Dollar Amount Overall \$ \_\_\_\_\_  
 MBE Firms Total Percentage Overall \_\_\_\_\_%  
 African American MBE Dollar Amount \$ \_\_\_\_\_  
 African American MBE Percentage \_\_\_\_\_%  
 Women MBE Dollar Amount \$ \_\_\_\_\_  
 Women MBE Percentage \_\_\_\_\_%

List Additional MBE Subcontractors Or Provide  
Any Additional Comments on Separate Paper.

Document Prepared By: (please print or type)  
 Name: \_\_\_\_\_ Title: \_\_\_\_\_

**ATTACHMENT D-4**

**SUBCONTRACTOR PROJECT PARTICIPATION**

**STATEMENT**

SUBMIT ONE FORM FOR EACH CERTIFIED MBE LISTED IN THE MBE PARTICIPATION SCHEDULE

Provided that \_\_\_\_\_ is awarded the State contract in  
(Prime Contractor Name)

conjunction with Solicitation No. F10R2200273, it and \_\_\_\_\_,  
(Subcontractor Name )

MDOT Certification No. \_\_\_\_\_, intend to enter into a contract by which Subcontractor shall:

(describe work) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- No bonds are required of Subcontractor
- The following amount and type of bonds are required of Subcontractor:

\_\_\_\_\_  
Prime Contractor Signature

\_\_\_\_\_  
Subcontractor Signature

By: \_\_\_\_\_  
Name, Title

By: \_\_\_\_\_  
Name, Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date



This form is to be completed monthly by the MBE contractor.

**ATTACHMENT D-5**  
**Maryland Department of Budget and Management**  
**Minority Business Enterprise Participation**  
**Prime Contractor Unpaid MBE Invoice Report**

Report _____  Month/Year _____  <p style="text-align: center;"><b>Report Due By the 15<sup>th</sup> of the following Month.</b></p>	Contract # _____ Contracting Unit _____ Contract Amount _____ MBE Sub ContractAmt. _____ Contract Begin Date _____ Contract End Date _____ Services Provided _____
---	--

Prime Contractor:		Contact Person:	
Address:			
City:		State:	ZIP:
Phone:	FAX:		

Subcontractor:		Contact Person:	
Address:			
City:		State:	ZIP:
Phone:	FAX:		

<b>Subcontractor Services Provided:</b>	
List any unpaid invoices over 30 days old received from this vendor and reason for non-payment	
1.	
2.	
3.	
Total Amount Unpaid: \$ _____	

\*\*If more than one MBE subcontractor is used for this contract please use separate forms.

Return one (1) copy of this form to each of the following addresses:

Department of Budget and Management Employee Benefits Division ATTN: Napoleon Curameng 301 W. Preston Street, Room 509 Baltimore, MD 21201	MBE Liaison Officer Department of Budget and Management Procurement Unit, Room 113 45 Calvert Street Annapolis, MD 21401
--	--

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

This form is to be completed monthly by the MBE contractor.

**ATTACHMENT D-6**  
**Maryland Department of Budget and Management**  
**Minority Business Enterprise Participation**  
**Subcontractor Payment Report**

Report _____  Month/Year _____  <p align="center"><b>Report Due By the 15<sup>th</sup> of the following Month.</b></p>	Contract # _____ Contracting Unit _____ Contract Amount _____ MBE Sub Contract Amt. _____ Contract Begin Date _____ Contract End Date _____ Services Provided _____
--	---

MBE Subcontractor Name:		
MDOT Certification #		
Contact Person		
Address:		
City	State:	ZIP:
Phone:	FAX:	
Subcontractor Services Provided:		
<b>List all payments received from Prime Contractor in the preceding 30 days.</b> 1.  2.  3.  <b>Total Dollars Paid: \$</b> _____	<b>List dates and amounts of any outstanding invoices.</b> 1.  2.  3.  <b>Total Dollars Unpaid: \$</b> _____	
Prime Contractor Name:		Contact Person:

Return one (1) copy of this form to each of the following addresses:

Department of Budget and Management Employee Benefits Division ATTN: Napoleon Curameng 301 W. Preston Street, Room 509 Baltimore, MD 21201	MBE Liaison Officer Department of Budget and Management Procurement Unit, Room 113 45 Calvert Street Annapolis, MD 21401
--	--

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**ATTACHMENT E: Financial Proposal Form (Revised)**

**Attachment E-1: Term Life Insurance**

**Unit Cost Detail For Base Contract Term**

The offeror shall provide monthly term life insurance rates per applicable unit of coverage (\$10,000 for employees, \$5,000 for spouses) in each age bracket indicated. A flat monthly rate per \$5,000 of coverage shall be provided for child(ren) coverage. Rates quoted in the table below shall apply to the entire 3-year base contract term. Option Year Rates shall be provided by the offeror in Attachments E-2 and E-3. Enrollment and utilization information found in Attachment G and Q&A Exhibit #6 is provided to assist offerors with rate calculations.

<b>Age of Employee/Spouse</b>	<b>Employee Monthly Rate (per \$10,000)</b>	<b>Spouse Monthly Rate (per \$5,000)</b>
<b>Under 20</b>		
20 to 24		
25 to 29		
30 to 34		
35 to 39		
40 to 44		
45 to 49		
50 to 54		
55 to 59		
60 to 64		
64 to 69		
70 to 74		
75 to 79		
80 and older		

<b>Dependent Monthly Rate (per \$5,000)</b>

**ATTACHMENT E-2**

**Term Life Insurance Unit Cost Detail**

**Option Year #1**

<b>Age of Employee/Spouse</b>	<b>Employee Monthly Rate (per \$10,000)</b>	<b>Spouse Monthly Rate (per \$5,000)</b>
<b>Under 20</b>		
20 to 24		
25 to 29		
30 to 34		
35 to 39		
40 to 44		
45 to 49		
50 to 54		
55 to 59		
60 to 64		
64 to 69		
70 to 74		
75 to 79		
80 and older		

<b>Dependent Monthly Rate (per \$5,000)</b>

**ATTACHMENT E-3**

**Term Life Insurance Unit Cost Detail**

**Option Year #2**

<b>Age of Employee/Spouse</b>	<b>Employee Monthly Rate (per \$10,000)</b>	<b>Spouse Monthly Rate (per \$5,000)</b>
<b>Under 20</b>		
20 to 24		
25 to 29		
30 to 34		
35 to 39		
40 to 44		
45 to 49		
50 to 54		
55 to 59		
60 to 64		
64 to 69		
70 to 74		
75 to 79		
80 and older		

<b>Dependent Monthly Rate (per \$5,000)</b>

**ATTACHMENT E-4**  
**Term Life Insurance 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**

<b>MEMBER GROUP</b>	<b>PREMIUMS</b>		
	<b>Base Contract Term</b>	<b>Option Year #1</b>	<b>Option Year #2</b>
<b>Employees/Retirees (A)</b>			
<b>Spouses (B)</b>			
<b>Children (C)</b>			
<b>TOTAL PREMIUMS (A + B + C)</b>	*		

**Offerors shall use the unit rates quoted in Attachment E-1 through E-3 along with the Enrollment and Utilization Data provided in Attachment G and Q&A Exhibit #6 to calculate the Total Premiums for each Member Group 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-4 above.

**\*For purposes of financial ranking, the State will use the “TOTAL PREMIUMS” (A + B + C) 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 term life 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.

## 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		
\$200,000		
\$300,000		

#### Option Year #1

Coverage Level	Employee Only	Family
\$100,000		
\$200,000		
\$300,000		

#### Option Year #2

Coverage Level	Employee Only	Family
\$100,000		
\$200,000		
\$300,000		



## 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
<b>\$100,000 (D)</b>			
<b>\$200,000 (E)</b>			
<b>\$300,000 (F)</b>			
<b>TOTAL PREMIUMS (D+ E+F)</b>	*		

**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.

**ATTACHMENT G**  
**LIFE/PA & D INSURANCE SERVICES**  
**UTILIZATION AND ENROLLMENT STATISTICS**

**Attachment G-1: Term Life Insurance**

<b>Policy Year</b>	<b>Covered Lives</b>	<b>Face Value of Contracts in Force</b>	<b>Premium Paid</b>	<b>Incurred Claims</b>	<b>Claim Loss Ratio</b>
1996	Not Available	\$1,451,900,000	\$6,810,419	\$5,122,012	75.21%
1997	53,082	1,527,145,000	7,534,604	5,812,594	77.15%
1998	57,688	1,528,485,000	8,328,480	6,091,258	73.14%
1999	61,880	1,618,601,000	8,229,022	6,731,611	81.80%
2000	65,961	2,787,835,000	9,182,597	6,920,380	75.36%
2001	72,370	3,061,786,250	10,086,761	8,424,460	83.52%
2002	75,764	N/A	N/A	N/A	N/A

**Paid Premium Detail by Employee/Dependents**

<b>PLAN</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
<b>Employee</b>	6,016,101	6,570,140	7,254,066	7,120,466	7,903,770	8,432,033
<b>Spouse/Child</b>	794,318	964,464	1,074,414	1,108,556	1,278,827	1,654,728

**Incurred Claims Detail**

<b>Incurred Claims Component</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
Employee Paid Claims	3,517,667	4,240,580	4,575,000	4,564,000	4,900,557	5,738,943
Dependent Paid Claims	1,090,700	1,031,700	1,505,000	1,641,610	1,554,500	2,327,750
Interest	47,903	57,545	74,845	42,043	45,458	52,080
Conversion	12,930	14,750	21,299	3,450	43,950	10,801
Portability	0	28,515	7,785	5,650	17,030	6,650
Change IBNR	194,114	202,317	346,821	-7,343	215,831	391,085
Change PW Reserve	25,365	244,687	-101,492	171,561	-213,446	-81,515
Change Pending	233,333	-7,500	-338,000	310,640	356,500	-21,334
<b>TOTAL</b>	<b>5,122,012</b>	<b>5,812,594</b>	<b>6,091,258</b>	<b>6,731,611</b>	<b>6,920,380</b>	<b>8,424,460</b>

**ATTACHMENT G-1, Continued**

**Current Active Employee/Spouse Enrollment By Age Bracket\***

<b>AGE GROUP</b>	<b>EMPLOYEES</b>	<b>SPOUSE S</b>	<b>CHILDREN</b>
			<b>14641</b>
16-20	44	1	
21-25	1,164	174	
26-30	3,200	1,036	
31-35	5,014	2,058	
36-40	5,992	2,582	
41-45	6,791	2,776	
46-50	6,819	2,747	
51-55	6,142	2,389	
56-60	3,541	1,453	
61-65	1,365	696	
66-70	360	266	
71-75	76	100	
76-80	13	33	
81-85	7	9	
86-90	1	4	
91-95	0	0	

\* Numbers reflect enrollment as of March, 2002.

**ATTACHMENT G-1, Continued**

**Current Retired Employee/Spouse Enrollment By Age Bracket\***

<b>AGE GROUP</b>	<b>RETIREE S</b>	<b>SPOUSE S</b>	<b>CHILDREN</b>
			<b>689</b>
21-25	0	1	
26-30	4	2	
31-35	20	16	
36-40	49	45	
41-45	138	86	
46-50	219	121	
51-55	442	224	
56-60	524	204	
61-65	582	191	
66-70	483	165	
71-75	117	72	
76-80	23	16	
81-85	2	3	
86-90	0	0	

\*Numbers reflect enrollment as of March, 2002

## Attachment G-2

### Personal Accident and Dismemberment Insurance

#### Utilization/Enrollment Data

<u>Policy Year</u>	<u>Covered Lives</u>	<u>Paid Claims</u>	<u>Premium</u>
1995	24,196	\$802,000	\$1,226,015
1996	26,241	\$1,174,713	\$1,276,484
1997	26,481	\$1,113,966	\$1,332,830
1998	28,236	\$2,143,075	\$1,412,504
1999	28,773	\$2,065,500	\$1,492,652
2000	31,866	\$1,569,950	\$1,659,259
2001	34,041	\$997,442	\$1,762,023

Pending claims for policy year 2001 that reserves are posted for are \$480,000.

Pending claims for policy year 2000 that reserves are posted for are \$150,000.

## ATTACHMENT G-2, continued

### Personal Accident and Dismemberment Insurance

#### Enrollment by Year and Coverage Level

<b>Level of Coverage</b>	<b>Amount of Coverage</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
<b>Employee</b>	<b>100,000</b>	<b>6,110</b>	<b>7,094</b>	<b>943</b>	<b>7,636</b>	<b>7,273</b>	<b>8,179</b>	<b>9,074</b>
	<b>\$200,000</b>	<b>1,869</b>	<b>2,526</b>	<b>2,074</b>	<b>2,253</b>	<b>2,229</b>	<b>2,595</b>	<b>2,751</b>
	<b>\$300,000</b>	<b>2,372</b>	<b>2,553</b>	<b>2,563</b>	<b>2,846</b>	<b>2,953</b>	<b>3,286</b>	<b>3,591</b>
<b>Family</b>	<b>\$100,000</b>	<b>6,286</b>	<b>6,923</b>	<b>6,754</b>	<b>6,971</b>	<b>6,918</b>	<b>7,305</b>	<b>7,592</b>
	<b>\$200,000</b>	<b>3,369</b>	<b>3,077</b>	<b>3,671</b>	<b>3,813</b>	<b>3,873</b>	<b>4,318</b>	<b>4,501</b>
	<b>\$300,000</b>	<b>4,190</b>	<b>4,068</b>	<b>4,476</b>	<b>4,717</b>	<b>5,527</b>	<b>6,183</b>	<b>6,532</b>

## **ATTACHMENT G-2, Continued**

### **Dollar Value of PA & D Paid Claims By Employee, Spouse, Child**

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
<b>Employee</b>	\$532,500	\$795,900	\$863,539	\$1,534,575	\$1,397,500	\$1,131,250	\$400,442
<b>Spouse</b>	\$214,500	\$353,813	\$155,427	\$361,000	\$603,000	\$315,700	\$344,500
<b>Dependent Child</b>	\$55,000	\$25,000	\$95,000	\$247,500	\$65,000	\$123,000	\$140,000

### **Percentage of Paid Claims By Employee, Spouse, Child**

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
<b>Employee</b>	66%	68%	78%	72%	68%	72%	40%
<b>Spouse</b>	27%	30%	14%	17%	29%	20%	43%
<b>Dependent</b>	7%	2%	8%	11%	3%	8%	17%

## ATTACHMENT H

### STATE OF MARYLAND H-1: LIFE INSURANCE PLAN PERFORMANCE STANDARDS

#### Semi-Annual Report Card

Name of Plan: \_\_\_\_\_

For Semi-Annual Period and Year: \_\_\_\_\_

DBM Use Only  Date Received: _____
--

Performance Standard	Standard/Goal	Reporting Measurements	Remedy
#1 Telephone call on-hold time (in phone queue)	Average of 2 minutes or less on hold before reaching a customer service representative	Report Card	\$500 per reporting period in which the standard is not met.
#2 Telephone Call Abandonment Rate	Abandonment Rate of 5% or less	Report Card	\$500 per percentage point over 5% per reporting period.
#3 Vendor Attendance at State Plan Management meetings	Attendance by plan representative(s) at 100% of meetings scheduled by the State	Sign-In sheets at the meetings	\$500 per scheduled meeting not attended.
#4 Vendor attendance at State-sponsored annual Open Enrollment and orientation meetings	Attendance by plan representative(s) at 100% of meetings scheduled by the State	Sign-in sheets at Open Enrollment meetings and coordinator surveys	\$500 per scheduled meeting not attended.
#5 Complaint Resolution Time	Plan will: a) acknowledge receipt of the written complaint to the State and member within 10 calendar days of receipt of the complaint letter and; b) provide a written complaint response to the State and member within 60 calendar days of receipt of the initial complaint letter	Report card and State correspondence logs	a) \$250 for each late acknowledgement letter, and,  b) \$250 for each late written complaint response.



**ATTACHMENT H**

**STATE OF MARYLAND  
H-2: PERSONAL ACCIDENT & DISMEMBERMENT (PA & D) PLAN  
PERFORMANCE STANDARDS**

Semi-Annual Report Card

Name of Plan: \_\_\_\_\_

For Semi-Annual Period and Year: \_\_\_\_\_

DBM Use Only  Date Received: _____
--

Performance Standard	Standard/Goal	Reporting Measurements	Remedy
#1 Telephone call on-hold time (in phone queue)	Average of 2 minutes or less on hold before reaching a customer service representative	Report Card	\$500 per reporting period in which the standard is not met.
#2 Telephone Call Abandonment Rate	Abandonment Rate of 5% or less	Report Card	\$500 per percentage point over 5% per reporting period.
#3 Vendor Attendance at State Plan Management meetings	Attendance by plan representative(s) at 100% of meetings scheduled by the State	Sign-In sheets at the meetings	\$500 per scheduled meeting not attended.
#4 Vendor attendance at State-sponsored annual Open Enrollment meetings	Attendance by plan representative(s) at 100% of meetings scheduled by the State	Sign-in sheets at Open Enrollment meetings and coordinator surveys	\$500 per scheduled meeting not attended.
#5 Complaint Resolution Time	Plan will: a) acknowledge receipt of the written complaint to the State and member within 10 calendar days of receipt of the complaint letter, and; b) provide a written complaint response to the State and member within 60 calendar days of receipt of the initial complaint letter	Report card and State correspondence logs	a) \$250 for each late acknowledgement letter, and,  b) \$250 for each late written complaint response.