



State of Delaware
Office of Management & Budget
Statewide Benefits Office

STATE EMPLOYEE BENEFITS COMMITTEE

Request for Proposal
for the
State of Delaware's Life Insurance Program

May 19, 2014

Intent to Bid Deadline –
Tuesday, June 3, 2014, no later than 4:00 p.m. ET

Table of Contents

I. Introduction	
A. Background and Overview	5
B. Proposal Objectives	7
C. Scope of Services	7
D. Timetable/Deadlines	9
E. Evaluation Process	10
F. Confidentiality of Documents	12
II. Terms and Conditions	
A. Proposal Response Requirements	14
B. General Terms and Conditions	14
C. Submission of Proposal.....	18
III. Minimum Requirements	24
IV. Pricing Instructions	33
V. Group Life Insurance Questionnaire	
A. Account Case Management and Membership Services.....	34
B. Benefit Features	35
C. Reporting.....	36
D. Underwriting	37
E. Plan Administration/Provisions	38
F. Implementation/Communication	39
VI. Optional Individual Life Insurance Questionnaire	
A. Account Case Management and Membership Services.....	40
B. Benefit Features	41
C. Reporting	42
D. Underwriting	42
E. Plan Administration/Provisions	43
F. Implementation/Communication	44
VII. Technology Standards and Security Requirements	46

Appendices

Appendix A - E: Technology and Data Security Forms 55
Appendix F: State of Delaware Non-Collusion Statement 64
Appendix G: Responses Exceptions Tracking 65
Appendix H: Performance Guarantees 66
Appendix I: Group Life Insurance Proposed Rate Sheets 71
Appendix J: Individual Life Insurance Proposed Rate Sheets 91
Appendix K: Data File Descriptions..... 111
Appendix L: Officer Certification Form 113
Appendix M: RFP Terms and Conditions Exception Tracking 114
Appendix N: Subcontractor Information Form115
Appendix O: Delaware Plan Benefit and Rate Grid116
Appendix P: Financial Ratings118
Appendix Q: Take Over Issues Form 119

After receipt of an Intent to Bid, a Non-Disclosure Agreement along with the Attachments referenced below will be provided.

- Attachment 1: Life Policy
- Attachment 2: Life Policy Riders
- Attachment 3: AD&D Benefits
- Attachment 4: Disabled Employee Benefits
- Attachment 5: Extended Child Coverage Definition
- Attachment 6: 22-Pay Cycle Deduction Schedule
- Attachment 7: Current and Alternative Group Plan Benefits
- Attachment 8: Alternative Multi-Life Basis Individual Plan Benefits
- Attachment 9: Experience
- Attachment 10: Life Insurance Program Census
- Attachment 11: Plan Change History

I. Introduction

On behalf of the State of Delaware, the State Employee Benefits Committee (SEBC) is seeking proposals to provide Life Insurance and Accidental Death and Dismemberment (AD&D) benefits to the active employees, ported (terminated and retired) employees, disabled employees and board members of the State of Delaware. In addition, the SEBC is looking for proposals to provide group term life benefits to spouses and dependents of the employees of the State.

Throughout the RFP the following terms are used:

Group Life – All references to group life insurance include AD&D coverage.

Group Life Current Plan – The current plan design described in Section III – Minimum Requirements.

Multi-Life Basis Individual Quotes – Multi-Life Individual Quotes is defined as an arrangement where individual contracts are offered to participants of a group that still receive group benefits such as favorable underwriting, open enrollment support, and benefit design support.

Delaware Plan – A proposal for a plan design and rating structure that your organization feels would be the best fit for the State.

IMPORTANT! IMPORTANT! IMPORTANT! IMPORTANT! IMPORTANT!

Please read the following requirements before submitting an Intent to Bid.

Step One:

To be considered, the bidder must meet the Minimum Requirements, Section III, which includes the Group Life Current Plan design – the GUL, Term Life and AD&D benefits - without deviations and with competitive pricing as detailed in Attachments 1, 2, 3, 4 and 5. All bidders must propose rates on the existing Group Life Current Plan to be considered as finalists. A vendor cannot bid only on the Multi-Life Basis Individual Plan or Delaware Plan.

Step Two:

- a) The State is entertaining proposals for alternative Group Life and Multi-Life Basis Individual plan designs, but these proposals will not be evaluated until after finalists are determined. Quotes for Alternative Group Life plans and Multi-Life Basis Individual plans are optional and therefore at the vendor's discretion whether or not to provide a quote. Multi-Life Basis is defined in this instance as an arrangement where individual contracts are offered to participants of a group that still receive group benefits such as favorable underwriting, open enrollment support, and benefit design support. The Group Life Alternative Plan designs are set forth in Attachment 7. The Multi-Life Basis Individual Plans are set forth in Attachment 8.

(continued)

b) The State is also interested in receiving rates for a recommended plan design and rating structure, for the “Delaware Plan”. The Delaware Plan option must statutory requirements and would be a plan design the vendor feels is superior to the Current and Alternative Group Plan Designs as well as the Multi-Life Basis Individual Plans set forth in Attachments 7 and 8. Please see Appendix O. This will be optional as well and will not be evaluated until the finalist stage.

NOTE: The SEBC may choose not to award any of the optional plan designs.

Important Dates (A full timeline is included in Section I.D.)

Contract Effective Date:	July 1, 2015
Intent to Bid Due:	Tuesday, June 3, 2014, by 4:00 p.m. ET
Proposal Submissions Due:	Monday, June 30, 2014, by 3:00 p.m. ET

A. Background and Overview

Organization Description

The SEBC is chaired by the Director of the Office of Management and Budget (OMB). The Committee is comprised of the Insurance Commissioner, the Chief Justice of the Supreme Court, the State Treasurer, the Director of the Office of Management and Budget, the Controllor General, the Secretary of Finance, the Secretary of Health and Social Services, the Lieutenant Governor, or their designees. In addition, the Governor shall appoint one Committee member from the following persons: The President of the Delaware State Education Association or his/her designee, the Executive Director of the American Federation of State County and Municipal Employees or his/her designee, the President of the Correctional Officers Association of Delaware or his/her designee, or the President of the Delaware State Troopers Association or his/her designee to serve a three (3) year term.

The Statewide Benefits Office (SBO) is a division within the OMB. The SBO functions as the administrative arm of the SEBC responsible for the administration of all statewide benefit programs with the exception of pension and deferred compensation benefits. These programs include, but are not limited to, health, prescription, dental, vision, disability, life, flexible spending accounts, wellness and disease management programs, and pre-tax commuter benefits. The SEBC controls and manages benefits for approximately 36,000 active employees.

Background Information

Currently the State of Delaware offers Group Universal Life (GUL) and AD&D benefits to eligible active employees. GUL insurance, by definition, provides automatic coverage portability for enrolled employees. The State of Delaware's GUL program allows enrolled employees to port 50% of the employee’s coverage amount in force the day prior to employment separation for any reason. The remaining 50% of coverage may be converted to individual policies at rates based on attained

age. Disabled employees granted waiver of premium retain 100% of the face amount of GUL coverage until the earlier of age 65 or deemed no longer disabled by the state's life insurance or long term disability vendor. Coverage that is converted into an individual policy is no longer part of the State's group. Included in the same experience pool, are active employees, ported (terminated and retired) employees, disabled employees, and board members. Group term life benefits are offered to spouses and dependent children from live birth to age 26. Employees may choose between \$10,000 and \$20,000 for spouse coverage and/or \$10,000 child coverage. Premiums are 100% paid by participants and there is currently a 57% GUL plan participation rate. Enrolled employees have an opportunity of funding an optional Cash Accumulation Account with loan and withdrawal provisions. The Minnesota Life Insurance Company has insured the State of Delaware's GUL and AD&D program since January 1, 2003.

Employees can purchase GUL insurance up to six (6) times salary rounded to the next higher \$10,000, up to a maximum of \$350,000. As the threshold for evidence of insurability (EOI) is \$200,000, employees are also provided an opportunity to enroll for a flat coverage amount of \$200,000. Employees electing GUL coverage based on a multiple of salary are automatically provided increased coverage levels, subject to the EOI threshold, as salaries are increased. Additionally, the State of Delaware has a "Highest Ever Salary" provision applicable to employees who chose coverage based on a multiple of salary. If an employee's salary should decrease for any reason, the employee's GUL coverage amount will remain unchanged. Conversely, employees who elect the flat \$200,000 coverage option will not see an adjustment in coverage as a result of a change in salary.

AD&D benefits match the life insurance amount and this benefit terminates when the employee reaches age 70. The State does not currently have an insured waiver of premium product and the experience for this group and the ported employees is currently combined with the actives for premium setting. If the current group contract with Minnesota Life is terminated, active employees who are currently enrolled in the GUL program as of June 30, 2015, will have the option to port coverage to an individual plan based on rates set by the Minnesota Life Insurance Company. As of July 1, 2015, coverage amounts as of June 30, 2015 for all active, ported and disabled members will be automatically transferred to the new vendor, if a new vendor is selected by the SEBC.

The State of Delaware's life and AD&D insurance program is also offered to eligible active employees of the Delaware Solid Waste Authority (DSWA). Eligibility and enrollment information from the DSWA is communicated in paper format separately from the State and directly from DSWA to Minnesota Life. Eligibility from the State is communicated electronically on a bi-weekly basis to Minnesota Life.

With this contract effective July 1, 2015, the plan year will change from January 1 to July 1, and an online open enrollment period will be held in May 2015. The life and AD&D open enrollment period will be combined with the State's health open enrollment period thereby affording an opportunity for potential increased enrollment in the life insurance program.

The Life insurance program for State Employees is a legislated program based on Title 18, Chapters 31 and 32 of the Delaware Code. You may view all information specific to the current life and AD&D insurance benefit in Attachments 1, 2, 3, 4 and 5 and on the following websites:

<http://ben.omb.delaware.gov/life/index.shtml>

<http://delcode.delaware.gov/title18/c031/index.shtml>

<http://delcode.delaware.gov/title18/c032/index.shtml>

The SEBC for the State of Delaware reserves the right to reject any and all proposals. The SEBC also reserves the right to award to multiple vendors, however, it is *not* the SEBC's intention to do so for this RFP.

B. Proposal Objectives

The SEBC desires to contract with an organization specializing in providing life insurance programs for clients of similar size, large municipalities or State governments and with experience customizing a program. The organization must have prior experience directly related to the services requested in this RFP and must be able to clearly demonstrate their ability to:

- offer state of the art administrative services;
- provide excellent customer service to participants;
- provide excellent account management services to the State, including timely reporting;
- offer competitive performance guarantees; and
- be responsive to changes in the programs and requests of the SEBC.

C. Scope of Services

The selected organization is required to perform the following services¹:

1. Provide current life and AD&D benefit amounts to *all* enrolled GUL members as of June 30, 2015 and to eligible and disabled employees as of July 1, 2015.
2. Provide life and AD&D benefits based on employee salary.
3. Apply interest to excess employee contributions received in the GUL program.
4. Provide accelerated life benefit options.
5. Provide group term benefits for spouses and/or dependent children from live birth to age 26.

¹This is a general list of services. Details may be found in minimum requirements and questionnaire sections. For more information visit <http://ben.omb.delaware.gov/life/index.shtml>.

6. Provide insured or administer self-funded waiver of premium benefit for employees deemed disabled as of June 30, 2015 and those who will become disabled on or after July 1, 2015.
7. Provide portability and/or conversion options for employees retiring and terminating employment with the State on or after July 1, 2015.
8. Provide guaranteed issue threshold of at least three (3) times salary up to a maximum of \$200,000 for active employees who are hired or are eligible to enroll into the life and AD&D program on or after July 1, 2015.
9. Provide bi-weekly deduction files to the State that will note the individual payroll deduction to be applied for premium payment.
10. Provide a separate enrollment/administrative process for the Delaware Solid Waste Authority.
11. Provide the State with recommendations for changes to the life and AD&D insurance program as new products become available in the marketplace.
12. Provide the State with recommended rating structure changes for the life and AD&D insurance benefit when needed.
13. Support the State with communication on the importance of life insurance benefits to all employees.
14. Provide excellent customer service to employees, retirees, terminated individuals and their dependents enrolled in the life and AD&D insurance program.
15. Provide excellent account management to the Statewide Benefits Office.
16. Provide web based and paper enrollment capabilities for employees throughout the plan year.
17. Provide communications (i.e. posters, flyers, newsletters, brochures, etc.) concerning the open enrollment period, the program and/or educational seminars to approximately 125 human resource offices within the State of Delaware and including DSWA.
18. Provide on-site representation at all open enrollments and employee health fairs.
19. Provide articles and other communications at a frequency determined by the State for inclusion in newsletters and websites.
20. Provide a web based and paper enrollment process for the open enrollment period to be held in May 2015 and on an ongoing basis, if requested.
21. Provide support and assistance as needed and required to work with the State's technical division to provide a URL and/or single sign-on capabilities in connection with the May 2015 open enrollment period for the State. Ongoing technical support will be requested as needed.

22. Provide separate support and assistance as needed and requested to DSWA in connection with the May 2015 open enrollment period. Ongoing support will be requested as needed and required.
23. Accept and apply disability status information and reporting from the State's disability vendor, The Hartford.
24. Work with the State' disability vendor, The Hartford, on premium waiver determinations.
25. Provide a process for employees not enrolled in the disability program to apply for the waiver of premium benefit.

D. Timetable/Deadlines

The following timetable is expected to apply during this RFP process:

Event	Target
RFP Released	Mon 05/19/14
Intent to Bid Deadline 4:00 p.m.	Tues 06/03/14
Follow-up Questions due to SBO from Confirmed Bidders 4:00 p.m.	Tues 06/10/14
Responses to Questions to Confirmed Vendors	Wed 06/18/14
Deadline for Bids 3:00 p.m.	Mon 06/30/14
Notification of Finalists - Invitation to Interview	Week of 08/04/14
Finalist Interviews ²	Week of 08/18/14
Contract Award	Mon 09/29/14
Plan Effective Date	Tues 07/01/15

² The SEBC will require each of the finalists to make a presentation in Dover, Delaware. The presentation will be at the expense of the proposing firm.

E. Evaluation Process

Proposal Review Committee

The Proposal Review Committee (PRC) will review all proposals submitted in response to the RFP. The PRC shall be comprised of representatives from each of the following offices:

- Office of Management and Budget
- Controller General's Office
- Department of Finance
- Department of Health and Social Services
- State Insurance Commissioner's Office
- State Treasurer's Office
- Chief Justice of the Supreme Court
- Lieutenant Governor's Office
- As a result of SB21 (147th General Assembly), the Governor shall appoint one committee member from the following persons to serve a three (3) year term:
 1. The President of the Delaware State Education Association or his/her designee
 2. The Executive Director of the American Federation of State, County and Municipal Employees or his/ designee
 3. The President of the Correctional Officers Association of Delaware or his/her designee, or
 4. The President of the Delaware State Troopers Association or his/her designee

The PRC shall determine the firms that meet requirements pursuant to selection criteria of the RFP and procedures established in 29 Del. C. §6981 and 6982. The PRC shall interview at least one (1) of the qualified firms.

The minimum requirements are mandatory. Failure to meet any of the minimum requirements outlined in the RFP may result in disqualification of the proposal submitted by your organization.

The PRC shall make a recommendation regarding the award of contract to the SEBC who shall have final authority, in accordance with the provisions of this RFP and 29 Del.C. §6982, to award a contract to the successful firm or firms as determined by the SEBC in its sole discretion to be in the best interests of the State of Delaware. The SEBC may negotiate with one or more firms during the same period and may, at its discretion, terminate negotiations with any or all firms. The SEBC reserves the right to reject any and all proposals or award to multiple vendors.

Evaluation Criteria

All proposals shall be evaluated using the same criteria and scoring process. The following criteria shall be used by the PRC to evaluate proposals:

Topic	Description
Financial – 35%	Proposed rates and rate caps in relation to other competitive proposals for the Group Life Current Plan or proposed optional Group Life or Multi-Life Basis Individual Plans. The SEBC will select the plan design that meets the best interests of the State.
Organization’s Ability – 25%	Depth of the organizations experience and ability with accounts of similar size. Proven ability and infrastructure, including on-line web portal technology and data security requirements, to perform the services as outline in the Scope of Services.
Experience and Stability – 20%	Qualifications and experience of the organization’s personnel to provide excellent customer service to the participants and excellent account management service to the Statewide Benefits Office and DSWA.
Administrative Services – 25%	Demonstrated ease of access to account management personnel and the ability to be responsive and solve problems. Ability to provide reports within required timeframes and all account management services in accordance with the Performance Guarantees. Flexibility to facilitate anticipated and unanticipated regulatory and/or program processing changes requested by the State.

The SEBC will use the information contained in your proposal to determine whether you will be selected as a finalist and for contract negotiations. The proposal the SEBC selects will be a working document. As such, the SEBC will expect the proposing firm to honor all representations made in its proposal.

It is the proposing firm’s sole responsibility to submit information relative to the evaluation of its proposal and the SEBC is under no obligation to solicit such information if it is not included with the proposing firm’s proposal. Failure of the proposing firm to submit such information in a manner so that it is easily located and understood may have an adverse impact on the evaluation of the proposing firm’s proposal.

The proposals shall contain the essential information for which the award will be made. The information required to be submitted in response to this RFP has been determined by the SEBC and the PRC to be essential in the evaluation and award process. Therefore, all instructions contained in this RFP must be met in order to qualify as a responsive contractor and to participate in the PRC's consideration for award. Proposals that do not meet or comply with the instructions of this RFP may be considered non-conforming and deemed non-responsive and subject to disqualification at the sole discretion of the PRC.

Alternative Group Life plans and Multi-Life Basis Individual plan proposals will not be evaluated until the finalist stage.

RFP Award Notification

After review by the PRC, a recommendation will be made to the SEBC for award of the contract. The contract may be awarded on a contingent basis if there are outstanding requirements that must be satisfied, including, but not limited to, the technical standards and security requirements. The contract shall be awarded to the vendor whose proposal is determined by the SEBC to be most advantageous, taking into consideration the evaluation criteria set forth in the RFP. It should be explicitly noted that the SEBC is not obligated to award the contract to the vendor who submits the lowest bid rather the contract will be awarded to the vendor whose proposal is determined by the SEBC to be the most advantageous. The award is subject to the appropriate State of Delaware approvals. After a final selection is made, the winning vendor will be invited to negotiate a contract with the State; remaining vendors will be notified in writing of their selection status.

Award of Contract

The final award of a contract is subject to approval by the SEBC. The SEBC has the sole right to select the successful vendor(s) for award, to reject any proposal as unsatisfactory or non-responsive, to award a contract to other than the lowest priced proposal, to award multiple contracts, or not to award a contract, as a result of this RFP. Notice in writing to a vendor of the acceptance of its proposal by the SEBC and the subsequent full execution of a written contract will constitute a contract, and no vendor will acquire any legal or equitable rights or privileges until the occurrence of both such events.

F. Confidentiality of Documents

The OMB is a public agency as defined by State law, and as such, it is subject to the Delaware Freedom of Information Act, 29 Del. C. Ch. 100 (FOIA). Under the law, all the State's records are public records unless otherwise declared by law to be not public and are subject to inspection and copying by any person. Organizations are advised that once a proposal is received by the State, a decision on contract award is made and the contract awarded, its contents will become public record and nothing contained in the proposal will be deemed to be confidential except proprietary information. Pricing information and fee structures are treated as confidential only until the contract to the awarded vendor has been executed and cannot be included as proprietary information.

Proposing firms must submit one hard copy of any information the firm is seeking to be treated as proprietary in a separate, sealed envelope labeled “Proprietary Information” with the RFP name included. The envelope must contain a letter from the proposing firm’s legal counsel describing the documents in the envelope, representing in good faith that the information in each document is not public record as defined by FOIA at 29 Del. C. § 10002(d) and State the reasons that each document meets the said definitions. The documents must also be provided electronically on a CD with a complete redacted copy. In order to submit a complete electronic copy, you must scan the letter as the first page so that the file is clearly designated.

Upon receipt of a proposal accompanied by such a separate, sealed envelope, the State will open the envelope to determine if the procedure described above has been followed. Such requests will not be binding on the SEBC to prevent such a disclosure but may be evaluated under the provisions of 29 Del.C. Chapter 100. Any final decisions regarding disclosure under FOIA shall be made at the sole discretion of the OMB.

Please see the section entitled Submission of Proposal for a detailed description of the number, format, and type of copies that are required.

All documentation submitted in response to this RFP and any subsequent requests for information pertaining to this RFP shall become the property of the State of Delaware, OMB and shall not be returned to the proposing firm. All proposing firms should be aware that government solicitations and responses are in the public domain.

II. Terms and Conditions

A. Proposal Response Requirements

1. **Conformity** - Your proposal must conform to the requirements set forth in this RFP. The SEBC reserves the right to deny any and all exceptions taken to the RFP requirements. By submitting a bid, each vendor shall be deemed to acknowledge that it has carefully read all sections of this RFP, including all forms, schedules and exhibits hereto, and has fully informed itself as to all existing conditions and limitations. The failure or omission to examine any form, instrument or document shall in no way relieve vendors from any obligation in respect to this RFP.
2. **Concise and Direct** - Please provide complete answers and explain all issues in a concise, direct manner. Unnecessarily elaborate brochures or other promotional materials beyond those sufficient to present a complete and effective proposal are not desired. Please do not refer to another answer if the question appears duplicative, but respond in full to each question. If you cannot provide a direct response for some reason (e.g., your company does not collect or furnish certain information), please indicate the reason rather than providing general information that fails to answer the question. **“Will discuss” and “will consider” are not appropriate answers, nor is a reference to the current contractual terms by an incumbent.** All information requested is considered important. If you have additional information you would like to provide, include it as an appendix to your proposal.
3. **Realistic** – It is the expectation of the SEBC that vendors can fully satisfy the obligations of the proposal in the manner and timeframe defined within their proposal. Proposals must be realistic and must represent the best estimate of time, materials, and other costs including the impact of inflation and any economic or other factors that are reasonably predictable. The State of Delaware shall bear no responsibility or increased obligation for a vendor’s failure to accurately estimate the costs or resources required to meet the obligations defined in the proposal.
4. **Completeness of Proposal** – The proposal must be complete and comply with all aspects of the specifications. Any missing information could disqualify your proposal. Proposals must contain sufficient information to be evaluated and, therefore, must be complete and responsive. Unless noted to the contrary, we will assume that your proposal conforms to our specifications in every way. The SEBC reserves full discretion to determine the competence and responsibility, professionally, and/or financially, of vendors. Failure to respond to any request for information may result in rejection of the proposal at the sole discretion of the SEBC.

B. General Terms and Conditions

General

1. **Intent to Bid** – You must indicate your intent to bid via email to Ms. Laurene Eheman at laurene.eheman@state.de.us by Tuesday, June 3, 2014, no later than 4:00 p.m. ET. Upon receipt, a Word document of the RFP and a Non-Disclosure Agreement will be provided.

2. **Attachments** - After receipt of the signed Non-Disclosure Agreement, the attachments will be provided via email.
3. **No Bid** - To assist us in obtaining competitive bids and analyzing our procurement processes, if you choose not to bid we ask that you let us know the reason. We would appreciate your candor. For example: objections to (specific) terms, do not feel you can be competitive, or cannot provide all the services in the Scope of Work. Please email Ms. Laurene Eheman at laurene.eheman@state.de.us.
4. **Definitions** – The following terms are used interchangeably throughout this RFP:
 - a. bidder, vendor, contractor, organization
 - b. SEBC, State of Delaware
 - c. proposal, bid, vendor’s submission
5. **Discrepancies, Revisions and Omissions in the RFP** – The vendor is fully responsible for the completeness and accuracy of their proposal and for examining this RFP and all addenda. Failure to do so is at the sole risk of the vendor. **Should the vendor find discrepancies, omissions, unclear or ambiguous intent or meaning, or terms not appropriate to the services requested in the Scope of Services or Minimum Requirements** the vendor shall notify the contact for this RFP, Ms. Laurene Eheman, electronically, and only electronically, at laurene.eheman@state.de.us, at least ten (10) business days before the proposal opening by using the *RFP Terms and Conditions Exception Tracking*, Appendix M. This will allow for the issuance of any necessary addenda. It will also help prevent the opening of a defective proposal and exposure of the vendor’s proposal upon which an award could not be made. All unresolved issues should be addressed in the proposal.

Protests based on any omission or error, or on the content of the solicitation, will be disallowed if these faults have not been brought to the attention Ms. Laurene Eheman, electronically, and only electronically at laurene.eheman@state.de.us, no later than ten (10) business days prior to the time set for opening of the proposals.

If it becomes necessary to revise any part of the RFP, an addendum will be posted on the State of Delaware’s website at bids.delaware.gov and emailed to all vendors that submitted an Intent to Bid. The State of Delaware or SEBC is not bound by any statement related to this RFP made by any State of Delaware employee, contractor or its agents.

6. **Questions** – The SEBC anticipates this will be an interactive process and will make every reasonable effort to provide sufficient information for vendor responses. Vendors are invited to ask questions during the proposal process and to seek additional information, if needed. However, do not contact any member of the SEBC about this RFP. Communications made to other State of Delaware personnel or attempting to ask questions by phone or in person will not be allowed or recognized as valid and may disqualify the vendor.

Vendors should only rely on written statements issued by the RFP designated contact, Ms. Laurene Eheman. **All proposing vendors must submit their questions electronically, and**

only electronically, to Ms. Laurene Eheman at laurene.eheman@state.de.us no later than Tuesday, June 10, 2014 by 4:00 pm DST. The SBO will then put all questions received and the responses into one document and send to all vendors who confirmed their intention to bid. Again, all questions regarding this proposal should be directed only, and by email only, to Ms. Laurene Eheman at laurene.eheman@state.de.us.

Contract/Rate Guarantee Periods

The term of the contract will be for three (3) years beginning July 1, 2015. The vendor must guarantee the contract period rates and fees (if applicable) through June 30, 2018, with a rate cap for two (2) additional optional one-year periods that may be exercised at the discretion of the SEBC effective July 1, 2018 and July 1, 2019. The State will have the option to renew the contract annually following the initial three-year contract period.

Term

The term of the contract between the successful firm and the State shall be for three (3) years and may be renewed annually after the initial three-year period at the discretion of the SEBC. The contract may be terminated by either party upon 180 days written notice. In the event the successful firm materially breaches any obligation under this Agreement, the State may terminate this Agreement upon thirty (30) days written notice.

Performance Guarantees

The State expects exceptional client account management and participant customer service from their vendors and is interested in evaluating financial and non-financial performance guarantees. The State reserves the right to negotiate both financial and non-financial performance guarantees. Please refer to Appendix H.

Use of Subcontractors

Subcontractors are subject to all the terms and conditions of the RFP.

Required Reporting of Fees and “OSD” (2nd Tier) Spend

One of the primary goals in administering this contract is to keep accurate records regarding its actual value. This information is essential in order to update the contents of the contract and to establish proper bonding levels if they are required. The integrity of future contracts revolves around the State’s ability to convey accurate and realistic information to all interested bidders. Therefore, be advised that a Monthly Usage Report will be filed with the State’s Contracting Office that discloses the fee paid to the successful vendor for the administration of this contract.

A complete and accurate Usage Report shall be furnished in an Excel format, utilizing the template provided to the awarded vendor, and submitted electronically, no later than the 15th (or next business day after the 15th day) of each month, detailing the purchasing of all items on this contract. The reports shall be submitted and sent as an attachment via email to Ms. Laurene Eheman at laurene.eheman@state.de.us. Submitted reports shall contain accurate descriptions of the products, goods or services procured, purchasing agency information, including the six-digit

department and organization code, quantities procured and prices paid. Any exception to this mandatory requirement or failure to submit complete reports, or in the format required, may result in corrective action, up to and including the possible cancellation of the award. Failure to provide the report with the minimum required information may also negate any contract extension clauses. Additionally, Vendors who are determined to be in default of this mandatory report requirement may have such conduct considered against them, in assessment of responsibility, in the evaluation of future proposals.

In accordance with Executive Orders 14 and 29 – Increasing Supplier Diversity Initiatives within State Government and Ensuring Representation of Veteran-Owned Businesses (VOBE) including Service Disabled Veteran Owned Businesses (SDVOBE), the State of Delaware is committed to supporting its diverse business industry and population. The successful Vendor will be required to accurately report on the participation by Diversity Suppliers which includes: minority (MBE), woman (WBE), veteran owned business (VOBE), or service disabled veteran owned business (SDVOBE) under this awarded contract. The reported data elements shall include but not be limited to; name of state contract/project, the name of the Diversity Supplier, Diversity Supplier contact information (phone, email), type of product or service provided by the Diversity Supplier and any minority, women, veteran, or service disabled veteran certifications for the subcontractor (State OSD certification, Minority Supplier Development Council, Women’s Business Enterprise Council, VetBiz.gov).

Accurate 2nd Tier reports shall be submitted to the contracting Agency’s Office of Supplier Diversity at vendorusage@state.de.us on the 15th (or next business day) of the month following each quarterly period. For consistency quarters shall be considered to end the last day of March, June, September and December of each calendar year. Contract spend during the covered periods shall result in a report even if the contract has expired by the report due date.

Rights of the PRC

- The PRC reserves the right to:
 - Select for contract or negotiations a proposal other than that with lowest costs.
 - Reject any and all proposals received in response to this RFP.
 - Make no award or issue a new RFP.
 - Waive or modify any information, irregularity, or inconsistency in a proposal received.
 - Request modification to proposals from any or all vendors during the review and negotiation.
 - Negotiate any aspect of the proposals with any organization.
 - Negotiate with more than one organization at the same time.
 - Select more than one contractor/vendor to perform the applicable services.
- Right of Negotiation – Discussions and negotiations regarding price, performance guarantees, and other matters may be conducted with organizations(s) who submit proposals determined to be reasonably susceptible of being selected for award, but proposals may be

accepted without such discussions. The PRC reserves the right to further clarify and/or negotiate with the proposing organizations following completion of the evaluation of proposals but prior to contract execution, if deemed necessary by the PRC and/or the SEBC. The SEBC also reserves the right to move to other proposing firms if negotiations do not lead to a final contract with the initially selected proposing firm. The PRC and/or the SEBC reserves the right to further clarify and/or negotiate with the proposing firm(s) on any matter submitted.

- Right to Consider Historical Information – The PRC and/or the SEBC reserves the right to consider historical information regarding the proposing firm, whether gained from the proposing firm’s proposal, question and answer conferences, references, or any other source during the evaluation process.
- Right to Reject, Cancel and/or Re-Bid – The PRC and/or the SEBC specifically reserve the right to reject any or all proposals received in response to the RFP, cancel the RFP in its entirety, or re-bid the services requested. The State makes no commitments, expressed or implied, that this process will result in a business transaction with any vendor.

C. Submission of Proposal

1. **Format** - For each requirement or question, retain the numbering/lettering convention, copy the item and state your answer below it. Please completely answer the question even if you must restate information provided in a minimum requirement or in another question.

In each section, and for each attachment or appendix you reference, clearly separate the corresponding materials with a tab. Please include a table of contents for the appendices.

2. **Hard Copies** – Please submit four (4) complete hard copies - binders are preferred instead of spiral bound - of your proposal to Ms. Laurene Eheman at the following address:

Ms. Laurene Eheman, RFP and Contract Manager
Office of Management and Budget
Statewide Benefits Office
500 W. Loockerman Street, Suite 320
Dover, DE 19904
Phone: (302) 739-8331
Fax: 302) 739-8339

Complete means that it includes all information you may deem proprietary and confidential. In other words, the information deemed proprietary and confidential must not be redacted or separated from the rest of the information.

3. **Electronic Copies** – Please include a *complete* electronic copy of your proposal in a PDF format on its own CD. You must scan all the documents; for example, a signed cover letter, the signed

Officer's Statement and any appendices. Please divide the PDF into manageable sections for easier readability.³ Please label and carefully package the CD.

4. **Redacted Copies** – Information that you assert is confidential and proprietary must be submitted in a redacted form within the entire proposal. This means the information must be blacked out or substituted with a blank page that references the page or document that is missing. For example:

For all transactions, the following conditions must be met:

- individual section policies are followed;
- verbal price quotes are obtained;
- State Contracts must be utilized;
- purchases over \$5,000 have a corresponding purchase order prior to the charge; and fragmentation of purchases is prohibited.

In addition, [REDACTED]
[REDACTED] Employees must reimburse the State of Delaware for any expenditure above the allowable amounts.

Any questions on requirements should be directed to staff in OMB Financial Operations.

2. Coordinator/Back-Up Coordinator – Designation, Roles and Responsibilities

The Coordinator or Back-Up Coordinator will be responsible for maintaining a file which shows all applications, signed affidavits, and policies and procedures. Any issue that arises with the employee or [REDACTED] is to be dealt with first by the Coordinator or Back-up Coordinator. The Coordinator or Back-Up Coordinator is also responsible for ensuring that the purchases comply with the state and federal legislation, regulations, policies and procedures.

[REDACTED]
[REDACTED] and attached to a weekly log (Exhibit C). Any employee not producing a receipt must complete an affidavit statement certifying that they did in fact purchase the particular item. The affidavit statement must be signed by the employee and the supervisor or section designee.

Reconciler - The Reconciler is responsible for applying the chartfield information in the First State Financial system. The Reconciler is also responsible for ensuring that the purchases comply with the state and federal legislation, regulations, policies and procedures.

Approver - [REDACTED]

3. Request for an Application

All requests need to be addressed to the employee's supervisor for approval. The supervisor then will request a SuperCard approval from the Coordinator or Back-up Coordinator.

One (1) hard copy is needed with the redacted materials. Imagine you are flipping through the hard copy. You would see that section on a page with information blacked out (redacted) that the author considers confidential and proprietary. If an entire document, section or appendix consisting of multiple pages is considered confidential and proprietary, use a blank page with a reference to the missing information. For example, "Appendix C – Disaster Recovery Plan – is confidential and proprietary and is not public record as defined by FOIA at 29 Del. C. § 10002(d)".

One (1) electronic copy is needed with the redacted materials in a PDF format on a separate CD from the non-redacted copy. You must scan all the documents; for example, the signed cover letter, the signed Officer's Statement and any appendices. Please divide the PDF into manageable sections for easier readability. Please label and carefully package the CD.

³ As stated in the Technical Standards and Security Requirements section, Directions, please ensure that your responses (and exhibits, if any) to that section are in a separate tab.

Recap of Proposal Copy Formats	Hard Copies	PDF Copies on separate CDs
Confidential and Proprietary documents: <u>Only</u> those documents (not redacted) and the attorney's cover letter in a marked and sealed envelope	1	1
Complete bid <u>with</u> redacted sections	1	
Complete bid <u>without</u> redacted sections	4	1

5. **Proposal Submission Date** – Both hard and electronic copies of your complete proposal must be received at the above address no later than **3:00 p.m. ET on Monday, June 30, 2014**. If the office is closed on the bid due date due to weather or other emergency, the due date and time cannot be pushed forward one day. Any proposal received after this date and time shall not be considered and will be returned to the proposing firm unopened. The proposing firm bears the risk of delays in delivery. The contents of any proposal shall not be disclosed or made available to competing entities during the negotiation process.
6. **Proposal Opening** – To document compliance with the deadline, the proposals will be date and time stamped upon receipt. Proposals will be opened only in the presence of State of Delaware personnel. There will be no public opening of proposals, but a public log will be kept of the names of all vendor organizations that submitted proposals. The list will be posted on bids.delaware.gov. The contents of any proposal will not be disclosed to competing vendors prior to contract award.
7. **Officer Certification** – All vendors participating in this RFP will be required to have a company officer attest to compliance with RFP specifications and the accuracy of all responses provided. **Please fill out the Officer Certification Form, Appendix L, and include it in your bid package.**
8. **Vendor Errors/Omissions** – The SEBC will not be responsible for errors or omissions made in your proposal. You will be permitted to submit only one proposal. You may not revise or withdraw submitted proposals after the applicable deadline.
9. **General Modifications to RFP** – The SEBC reserves the right to issue amendments or change the timelines to this RFP. All firms who submitted an Intent to Bid notice will be notified in writing via e-mail of any modifications made by the SEBC to this RFP. If it becomes necessary to revise any part of the RFP, an addendum will be posted on the State of Delaware's website at www.bids.delaware.gov.
10. **Modifications to Submitted Proposal** – Changes, amendments or modifications to proposals shall not be accepted or considered after the time and date specified as the deadline for submission of proposals. However, vendors may modify or withdraw its complete proposal by written request, provided that both proposal and request is received by Ms. Laurene Eheman prior to the proposal due date and time. Pages for substitution will not be accepted or allowed. The proposal may be re-submitted in accordance with the proposal due date in order to be considered.

11. **Proposal Clarification** – The SEBC may contact any vendor in order to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Clarifications will be requested in writing and the vendor’s responses will become part of the proposal.
12. **References** – The SEBC may contact any customer of the vendor, whether or not included in the vendor’s reference list, and use such information in the evaluation process. Additionally, if applicable to the scope of work in this RFP, the State of Delaware may choose to visit existing installations of comparable systems, which may or may not include vendor personnel. If the vendor is involved in such site visits, the State of Delaware will pay travel costs only for the State of Delaware personnel for these visits.
13. **Time for Acceptance of Proposal** – The bidder agrees to be bound by its proposal for a period of at least 180 days, during which time the State may request clarification or correction of the proposal for the purpose of the evaluation.
14. **Incurred Costs** – This RFP does not commit the SEBC to pay any costs incurred in the preparation of a proposal in response to this request and vendor/bidder agrees that all costs incurred in developing its proposal are the vendor/bidder's responsibility.
15. **Basis of Cost Proposal** – Your proposal must be based on your estimated cost of all expenses for the services and funding arrangements requested.
16. **Certification of Independent Price Determination** – By submission of a proposal, the proposing firm certifies that the fees submitted in response to the RFP have been arrived at independently and without – for the purpose of restricting competition – any consultation, communication, or agreement with any other proposing firm or competitor relating to those fees, the intention to submit a proposal, or the methods or factors used to calculate the fees proposed. **Please fill out the Non-Collusion Statement, Appendix F, and include it in your bid package.**
17. **Improper Consideration** – Bidder shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, service, the provision of travel or entertainment, or any items of value to any officer, employee, group of employees, retirees or agent of the SEBC in an attempt to secure favorable treatment or consideration regarding the award of this proposal.
18. **Representation Regarding Contingent Fees** – By submission of a proposal, the proposing firm represents that it has not retained any person or agency to solicit or secure a contract for the services described herein upon an agreement or understanding for a commission or a percentage, brokerage, or contingent fee. The SEBC will not pay any brokerage fees for securing or executing any of the services outlined in this RFP. Therefore, all proposed fees must be net of commissions and percentage, contingent, brokerage, service, or finder’s fees.
19. **Confidentiality** – All information you receive pursuant to this RFP is confidential and you may not use it for any other purpose other than preparation of your proposal.

20. Solicitation of State Employees – Until contract award, vendors shall not, directly or indirectly, solicit any employee of the State of Delaware to leave the State’s employ in order to accept employment with the vendor, its affiliates, actual or prospective contractors, or any person acting in concert with the vendor, without prior written approval of the State’s contracting officer. Solicitation of State of Delaware employees by a vendor may result in rejection of the vendor’s proposal.

This paragraph does not prevent the employment by a vendor of a State of Delaware employee who has initiated contact with the vendor. However, State of Delaware employees may be legally prohibited from accepting employment with the contractor or subcontractor under certain circumstances. Vendors may not knowingly employ a person who cannot legally accept employment under state or federal law. If a vendor discovers that they have done so, they must terminate that employment immediately.

21. Consultants and Legal Counsel – The SEBC may retain consultants or legal counsel to assist in the review and evaluation of this RFP and the vendors’ responses. Bidders shall not contact the consultant or legal counsel on any matter related to this RFP.

22. Contact with State Employees – Direct contact with State of Delaware employees regarding this RFP other than the designated contact, Ms. Laurene Eheman, is expressly prohibited without prior consent. Vendors directly contacting State of Delaware employees risk elimination of their proposal from further consideration. Exceptions exist only for organizations currently doing business with the State who require contact in the normal course of doing that business.

23. Organizations Ineligible to Bid - Any individual, business, organization, corporation, consortium, partnership, joint venture, or any other entity including subcontractors currently debarred or suspended is ineligible to bid. Any entity ineligible to conduct business in the State of Delaware for any reason is ineligible to respond to the RFP.

24. Exclusions - The PRC reserves the right to refuse to consider any proposal from a vendor who:

- a. Has been convicted for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of the contract or subcontract;
- b. Has been convicted under State or Federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or other offense indicating a lack of business integrity or business honesty that currently and seriously affects responsibility as a State contractor;
- c. Has been convicted or has had a civil judgment entered for a violation under State or Federal antitrust statutes;
- d. Has violated contract provisions such as:
 - i. Knowing failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or

- ii. Failure to perform or unsatisfactory performance in accordance with terms of one or more contracts;
- iii. Has violated ethical standards set out in law or regulation; and
- iv. Any other cause listed in regulations of the State of Delaware determined to be serious and compelling as to affect responsibility as a State contractor, including suspension or debarment by another governmental entity for a cause listed in the regulations.

III. Minimum Requirements

The following minimum requirements are mandatory. Failure to meet any of these proposal criteria may result in disqualification of the proposal submitted by your organization.

“Will discuss” and “will consider” are not appropriate answers, nor is a reference to the current contractual terms by an incumbent.

As an introduction, please provide the firm’s name, home office address and telephone number, and the address and telephone number of additional offices, if any, that would provide the services requested under this RFP. Also, provide the name and information for the primary contact, including email address, for this RFP. Also, include your company’s website address.

1. The selected vendor must have at least five (5) years’ experience as an organization in providing the type of services to be procured through this competitive RFP process. Please confirm that you have reviewed the Scope of Services included in this RFP and that you have provided these services for other clients. The determination of the length of time an entity has provided these services will be based upon the initial date the entity established a contractual relationship to provide such services. The proposing organization must provide sufficient detail to demonstrate it has experience in working with life insurance programs similar in size and complexity. Because more detailed questions follow, please provide only a broad outline here of the organization’s years of experience and qualifications for the services listed in the Scope of Services.
2. The individual who will act as the SEBC’s primary contact shall be, at a minimum, a senior level manager and shall have at least five (5) years’ experience providing life insurance benefit account management, of which three (3) years’ experience must have been in providing life insurance account management services to clients of similar size. Please provide a statement detailing such experience and a resume.
3. Please confirm that you will provide and administer GUL, Term life, Waiver of Premium and AD&D benefits (the Current Plan Design), as detailed in Attachments 1, 2, 3, 4 and 5 and the links below. **With the exception of the interest rate on the optional side fund account, no deviations to the current plan design are permitted.**

<http://ben.omb.delaware.gov/life/index.shtml>

<http://delcode.delaware.gov/title18/c031/index.shtml>

<http://delcode.delaware.gov/title18/c032/index.shtml>

4. In Appendix I, provide group rates and fees (if applicable) for a three (3) year contract period beginning July 1, 2015. The vendor must guarantee the contract period rates and fees (if applicable) through June 30, 2018, with a rate cap for two (2) additional optional one-year periods that may be exercised at the discretion of the SEBC effective July 1, 2018 and July 1, 2019. The State will have the option to renew the contract annually following the initial three-year contract period.

5. Please confirm that all fees including any optional services you provide that were not requested by the State are included within your bid response. If a fee is not included with your response for a service or product, it will be assumed there is no fee, whether or not a question reminds you to include any applicable fee.
6. Please confirm that you will cover all participants currently enrolled in the life insurance program without regard to their actively at work status as of June 30, 2015.
7. Please 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.
8. Please confirm that there are no waiting periods other than those provided in the Current Plan Design.
9. Please confirm that your quoted rates in Appendix I will be the same for active employees, ported employees, disabled employees, and board members under the Current Plan Design - see Appendix I.
10. Please confirm that you have excluded commission, percentage, brokerage or contingent fees from your quoted rates.
11. Please confirm that you can administer the benefits for disabled employees as noted in Attachment 4. Disabled former employees retain 100% of the face amount of GUL coverage as waiver of premium beneficiaries.
12. Please guarantee that your company will provide the highest interest rate available to groups of similar size. Currently, the minimum interest rate applied to premium received that exceeds the cost of insurance is four (4) percent.
13. Please confirm that upon termination of the group plan with your company, a terminated, retired and/or disabled employee will have the ability to continue coverage post-employment.
14. Please confirm that a sample contract has been provided with this proposal and that it includes your termination provision language.
15. Please confirm that your company will provide regular information concerning new products in the marketplace and advice concerning potential changes to the plan design and rating structure that will be effective July 1, 2015.
16. Please confirm that you can provide biweekly deduction files to the State noting premium amounts to be taken out of employee paychecks. See Appendix K, see payroll deduction file specs.
17. State of Delaware employees are paid on a bi-weekly or 26 pay basis, however some employees are paid on a 22 week pay schedule. Please confirm that you can adjust your system to administer the payroll deduction schedule according to Attachment 6.

18. The State of Delaware will provide a full eligibility file on a bi-weekly basis. Please confirm that your system will accept the current file layouts, see Appendix K, and apply all changes such as salary, address, changes in employment status, etc.
19. Please confirm that enrollment packets will be mailed to the homes of all newly hired & newly eligible employees within five (5) calendar days upon receipt of the eligibility file from the State.
20. Please confirm that terminated and retired employees as of July 1, 2015 will be set up on a direct billing basis and mailed an initial quarterly bill. Please confirm that terminated and retired employees who port coverage are able to change the mode of premium payment after initial billing.
21. 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).
22. Please confirm that your organization will create bi-weekly discrepancy reports identifying employees who have a change in salary of at least 25% or who may have been excluded from the current eligibility file and send it to the State for research and directions to the vendor.
23. Please confirm that your organization is able to create separate discrepancy reports, if requested, for review and research by DSWA.
24. Please confirm that your organization will provide quarterly reporting that will forecast the possibility of an individual's policy becoming a Modified Endowment Contract (MEC) should they terminate employment and exercise the portability provision under the State's Plan. Please confirm that the report will include the number of employees whose policies are at risk for becoming a MEC.
25. Please confirm that your organization will manage communications and discuss available options with individuals that are identified as being at risk for a MEC.
26. Please confirm that an annual report will be provided with the volume of contracts that terminated AD&D coverage and ported coverage.
27. Please confirm that employees on approved Waiver of Premium may continue coverage at 100% of the amount in force the day prior to the end of active employment and/or upon exhaustion of a statutory 6-month elimination period.
28. Please confirm that your organization will utilize bi-weekly electronic reports from The Hartford and use of The Hartford's Employer View System to monitor and maintain the Waiver of Premium statuses of persons on disability. This waiver of premium process is used by employees enrolled in the State's Disability Insurance Program.

29. Please confirm that your organization will provide a paper waiver of premium application for use by employees who are disabled and wish to apply for waiver of premium status and are not enrolled in the State's Disability Insurance Program. A paper waiver of premium application process is used by employees who are not enrolled in the State's Disability Insurance Program.
30. 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.
31. Please confirm that Enrollment, Cash Value and Newly Eligible Reports will be provided on a quarterly basis.
32. Please confirm that a Monthly Experience by Coverage Estimate report will be provided.
33. Please confirm that a Monthly Death Report will be provided. The Monthly Death Report will list employees and/or dependents of the State and DSWA who passed away during the preceding month so condolence letters may be sent by the Statewide Benefits Office.
34. Please confirm that you will meet with the State on-site on at least an annual basis noting your company performance according to the performance guarantees in place and to report on plan data including, but not limited to, evidence of insurability activity, plan participation, marketing updates, renewal and financial experience.
35. Please confirm that upon termination of employment, a disabled and/or ported employee's claims will remain in the same experience pool and at the same rates as the active employees.
36. Please confirm your company is appropriately licensed to do business in the State of Delaware and provide a copy of the license.
37. Please confirm that your organization will not use the names, home addresses or any other information obtained about participants of the life insurance program for offering for sale any property or services that are not directly related to services negotiated in the RFP without the express written consent of the State.
38. Please confirm that the primary contact and/or lead personnel assigned to a transition team and account management team will be part of any interview team. Additionally, during the presentation the vendor must provide a demonstration of the on-line access for participants and the account management functions.
39. Please confirm that your organization is operating as an independent contractor and that it is liable for any and all losses, penalties, damages, expenses, attorney's fees, judgments, and/or settlements incurred by reason of injury to or death of any and all persons, or injury to any and all property, of any nature, arising out of the vendor's negligent performance under this contract, and particularly without limiting the foregoing, caused by, resulting from, or arising out of any act of omission on the part of the vendor in their negligent performance under this contract.

40. Please confirm that your organization shall maintain insurance that will protect against claims under Worker’s Compensation Act and from any other claims for damages for personal injury, including death, which may arise from operations under this contract. The vendor is an independent contractor and is not an employee of the State of Delaware.
41. During the term of this contract, the vendor shall, at its own expense, carry insurance minimum limits as follows:

a.	Comprehensive General Liability	\$1,000,000 per person and \$3,000,000 per occurrence
b.	Medical or Professional Liability	\$1,000,000/\$3,000,000
c.	Misc. Errors and Omissions	\$1,000,000/\$3,000,000

The successful vendor must carry (a) and (b) and/or (c), above, depending on the type of service being delivered.

Please provide a copy of your certificate of insurance with the appropriate types and coverage.

42. Please confirm that SBO’s and DSWA’s administrative staff will have access to an on-line portal with enrollment and experience information.
43. Please confirm that your organization will accept enrollment electronically and via paper from the State and DSWA separately. Please confirm that your organization can bill the State and the DSWA separately.
44. Please confirm that your organization can accept paper enrollment forms for new hires through the year and for any benefit changes.
45. Please confirm that your organization can provide *ad hoc* reports as requested and if there will be any fee for such reports.
46. Your company must have proven ability to perform the services described in this RFP. Of your company's current clients, list three (3) or more references with an excess of 30,000 eligible lives and 17,000 enrolled lives. If possible, at least one (1) reference should be a governmental client of a similar size. Additionally, provide references for three (3) terminated clients and note the date of termination and reason. **Please Note:** You must provide the references at this time, not only if selected as a finalist, in order to show your ability to serve clients of a similar size. If requested, the SEBC will agree to notify you before contacting your references.

Include the following information:

- a. Client name
- b. Client principal location
- c. Location servicing account, if different

- d. Client contact including name, title address, email and phone number
 - e. Number of participants in
 - 1. Group Universal Life
 - 2. Group Term Life
 - 3. Group Dependent Term Life
 - 4. Multi-Life Basis Individual Plans
 - f. Effective date of contract
 - g. (Date and reason for termination, if applicable)
47. It is anticipated that the effective date of the contract awarded under this RFP will be July 1, 2015. Please confirm that if you are awarded the contract no later than October 1, 2014, you would be able to successfully implement the life insurance program for a May 2015 Open Enrollment and a July 1, 2015 effective date.
48. Please confirm that requested State data (along with other relevant documentation such as procedure manuals and system access) will be made available to the State or its authorized agents for purpose of an audit.
49. Please confirm your organization is willing to accept the State's performance guarantees and fees at risk, at minimum, as listed in Appendix H. If you propose higher penalties than the minimums, please indicate those by using a strikeout font and insertion.
50. Please confirm your organization's willingness to negotiate financial and non-financial performance guarantees.
51. Please confirm your organization's acceptance: The RFP and the executed Contract between the State and the successful organization will constitute the Contract between the State and the organization. In the event, there is any discrepancy between any of these contract documents, the following order of documents governs so that the former prevails over the latter; Contract and RFP. No other documents will be considered. These documents contain the entire agreement between the State and the organization.
52. Please confirm that an administrative agreement (statement of work) will be drafted for the State noting all relevant information from this RFP.
53. Please confirm your organization's acceptance: The payment of an invoice by the SEBC shall not prejudice the SEBC's right to object or question any invoice or matter in relation thereto. Such payment by the SEBC shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any costs invoiced therein. Vendor's invoice or payment shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the SEBC, based on audits, to not constitute allowable costs. Any payment shall be reduced for overpayment, or increased for underpayment on subsequent invoices.

54. Please confirm your organization's acceptance: The SEBC reserves the right to deduct from amounts that are or shall become due and payable to the vendor under this contract between the parties any amounts which are or shall become due and payable to the SEBC by the vendor.
55. Please confirm that your organization will not use the State's name, either express or implied, in any of its advertising or sales materials without the State's express written consent.
56. Open Enrollment must be done via a secure vendor website. Please confirm that your organization will capture the information and send an electronic deduction file to the State to upload into the State's payroll system. State of Delaware will supply the eligibility file. As a requirement, the vendor must use the current file specifications, see Appendix K, and will only receive the employee identification number and the last four (4) digits of social security numbers as identifiable information. Under no circumstances will the full nine (9) digits for social security numbers be released.
57. Please confirm that your organization will provide on-site representation at the State's annual benefits briefing sessions (for human resources benefit and payroll representatives) held annually in the last week of April as well as employee health fairs which are typically held annually in May in various locations throughout the State in all three counties. Also confirm that telephonic customer service representatives will be available during open enrollment in May.
58. Please confirm that your organization will provide articles and other communications at a frequency determined by the State for inclusion in newsletters and websites.
59. Please confirm that your organization will provide communications to approximately 125 human resource offices with the State of Delaware concerning the open enrollment period and employee communication seminars.
60. Please confirm that your organization will provide support and assistance as needed and requested to work with the State's technical division to provide a URL and/or single sign-on capabilities in connection with the May 2015 open enrollment period.
61. Please confirm that your organization will provide technical support to marry the enrollment process with the State's People Soft payroll system known as PHRST.
62. Please confirm your organization can and will accept the data elements in the Data File Descriptions and Layouts, Appendix K.
63. **Please confirm your organization's acceptance. For your response, if you do not accept this indemnity paragraph as written, you must provide a redline of suggested changes. Be advised that the State cannot agree to major changes.**

Vendor shall indemnify and hold harmless the State, its agents and employees, from any and all liability, suits, actions or claims, together with all reasonable costs and expenses (including attorneys' fees) directly arising out of (A) the negligence or other wrongful conduct of the vendor, its agents or employees, or (B) vendor's breach of any material provision of this Agreement not cured after due notice and opportunity to cure, provided as to (A) or (B) that (i) vendor shall have been notified in writing by the State of any notice of such claim; and (ii)

vendor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise.

64. **(This paragraph is not a duplicate – see bolded phrase.) Please confirm your organization’s acceptance. For your response, if you do not accept this indemnity paragraph as written, you must provide a redline of suggested changes. Be advised that the State cannot agree to major changes.**

Vendor shall indemnify and hold harmless the State, its agents and employees, from any and all liability, suits, actions or claims, including any claims or expenses with respect to the resolution of any **data security breaches/ or incidents**, together with all reasonable costs and expenses (including attorneys’ fees) directly arising out of (A) the negligence or other wrongful conduct of the vendor, its agents or employees, or (B) vendor’s breach of any material provision of this Agreement not cured after due notice and opportunity to cure, provided as to (A) or (B) that (i) vendor shall have been notified in writing by the State of any notice of such claim; and (ii) vendor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise.

65. Please confirm your organization’s agreement that:
- a. Only the State may terminate the contract for convenience.
 - b. The vendor can terminate the contract for cause with written notice to the State of no less than 180 days.
 - c. The State can terminate the contract for cause with written notice to the vendor of no less than 30 days.
66. Please confirm your organization’s agreement with the State’s right to modify the benefit design for the life program during the contract period with reasonable notice and if permissible under State laws.
67. Please confirm your company’s willingness to supply the State with renewal information and/or proposed contract amendments at least 180 days prior to renewal.
68. The State requires your organization to confirm that all services identified in your proposal are provided solely by your organization and identify any services that may be provided by a subcontractor. Subcontractors are subject to all the terms and conditions of the RFP. If a subcontractor(s) is involved, note in your response to this question and complete Appendix N included herein for each subcontractor. The company MWBE and veteran owned information is for self-identification only. **(If a subcontractor provides IT services, please respond as directed in the *Technology and Security Requirements* section.)**
69. Please confirm that your organization will process all applicable plan reimbursements and/or refunds owed, including remaining reimbursements/refunds (if any) following contract termination (if it occurs). Reimbursement shall be in the form of direct deposit or personal check, at the employee’s option.

70. Please confirm there is a toll-free customer service number for participants.
71. Please confirm you have filled out the Financial Ratings Form, Appendix P, and included it in your bid package.
72. Please confirm you have filled out the Take Over Issues Form, Appendix Q, and included it in your bid package.
73. Please confirm that your organization can match the current default beneficiary designation in the GUL program. If a GUL enrollee does not make a beneficiary designation, or if there is no named beneficiary alive at the time of the GUL enrollee's death, benefits will be paid in the following order of priority: spouse, if living; otherwise the GUL enrollee's natural and legally adopted children, if living; otherwise the GUL enrollee's parents, if living, or the GUL enrollee's estate.

IV. Pricing Instructions

****!! Please review the information in the Introduction section under the *Important* banner !!****

The State is requiring bidders to provide rates for the current GUL, AD&D and Dependent Term Life insurance program, the Current Plan Design. Please complete the forms in Appendix I, Group Life Insurance Proposed Rate Sheets.

Also in Appendix I are the forms for the optional Group Life Alternative Plans. Appendix J, Individual Life Insurance Proposed Rate Sheets, contains the forms for the optional Multi-Life Basis Individual plans. Again, if you are providing individual rates it is assumed that you will be providing individual quotes on a Multi-Life Basis. The benefits requested for the alternatives for the Group Life Plans are noted in Attachment 7. The benefits requested for the Multi-Life Basis Individual Plans are noted in Attachment 8. These plans are optional and will not be evaluated until the finalist stage.

In addition, the State is looking for your company to propose one (1) specific plan design and rating structure for the “Delaware Plan” that your company feels would be the best fit for the State and explain why. This plan is also optional and will not be evaluated until the finalist stage. Please see Appendix O for the benefit grid and rate tables.

V. Group Life Insurance Questionnaire

Whenever applicable, you must clearly and succinctly indicate how your standard procedures would be modified in order to accommodate any specific requirements of the State that deviate from your standard procedures. **Generic responses or stock answers that do not address State-specific requirements will be deemed unresponsive.**

If a question is repeated in multiple sections, such as the Optional Individual Life Insurance Questionnaire, if your answer is the same please do not refer to your answer in another section but copy it under each question.

Questionnaire Exception Tracking Chart – The exception tracking chart, Appendix G, for this section is different and separate from the chart for the Technology Exception Tracking Chart, Appendix D.

- a. If you have an exception, you must copy and paste the term into the chart and provide a detailed explanation: OR
- b. Check the box to acknowledge that you take no exceptions to the specifications, terms or conditions found in the Questionnaire section and submit it with your bid package

A. Account Case Management and Membership Services

1. Please complete the chart below showing your organizations enrollment in the indicated life insurance programs as of April 2014:

Benefit	# of Employees Covered	# of Employer Plans Covered	# of State Government Plans Covered
Group Universal Life			
Group Term Life			
Dependent Term Life			

2. What is the average cash accumulation account participation percentage for your Group Universal Life products?
3. Please answer the following:

- a) What sales/service office and claim office would handle the general servicing of this account?
 - b) How many lives and number of accounts are currently handled at each facility?
 - c) If different than already provided, please provide a brief biography of the senior officials responsible for the overall service and day-to-day operations of the account. If the same personnel that are stated elsewhere are utilized in these roles, please reference where the information can be found.
 - d) What is the time zone and standard hours for your customer service office and claim office? If different than ET, what accommodations will you make?
 - e) Will you allow SEBC to tour both the customer service office and claim office that will service the State?
4. Does your company provide legacy planning services, beneficiary financial counseling, and legal services at no additional cost? Please provide a description of each benefit and attach promotional or communication materials if available.
 5. Please describe any additional value added services your company offers for this product and the corresponding fee. Please attach promotional or communication materials if available.
 6. Please answer the following:
 - a) Will dedicated, not designated, customer service representatives be assigned to this account? If not, explain.
 - b) Are customer service representatives separated from the claim processing unit or do claim processors have customer service responsibilities?
 - c) What would be the standard communication procedure between the State of Delaware staff and your local service office and the processing claim office?
 - d) Do life claim processors handle any other types of claims (i.e. disability, medical or dental)?

B. Benefit Features

1. Can an employee increase the death benefit (i.e., the amount at risk) at any time? If not, what limitations (in both maximum amount and other factors) restrict increasing the death benefit?
2. Is there a minimum sum by which a employee can increase or decrease his death benefit? If yes, identify.

3. Do you offer an option in which the amount at risk (i.e., the pure protection) stays constant and, as the cash value (if elected by the employee) of the policy increases, the total death benefit increases?
4. Please describe the process for borrowing from the cash value (if elected by the employee) of the policy? Please note rates charged and operating procedures.
5. Regarding interest rates:
 - a) What interest rate are you proposing and will you guarantee that the quoted interest rate will not decrease during the life of the contract?
 - b) Explain how your company develops the current interest rates?
 - c) Please cite the actual annual growth of a policy purchased effective January 1, 2005, through December 31, 2013, by a 42-year-old participant paying \$1,000 per year (payable bi-weekly) for a \$100,000 death benefit? Please illustrate using your actual interest rate.
6. On a year-to-year basis, when and how is interest credited, if the applicable rate is above the minimum?
7. Is there a minimum side fund contribution requirement? If so, describe.
8. Describe any limitations applying to lump sum payments into the side fund (other than IRC limitations).
9. If premium payments stop, will the policy continue as long as the cash value of the policy covers mortality and other expenses? What is the minimum amount of cash, which must be held by the policy?
10. What is the grace period available after the cash value of the policy no longer covers expenses before the policy terminates?
11. Are partial withdrawals of the side fund permitted? If so, what are the limits on the amount that can be withdrawn?
12. Are there any time limitation on withdrawals (i.e., only after the first year, quarterly, only once every fiscal quarter, etc.)? If yes, please specify.

C. Reporting

1. Please include examples of reports you intend to provide to fulfill the reporting requirements noted in the Minimum Requirements.
 - a) Are any of these reports available on-line?
 - b) Please describe other reports that are available. Indicate additional cost, if any.

- c) How many weeks after the policy anniversary date will your financial accounting report be available?

D. Underwriting

1. Explain a circumstance(s) by which a rate increase would be necessary.
2. Will you pool the claim experience under any of the coverage being requested with any other policies? If so, please describe your pooling formula, indicating what portion will be pooled and whether the pooling charge will be shown as an adjustment to incurred claims or as an item of retention. Explain how the charges for pooled coverage (or portion of coverage that is pooled) will be calculated.
3. Is your proposal based upon any minimum participation requirements? If so, please specify the minimum underwriting criteria.
4. Provide underwriting specifications, medical evidence questions, procedures and limitations.
5. On what do you base your mortality costs (i.e., what mortality tables do you use)? Are they expressed in the contract or may they be changed unilaterally?
6. If mortality experience is more or less favorable than expected, will such experience have any effect on prior mortality charges (in the form of credits or extra charges) or on mortality rates in the future? If so, explain in detail how this will operate.
7. On what basis do you adjust mortality rates for substandard risks? Provide “typical” loads for rated participants.
8. Beyond mortality charges, are there any other annual expenses? If so, please provide a breakdown as follows, itemizing the elements of the expenses and the percent they constitute of the cost of insurance (COI):

Expense	\$ Amount	% of COI
Taxes		
Risk charge		
Home office charge		
Interest credits or charges		
Other charges*		
TOTAL		

9. Is there a first year expense charge at a different rate than indicated above? If yes, indicate all first year charges.
10. Please note your retention percentage as it relates to your term life rates.

* Please specify and explain in detail any figures included in this category.

11. Are penalties assessed for a partial withdrawal transaction? If yes, how are they calculated? Provide a table of all applicable penalties.
12. Describe all charges to the side fund with respect to monthly additions, loans, withdrawals (full or partial), conversions to paid-up and other. How long are these charges guaranteed?

E. Plan Administration/Provisions

1. Please provide copies of all forms used by your firm to administer the plan.
2. Please provide a sample of copies of benefits booklets, Certificate of Coverage or Summary Plan Descriptions prepared by your firm for other life insurance plans.
3. Please provide specimen copies of your firm's life insurance policy, or other agreements, which would be used for the State of Delaware life insurance plan.
4. Describe the Accelerated Death Benefit and procedures that an employee would use to apply for the benefit. Include a sample form, if applicable.
5. Describe your Evidence of Insurability procedure. Do you provide an electronic Evidence of Insurability (EOI)?
6. When will the Certificate of Coverage be sent to employees if you are awarded the business?
7. Typically, how are enrollees who are not enrolled in the disability program approved and how are they removed from eligibility for a premium waiver?
8. How are approved disability claims charged to a year's experience accounting? Specifically, what is the reserving formula?
9. When a claim is incurred, is the difference between the assessed reserve and the claim amount also charged to the years' experience accounting?
10. Are reserves released when an enrollee is no longer eligible for the premium waiver benefit?
11. Please describe the portability and conversions options available.
12. Do you provide electronic port and conversion?
13. Can spouses convert their life insurance the day after the date of divorce? If so, describe the process and timeframe.
14. Are surrender charges assessed? If yes, how are they calculated?
15. What expenses load and/or administrative charges may be incurred in addition to the mortality charge?

F. Implementation/Communication

1. Provide a proposed implementation plan and timetable, beginning with the award of business to effective date of coverage, include:
 - a) Steps required to implement the program.
 - b) Role played by the plan sponsor/vendor.
 - c) Eligibility Feed.
 - d) Production and distribution of ID cards, directories, and enrollment materials.
 - e) Contacts and personnel assigned to each step of the implementation process.
 - f) Establishment of bank accounts, on-line plan information.
 - g) Confirm that Premiums include all implementation costs.
 - h) On-line Open Enrollment in May.
2. Please provide sample Group Universal Life enrollment communication material you have put together for another client.
3. Please detail a successful communication campaign used to increase the cash accumulation account participation rate with another client.
4. Provide a brief description of your on-line enrollment process.
5. Please provide the following:
 - a) Samples of employee enrollment materials.
 - b) Samples of on-going employee administration materials.
 - c) Sample administrative/management reports that are prepared for the State that track enrollment in the GUL program.
 - d) Any worksheets that are prepared to help the employee determine the amount of life insurance required to meet his/her financial goals and objectives.
6. How many clients of a similar size do you provide employee enrollment services for? Do you provide these services directly or use a third party administrator?

VI. Optional Individual Life Insurance Questionnaire

Whenever applicable, you must clearly and succinctly indicate how your standard procedures would be modified in order to accommodate any specific requirements of the State that deviate from your standard procedures. **Generic responses or stock answers that do not address State-specific requirements will be deemed unresponsive.**

If a question is repeated in multiple sections, such as the Group Life Insurance Questionnaire, if your answer is the same please do not refer to your answer in another section but copy it under each question.

Questionnaire Exception Tracking Chart – The exception tracking chart, Appendix G, for this section is different and separate from the chart for the *Technology Exception Tracking Chart*, Appendix D.

- a. If you have an exception, you must copy and paste the term into the chart and provide a detailed explanation: OR
- b. Check the box to acknowledge that you take no exceptions to the specifications, terms or conditions found in the Questionnaire section and submit it with your bid package

A. Account Case Management and Membership Services

1. Please complete the chart below showing your organizations enrollment in the indicated life insurance programs as of April 2014:

Benefit	# of Employees Covered	# of Employer Plans Covered	# of State Government Plans Covered
Individual Universal Life			
Individual Term Life			

2. What is the average cash accumulation account participation percentage for your Individual Universal Life products?
3. Please answer the following:

- a) What sales/service office and claim office would handle the general servicing of this account?
 - b) How many lives and number of accounts are currently handled at each facility?
 - c) If different than already provided, please provide a brief biography of the senior officials responsible for the overall service and day-to-day operations of the account. If the same personnel that are stated elsewhere are utilized in these roles, please reference where the information can be found.
 - d) What is the time zone and standard hours for your customer service office and claim office? If different than ET, what accommodations will you make?
 - e) Will you allow SEBC to tour both the customer service office and claim office that will service the State?
4. Does your company provide legacy planning services, beneficiary financial counseling, and legal services at no additional cost? Please provide a description of each benefit and attach promotional or communication materials if available.
 5. Please describe any value added services your company offers for this product and the corresponding fee. Please attach promotional or communication materials if available.

B. Benefit Features

1. Can an employee increase the death benefit (i.e., the amount at risk) at any time? If not, what limitations (in both maximum amount and other factors) restrict increasing the death benefit?
2. Is there a minimum sum by which a employee can increase or decrease his death benefit? If yes, identify.
3. Do you offer an option in which the amount at risk (i.e., the pure protection) stays constant and, as the cash value of the policy increases, the total death benefit increases?
4. Please describe the process for borrowing from the cash value of the policy? Please note rates charged and operating procedures.
5. Regarding interest rates:
 - a) What interest rate are you proposing and will you guarantee that the quoted interest rate will not decrease during the life of the contract?
 - b) Explain how your company develops the current interest rates?
 - c) Please cite the actual annual growth of a policy purchased effective January 1, 2005 through December 31, 2013 by a 42-year-old participant paying \$1,000 per year (payable bi-weekly) for a \$100,000 death benefit? Please illustrate using your actual interest rate.

6. On a year-to-year basis, when and how is interest credited, if the applicable rate is above the minimum?
7. Is there a minimum side fund contribution requirement? If so, describe.
8. Describe any limitations applying to lump sum payments into the side fund (other than IRC limitations).
9. If premium payments stop, will the policy continue as long as the cash value of the policy covers mortality and other expenses? What is the minimum amount of cash, which must be held by the policy?
10. What is the grace period available after the cash value of the policy no longer covers expenses before the policy terminates?
11. Are partial withdrawals of the side fund permitted? If so, what are the limits on the amount that can be withdrawn?
12. Are there any time limitation on withdrawals (i.e., only after the first year, quarterly, only once every fiscal quarter, etc.)? If yes, please specify.

C. Reporting

1. Please include examples of reports you intend to provide to fulfill the reporting requirements noted in the Minimum Requirements.
 - a) Are any of these reports available on-line?
 - b) Please describe other reports that are available. Indicate additional cost, if any.
 - c) How many weeks after the policy anniversary date will your financial accounting report be available?

D. Underwriting

1. Explain a circumstance(s) by which a rate increase would be necessary.
2. Will you pool the claim experience under any of the coverage being requested with any other policies? If so, please describe your pooling formula, indicating what portion will be pooled and whether the pooling charge will be shown as an adjustment to incurred claims or as an item of retention. Explain how the charges for pooled coverage (or portion of coverage that is pooled) will be calculated.
3. Is your proposal based upon any minimum participation requirements? If so, please specify the minimum underwriting criteria.
4. Provide underwriting specifications, medical evidence questions, procedures and limitations.

5. On what do you base your mortality costs (i.e., what mortality tables do you use)? Are they expressed in the contract or may they be changed unilaterally?
6. If mortality experience is more or less favorable than expected, will such experience have any effect on prior mortality charges (in the form of credits or extra charges) or on mortality rates in the future? If so, explain in detail how this will operate.
7. On what basis do you adjust mortality rates for substandard risks? Provide “typical” loads for rated participants.
8. Beyond mortality charges, are there any other annual expenses? If so, please provide a breakdown as follows, itemizing the elements of the expenses and the percent they constitute of the cost of insurance (COI):

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12. Describe all charges to the side fund with respect to monthly additions, loans, withdrawals (full or partial), conversions to paid-up and other. How long are these charges guaranteed?

E. Plan Administration/Provisions

1. Please provide copies of all forms used by your firm to administer the plan.
2. Please provide samples of copies of benefits booklets, Certificate of Coverage or Summary Plan Descriptions prepared by your firm for other life insurance plans.
3. Please provide specimen copies of your firm's life insurance policy, or other agreements, which would be used for the State of Delaware life insurance plan.

* Please specify and explain in detail any figures included in this category.

4. Describe the Accelerated Death Benefit and procedures that an employee would use to apply for the benefit. Include a sample form, if applicable.
5. Describe your Evidence of Insurability procedure. Do you provide an electronic Evidence of Insurability (EOI)?
6. When will the Certificate of Coverage be sent to employees if you are awarded the business?
7. Can enrolled employees who leave employment maintain coverage?
 - a. If yes, are rates or any other terms different after leaving employment?
 - b. If yes, do former employees establish a direct relationship with your company or do they remain contract holders or certificate holders under the plan sponsor's arrangement?
 - c. If yes, does the experience of former employees affect the rates and other terms available to current employees?
8. Typically, how are enrollees who are not enrolled in the disability program approved and how are they removed from eligibility for a premium waiver?
9. How are approved disability claims charged to a year's experience accounting? Specifically, what is the reserving formula?
10. When a claim is incurred, is the difference between the assessed reserve and the claim amount also charged to the years' experience accounting?
11. Are reserves released when an enrollee is no longer eligible for the premium waiver benefit?
12. Please describe the portability and conversions options available.
13. Do you provide electronic port and conversion?
14. Can spouses convert their life insurance the day after the date of divorce? If so, describe the process and timeframe.
15. Are surrender charges assessed? If yes, how are they calculated?
16. What expenses load and/or administrative charges may be incurred in addition to the mortality charge?

F. Implementation/Communication

1. Provide a proposed implementation plan and timetable, beginning with the award of business to effective date of coverage, include:
 - a) Steps required to implement the program.

- b) Role played by the plan sponsor/vendor.
 - c) Eligibility Feed.
 - d) Production and distribution of ID cards, directories, and enrollment materials.
 - e) Contacts and personnel assigned to each step of the implementation process.
 - f) Establishment of bank accounts, on-line plan information.
 - g) Confirm that Premiums include all implementation costs.
 - h) On-line Open Enrollment in May.
2. Please provide sample Individual Universal Life enrollment communication material you have put together for another client.
 3. Please detail a successful communication campaign used to increase the cash accumulation account participation rate with another client.
 4. Provide a brief description of your on-line enrollment process.
 5. Please provide the following:
 - a) Samples of employee enrollment materials.
 - b) Samples of on-going employee administration materials.
 - c) Sample administrative/management reports that are prepared for the State that track enrollment in the UL program.
 - d) Any worksheets that are prepared to help the employee determine the amount of life insurance required to meet his/her financial goals and objectives.
 6. How many clients of a similar size do you provide employee enrollment services for? Do you provide these services directly or use a third party administrator?

VII. Technical Standards and Security Requirements

Carefully read the following descriptions and requirements for your responses!

Omission of the acknowledgements or responses and forms could result in a determination that your bid is non-responsive.

INFORMATION/DESCRIPTIONS:

Subcontractors:

If any of your computer applications/programs are leased from and/or hosted by a vendor, the third-party vendor is considered a sub-contractor and is also subject to, and required to comply with, all of the State's technology and security requirements. The *Subcontractor Information Form* must be submitted, see Appendix E. Be advised that in signing the *Subcontractor Information Form* the subcontractor agrees to comply with all of the terms, conditions, and requirements of this procurement which includes this section, Technical Standards and Security Requirements. Therefore, the subcontractor must complete this section and all the forms provided herein. (See the Checklist of Forms section below.) The completed forms need to be submitted by your organization as part of your proposal, not remitted separately by the subcontractor.

Cloud Providers and Computing:

Please refer to the National Institute of Standards and Technology (NIST)'s *Definition of Cloud Computing* at <http://csrc.nist.gov/publications/nistpubs/800-145/SP800-145.pdf>. **Any vendor that receives the State's data via the internet and is an external host of the State's data is deemed to be a Software as a Service (SaaS) cloud provider and must comply with the related State security protocols, Standards, and Terms. Because the selected vendor for the life insurance program will be storing the State's data, the State considers the vendor (and their subcontractors, if any) an external host and therefore a cloud provider.**

1. All non-negotiable terms and conditions for cloud providers must be accepted without exception. Bidders and subcontractors who do not accept the non-negotiable terms without exception will be considered non-responsive and eliminated from consideration.⁴
2. Bidders and subcontractors may take minor exceptions to the negotiable terms and conditions for cloud providers. The State has the final determination in consideration of exceptions.

Data Ownership:

It is understood that the claims data that is used for underwriting that would be considered confidential and proprietary shall remain the property of the vendor.

⁴ Reference: 29 Del Code § 6924 (m)

DIRECTIONS:

1. **Proposal** - Because your responses to this section of the RFP will be analyzed by a different department, please provide your hard copy responses (which would include your subcontractors, if any) in a separate tab. For the pdf submission, please submit a separate and complete pdf copy with your subcontractor's response, if applicable. (Don't forget to scan the documents with signatures, handwritten information, or exhibits for your complete electronic copy.)
2. **Checklist of Forms** – You must print and scan all the forms for your pdf copy.
 - a. **State of Delaware Cloud and Offsite Hosting Specific Terms and Conditions**

You may complete this form in two ways:

- 1) Go to the following link and use the fillable pdf form to provide your responses. Make sure that the response is not too long for the field so that it doesn't reduce the font to a miniscule size nor print the entire response. Print out a copy of the completed form to include in your bid packet.
<http://dti.delaware.gov/pdfs/pp/CloudandOffsiteHostingTemplate.pdf>
- 2) Copy and paste this Word document and enter your responses in the table.

For Question #1, please reply that the State's data ownership is limited to data that is not used for underwriting purposes.

For Question #2, please respond to each sub-topic with its corresponding letter.

Again, any vendor that receives the State's data via the internet and is an external host of the State's data is deemed to be a Software as a Service (SaaS) cloud provider and must comply with the related State security protocols, Standards, and Terms. Because the selected vendor for the life insurance program will be storing the State's data, the State considers the vendor an external host and therefore a cloud provider. **Therefore, you may not respond that a term is not applicable because you are not a cloud provider.**

- b. At Appendix B - **Contractor Confidentiality (Non-Disclosure) and Integrity of Data Agreement**
 - c. At Appendix C - **Software Inventory Template**
 - d. At Appendix D – **Technology Exception Tracking Chart**
 - e. If applicable, at Appendix E – **Technology Subcontractor Information Form**
3. **Clarity** – Though some items may be similar or seem duplicative to other requirements or questions, please respond to each question completely. Your responses must be clearly stated. For example, vendors may not reference an attachment as a response without clearly referencing the specific statement(s) or section(s) in the attachment that serve as the response. If a response

and exception is not understood, only one (1) clarification question will be asked. If your response is still unclear, your bid will be considered non-responsive and will therefore be eliminated from consideration. Representatives of the SEBC, including the State's IT Personnel, cannot verbally discuss your responses.

4. **Exception Tracking Chart** – The *Technology Exception Tracking Chart*, Appendix D, for this section is different and separate from the chart for the RFP *Questionnaire Exception Tracking Chart*, Appendix D.
 - a. **If you have an exception**, you must copy and paste the term into the chart and provide a detailed explanation; **OR**
 - b. Check the box to acknowledge that you **take no exceptions** to the specifications, terms or conditions found in the *Technology Standards and Security Requirements* section and submit it with your bid package.
5. **Definitions** – In the following section, “contractor” has the same meaning as “vendor”, “bidder”, and/or “subcontractor” as does “Service Provider” in the *State of Delaware Cloud and Offsite Hosting Specific Terms and Conditions* form.
6. **Citing Applicable Laws** - If you state that a requirement is due to applicable laws, please provide the citation.

---- Continued on Next Page ----

**TECHNICAL STANDARDS AND SECURITY REQUIREMENTS –
ACKNOWLEDGEMENT REQUIRED**

**Omission of the acknowledgements or responses and forms
could result in a determination that your bid is non-responsive.**

Non-Negotiable Requirements

1. USE OF SUBCONTRACTORS:

Please clearly identify whether you will utilize a subcontractor(s) for IT services. If a subcontractor is involved, complete the *Subcontractor Information Form* included herein. Be advised that in signing the *Subcontractor Information Form* the subcontractor agrees to comply with all of the terms, conditions, and requirements of this procurement.⁵

Response:

2. TERMS AND CONDITIONS:

The State is taking a very deliberate approach to cloud-based engagements because of concerns around the protection of our data, access control, and the lack of mature standards in the industry. It is for this reason that explicit details of the cloud solutions⁶ are required, including an item-by-item acknowledgement from the candidate vendor. **Proposals must contain the form - *State of Delaware Cloud and Offsite Hosting Specific Terms and Conditions*. All of the Terms and Conditions (T&C) must be signed (acknowledged). T&C 1 through 9 are non-negotiable and numbers 10 through 23 that the solution accommodates should be signed. If your response is that a term in 10 through 23 does not apply⁷, please so state on the Exception Tracking Chart with a detailed explanation.**

Response:

3. CONFIDENTIALITY AND DATA INTEGRITY:

The Department of Technology and Information is responsible for safeguarding the confidentiality and integrity of data in State computer files regardless of the source of those data or medium on which they are stored; e.g., electronic data, computer output microfilm (COM), tape, or disk. Computer programs developed to process State Agency data will not be modified without the knowledge and written authorization of the Department of Technology and Information. All data generated from the original source data, shall be the property of the State. The control of the disclosure of those data shall be retained by the State and the Department of Technology and Information.

⁵ Refer to the *Subcontractors* paragraph on the first page of this section for complete instructions.

⁶ Refer to the *Cloud Providers and Computing* paragraph on the first page of this section. **The State considers any external host of State data to be cloud provider.**

⁷ Or if it does apply and you have an exception, use the *Technology Exception Tracking Chart*, Appendix D.

The Contractor is required to agree to the requirements in the **CONFIDENTIALITY AND INTEGRITY OF DATA STATEMENT**, attached, and made a part of this RFP. Contractor employees, individually, may be required to sign the statement prior to beginning any work.

Response:

4. **SECURITY:**

Computer, network, and information security is of paramount concern for the State and the Department of Technology and Information. The State wants to ensure that computer/network hardware and software does not compromise the security of its IT infrastructure. The SANS Institute and the FBI have released a document describing the Top 20 Internet Security Threats. The document is available at www.sans.org/top20.htm for your review. The Contractor is guaranteeing that any systems or software provided by the Contractor are free of the vulnerabilities listed in that document.

The awarded vendor shall maintain network security policy compliance in accordance with Secure File Transport to secure data classified as confidential or higher per the Data Classified Policy when moving data. References to the policy documents are provided in Question 8.

Response:

5. **DISPOSAL:**

Electronic information storage devices (hard drives, tapes, diskettes, compact disks, USB, multifunction peripherals, etc.) shall be disposed of in a manner compliant to Delaware Department of Technology and Information policy DTI-005.01, Disposal of Electronic Equipment/Storage Media. Reference to the policy document is provided in Question 8.

Response:

6. **CYBER SECURITY LIABILITY:**

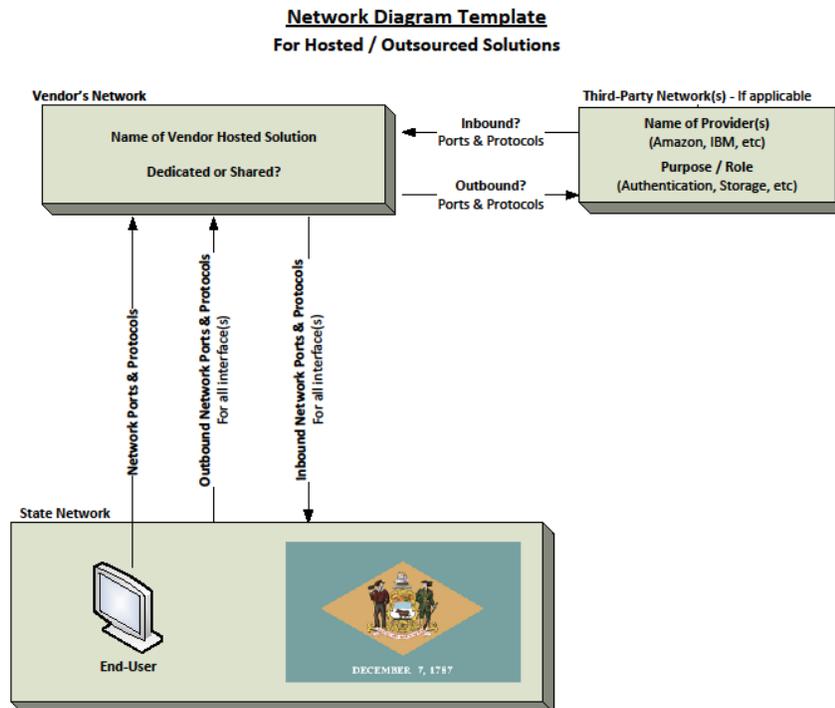
Directions: For your response, if you do not accept this indemnity paragraph as written, you must provide a redline of suggested changes. Be advised that the State will not consider substantive changes.

It shall be the duty of the Vendor to assure that all products of its effort do not cause, directly or indirectly, any unauthorized acquisition of data that compromises the security, confidentiality, or integrity of information maintained by the State. Vendor's agreement shall not limit or modify liability for information security breaches, and Vendor shall indemnify and hold harmless the State, its agents and employees, from any and all liability, suits, actions or claims, together with all reasonable costs and expenses (including attorneys' fees) arising out of such breaches. In addition to all rights and remedies available to it in law or in equity, the State shall subtract from any payment made to Vendor all damages, costs and expenses caused by such information security breaches that have not been previously paid to Vendor.

Response:

7. ARCHITECTURAL DOCUMENTATION REQUIREMENTS:

- a. **Network Diagram** - A network diagram of the proposed solution is required that clearly documents the user's interaction with the solution and the State. The network diagram should follow this example:



Confirm Attached:

- b. **Software Inventory** - A software inventory of the proposed solution is required that list any software that the State needs. For example, a certain web browser (IE) or web service technology for an interface. Software inventories should use the format attached at Appendix C – Software Inventory.

Confirm Attached:

- c. **Database Dictionary or Data model** - A data dictionary OR a conceptual data model for state-owned business data must be provided to the state.⁸ The data dictionary or conceptual data model does not have to be submitted with a vendor response to this RFP, but must be submitted once the design of the solution is complete or prior to implementation of the solution. The submitted data dictionary or conceptual data model must include at least the

⁸ The submission is required only of the contracted vendor and is **applicable to Delaware data only**. A response of “confirmed” indicates that if your organization is awarded the contract, you will comply and provide this information for your organization and any applicable sub-contractor(s).

following items: entity names and descriptions, entity relationships and descriptions, attribute names, attribute descriptions, attribute data type, attribute lengths, and primary identifier for each entity.

Data dictionaries must be submitted in Excel or in a .csv file. The directions for how to format the Excel workbook is explained in the first section of the [Data Model Samples document](#). If a data model is submitted, it must be in either Sybase PowerDesigner or CA ERwin format. This document is also available at the following URL:
<http://dti.delaware.gov/pdfs/pp/RFPRequirementsforSubmissionofaDataDictionaryorDataModel.pdf>

Any submission by a vendor to comply with these requirements that necessarily includes data that the vendor wishes to claim as proprietary must be submitted and labeled “Proprietary Information” with the RFP/Contract number. The envelope must contain a letter from the Vendor’s legal counsel describing the documents in the envelope, representing in good faith that the information in each document is not “public record” as defined by 29 *Del. C.* § 10002(d), and briefly stating the reasons that each document meets the said definitions. The vendor's counsel must also acknowledge what elements of the submission are not claimed as proprietary and are subject to release upon request.

Response:

8. Mandatory Standards

The following State technology standards and/or policies have been identified as being related to this solution. Please confirm your ability to meet **all** of these requirements⁹:

- a. Data Classification Policy
<http://dti.delaware.gov/pdfs/pp/DataClassificationPolicy.pdf>
- b. Data Management Policy
<http://dti.delaware.gov/pdfs/pp/DataManagementPolicy.pdf>
- c. State of Delaware Information Security Policy (DISP)
<http://dti.delaware.gov/pdfs/pp/DelawareInformationSecurityPolicy.pdf>
- d. Secure File Transport
<http://dti.delaware.gov/pdfs/pp/SecureFileTransport.pdf>
- e. Strong Password Standard
<http://dti.delaware.gov/pdfs/pp/StrongPasswordStandard.pdf>
- f. Web Application Security
<http://dti.delaware.gov/pdfs/pp/WebApplicationSecurity.pdf>
- g. Cloud and Offsite Hosting Policy

⁹ It will be a contractual term for the vendor to comply with these policies as they were published on the date of the release of this RFP. Though the documents are written as policies, you are being asked to confirm your ability to meet **all** of these requirements, not your agreement to adopt a client’s policy.

<http://dti.delaware.gov/pdfs/pp/CloudandOffsiteHostingPolicy.pdf>

Terms & Conditions Form:

<http://dti.delaware.gov/pdfs/pp/CloudandOffsiteHostingTemplate.pdf>

h. Data Modeling Standard

<http://dti.delaware.gov/pdfs/pp/DataModelingStandard.pdf>

Requirements:

<http://dti.delaware.gov/pdfs/pp/RFPRequirementsforSubmissionofaDataDictionaryorDataModel.pdf>

i. Disposal of Electronic Equipment and Storage Media Policy

<http://dti.delaware.gov/pdfs/pp/DisposalOfElectronicEquipmentAndStorageMedia.pdf>

j. Data Center Policy

<http://dti.delaware.gov/pdfs/pp/DataCenterPolicy.pdf>

k. Data Integration Standard

<http://dti.delaware.gov/pdfs/pp/DataIntegrationStandard.pdf>

Response:

APPENDICES

APPENDIX A

**STATE OF DELAWARE CLOUD AND OFFSITE HOSTING
SPECIFIC TERMS AND CONDITIONS**

!!! IMPORTANT !!!

You may complete this form in two ways:

1) Go to the following link and use the fillable pdf form to provide your responses. Make sure that the response is not too long for the field so that it doesn't reduce the font to a miniscule size nor print the entire response. Print out a copy of the completed form to include in your bid packet.
<http://dti.delaware.gov/pdfs/pp/CloudandOffsiteHostingTemplate.pdf>

2) Copy and paste this Word document and enter your responses in the table.

For #1, please reply that the State's data ownership is limited to data that is not used for underwriting purposes.

For #2, please respond to each sub-topic with its corresponding letter.

Again, any vendor that receives the State's data via the internet and is an external host of the State's data is deemed to be a Software as a Service (SaaS) cloud provider and must comply with the related State security protocols, Standards, and Terms. Because the selected vendor for the life insurance program will be storing the State's data, the State considers the vendor an external host and therefore a cloud provider. **Therefore you may not respond that a term is not applicable because you are not a cloud provider.**

!!! IMPORTANT !!!

Contract # _____, Appendix _____
Between State of Delaware and _____ dated _____
This document shall become part of the final contract.

	Terms and Conditions Clauses 1-9 are mandatory for every engagement. Exceptions will be considered non-compliant and non-responsive.	Vendor's Acknowledgement
1	The State of Delaware shall own all right, title and interest in its data that is related to the services provided by this contract. The Service Provider shall not access State of Delaware User accounts, or State of Delaware Data, except (i) in the course of data center operations, (ii) response to service or technical issues, (iii) as required by the express terms of this contract, or (iv) at State of Delaware's written request.	

2	<p>Protection of personal privacy and sensitive data shall be an integral part of the business activities of the Service Provider to ensure that there is no inappropriate or unauthorized use of State of Delaware information at any time. To this end, the Service Provider shall safeguard the confidentiality, integrity, and availability of State information and comply with the following conditions:</p> <ul style="list-style-type: none"> a) Personal information obtained by the Service Provider shall become and remain property of the State of Delaware. b) At no time shall any data or processes which either belongs to or are intended for the use of State of Delaware or its officers, agents, or employees, be copied, disclosed, or retained by the Service Provider or any party related to the Service Provider for subsequent use in any transaction that does not include the State of Delaware. c) The Service Provider shall not use any information collected in connection with the service issued from this proposal for any purpose other than fulfilling the service. d) The Service Provider shall encrypt all non-public data in transit to the cloud during the life of the contract. e) For engagements where the Service Provider stores sensitive personally identifiable or otherwise confidential information, this data shall be encrypted at rest. Examples are Social Security Number, Date of Birth, Driver's License number; passwords, financial data, and federal/State tax information. 	
3	<p>The Service Provider shall not store or transfer non-public State of Delaware data outside of the United States. This includes backup data and Disaster Recovery locations.</p>	
4	<p>The Service Provider shall inform the State of Delaware of any actual security breach that jeopardizes the State of Delaware data or processes. This notice shall be given to the State of Delaware within 24 hours of its discovery. Full disclosure of the jeopardized data shall be made. In addition, the Service Provider shall inform the State of Delaware of the actions it is taking or will take to reduce the risk of further loss to the State.</p>	
5	<p>Delaware Code requires public breach notification when citizen's personally identifiable information is lost or stolen. Reference: 6 Del. C. § 12B-101(4). All communication shall be coordinated with the State of Delaware. When the Service Provider is liable for the loss, the State of Delaware shall recover all costs of response and recovery from the breach, for example: 3-year credit monitoring services, mailing costs, website, and telephone call center services. Without limitation of additional legal bases, pursuant to the State of Delaware Constitution of 1897 at Article VIII, §§ 3 and 4 and 29 Del. C. § 6519(a) the State of Delaware is not legally permitted to agree to any limitations on liability.</p>	
6	<p>The Service Provider shall contact the State of Delaware upon receipt of any electronic discovery, litigation holds, discovery searches, and expert</p>	

	<p>testimonies related to, or which in any way might reasonably require access to the data of the State. The Service Provider shall not respond to subpoenas, service of process, and other legal requests related to the State of Delaware without first notifying the State unless prohibited by law from providing such notice.</p>	
7	<p>In the event of termination of the contract, the Service Provider shall implement an orderly return of State of Delaware data in a State-defined format and the subsequent secure disposal of State of Delaware data.</p> <p>Suspension of services: During any period of suspension, the Service Provider shall not take any action to intentionally erase any State of Delaware data.</p> <p>Termination of any services or agreement in entirety: In the event of termination of any services or agreement in entirety, the Service Provider shall not take any action to intentionally erase any State of Delaware data for a period of 90 days after the effective date of the termination. After such 90 day period, the Service Provider shall have no obligation to maintain or provide any State of Delaware data and shall thereafter, unless legally prohibited, delete all State of Delaware data in its systems or otherwise in its possession or under its control.</p> <p>Post-Termination Assistance: The State of Delaware shall be entitled to any post-termination assistance generally made available with respect to the Services unless a unique data retrieval arrangement has been established as part of the Service Level Agreement.</p> <p>Secure Data Disposal When requested by the State of Delaware, the provider shall destroy all requested data in all of its forms, for example: disk, CD/DVD, backup tape, and paper. Data shall be permanently deleted and shall not be recoverable, according to National Institute of Standards and Technology (NIST) approved methods and certificates of destruction shall be provided to the State of Delaware.</p>	
8	<p>The Service Provider shall conduct criminal background checks and not utilize any staff, including sub-contractors, to fulfill the obligations of the contract who has been convicted of any crime of dishonesty, including but not limited to criminal fraud, or otherwise convicted of any felony or any misdemeanor offense for which incarceration for up to 1 year is an authorized penalty. The Service Provider shall promote and maintain an awareness of the importance of securing the State's information among the Service Provider's employees and agents.</p>	
9	<p>The Service Provider shall comply with and adhere to the following State Standards:</p> <ul style="list-style-type: none"> • Data Modeling Standard • Strong Password Standard <p>These standards are available at http://dti.delaware.gov/information/standards-policies.shtml.</p>	

	Any future updates to the above standards that apply to this contract shall be mutually agreed on between both parties and documented via a contract addendum as needed.	
	Terms and Conditions Clauses 10-23 are preferred but not mandatory. The applicability of each depends on the nature of engagement	Vendor's Acknowledgement
10	The Service Provider shall allow the State of Delaware access to system security logs, latency statistics, etc. that affect this engagement, its data and or processes. This includes the ability for the State of Delaware to request a report of the records that a specific user accessed over a specified period of time.	
11	The Service Provider shall allow the State of Delaware to audit conformance to the contract terms. The State of Delaware may perform this audit or contract with a third party at its discretion at the State's expense.	
12	The Service Provider shall perform an independent audit of their data centers at least annually at their expense, and provide a redacted version of the audit report upon request. The Service Provider may remove their proprietary information from the redacted version. For example, a Service Organization Control (SOC) 2 audit report would be sufficient.	
13	Advance notice (to be determined at contract time) shall be given to the State of Delaware of any major upgrades or system changes that the Service Provider will be performing. A major upgrade is a replacement of hardware, software or firmware with a newer or better version, in order to bring the system up to date or to improve its characteristics and usually includes a new version number. The State of Delaware reserves the right to defer these changes if desired.	
14	The Service Provider shall disclose its non-proprietary security processes and technical limitations to the State of Delaware such that adequate protection and flexibility can be attained between the State of Delaware and the Service Provider. For example: virus checking and port sniffing – the State of Delaware and the Service Provider shall understand each other's roles and responsibilities.	
15	The Service Provider shall enforce separation of job duties, require commercially reasonable non-disclosure agreements, and limit staff knowledge of customer data to that which is absolutely needed to perform job duties.	
16	The State of Delaware shall have the ability to import or export data in piecemeal or in entirety at its discretion without interference from the Service Provider. This includes the ability for the State of Delaware to import or export data to/from other Service Providers.	
17	The Service Provider shall be responsible for the acquisition and operation of all hardware, software and network support related to the services being provided. The technical and professional activities	

	required for establishing, managing, and maintaining the environment are the responsibilities of the Service Provider. The system shall be available 24 hours per day, 365 days per year basis (with agreed-upon maintenance downtime), providing service to customers as defined in the Service Level Agreement.	
18	The Service Provider shall identify all of its strategic business partners related to services provided under this contract, including but not limited to, all subcontractors or other entities or individuals who may be a party to a joint venture or similar agreement with the Service Provider, who will be involved in any application development and/or operations.	
19	The State shall have the right at any time to require that the Service Provider remove from interaction with State any Service Provider representative who the State believes is detrimental to its working relationship with the Service Provider. The State will provide the Service Provider with notice of its determination, and the reasons it requests the removal. If the State signifies that a potential security violation exists with respect to the request, the Service Provider shall immediately remove such individual. The Service Provider shall not assign the person to any aspect of the contract or future work orders without the State's consent.	
20	The Service Provider shall provide a business continuity and disaster recovery plan upon request and ensure that the State's Recovery Time Objective (RTO) of <u>XXX</u> hours/days is met. (XXX will be negotiated by both parties.)	
21	The Service Provider shall comply with and adhere to the following State Standard: <ul style="list-style-type: none"> • Website Common Look and Feel Standard This standard is available at http://dti.delaware.gov/information/standards-policies.shtml . http://www.dti.delaware.gov/information/standards-policies.shtml--add Any future updates to the above standard that apply to this contract shall be mutually agreed on between both parties and documented via a contract addendum as needed.	
22	The Service Provider shall use web services exclusively to interface with the State's data in near real-time when possible.	
23	The Service provider shall encrypt all State of Delaware non-public data that resides on any Service Provider's mobile devices during the life of the contract.	

Service Provider Authorizing Official Name: _____

Service Provider Authorizing Official Signature: _____

APPENDIX B

Contractor Confidentiality (Non-Disclosure) and Integrity of Data Agreement

STATE OF DELAWARE DEPARTMENT OF TECHNOLOGY AND INFORMATION

William Penn Building
801 Silver Lake Boulevard
Dover, Delaware 19904

The Department of Technology and Information is responsible for safeguarding the confidentiality and integrity of data in State computer files regardless of the source of those data or medium on which they are stored; e.g., electronic data, computer output microfilm (COM), tape, or disk. Computer programs developed to process State Agency data will not be modified without the knowledge and written authorization of the Department of Technology and Information. All data generated from the original source data, shall be the property of the State of Delaware. The control of the disclosure of those data shall be retained by the State of Delaware and the Department of Technology and Information.

I/we, as an employee(s) of _____ or officer of my firm, when performing work for the Department of Technology and Information, understand that I/we act as an extension of DTI and therefore I/we are responsible for safeguarding the States' data and computer files as indicated above. I/we will not use, disclose, or modify State data or State computer files without the written knowledge and written authorization of DTI. Furthermore, I/we understand that I/we are to take all necessary precautions to prevent unauthorized use, disclosure, or modification of State computer files, and I/we should alert my immediate supervisor of any situation, which might result in, or create the appearance of, unauthorized use, disclosure or modification of State data.

Penalty for unauthorized use, unauthorized modification of data files, or disclosure of any confidential information may mean the loss of my position and benefits, and prosecution under applicable State or Federal law.

This Statement applies to the undersigned Contractor and to any others working under the Contractor's direction.

I, the Undersigned, hereby affirm that I have read DTI's Policy on Confidentiality (Non-Disclosure) and Integrity of Data and understood the terms of the above Confidentiality (Non-Disclosure) and Integrity of Data Agreement, and that I/we agree to abide by the terms above.

Contractor or Employee Signature _____
Date: _____
Contractor Name: _____

APPENDIX E

TECHNOLOGY SUBCONTRACTOR INFORMATION FORM

PART I – STATEMENT BY PROPOSING VENDOR		
1. CONTRACT NO.	2. Proposing Vendor Name:	3. Mailing Address
4. SUBCONTRACTOR		
a. NAME	4c. Company OSD Classification: Certification Number: _____	
b. Mailing Address:	4d. Women Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4e. Minority Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4f. Disadvantaged Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4g. Veteran Owned Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4h. Service Disabled Veteran Owned Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No	
5. DESCRIPTION OF WORK BY SUBCONTRACTOR		
6a. NAME OF PERSON SIGNING	7. BY (<i>Signature</i>)	8. DATE SIGNED
6b. TITLE OF PERSON SIGNING		
PART II – ACKNOWLEDGEMENT BY SUBCONTRACTOR		
9a. NAME OF PERSON SIGNING	10. BY (<i>Signature</i>)	11. DATE SIGNED
9b. TITLE OF PERSON SIGNING		

APPENDIX F

STATE OF DELAWARE NON-COLLUSION STATEMENT

This is to certify that the undersigned Vendor has neither directly nor indirectly, entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding in connection with this proposal, **and further certifies that it is not a sub-contractor to another Vendor who also submitted a proposal as a primary Vendor in response to this solicitation** submitted this date to the State of Delaware, Office of Management and Budget.

It is agreed by the undersigned Vendor that the signed delivery of this bid represents the Vendor's acceptance of the terms and conditions of this solicitation including all specifications and special provisions.

NOTE: Signature of the authorized representative **MUST** be of an individual who legally may enter his/her organization into a formal contract with the State of Delaware, Office of Management and Budget.

COMPANY NAME _____ (Check one)

Corporation
Partnership
Individual

NAME OF AUTHORIZED REPRESENTATIVE _____

SIGNATURE _____ TITLE _____

COMPANY ADDRESS _____

PHONE NUMBER _____ FAX NUMBER _____

EMAIL ADDRESS _____

FEDERAL E.I. NUMBER _____ STATE OF DELAWARE LICENSE NUMBER _____

COMPANY CLASSIFICATIONS: CERT. NO.: _____	Certification type(s)	Circle all that apply	
	Minority Business Enterprise (MBE)	Yes	No
Woman Business Enterprise (WBE)	Yes	No	
Disadvantaged Business Enterprise (DBE)	Yes	No	
Veteran Owned Business Enterprise (VOBE)	Yes	No	
Service Disabled Veteran Owned Business Enterprise (SDVOBE)	Yes	No	

[The above table is for informational and statistical use only.]

PURCHASE ORDERS SHOULD BE SENT TO:
(COMPANY NAME) _____

ADDRESS _____

CONTACT _____

PHONE NUMBER _____ FAX NUMBER _____

EMAIL ADDRESS _____

AFFIRMATION: Within the past five years, has your firm, any affiliate, any predecessor company or entity, owner, Director, officer, partner or proprietor been the subject of a Federal, State, Local government suspension or debarment?

YES _____ NO _____ if yes, please explain _____

THIS PAGE SHALL BE SIGNED, NOTARIZED AND RETURNED FOR YOUR BID TO BE CONSIDERED

SWORN TO AND SUBSCRIBED BEFORE ME this _____ day of _____, 20 _____

Notary Public _____ My commission expires _____

City of _____ County of _____ State of _____

APPENDIX H

PERFORMANCE GUARANTEES

The following are the minimum performance guarantees the State requires. However, the State reserves the right to negotiate both financial and non-financial performance guarantees with the selected vendor. We encourage you to propose higher standards or penalties than the minimums noted below. Indicate these by using a strikeout font and insertion.

Terms: Vendor will perform a review of its records to determine whether each standard was met for the time period of the quarter immediately preceding the 45th day of the month following the end of a quarter (for example, September 15 for the first quarter of the plan year – July 1 to June 30). Quarterly results will be averaged on an annual basis and penalty payments, if any, will be made annually within six (6) months of the end of the plan year. In no instance will a measurement or penalties apply to any period less than a full quarter.

Guarantee	Standard	Penalty as a % of Annual Premium
Implementation	Completion of key activities according to an agreed-upon implementation work plan (evaluation by benefits staff).	1.00%
Telephone Answering Time	Average answer time will be no more than 30 seconds from the first ring.	0.25%
Telephone Abandonment Rate	Abandonment rate will not exceed 5%	0.25%
Claim Processing Accuracy	99% of claims will be processed accurately	0.50%
Claim Turnaround Time	95% within 7 calendar days of receipt of all necessary information	0.50%
Account Management	The State of Delaware will annually evaluate the vendor's performance. Performance will be measured by a quarterly Account Management Team Survey. Goal is a score of 3.0 on a scale of 1 to 5.	0.60%
Total		3.1%

Account Management Team Survey

(Vendor)

For Reporting Period: FY _____ Quarter : _____
 Completed by: SBO Vendor Management Team

The Vendor Management Team of the Statewide Benefits Office is using this tool to evaluate the Account Management Team of (vendor) in serving as a provider of the life insurance benefit for the State of Delaware.

Knowledge: Indicate the extent to which you agree that your Account Management Team:

	Strongly Agree				Strongly Disagree	
	5	4	3	2	1	For any "1" or "2" responses, please provide specific comments in the area below
1. Understands your benefits plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
2. Understands your business needs. Meets with you to establish needs and service expectations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
3. Understands your service expectations. Develops a business plan that incorporates the agreed upon needs and expectations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
4. Displays knowledge regarding life insurance benefit products	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
5. Clearly explains your report results	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

Average Rating _____

Professionalism: Indicate the extent to which you agree that your Account Management Team:

	Strongly Agree				Strongly Disagree	
	5	4	3	2	1	
6. Actively listens to and acknowledges your issues and concerns	<input type="checkbox"/>	For any "1" or "2" responses, please provide specific comments in the area below				

7. Provides appropriate verbal communication	<input type="checkbox"/>	_____				
8. Provides appropriate written communication	<input type="checkbox"/>	_____				
9. Works with you to develop a positive working relationship	<input type="checkbox"/>	_____				

Average Rating _____

Proactive Management: Indicate the extent to which you agree that your Account Management Team:

	Strongly Agree				Strongly Disagree	
	5	4	3	2	1	
10. Actively monitors your account and interacts with you in a frequency that meets your needs	<input type="checkbox"/>	For any "1" or "2" responses, please provide specific comments in the area below				

11. Communicates potential problems/issues	<input type="checkbox"/>	_____				
12. Provides viable alternative solutions that meet your business needs	<input type="checkbox"/>	_____				
13. Manages and understands system requirements and their effect on your business	<input type="checkbox"/>	_____				
14. Sets realistic expectations regarding turn-around time	<input type="checkbox"/>	_____				

Average Rating _____

Accessibility: Indicate the extent to which you agree that your Account Management Team:

	Strongly Agree	4	3	2	Strongly Disagree	1	
	5						For any "1" or "2" responses, please provide specific comments in the area below
15. Available to you on a timely basis	<input type="checkbox"/>	_____					
16. Allocates appropriate time when meeting with you	<input type="checkbox"/>	_____					
17. Demonstrates flexibility with regard to schedule changes	<input type="checkbox"/>	_____					
18. Provides/communicates alternate contacts in the event of their absence	<input type="checkbox"/>	_____					
19. Advises you of schedule limitations upon contact for meetings, conference calls, projects etc.	<input type="checkbox"/>	_____					
						Average Rating	_____

Responsiveness: Indicate the extent to which you agree that your Account Management Team:

	Strongly Agree	4	3	2	Strongly Disagree	1	
	5						For any "1" or "2" responses, please provide specific comments in the area below
20. Responds to your inquiries in a timely manner	<input type="checkbox"/>	_____					
21. Provides thorough responses to your inquiries	<input type="checkbox"/>	_____					
22. Follows-through regarding outstanding problems/issues/items	<input type="checkbox"/>	_____					
23. Solicits the assistance of product experts when needed	<input type="checkbox"/>	_____					
						Average Rating	_____
						Overall Average Rating	_____

Please include any other comments or suggested action steps:

APPENDIX I

**GROUP UNIVERSAL LIFE AND AD&D RATES – CURRENT PLAN
FOR ACTIVE EMPLOYEES, DISABLED EMPLOYEES, PORTED EMPLOYEES,
AND RETIREES**

Directions: Please fill in the rate per 1,000 by age for the noted policy periods.

Age Group	Volume	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
<25	6,995,000			
25 – 29	44,640,000			
30 – 34	122,855,000			
35 – 39	269,102,500			
40 – 44	401,980,000			
45 – 49	448,045,000			
50 – 54	461,955,000			
55 – 59	423,795,000			
60 – 64	296,370,000			
65 – 69	138,116,000			
70 – 74	38,685,000			
75 – 79	6,760,000			
80 – 84	1,690,000			
85	120,000			
86	70,000			
87	0			
88	50,000			
89				
90				
91				
92				
93				
94				
95				
96				
97				
98				
99				

APPENDIX I (CONTINUED)

GROUP TERM LIFE SPOUSE AND DEPENDENT RATES – CURRENT PLAN

Directions: Please fill in the rate per group per month

Group	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
Spouse Only \$10,000 coverage			
Spouse Only \$20,000 coverage			
Spouse \$20,000 & Children \$10,000			
Spouse \$10,000 & Children \$10,000			
Children Only \$10,000 coverage			

APPENDIX I (CONTINUED)

FOURTH AND FIFTH YEAR RATE CAPS – CURRENT PLAN

Directions: Please note proposed percentage decreases and increase based on loss ratios. It is expected that rate decreases will be noted for loss ratios noted below your target loss ratios.

Incurred Loss Ratio	Actives, Disables, Ported, and Retirees		Spouse and Dependents	
	07/01/18 - 06/30/19	07/01/19 - 06/30/20	07/01/18 - 06/30/19	07/01/19 - 06/30/20
74.9% and lower				
75.0% - 79.9%				
80.0% - 84.9%				
85.0% - 89.9%				
90.0% - 94.9%				
95.0% - 99.9%				
100.0% - 104.9%				
105.0% - 109.9%				
110% and higher				

APPENDIX I (CONTINUED)

**GROUP UNIVERSAL LIFE AND AD&D RATES – ALTERNATIVE PLAN 1
FOR ACTIVE EMPLOYEES, DISABLED EMPLOYEES, PORTED EMPLOYEES,
AND RETIREES**

Directions: Please fill in the rate per 1,000 by age for the noted policy periods.

Age Group	Volume	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
<25	6,995,000			
25 – 29	44,640,000			
30 – 34	122,855,000			
35 – 39	269,102,500			
40 – 44	401,980,000			
45 – 49	448,045,000			
50 – 54	461,955,000			
55 – 59	423,795,000			
60 – 64	296,370,000			
65 – 69	138,116,000			
70 – 74	38,685,000			
75 – 79	6,760,000			
80 – 84	1,690,000			
85	120,000			
86	70,000			
87	0			
88	50,000			
89				
90				
91				
92				
93				
94				
95				
96				
97				
98				
99				

APPENDIX I (CONTINUED)

GROUP TERM LIFE SPOUSE AND DEPENDENT RATES – ALTERNATIVE PLAN 1

Directions: Please fill in the rate per group per month

Group	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
Spouse Only \$10,000 coverage			
Spouse Only \$20,000 coverage			
Spouse \$20,000 & Children \$10,000			
Spouse \$10,000 & Children \$10,000			
Children Only \$10,000 coverage			

APPENDIX I (CONTINUED)

FOURTH AND FIFTH YEAR RATE CAPS – ALTERNATIVE PLAN 1

Directions: Please note proposed percentage decreases and increase based on loss ratios. It is expected that rate decreases will be noted for loss ratios noted below your target loss ratios.

Incurred Loss Ratio	Actives, Disables, Ported, and Retirees		Spouse and Dependents	
	07/01/18 - 06/30/19	07/01/19 - 06/30/20	07/01/18 - 06/30/19	07/01/19 - 06/30/20
74.9% and lower				
75.0% - 79.9%				
80.0% - 84.9%				
85.0% - 89.9%				
90.0% - 94.9%				
95.0% - 99.9%				
100.0% - 104.9%				
105.0% - 109.9%				
110% and higher				

APPENDIX I (CONTINUED)

**GROUP UNIVERSAL LIFE AND AD&D RATES – ALTERNATIVE PLAN 2
FOR ACTIVE EMPLOYEES, DISABLED EMPLOYEES, PORTED EMPLOYEES,
AND RETIREES**

Directions: Please fill in the rate per 1,000 by age for the noted policy periods.

Age Group	Volume	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
<25	6,995,000			
25 – 29	44,640,000			
30 – 34	122,855,000			
35 – 39	269,102,500			
40 – 44	401,980,000			
45 – 49	448,045,000			
50 – 54	461,955,000			
55 – 59	423,795,000			
60 – 64	296,370,000			
65 – 69	138,116,000			
70 – 74	38,685,000			
75 – 79	6,760,000			
80 – 84	1,690,000			
85	120,000			
86	70,000			
87	0			
88	50,000			
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APPENDIX I (CONTINUED)

GROUP TERM LIFE SPOUSE AND DEPENDENT RATES – ALTERNATIVE PLAN 2

Directions: Please fill in the rate per group per month

Group	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
Spouse Only \$10,000 coverage			
Spouse Only \$20,000 coverage			
Spouse \$20,000 & Children \$10,000			
Spouse \$10,000 & Children \$10,000			
Children Only \$10,000 coverage			

APPENDIX I (CONTINUED)

FOURTH AND FIFTH YEAR RATE CAPS – ALTERNATIVE PLAN 2

Directions: Please note proposed percentage decreases and increase based on loss ratios. It is expected that rate decreases will be noted for loss ratios noted below your target loss ratios.

Incurred Loss Ratio	Actives, Disables, Ported, and Retirees		Spouse and Dependents	
	07/01/18 - 06/30/19	07/01/19 - 06/30/20	07/01/18 - 06/30/19	07/01/19 - 06/30/20
74.9% and lower				
75.0% - 79.9%				
80.0% - 84.9%				
85.0% - 89.9%				
90.0% - 94.9%				
95.0% - 99.9%				
100.0% - 104.9%				
105.0% - 109.9%				
110% and higher				

APPENDIX I (CONTINUED)

<p>GROUP TERM AND AD&D RATES – ALTERNATIVE PLAN 3</p> <p>FOR ACTIVE EMPLOYEES, DISABLED EMPLOYEES, PORTED EMPLOYEES, AND RETIREES</p>

Directions: Please fill in the rate per 1,000 by age for the noted policy periods.

Age Group	Volume	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
<25	6,995,000			
25 – 29	44,640,000			
30 – 34	122,855,000			
35 – 39	269,102,500			
40 – 44	401,980,000			
45 – 49	448,045,000			
50 – 54	461,955,000			
55 – 59	423,795,000			
60 – 64	296,370,000			
65 – 69	138,116,000			
70 – 74	38,685,000			
75 – 79	6,760,000			
80 – 84	1,690,000			
85	120,000			
86	70,000			
87	0			
88	50,000			
89				
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APPENDIX I (CONTINUED)

GROUP TERM LIFE SPOUSE AND DEPENDENT RATES – ALTERNATIVE PLAN 3

Directions: Please fill in the rate per group per month

Group	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
Spouse Only \$10,000 coverage			
Spouse Only \$20,000 coverage			
Spouse \$20,000 & Children \$10,000			
Spouse \$10,000 & Children \$10,000			
Children Only \$10,000 coverage			

APPENDIX I (CONTINUED)

FOURTH AND FIFTH YEAR RATE CAPS – ALTERNATIVE PLAN 3

Directions: Please note proposed percentage decreases and increase based on loss ratios. It is expected that rate decreases will be noted for loss ratios noted below your target loss ratios.

Incurred Loss Ratio	Actives, Disables, Ported, and Retirees		Spouse and Dependents	
	07/01/18 - 06/30/19	07/01/19 - 06/30/20	07/01/18 - 06/30/19	07/01/19 - 06/30/20
74.9% and lower				
75.0% - 79.9%				
80.0% - 84.9%				
85.0% - 89.9%				
90.0% - 94.9%				
95.0% - 99.9%				
100.0% - 104.9%				
105.0% - 109.9%				
110% and higher				

APPENDIX I (CONTINUED)

GROUP UNIVERSAL LIFE AND AD&D RATES – ALTERNATIVE PLAN 4 FOR ACTIVE EMPLOYEES ONLY

Directions: Please fill in the rate per 1,000 by age for the noted policy periods. Currently the ported group and disabled group rates are subsidized by the Actives. Please provide rates for ported and disabled group that will gradually increase over the period requested and not reflect the needed increase effective July 1, 2015.

Age Group	Volume	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
<25	6,870,000			
25 – 29	43,230,000			
30 – 34	117,785,000			
35 – 39	252,310,000			
40 – 44	381,310,000			
45 – 49	423,350,000			
50 – 54	424,730,000			
55 – 59	354,045,000			
60 – 64	201,230,000			
65 – 69	53,710,000			
70 – 74	9,280,000			
75 – 79	1,340,000			
80 – 84	580,000			
85	60,000			
86	70,000			
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APPENDIX I (CONTINUED)

GROUP UNIVERSAL LIFE AND AD&D RATES – ALTERNATIVE PLAN 4 FOR PORTED EMPLOYEES ONLY

Directions: Please fill in the rate per 1,000 by age for the noted policy periods.

Age Group	Volume	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
<25	125,000			
25 – 29	1,410,000			
30 – 34	4,820,000			
35 – 39	15,142,500			
40 – 44	18,215,000			
45 – 49	18,995,000			
50 – 54	31,665,000			
55 – 59	61,430,000			
60 – 64	83,865,000			
65 – 69	82,936,000			
70 – 74	29,225,000			
75 – 79	5,350,000			
80 – 84	1,110,000			
85	60,000			
86				
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88	50,000			
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APPENDIX I (CONTINUED)

<p>GROUP UNIVERSAL LIFE AND AD&D RATES – ALTERNATIVE PLAN 4 FOR DISABLED EMPLOYEES ONLY</p>

Directions: Please fill in the rate per 1,000 by age for the noted policy periods.

Age Group	Volume	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
<25				
25 – 29				
30 – 34	250,000			
35 – 39	1,650,000			
40 – 44	2,455,000			
45 – 49	5,700,000			
50 – 54	5,560,000			
55 – 59	8,320,000			
60 – 64	11,275,000			
65 – 69	1,470,000			
70 – 74	180,000			
75 – 79	70,000			
80 – 84				
85				
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APPENDIX I (CONTINUED)

GROUP TERM LIFE SPOUSE AND DEPENDENT RATES – ALTERNATIVE PLAN 4

Directions: Please fill in the rate per group per month

Group	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
Spouse Only \$10,000 coverage			
Spouse Only \$20,000 coverage			
Spouse \$20,000 & Children \$10,000			
Spouse \$10,000 & Children \$10,000			
Children Only \$10,000 coverage			

APPENDIX I (CONTINUED)

FOURTH AND FIFTH YEAR RATE CAPS – ALTERNATIVE PLAN 4

Directions: Please note proposed percentage decreases and increase based on loss ratios. It is expected that rate decreases will be noted for loss ratios noted below your target loss ratios.

Incurred Loss Ratio	Actives, Disables, Ported, and Retirees		Spouse and Dependents	
	07/01/18 - 06/30/19	07/01/19 - 06/30/20	07/01/18 - 06/30/19	07/01/19 - 06/30/20
74.9% and lower				
75.0% - 79.9%				
80.0% - 84.9%				
85.0% - 89.9%				
90.0% - 94.9%				
95.0% - 99.9%				
100.0% - 104.9%				
105.0% - 109.9%				
110% and higher				

APPENDIX I (CONTINUED)

<p>GROUP TERM AND AD&D RATES – ALTERNATIVE PLAN 5 FOR ACTIVE EMPLOYEES, DISABLED EMPLOYEES, PORTED EMPLOYEES, AND RETIREES</p>

Directions: Please fill in the rate per 1,000 by age for the noted policy periods.

Age Group	Volume	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
<25	6,995,000			
25 – 29	44,640,000			
30 – 34	122,855,000			
35 – 39	269,102,500			
40 – 44	401,980,000			
45 – 49	448,045,000			
50 – 54	461,955,000			
55 – 59	423,795,000			
60 – 64	296,370,000			
65 – 69	138,116,000			
70 – 74	38,685,000			
75 – 79	6,760,000			
80 – 84	1,690,000			
85	120,000			
86	70,000			
87	0			
88	50,000			
89				
90				
91				
92				
93				
94				
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APPENDIX I (CONTINUED)

GROUP TERM LIFE SPOUSE AND DEPENDENT RATES – ALTERNATIVE PLAN 5

Directions: Please fill in the rate per group per month

Group	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
Spouse Only \$10,000 coverage			
Spouse Only \$20,000 coverage			
Spouse \$20,000 & Children \$10,000			
Spouse \$10,000 & Children \$10,000			
Children Only \$10,000 coverage			

APPENDIX I (CONTINUED)

FOURTH AND FIFTH YEAR RATE CAPS – ALTERNATIVE PLAN 5

Directions: Please note proposed percentage decreases and increase based on loss ratios. It is expected that rate decreases will be noted for loss ratios noted below your target loss ratios.

Incurred Loss Ratio	Actives, Disables, Ported, and Retirees		Spouse and Dependents	
	07/01/18 - 06/30/19	07/01/19 - 06/30/20	07/01/18 - 06/30/19	07/01/19 - 06/30/20
74.9% and lower				
75.0% - 79.9%				
80.0% - 84.9%				
85.0% - 89.9%				
90.0% - 94.9%				
95.0% - 99.9%				
100.0% - 104.9%				
105.0% - 109.9%				
110% and higher				

APPENDIX J

**INDIVIDUAL UNIVERSAL LIFE AND AD&D RATES – ALTERNATIVE PLAN 1
FOR ACTIVE EMPLOYEES, DISABLED EMPLOYEES, PORTED EMPLOYEES,
AND RETIREES**

Directions: Please fill in the rate per 1,000 by age for the noted policy periods.

Age Group	Volume	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
<25	6,995,000			
25 – 29	44,640,000			
30 – 34	122,855,000			
35 – 39	269,102,500			
40 – 44	401,980,000			
45 – 49	448,045,000			
50 – 54	461,955,000			
55 – 59	423,795,000			
60 – 64	296,370,000			
65 – 69	138,116,000			
70 – 74	38,685,000			
75 – 79	6,760,000			
80 – 84	1,690,000			
85	120,000			
86	70,000			
87	0			
88	50,000			
89				
90				
91				
92				
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94				
95				
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APPENDIX J (CONTINUED)

INDIVIDUAL TERM LIFE SPOUSE AND DEPENDENT RATES – ALTERNATIVE PLAN 1

Directions: Please fill in the rate per group per month

Group	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
Spouse Only \$10,000 coverage			
Spouse Only \$20,000 coverage			
Spouse \$20,000 & Children \$10,000			
Spouse \$10,000 & Children \$10,000			
Children Only \$10,000 coverage			

APPENDIX J (CONTINUED)

FOURTH AND FIFTH YEAR RATE CAPS – ALTERNATIVE PLAN 1

Directions: Please note proposed percentage decreases and increase based on loss ratios. It is expected that rate decreases will be noted for loss ratios noted below your target loss ratios.

Incurred Loss Ratio	Actives, Disables, Ported, and Retirees		Spouse and Dependents	
	07/01/18 - 06/30/19	07/01/19 - 06/30/20	07/01/18 - 06/30/19	07/01/19 - 06/30/20
74.9% and lower				
75.0% - 79.9%				
80.0% - 84.9%				
85.0% - 89.9%				
90.0% - 94.9%				
95.0% - 99.9%				
100.0% - 104.9%				
105.0% - 109.9%				
110% and higher				

APPENDIX J (CONTINUED)

**INDIVIDUAL UNIVERSAL LIFE AND AD&D RATES – ALTERNATIVE PLAN 2
FOR ACTIVE EMPLOYEES, DISABLED EMPLOYEES, PORTED EMPLOYEES,
AND RETIREES**

Directions: Please fill in the rate per 1,000 by age for the noted policy periods.

Age Group	Volume	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
<25	6,995,000			
25 – 29	44,640,000			
30 – 34	122,855,000			
35 – 39	269,102,500			
40 – 44	401,980,000			
45 – 49	448,045,000			
50 – 54	461,955,000			
55 – 59	423,795,000			
60 – 64	296,370,000			
65 – 69	138,116,000			
70 – 74	38,685,000			
75 – 79	6,760,000			
80 – 84	1,690,000			
85	120,000			
86	70,000			
87	0			
88	50,000			
89				
90				
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92				
93				
94				
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98				
99				

APPENDIX J (CONTINUED)

<p>INDIVIDUAL TERM LIFE SPOUSE AND DEPENDENT RATES – ALTERNATIVE PLAN 2</p>

Directions: Please fill in the rate per group per month

Group	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
Spouse Only \$10,000 coverage			
Spouse Only \$20,000 coverage			
Spouse \$20,000 & Children \$10,000			
Spouse \$10,000 & Children \$10,000			
Children Only \$10,000 coverage			

APPENDIX J (CONTINUED)

FOURTH AND FIFTH YEAR RATE CAPS – ALTERNATIVE PLAN 2

Directions: Please note proposed percentage decreases and increase based on loss ratios. It is expected that rate decreases will be noted for loss ratios noted below your target loss ratios.

Incurred Loss Ratio	Actives, Disables, Ported, and Retirees		Spouse and Dependents	
	07/01/18 - 06/30/19	07/01/19 - 06/30/20	07/01/18 - 06/30/19	07/01/19 - 06/30/20
74.9% and lower				
75.0% - 79.9%				
80.0% - 84.9%				
85.0% - 89.9%				
90.0% - 94.9%				
95.0% - 99.9%				
100.0% - 104.9%				
105.0% - 109.9%				
110% and higher				

APPENDIX J (CONTINUED)

**INDIVIDUAL UNIVERSAL LIFE AND AD&D RATES – ALTERNATIVE PLAN 3
FOR ACTIVE EMPLOYEES, DISABLED EMPLOYEES, PORTED EMPLOYEES,
AND RETIREES**

Directions: Please fill in the rate per 1,000 by age for the noted policy periods.

Age Group	Volume	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
<25	6,995,000			
25 – 29	44,640,000			
30 – 34	122,855,000			
35 – 39	269,102,500			
40 – 44	401,980,000			
45 – 49	448,045,000			
50 – 54	461,955,000			
55 – 59	423,795,000			
60 – 64	296,370,000			
65 – 69	138,116,000			
70 – 74	38,685,000			
75 – 79	6,760,000			
80 – 84	1,690,000			
85	120,000			
86	70,000			
87	0			
88	50,000			
89				
90				
91				
92				
93				
94				
95				
96				
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98				
99				

APPENDIX J (CONTINUED)

<p>INDIVIDUAL TERM LIFE SPOUSE AND DEPENDENT RATES – ALTERNATIVE PLAN 3</p>

Directions: Please fill in the rate per group per month

Group	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
Spouse Only \$10,000 coverage			
Spouse Only \$20,000 coverage			
Spouse \$20,000 & Children \$10,000			
Spouse \$10,000 & Children \$10,000			
Children Only \$10,000 coverage			

APPENDIX J (CONTINUED)

FOURTH AND FIFTH YEAR RATE CAPS – ALTERNATIVE PLAN 3

Directions: Please note proposed percentage decreases and increase based on loss ratios. It is expected that rate decreases will be noted for loss ratios noted below your target loss ratios.

Incurred Loss Ratio	Actives, Disables, Ported, and Retirees		Spouse and Dependents	
	07/01/18 - 06/30/19	07/01/19 - 06/30/20	07/01/18 - 06/30/19	07/01/19 - 06/30/20
74.9% and lower				
75.0% - 79.9%				
80.0% - 84.9%				
85.0% - 89.9%				
90.0% - 94.9%				
95.0% - 99.9%				
100.0% - 104.9%				
105.0% - 109.9%				
110% and higher				

APPENDIX J (CONTINUED)

<p>INDIVIDUAL TERM AND AD&D RATES – ALTERNATIVE PLAN 4 FOR ACTIVE EMPLOYEES, DISABLED EMPLOYEES, PORTED EMPLOYEES, AND RETIREES</p>

Directions: Please fill in the rate per 1,000 by age for the noted policy periods.

Age Group	Volume	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
<25	6,995,000			
25 – 29	44,640,000			
30 – 34	122,855,000			
35 – 39	269,102,500			
40 – 44	401,980,000			
45 – 49	448,045,000			
50 – 54	461,955,000			
55 – 59	423,795,000			
60 – 64	296,370,000			
65 – 69	138,116,000			
70 – 74	38,685,000			
75 – 79	6,760,000			
80 – 84	1,690,000			
85	120,000			
86	70,000			
87	0			
88	50,000			
89				
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94				
95				
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98				
99				

APPENDIX J (CONTINUED)

<p>INDIVIDUAL TERM LIFE SPOUSE AND DEPENDENT RATES – ALTERNATIVE PLAN 4</p>

Directions: Please fill in the rate per group per month

Group	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
Spouse Only \$10,000 coverage			
Spouse Only \$20,000 coverage			
Spouse \$20,000 & Children \$10,000			
Spouse \$10,000 & Children \$10,000			
Children Only \$10,000 coverage			

APPENDIX J (CONTINUED)

FOURTH AND FIFTH YEAR RATE CAPS – ALTERNATIVE PLAN 4

Directions: Please note proposed percentage decreases and increase based on loss ratios. It is expected that rate decreases will be noted for loss ratios noted below your target loss ratios.

Incurred Loss Ratio	Actives, Disables, Ported, and Retirees		Spouse and Dependents	
	07/01/18 - 06/30/19	07/01/19 - 06/30/20	07/01/18 - 06/30/19	07/01/19 - 06/30/20
74.9% and lower				
75.0% - 79.9%				
80.0% - 84.9%				
85.0% - 89.9%				
90.0% - 94.9%				
95.0% - 99.9%				
100.0% - 104.9%				
105.0% - 109.9%				
110% and higher				

APPENDIX J (CONTINUED)

INDIVIDUAL UNIVERSAL LIFE AND AD&D RATES – ALTERNATIVE PLAN 5 FOR ACTIVE EMPLOYEES ONLY

Directions: Please fill in the rate per 1,000 by age for the noted policy periods. Currently the ported group and disabled group rates are subsidized by the Actives. Please provide rates for ported and disabled group that will gradually increase over the period requested and not reflect the needed increase effective July 1, 2015.

Age Group	Volume	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
<25	6,870,000			
25 – 29	43,230,000			
30 – 34	117,785,000			
35 – 39	252,310,000			
40 – 44	381,310,000			
45 – 49	423,350,000			
50 – 54	424,730,000			
55 – 59	354,045,000			
60 – 64	201,230,000			
65 – 69	53,710,000			
70 – 74	9,280,000			
75 – 79	1,340,000			
80 – 84	580,000			
85	60,000			
86	70,000			
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APPENDIX J (CONTINUED)

INDIVIDUAL UNIVERSAL LIFE AND AD&D RATES – ALTERNATIVE PLAN 5 FOR PORTED EMPLOYEES ONLY

Directions: Please fill in the rate per 1,000 by age for the noted policy periods.

Age Group	Volume	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
<25	125,000			
25 – 29	1,410,000			
30 – 34	4,820,000			
35 – 39	15,142,500			
40 – 44	18,215,000			
45 – 49	18,995,000			
50 – 54	31,665,000			
55 – 59	61,430,000			
60 – 64	83,865,000			
65 – 69	82,936,000			
70 – 74	29,225,000			
75 – 79	5,350,000			
80 – 84	1,110,000			
85	60,000			
86				
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88	50,000			
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APPENDIX J (CONTINUED)

INDIVIDUAL UNIVERSAL LIFE AND AD&D RATES – ALTERNATIVE PLAN 5 FOR DISABLED EMPLOYEES ONLY

Directions: Please fill in the rate per 1,000 by age for the noted policy periods.

Age Group	Volume	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
<25				
25 – 29				
30 – 34	250,000			
35 – 39	1,650,000			
40 – 44	2,455,000			
45 – 49	5,700,000			
50 – 54	5,560,000			
55 – 59	8,320,000			
60 – 64	11,275,000			
65 – 69	1,470,000			
70 – 74	180,000			
75 – 79	70,000			
80 – 84				
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APPENDIX J (CONTINUED)

<p>INDIVIDUAL TERM LIFE SPOUSE AND DEPENDENT RATES – ALTERNATIVE PLAN 5</p>

Directions: Please fill in the rate per group per month

Group	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
Spouse Only \$10,000 coverage			
Spouse Only \$20,000 coverage			
Spouse \$20,000 & Children \$10,000			
Spouse \$10,000 & Children \$10,000			
Children Only \$10,000 coverage			

APPENDIX J (CONTINUED)

FOURTH AND FIFTH YEAR RATE CAPS – ALTERNATIVE PLAN 5

Directions: Please note proposed percentage decreases and increase based on loss ratios. It is expected that rate decreases will be noted for loss ratios noted below your target loss ratios.

Incurred Loss Ratio	Actives, Disables, Ported, and Retirees		Spouse and Dependents	
	07/01/18 - 06/30/19	07/01/19 - 06/30/20	07/01/18 - 06/30/19	07/01/19 - 06/30/20
74.9% and lower				
75.0% - 79.9%				
80.0% - 84.9%				
85.0% - 89.9%				
90.0% - 94.9%				
95.0% - 99.9%				
100.0% - 104.9%				
105.0% - 109.9%				
110% and higher				

APPENDIX J (CONTINUED)

<p>INDIVIDUAL TERM AND AD&D RATES – ALTERNATIVE PLAN 6 FOR ACTIVE EMPLOYEES, DISABLED EMPLOYEES, PORTED EMPLOYEES, AND RETIREES</p>

Directions: Please fill in the rate per 1,000 by age for the noted policy periods.

Age Group	Volume	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
<25	6,995,000			
25 – 29	44,640,000			
30 – 34	122,855,000			
35 – 39	269,102,500			
40 – 44	401,980,000			
45 – 49	448,045,000			
50 – 54	461,955,000			
55 – 59	423,795,000			
60 – 64	296,370,000			
65 – 69	138,116,000			
70 – 74	38,685,000			
75 – 79	6,760,000			
80 – 84	1,690,000			
85	120,000			
86	70,000			
87	0			
88	50,000			
89				
90				
91				
92				
93				
94				
95				
96				
97				
98				
99				

APPENDIX J (CONTINUED)

<p>INDIVIDUAL TERM LIFE SPOUSE AND DEPENDENT RATES – ALTERNATIVE PLAN 6</p>

Directions: Please fill in the rate per group per month

Group	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
Spouse Only \$10,000 coverage			
Spouse Only \$20,000 coverage			
Spouse \$20,000 & Children \$10,000			
Spouse \$10,000 & Children \$10,000			
Children Only \$10,000 coverage			

APPENDIX J (CONTINUED)

FOURTH AND FIFTH YEAR RATE CAPS – ALTERNATIVE PLAN 6

Directions: Please note proposed percentage decreases and increase based on loss ratios. It is expected that rate decreases will be noted for loss ratios noted below your target loss ratios.

Incurred Loss Ratio	Actives, Disables, Ported, and Retirees		Spouse and Dependents	
	07/01/18 - 06/30/19	07/01/19 - 06/30/20	07/01/18 - 06/30/19	07/01/19 - 06/30/20
74.9% and lower				
75.0% - 79.9%				
80.0% - 84.9%				
85.0% - 89.9%				
90.0% - 94.9%				
95.0% - 99.9%				
100.0% - 104.9%				
105.0% - 109.9%				
110% and higher				

APPENDIX K
(Page 1 of 2)

DATA FILE DESCRIPTIONS AND LAYOUTS (Eligibility File)

NOTE: Data files must be deposited or retrieved from the State of Delaware SFTP server.

Header Record:				
Field Name	Start Position	End Position	Length/Type (Char or Num)	Comments
N/A				
Detail Record:				
Field Name	Start Position	End Position	Length/Type (Char or Num)	Comments
Rec type	1	1	1/Char	
Emplid	2	7	6/Char	
National ID*	8	16	9/Char	State sends last 4 of SSN's only
Deptid	17	25	9/Char	
First Mid Name	26	55	30/Char	
Last Name	56	95	40/Char	
Address1	96	150	55/Char	
Address2	151	205	55/Char	
Address3	206	225	55/Char	
City	226	227	20/Char	
State	228	229	2/Char	
Filler	230	238	2/Char	
Postal	239	247	9/Char	
Filler	248	267	9/Char	
Country	268	268	20/Char	
Sex	269	278	1/Char	
Date of Birth	279	288	10/Date	
Hire Dt	289	298	10/Date	
Rehire Dt	299	299	10/Date	
Empl_Status	300	309	1/Char	
Status Change eff dt	310	319	10/Date	
Annual Rt	320	329	10/Char	
Sal change Effdt	330	331	10/Date	
Del Num Pays	332	345	2/Char	
Filler	346	360	14/Char	
Trailer Record:				
Field Name	Start Position	End Position	Length/Type (Char or Num)	Comments
N/A				

Note *: The National ID field is 9 characters and the vendor's program must allow for all 9 characters even though the State will only populate 4 characters.

APPENDIX K
(Page 2 of 2)

State of Delaware Payroll Deduction File Specs				
(Records to be fixed width. Data to be all caps with commas and periods removed.)				
Header Record:				
Description	Start Position	End Position	Length	Comments
Record Type	1	1	1	1 =(Header Record)
File Create Date	2	11	10	YYYY-MM-DD
“Bill To” Date	12	21	10	YYYY-MM-DD
File Source	22	27	6	“MNLife
File Description	28	77	50	“Payroll Deduction File – State of Delaware”
Fill	78	80	3	Blank
Detail Record:				
Description	Start Position	End Position	Length	Comments
Record Type	1	1	1	2 = (Detail Record)
Member Social Security Number	2	10	9	No dashes
Spouse Indicator (not available)	11	11	1	Blank
Premium Amount	12	21	10	Pic ‘-----9v99’ assumed decimal Floating negative sign (if applicable) No \$ included
Unused Premium Amount	22	31	10	Pic ‘-----9v99’ assumed decimal Floating negative sign (if applicable) No \$ included
Unused Premium Amount	32	41	10	Pic ‘-----9v99’ assumed decimal Floating negative sign (if applicable) No \$ included
Sponsor Client ID	42	53	12	Provided by MN Life
Contract ID	54	65	12	Provided by MN Life
Employee ID	66	71	6	
Fill	72	80	9	Blank
Trailer Record:				
Description	Start Position	End Position	Length	Comments
Record Type	1	1	1	3 = (Trailer Record)
Total Detail Record Count	2	8	7	Pic ‘9999999’ no decimal
Fill	9	80	72	Blank

APPENDIX L

OFFICER CERTIFICATION FORM

Please have an officer of your company review and sign this worksheet to confirm the information is valid. Please include completed form with proposal.

Officer's Statement	
Company's Legal Name	
Company's Marketing Name (if different)	
Street Address	
City	
State	
Zip	
Phone Number	
Fax Number	
Email Address	
Name of Officer Completing Statement	
Title of Officer Completing Statement	
Phone Number of Officer Completing Statement	
Email Address of Officer Completing Statement	

I certify that our response to the State of Delaware's Request for Proposal for the Flexible Spending Account and Pre-Tax Commuter Administrative Services is complete and accurate to the best of my knowledge and contains no material omissions or misstatements. I acknowledge that the State of Delaware will rely upon the information included in our response to make decisions concerning the administration of these benefits that are offered to their employees.

Officer's Signature

Date Signed

APPENDIX N

SUBCONTRACTOR INFORMATION FORM

PART I – STATEMENT BY PROPOSING VENDOR		
1. CONTRACT NO.	2. Proposing Vendor Name:	3. Mailing Address
4. SUBCONTRACTOR		
a. NAME	4c. Company OSD Classification: Certification Number: _____	
b. Mailing Address:	4d. Women Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4e. Minority Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4f. Disadvantaged Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4g. Veteran Owned Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4h. Service Disabled Veteran Owned Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No	
5. DESCRIPTION OF WORK BY SUBCONTRACTOR		
6a. NAME OF PERSON SIGNING	7. BY (<i>Signature</i>)	8. DATE SIGNED
6b. TITLE OF PERSON SIGNING		
PART II – ACKNOWLEDGEMENT BY SUBCONTRACTOR		
9a. NAME OF PERSON SIGNING	10. BY (<i>Signature</i>)	11. DATE SIGNED
9b. TITLE OF PERSON SIGNING		

APPENDIX O

DELAWARE PLAN BENEFIT AND RATE GRID - OPTIONAL

Instructions:

Please fill out benefit grid with your recommended plan design and rating structure for the State.

Benefit	Delaware Plan
Covered Individual	
Life Insurance Benefit Accidental Death & Dismemberment	Basic Benefit Additional Options:
Dependent Term Life Insurance Benefit	Basic Options
Guaranteed Issue	
Waiver of Premium	
Ported Employees	
Rates	
Eligibility	
Note the reasons why you think your proposed plan and rating structure would be the best fit for the State.	

Instructions:

Please fill out this rate grid for your recommended plan design and rating structure on the previous page. Indicate if the same rates apply to Active, Ported, and Disabled Employee or if the rates for each group would be different. If you are quoting separate rates for each group, please copy this rate grid and provide three rating exhibits.

Age Group	Volume*	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18
<25	6,995,000			
25 – 29	44,640,000			
30 – 34	122,855,000			
35 – 39	269,102,500			
40 – 44	401,980,000			
45 – 49	448,045,000			
50 – 54	461,955,000			
55 – 59	423,795,000			
60 – 64	296,370,000			
65 – 69	138,116,000			
70 – 74	38,685,000			
75 – 79	6,760,000			
80 – 84	1,690,000			
85	120,000			
86	70,000			
87	0			
88	50,000			
89				
90				
91				
92				
93				
94				
95				
96				
97				
98				
99				

* Volume reflects total active, ported, and disable employee volume combined.

APPENDIX P

FINANCIAL RATINGS

Carrier's most recent rating or filing (identify date) from the following agencies:

Vendor Ratings	Rating
A.M. Best: Rating Status	
Financial Rating (if rated)	
Date (if rated; if not rated, leave response cell blank)	
Standard & Poors: Rating Status	
Financial Rating (if rated)	
Date (if rated; if not rated, leave response cell blank)	
Fitch (formerly Duff and Phelps): Rating Status	
Financial Rating (if rated)	
Date (if rated; if not rated, leave response cell blank)	
Moody's: Rating Status	
Financial Rating (if rated)	
Date (if rated; if not rated, leave response cell blank)	

1. Has there been any change in your organization's ratings in the last two years? If yes, please explain the nature and reason(s) for the change.
2. Are there any outstanding legal actions pending against your organization? If so, please explain the nature and current status of the action(s).
3. What fidelity and surety insurance or bond coverage does your organization carry to protect your clients? Specifically describe the type and amount of the fidelity bond insuring your employees, which would protect this plan in the event of a loss.
4. Does your organization agree to furnish a copy of all such policies for review by legal counsel if requested?
5. Do you anticipate any mergers, transfer of company ownership, sales management reorganizations, or departure of key personnel within the next three (3) years that might affect your ability to carry out your proposal if it results in a contract with the State of Delaware? If yes, please explain.
6. Is your Company affiliated with another company? If yes, please describe the relationship.

APPENDIX Q

TAKE OVER PROVISIONS

An authorized representative of your company must sign this form. Any exceptions to these requirements must be clearly stated and the exceptions should include the standard wording in your proposal. (Attach additional pages as necessary). It is very important that we are notified of any exceptions to these requirements so that we can address these concerns prior to awarding the business.

“No loss/no gain” is to apply for all participants currently covered under the proposed plans. This means that a participant will not be penalized or lose the following benefits/provisions for which he/she has not yet satisfied the requirements or are not yet eligible:

- Pre-existing conditions provisions;
- Guarantee issue limits;
- Waive the actively-at-work rule for all participants as of the effective date whether or not the participant is totally or partially disabled or temporarily absent from work; and
- Extend coverage to all participants currently covered by the State due to lay-off, severance agreement or leave of absence whether or not they are currently disabled.

Carrier accepts the preceding terms and conditions for insurance coverage with:

- _____ the exceptions noted on a subsequent page(s).
- _____ no exceptions.

Signature

Date

Title

Carrier Name