



STATE OF TENNESSEE
FINANCE & ADMINISTRATION, BENEFITS ADMINISTRATION

**REQUEST FOR PROPOSALS # 31786-00165
AMENDMENT #FOUR FOR LIFE INSURANCE**

DATE: November 16, 2021

RFP # 31786-00165 IS AMENDED AS FOLLOWS:

1. This RFP Schedule of Events updates and confirms scheduled RFP dates. Any event, time, or date containing revised or new text is highlighted.

EVENT	TIME (central time zone)	DATE
1. RFP Issued		October 5, 2021
2. Disability Accommodation Request Deadline	2:00 p.m.	October 6, 2021
3. Pre-response Conference	2:30 p.m.	October 13, 2021
4. Notice of Intent to Respond Deadline	2:00 p.m.	October 14, 2021
5. Written "Questions & Comments" Deadline	2:00 p.m.	October 20, 2021
6. State Response to Written "Questions & Comments"		November 16, 2021
7. Written "Questions & Comments" Round 2 Deadline *NOTE: Vendors may submit no more than five (5) questions to the State in the 2nd round of Written Questions and Comments.	2:00 p.m.	November 23, 2021
8. State Response to Written "Questions & Comments" Round 2		December 3, 2021
9. Response Deadline	2:00 p.m.	December 13, 2021
10. State Completion of Technical Response Evaluations		January 12, 2022
11. State Opening & Scoring of Cost Proposals	2:00 p.m.	January 13, 2022
12. State Notice of Intent to Award Released <u>and</u> RFP Files Opened for Public Inspection	2:00 p.m.	January 27, 2022
13. End of Open File Period		February 3, 2022
14. State sends contract to Contractor for signature		February 4, 2022
15. Contractor Signature Deadline	2:00 p.m.	February 11, 2022

2. State responses to questions and comments in the table below amend and clarify this RFP.

Any restatement of RFP text in the Question/Comment column shall NOT be construed as a change in the actual wording of the RFP document.

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
RFP General	1.	Regarding the 'Digital Submission Instructions' document, please clarify if submitting via the specific file sharing link replaces the requirement of submitting via email and/or flash drives.	Yes, you may either submit your response via email, physical mail/deliver, or by the digital submission. If you are planning to utilize physical mail/deliver, please notify one of the RFP Solicitation Coordinators so we can coordinate that someone will be in the office to receive the delivery.
RFP General	2.	For confidential/sensitive information included in our RFP response, can the State advise how the respondent can prevent this information from becoming public record?	The State thinks that any response to this RFP can be submitted without any confidential information being provided and refers potential respondents to RFP Section 4.8. In part, it states: By submitting a response, a Respondent acknowledges and accepts that the full response contents and associated documents will become open to public inspection in accordance with the laws of the State of Tennessee.
RFP General	3.	Would the State consider modifying the Scoring Guide to prevent pricing manipulation? Under the current scoring methodology, a bidder can potentially achieve a higher Total Cost Proposal Score, while also potentially charging the State and its employees higher overall rates. For example, a bidder could quote very high AD&D rates and only lose 1 point, and use margin from that to gain more points elsewhere, but overall may still cost the state and their employees more.	No. The State of Tennessee uses evaluation factors and table weights to financially score RFP respondents on an equal basis. The evaluation factors and table weights were specifically designed so that low-cost vendors will be scored more favorably than high-cost vendors in aggregate.
RFP General	4.	We will need a census with more detailed information. <ul style="list-style-type: none"> • Voluntary life elections (if sending in a separate census, need a way to cross reference – key identifiers) • Work and home zip code • Occupations • Census for the ported employees that we are being asked to takeover • Which employees are the seasonal employees? 	See Appendix 7.6 REVISED Demographics for Eligible Basic Term Life and Basic ADD and Voluntary AD&D and new Appendix 7.14 Voluntary Term Life Census.

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RFP General	5.	Can we obtain the current inforce rates for all lines of coverage? I did not see them in the file.	See the new Appendix 7.15 Life Insurance Rates for this information. The current contract is available at: https://www.tn.gov/partnersforhealth/contracts.html and refer to section C.3.
RFP General	6.	Can we get information on the number of covid claims over the last 19 months?	There have been 77 COVID claims in 2020-2021.
RFP General	7.	Is the X's salary option on the contemporary plan limited to just 1x salary?	Yes, for basic term and basic AD&D with a minimum amount of \$50,000 and a maximum of \$250,000. The language has been updated. See Amendment item #3 below.
RFP General	8.	When do they typically offer an off-cycle enrollment allowing EE's the option to increase coverage by \$5k with no EOI?	Each year during the Annual Enrollment Period (typically in October), employees currently participating in the voluntary term life program may increase their life insurance by one \$5,000 increment to a maximum of five times base annual salary (as of September 1) or \$500,000, whichever is less without providing EOI.
RFP General	9.	There was an excel spreadsheet that showed issue age and attained age for vol life enrollment. Can you explain what is currently inforce for the Group life plans?	See Appendix 7.6 REVISED Demographics for Eligible Basic Term Life and Basic ADD and Voluntary AD&D and new Appendix 7.14 Voluntary Term Life Census.
RFP General	10.	Is there currently a PSR held by the current carrier which will be transferred to the new carrier? Is there a current balance?	No.
RFP General	11.	Waiver claim detail (DOD, gender, waiver reserve, face amount, DOB)	See new Appendix 7.17 Waiver of Premium Claims History.
RFP General	12.	If the group can provide a full plan contract that would be very helpful	The current contract is available at https://www.tn.gov/partnersforhealth/contracts.html The certificates of coverage are available at https://web1.lifebenefits.com/content/lifebenefits/tennessee/en/forms-and-documents.html
RFP General	13.	Please provide a total incurred basis detailed claim listing by coverage, including date paid, date incurred, and coverage amount.	See new Appendix 7.21 Detail Claims Listing.
RFP General	14.	Please provide a census file that includes date of birth, gender, salary, plan identifier, and coverage amount.	See Appendix 7.6 REVISED Demographics for Eligible Basic Term Life and Basic ADD and Voluntary AD&D and new Appendix 7.14 Voluntary Term Life Census.
RFP General	15.	Please provide any plan design or rate changes over the past 5 years.	There have been no plan design or rate changes over the past 5 years.

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
RFP General	16.	<p>If portability provision is part of the current plan design, are ports in the experience?</p> <p>Will they remain with the incumbent carrier?</p>	<p>Yes</p> <p>No. In-force ported certificates will be transferred to the new vendor.</p>
RFP General	17.	<p>Have all claims been provided - even those from employees who died while they were disabled? Have yearly changes in waiver of premium reserves been included in the experience?</p>	<p>Yes, all claims and waiver of premium reserves experience has been provided.</p>
RFP Cost Proposal	18.	<p>Table D in the Attachment 6.3 Cost Proposal requests that bidders provide dependent basic term life rates for three Dependent Basic Term Life options on a rate per \$1,000 basis: Spouse Only, Spouse & Child(ren), Child(ren) only. The Traditional plan design on page 92 of the RFP includes a \$3,000 basic term life benefit for Spouse and a \$3,000 basic term life benefit for child. The Table D rate section requests a spouse only life rate per \$1,000, a child only life rate per \$1,000, and a spouse & child life rate per \$1,000. How does the State intend for the spouse & child election to be billed? Assuming a \$3,000 spouse benefit and a \$3,000 child benefit for this option, will the proposed section C rate be charged against \$3,000 of spouse volume and also against another \$3,000 of child volume? If this is incorrect, please provide an example. Would the State consider removing the section C Spouse & Child rate option? If removed, employees could still elect spouse and child coverage, but the spouse only rate per \$1,000 would apply to the spouse election and the child only rate per \$1,000 would apply to the child election.</p>	<p>Regarding "How does the State intend for the spouse & child election to be billed?", the State will provide the total volume of coverage for the spouse & child basic term life enrollment. The Contractor shall determine the number of one-thousands in the total volume of coverage and multiply the result times the premium rate for the spouse & child tier of coverage.</p> <p>In regard to "Assuming a \$3,000 spouse benefit and a \$3,000 child benefit for this option, will the proposed section C rate be charged against \$3,000 of spouse volume and also against another \$3,000 of child volume?", if there is one child and a spouse there would be \$6,000 of coverage. There are six one-thousands in this example. Therefore the premium for the month would be six times the premium rate for the spouse & child tier of coverage.</p> <p>The State will not consider removing the Spouse & Child rate option.</p>
RFP Cost Proposal	19.	<p>Table D in the Attachment 6.3 Cost proposal requests that bidders provide dependent basic AD&D rates on a rate per \$1,000 basis. Please clarify how the Dependent AD&D coverage options will be billed.</p> <p>a. For example, if a spouse only is enrolled and is eligible for a \$60,000 benefit (60% of employee's \$100k), will the proposed section F spouse only rate per \$1,000 be applied</p>	<p>a. That is correct. The rate bid for \$1000 of coverage is multiplied by the amount of coverage for the spouse (in thousands).</p>

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		<p>against the \$60,000 of spouse volume?</p> <p>b. Page 92 of the RFP does not include a Basic AD&D child only option, but Table D section H requests a Basic AD&D child only rate. Under which scenario would this rate be applied? Please provide an applicable premium calculation example.</p> <p>c. When assuming the “Spouse and Children Enrolled” option on page 92 with a \$100,000 employee benefit, the spouse would receive a \$40k benefit and children would receive a \$10k benefit. Table D requests a dependent basic AD&D – spouse & children rate in section G. Would the rate per thousand that is proposed in section G apply against the \$40k spouse benefit and also against the \$10k child benefit? If not, please clarify.</p>	<p>b. The State has updated the language. See Amendment #14 below.</p> <p>c. That is correct. The calculation will be the total volume of coverage for the spouse and all children enrolled. Then the premium rate per \$1000 of coverage will be applied toward the total volume (in thousands).</p>
RFP Cost Proposal and Contract Attachment E	20.	<p>Page 98 of the RFP includes Voluntary AD&D coverage with employee options and with dependent options. The dependent coverage elections are a function of the employee election, so this infers that the employee must be enrolled in order to receive dependent coverage. Table F in the Attachment 6.3 Cost Proposal includes four rate scenarios which apply to voluntary AD&D: Employee, dependent-spouse only, dependent spouse & child, dependent-child only.</p> <p>a) The employee only rate option is clear and would apply to the employee election.</p> <p>b) Many voluntary AD&D plans are structured so that an employee-only rate applies to an employee-only election. Then there is a second option called employee & family to which a single employee & family rate applies against the employee volume only. The family option of the benefit is determined by the spouse and child makeup. An insured who elects \$100,000 under the employee & family option would receive \$100,000 on themselves, plus a \$60k spouse</p>	<p>a) No question asked. If you have a question or need clarification, please submit it during round 2 of Questions and Comments.</p> <p>b) No question asked. If you have a question or need clarification, please submit it during round 2 of Questions and Comments.</p>

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	<p>benefit if no children, or \$40k spouse and \$10k child benefits if they have a spouse and children, or a child benefit greater than 10% if they only have a child with no spouse. An example would be 20% or \$20k. This second option (employee and family) would have one rate which would apply against only the \$100k employee volume. The employee and family rate is typically higher than the employee rate to account for the potential spouse and/or child liability.</p> <p>c) The rate structure in Table D is different than what is summarized in bullet b above because it is requesting the four rate options. Assuming the example where an employee elections \$100,000 on themselves and subsequently receives \$40k in spouse coverage and \$10k in child coverage, please clarify how the premium rate calculations would work. Would the rate proposed in section A be applied against the \$40k, plus the rate proposed in section C applied against the \$40k spouse, plus the rate proposed in section C applied against the \$10k child?</p> <p>d) Assuming an example where an employee elects \$100k on themselves and subsequently receives \$60k in spouse only coverage, would the section A rate apply to the \$100k employee volume, plus the section B rate applied to the \$60k spouse coverage?</p> <p>e) Please clarify when the section D child only rate would be applied.</p>	<p>c) Assuming employee is enrolled in Traditional AD&D, as represented in Table D section E, with a coverage amount of \$100,000 and is enrolled in employee + spouse & child(ren) coverage, as represented in section G, the calculation would be:</p> <p>The calculation will be the total volume of coverage for the spouse and all children enrolled. Then the premium rate per \$1000 of coverage for "spouse & child(ren) will be applied toward the total volume (in thousands). This total dependent premium will be added to the employee total premium which has been determined by multiplying the employee premium rate times the volume of employee coverage (in thousands).</p> <p>d. The total volume of coverage in Table D section A cannot exceed \$50,000 since this is the Traditional plan. However, your logic is accurate in that the employee premium and the spouse premium are calculated separately and then added together for a total monthly premium.</p> <p>e. The Table D section D child(ren) only rate would be applied to the total volume of coverage for child(ren) enrolled in the employee + child(ren) level of coverage. The calculated child(ren) monthly premium would be added to the calculated employee monthly premium for a total monthly premium.</p>

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General	21.	<p>Takeover of Employees on portability. What are the rates?</p> <p>Can we change the rates, or do they have to remain at a maximum of +20%?</p> <p>How many EE's, dependents are we being asked to takeover.</p> <p>Did the prior carrier require EOI for portability or can you port coverage if sick/injured?</p>	<p>The current ported rates are shown in the new Appendix 7.15 Life Insurance Rates.</p> <p>Ported rates are to be proposed by Respondent in their RFP cost proposal Table H. They cannot exceed the proposed active rates in Table G by more than 20%.</p> <p>There are currently 3,862 voluntary ported members (2,318 employees, 962 spouses, 582 child riders)</p> <p>You would not be able to port coverage if you are disabled. Per the Portability information you can port coverage if coverage is lost due to retirement, termination of employment, layoff or leave, other loss of eligibility. EOI is not required.</p>
General	22.	We are not going to agree to establish our waiver reserves at 40%.	This is a requirement of the contract and the winning Respondent must adhere to all contract requirements.
General	23.	<p>The minimum premium insured plan is listed as ER/EE paid. Having a minimum premium plan set up with EE premium is difficult. How do they collect the additional premium when we make a call?</p> <p>Additional questions received after clarifying original question:</p> <ul style="list-style-type: none"> • In a year where claims exceed the premium how does the premium get collected to offset the deficit "or" does the deficit just carry forward • Is there currently a PSR (Premium Stabilization Reserve) 	<p>Please see Contract Section C.3.d.vi. Basic Term Life/Basic AD&D Expenses and Earned Premium</p> <p>If, at the end of any Contract year, except the last, subject to the payment provisions of Section C.3 above, the total annual charges exceed the maximum annual liability, the deficit may be carried forward into the next contract year. The Contractor may amortize the deficit over the next Contract year and include it in the monthly cost statement. The deficit can only be recovered each year up to the maximum annual liability. Any deficit incurred during the final year of this Contract shall be the responsibility of the Contractor.</p> <p>If, at the end of any Contract year, subject to the payment provisions of Section C.3, the maximum annual liability exceeds the total annual charges, the excess premium (up to 10% of the year's annual premium) may be carried forward by the State to the next Contract year. Although the excess premium will be determined on a cumulative basis, the amount of the excess premium carried forward cannot exceed ten percent (10%) of the annual premium for the prior Contract year.</p> <p>No.</p>

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		<p> tied to this Policy? If so can the balance be shared.</p> <ul style="list-style-type: none"> • Can the rates be adjusted on a go forward basis to ensure there is enough in premium to pay the claims in subsequent years of do they get pulled from the PSR • Are there examples of the year-end accounting for the participating contract? • Lastly, There is a report that does mention “Remitted Premium”. Is there a separate “billed premium” that shows the needed premium to offset the deficit? 	<p>No.</p> <p>See Contract Section C.3.d.vi. shown above.</p> <p>The monthly/year-to-date invoice spreadsheet will reflect cumulative deficit to be used in the monthly calculation of payment due.</p>
General	24.	Please provide current Member Handbook	<p>All publications can be found on our website at: https://www.tn.gov/partnersforhealth/publications/</p> <p>A direct link to the member handbook is: https://www.tn.gov/content/dam/tn/finance/fa-benefits/documents/life_handbook_2022.pdf</p>
General	25.	Please provide the number of Member handbooks distributed annually over the past 5 years	<p>2021 (as of 10/29/21): 7,197 2020: 4,299 2019: 5,335 2018: 5,000 2017: 5,000</p>
General	26.	Please provide plan change history	There have been no plan design or rate changes over the past 5 years.
General	27.	Please provide current rates/fee and rate/fee history including portable rates	See new Appendix 7.15 Life Insurance Rates.
General	28.	<p>A third party vendor may be needed to handle some of the administrative tasks and duties. Do they currently use one?</p> <p>What is the expectation here?</p>	<p>The current vendor does not utilize the services of subcontractors specifically for this plan.</p> <p>Per section 4.4 of the RFP, the use of subcontractors is allowed with state approval. If a Respondent intends to use subcontractors, the response to this RFP must specifically identify the scope and portions of the work each subcontractor will perform (refer to RFP Attachment 6.2., Section B, General Qualifications & Experience Item B.12.). Please refer to the</p>

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			included contract to fully understand the restrictions on the use of subcontractors.
	29.	<p>Please provide a census including:</p> <ul style="list-style-type: none"> • Unique employee identifier • Basic Life election • Indicator of who is enrolled in the Health Plan • Basic Deps election • Basic AD&D election • Supplemental Life election • Supplemental Dependent Life election • Supplemental AD&D election (employee and deps) • Work Zip Code • Occupation/Job Title • Identify Permaplan employees 	See Appendix 7.6 REVISED Demographics for Eligible Basic Term Life and Basic ADD and Voluntary AD&D.
General	30.	Please provide individual claim listing including date of death, date paid and claim amount and interest paid and please indicate type of claim (Basic Life, Supp Life, Port, etc.)	See new Appendix 7.21 Detail Claims Listing.
General	31.	Please indicate which claims 2020 to current are as a result of COVID	See the new Appendix 7.18 COVID Death Claims.
General	32.	Please provide a premium waiver listing for both basic life and supplemental life including date of birth, date of disability, gender, reserve and face amount	See the new Appendix 7.17 Waiver of Premium Claims History.
General	33.	Please provide dates for any open enrollments (if applicable)	The state does not offer an open enrollment, whereby anyone can join the voluntary term life insurance plan without EOI. We have an annual enrollment period, typically in October where employees currently participating in the voluntary term life program may increase their life insurance by \$5,000 as long as their guaranteed issue maximum is not exceeded. EOI is not required during the annual enrollment period for enrollment in basic term life/ad&d or voluntary ad&d.
General	34.	Please provide the previous 5 years of historical accountings	See the new Appendix 7.13 Basic Term Life and ADD Invoice.
General	35.	Please provide monthly changes in supplemental lives (employee and dependent) over the past 5 years	See the new Appendix 7.16 Voluntary Term Life Enrollment History.
General	36.	Please clarify- are disabled employees allowed to port their coverage?	No if the employee is on waiver of premium and the waiver of premium ends they would only be able to convert their coverage.
General	37.	Is the State Plan subject to Premium Tax?	Carriers should consult their own tax experts to review the applicable state laws.

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General	38.	We assume that by your reference of the term "Expenses" you are including claims. Please verify and if not, please define "Expenses".	Assuming you are referring to the term "expenses" in section C.3 of the contract, then yes, expenses would include claims.
General	39.	Please provide how many EOI requests are received and processed annually for the past 5 years	There are approximately 400-500 EOI requests annually.
General	40.	Please provide a census for all ported members	See the new Appendix 7.14 Voluntary Term Life Census.
General	41.	Please provide plan design information for the basic life program prior to 1/1/18 if it was different than current	The current basic term life benefits are the same as prior to 1/1/18.
General	42.	Please clarify if there is still a Voluntary Universal Life plan in place and if those members will be moving to the new contractor still under a Universal Life arrangement. Is this experience currently included in Appendix 7.4?	The Universal Life contract is closed to new enrollments. It is a separate contract and unrelated to this RFP. The members will not move to the new contractor. The experience is not included in Appendix 7.4.
General	43.	Please define maximum annual liability.	The maximum annual liability is the maximum payment amount, by the state to the contractor, allowed each year under the contract.
General	44.	Please clarify the monthly administrative charge for voluntary term life- is this paid to the contractor monthly or guaranteed at renewal?	There is no monthly administrative fee paid to the contractor for voluntary term. As stated in the cost proposal. Premium rates should be inclusive of all profits and expenses (i.e., administrative, claim, reserve, etc.).
General	45.	What is the process for remitting payment from Tennessee to the carrier? Are there file feeds involved? Do we need to access data within Edison to create it?	The State will remit electronic payments utilizing automated clearing house. The Contractor is required to register with the State as a Supplier through the Edison Supplier Portal and provide the prerequisite documentation as provided in C.12 of the contract. On a monthly basis, the State sends the document titled Basic Term & ADD Monthly Enrollment Statistics Report for the Contractor to generate the invoice for Basic Term Life and AD&D, provided in the new Appendix 7.19. The Contractor provides a monthly spreadsheet to Benefits Administration for the billing activity. See the new Appendix 7.13 Basic Term Life and ADD Invoice. In addition, the State provides the Contractor with a spreadsheet that supports the payment of the Voluntary AD&D premiums. See the new Appendix 7.20 Voluntary ADD October 2021.

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			<p>The Contractor will provide to the State a monthly premiums change file for members whose premiums are payroll deducted. The State will provide a monthly premiums collected file. See appendices 7.10 and 7.11. For file feeds concerning employee eligibility and termination, please refer to A.11 of the contract for the electronic data interface requirements and Appendices 7.8 and 7.9 for file layouts. The State will create these files.</p>
General	46.	<p>Please clarify what type of billing is expected. Self-administration through Tennessee or summary billing by the carrier? Or a different method?</p>	<p>The Contractor will invoice the State for Basic Term Life and Basic Accidental Death & Dismemberment as noted in C.6. of the contract. The State will generate the purchase order for the payment of Voluntary Accidental Death & Dismemberment and for Voluntary Term Life Insurance as noted in C.7 of the contract.</p>
General	47.	<p>What HRIS system or vendor/TPA do you use?</p>	<p>The State's enterprise resource planning system is PeopleSoft 9.2 which is known as "Edison"</p>
General	48.	<p>How are file transfers handled? Through a TPA or through Tennessee?</p>	<p>The Contractor will retrieve the files from the State of TN's secure server (SFTP). The carrier will also submit files to the State of TN this way.</p>
General	49.	<p>Is the carrier expected to provide full enrollment capabilities for voluntary benefits?</p>	<p>Yes, for Voluntary Term. It should be online through the vendor's website/portal.</p> <p>No for basic term/basic AD&D, and Voluntary AD&D. Employees will enroll in these benefits through the State's PeopleSoft system (Edison).</p>
General	50.	<p>Is the carrier expected to provide beneficiary management and record keeping capabilities? i.e. retain all beneficiary designations, changes, forms, etc.</p>	<p>Yes, for Voluntary term through the vendor's website/portal.</p> <p>The State will manage this function for basic term/basic AD&D, and Voluntary AD&D.</p>
General	51.	<p>If ports are included in the experience, do provided premium figures include premium from ports? What are the current port rates and conditions required to elect portability? Any historical changes to these?</p>	<p>See Appendix 7.4 Claims and premium experience 2013 - June 2021 - Voluntary Term Life for premium figures from ports. See the new Appendix 7.15 Life Insurance Rates for the port rates.</p> <p>The current portability conditions are – "If you are no longer eligible for coverage as an active employee, you may continue (port) up to 50 percent of your voluntary group term life insurance under the group plan with a minimum of \$5,000 and a maximum of \$250,000. Insurance will be on a direct bill basis. Continued (ported) coverage ends at</p>

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			the end of the year you reach age 70. Rates are the same as those paid by active employees.” The amount of portable coverage available was changed from full coverage to ½ the current coverage amount that the member has. This was changed for the current contract.
General	52.	Is it possible to get a Waiver of Premium listing by coverage that includes the date of disability, birthdate, gender, face amount, ultimate amount, and reserve currently being held?	See response to #32
General	53.	Is a recent billing invoice available including the lives and volume by age bracket?	No. See the following appendices: <ul style="list-style-type: none"> • 7.13 Basic Term Life and ADD Invoice, • Appendix 7.6 REVISED Demographics for Eligible Basic Term Life and Basic ADD and Voluntary AD&D and • Appendix 7.14 Voluntary Term Life Census.
General	54.	Is the intent that the carrier perform all enrollment services?	No. See response to #49.
General	55.	Is the intent that the carrier maintain all enrollment records?	BA maintains life insurance enrollment for the Basic Life/AD&D and Voluntary AD&D. The vendor must maintain enrollment for Voluntary Term Life.
General	56.	Can the contractor leverage a third party for these recordkeeping solutions (enrollment, beneficiary records & maintenance)?	See the State’s response to Question #28. Per section 4.4 of the RFP, the use of subcontractors is allowed with state approval. If a Respondent intends to use subcontractors, the response to this RFP must specifically identify the scope and portions of the work each subcontractor will perform (refer to RFP Attachment 6.2., Section B, General Qualifications & Experience Item B.12.). Please refer to the included contract to fully understand the restrictions on the use of subcontractors.
General	57.	Please confirm who maintains the beneficiary designation records, and if they are stored on paper (including images) or electronically.	For Voluntary Term, these records are maintained by the Contractor. The Contractor must allow for online entry in its system of beneficiary designations for the Voluntary Term. Basic Life/AD&D and Voluntary AD&D subscribers may key the beneficiary designations for these programs online in the State’s Edison system. The subscriber beneficiary designations may also be stored with the employing agency HR office if they are on paper. They may also send a copy to

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			BA and we maintain the information electronically (scanned copy).
General	58.	Please confirm who distributes claim forms to beneficiaries, and how the carrier is notified of a claim.	<p>For Voluntary Term, all claim forms are handled by the Contractor. Members are directed to the Contractor for this product.</p> <p>For Basic Term/AD&D and Voluntary AD&D: The state employing agency HR office sends claims forms to beneficiaries for active employees. Retirees who have passed within 1 year of termination will be handled by either BA or the employing agency HR office.</p> <p>The carrier may be notified directly by a beneficiary. Those calls should be referred back to BA. BA will research and ultimately send claims to the Contractor.</p>
General	59.	Please provide a copy of your current beneficiary claim packet.	We cannot provide a copy of the current packet. Claim forms are vendor specific and the State will work with the best evaluated Respondent on the claim packet.
General	60.	Are there separate rates for portability if an EOI is completed?	No, EOI is not applicable.
General	61.	Please describe your current EOI process e.g. paper, batch, SSO etc.	EOI process is managed by the Contractor and can be completed online or via paper form.
General	62.	Are there any value adds that are highly utilized by your employees?	The 'insurance need' calculator tool.
A.2 Definitions	63.	<p>Key Performance Indicators (“KPI”): Performance indicators which are the metrics used to measure and evaluate Contractor’s performance against the desired outcomes. These indicators are used to determine Contractor’s At-Risk Performance Payment as set forth in Contract Section C and Contract Attachment D.</p> <p>Question/Concern: A [REDACTED] Performance Guarantee would be the metric by which payment would be made. Based on levels noted in KPI, likely would result in quarterly payouts since levels exceed [REDACTED] standards. Will the State agree?</p>	The State does not agree to this. KPIs are mostly standard across our contracts and current vendors are meeting these requirements.
A.2 definitions	64.	Will the State accept adding the following definition of Subcontractor to Section A.2: Definitions? Subcontractor is used throughout the document so we would like to clarify the term.	The State does not agree to add the definition. The State does agree that when we use the term subcontractor it relates to any person, firm, or organization that is providing services to the State as part of this

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
		<p>a. Subcontractor: Any person, firm, or company that enters into a contract with Contractor specifically and exclusively for the performance of one or more of Contractor's obligations explicitly set forth in this Contract. The term "Subcontractor" or "subcontractor" does not include any person, firm, or company utilized by Contractor to provide services that are not specifically and exclusively for the performance of one or more of Contractor's obligations explicitly set forth in this Contract, including the provision of any services used by Contractor across Contractor's portfolio of business.</p>	<p>contract. See the State's response to Question #69.</p>
<p>A.3.d Staffing</p>	<p>65.</p>	<p>The Contractor shall ensure that all staff; including the Contractor's employees, independent contractors, consultants, and subcontractors performing services has the experience and qualifications to perform the applicable services. The State may also direct the Contractor to replace staff members providing core services and/or interacting regularly with the State as it deems necessary and appropriate. The decision of the State on these matters shall not be subject to appeal.</p> <p>Question/Concern: [REDACTED] is able to ensure our staff is qualified to perform applicable services. The director of client management will work with the State to ensure the assigned [REDACTED] national client manager is meeting or exceeding their service expectations. Any necessary adjustments will be made accordingly and upon agreement between [REDACTED] and the State. Will the State agree to this language?</p>	<p>The State does not agree to this language. While an uncommon occurrence, the State reserves the right to require removal of any team member if they consistently do not meet expectations or are not acting in the best interests of the account and/or our members. While the State's decision is not subject to appeal, the State is reasonable with such requests and will work with the vendor to identify appropriate solutions.</p>
<p>A.3.k</p>	<p>66.</p>	<p>The Contractor agrees, by the date specified in Contract Section A.16. to provide the State with a list of the subcontractors that will be utilized in connection with this Contract and will provide reasonable advance notice of any additional subcontractors that may be used. The State may approve or disapprove the Contractor's subcontractors, or its staff assigned to this</p>	<p>The State does not agree. Regarding subcontractors, the State retains the right to review for prior approval and will fulfil our contractual obligation of checking the OIG exclusions list. The approval process is a simple one and the State is committed to a quick and timely approval. The State also maintains a database of subcontractor information and services for our internal auditing purposes.</p>

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	<p>Contract if the State is not satisfied with the service delivered by the subcontractor or its staff. Should the State disapprove of any particular subcontractor, the Contractor will work with the State in good faith to procure a reasonable alternative subcontractor.</p> <p>Question/Concern: [REDACTED] must retain the ability to manage its own third-party relationships. Below we have provided how we vet those third parties, their environments, and our commitment for being liable for them. Will the State agree to the edits below?</p> <p>The Contractor agrees, by the date specified in Contract Section A.16. to provide the State with a list of the subcontractors that will be utilized in connection with this Contract and will provide reasonable advance notice of any additional subcontractors that may be used.</p> <p>Add: Contractor may have its corporate affiliates, authorized representatives or subcontractors assist in the performance of the services that Contractor has agreed to provide under this Agreement, but Contractor remains fully liable to Purchaser in accordance with the terms of this Agreement for any work performed by such a corporate affiliate, authorized representative, or Subcontractor. Contractor shall not subcontract or otherwise delegate any services that involved the processing, creation, storage, access to or use of Confidential Information to a third party that has not been assessed through Contractor's Third-Party due diligence process without the prior written consent of Purchaser, which consent shall not be unreasonably withheld. Contractor's Supplier Standards involve evaluating Subcontractors using a process that includes solicitation of technical, information security, and privacy related</p>	

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		documentation and procedures as well as available independent assurance documents such as SOC 2 reports, HIPAA and/or ISO 27001 certifications, penetration tests, etc. Contractor will ensure that the level of care is reasonable assurance that the information is protected as well in the Subcontractor's environment as it would be inside Contractor's environment.	
A.3.l Staffing	67.	<p>Key personnel commitments made by the Contractor shall not be changed unless prior approval is received from the State. For these purposes, such commitments shall include any named individuals in the proposal and the levels of effort proposed. The Contractor shall notify In Writing the State at least fifteen (15) Business Days in advance of proposed changes and shall submit justification (including proposed substitutions) in sufficient detail to the State to evaluate the impact.</p> <p>Question/Concern: We will communicate any changes that impact the State directly to your representative within a reasonable period. [REDACTED] assures the State that all new personnel will be thoroughly trained about your benefits and contractual requirements, as well as your preferences. Due to confidentiality laws and agreements, we may not always be able to provide the reason for the personnel change. Will the State agree to this language?</p>	<p>The State agrees to change the language.</p> <p>See Amendment item #4 below.</p>
A.3(l)	68.	Will the State accept clarifying Section A.3(l) to exclude promotions and/or employment termination as the reason for a key personnel change?	See the State's response to Question #67.
RFP Section 4.4 and A.3.k.	69.	With respect to Attachment 6.6, Pro-Forma Contract, section A.3.k. (page 43) (and RFP section 4.4 (page 13)), would the State agree that, with respect to approval of subcontractors, that these would only apply to subcontractors used only for the State of TN?	The State agrees. This contract only applies to subcontractors who provide services for this contract.
A.4.b.1 Call Center	70.	The Contractor shall operate a call center that uses a dedicated toll-free number as the "front-end" entry point for callers. The Contractor's call center shall have	The State does not agree to eliminate this requirement.

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		<p>designated representatives/operators to respond to inquiries from Members.</p> <p>Question/Concern: We do not offer designated or dedicated agents to specific customer accounts. We can service clients without the need for dedicated lines. Does the State agree to eliminate this requirement?</p>	
A.4.c.1 Call Center	71.	<p>The Contractor's call center shall maintain a monthly ASA rate of thirty (30) seconds or less.</p> <p>Question/Concern: [REDACTED] measures based on 40 seconds, hence any results would be measured based on 40 seconds, not 30 seconds. Is the State agreeable to this modification?</p>	The State is not agreeable to this modification.
A.4.c.2 Call Center	72.	<p>The Contractor's call center shall maintain a monthly average First Call Resolution rate of eighty-five (85%) or greater.</p> <p>Question/Concern: We do not currently track first call resolution. Does the State agree to eliminate this requirement?</p>	The State does not agree to eliminate this requirement.
A.4.g Call Center	73.	<p>The Contractor's call management systems shall be equipped with caller identification. In addition, the Contractor's call center shall adopt caller identification for outgoing calls.</p> <p>Question/Concern: Caller identification is applicable to outbound calls. The Contact Center is inbound only, so this requirement does not appear to be applicable to us. Does the State agree?</p>	No, the State does not agree. The purpose of this requirement is to be able to identify the number of the caller. It is also required in contact section A.4.h. so that calls can be pulled by the phone number of the caller.
A.4.h Call Center	74.	<p>The Contractor's call management system shall record and index all calls such that the Contractor can easily retrieve recordings of individual calls based on the Edison ID of the caller, phone number of the caller, the caller's name, the date/time of the call and the staff member who handled the call. The Contractor shall be able to provide a full recording of each call upon the State's request. The Contractor shall archive the</p>	The State will adhere to all laws and requirements around member PHI. The State requires the Contractor to retain the records for quality assurance processes and to overcome potential disputes and customer issues.

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		<p>recordings for one year from the date of each call.</p> <p>Question/Concern: We are unable to provide the State with recording without an employee's authorization. For quality purposes, all inbound calls to the Contact Center are recorded or monitored, date and time stamped, and retained for 60 days. We would need to understand why a longer retention period is needed, and then review with [REDACTED]'s Legal team. We need to understand the need for holding recordings for one year so that we may consider this exception to our process and the impact it would have on pricing.</p>	
A.4.j Call Center	75.	<p>The Contractor shall have the ability to make outbound calls without interrupting the ability of callers to continue to access the call center.</p> <p>Question/Concern: The Contact Center is inbound only, so this requirement does not appear to be applicable to us. Does the State agree?</p>	The State does not agree to eliminate this requirement. In our experience there are times when member issues may need further research and require a call back. If the Contractor has the ability to call members back as needed in such situations without interrupting inbound calls, then the requirement would be satisfied.
Section A.4(h) and A.5(b)	76.	Will the State accept the addition of "subject to the limitations of applicable law" in Section A.4(h) and A.5(b)? Some laws prevent us from providing certain call recordings and we may be required to file certain marketing material for approval before we can use it.	The State does agree. Both the Contractor and the State must adhere to applicable laws governing the sharing of data and information. Please note that contract section A.5.i. requires the Contractor to arrange for clearance of all marketing and communication materials used for this account.
A.5(l)	77.	Regarding A.5(l), can the State clarify what the certification would be? Could it be as simple as getting it from a website with no official certification?	A screen shot showing the readability statistics of the document being submitted is sufficient certification.
A.5.h.	78.	With respect to Attachment 6.6, Pro-Forma Contract, section A.5.h. (page 46) (the last sentence, "All marketing and communications materials specific to this Program, including contact information for any Members, shall become property of the State"), we agree that the State can own final copies of materials tailored/branded specifically for use (and used) with the State's life offering ("Materials"). However, because these Materials are subject to insurance	The State does not agree to seek pre-approval from the Vendor but agrees not to modify the "final" documents beyond what has been agreed to and distributed during the contract term.

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		regulatory review, would the State agree to provide written confirmation that it will not modify and/or distribute the Materials without the insurer's written pre-approval?	
A.5.b Communication Materials	79.	<p>The Contractor shall, in consultation with the State, develop and disseminate Member information and communication materials. All material must have approval In Writing by the State prior to distribution. Contractor shall ensure that all Member materials and other communications meet any state or federal regulatory compliance (e.g., Civil Rights Compliance), if applicable. The Contractor shall develop all materials in conformance with the style, formatting and other related standards developed by the State and its marketing staff.</p> <p>Question/Concern: It is not our practice to develop materials in the client's brand, if this is what is meant by "style, formatting and other related standards"; however, it is possible. Is the State willing to work with [REDACTED] on the development of materials, i.e., branding?</p>	Yes, the state will work with the vendor to ensure materials meet branding and style standards for Benefits Administration and Tennessee State Government. These include AP Style compliance, inclusion of our ParTNers for Health logo and readability scores no higher than sixth grade level.
A.5.b.5 Communication Materials	80.	<p>The Contractor shall use graphics to communicate key messages to populations with limited literacy, limited-benefit program literacy or limited English proficiency. The Contractor shall also prominently display the call center's telephone number in large, bolded typeface and hours of operation on all materials.</p> <p>Question/Concern: We use everyday language to communicate our products and simple tables and icons to display information. It would depend on the message to answer whether graphics are the optimal way to communicate. We can customize assets, if needed, to increase the visibility of call center information. Is the State agreeable with this?</p>	The contract language does not require that graphics be used for every item or message. The State and the Contractor can work together to determine when this makes the most sense. Customizing assets only in order to increase visibility of call center information would not meet the requirement stated in this section.
A.5.h Communication Materials	81.	The Contractor shall work in conjunction with the State's staff to ensure continuity of branding across all Program materials, mailings, emails, website, apps, social	Yes, but as the contract indicates, we require materials include our logo(s) and follow our branding and style standards.

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		<p>media and any other communications information, tools, communication methods, and resources. This branding shall include, but is not limited to, use of the “ParTNers for Health” logo, color scheme and applicable taglines. All uses of these branding elements shall be subject to prior approval In Writing by the State. All marketing and communications materials specific to this Program, including contact information for any Members, shall become property of the State.</p> <p>Question/Concern: It is not our practice to develop materials in the client’s brand, if this is what is meant by “style, formatting and other related standards”; however, it is possible. Is the State willing to work with [REDACTED] on the development of materials, i.e., branding?</p>	
A.5.k Communication Materials	82.	<p>The Contractor shall provide electronic templates of all finalized materials in a format that the State can easily alter, edit, revise and update.</p> <p>Question/Concern: Flyers and other materials in pdf format can be edited using a pdf editor. For the “splash page” (i.e., online webpage), [REDACTED] would need to make the updates. Note that any materials edited by the State would need to be reviewed by [REDACTED] Compliance to ensure adherence to federal and state regulations regarding insurance advertising. Will the State agree to this?</p>	Yes, we can work with the vendor on modifications in language if needed. Please note, the state will have final approval on all materials. The State understands that all material must comply with federal and state regulations.
A.5.l Communication Materials	83.	<p>Unless otherwise prior approved In Writing by the State, the Contractor shall design all marketing and communication materials at a sixth (6.0) grade reading level or lower using the Flesch- Kincaid Index, or a comparable product. The Contractor shall evaluate materials using the entire text of the materials (except return addresses). When submitting draft materials to the State for approval, the Contractor shall provide a certification of</p>	No, the State does not agree to eliminate this requirement. This is standard in all Department of Finance and Administration, Division of Benefits Administration (BA) contracts. However, the State works closely with the Contractor to develop materials that are satisfactory to all while striving to provide clear and understandable information.

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		<p>the reading level of each piece of material.</p> <p>Question/Concern: We cannot agree to this requirement since it will require a full rewrite of our materials, particularly for the exclusions and limitations in the disclosures. An online tool for Flesch-Kincaid testing said our current Life/ADD flyer “should be easily understood by 13 to 14 year olds”. Does the State agree to eliminate this requirement?</p>	
A.7(c)	84.	<p>Will the State allow the removal of the cover letter requirement in A.7(c)? We do not currently have a way to include a cover letter with our new member books.</p>	<p>No, the State will not remove this requirement. The contract language does not require the cover letter to be part of the handbook itself (in other words, incorporated as a page in the book). It only requires that a letter must accompany the handbook if requested by the State.</p>
A.9.c Administrative Services	85.	<p>The Contractor shall provide assistance and information to the State regarding applicable existing and proposed Federal and State laws, court holdings and regulations affecting the Program, and other Program related matters as needed.</p> <p>Question/Concern: [REDACTED] would only contact the customer if the described changes specifically impacted their policy. Does the State agree to modify this requirement accordingly?</p>	<p>The State does not agree to modify this requirement. The contract language states that assistance and information “affecting the Program” will be provided, therefore, impact to specifically our policy is already implied.</p>
A.9.d Administrative Services	86.	<p>The Contractor shall provide assistance with questions and issues raised by the State, individual employees/retirees, former Members and others identified by the State. The Contractor shall log escalated questions (other than general routine questions identified by the State In Writing) and issues and submit the log monthly to the State until notified by the State In Writing to begin sending the log to the State quarterly. (See Contract Attachment D, #8.)</p> <p>Question/Concern: It would depend on the type of questions individuals are asking and if it involves PII or PHI that [REDACTED] would have to</p>	<p>Yes. Additional details of the log can be worked out during implementation.</p>

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A.9.f Administrative Services	87.	<p>de identify/anonymize. Does the State agree to the anonymity for the log?</p> <p>The Contractor shall respond to all inquiries In Writing from the State within three (3) Business Days after receipt of said inquiry. In cases where additional information to answer the State’s inquiry is required, the Contractor shall notify the State within two (2) Business Days as to when the response can be furnished to the State. For matters designated as urgent by the State, the Contractor shall provide a response to the State within four (4) hours during normal business hours. During non-business hours, the Contractor shall provide a response to urgent matters to the State within twenty-four (24) hours. Staff members, from the applicable business unit, with final decision-making authority shall provide responses. Said responses may be communicated through the account manager.</p> <p>Question/Concern: For matters designated as urgent by the State, [REDACTED] will respond as soon as possible during normal business hours, but not to exceed 24 hours. Will the State agree to this language?</p>	The State does not agree to modify this requirement.
A.9.h Administrative Services	88.	<p>The Contractor shall establish a formal grievance procedure for Members to appeal decisions in regard to administration of the Program and to resolve disputes that may arise in the administration of the Program. The Contractor shall provide the State with a written copy of this grievance procedure by the date specified in Contract Section A.16., and the State reserves the right to require changes in the procedures when appropriate. The Contractor shall submit a summary of appeals report, without Member identifying information, quarterly to the State per Contract Attachment D, #9.</p> <p>Question/Concern: We would need to know specifically what the employer expectations are for the report data/detail in order to determine if</p>	The appeals report is a summary of appeals submitted and processed during each quarter. It typically includes the number of appeals filed, high-level reason for the appeal, and the final decision. The specific details of the report can be worked out during implementation.

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		we could accommodate the request. Will the State provide more detail?	
A.9.k Administrative Services	89.	<p>The Contractor shall report annual customer satisfaction scores to the State. The Contractor's survey instrument/methods shall be approved by the State annually. The survey shall involve a random, statistically valid sample of callers to the State's dedicated toll-free line at the Contractor's call center. Based upon the results of the survey, the Contractor and the State shall jointly develop an action plan to correct problems or deficiencies identified through this activity.</p> <p>Question/Concern: Once a quarter we send a survey to customers (plan administrators) which have been with [REDACTED] for at least one year. Overall satisfaction is assessed. Life beneficiaries are not surveyed. Will the State agree to this for the Group Life/AD&D coverage?</p>	No, the State does not agree to modify this requirement. The intent of this requirement is to gauge customer/member satisfaction, not the State's satisfaction as a client. State satisfaction is measured separately through the account satisfaction survey discussed in contract section A.3.m.
A.10	90.	<p>Will the State accept the addition of the following language to Section A.10? This language clarifies how data is to be used and provides consent required elsewhere in the agreement.</p> <p>a. Information Use. Notwithstanding anything to the contrary contained in this Contract, the State acknowledges and agrees that the Contractor may use and disclose any information, including Confidential State Data, obtained or created in the performance of this Contract and/or combine it with Contractor data for the following purposes: (a) acts that are required by law, contract, or regulation, including, but not limited to (i) providing information to reinsurers; (ii) responding to subpoenas, or (iii) as otherwise required by any law or any applicable legal or regulatory authority; (b) acts taken for Contractor business and risk management, including, but not limited to (i) macro-pricing studies; (ii) performing actuarial research; (iii) benchmarking; and</p>	<p>The State does not agree. The State has added an additional clause to the pro forma contract.</p> <p>See Amendment item #6 below.</p>

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		(iv) publishing analytical research; (c) acts taken for managing group insurance products issued to the State or at the request of the State or a data subject, including, but not limited to (i) performing its obligations under any agreement with the State, including insurance contracts; and (ii) as requested and authorized by an individual who is the subject of such Confidential Information. To the extent possible, Contractor will use deidentified data for all the uses identified herein.	
A.10.b Information Systems	91.	<p>Upon the State's request, the Contractor shall be able to generate a listing of all Members (including each Member's Edison identification number) that were sent a particular document, the date and time that the document was generated, and the date and time that it was sent to particular Members or groups thereof. The Contractor shall also be able to generate a sample of said document.</p> <p>Question/Concern: We need more information on the "Edison Format" to determine if our systems have the capability to accept it.</p> <p>Benefits is unable to provide a report of each document sent to each EE with date/time stamp. However, ERs have access to calls and letters sent to EEs via i-services.</p> <p>Is the State agreeable?</p>	<p>Appendices 7.8, 7.9, 7.10, 7.11, and 7.12 contain the file specifications/format. Row 28 in Appendix 7.8 will contain the employee's Edison ID. The State may be able to modify these file formats. Please review these appendices and submit any specific questions about these in round 2 of Q&A.</p> <p>The State does not agree to this, as no details about "i-services" has been provided. You may submit additional clarification in round 2 of the Q&A and the State may reconsider.</p>
A.10.c Information Systems	92.	<p>Information Ownership. All information, whether data or documents, and reports that contain or make references to said information, involving or arising out of this Contract is owned by the State. The Contractor is expressly prohibited from sharing or publishing State information and reports or releasing such information to external entities, affiliates, parent company, or subsidiaries without the prior consent of the State In Writing.</p> <p>Question/Concern: Will the State agree to the below edits? All information provided by the State to Contractor, whether data or documents,</p>	The State does not agree.

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		<p>and reports that contain or make references to said information, involving or arising out of this Contract is owned by the State. The Contractor is expressly prohibited from sharing or publishing State information and reports or releasing such information to external entities, affiliates, parent company, or subsidiaries without the prior consent of the State In Writing. For the avoidance of doubt, all claim records and related-data are the property of Contractors and shall only be used as allowed by applicable law.</p>	
A.10.e Information Systems	93.	<p>Prior to implementing any major modifications to or replacement of the Contractor’s core information systems functionality and/or associated operating environment, the Contractor shall notify the State In Writing of the change or modification within a reasonable amount of time (commensurate with the nature and effect of the change or modification) if the change or modification; (a) would affect the Contractor’s ability to perform one or more of its obligations under this Contract; (b) would be visible to State system users and Members; (c) might have the effect of putting the Contractor in noncompliance with the provisions or substantive intent of this Contract; or (d) would materially reduce the coverage amounts payable or services provided to the average Member. If so directed by the State, the Contractor shall discuss the proposed change with the State prior to implementing the change. Subsequent to this discussion, the State may require the Contractor to demonstrate the readiness of the impacted systems prior to the effective date of the actual modification or replacement.</p> <p>Question/Concern? We need clarification on what “major” means in the context? Will the State be open to discussing further?</p>	<p>Major system modifications would include things such as a system replacement, changes impacting how members interact with the system, changes in member facing system capabilities, changes in claims processing which impact benefits delivery, or changes that impact contractual services or reporting.</p>
A.10.f Information Systems	94.	<p>Upon request by the State, the Contractor shall provide designated State employees with access and update authority to the Contractor’s enrollment and/or client</p>	<p>System access would be provided to a limited number of BA staff granting them authority to key death claims directly into the Contractor’s system.</p>

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		<p>system by the date specified in Contract Section A.16. Additional users may be added at any time at the State's request In Writing.</p> <p>Question/Concern: We need clarification on what is meant by "access and update authority". Will the State provide further information?</p>	
<p>A.11.a Data Integration and Technical Requirements</p>	<p>95.</p>	<p>The Contractor shall maintain an electronic data interface with the State's Edison System for the purpose of retrieving and processing employee eligibility, Member termination records, payroll deduction records, and any other files which may be identified and generated by the State. The Contractor shall be responsible for providing and installing the hardware and software necessary. The State requires the use by the Contractor of second level authentication for the exchange of Member personal information. This is accomplished using the State's standard software product, which supports PKI. The Contractor shall design a solution, in coordination with the State, to connect to the State's Secure File Transfer Protocol (SFTP) server using a combination of the password and the authentication certificate. The initial sign-on and transmission testing will use a password. Certificate testing may also be performed during the test cycle. Subsequent production sign-on will be done using the authentication certificate. The Contractor will then download the file and decrypt the file in its secure environment. The State of Tennessee uses public key encryption with Advanced Encryption Standard (AES) to encrypt PHI. If the State adopts a different or additional encryption standard or tool in the future, the Contractor shall, with adequate notice, cooperate with the State to maintain the security of protected information according to all applicable State and Federal standards.</p> <p>Question/Concern:</p>	<p>The hardware/software mentioned is regarding what the Contractor would choose to use to access the State's server (like WinSCP) or use to generate SSH key/encryption (like Kleopatra). The State does not recommend one software over another and the Contractor may already utilize such products for their work with others with whom they contract.</p>

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		<p>We need to understand what is meant by 'installing the hardware and software'. We would need to test this with the State to see if this is something we can do. We support SFTP transmissions with password or SSH key authentication. If anything outside of this is needed, we would need to know what it is to see if we can support it.</p> <p>We will work with the State to accommodate such change and maintain required security; however, we would not assume ownership of the expense.</p> <p>Will the State provide more information?</p>	
A.11.d Data Integration and Technical Requirements	96.	<p>The Contractor shall save in its computer system the State's Edison employee identification number for Members and shall include the Edison identification number when communicating with the State about a particular Member.</p> <p>Question/Concern: We need more information on the State's Edison employee identification number for Members. Will the State provide more information?</p>	The Edison ID is generated by PeopleSoft and is an 8-digit number with two leading zeros (00#####).
A.11.e Data Integration and Technical Requirements	97.	<p>At least two (2) months prior to the go-live date, the Contractor shall complete testing of the transmission, receipt, and loading of the test eligibility, termination, and payroll files from the State.</p> <p>Question/Concern: We would require 90 days to complete the work before the two month test date. Is this acceptable to the State?</p>	This should not be a problem assuming that the contract is awarded and signed on schedule and there is sufficient time for implementation activities. However, should there be a delay in the contract award the schedule may not accommodate 90 days.
A.11.f and g Data Integration and Technical Requirements	98.	<p>At least one (1) month prior to the go-live date, the Contractor shall load, test, verify, and make available online for use by the Contractor's staff the State's voluntary term life enrollment information. The Contractor shall certify, In Writing, to the State that the Contractor understands and can fully accept and utilize the eligibility, termination, and payroll files as provided by the State.</p>	No, the State is not agreeable to this. The Contractor is expected to maintain enrollment for Voluntary Term Life in their own system while the State will maintain Basic Life and Voluntary AD&D enrollment in our Edison/PeopleSoft system. The Contractor must utilize the electronic eligibility records provided by the State to verify an applicant's eligibility for enrollment in Voluntary Term Life.

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		<p>The Contractor shall maintain, in its systems, in-force voluntary term life enrollment records of all individuals covered based upon entry by employees or the Contractor's staff into the Contractor's computer system.</p> <p>Question/Concern: Since this will be a self-accounting case, we would not maintain eligibility data. Is the State agreeable?</p>	
A.11.h (1-7) and i Data Integration and Technical Requirements	99.	<p>The Contractor shall maintain, in its systems, active eligibility records of all individuals eligible for the Program based upon weekly eligibility and termination records received from the State in the State's Edison format. In addition, the Contractor shall maintain, in its systems, premium payment information based upon monthly premiums collection records received from the State in the State's Edison format.</p> <p>Weekly Eligibility Update: To ensure that the State's eligibility records remain accurate and complete, the Contractor shall, unless otherwise directed by the State, retrieve, via secure medium, the weekly eligibility file from the State. Files will include full population records for all employees and will be in the State's Edison format.</p> <p>Weekly Termination of Eligibility Update: To ensure that the State's eligibility and voluntary term life insurance enrollment records remain accurate and complete, the Contractor shall, unless otherwise directed by the State, retrieve, via secure medium, the weekly termination file from the State. Files will include records for recently retired or terminated employees and employees previously enrolled who have waived coverage. The files will be in the State's Edison format.</p> <p>The Contractor shall electronically process the State's electronically retrieved eligibility full population file and</p>	

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	<p>termination file within two (2) Business Days of receipt of the weekly files.</p> <p>The Contractor shall submit to the State within one (1) Business Day of processing the weekly eligibility file and the weekly termination file, a Weekly Eligibility File and Weekly Termination File Error Report, in a format agreed upon by the State In Writing. The error report shall contain a) only errors that require correction by the State and b) an indication of the correction required to resolve the error. (See Contract Attachment D, #17.) A report is not necessary if there are no errors that require correction by the State.</p> <p>The Contractor shall resolve all file processing discrepancies identified by the Contractor for internal correction within two (2) Business Days of identification. The Contractor shall process all error corrections received from the State within two (2) Business Days of receipt of the correction information.</p> <p>Monthly Premiums Collected Update: To ensure that the Contractor's premiums collected records remain accurate and complete, the Contractor shall, unless otherwise directed by the State, retrieve, via secure medium monthly voluntary term life insurance premiums collected via payroll files from the State, in the State's Edison format, which may be revised.- Files will include full population records for all employees for whom a premium amount was deducted via the State's Edison Payroll System. Members set-up on payroll deduction for which no deduction was taken will not appear in the file.</p> <p>State Enrollment Data Match: Upon request by the State, not to exceed two (2) times annually, the Contractor shall submit to the State, in a secure manner, its full file of State Members, by which the State may conduct a data match against the State's Edison database. The purpose</p>	

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	<p>of this data match will be to determine the extent to which the Contractor is maintaining its database of State Members. The State will communicate results of this match to the Contractor, including any Contractor requirements, and associated timeframes, for resolving the discrepancies identified by the data match.</p> <p>Monthly Premiums Due Update: To ensure that the State deducts from Members' paychecks issued by the State through its Edison Payroll System a current amount due for voluntary term life insurance premium payment, the Contractor shall, unless otherwise directed by the State, submit on or before the 5th calendar day of each month, via secure medium monthly premium due update files for the State, in the State's Edison format, which may be revised. Files will include new or changed records for members on payroll deduction. The Contractor shall examine its database of current enrollments prior to creation of the Monthly Premiums Due Update file to ensure payroll deduction records are accurate.</p> <p>Question/Concern: Since this will be a self-accounting case, we would not maintain eligibility data. Is the State agreeable?</p> <p>We need more information on the State's Edison employee identification number for Members. Will the State provide more information?</p>	<p>No, the State is not agreeable. The Contractor is expected to maintain enrollment for Voluntary Term Life in their own system while the State will maintain Basic Life and Voluntary AD&D enrollment in our Edison/PeopleSoft system. The Contractor must maintain and utilize the electronic eligibility records provided by the State to verify an applicant's eligibility for enrollment in Voluntary Term Life.</p> <p>Please see Appendix 7.8 BA067 Weekly Eligibility File Layout, row 28, "USER ID".</p>

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A.11.b.	100.	<p>Is Tennessee requiring that the carrier take on anyone that has previously Ported their coverage under the existing carrier? In A.11 b. it states "The Contractor shall accept without any break or lapse in coverage all current Members' coverage, including ported Members in the voluntary term life insurance program, transferred from the prior contract. "</p>	Yes, that is correct.
A.12	101.	<p>Will the State accept the following addition to Section A.12 to clarify the audit process and expectations of the party prior to the audit?</p> <p>a. Before providing any information under this Section, the parties shall agree on the disclosure or inspection process, including but not limited to the scope of the disclosure or inspection and any additional confidentiality and privacy provisions pertaining to the information to be obtained or disclosed, including any provisions required by law.</p> <p>Notwithstanding anything to the contrary, the Contractor shall not be required to disclose any information or data where such disclosure would violate confidentiality, privacy, or nondisclosure requirements of either federal or state law or any nondisclosure or confidentiality obligations to which the Contractor is subject.</p>	The State cannot accept this addition.
Key Deliverables/Mile stones	102.	<p>Submit list of all subcontractors to be utilized in connection with this Contract Within ten (10) Business Days after the Contract Effective Date or on a date determined by the State</p> <p>Question/Concern:</p> <p>This may or may not be feasible depending on the specifics of our agreements with third parties. Some may have confidentiality terms that prohibit us from redisclosing their identity. Will the State agree to this?</p>	No, the State does not agree. See the State's response to Question #66.
A.14.b Implementation	103.	<p>The State may conduct a comprehensive readiness review of the Contractor at least sixty (60) days prior to January 1, 2023, in order to ensure that the Contractor is able and prepared to perform all functions and to provide high quality services to Members. Such review</p>	<p>The readiness review is not a formal audit. It is typically conducted by BA staff and touches on all the main contract deliverables. BA staff will ask questions and request information to determine the Contractor's readiness to serve our members and process claims. The State may also choose to</p>

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		<p>by the State may include an on-site review of the Contractor’s customer service and operations facilities. Contractor shall participate in all readiness review activities conducted by the State staff and/or the State’s benefit consultants to ensure the Contractor’s operational readiness for all products and services (e.g., enrollment, Member services, reporting requirements, Edison interface, etc.). The State will provide the Contractor with a summary of findings that may include areas requiring corrective action prior to January 1, 2023.</p> <p>Question/Concern: [REDACTED] understands the importance of ensuring effective date readiness for the plan and has many tools designed to meet this need. However, we would prefer to take the approach of a post-implementation audit. We look forward to discussing this request with the State to gain a better understanding of the scope, approach and expectations that best meets the objective of this request. Is the State agreeable?</p>	<p>conduct a more formal post-implementation audit and will consider this option during implementation planning with the Contractor. The State is not agreeable to removing the readiness review requirement.</p>
A.17.a Warranty	104.	<p>Contractor represents and warrants that the term of the warranty (“Warranty Period”) shall be the greater of the Term of this Contract or any other warranty generally offered by Contractor, its suppliers, or manufacturers to customers of its goods or services. The goods or services provided under this Contract shall conform to the terms and conditions of this Contract throughout the Warranty Period. Any nonconformance of the goods or services to the terms and conditions of this Contract shall constitute a “Defect” and shall be considered “Defective.” If Contractor receives notice of a Defect during the Warranty Period, then Contractor shall correct the Defect, at no additional charge.</p> <p>Contractor represents and warrants that the State is authorized to possess and use all equipment, materials, software, and deliverables provided under this Contract.</p>	<p>The State does not agree to this revision.</p>

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	<p>Contractor represents and warrants that all goods or services provided under this Contract shall be provided in a timely and professional manner, by qualified and skilled individuals, and in conformity with standards generally accepted in Contractor's industry.</p> <p>If Contractor fails to provide the goods or services as warranted, then Contractor will re-provide the goods or services at no additional charge. If Contractor is unable or unwilling to re-provide the goods or services as warranted, then the State shall be entitled to recover the fees paid to Contractor for the Defective goods or services. Any exercise of the State's rights under this Section shall not prejudice the State's rights to seek any other remedies available under this Contract or applicable law.</p> <p>Question/Concern: We would need clarification on the meaning of the highlighted sentences since we are providing insurance to the State's employees. Is this referring to the deliverables prior to this section? Is the State agreeable to the suggested edits below?</p> <p>Contractor represents and warrants that the term of the warranty ("Warranty Period") shall be the greater of the Term of this Contract or any other warranty generally offered by Contractor, its suppliers, or manufacturers to customers of its goods or services. The goods or services provided under this Contract shall conform to the terms and conditions of this Contract throughout the Warranty Period. Any nonconformance of the goods or services to the terms and conditions of this Contract shall constitute a "Defect" and shall be considered "Defective." If Contractor receives notice of a Defect during the Warranty Period, then Contractor shall correct the Defect, at no additional charge.</p>	

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		<p>Contractor represents and warrants that the State is authorized to possess and use all equipment, materials, software, and deliverables provided under this Contract.</p> <p>Contractor represents and warrants that all goods or services provided under this Contract shall be provided in a timely and professional manner, by qualified and skilled individuals, and in conformity with standards generally accepted in Contractor's industry.</p> <p>If Contractor fails to provide the goods or services as warranted, then Contractor will re-provide the goods or services at no additional charge. If Contractor is unable or unwilling to re-provide the goods or services as warranted, then the State shall be entitled to recover the fees paid to Contractor for the Defective goods or services. Any exercise of the State's rights under this Section shall not prejudice the State's rights to seek any other remedies available under this Contract or applicable law.</p>	
C.3(b)	105.	<p>Will the State accept the following edit to Section C.3(b)? Rates are determined based on the information we are given in the RFP and significant changes could ultimately affect your plan.</p> <p>a. Contractor reserves the right to adjust the rates at any time in the event of plan design changes that directly impact rates, modifications to the definition of eligible employees, or significant demographic changes in the group. Significant changes shall mean a change in the volume within a coverage or across coverages of more than 15%.</p>	<p>The State cannot agree to this edit. Plan design changes of this magnitude would require approval by the State Insurance Committee and would likely result in a new contract. Without a new contract changes in rates would require a formal contract amendment which must be approved by Central Procurement, the Comptroller's office, and the legislative Fiscal Review Committee. Historically, there have been no significant demographic changes in the group. Should that happen we would work with the Contractor to identify appropriate solutions.</p>
Section C.3.c Payment Methodology	106.	<p>The Member's age and salary for the basic term life/basic AD&D and voluntary AD&D insurance programs shall be as of September 1 of the current calendar year, or another date established by the State, and shall be effective as of October 1 of the current calendar year, or another date established by the State. The Member's salary for the voluntary term life insurance program shall be as of September 1 of the</p>	<p>No, the State will not agree. The Basic Term Life/AD&D and Voluntary AD&D will be self-administered by the State. The Voluntary Term Life will be list billed by the Contractor.</p>

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		<p>current calendar year, or another date established by the State, and shall be effective as of October 1 of the current calendar year, or another date established by the State. The Employee and Spouse's age for the voluntary term life insurance program shall be as of January 1st of each calendar year.</p> <p>Question/Concern: The case will need to be self-administered, not list bill. The standard aging rule is at plan anniversary. However, since it will be a self-administered case, we could make the exception but would need to be clearly documented as it will be coded on our system as aging on anniversary. Will the State agree?</p>	
C.4 At-Risk Performance Payments and SLA Scorecard	107.	<p>The Parties shall conduct a scorecard assessment (Contract Attachment C), beginning after the go-live date, on a quarterly basis during the Term.</p> <p>Based on the SLA Scorecard, Contractor shall send the State an At-Risk Performance Payment (if applicable) quarterly during the Term in accordance with Contract Attachment D. This payment is due within forty-five (45) calendar days of the quarterly SLA scorecard assessment.</p> <p>Question/Concern: We typically do not know the full results well after any given 12-month audit period. The timeframe will need to be adjusted. Will the State agree?</p>	<p>The State has modified the language. See Amendment item #7 below.</p> <p>The language in Attachment C states that the payment is "...due and payable to the State within forty-five (45) calendar days after Contractor receipt of the Invoice containing an assessment of fees at risk." However, please note that per Attachment D, quarterly reports (including the SLA scorecard) are due by the 20th of the month following the end of the quarter. The State does not agree to adjust these timeframes.</p>
C.11 Deductions	108.	<p>Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee, any amounts that are or shall become due and payable to the State of Tennessee by the Contractor.</p> <p>Question/Concern: Due to internal accounting limitations, deductions from premium for non-premium related items are not permitted.</p>	<p>The State does not agree to remove this language. It is in our current contract.</p>

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		[REDACTED] will follow standard payment processes for amounts payable to the State of Tennessee and will work to resolve any outstanding payments as quickly as possible. Will the State agree?	
D.5 and D.6	109.	Will the State accept the following addition to Section D.5 and/or D.6 to clarify that the Agreement will terminate when the insurance policies terminate? a. Termination of Group Insurance Policies. This Contract shall terminate upon the termination of the group insurance policies issued by the Contractor to the State.	The State does not agree to this revision.
D.6	110.	Will the State accept making Section D.6 reciprocal? For risk management purposes, we would like to have the ability to terminate if necessary.	The State agrees. See Amendment item #8 below.
D.7 Assignment and Subcontracting	111.	<p>Assignment and Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the goods or services provided under this Contract without the prior written approval of the State. Notwithstanding any use of the approved subcontractors, the Contractor shall be the prime contractor and responsible for compliance with all terms and conditions of this Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving an assignment of this Contract in whole or in part or the use of subcontractors in fulfilling the Contractor's obligations under this Contract.</p> <p>Question/Concern: [REDACTED] must retain the ability to manage its own third-party relationships. Below we have provided how we vet those third parties, their environments, and our commitment for being liable for them. Will the State agree to the remove this language?</p> <p>Assignment and Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the goods or services provided under this Contract without the prior written approval</p>	The State does not agree to this revision.

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	<p>of the State. Notwithstanding any use of the approved subcontractors, the Contractor shall be the prime contractor and responsible for compliance with all terms and conditions of this Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving an assignment of this Contract in whole or in part or the use of subcontractors in fulfilling the Contractor's obligations under this Contract.</p> <p>The following language outlines how [REDACTED] manages our third-party relationships:</p> <p>Contractor may have its corporate affiliates, authorized representatives or subcontractors assist in the performance of the services that Contractor has agreed to provide under this Agreement, but Contractor remains fully liable to Purchaser in accordance with the terms of this Agreement for any work performed by such a corporate affiliate, authorized representative, or Subcontractor. Contractor shall not subcontract or otherwise delegate any services that involved the processing, creation, storage, access to or use of Confidential Information to a third party that has not been assessed through Contractor's Third Party due diligence process without the prior written consent of Purchaser, which consent shall not be unreasonably withheld. Contractor's Supplier Standards involve evaluating Subcontractors using a process that includes solicitation of technical, information security, and privacy related documentation and procedures as well as available independent assurance documents such as SOC 2 reports, HIPAA and/or ISO 27001 certifications, penetration tests, etc. Contractor will ensure that the level of care is reasonable assurance that the information is protected as well in the Subcontractor's environment as it would be inside Contractor's environment</p>	

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D.10.b Prohibition of Illegal Immigrants.	112.	<p>The requirements of Tenn. Code Ann. § 12-3-309 addressing the use of illegal immigrants in the performance of any contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.</p> <p>a. The Contractor agrees that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment A, semi-annually during the Term. If the Contractor is a party to more than one contract with the State, the Contractor may submit one attestation that applies to all contracts with the State. All Contractor attestations shall be maintained by the Contractor and made available to State officials upon request.</p> <p>b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the Term, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work under this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work under this Contract. Attestations obtained from subcontractors shall be maintained by the Contractor and made available to State officials upon request.</p> <p>c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Contractor's records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.</p>	The State does not agree to this revision.

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	<p>Question/Concern:</p> <p>We can't bind our third parties to attestation requirements of our customers. [REDACTED] manages its own personnel; we do not share HR files with customers.</p> <p>Will the State agree to the following edits in the language?</p> <p>b. _____ Prio r to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the Term, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work under this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work under this Contract. Attestations obtained from subcontractors shall be maintained by the Contractor and made available to State officials upon request.</p> <p>e. _____ T he Contractor shall maintain records for all personnel used in the performance of this Contract. Contractor's records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.</p>	

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D.11 Records	113.	<p>The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, for work performed or money received under this Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.</p> <p>Question/Concern: Will the State agree to the following edits?</p> <p>The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, for work performed or money received under this Contract, shall be maintained for a period of five (5) Seven (7) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives, subject to execution of a non-disclosure agreement specific to an audit and subsequently sharing the results of any such audit with Contractor thereafter. The timing and scope of an audit is subject to Contractor's reasonable requirements regarding safety and security of its technical infrastructure and obligations to comply with applicable law. The financial statements shall be prepared in accordance with generally accepted accounting principles.</p>	The State does not agree to this revision.
D.19 Hold Harmless	114.	The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all	The State does not agree to this revision.

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	<p>claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys' fees, court costs, expert witness fees, and other litigation expenses for the State to enforce the terms of this Contract.</p> <p>Question/Concern: Will the State agree to the following edit to the contract language?</p> <p>The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys' fees, court costs, expert witness fees, and other litigation expenses if the State is successful in an enforcement action for the State to enforce the terms of this Contract.</p>	
D.19	<p>115. Will the State accept the following addition to Section D.19? We feel this is a reasonable addition to protect our interests in the event there is no fault on our part.</p> <p>a. Notwithstanding anything to the contrary, the Contractor's indemnification and hold harmless obligations contained in this Section shall not apply to the extent that any such claims, liabilities, losses, and causes of action arise from or are in any manner connected with the State's breach of this Contract, negligence, willful</p>	The State does not agree to this revision.

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		misconduct, violation of any law or regulation, or the unauthorized modification or use of any materials furnished by or work performed by the Contractor.	
D.29(a)	116.	<p>Will the State accept the following addition to Section D.29(a)? Our insurance forms are filed and approved by your State's insurance regulator(s) so we are asking for them to take precedence to avoid a potential unauthorized amendment to a filed form.</p> <p>a. The insurance policies issued by the Contractor to the State;</p>	The State does not agree to this revision.
D.29 Mandatory Terms and Conditions	117.	<p>Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below:</p> <p>a. any amendment to this Contract, with the latter in time controlling over any earlier amendments;</p> <p>b. this Contract with any attachments or exhibits (excluding the items listed at subsections c. through f., below), which includes:</p> <p>i. Contract Attachment A Attestation Re Personnel Used in Contract Performance;</p> <p>ii. Contract Attachment B Performance Guarantees and Liquidated Damages;</p> <p>iii. Contract Attachment C Service Level Agreement Scorecard;</p> <p>iv. Contract Attachment D Reporting Requirements; and</p> <p>v. Contract Attachment E Life and AD&D Insurance Minimum Benefit Provisions;</p> <p>vi. Contractor's group Master Policy; and</p> <p>vii. Contractor's group certificate(s) of coverage.</p> <p>c. any clarifications of or addenda to the Contractor's proposal seeking this Contract;</p> <p>d. the State solicitation, as may be</p>	<p>The contract is the controlling document. The State is willing to modify the language.</p> <p>See Amendment item #9 below.</p>

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		<p>amended, requesting responses in competition for this Contract;</p> <ul style="list-style-type: none"> e. any technical specifications provided to proposers during the procurement process to award this Contract; f. the Contractor's response seeking this Contract; and g. any Contractor rules or policies contained in insurance policy filings by the Contractor with State regulators. <p>Question/Concern:</p> <p>The following is our standard process. Will the State agree?</p> <p>Because insurance is a regulated industry, the content of our insurance contracts must be filed and approved by state regulators. Under state insurance laws, we are legally restricted in our ability to incorporate other documents into our insurance contracts or to vary the provisions of our insurance contracts according to the terms of other documents, unless those documents are made part of the insurance contract via an approved rider or endorsement. Subject to this limitation, we are willing to work closely with the State to establish an order of precedence and integrate documents in a way that meets the State's objectives, including procurement requirements, but that is also consistent with the terms and conditions of the insurance being offered.</p> <p>For purposes of the order of precedence: In matters of eligibility for or payment of insurance benefits, the terms of the insurance contract, including any riders or endorsements, would be the controlling document.</p>	
D.31 Insurance	118.	Insurance. Contractor shall maintain insurance coverage as specified in this Section. The State reserves the right to amend or require additional insurance coverage, coverage amounts, and endorsements required under this Contract. Contractor's failure to maintain	

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	<p>or submit evidence of insurance coverage, as required, is a material breach of this Contract. If Contractor loses insurance coverage, fails to renew coverage, or for any reason becomes uninsured during the Term, Contractor shall immediately notify the State. All insurance companies providing coverage must be: (a) acceptable to the State; (b) authorized by the Tennessee Department of Commerce and Insurance ("TDCI"); and (c) rated A- / VII or better by A.M. Best. All coverage must be on a primary basis and noncontributory with any other insurance or self-insurance carried by the State. Contractor agrees to name the State as an additional insured on any insurance policy with the exception of workers' compensation (employer liability) and professional liability (errors and omissions) insurance. All policies must contain an endorsement for a waiver of subrogation in favor of the State. Any deductible or self-insured retention ("SIR") over fifty thousand dollars (\$50,000) must be approved by the State. The deductible or SIR and any premiums are the Contractor's sole responsibility. The Contractor agrees that the insurance requirements specified in this Section do not reduce any liability the Contractor has assumed under this Contract including any indemnification or hold harmless requirements.</p> <p>Question/Concern: Please see the edits to the language for Insurance. Will the State agree?</p> <p>Contractor shall maintain insurance coverage as specified in this Section. The State reserves the right to amend or require additional insurance coverage, coverage amounts, and endorsements required under this Contract. Contractor's failure to maintain or submit evidence of insurance coverage, as required, is a material breach of this Contract. If Contractor loses insurance coverage, fails to renew coverage, or for any reason becomes uninsured during the Term,</p>	

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	<p>Contractor shall immediately notify the State. All insurance companies providing coverage must be: (a) acceptable to the State; (b) authorized by the Tennessee Department of Commerce and Insurance (“TDCI”); and (c) rated A- / VII or better by A.M. Best. All coverage must be on a primary basis and noncontributory with any other insurance or self-insurance carried by the State. Contractor agrees to name the State as an additional insured on any insurance policy with the exception of workers’ compensation (employer liability) and professional liability (errors and omissions) insurance. All policies must contain an endorsement for a waiver of subrogation in favor of the State. Any deductible or self-insured retention (“SIR”) over fifty thousand dollars (\$50,000) must be approved by the State. The deductible or SIR and any premiums are the Contractor’s sole responsibility. The Contractor agrees that the insurance requirements specified in this Section do not reduce any liability the Contractor has assumed under this Contract including any indemnification or hold harmless requirements.</p> <p>Please note: In addition to workers compensation and professional liability, Cyber Liability /Technology E&O needs to be added as a cover that we cannot list then as an additional insured on Waivers of subrogation are no available on Professional Liability or Cyber/Technology E&O polices. This would need to read, “except for Professional liability E&O and Cyber Liability/Technology E&O”</p> <p>[REDACTED] considers it insurance policy terms and conditions including deductible amounts to be confidential and does not disclose this information to third parties, nor can we subject our deductible amounts to the approval by a third party. [REDACTED] maintains coverage limit and deductible amounts that are appropriate for its size and industry.</p>	<p>The State will agree that it does not need to be named as an additional insured under the cyber liability policy. However, a waiver of subrogation is required on all policies. Professional and cyber liability insurance policies usually do not deny coverage if the insured party has signed a waiver of subrogation. A waiver of subrogation will increase the insurer’s risk, so the Contractor may have to pay an added fee apart from the premium to include the waiver of subrogation endorsement. See Amendment item #10 below.</p> <p>The State will not agree to this redaction and revision. Our Comptroller’s office has asked CPO to review policy terms and approve policy deductibles as part of its due diligence process.</p>

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	<p>Contractor shall provide the State a certificate of insurance (“COI”) evidencing the coverages and amounts specified in this Section. The COI must be on a form approved by the TDCI (standard ACORD form preferred). The COI must list each insurer’s National Association of Insurance Commissioners (NAIC) number and be signed by an authorized representative of the insurer. The COI must list the State of Tennessee – CPO Risk Manager, 312 Rosa L. Parks Ave., 3rd floor Central Procurement Office, Nashville, TN 37243 as the certificate holder. Contractor shall provide the COI ten (10) business days prior to the Effective Date and again thirty (30) calendar days before renewal or replacement of coverage. Contractor shall provide the State evidence that all subcontractors maintain the required insurance or that subcontractors are included under the Contractor’s policy. At any time, the State may require Contractor to provide a valid COI. The Parties agree that failure to provide evidence of insurance coverage as required is a material breach of this Contract. If Contractor self- insures, then a COI will not be required to prove coverage. Instead, Contractor shall provide a certificate of self-insurance or a letter, on Contractor’s letterhead, detailing its coverage, policy amounts, and proof of funds to reasonably cover such expenses. The State reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.</p> <p>Please note [REDACTED] considers it insurance policy terms and conditions to be confidential and does not disclose this information or provide copies of its insurance policies to third parties</p>	<p>The State will not agree to a deletion of this provision. The State must be provided dates in which policies will be in effect and renewed. A COI provided at least annually by the Contractor’s insurance agent or broker is the best evidence of coverages. The Contractor has the option of covering any subcontractors under its insurance program or providing the State with confirmation that all subcontractors maintain the required insurance coverages. Either way is fine with the State.</p> <p>With respect to the request to provide copies of policies, the State can agree to revise this wording slightly to read: Upon notification of a claim or lawsuit naming the State, Contractor agrees to provide the State with a complete copy of all policies at issue, including any amendments or endorsements.”</p> <p>See Amendment item #10 below.</p>

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D.31.d.2 Insurance Technology Professional Liability (Errors & Omissions)/Cyber Liability Insurance	119.	<p>Such coverage shall include data breach response expenses, in an amount not less than ten million dollars (\$10,000,000) and payable whether incurred by the State or Contractor, including but not limited to consumer notification, whether or not required by law, computer forensic investigations, public relations and crisis management firm fees, credit file or identity monitoring or remediation services and expenses in the performance of services for the State or on behalf of the State hereunder.</p> <p>Question/Concern: Data breach response are also known as part of the crisis response coverage and is included on our cyber liability policy. It is not separate. Data breach response expenses are considered first party expenses meaning, first party coverage is for losses incurred directly by [REDACTED]. If the state incurs a loss that [REDACTED] is responsible for, liability will apply.</p> <p>Data breach response expenses are considered First Party expenses and [REDACTED]'s policy would only provide coverage for those expenses incurred directly by [REDACTED] not a third party. It would not provide coverage for the State of TN's First Party Expenses. Is this the State's intent or something else?</p>	<p>So long as the coverage outlined in the contract is accomplished through one or more policies, the State would have no problem with Contractor addressing the risk in this manner. It may be helpful to have the Contractor's insurance agent or broker provide an informative summary on this coverage issue.</p> <p>Since under the contract, the Contractor will be the responsible party for the handling of data, the Contractor must indemnify the State for any such breach, including the costs of a data security breach such as identity protection, public relations, legal fees, regulatory fines and penalties and other liabilities incurred from the breach. The importance of data breach coverage is that it provides the Contractor with the resources to take quick action to restore the confidence and proprietary nature of the data.</p>
D.33	120.	Will the State accept the addition of "except otherwise agreed to herein" in Section D.33 to ensure it is clear that the rest of the agreement is incorporated into this provision?	The State does not agree to this revision.
E.5 Liquidated Damages Special Terms and Conditions	121.	Liquidated Damages. If the Contractor fails to perform in accordance with any term or provision of this contract, only provides partial performance of any term or provision of the Contract, violates any warranty, or any act prohibited or restricted by the Contract occurs, ("Liquidated Damages Event"), the State may assess damages on Contractor ("Liquidated Damages"). The State shall	The State does not agree to this revision.

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	<p>notify the Contractor of amounts to be assessed as Liquidated Damages. The Parties agree that due to the complicated nature of the Contractor's obligations under this Contract it would be difficult to specifically designate a monetary amount for Contractor's failure to fulfill its obligations regarding the Liquidated Damages Event as these amounts are likely to be uncertain and not easily proven. The Parties agree that the Liquidated Damages represent solely the damages and injuries sustained by the State in losing the benefit of the bargain with Contractor and do not include any injury or damage sustained by a third party. The Contractor agrees that the Liquidated Damages are in addition to any amounts Contractor may owe the State pursuant to the indemnity provision or any other sections of this Contract.</p> <p>Question/Concern: We would need to see Schedule B before agreeing to it. Will the State agree to the updated language below?</p> <p>If the Contractor fails to perform in accordance with any term or provision of this contract, only provides partial performance of any term or provision of the Contract, violates any warranty, or any act prohibited or restricted by the Contract occurs, ("Liquidated Damages Event"), the State may assess damages on Contractor ("Liquidated Damages"). The State shall notify the Contractor of amounts to be assessed as Liquidated Damages. The Parties agree that due to the complicated nature of the Contractor's obligations under this Contract it would be difficult to specifically designate a monetary amount for Contractor's failure to fulfill its obligations regarding the Liquidated Damages Event as these amounts are likely to be uncertain and not easily proven.</p> <p>Contractor has carefully reviewed the Liquidated Damages contained in Attachment B and agrees that these amounts represent a reasonable relationship between the amount and what</p>	

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		<p>might reasonably be expected in the event of a Liquidated Damages Event, and are a reasonable estimate of the damages that would occur from a Liquidated Damages Event. The Parties agree that the Liquidated Damages represent solely the damages and injuries sustained by the State in losing the benefit of the bargain with Contractor and do not include any injury or damage sustained by a third party. The Contractor agrees that the Liquidated Damages are in addition to any amounts Contractor may owe the State pursuant to the indemnity provision or any other sections of this Contract.</p> <p>The State is not obligated to assess Liquidated Damages before availing itself of any other remedy. The State may choose to discontinue Liquidated Damages and avail itself of any other remedy available under this Contract or at law or equity.</p>	
E.6 Personally Identifiable Information.	122.	<p>While performing its obligations under this Contract, Contractor may have access to Personally Identifiable Information held by the State ("PII"). For the purposes of this Contract, "PII" includes "Nonpublic Personal Information" as that term is defined in Title V of the Gramm-Leach-Bliley Act of 1999 or any successor federal statute, and the rules and regulations thereunder, all as may be amended or supplemented from time to time ("GLBA") and personally identifiable information and other data protected under any other applicable laws, rule or regulation of any jurisdiction relating to disclosure or use of personal information ("Privacy Laws"). Contractor agrees it shall not do or omit to do anything which would cause the State to be in breach of any Privacy Laws. Contractor shall, and shall cause its employees, agents and representatives to: (i) keep PII confidential and may use and disclose PII only as necessary to carry out those specific aspects of the purpose for which the PII was disclosed to Contractor and in accordance with this Contract, GLBA and Privacy Laws;</p>	<p>The contract language does not restrict using PII for business purposes. The language is for improper use and what safeguards must be in place when dealing with PII. The language is not to prevent business operations only improper use. The vendor can conduct normal business operations with PII as long as they maintain the privacy and security of the information.</p>

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	<p>and (ii) implement and maintain appropriate technical and organizational measures regarding information security to: (A) ensure the security and confidentiality of PII; (B) protect against any threats or hazards to the security or integrity of PII; and (C) prevent unauthorized access to or use of PII. Contractor shall immediately notify State: (1) of any disclosure or use of any PII by Contractor or any of its employees, agents and representatives in breach of this Contract; and (2) of any disclosure of any PII to Contractor or its employees, agents and representatives where the purpose of such disclosure is not known to Contractor or its employees, agents and representatives. The State reserves the right to review Contractor's policies and procedures used to maintain the security and confidentiality of PII and Contractor shall, and cause its employees, agents and representatives to, comply with all reasonable requests or directions from the State to enable the State to verify or ensure that Contractor is in full compliance with its obligations under this Contract in relation to PII. In accordance with the timeframe for audits listed in Contract Section D.11 and in consultation with the State, Contractor shall immediately return to the State any and all PII which it has received under this Contract and shall destroy all records of such PII.</p> <p>The Contractor shall report to the State any instances of unauthorized access to or potential disclosure of PII in the custody or control of Contractor ("Unauthorized Disclosure") that come to the Contractor's attention. Any such report shall be made by the Contractor within twenty-four (24) hours after the Unauthorized Disclosure has come to the attention of the Contractor. Contractor shall take all necessary measures to halt any further Unauthorized Disclosures. The Contractor, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals whose PII was affected by the Unauthorized Disclosure. The</p>	

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		<p>Contractor shall bear the cost of notification to all individuals affected by the Unauthorized Disclosure, including individual letters and public notice. The remedies set forth in this Section are not exclusive and are in addition to any claims or remedies available to this State under this Contract or otherwise available at law. The obligations set forth in this Section shall survive the termination of this Contract.</p> <p>Question/Concern: [REDACTED] needs the ability to run its business in accord with the law. We have routine business matters, such as claim block studies, actuarial analyses, responses to the DOI, etc. Will the State agree?</p>	
E.6	123.	<p>Is the State open to discussing potential changes to Section E.6? We have some concerns with the language based on State breach laws that may apply.</p>	<p>The State would need to see suggested redlines and the citations to the statues before committing to any changes. Please submit redlines and citations during Round 2 of the Questions and Comments period.</p>
E.7.a.2 Contractor Hosted Services Confidential Data, Audit, and Other Requirements	124.	<p>The Contractor shall encrypt Confidential State Data at rest and in transit using the current version of Federal Information Processing Standard ("FIPS") 140-2 validated encryption technologies.</p> <p>Question/Concern: Data in transit on [REDACTED]'s private network is not encrypted. Our internal network is secured by layers of controls that are part of our Defense in Depth. Our private network does not encrypt data in transit. Will the State agree?</p>	<p>The State needs to understand the boundaries of your internal/private network. Is the internal network within the four walls of your processing facility? Where is State confidential data not encrypted? Please submit during Round 2 of the Questions and Comments.</p>
E.7.a	125.	<p>Will the State accept the following addition to Section E.7 to clarify the definition?</p> <p>a. Notwithstanding the foregoing, Confidential State Data does not include information that: (i) becomes public other than as a result of a disclosure by the Contractor in breach of the Agreement; (ii) becomes available to the Contractor on a non-confidential basis from a source other than the State, which is not prohibited from disclosing such information by obligation to the State; (iii) is known by</p>	<p>The State does not agree. The State will follow the state public records laws to determine what is considered confidential data.</p>

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		the Contractor prior to its receipt from the State without any obligation or confidentiality with respect thereto; (iv) is developed by the Contractor independently of any disclosures made by the State; or (v) is deidentified.	
E.7.a(2)	126.	With respect to Attachment 6.6, Pro-Forma Contract, section E.7.a.(2) (page 78), would the State agree to this revision: “(a) (2) The Contractor shall encrypt Confidential State Data at rest and in transit using the current version of Federal Information Processing Standard (“FIPS”) 140-2 validated encryption algorithms technologies. ”?	The State agrees. See Amendment item #11 below.
E.7.a.(3)	127.	With respect to Attachment 6.6, Pro-Forma Contract, section E.7.a.(3) (pages 78-79), we do not permit customers to perform tests and assessments on our environment. We perform our own tests and can provide an attestation that we have performed a pen test and a vulnerability assessment. Given this fact, would the State agree to this revision, “The Contractor shall allow the State, at its option, to perform Penetration Tests and Vulnerability Assessments on the Processing Environment.”?	No, the State does not agree. The State has modified the last sentence. See Amendment item #12 below.
E.7.a.3	128.	The Contractor must annually perform Penetration Tests and Vulnerability Assessments against its Processing Environment. “Processing Environment” shall mean the combination of software and hardware on which the Application runs. “Application” shall mean the computer code that supports and accomplishes the State’s requirements as set forth in this Contract. “Penetration Tests” shall be in the form of attacks on the Contractor’s computer system, with the purpose of discovering security weaknesses which have the potential to gain access to the Processing Environment’s features and data. The “Vulnerability Assessment” shall be designed and executed to define, identify, and classify the security holes (vulnerabilities) in the Processing	See State’s response to Question #127.

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		<p>Environment. The Contractor shall allow the State, at its option, to perform Penetration Tests and Vulnerability Assessments on the Processing Environment.</p> <p>Question/Concern: [REDACTED] conducts ongoing vulnerability assessments and an annual independent pen test. [REDACTED] will share an executive summary of the pen test results with customers upon request. We cannot agree to the last sentence. Will the State agree to edit accordingly?</p> <p>The Contractor must annually perform Penetration Tests and Vulnerability Assessments against its Processing Environment. "Processing Environment" shall mean the combination of software and hardware on which the Application runs. "Application" shall mean the computer code that supports and accomplishes the State's requirements as set forth in this Contract. "Penetration Tests" shall be in the form of attacks on the Contractor's computer system, with the purpose of discovering security weaknesses which have the potential to gain access to the Processing Environment's features and data. The "Vulnerability Assessment" shall be designed and executed to define, identify, and classify the security holes (vulnerabilities) in the Processing Environment. The Contractor shall allow the State, at its option, to perform Penetration Tests and Vulnerability Assessments on the Processing Environment.</p>	
E.7.a.4 Contractor Hosted Services Confidential Data, Audit, and Other Requirements	129.	<p>Upon State request, the Contractor shall provide a copy of all Confidential State Data it holds. The Contractor shall provide such data on media and in a format determined by the State. The Contractor shall maintain a duplicate set of all records relating to this Contract in electronic medium, usable by the State and the Contractor for the purpose of Disaster recovery. Such duplicate records are to be stored at a secure fire,</p>	<p>The State would need to see examples of what types of data are retained for 30, 45, or 60 days. Please submit additional information in Round 2 of the Questions and Comments.</p>

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		<p>flood, and theft- protected facility located away from the storage location of the originals. The Contractor shall update duplicate records, at a minimum, on a daily basis and shall retain said records for a period of sixty (60) days from the date of creation.</p> <p>Question/Concern: For clarification purposes, our backup retentions are 30, 45 or 60 days depending on data type. Is this a point that needs to be updated here?</p>	
E.7(a)(5)	130.	<p>Will the State accept the following addition to Section E.7(a)(5) to ensure we are allowed to follow our corporate record retention requirements?</p> <p>a. Notwithstanding anything to the contrary, the Contractor shall be allowed to keep copies of all necessary data and information in accordance with its records retention policies or as may be required by law.</p>	<p>State agrees to make a modification to the language.</p> <p>See Amendment item #13 below.</p>
E.7.a.(5)	131.	<p>With respect to Attachment 6.6, Pro-Forma Contract, section E.7.a.(5) (page 75), would the State agree to a records destruction process that is consistent with NIST 800-88?</p>	<p>State agrees to make a modification to the language.</p> <p>See Amendment item #13 below.</p>
E.7.a.(6)	132.	<p>With respect to Attachment 6.6, Pro-Forma Contract, section E.7.a.(6) (page 79), the requirements of HIPAA do not apply to the coverages requested. HIPAA applies to health plans, defined at 45 CFR 160.103 as a “plan that provides, or pays the cost of, medical care.” The frequently asked questions section of HHS.gov makes clear that the Department of Health and Human Services (HHS), which is responsible for enforcement of HIPAA, agrees that it has no authority to regulate life insurance, even though life insurance frequently requires the collection of health information: “HHS does not have the authority to regulate employers, life insurance companies, or public agencies that deliver social security or welfare benefits.” https://www.hhs.gov/hipaa/for-professionals/faq/190/who-must-comply-with-hipaa-privacy-standards/index.html Again, the reason</p>	<p>The State has removed this language.</p>

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		for this is that because life insurance plans do not pay for medical costs, they are out of scope for HIPAA. Given these facts, would the State agree that a business associate agreement would be neither necessary nor appropriate.	
E.7(a)(6)	133.	Will the State accept deleting Section E.7(a)(6) as HIPAA doesn't apply to the products and services being offered and therefore a BAA isn't applicable?	The State has removed this language.
E.7.b.1 Minimum Requirements	134.	<p>The Contractor and all data centers used by the Contractor to host State data, including those of all Subcontractors, must comply with the State's Enterprise Information Security Policies as amended periodically. The State's Enterprise Information Security Policies document is found at the following URL: https://www.tn.gov/finance/strategic-technology-solutions/strategic-technology-solutions/sts-security-policies.html.</p> <p>Question/Concern: We will comply with [REDACTED]'s Information Security Policies which align with industry standards. Will the State agree?</p>	The State does not agree. Per RFP Section 5.3.5, the State may, at its sole discretion, entertain limited terms and conditions or pricing negotiations prior to Contract signing that are found to be in the States best interest with no material changes to the contract. There is no guarantee this will occur. The State may, at its sole discretion, entertain limited negotiate with the best-evaluated respondent. See RFP Attachment 6.1 STATEMENT OF CERTIFICATIONS AND ASSURANCES.
E.7.b.(1)	135.	With respect to Attachment 6.6, Pro-Forma Contract, section E.7.b.(1) (page 79), would the State agree to revise this to reflect that the insurer will comply with its own policies and standards? We have our own policies and standards. We cannot agree to comply with the policies of our customers. If there are specific concerns in this regard, [REDACTED] is willing to discuss and have the State review a summary of its policies, which constitute best practices within our industry.	See the State's response to Question #134.
E.7.c.	136.	With respect to Attachment 6.6, Pro-Forma Contract, section E.7.c. (pages 79-80), would the State agree to revise this revision to reflect that we permit reviews of our information technology infrastructure, along with access to personnel, subject to certain restrictions	The State does not agree. Per RFP Section 5.3.5, the State may, at its sole discretion, entertain limited terms and conditions or pricing negotiations prior to Contract signing that are found to be in the States best interest with no material changes to the contract. There is no guarantee this will

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		<p>on access designed to protect the confidentiality and security of that infrastructure, and subject to the execution of a nondisclosure agreement. We do not permit a customer to audit our controls. We will provide a copy of a SOC2 report that covers the life product.</p>	<p>occur. The State may, at its sole discretion, entertain limited negotiate with the best-evaluated respondent. See RFP Attachment 6.1 STATEMENT OF CERTIFICATIONS AND ASSURANCES.</p>
<p>E.7.c Comptroller Audit Requirements</p>	<p>137.</p>	<p>Customer will share the results of an audit with [REDACTED]. [REDACTED] reserves the right to require the execution of a nondisclosure agreement and determine timing and scope of any audit, subject to disclosure limitations under applicable privacy law and our need to maintain the integrity of our technical infrastructure</p> <p>Upon reasonable notice and at any reasonable time, the Contractor and Subcontractor(s) agree to allow the State, the Comptroller of the Treasury, or their duly appointed representatives to perform information technology control audits of the Contractor and all Subcontractors used by the Contractor. Contractor will maintain and cause its Subcontractors to maintain a complete audit trail of all transactions and activities in connection with this Contract. Contractor will provide to the State, the Comptroller of the Treasury, or their duly appointed representatives access to Contractor and Subcontractor(s) personnel for the purpose of performing the information technology control audit.</p> <p>The information technology control audit may include a review of general controls and application controls. General controls are the policies and procedures that apply to all or a large segment of the or Subcontractor's information systems and applications and include controls over security management, access controls, configuration management, segregation of duties, and contingency planning.</p>	<p>See the State's response to Question #136.</p>

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	<p>Application controls are directly related to the application and help ensure that transactions are complete, accurate, valid, confidential, and available. The audit shall include the Contractor's and Subcontractor's compliance with the State's Enterprise Information Security Policies and all applicable requirements, laws, regulations or policies.</p> <p>The audit may include interviews with technical and management personnel, physical inspection of controls, and review of paper or electronic documentation.</p> <p>For any audit issues identified, the Contractor and Subcontractor(s) shall provide a corrective action plan to the State within 30 days from the Contractor or Subcontractor receiving the audit report.</p> <p>Each party shall bear its own expenses incurred while conducting the information technology controls audit.</p> <p>Question/Concern: We do not have the right for our customers to audit our subcontractors. [REDACTED] has the right to audit and does perform audits at a level and frequency based on risk of the relationship. Will the State agree to the proposed edits?</p> <p>Customer will share the results of an audit with [REDACTED]. [REDACTED] reserves the right to require the execution of a nondisclosure agreement and determine timing and scope of any audit, subject to disclosure limitations under applicable privacy law and our need to maintain the integrity of our technical infrastructure</p> <p>Upon reasonable notice and at any reasonable time, the Contractor and Subcontractor(s) agree to allow the State, the Comptroller of the Treasury, or their duly appointed representatives to perform information technology control</p>	

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	<p>audits no less than annually of the Contractor and all Subcontractors used by the Contractor. Contractor will maintain and cause its Subcontractors to maintain a complete audit trail of all transactions and activities in connection with this Contract. Contractor will provide to the State, the Comptroller of the Treasury, or their duly appointed representatives access to Contractor and Subcontractor(s) personnel for the purpose of performing the information technology control audit.</p> <p>The information technology control audit may include a review of general controls and application controls. General controls are the policies and procedures that apply to all or a large segment of the Contractor's or Subcontractor's information systems and applications and include controls over security management, access controls, configuration management, segregation of duties, and contingency planning.</p> <p>Application controls are directly related to the application and help ensure that transactions are complete, accurate, valid, confidential, and available. The audit shall include the Contractor's and Subcontractor's compliance with the State's Contractor's Enterprise Information Security Policies and all applicable requirements, laws, regulations or policies.</p> <p>The audit may include interviews with technical and management personnel, physical inspection of controls, and review of paper or electronic documentation.</p> <p>For any audit issues identified, the Contractor and Subcontractor(s) shall provide a corrective action plan to the State within 30 days from the Contractor or Subcontractor receiving the audit report.</p> <p>Each party shall bear its own expenses incurred while conducting the information technology controls audit.</p>	

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E.7.e Comptroller Audit Requirements	138.	<p>The Contractor and any Subcontractor used by the Contractor to host State data, including data center vendors, shall be subject to an annual engagement by a CPA firm in accordance with the standards of the American Institute of Certified Public Accountants (“AICPA”) for a System and Organization Controls for service organizations (“SOC”) 2 Type II audit. The SOC audit control objectives shall include all five the Security trust services principles. The State shall approve the SOC audit control objectives. The Contractor shall provide the State with the Contractor’s and Subcontractor’s annual audit report within 30 days upon request from when the CPA firm provides the audit report to the Contractor or Subcontractor and in addition to periodic bridge reports as requested by the State, see Contract Attachment D, #6. The Contractor shall submit corrective action plans to the State for any issues included in the audit report within 30 days after the CPA firm provides the audit report to the Contractor and Subcontractor.</p> <p>If the scope of the most recent SOC audit report does not include all of the current State fiscal year, upon request from the State, the Contractor must provide to the State a letter from the Contractor or Subcontractor stating whether the Contractor or Subcontractor made any material changes to their control environment since the prior audit and, if so, whether the changes, in the opinion of the Contractor or Subcontractor, would negatively affect the auditor’s opinion in the most recent audit report.</p> <p>No additional funding shall be allocated for these audits as they are included in the Maximum Liability of this Contract.</p> <p>Question/Concern: See proposed edits. Will the State agree?</p>	The State does not agree. Also, see the State’s response to Question #136.

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		<p>We do contractually have the right to audit our subcontractors and these rights include independence assurance requests. However, we do accept other forms of assurance besides SOC 2 reports that align with the controls we expect based on the nature of services they are providing.</p> <p>We can talk through our process to vet and assess our subcontractors, but we cannot legally share the supplemental and supporting documents obtained during our review.</p>	
E.7(e)	139.	Regarding Section E.7(e), does the Contractor have to allow the State to perform a SOC 2 Type II audit, or can the Contractor conduct their own and provide it to the State?	The State expects the Contractor to have a SOC 2 Type II audit performed and provide the State the results.
SLA Scorecard	140.	The performance guarantee request is very steep from payout amount with no caps listed. Do you think they would be open to a cap of our typical 2-3% of premium? We would need to adjust our tolerable if we have to go any higher	The State is not agreeable to the suggested cap. The performance guarantee items are those that are critical to timely service delivery and protection for our members. If any of these are missed, there would be serious concerns about the vendor's ability to effectively administer this program and additional action may be necessary if not rectified quickly.
Contract Attachment C	141.	Regarding Contract Attachment C – Service Level Scorecard #3 Eligibility Posting, would the State be open to amending this description as follows: '96% of electronically retrieved eligibility files in good order are processed within 2 business days and error reports are sent within the 1 day after those 2 business days'?	No, the State is not open to lowering this standard.
Contract Attachment C	142.	Regarding Contract Attachment C – Service Level Scorecard #9 Timely Notification, can you more clearly define a situation that appears to negatively impact the administration or delivery of the Program or Benefits as required in Contract Section A13.d?	Situations that would negatively impact the administration or delivery of the Program or Benefits include things such as the vendor's inability to accept calls, process claims, or if the vendor's website or member portals are not accessible.
Contract Attachment C	143.	Regarding Contract Attachment C – Service Level Scorecard #10 Call Center Responses, can you more clearly define what would constitute an unresolved issue?	If the State must intervene to resolve a member issue that could have been resolved by the Contractor but was not, despite the member's efforts to work with the Contractor

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
			to do so, then that would constitute an unresolved case.
Contract Attachment E	144.	<p>Please confirm the traditional basic life plan on Contract Attachment E has the same intent as the State's website:</p> <p>"The state provides all benefits-eligible employees with basic term life Insurance (\$20,000) and basic accidental death & dismemberment insurance (\$40,000) automatically, at no cost.</p> <p>If you enroll in health insurance as the "head of contract," or HOC your life insurance coverage automatically increases based on your salary to a maximum of \$50,000 for basic term life insurance and \$100,000 for basic accidental death & dismemberment insurance. You pay a monthly premium for this additional coverage."</p>	Information on the website describes the benefits as they exist today. Contract Attachment E describes the benefits to be implemented in 2023. There are differences between current benefits and benefits beginning in 2023. Respondents should focus on information contained in the RFP when preparing their response.

3. Delete RFP Section 1.1.1 in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

Statement of Procurement Purpose

The State Insurance Committee seeks to secure a single contract with an insurance company for the delivery of 1. A group fully-insured, voluntary (employee pay all) term life insurance program; 2. A group fully-insured, voluntary (employee pay all) Accidental Death and Dismemberment (AD&D) insurance program; and 3. A group minimum premium insured basic term life and basic accidental death & dismemberment insurance program (employer/employee pay). The benefit period for all programs shall be January 1, 2023 through December 31, 2027.

The State seeks to continue offering these life and AD&D insurance programs for eligible employees of Central State Government and State Higher Education agencies and their eligible dependents. Appendix 7.1 to this RFP includes current eligibility information. Minimum benefit requirements are listed in Attachment E to Pro Forma Contract Attachment 6.6 to this RFP. The traditional benefits shall initially be implemented, which includes \$20,000 of basic-term and \$40,000 of basic AD&D funded by the State. Additional amounts of coverage are funded by the employee. The State will notify the contractor In Writing if it is desired to change from the traditional to the contemporary plan benefits. The contemporary basic term and basic AD&D benefits would include minimum coverage amounts of \$50,000 and maximum coverage amounts of \$250,000 and would be funded by the State.

4. Delete Pro forma Section A.3.I. in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

Key personnel commitments made by the Contractor shall not be changed unless prior approval is received from the State. Prior approval for promotions and/or employment terminations is not required. For these purposes, such commitments shall include any named individuals in the proposal and the levels of effort proposed. The Contractor shall notify In Writing the State at least

fifteen (15) Business Days in advance of all proposed changes and shall submit proposed substitutions in sufficient detail to the State to evaluate the impact.

5. Add Pro forma Section A.4.m. in its entirety (any sentence or paragraph containing revised or new text is highlighted):

During normal business hours the Contractor's call center shall be able to offer interpretation/translation services, via telephone, to callers with Limited English Proficiency at no charge to the caller or the State.

6. Add Pro forma Section A.10.g. in its entirety (any sentence or paragraph containing revised or new text is highlighted):

This Section does not prohibit disclosures of information required by law (including valid subpoena and court orders).

7. Delete Pro forma C.4.b. in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

Based on the SLA Scorecard, Contractor shall send the State an At-Risk Performance Payment (if applicable) quarterly during the Term in accordance with Contract Attachment C and D. This payment is due within forty-five (45) calendar days of the quarterly SLA scorecard assessment.

8. Delete Pro forma D.6. in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

If a Party ("Breaching Party") fails to properly perform its obligations under this Contract, or if a Party materially violates any terms of this Contract ("Breach Condition"), the other Party ("Non-breaching Party") may provide written notice to the Breaching Party specifying the Breach Condition. If within thirty (30) days of notice, the Breaching Party has not cured the Breach Condition, the Non-breaching Party may terminate the Contract. In the event the Non-breaching Party is the State, the State may withhold payments in excess of compensation for completed services or provided goods. The Breaching Party shall not be relieved of liability to the Non-breaching Party for damages sustained by virtue of any breach of this Contract, and the Non-breaching Party may seek other remedies allowed at law or in equity for breach of this Contract.

9. Delete Pro forma Section D.29 in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract along with any riders or endorsements, these items shall govern in order of precedence below:

- a. any amendment to this Contract, with the latter in time controlling over any earlier amendments;
- b. this Contract with any attachments or exhibits (excluding the items listed at subsections c. through f., below), which includes:
 - i. Contract Attachment A Attestation Re Personnel Used in Contract Performance;
 - ii. Contract Attachment B Performance Guarantees and Liquidated Damages;
 - iii. Contract Attachment C Service Level Agreement Scorecard;

- iv. Contract Attachment D Reporting Requirements; and
 - v. Contract Attachment E Life and AD&D Insurance Minimum Benefit Provisions;
 - vi. Contractor's group Master Policy; and
 - vii. Contractor's group certificate(s) of coverage.
- c. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
 - d. the State solicitation, as may be amended, requesting responses in competition for this Contract;
 - e. any technical specifications provided to proposers during the procurement process to award this Contract;
 - f. the Contractor's response seeking this Contract; and
 - g. any Contractor rules or policies contained in insurance policy filings by the Contractor with State regulators.

10. Delete Pro forma Section D.31 (leaving the subsections as is) in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

D.31. Insurance. Contractor shall maintain insurance coverage as specified in this Section. The State reserves the right to amend or require additional insurance coverage, coverage amounts, and endorsements required under this Contract. Contractor's failure to maintain or submit evidence of insurance coverage, as required, is a material breach of this Contract. If Contractor loses insurance coverage, fails to renew coverage, or for any reason becomes uninsured during the Term, Contractor shall immediately notify the State. All insurance companies providing coverage must be: (a) acceptable to the State; (b) authorized by the Tennessee Department of Commerce and Insurance ("TDCI"); and (c) rated A- / VII or better by A.M. Best. All coverage must be on a primary basis and noncontributory with any other insurance or self-insurance carried by the State. Contractor agrees to name the State as an additional insured on any insurance policy with the exception of workers' compensation (employer liability), professional liability (errors and omissions) insurance, **and Cyber Liability/Technology (errors and omissions) insurance**. All policies must contain an endorsement for a waiver of subrogation in favor of the State. Any deductible or self insured retention ("SIR") over fifty thousand dollars (\$50,000) must be approved by the State. The deductible or SIR and any premiums are the Contractor's sole responsibility. The Contractor agrees that the insurance requirements specified in this Section do not reduce any liability the Contractor has assumed under this Contract including any indemnification or hold harmless requirements.

To achieve the required coverage amounts, a combination of an otherwise deficient specific policy and an umbrella policy with an aggregate meeting or exceeding the required coverage amounts is acceptable. For example: If the required policy limit under this Contract is for two million dollars (\$2,000,000) in coverage, acceptable coverage would include a specific policy covering one million dollars (\$1,000,000) combined with an umbrella policy for an additional one million dollars (\$1,000,000). If the deficient underlying policy is for a coverage area without aggregate limits (generally Automobile Liability and Employers' Liability Accident), Contractor shall provide a copy of the umbrella insurance policy documents to ensure that no aggregate limit applies to the umbrella policy for that coverage area. In the event that an umbrella policy is being provided to achieve any required coverage amounts, the umbrella policy shall be accompanied by an endorsement at least as broad as the Insurance Services Office, Inc. (also known as "ISO") "Noncontributory—Other Insurance Condition" endorsement or shall be written on a policy form that addresses both the primary and noncontributory basis of the umbrella policy if the State is otherwise named as an additional insured.

Contractor shall provide the State a certificate of insurance (“COI”) evidencing the coverages and amounts specified in this Section. The COI must be on a form approved by the TDCI (standard ACORD form preferred). The COI must list each insurer’s National Association of Insurance Commissioners (NAIC) number and be signed by an authorized representative of the insurer. The COI must list the State of Tennessee – CPO Risk Manager, 312 Rosa L. Parks Ave., 3rd floor Central Procurement Office, Nashville, TN 37243 as the certificate holder. Contractor shall provide the COI ten (10) business days prior to the Effective Date and again thirty (30) calendar days before renewal or replacement of coverage. Contractor shall provide the State evidence that all subcontractors maintain the required insurance or that subcontractors are included under the Contractor’s policy. At any time, the State may require Contractor to provide a valid COI. The Parties agree that failure to provide evidence of insurance coverage as required is a material breach of this Contract. If Contractor self-insures, then a COI will not be required to prove coverage. Instead, Contractor shall provide a certificate of self-insurance or a letter, on Contractor’s letterhead, detailing its coverage, policy amounts, and proof of funds to reasonably cover such expenses. Upon notification of a claim or lawsuit naming the State, the State reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

The State agrees that it shall give written notice to the Contractor as soon as practicable after the State becomes aware of any claim asserted or made against the State, but in no event later than thirty (30) calendar days after the State becomes aware of such claim. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor or its insurer, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.

The insurance obligations under this Contract shall be: (1)—all the insurance coverage and policy limits carried by the Contractor; or (2)—the minimum insurance coverage requirements and policy limits shown in this Contract; whichever is greater. Any insurance proceeds in excess of or broader than the minimum required coverage and minimum required policy limits, which are applicable to a given loss, shall be available to the State. No representation is made that the minimum insurance requirements of the Contract are sufficient to cover the obligations of the Contractor arising under this Contract. The Contractor shall obtain and maintain, at a minimum, the following insurance coverages and policy limits.

11. Delete Pro forma Section E.7.a.(2) in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

The Contractor shall encrypt Confidential State Data at rest and in transit using the current version of Federal Information Processing Standard (“FIPS”) 140-2 validated encryption algorithms.

12. Delete Pro forma Section E.7.a.(3) in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

The Contractor must annually perform Penetration Tests and Vulnerability Assessments against its Processing Environment. “Processing Environment” shall mean the combination of software and hardware on which the Application runs. “Application” shall mean the computer code that supports and accomplishes the State’s requirements as set forth in this Contract. “Penetration Tests” shall be in the form of attacks on the Contractor’s computer system, with the purpose of discovering security weaknesses which have the potential to gain access to the Processing Environment’s features and data. The “Vulnerability Assessment” shall be designed and executed to define, identify, and classify the security holes (vulnerabilities) in the Processing Environment. The Contractor shall allow the State, at its option, access to the executive summary for independent third-party Penetration Tests and Vulnerability Assessments on the Processing Environment.

13. Delete Pro forma Section E.7.a.(5) in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

In accordance with the timeframe for audits listed in Contract Section D.11 and in consultation with the State, the Contractor shall destroy all Confidential State Data it holds (including any copies such as backups) in accordance with the current version of National Institute of Standards and Technology (“NIST”) Special Publication 800 - 88. Notwithstanding anything to the contrary, the Contractor shall be allowed to keep copies of all necessary data and information in accordance with its records retention policies or as may be required by law. The Contractor shall provide a written confirmation of sanitization to the State within ten (10) business days after destruction.

14. Delete Contract Attachment E TRADITIONAL BASIC TERM LIFE and BASIC ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE BENEFITS chart in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

TRADITIONAL BASIC TERM LIFE and BASIC ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE BENEFITS									
Benefit/Provision	Description								
Plan Policy Requirements	The basic term life and basic accidental death & dismemberment insurance must be based on a group policy platform issued to the State of Tennessee. Member’s coverage shall be as described in approved Certificates of Coverage.								
Annual Enrollment	Each year during a time period specified by the State, employees may elect for the traditional basic term life/basic AD&D to drop the employee paid portion of basic term life/basic AD&D coverage, drop in total the dependent coverage, remove specific dependents from dependent coverage, add dependent coverage, and add specific dependents to dependent coverage.								
Benefit Amounts Employee and dependents	<p>TRADITIONAL BASIC TERM LIFE Coverage shall be one and one-half (1&1/2) times the employee’s base annual salary with a minimum coverage amount of \$20,000 and a maximum coverage amount of \$50,000. The employee may elect to enroll only in the coverage paid by the State.</p> <p>The determination of coverage for an employee shall be based upon the employee’s age and salary as of September 1 of each year or an alternative date established by the State with the effective date of the recalculated coverage to be on October 1 of the same year or on an alternative date established by the State.</p> <p>The amount of basic term life insurance coverage for the employee begins to decrease at age 65. Reductions are to 65 percent of the scheduled amount at age 65; to 45 percent at age 70; and to 30 percent at age 75. Basic Term Life coverage amounts do not reduce at age 70 or above for those employees enrolled in the State’s Permaplan program. Basic term life insurance coverage for dependents does not reduce.</p> <p>Dependent Schedule of Benefits</p> <table border="0"> <tr> <td>Definition</td> <td style="text-align: right;">Amount</td> </tr> <tr> <td>Enrolled Dependents of Insured Employee who are:</td> <td></td> </tr> <tr> <td>Spouse</td> <td style="text-align: right;">\$3,000</td> </tr> <tr> <td>Dependent child (from live birth)</td> <td style="text-align: right;">\$3,000</td> </tr> </table> <p>TRADITIONAL BASIC ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D) Schedule of Benefits</p> <p>The employee’s basic AD&D coverage shall be two (2) times the employee’s basic term life coverage amount.</p> <p>Enrolled dependents’ coverage amount shall be: Spouse Only Enrolled – 60% of employee’s basic AD&D amount Spouse and Children Enrolled Spouse 40% of employee’s basic AD&D amount</p>	Definition	Amount	Enrolled Dependents of Insured Employee who are:		Spouse	\$3,000	Dependent child (from live birth)	\$3,000
Definition	Amount								
Enrolled Dependents of Insured Employee who are:									
Spouse	\$3,000								
Dependent child (from live birth)	\$3,000								

Each child's coverage shall be 10% of employee's basic AD&D amount
Children Only Enrolled – Each child's coverage shall be 10% of employee's basic AD&D amount

The amount of basic accidental death and dismemberment coverage for the employee and dependent(s) begin to decrease at age 65. Reductions are to 65 percent of the scheduled amount at age 65; to 45 percent at age 70; and to 30 percent at age 75. Basic accidental death and dismemberment face amounts do not reduce at age 70 or above for those employees enrolled in the State's Permaplan program and their dependents.

Table of Losses

These losses must:

1. Be the result of bodily injury caused solely by accident and independent of all other causes;
2. Occur within 90 days of the date of the accident; and
3. Be losses for which Proof of Loss is submitted within 180 days of the accident.

Accidental Death Both hands or both feet Sight of both eyes One hand and one foot One hand and sight of one eye One foot and sight of one eye	THE MAXIMUM BENEFIT
One hand One foot Sight of one eye	ONE-HALF THE MAXIMUM BENEFIT
Thumb and index finger of either hand	ONE-FOURTH THE MAXIMUM BENEFIT

The amount of payment will be determined by the Maximum Benefit shown for this coverage in the Schedule of Benefits. With respect to hands or feet, "loss" means actual severance at or above wrist or ankle joints; with respect to eyes, permanent and total loss of sight; with respect to thumb and index finger, actual severance of entire digit at or above joints.

No more than 100 percent of the Maximum Benefit will be paid for any one accident, no matter how many of the above listed losses occur as a result of that accident.

Limitations

There are some limitations. A benefit will not be paid if the accident results from or is due to:

1. Any disease or infirmity of mind or body, and any medical or surgical treatment thereof;
2. Suicide or attempted suicide, while sane or insane;
3. Any intentionally self-inflicted injury;
4. War, declared or undeclared war, whether or not you are a member of any armed force;
5. Commission of, participation in, or an attempt to commit an assault or felony;
6. Being under the influence of any narcotic, hallucinogen, barbiturate, gas or fumes, poison or any other controlled substance as defined in Title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970, as now or hereafter amended, unless as prescribed by the Insured's licensed physician. Conviction is not necessary for a determination of being under the influence;
7. Intoxication as defined by the laws of the jurisdiction in which the accident occurred. Conviction is not necessary for a determination of being intoxicated; or
8. Active participation in a riot. "Riot" means all forms of public violence, disorder, or disturbance of the public peace, by three or more persons assembled together, whether with or without a common intent and whether or not damage to person or property or unlawful act is the intent or the consequence of such disorder.

<p>Advance Benefit Option</p>	<p>If the employee is terminally ill with a diagnosed life expectancy of no more than twelve months, they may request a partial payment of the scheduled amount of their basic term life. The minimum death benefit to be eligible for an advance benefit is \$10,000. This advance payment is subject to a minimum withdrawal of \$5,000 and will reduce the scheduled amount of coverage paid to the beneficiary. The maximum death benefit that can be accelerated is 80% of the amount of the employee's basic term life coverage. The advanced payment will be reported to the Internal Revenue Service, and it may be considered taxable income.</p> <p>Limitations. There are some limitations on the advance benefit option. A benefit will not be paid if:</p> <ol style="list-style-type: none"> 1. The terminal illness resulted from attempted suicide or self-inflicted injury; 2. The coverage has been assigned; 3. The coverage is payable to an irrevocable beneficiary; 4. You are required by law to use this option to meet the claims of creditors; or 5. You are required by a government agency to use this option in order to get or keep a government benefit or entitlement.
<p>Supplemental Basic AD&D Benefits</p>	<p>A supplemental basic accidental death benefit is payable if the employee dies as a result of an automobile accident for which a basic accidental death and dismemberment benefit is paid and the employee was properly secured by a seatbelt. The vehicle must have been operated by a licensed driver who was not intoxicated, driving while impaired, or under the influence of certain substances. The benefit will be the lesser of: \$25,000; the basic accidental death and dismemberment benefit; or \$1,000 if an official police report certifying proper seatbelt use is not submitted with the claim.</p> <p>If the employee dies as the result of an accident which occurs more than 75 miles from the employee's principal residence, a supplemental benefit of up to \$5,000 for preparation and transportation of the body will be paid. The accident must qualify for the provision of basic accidental death and dismemberment benefits for the repatriation benefit to be provided.</p>
<p>Waiver of Premium</p>	<p>If the employee is totally disabled prior to age 70, the employee's basic term life coverage will continue for one year from the last day of the month following end of positive pay status.</p> <p>In addition, if the employee becomes totally and permanently disabled before age 60 and remains disabled for nine consecutive months, the employee may be eligible to continue the basic term life coverage on him/herself and his covered dependents until the employee turns age 70. The Contractor determines whether the employee's disability is considered total and permanent. To be granted a continuation under the waiver of premium provision the employee must:</p> <ol style="list-style-type: none"> 1. apply within twelve months following the last day of the month following end of positive pay status; 2. provide proof of the disability each year that is satisfactory to the Contractor; and 3. remain totally disabled. <p>Any amount payable under the Waiver of Premium or one year extension provision will be reduced by the amount of a conversion policy. The employee is not allowed to increase coverage above the level the employee had as an active employee. The conversion policy can be surrendered and the employee would be eligible for full coverage under the extension and approved Waiver of Premium claim.</p> <p>There are no extended benefits for the basic accidental death and dismemberment coverage.</p>

Beneficiary Designation	<p>Benefits for the loss of life under the basic term life and the basic and accidental death and dismemberment coverages will be paid to a beneficiary designated by the employee. The beneficiary information shall be maintained by the State. Changes in beneficiary take effect when made by the employee.</p> <p>The beneficiary for all dependent coverage and for the dismemberment coverage is the employee.</p> <p>If two or more persons are designated beneficiaries and the employee does not indicate otherwise, they will share the benefits equally. If one of them does not survive the employee, that share will pass to the surviving beneficiaries.</p> <p>If no beneficiary is designated, the benefits will be paid according to the Contractor's standard order of payment.</p>
Conversion of Coverage	<p>If the employee's basic term life insurance coverage ends because their employment with the State of Tennessee ceases, for any reason including retirement, or because the class of employees is no longer eligible, the employee will be entitled to enroll in an individual life or term policy of insurance offered by the Contractor not affiliated with the State's Group Insurance Program. No evidence of insurability will be required. This coverage will not be the same as that provided to the employee as an active employee and the premium will be affected by the form and amount of the policy, the employee's age, and the class of risk to which the employee belongs.</p> <p>The Contractor will send a notice concerning the former employee's eligibility to convert coverage. Payment of premium will be made directly to the Contractor by the former employee.</p> <p>Dependents may exercise a conversion option when they become ineligible for coverage, as well.</p> <p>If the employee or dependent dies during the 31-day period following the termination of insurance, the Contractor shall pay the maximum amount of life insurance for which an individual policy could have been issued.</p>

15. Add the following as RFP Appendices and renumber any subsequent sections as necessary:

REVISED:

- Appendix 7.1. REVISED Eligibility Criteria**
- Appendix 7.6 REVISED Demographics for Eligible Basic Term Life and Basic ADD and Voluntary AD&D**

NEW:

- 7.13. Basic Term Life and ADD Invoice**
- 7.14. Voluntary Term Life Census**
- 7.15. Life Insurance Rates**
- 7.16. Voluntary Term Life Enrollment History**
- 7.17. Waiver of Premium Claims History**
- 7.18. COVID Death Claims**
- 7.19. Basic Term & ADD Monthly Enrollment Statistics Report**
- 7.20. Voluntary ADD October 2021**
- 7.21. Detail Claims Listing**

- 16. Delete RFP #31786-00165 in its entirety, and replace with RFP #31786-00165, Release #2.** Revisions of the original RFP document are emphasized within the new release. **Any sentence or paragraph containing revised or new text is highlighted.**

- 17. RFP Amendment Effective Date.** The revisions set forth herein shall be effective upon release. All other terms and conditions of this RFP not expressly amended herein shall remain in full force and effect.