

Request for Proposal (RFP) for the State of Delaware's Life Insurance Programs

*All shipping packages should be clearly labeled as
"RESPONSE TO REQUEST FOR PROPOSAL"*

Bid responses received after 3:00 p.m. on Monday, June 30th, will not be accepted.

Response to Questions (Q&A)

June 18, 2014

No.	Question:	Answer:
1	How many employees are in the Delaware Solid Waste Authority Group (DSWA)? It would be helpful to know how many are eligible and how many are participating in the program.	There are 127 eligible employees and 62 enrolled employees in the DSWA group.
2	The RFP states "paper" eligibility is submitted for DSWA. Please clarify. Is actual paper submitted, or is an Excel spreadsheet census file listing submitted via email?	The RFP does state "paper" eligibility is submitted to our current vendor by DSWA. To clarify, an initial spreadsheet identifying all active benefits eligible employees was provided to our current vendor upon inception and implementation of the life program. Every month thereafter, DSWA uploads an excel spreadsheet containing "changes", to include changes in salaries, additions, terminations, etc., for processing.
3	What types of ongoing changes are received? Also, please give an idea of the volume of changes for the DSWA population.	<p>The types of ongoing changes you will receive from the State include, but are not limited to, changes in employee demographics, the addition of newly hired employees, changes in work statuses (i.e., persons working one permanent part-time job just started working in another permanent part-time job or vice versa, etc).</p> <p>An idea of the volume of changes for the DSWA population is 3 to 5 people per month, generally speaking.</p>
4	Please provide additional clarification on Scope of Services page 7, # 3. "Apply interest to excess employee contributions received in the GUL program." Does this mean during the period between when Minnesota Life processes the 1035 request and when we receive it?	Request #3 under Scope of Services on page 7, is to confirm that interest will be added to cash account.
5	Please provide additional clarification on Scope of Services page 9, #24: <i>Work with the State's disability vendor, The Hartford, on premium waiver determinations.</i> What would working closely with The Hartford entail?	<p>We are providing additional clarification on item #24 in the Scope of Services referenced on page 9 of the RFP. Working closely with the State's disability vendor would entail and encompass the following tasks:</p> <ol style="list-style-type: none"> 1. As the definition of Total Disability in the State's LTD program and Life programs

		<p>are identical, your company would be expected to accept and apply the determinations made by The Hartford on all persons enrolled in the State's Disability Insurance Program.</p> <ol style="list-style-type: none"> 2. Accept and apply a bi-weekly report from The Hartford listing all persons approved and currently approved for LTD benefits by The Hartford. 3. Gaining access to The Hartford's disability system for LTD status checks.
6	Regarding the requested Performance Guarantees, are you looking for State of Delaware specific guarantees, or would it be acceptable to base the Performance Guarantees on our overall GUL/GVUL book of business?	The State is looking for the Performance Guarantees to be based on State specific data. Please indicate reasons that you cannot comply with the requested guarantees and provide alternatives.
7	Questionnaire, Page 26, #21: <i>Please confirm that your organization will track and identify employees who have multiple positions, for example, two permanent part-time positions, on a bi-weekly basis to correctly identify whether to continue group billing (i.e., reducing from two eligible part-time positions to one) or to place the employee on direct bill (i.e., retirement or termination of employment).</i> Please provide clarification on what is being requested. Eligibility for the plan is driven by the file provided to us by the State.	We are providing additional clarification on question 21 of the Minimum Requirements section of the RFP. Please substitute the attached "Delaware Eligibility File Specs – File Name dhr940.dat" with the layout provided on page 111 of the RFP. On the attached Delaware Eligibility File Specs, there is a row named "Multiple Job Indicator" (MJI) that will be populated when an employee is employed in multiple benefit eligible positions. As the State of Delaware provides a full electronic file to the vendor on a bi-weekly basis, it is the vendor's responsibility to compare the current file to the previous file and appropriately direct bill persons who no longer are actively employed in a benefits eligible position. If the MJI field is no longer populated, then the vendor must determine whether to continue the member on the group bill or to direct bill the member because he/she is no longer employed in a benefits eligible position.
8	Questionnaire, Page 27, #30: <i>Please confirm that once disability terminates, Waiver of Premium beneficiaries are to be direct billed at 50% of coverage until the earliest of attaining age 65 or are no longer disabled. Please confirm that AD&D coverage will be restored when the Waiver of Premium benefit terminates or until age 70, whichever occurs first.</i> Please provide additional clarification on this request.	We are providing additional clarification on the termination of the waiver of premium provision. If waiver of premium is terminated as a result of the member no longer meeting the definition of disability, then the member should be ported or direct billed at 50% of the coverage amount. Waiver of premium beneficiaries retain 100% of GUL coverage only while disabled on Waiver of Premium. AD&D is restored when Waiver of Premium terminates and the member is direct billed.

9	How does State of Delaware currently communicate other benefits? Direct mail? Electronic Communications?	The State of Delaware currently communicates other benefits by electronic communications, direct mail, posters, website updates, benefit representatives meetings and/or employee seminars and fairs.
10	How does State of Delaware currently allow its employees to enroll in the Life benefits? Direct mail? Online? Telephonic?	The State of Delaware currently allows benefits eligible active employees to enroll in the life program by logging onto Minnesota Life's secure website and enrolling themselves. Employees who do not have computer access may enroll in the life program by completing a paper application enclosed in an enrollment packet mailed to homes of all benefits eligible employees when initially hired into a benefits eligible position. Persons who do not enroll themselves into the life insurance plan will have no group life insurance benefits sponsored by the State of Delaware. Currently, there is not an option for employees to enroll in the life program telephonically.
11	Please provide a rate history back to 2009.	Rate history from 2002 to 2013 is found in the Attachment 12, now provided.
12	Please confirm this quote should be net of commissions.	As indicated in question 10 of the Minimum Requirements section of the RFP, quoted rates should exclude commission, percentage, brokerage and contingent fees.
13	Please provide a detailed paid claim listing including claim amount, date of birth, date of death, gender, and date paid.	Detailed claim history and waiver claim history for calendar years 2009 through 2013 is found in Attachments 13, 14, 15, 16 and 17 now provided.
14	Please provide a waiver claim listing including date of birth, date of disability, date of death, face amount, and reserve amount.	Detailed claim history and waiver claim history for calendar years 2009 through 2013 is found in Attachments 13, 14, 15, 16 and 17 now provided.
15	Do the Portable and Retiree rates have to be the same as the Active rates?	The portable and retiree rates need to be the same for the Current Plan Option.
16	Could you please confirm the Life and AD&D rates from 1/1/2009 to 1/1/2013?	Rate history from 2002 to 2013 is found in Attachment 12 now provided.

17	Could you please provide a detailed list of incurred claims for Life and AD&D? (Definition of "Incurred Claims" as shown on the experience report)	Detailed claim history and waiver claim history for calendar years 2009 through 2013 is found in Attachments 13, 14, 15, 16 and 17 now provided.
18	Could we please have a detailed lives/volume report by month for the experience period already provided (1/1/2009 to 12/31/2103), for both Life and AD&D?	Volume and lives per month is not available. Please refer to annual amounts noted in Attachment 9.
19	Could the census be updated to reflect job title? If this is not feasible, is there a report of total lives/volume for: (i) police; (ii) corrections; (iii) fire personnel.	Collecting census information by job title would be very burdensome for the State of Delaware and as such will not be provided.
20	Could you please provide the following disclosure: (make; model and n-number) of any Policyholder owned/leased aircrafts.	The State of Delaware does not have this information readily available.
Regarding Attachment 7: Group Plan Alternatives		
21	For the alternate plans with an insured Waiver of Premium provision, can you confirm employees disabled prior to 07/01/2015 will be grandfathered under the current plan provisions and remain insured under the group plan without premium payment?	For the alternate plans with an insured Waiver of Premium provision, it is confirmed that employees disabled prior to 7/1/15 will <u>not</u> be grandfathered under the current plan provisions and remain insured under the group plan without premium payment. As stated in question #7, page 25 of the Minimum Requirements section of the RFP, you must confirm that you will provide all participants enrolled as of June 30, 2015, in the GUL program with their current benefit levels without evidence of insurability as of July 1, 2015. Waiver of premium beneficiaries as of June 30, 2015 will transfer to the new vendor effective July 1, 2015.
22	For the alternate plans with port and disabled insureds after 07/01/2015 moving to a carrier port pool, can you confirm port and disabled insureds prior to 07/01/2015 will be grandfathered under the current plan provisions and remain insured under the group plan?	Under the alternative group and individual plan scenarios, ported and disables prior to 07/01/2015 will be grandfathered under the current plan provisions (i.e., disability status) but will be the responsibility of the carrier in place as of 07/01/15.
23	For the alternate plans with port and disabled insureds after 07/01/2015 moving to a carrier port pool, can you confirm carrier port pool rates will apply to the insureds moving to the carrier pool?	Under the alternative group and individual plan scenarios, ported and disables on or after 07/01/2015 will be subject to the carrier's port pool rates.

24	For Alternate Plan 4, can you confirm the separate rates for the disabled employees will apply only to the grandfathered group of employees disabled prior to 07/01/2015 and that future disabled insureds will have coverage waived under the insured Waiver provision?	For Group Alternative Plan 4, please provide separate rates for the Active, Ported and the Direct Pay Disabled group (previously disabled employees back at work). Direct Pay Disables can be identified in the under the disability tab in Attachment 10 with a "N" in the Waiver of Premium column. Current and future disables will not pay premiums. The idea behind this alternative is to slowly move to rates that are more supportive of each group's risk, while acknowledging the active rates will still somewhat subsidize the overall group.
25	Under Alternate Plan 2, would the current \$10,000 child life benefit be eliminated, with all current insureds automatically increased to \$20,000 of coverage?	Under Alternate Plan 2, the current \$10,000 dependent life benefit would be eliminated with all insured's automatically increased to \$20,000.
26	Under Alternate Plan 5, are you requesting one set of rates for both GUL and Term plan participants?	Under Alternative Plan 5, the State is looking for two (2) rate scenarios. First, provide the same rates for both the GUL and Term products. Second, provide separate rates for GUL and Term products.
27	For Alternate Plans 3-5, can you confirm you're requesting to increase the guaranteed issue limit to 4 times earnings but making no change to the plan maximum?	Group alternative 3, 4 and 5 should note guaranteed issue amounts lesser than three (3) times annual earning or \$200,000.
Regarding Attachment 8: Individual Plan Designs:		
28	Can you clarify the State's goals with the requested individual policy alternatives? The requested plan designs and rate structures appear to be the same as those requested under the group plan alternatives, so we'd like to understand the advantage of individual policies.	The State of Delaware's goals with respect to the individual policy quotes was to see all available options.
29	What role will the State play with an individual life program? Would the State still facilitate payroll deductions, or would the State completely remove itself from any administration?	The role played by the State with an individual life program will be that of a plan sponsor and administrator. The State will continue to facilitate payroll deductions, sponsor open enrollment periods, work with the life vendor on the publication of articles on the plan for inclusion in newsletters, etc. The State will not completely remove itself from the administration.
30	Would the individual plan be offered in addition to the group plan, or would individual policies replace the current group plan?	The Individual plan would be offered in lieu of and replace the current group plan. The State of Delaware will not concurrently sponsor an individual life plan and a group life plan.