



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF BENEFITS ADMINISTRATION**

**REQUEST FOR PROPOSALS
FOR
SHORT-TERM DISABILITY AND
LONG-TERM DISABILITY INSURANCE**

RFP # 31786-00155

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1. INTRODUCTION

The State of Tennessee, Department of Finance and Administration, State Insurance Committee, hereinafter referred to as “the State,” issues this Request for Proposals (RFP) to define minimum contract requirements; solicit responses; detail response requirements; and, outline the State’s process for evaluating responses and selecting a contractor to provide the needed goods or services.

Through this RFP, the State seeks to procure necessary goods or services at the most favorable, competitive prices and to give ALL qualified respondents, including those that are owned by minorities, women, service-disabled veterans, persons with disabilities and small business enterprises, an opportunity to do business with the state as contractors, subcontractors or suppliers.

1.1. Statement of Procurement Purpose

The State Insurance Committee seeks to secure a single contract with an insurance company for the delivery of short-term disability insurance benefits to eligible central state government and state higher education employees as well as long-term disability insurance benefits for central state government employees and possibly state higher education employees should state higher education choose to participate in the program. Both products will be voluntary, employee-pay-all benefits with STD coverage beginning January 1, 2022 for all employees. LTD coverage shall begin January 1, 2022 for central state employees and January 1, 2023 for higher education employees, should state higher education choose to participate in the LTD program. Employees currently enrolled in the State Program shall be automatically transferred to the new Contractor for coverage on January 1, 2022. Should state higher education choose to participate, higher education employees enrolled in the current higher education long-term disability insurance programs will be migrated to the State long-term disability insurance program on January 1, 2023. All Members transferred from existing programs will be migrated to this new Contract with guaranteed issue and credit toward pre-existing limitations based upon length of enrollment in the prior program. Thereafter, with the exception for new employees, medical underwriting shall be required prior to enrollment for late entrants during the fall annual enrollment period. New employees shall have an initial eligibility period to enroll with guaranteed issue. Employees may choose to enroll in one or both products.

Core services to be delivered by the vendor shall include, but are not limited to, medical underwriting of late applicants, disability determination, claims processing including offsets with other benefits (i.e. workers compensation, social security, sick leave bank, etc.), return to work programs, case management, call center, employee outreach and communication, referrals, online services for members and employers, enrollment file processing, completion of all required state insurance filings, and reporting.

The State shall continue, through this competitive procurement process, offering voluntary Short-Term and Long-Term Disability Insurance benefits for eligible employees of the State Government Plans. Appendix 7.6 to this RFP includes current eligibility information for the Short-Term and Long-Term Disability Insurance and current benefits are listed in Attachment F to Pro Forma Contract Attachment 6.6 to this RFP.

- 1.1. The maximum liability for the resulting contract will be determined through the best evaluated cost proposal and estimated cost associated with this service. The maximum liability will exceed one dollar (\$1.00).

1.2. Scope of Service, Contract Period, & Required Terms and Conditions

The RFP Attachment 6.6., *Pro Forma* Contract details the State’s requirements:

- Scope of Services and Deliverables (Section A);
- Contract Period (Section B);
- Payment Terms (Section C);
- Standard Terms and Conditions (Section D); and,

- Special Terms and Conditions (Section E).

The *pro forma* contract substantially represents the contract document that the successful Respondent must sign.

1.3. **Nondiscrimination**

No person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of a Contract pursuant to this RFP or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, creed, color, religion, sex, national origin, or any other classification protected by federal, Tennessee state constitutional, or statutory law. The Contractor pursuant to this RFP shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

1.4. **RFP Communications**

- 1.4.1. The State has assigned the following RFP identification number that must be referenced in all communications regarding this RFP:

RFP # 31786-00155

- 1.4.2. **Unauthorized contact about this RFP with employees or officials of the State of Tennessee except as detailed below may result in disqualification from consideration under this procurement process.**

- 1.4.2.1. Prospective Respondents must direct communications concerning this RFP to the following person designated as the Solicitation Coordinator:

Seannalyn Brandmeir, Procurement and Contracting Manager
Finance and Administration, Division of Benefits Administration
312 Rosa L. Parks Ave. N
William R. Snodgrass TN Tower, 19th Floor
Telephone: 615-532-4598
seannalyn.brandmeir@tn.gov

Heather Pease
Benefits and Contracting Assistant Director
Tennessee Department of Finance & Administration, Division of Benefits Administration
312 Rosa L. Parks Avenue, Suite 1900
Nashville, Tennessee 37243
heather.pease@tn.gov
Telephone: 615.253.1652
Fax: 615.253.8556

- 1.4.2.2. Notwithstanding the foregoing, Prospective Respondents may alternatively contact:

- staff of the Governor's Office of Diversity Business Enterprise for assistance available to minority-owned, woman-owned, service-disabled veteran-owned, businesses owned by persons with disabilities, and small businesses as well as general, public information relating to this RFP (visit <https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/governor-s-office-of-diversity-business-enterprise--godbe--/godbe-general-contacts.html> for contact information); and
- the following individual designated by the State to coordinate compliance with the nondiscrimination requirements of the State of Tennessee, Title VI of the Civil

Rights Act of 1964, the Americans with Disabilities Act of 1990, and associated federal regulations:

Lucian Geise, General Counsel
 Tennessee Department of Finance & Administration
 312 Rosa L. Parks Avenue, Suite 2000 Nashville, Tennessee 37243
 Phone Number: 615-532-9617
 Fax:615-532-8532
FA.CivilRights@tn.gov

- 1.4.3. Only the State's official, written responses and communications with Respondents are binding with regard to this RFP. Oral communications between a State official and one or more Respondents are unofficial and non-binding.
- 1.4.4. Potential Respondents must ensure that the State receives all written questions and comments, including questions and requests for clarification, no later than the Written Questions & Comments Deadline detailed in the RFP Section 2, Schedule of Events.
- 1.4.5. Respondents must assume the risk of the method of dispatching any communication or response to the State. The State assumes no responsibility for delays or delivery failures resulting from the Respondent's method of dispatch.
- 1.4.6. The State will convey all official responses and communications related to this RFP to the prospective Respondents from whom the State has received a Notice of Intent to Respond (refer to RFP Section 1.8).
- 1.4.7. The State reserves the right to determine, at its sole discretion, the method of conveying official, written responses and communications related to this RFP. Such written communications may be transmitted by mail, hand-delivery, facsimile, electronic mail, Internet posting, or any other means deemed reasonable by the State. For internet posting, please refer to the following website: <https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/supplier-information/request-for-proposals--rfp--opportunities1.html>
- 1.4.8. The State reserves the right to determine, at its sole discretion, the appropriateness and adequacy of responses to written comments, questions, and requests related to this RFP. The State's official, written responses will constitute an amendment of this RFP.
- 1.4.9. Any data or factual information provided by the State (in this RFP, an RFP amendment or any other communication relating to this RFP) is for informational purposes only. The State will make reasonable efforts to ensure the accuracy of such data or information, however it is the Respondent's obligation to independently verify any data or information provided by the State. The State expressly disclaims the accuracy or adequacy of any information or data that it provides to prospective Respondents.

1.5. **Assistance to Respondents With a Handicap or Disability**

Prospective Respondents with a handicap or disability may receive accommodation relating to the communication of this RFP and participating in the RFP process. Prospective Respondents may contact the Solicitation Coordinator to request such reasonable accommodation no later than the Disability Accommodation Request Deadline detailed in the RFP Section 2, Schedule of Events.

1.6. **Respondent Required Review & Waiver of Objections**

- 1.6.1. Each prospective Respondent must carefully review this RFP, including but not limited to, attachments, the RFP Attachment 6.6., *Pro Forma* Contract, and any amendments, for questions,

comments, defects, objections, or any other matter requiring clarification or correction (collectively called "questions and comments").

- 1.6.2. Any prospective Respondent having questions and comments concerning this RFP must provide them in writing to the State no later than the Written Questions & Comments Deadline detailed in the RFP Section 2, Schedule of Events.
- 1.6.3. Protests based on any objection to the RFP shall be considered waived and invalid if the objection has not been brought to the attention of the State, in writing, by the Written Questions & Comments Deadline.

1.7. **Pre-Response Conference**

A Pre-response Conference will be held at the time and date detailed in the RFP Section 2, Schedule of Events. Pre-response Conference attendance is not mandatory, and prospective Respondents may be limited to a maximum number of attendees depending upon overall attendance and space limitations.

WebEx information:

[WebEx meeting](#) (*active link to web address*)

Meeting number (access code): 171 128 7036

Meeting password: Wqd3j2q6MMR

The purpose of the conference is to discuss the RFP scope of goods or services. The State will entertain questions, however prospective Respondents must understand that the State's oral response to any question at the Pre-response Conference shall be unofficial and non-binding. Prospective Respondents must submit all questions, comments, or other concerns regarding the RFP in writing prior to the Written Questions & Comments Deadline date detailed in the RFP Section 2, Schedule of Events. The State will send the official response to these questions and comments to prospective Respondents from whom the State has received a Notice of Intent to respond as indicated in RFP Section 1.8 and on the date detailed in the RFP Section 2, Schedule of Events.

1.8. **Notice of Intent to Respond**

Before the Notice of Intent to Respond Deadline detailed in the RFP Section 2, Schedule of Events, prospective Respondents should submit to the Solicitation Coordinator a Notice of Intent to Respond (in the form of a simple e-mail or other written communication). Such notice should include the following information:

- the business or individual's name (as appropriate);
- a contact person's name and title; and
- the contact person's mailing address, telephone number, facsimile number, and e-mail address.

A Notice of Intent to Respond creates no obligation and is not a prerequisite for submitting a response, however, it is necessary to ensure receipt of any RFP amendments or other notices and communications relating to this RFP.

1.9. **Response Deadline**

A Respondent must ensure that the State receives a response no later than the Response Deadline time and date detailed in the RFP Section 2, Schedule of Events. The State will not accept late responses, and a Respondent's failure to submit a response before the deadline will result in disqualification of the response. It is the responsibility of the Respondent to ascertain any additional security requirements with respect to packaging and delivery to the State of Tennessee. Respondents should be mindful of any potential delays due to security screening procedures, weather, or other filing delays whether foreseeable or unforeseeable.

2. RFP SCHEDULE OF EVENTS

2.1. The following RFP Schedule of Events represents the State's best estimate for this RFP.

EVENT	TIME (central time zone)	DATE
1. RFP Issued		February 2, 2021
2. Disability Accommodation Request Deadline	2:00 p.m.	February 8, 2021
3. Pre-response Conference	10 a.m.	February 9, 2021
4. Notice of Intent to Respond Deadline	2:00 p.m.	February 10, 2021
5. Written "Questions & Comments" Deadline	2:00 p.m.	February 17, 2021
6. State Response to Written "Questions & Comments"		March 16, 2021
7. Response Deadline	2:00 p.m.	March 25, 2021
8. State Completion of Technical Response Evaluations		April 13, 2021
9. State Opening & Scoring of Cost Proposals	2:00 p.m.	April 14, 2021
10. State Notice of Intent to Award Released	2:00 p.m.	April 22, 2021
11. RFP Files Opened for Public Inspection		April 22, 2021
12. End of Open File Period		April 30, 2021
13. State sends contract to Contractor for signature		May 3, 2021
14. Contractor Signature Deadline	2:00 p.m.	May 7, 2021

2.2. **The State reserves the right, at its sole discretion, to adjust the RFP Schedule of Events as it deems necessary.** Any adjustment of the Schedule of Events shall constitute an RFP amendment, and the State will communicate such to prospective Respondents from whom the State has received a Notice of Intent to Respond (refer to section 1.8).

3. RESPONSE REQUIREMENTS

3.1. Response Form

A response to this RFP must consist of two parts, a Technical Response and a Cost Proposal.

- 3.1.1. **Technical Response.** RFP Attachment 6.2., Technical Response & Evaluation Guide provides the specific requirements for submitting a response. This guide includes mandatory requirement items, general qualifications and experience items, and technical qualifications, experience, and approach items all of which must be addressed with a written response and, in some instances, additional documentation.

NOTICE: A technical response must not include any pricing or cost information. If any pricing or cost information amounts of any type (even pricing relating to other projects) is included in any part of the technical response, the state may deem the response to be non-responsive and reject it.

- 3.1.1.1. A Respondent must use the RFP Attachment 6.2., Technical Response & Evaluation Guide to organize, reference, and draft the Technical Response by duplicating the attachment, adding appropriate page numbers as required, and using the guide as a table of contents covering the Technical Response.
- 3.1.1.2. A response should be economically prepared, with emphasis on completeness and clarity. A response, as well as any reference material presented, must be written in English and must be written on standard 8 ½" x 11" pages (although oversized exhibits are permissible) and use a 12 point font for text. All response pages must be numbered.
- 3.1.1.3. All information and documentation included in a Technical Response should correspond to or address a specific requirement detailed in the RFP Attachment 6.2., Technical Response & Evaluation Guide. All information must be incorporated into a response to a specific requirement and clearly referenced. Any information not meeting these criteria will be deemed extraneous and will not contribute to evaluations.
- 3.1.1.4. The State may determine a response to be non-responsive and reject it if:
- a. the Respondent fails to organize and properly reference the Technical Response as required by this RFP and the RFP Attachment 6.2., Technical Response & Evaluation Guide; or
 - b. the Technical Response document does not appropriately respond to, address, or meet all of the requirements and response items detailed in the RFP Attachment 6.2., Technical Response & Evaluation Guide.

- 3.1.2. **Cost Proposal.** A Cost Proposal must be recorded on an exact duplicate of the RFP Attachment 6.3., Cost Proposal & Scoring Guide.

NOTICE: If a Respondent fails to submit a cost proposal exactly as required, the State may deem the response to be non-responsive and reject it.

- 3.1.2.1. A Respondent must only record the proposed cost exactly as required by the RFP Attachment 6.3., Cost Proposal & Scoring Guide and must NOT record any other rates, amounts, or information.

- 3.1.2.2. The proposed cost shall incorporate ALL costs for services under the contract for the total contract period, including any renewals or extensions.
- 3.1.2.3. A Respondent must sign and date the Cost Proposal.
- 3.1.2.4. A Respondent must submit the Cost Proposal to the State on a separate e-mail, file, or USB flash drive separate from the Technical Response (as detailed in RFP Sections 3.2.3., *et seq.*)

3.2. Response Delivery

- 3.2.1. A Respondent must ensure that both the original Technical Response and Cost Proposal documents meet all form and content requirements, including all required signatures, as detailed within this RFP, as may be amended.
- 3.2.2. A Respondent must submit original Technical Response and Cost Proposal documents and copies as specified below.

3.2.2.1. Digital Media Submission

3.2.2.1.1. Technical Response

The Technical Response document should be in the form of one (1) digital document **individual corresponding appendices or exhibits** in "PDF" format properly recorded on its own otherwise blank, standard USB flash drive and should be clearly identified as the:

"RFP # 31786-00155 TECHNICAL RESPONSE ORIGINAL"

and one (1) digital copy of the Technical Response each in the form of one (1) digital document in "PDF" format properly recorded on its own otherwise blank, USB flash drive labeled:

"RFP #31786-00155TECHNICAL RESPONSE COPY"

The customer references should be delivered by each reference in accordance with RFP Attachment 6.2, Section B.17.

3.2.2.1.2. Cost Proposal

The Cost Proposal should be in the form of one (1) digital document in "XLS" format properly recorded on a separate, otherwise blank, USB flash drive clearly labeled:

"RFP # 31786-00155 COST PROPOSAL"

An electronic or facsimile signature, as applicable, on the Cost Proposal is acceptable.

3.2.2.2. E-mail Submission

3.2.2.2.1 Technical Response

The Technical Response document should be in the form of one (1) digital document in "PDF" format or other easily accessible digital format attached to an e-mail to the Solicitation Coordinator. Both the subject and file name should both be clearly identified as follows:

“RFP #31786-00155 TECHNICAL RESPONSE”

The customer references should be delivered by each reference in accordance with RFP Attachment 6.2, Section B.17.

3.2.2.2.2. Cost Proposal:

The Cost Proposal should be in the form of one (1) digital document in “XLS” format or other easily accessible digital format attached to an e-mail to the Solicitation Coordinator. Both the subject and file name should both be clearly identified as follows:

“RFP #31786-00155 COST PROPOSAL”

An electronic or facsimile signature, as applicable, on the Cost Proposal is acceptable.

- 3.2.3. For e-mail submissions, the Technical Response and Cost Proposal documents must be dispatched to the Solicitation Coordinator in separate e-mail messages. For digital media submissions, a Respondent must separate, seal, package, and label the documents and copies for delivery as follows:

- 3.2.3.1. The Technical Response copies must be placed in a sealed package that is clearly labeled:

“DO NOT OPEN... RFP # 31786-00155 TECHNICAL RESPONSE FROM [RESPONDENT LEGAL ENTITY NAME]”

- 3.2.3.2. The Cost Proposal original document and digital copy must be placed in a separate, sealed package that is clearly labeled:

“DO NOT OPEN... RFP # 31786-00155 COST PROPOSAL FROM [RESPONDENT LEGAL ENTITY NAME]”

- 3.2.3.3. The separately, sealed Technical Response and Cost Proposal components may be enclosed in a larger package for mailing or delivery, provided that the outermost package is clearly labeled:

“RFP # 31786-00155 SEALED TECHNICAL RESPONSE & SEALED COST PROPOSAL FROM [RESPONDENT LEGAL ENTITY NAME]”

- 3.2.3.4 Any Respondent wishing to submit a Response in a format other than digital may do so by contacting the Solicitation Coordinator.

- 3.2.4. A Respondent must ensure that the State receives a response no later than the Response Deadline time and date detailed in the RFP Section 2, Schedule of Events at the following address:

Seannalyn Brandmeir, Procurement and Contracting Manager
Tennessee Department of Finance & Administration
Division of Benefits Administration
William R. Snodgrass Tennessee Tower, 19th floor
312 Rosa L. Parks Avenue
Nashville, Tennessee 37243
Telephone: 615.532.4598
Fax: 615.253.8556

3.3. Response & Respondent Prohibitions

- 3.3.1. A response must not include alternate contract terms and conditions. If a response contains such terms and conditions, the State, at its sole discretion, may determine the response to be a non-responsive counteroffer and reject it.
- 3.3.2. A response must not restrict the rights of the State or otherwise qualify either the offer to deliver goods or provide services as required by this RFP or the Cost Proposal. If a response restricts the rights of the State or otherwise qualifies either the offer to deliver goods or provide services as required by this RFP or the Cost Proposal, the State, at its sole discretion, may determine the response to be a non-responsive counteroffer and reject it.
- 3.3.3. A response must not propose alternative goods or services (*i.e.*, offer services different from those requested and required by this RFP) unless expressly requested in this RFP. The State may consider a response of alternative goods or services to be non-responsive and reject it.
- 3.3.4. A Cost Proposal must be prepared and arrived at independently and must not involve any collusion between Respondents. The State will reject any Cost Proposal that involves collusion, consultation, communication, or agreement between Respondents. Regardless of the time of detection, the State will consider any such actions to be grounds for response rejection or contract termination.
- 3.3.5. A Respondent must not provide, for consideration in this RFP process or subsequent contract negotiations, any information that the Respondent knew or should have known was materially incorrect. If the State determines that a Respondent has provided such incorrect information, the State will deem the Response non-responsive and reject it.
- 3.3.6. A Respondent must not submit more than one Technical Response and one Cost Proposal in response to this RFP, except as expressly requested by the State in this RFP. If a Respondent submits more than one Technical Response or more than one Cost Proposal, the State will deem all of the responses non-responsive and reject them.
- 3.3.7. A Respondent must not submit a response as a prime contractor while also permitting one or more other Respondents to offer the Respondent as a subcontractor in their own responses. Such may result in the disqualification of all Respondents knowingly involved. This restriction does not, however, prohibit different Respondents from offering the same subcontractor as a part of their responses (provided that the subcontractor does not also submit a response as a prime contractor).
- 3.3.8. The State shall not consider a response from an individual who is, or within the past six (6) months has been, a State employee. For purposes of this RFP:
- 3.3.8.1. An individual shall be deemed a State employee until such time as all compensation for salary, termination pay, and annual leave has been paid;
- 3.3.8.2. A contract with or a response from a company, corporation, or any other contracting entity in which a controlling interest is held by any State employee shall be considered to be a contract with or proposal from the employee; and
- 3.3.8.3. A contract with or a response from a company, corporation, or any other contracting entity that employs an individual who is, or within the past six (6) months has been, a State employee shall not be considered a contract with or a proposal from the employee and shall not constitute a prohibited conflict of interest.
- 3.3.9. This RFP is also subject to Tenn. Code Ann. § 12-4-101—105.

3.4. **Response Errors & Revisions**

A Respondent is responsible for any and all response errors or omissions. A Respondent will not be allowed to alter or revise response documents after the Response Deadline time and date detailed in the RFP Section 2, Schedule of Events unless such is formally requested, in writing, by the State.

3.5. **Response Withdrawal**

A Respondent may withdraw a submitted response at any time before the Response Deadline time and date detailed in the RFP Section 2, Schedule of Events by submitting a written request signed by an authorized Respondent representative. After withdrawing a response, a Respondent may submit another response at any time before the Response Deadline. After the Response Deadline, a Respondent may only withdraw all or a portion of a response where the enforcement of the response would impose an unconscionable hardship on the Respondent.

3.6. **Additional Services**

If a response offers goods or services in addition to those required by and described in this RFP, the State, at its sole discretion, may add such services to the contract awarded as a result of this RFP. Notwithstanding the foregoing, a Respondent must not propose any additional cost amounts or rates for additional goods or services. Regardless of any additional services offered in a response, the Respondent's Cost Proposal must only record the proposed cost as required in this RFP and must not record any other rates, amounts, or information.

NOTICE: If a Respondent fails to submit a Cost Proposal exactly as required, the State may deem the response non-responsive and reject it.

3.7. **Response Preparation Costs**

The State will not pay any costs associated with the preparation, submittal, or presentation of any response.

4. GENERAL CONTRACTING INFORMATION & REQUIREMENTS

4.1. RFP Amendment

The State at its sole discretion may amend this RFP, in writing, at any time prior to contract award. However, prior to any such amendment, the State will consider whether it would negatively impact the ability of potential Respondents to meet the response deadline and revise the RFP Schedule of Events if deemed appropriate. If an RFP amendment is issued, the State will convey it to potential Respondents who submitted a Notice of Intent to Respond (refer to RFP Section 1.8). A response must address the final RFP (including its attachments) as amended.

4.2. RFP Cancellation

The State reserves the right, at its sole discretion, to cancel the RFP or to cancel and reissue this RFP in accordance with applicable laws and regulations.

4.3. State Right of Rejection

4.3.1. Subject to applicable laws and regulations, the State reserves the right to reject, at its sole discretion, any and all responses.

4.3.2. The State may deem as non-responsive and reject any response that does not comply with all terms, conditions, and performance requirements of this RFP. Notwithstanding the foregoing, the State reserves the right to waive, at its sole discretion, minor variances from full compliance with this RFP. If the State waives variances in a response, such waiver shall not modify the RFP requirements or excuse the Respondent from full compliance, and the State may hold any resulting Contractor to strict compliance with this RFP.

4.4. Assignment & Subcontracting

4.4.1. The Contractor may not subcontract, transfer, or assign any portion of the Contract awarded as a result of this RFP without prior approval of the State. The State reserves the right to refuse approval, at its sole discretion, of any subcontract, transfer, or assignment.

4.4.2. If a Respondent intends to use subcontractors, the response to this RFP must specifically identify the scope and portions of the work each subcontractor will perform (refer to RFP Attachment 6.2., Section B, General Qualifications & Experience Item B.12.).

4.4.3. Subcontractors identified within a response to this RFP will be deemed as approved by the State unless the State expressly disapproves one or more of the proposed subcontractors prior to signing the Contract.

4.4.4. After contract award, a Contractor may only substitute an approved subcontractor at the discretion of the State and with the State's prior, written approval.

4.4.5. Notwithstanding any State approval relating to subcontracts, the Respondent who is awarded a contract pursuant to this RFP will be the prime contractor and will be responsible for all work under the Contract.

4.5. Right to Refuse Personnel or Subcontractors

The State reserves the right to refuse, at its sole discretion and notwithstanding any prior approval, any personnel of the prime contractor or a subcontractor providing goods or services in the performance of a contract resulting from this RFP. The State will document in writing the reason(s) for any rejection of personnel.

4.6. **Insurance**

The State will require the awarded Contractor to provide a Certificate of Insurance issued by an insurance company licensed or authorized to provide insurance in the State of Tennessee. Each Certificate of Insurance shall indicate current insurance coverages meeting minimum requirements as may be specified by this RFP. A failure to provide a current, Certificate of Insurance will be considered a material breach and grounds for contract termination.

4.7. **Professional Licensure and Department of Revenue Registration**

- 4.7.1. All persons, agencies, firms, or other entities that provide legal or financial opinions, which a Respondent provides for consideration and evaluation by the State as a part of a response to this RFP, shall be properly licensed to render such opinions.
- 4.7.2. Before the Contract resulting from this RFP is signed, the apparent successful Respondent (and Respondent employees and subcontractors, as applicable) must hold all necessary or appropriate business or professional licenses to provide the goods or services as required by the contract. The State may require any Respondent to submit evidence of proper licensure.
- 4.7.3. Before the Contract resulting from this RFP is signed, the apparent successful Respondent must be registered with the Tennessee Department of Revenue for the collection of Tennessee sales and use tax. The State shall not award a contract unless the Respondent provides proof of such registration or provides documentation from the Department of Revenue that the Contractor is exempt from this registration requirement. The foregoing is a mandatory requirement of an award of a contract pursuant to this solicitation. To register, please visit the Department of Revenue's Tennessee Taxpayer Access Point (TNTAP) website for Online Registration and the Vendor Contract Questionnaire. These resources are available at the following:
<https://tntap.tn.gov/eservices/#1>

4.8. **Disclosure of Response Contents**

- 4.8.1. All materials submitted to the State in response to this RFP shall become the property of the State of Tennessee. Selection or rejection of a response does not affect this right. By submitting a response, a Respondent acknowledges and accepts that the full response contents and associated documents will become open to public inspection in accordance with the laws of the State of Tennessee.
- 4.8.2. The State will hold all response information, including both technical and cost information, in confidence during the evaluation process.
- 4.8.3. Upon completion of response evaluations, indicated by public release of a Notice of Intent to Award, the responses and associated materials will be open for review by the public in accordance with Tenn. Code Ann. § 10-7-504(a)(7).

4.9. **Contract Approval and Contract Payments**

- 4.9.1. After contract award, the Contractor who is awarded the contract must submit appropriate documentation with the Department of Finance and Administration, Division of Accounts.
- 4.9.2. This RFP and its contractor selection processes do not obligate the State and do not create rights, interests, or claims of entitlement in either the Respondent with the apparent best-evaluated response or any other Respondent. State obligations pursuant to a contract award shall commence only after the Contract is signed by the State agency head and the Contractor and after the Contract is approved by all other state officials as required by applicable laws and regulations.
- 4.9.3. No payment will be obligated or made until the relevant Contract is approved as required by applicable statutes and rules of the State of Tennessee.

- 4.9.3.1. The State shall not be liable for payment of any type associated with the Contract resulting from this RFP (or any amendment thereof) or responsible for any goods delivered or services rendered by the Contractor, even goods delivered or services rendered in good faith and even if the Contractor is orally directed to proceed with the delivery of goods or the rendering of services, if it occurs before the Contract Effective Date or after the Contract Term.
- 4.9.3.2. All payments relating to this procurement will be made in accordance with the Payment Terms and Conditions of the Contract resulting from this RFP (refer to RFP Attachment 6.6., *Pro Forma Contract*, Section C).
- 4.9.3.3. If any provision of the Contract provides direct funding or reimbursement for the competitive purchase of goods or services as a component of contract performance or otherwise provides for the reimbursement of specified, actual costs, the State will employ all reasonable means and will require all such documentation that it deems necessary to ensure that such purchases were competitive and costs were reasonable, necessary, and actual. The Contractor shall provide reasonable assistance and access related to such review. Further, the State shall not remit, as funding or reimbursement pursuant to such provisions, any amounts that it determines do not represent reasonable, necessary, and actual costs.

4.10. **Contractor Performance**

The Contractor who is awarded a contract will be responsible for the delivery of all acceptable goods or the satisfactory completion of all services set out in this RFP (including attachments) as may be amended. All goods or services are subject to inspection and evaluation by the State. The State will employ all reasonable means to ensure that goods delivered or services rendered are in compliance with the Contract, and the Contractor must cooperate with such efforts.

4.11. **Contract Amendment**

After Contract award, the State may request the Contractor to deliver additional goods or perform additional services within the general scope of the Contract and this RFP, but beyond the specified Scope, and for which the Contractor may be compensated. In such instances, the State will provide the Contractor a written description of the additional goods or services. The Contractor must respond to the State with a time schedule for delivering the additional goods or accomplishing the additional services based on the compensable units included in the Contractor's response to this RFP. If the State and the Contractor reach an agreement regarding the goods or services and associated compensation, such agreement must be effected by means of a contract amendment. Further, any such amendment requiring additional goods or services must be signed by both the State agency head and the Contractor and must be approved by other state officials as required by applicable statutes, rules, policies and procedures of the State of Tennessee. The Contractor must not provide additional goods or render additional services until the State has issued a written contract amendment with all required approvals.

4.12. **Severability**

If any provision of this RFP is declared by a court to be illegal or in conflict with any law, said decision will not affect the validity of the remaining RFP terms and provisions, and the rights and obligations of the State and Respondents will be construed and enforced as if the RFP did not contain the particular provision held to be invalid.

4.13. **Next Ranked Respondent**

The State reserves the right to initiate negotiations with the next ranked Respondent should the State cease doing business with any Respondent selected via this RFP process.

5. EVALUATION & CONTRACT AWARD

5.1. Evaluation Categories & Maximum Points

The State will consider qualifications, experience, technical approach, and cost in the evaluation of responses and award points in each of the categories detailed below (up to the maximum evaluation points indicated) to each response deemed by the State to be responsive.

EVALUATION CATEGORY	MAXIMUM POINTS POSSIBLE
General Qualifications & Experience (refer to RFP Attachment 6.2., Section B)	10
Technical Qualifications, Experience & Approach (refer to RFP Attachment 6.2., Section C)	40
Cost Proposal (refer to RFP Attachment 6.3.)	50

5.2. Evaluation Process

The evaluation process is designed to award the contract resulting from this RFP not necessarily to the Respondent offering the lowest cost, but rather to the Respondent deemed by the State to be responsive and responsible who offers the best combination of attributes based upon the evaluation criteria. (“Responsive Respondent” is defined as a Respondent that has submitted a response that conforms in all material respects to the RFP. “Responsible Respondent” is defined as a Respondent that has the capacity in all respects to perform fully the contract requirements, and the integrity and reliability which will assure good faith performance.)

5.2.1. **Technical Response Evaluation.** The Solicitation Coordinator and the Proposal Evaluation Team (consisting of three (3) or more State employees) will use the RFP Attachment 6.2., Technical Response & Evaluation Guide to manage the Technical Response Evaluation and maintain evaluation records.

- 5.2.1.1. The State reserves the right, at its sole discretion, to request Respondent clarification of a Technical Response or to conduct clarification discussions with any or all Respondents. Any such clarification or discussion will be limited to specific sections of the response identified by the State. The subject Respondent must put any resulting clarification in writing as may be required and in accordance with any deadline imposed by the State.
- 5.2.1.2. The Solicitation Coordinator will review each Technical Response to determine compliance with RFP Attachment 6.2., Technical Response & Evaluation Guide, Section A— Mandatory Requirements. If the Solicitation Coordinator determines that a response failed to meet one or more of the mandatory requirements, the Proposal Evaluation Team will review the response and document the team’s determination of whether:
- a. the response adequately meets RFP requirements for further evaluation;
 - b. the State will request clarifications or corrections for consideration prior to further evaluation; or,
 - c. the State will determine the response to be non-responsive to the RFP and reject it.

- 5.2.1.3. Proposal Evaluation Team members will independently evaluate each Technical Response (that is responsive to the RFP) against the evaluation criteria in this RFP and will score each in accordance with the RFP Attachment 6.2., Technical Response & Evaluation Guide.
- 5.2.1.4. For each response evaluated, the Solicitation Coordinator will calculate the average of the Proposal Evaluation Team member scores for RFP Attachment 6.2., Technical Response & Evaluation Guide, and record each average as the response score for the respective Technical Response section.
- 5.2.1.5. Before Cost Proposals are opened, the Proposal Evaluation Team will review the Technical Response Evaluation record and any other available information pertinent to whether or not each Respondent is responsive and responsible. If the Proposal Evaluation Team identifies any Respondent that does not meet the responsive and responsible thresholds such that the team would not recommend the Respondent for Cost Proposal Evaluation and potential contract award, the team members will fully document the determination.

5.2.2. **Cost Proposal Evaluation.** The Solicitation Coordinator will open for evaluation the Cost Proposal of each Respondent deemed by the State to be responsive and responsible and calculate and record each Cost Proposal score in accordance with the RFP Attachment 6.3., Cost Proposal & Scoring Guide.

5.2.3. **Total Response Score.** The Solicitation Coordinator will calculate the sum of the Technical Response section scores and the Cost Proposal score and record the resulting number as the total score for the subject Response (refer to RFP Attachment 6.5., Score Summary Matrix).

5.3. Contract Award Process

- 5.3.1 The Solicitation Coordinator will submit the Proposal Evaluation Team determinations and scores to the head of the procuring agency for consideration along with any other relevant information that might be available and pertinent to contract award.
- 5.3.2. Benefits Administration's executive director will determine the apparent best-evaluated Response. To effect a contract award to a Respondent other than the one receiving the highest evaluation process score, the head of the procuring agency must provide written justification and obtain the written approval of the Chief Procurement Officer and the Comptroller of the Treasury.
- 5.3.3. Benefits Administration will present the apparent best-evaluated Response recommendation before the State, Local Education, and Local Government Insurance Committees, as applicable, for approval to enter into a contract with the best-evaluated Respondent.
- 5.3.4. The State will issue a Notice of Intent to Award identifying the apparent best-evaluated response and make the RFP files available for public inspection at the time and date specified in the RFP Section 2, Schedule of Events.

NOTICE: The Notice of Intent to Award shall not create rights, interests, or claims of entitlement in either the apparent best-evaluated Respondent or any other Respondent.

- 5.3.5. The Respondent identified as offering the apparent best-evaluated response must sign a contract drawn by the State pursuant to this RFP. The Contract shall be substantially the same as the RFP Attachment 6.6., *Pro Forma* Contract. The Respondent must sign the contract by the Contractor Signature Deadline detailed in the RFP Section 2, Schedule of Events. If the Respondent fails to provide the signed Contract by this deadline, the State may determine that the Respondent is non-responsive to this RFP and reject the response.

- 5.3.6. Notwithstanding the foregoing, the State may, at its sole discretion, entertain limited terms and conditions or pricing negotiations prior to Contract signing and, as a result, revise the *pro forma* contract terms and conditions or performance requirements in the State's best interests, PROVIDED THAT such revision of terms and conditions or performance requirements shall NOT materially affect the basis of response evaluations or negatively impact the competitive nature of the RFP and contractor selection process.
- 5.3.7. If the State determines that a response is non-responsive and rejects it after opening Cost Proposals, the Solicitation Coordinator will re-calculate scores for each remaining responsive Cost Proposal to determine (or re-determine) the apparent best-evaluated response.

RFP ATTACHMENT 6.1.**RFP # 31786-00155 STATEMENT OF CERTIFICATIONS AND ASSURANCES**

The Respondent must sign and complete the Statement of Certifications and Assurances below as required, and it must be included in the Technical Response (as required by RFP Attachment 6.2., Technical Response & Evaluation Guide, Section A, Item A.1.).

The Respondent does, hereby, expressly affirm, declare, confirm, certify, and assure ALL of the following:

1. The Respondent will comply with all of the provisions and requirements of the RFP.
2. The Respondent will provide all services as defined in the Scope of the RFP Attachment 6.6., *Pro Forma* Contract for the total Contract Term.
3. The Respondent, except as otherwise provided in this RFP, accepts and agrees to all terms and conditions set out in the RFP Attachment 6.6., *Pro Forma* Contract.
4. The Respondent acknowledges and agrees that a contract resulting from the RFP shall incorporate, by reference, all proposal responses as a part of the Contract.
5. The Respondent will comply with:
 - (a) the laws of the State of Tennessee;
 - (b) Title VI of the federal Civil Rights Act of 1964;
 - (c) Title IX of the federal Education Amendments Act of 1972;
 - (d) the Equal Employment Opportunity Act and the regulations issued there under by the federal government; and,
 - (e) the Americans with Disabilities Act of 1990 and the regulations issued there under by the federal government.
6. To the knowledge of the undersigned, the information detailed within the response submitted to this RFP is accurate.
7. The response submitted to this RFP was independently prepared, without collusion, under penalty of perjury.
8. No amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Respondent in connection with this RFP or any resulting contract.
9. Both the Technical Response and the Cost Proposal submitted in response to this RFP shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract pursuant to the RFP.
10. The Respondent affirms the following statement, as required by the Iran Divestment Act Tenn. Code Ann. § 12-12-111: "By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each bidder is not on the list created pursuant to §12-12-106." For reference purposes, the list is currently available online at: <https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/library-public-information-library.html>.

By signing this Statement of Certifications and Assurances, below, the signatory also certifies legal authority to bind the proposing entity to the provisions of this RFP and any contract awarded pursuant to it. If the signatory is not the Respondent (if an individual) or the Respondent's company *President* or *Chief Executive Officer*, this document must attach evidence showing the individual's authority to bind the Respondent.

DO NOT SIGN THIS DOCUMENT IF YOU ARE NOT LEGALLY AUTHORIZED TO BIND THE RESPONDENT

SIGNATURE:

PRINTED NAME & TITLE:

DATE:

**RESPONDENT LEGAL ENTITY
NAME:**

RFP ATTACHMENT 6.2. — Section A

TECHNICAL RESPONSE & EVALUATION GUIDE

SECTION A: MANDATORY REQUIREMENTS. The Respondent must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Respondent must also detail the response page number for each item in the appropriate space below.

The Solicitation Coordinator will review the response to determine if the Mandatory Requirement Items are addressed as required and mark each with pass or fail. For each item that is not addressed as required, the Proposal Evaluation Team must review the response and attach a written determination. In addition to the Mandatory Requirement Items, the Solicitation Coordinator will review each response for compliance with all RFP requirements.

RESPONDENT LEGAL ENTITY NAME:			
Response Page # (Respondent completes)	Item Ref.	Section A— Mandatory Requirement Items	Pass/Fail
		The Response must be delivered to the State no later than the Response Deadline specified in the RFP Section 2, Schedule of Events.	
		The Technical Response and the Cost Proposal documentation must be packaged separately as required (refer to RFP Section 3.2., <i>et. seq.</i>).	
		The Technical Response must NOT contain cost or pricing information of any type.	
		The Technical Response must NOT contain any restrictions of the rights of the State or other qualification of the response.	
		A Respondent must NOT submit alternate responses (refer to RFP Section 3.3.).	
		A Respondent must NOT submit multiple responses in different forms (as a prime and a subcontractor) (refer to RFP Section 3.3.).	
	A.1.	Provide the Statement of Certifications and Assurances (RFP Attachment 6.1.) completed and signed by an individual empowered to bind the Respondent to the provisions of this RFP and any resulting contract. The document must be signed without exception or qualification.	
	A.2.	Provide a statement, based upon reasonable inquiry, of whether the Respondent or any individual who shall cause to deliver goods or perform services under the contract has a possible conflict of interest (<i>e.g.</i> , employment by the State of Tennessee) and, if so, the nature of that conflict. NOTE: Any questions of conflict of interest shall be solely within the discretion of the State, and the State reserves the right to cancel any award.	
	A.3.	Provide a current bank reference indicating that the Respondent's business relationship with the financial institution is in positive standing. Such reference must be written in the form of a standard business letter, signed, and dated within the past three (3) months.	

RESPONDENT LEGAL ENTITY NAME:			
Response Page # (Respondent completes)	Item Ref.	Section A— Mandatory Requirement Items	Pass/Fail
	A.4.	Provide two current positive credit references from vendors with which the Respondent has done business written in the form of standard business letters, signed, and dated within the past three (3) months.	
	A.5.	Provide EITHER : (a) Provide an official document or letter from an accredited credit bureau, verified and dated within the last three (3) months and indicating a satisfactory credit rating for the Respondent (NOTE: A credit bureau report number without the full report is insufficient and will not be considered responsive.) OR (b) Provide a current credit rating from Moody's, Standard & Poor's, Dun & Bradstreet, A.M. Best or Fitch Ratings, verified and dated within the last three (3) months and indicating a positive credit rating for the Respondent.	
	A.6.	Provide the Respondent's most recent independent audited financial statements. Said independent audited financial statements must: (1) reflect an audit period for a fiscal year ended within the last 36 months; (2) be prepared with all monetary amounts detailed in United States currency; (3) be prepared under United States Generally Accepted Accounting Principles (US GAAP); (4) include the auditor's opinion letter; financial statements; and the notes to the financial statements; and (5) be deemed, in the sole discretion of the State to reflect sufficient financial stability to undertake the subject contract with the State if awarded pursuant to this RFP. NOTES: ✦ Reviewed or Compiled Financial Statements will not be deemed responsive to this requirement and will not be accepted. ✦ All persons, agencies, firms, or other entities that provide opinions regarding the Respondent's financial status must be properly licensed to render such opinions. The State may require the Respondent to submit proof that the person or entity who renders an opinion regarding the Respondent's financial status is licensed, including the license number and state in which the person or entity is licensed.	
	A.7.	Submit a written statement indicating that the Respondent has at least six (6) years' experience in providing Short Term and Long Term Disability Insurance plan benefits to at least five (5) employer accounts, one (1) of which serves at least 10,000 Members.	
	A.8.	Submit a written statement indicating that the Respondent acknowledges it is required to and agrees to administer the Short-Term and Long-Term Disability Insurance Program benefits as contained in Attachment 6.6 - Pro Forma Contract.	

RESPONDENT LEGAL ENTITY NAME:			
Response Page # (Respondent completes)	Item Ref.	Section A— Mandatory Requirement Items	Pass/Fail
	A.9.	Submit a written statement indicating the Proposer will comply with the State's requirement that no minimum membership enrollment levels are contained as a provision of the proposal.	
	A.13.	The Respondent must hold a current certificate of authority from the Tennessee Department of Commerce and Insurance which authorizes the Respondent to issue group Short-Term and Long-Term Disability benefits in the State of Tennessee. Submit a copy of your organization's current State of Tennessee Certificate of Authority.	
<i>State Use – Solicitation Coordinator Signature, Printed Name & Date:</i>			

RFP ATTACHMENT 6.2. — SECTION B

TECHNICAL RESPONSE & EVALUATION GUIDE

SECTION B: GENERAL QUALIFICATIONS & EXPERIENCE. The Respondent must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Respondent must also detail the response page number for each item in the appropriate space below. Proposal Evaluation Team members will independently evaluate and assign one score for all responses to Section B— General Qualifications & Experience Items.

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	Item Ref.	Section B— General Qualifications & Experience Items
	B.1.	Detail the name, e-mail address, mailing address, telephone number, and facsimile number of the person the State should contact regarding the response.
	B.2.	Describe the Respondent's form of business (<i>i.e.</i> , individual, sole proprietor, corporation, non-profit corporation, partnership, limited liability company) and business location (physical location or domicile).
	B.3.	Detail the number of years the Respondent has been in business.
	B.4.	Briefly describe how long the Respondent has been providing the goods or services required by this RFP.
	B.5.	Describe the Respondent's number of employees, client base, and location of offices.
	B.6.	Provide a statement of whether there have been any mergers, acquisitions, or change of control of the Respondent within the last ten (10) years. If so, include an explanation providing relevant details.
	B.7.	Provide a statement of whether the Respondent or, to the Respondent's knowledge, any of the Respondent's employees, agents, independent contractors, or subcontractors, involved in the delivery of goods or performance of services on a contract pursuant to this RFP, have been convicted of, pled guilty to, or pled <i>nolo contendere</i> to any felony. If so, include an explanation providing relevant details.
	B.8.	Provide a statement of whether, in the last ten (10) years, the Respondent has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors. If so, include an explanation providing relevant details.
	B.9.	Provide a statement of whether there is any material, pending litigation against the Respondent that the Respondent should reasonably believe could adversely affect its ability to meet contract requirements pursuant to this RFP or is likely to have a material adverse effect on the Respondent's financial condition. If such exists, list each separately, explain the relevant details, and attach the opinion of counsel addressing whether and to what extent it would impair the Respondent's performance in a contract pursuant to this RFP. NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Respondent must be properly licensed to render such opinions. The State may require the Respondent to submit proof of license for each person or entity that renders such opinions.
	B.10.	Provide a statement of whether there are any pending or in progress Securities Exchange Commission investigations involving the Respondent. If such exists, list each separately, explain

RFP ATTACHMENT 6.2. — SECTION B (continued)

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	Item Ref.	Section B— General Qualifications & Experience Items
		<p>the relevant details, and attach the opinion of counsel addressing whether and to what extent it will impair the Respondent's performance in a contract pursuant to this RFP.</p> <p>NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Respondent must be properly licensed to render such opinions. The State may require the Respondent to submit proof of license for each person or entity that renders such opinions.</p>
	B.11.	<p>Provide a brief, descriptive statement detailing evidence of the Respondent's ability to deliver the goods or services sought under this RFP (e.g., prior experience, training, certifications, resources, program and quality management systems, etc.).</p>
	B.12.	<p>Provide a statement of whether the Respondent intends to use subcontractors to meet the Respondent's requirements of any contract awarded pursuant to this RFP, and if so, detail:</p> <p>(a) the names of the subcontractors along with the contact person, mailing address, telephone number, and e-mail address for each;</p> <p>(b) a description of the scope and portions of the goods each subcontractor involved in the delivery of goods or performance of the services each subcontractor will perform; <u>and</u></p> <p>(c) a statement specifying that each proposed subcontractor has expressly assented to being proposed as a subcontractor in the Respondent's response to this RFP.</p>
	B.13.	<p>Provide documentation of the Respondent's commitment to diversity as represented by the following:</p> <p>(a) <u>Business Strategy</u>. Provide a description of the Respondent's existing programs and procedures designed to encourage and foster commerce with business enterprises owned by minorities, women, service-disabled veterans, persons with disabilities, and small business enterprises. Please also include a list of the Respondent's certifications as a diversity business, if applicable.</p> <p>(b) <u>Business Relationships</u>. Provide a listing of the Respondent's current contracts with business enterprises owned by minorities, women, service-disabled veterans, persons with disabilities, and small business enterprises. Please include the following information:</p> <p>(i) contract description;</p> <p>(ii) contractor name and ownership characteristics (i.e., ethnicity, gender, service-disabled veteran-owned or persons with disabilities);</p> <p>(iii) contractor contact name and telephone number.</p> <p>(c) <u>Estimated Participation</u>. Provide an estimated level of participation by business enterprises owned by minorities, women, service-disabled veterans, persons with disabilities and small business enterprises if a contract is awarded to the Respondent pursuant to this RFP. Please include the following information:</p> <p>(i) a percentage (%) indicating the participation estimate. (Express the estimated participation number as a percentage of the total estimated contract value that will be dedicated to business with subcontractors and supply contractors having such ownership characteristics only and DO NOT INCLUDE DOLLAR AMOUNTS);</p> <p>(ii) anticipated goods or services contract descriptions;</p> <p>(iii) names and ownership characteristics (i.e., ethnicity, gender, service-disabled veterans, or disability) of anticipated subcontractors and supply contractors.</p> <p>NOTE: In order to claim status as a Diversity Business Enterprise under this contract, businesses must be certified by the Governor's Office of Diversity Business Enterprise (Go-DBE). Please visit the Go-DBE website at https://tn.diversitysoftware.com/FrontEnd/StartCertification.asp?TN=tn&XID=9810 for more information.</p>

RFP ATTACHMENT 6.2. — SECTION B (continued)

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	Item Ref.	Section B— General Qualifications & Experience Items
		<p>(d) <u>Workforce</u>. Provide the percentage of the Respondent's total current employees by ethnicity and gender.</p> <p>NOTE: Respondents that demonstrate a commitment to diversity will advance State efforts to expand opportunity to do business with the State as contractors and subcontractors. Response evaluations will recognize the positive qualifications and experience of a Respondent that does business with enterprises owned by minorities, women, service-disabled veterans, persons with disabilities, and small business enterprises and who offer a diverse workforce.</p>
	B.14.	<p>Provide a statement of whether or not the Respondent has any current contracts with the State of Tennessee or has completed any contracts with the State of Tennessee within the previous five (5) year period. If so, provide the following information for all of the current and completed contracts:</p> <p>(a) the name, title, telephone number and e-mail address of the State contact knowledgeable about the contract;</p> <p>(b) the procuring State agency name;</p> <p>(c) a brief description of the contract's scope of services;</p> <p>(d) the contract period; and</p> <p>(e) the contract number.</p>
	B.15.	<p>Provide customer references from individuals who are <u>not</u> current or former State employees for projects similar to the goods or services sought under this RFP and which represent:</p> <ul style="list-style-type: none"> ▪ two (2) accounts Respondent currently services that are similar in size to the State; <u>and</u> ▪ three (3) completed projects. <p>References from at least three (3) different individuals are required to satisfy the requirements above, e.g., an individual may provide a reference about a completed project and another reference about a currently serviced account. The standard reference questionnaire, which <u>must</u> be used and completed, is provided at RFP Attachment 6.4. References that are not completed as required may be deemed non-responsive and may not be considered.</p> <p>The Respondent will be <u>solely</u> responsible for obtaining fully completed reference questionnaires and ensuring they are e-mailed to the Solicitation Coordinator or including them in the sealed Technical Response. In order to obtain and submit the completed reference questionnaires follow one of the two processes below.</p> <p>Written:</p> <p>(a) Add the Respondent's name to the standard reference questionnaire at RFP Attachment 6.4. and make a copy for each reference.</p> <p>(b) Send a reference questionnaire and new, standard #10 envelope to each reference.</p> <p>(c) Instruct the reference to:</p> <ol style="list-style-type: none"> (i) complete the reference questionnaire; (ii) sign and date the completed reference questionnaire; (iii) seal the completed, signed, and dated reference questionnaire within the envelope provided; (iv) sign his or her name in ink across the sealed portion of the envelope; and (v) return the sealed envelope directly to the Respondent (the Respondent may wish to give each reference a deadline, such that the Respondent will be able to collect all required references in time to include them within the sealed Technical Response). <p>(d) <u>Do NOT open the sealed references upon receipt.</u></p>

RFP ATTACHMENT 6.2. — SECTION B (continued)

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	Item Ref.	Section B— General Qualifications & Experience Items
		<p>(e) Enclose all <u>sealed</u> reference envelopes within a larger, labeled envelope for inclusion in the Technical Response as required.</p> <p>E-mail:</p> <p>(a) Add the Respondent's name to the standard reference questionnaire at RFP Attachment 6.4. and make a copy for each reference.</p> <p>(b) E-mail the reference with a copy of the standard reference questionnaire.</p> <p>(c) Instruct the reference to:</p> <p style="padding-left: 20px;">(i) complete the reference questionnaire;</p> <p style="padding-left: 20px;">(ii) sign and date the completed reference questionnaire;</p> <p style="padding-left: 20px;">(iii) E-mail the reference directly to the Solicitation Coordinator by the RFP Technical Response Deadline with the Subject line of the e-mail as "[Respondent Name] Reference for RFP 31786-00155</p> <p>NOTES:</p> <ul style="list-style-type: none"> ▪ The State will not accept late references or references submitted by any means other than the two which are described above, and each reference questionnaire submitted must be completed as required. ▪ The State will not review more than the number of required references indicated above. ▪ While the State will base its reference check on the contents of the reference e-mails or sealed reference envelopes included in the Technical Response package, the State reserves the right to confirm and clarify information detailed in the completed reference questionnaires, and may consider clarification responses in the evaluation of references. ▪ The State is under <u>no</u> obligation to clarify any reference information.
	B.16.	<p>Provide a statement and any relevant details addressing whether the Respondent is any of the following:</p> <p>(a) is presently debarred, suspended, proposed for debarment, or voluntarily excluded from covered transactions by any federal or state department or agency;</p> <p>(b) has within the past three (3) years, been convicted of, or had a civil judgment rendered against the contracting party from commission of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;</p> <p>(c) is presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed above; and</p> <p>(d) has within a three (3) year period preceding the contract had one or more public transactions (federal, state, or local) terminated for cause or default.</p>
	B.17.	<p>Provide a report on your company from any nationally recognized quality rating agency for services similar to those required under the pro forma contract included in this RFP. If no report has been produced, reply likewise and provide an explanation.</p>
		<p>SCORE (for <u>all</u> Section B—Qualifications & Experience Items above): (maximum possible score = 10)</p>

RFP ATTACHMENT 6.2. — SECTION B (continued)

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	Item Ref.	Section B— General Qualifications & Experience Items
<i>State Use – Evaluator Identification:</i>		

RFP ATTACHMENT 6.2. — SECTION C

TECHNICAL RESPONSE & EVALUATION GUIDE

SECTION C: TECHNICAL QUALIFICATIONS, EXPERIENCE & APPROACH. The Respondent must address all items (below) and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Respondent must also detail the response page number for each item in the appropriate space below.

A Proposal Evaluation Team, made up of three or more State employees, will independently evaluate and score the response to each item. Each evaluator will use the following whole number, raw point scale for scoring each item:

0 = little value 1 = poor 2 = fair 3 = satisfactory 4 = good 5 = excellent

The Solicitation Coordinator will multiply the Item Score by the associated Evaluation Factor (indicating the relative emphasis of the item in the overall evaluation). The resulting product will be the item's Raw Weighted Score for purposes of calculating the section score as indicated.

RESPONDENT LEGAL ENTITY NAME:					
Response Page # (Respondent completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
	C.1.	<p>Services (Contract Section A.1.):</p> <p>a. Provide a narrative illustrating how the Respondent will manage the project, ensure completion of the scope of services, and accomplish required objectives within the State's project schedule.</p> <p>b. Describe your experience delivering the services required in this contract to large employer groups.</p>		8	
	C.2.	<p>Implementation (Contract Section A.14.):</p> <p>a. Describe your experience with large implementation projects including the transition of a large group to a new vendor.</p> <p>b. Provide a project implementation plan describing the major implementation tasks that will ensure the Respondent is prepared to assume all responsibilities as of the go-live date described in the <i>Pro Forma</i> Contract (RFP Attachment 6.6).</p> <p>c. Describe the major implementation tasks you deem to be the most critical and high risk and your ability to successfully manage these tasks.</p> <p>d. Provide a narrative description of the proposed project team, its members, and organizational structure along with an organizational chart identifying the key people who will be assigned to deliver the goods or services required by this RFP.</p> <p>e. Provide a personnel roster listing the names of key people who the Respondent will assign to meet the Respondent's requirements under this RFP along with the estimated number of hours that each individual will devote to that performance. Follow the personnel roster with a resume for each of the people listed. The resumes must detail the individual's title,</p>		9	

RFP ATTACHMENT 6.2. — SECTION C (continued)

RESPONDENT LEGAL ENTITY NAME:					
Response Page # (Respondent completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
		education, current position with the Respondent, and employment history.			
	C.3.	<p>Call Center (Contract Section A.4.):</p> <p>a. What is the location of the proposed call center and what are the hours of operation?</p> <p>b. Provide for calendar year 2020 by quarter the following statistics for the call center that will be assigned to this contract for calendar year 2022:</p> <ul style="list-style-type: none"> • Average seconds to answer • First call resolution rates <p>c. Describe how the quality of member service calls is measured, reported and used to enhance the member experience.</p> <p>d. Provide a summary of customer satisfaction results for the last two years for the call center that will be assigned to this account.</p>		9	
	C.4.	<p>Call Center Staff (Contract Section A.4.):</p> <p>a. What is your staffing ratio of customer service representatives (CSRs) to members?</p> <p>b. What are the qualifications and experience of the CSRs?</p> <p>c. What are the average annual turnover rates for this call center?</p>		5	
	C.5.	<p>Member Communications (Contract Section A.5.):</p> <p>a. Describe how you would effectively communicate with and educate plan members regarding the Program benefits throughout the plan year.</p> <p>b. Describe the various communications methods (written, electronic, in person, etc.) and the schedule of outreach you would utilize to reach members. Provide sample materials you propose to use for this account. Note: include any sample material as a separate exhibit file as required in RFP Section 3.2.2.1.1.</p> <p>c. What communication materials (e.g., letters) are provided to new Members of the Plan? Please provide samples.</p>		6	
	C.6.	<p>Administrative Services regarding Claims Processing (Contract Section A.9):</p> <p>a. Provide an overview of the disability insurance claims processing system and its main capabilities. Describe actions required of, and communications with, members, providers and/or employers.</p> <p>b. Which claim office would adjudicate disability insurance claims for this account? How many disability insurance claims did this office adjudicate during the 2020 calendar year?</p>		9	

RFP ATTACHMENT 6.2. — SECTION C (continued)

RESPONDENT LEGAL ENTITY NAME:					
Response Page # (Respondent completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
		<p>c. Identify the following statistics for this claim office for 2018, 2019 and 2020 for both short-term and long-term disability claims:</p> <ul style="list-style-type: none"> i. Average clean (documentation complete) claims processing turnaround time, in days ii. Average claims payment accuracy percentage iii. Average claims processing accuracy percentage <p>d. Describe the qualifications and experience of your claims analysts. What are the average years of experience for the claims processing staff to be assigned to this account?</p> <p>e. On average, what percentage or number of disability claims or cases are referred to a physician for consultation and review?</p> <p>f. Describe your expertise in identifying and applying offsets.</p> <p>g. What is the process for transitioning from an STD to an LTD claim?</p>			
	C.7.	<p>Reporting (Contract Section A.13.):</p> <ul style="list-style-type: none"> a. Describe your reporting systems and capabilities and how they will support your ability to deliver timely and accurate reports as required in the Contract Attachment D. b. What plan performance data will be shared so that we can collaborate on plan strategy? c. Describe your capability to share claims history information with the State's data warehouse vendor as required in Pro Forma Contract Section A.11 and any similar experience you have with other clients. 		9	
	C.8.	<p>Website and Mobile Tools (Contract Section A.8.):</p> <ul style="list-style-type: none"> a. Describe the website and mobile tools that the Respondent will make available to Members. Include a list of available materials and services. b. Identify which website and mobile tools are in current operation and any that would be developed to comply with a contract pursuant to this RFP. c. Share links and materials that describe your member tools. Note: include any sample material as a separate exhibit file as required in RFP Section 3.2.2.1.1. 		6	
	C.9.	<p>Administrative Services regarding Member Complaints and Grievances (Contract Section A.9.):</p>		6	

RFP ATTACHMENT 6.2. — SECTION C (continued)

RESPONDENT LEGAL ENTITY NAME:					
Response Page # (Respondent completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
		<ul style="list-style-type: none"> a. How are member inquiries or complaints tracked, reported and resolved? b. Describe the levels and timeframes available for grievance resolution. c. How will the status of grievances be reported back to the State of Tennessee? 			
	C.10.	<p>Data Integration and Technical Requirements (Contract Section A.11.):</p> <ul style="list-style-type: none"> a. Describe the type and format of enrollment file received from your clients. b. Describe the quality control processes you use to ensure the accurate and complete update of enrollment files when received as well as how enrollment errors will be communicated to the State. c. Describe how the Respondent will monitor all enrollment records in its system to ensure a continuous match with the State's enrollment records. 		9	
	C.11.	<p>Disability Determination (Contract Attachment E)</p> <ul style="list-style-type: none"> a. How do you notify the client and/or employee of an approved or denied disability claim? Provide the disability approval process and any technology related systems that can ease the administrative process for the client. b. What is the process and frequency used to validate continued disability once approved? c. Describe your case management programs. 		9	
	C.12.	<p>Return to Work (Contract Attachment E)</p> <ul style="list-style-type: none"> a. What rehabilitation services are provided to claimants to encourage them to return to work? b. Do you have an in-house rehabilitation staff dedicated solely to LTD claimants? What is the background and experience of your rehabilitation staff? c. What were the results of your return to work program(s) for your largest three clients in 2019? How many claimants per 1,000 of open, active claims are involved in an active rehabilitation program? d. Do you pay for items or services needed for an employer to ready a workplace for an employee's return to work? If so, what is the dollar limit you will fund? If there is no limit describe the criteria that must be met for funding an item or service. 		5	

RFP ATTACHMENT 6.2. — SECTION C (continued)

RESPONDENT LEGAL ENTITY NAME:					
Response Page # (Respondent completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
	C.13.	Customer Interaction (Contract Attachment E) a. What services are provided to assist claimants in obtaining Social Security disability? Provide your Social Security approval percentage. b. Describe your evidence of insurability process.		5	
	C.14.	Financials (Contract Attachment E) a. Explain how you establish the reserve for claimants during the elimination period. b. Indicate the percentage of premium that would be retained for incurred but unreported claims.		5	
<i>The Solicitation Coordinator will use this sum and the formula below to calculate the section score. All calculations will use and result in numbers rounded to two (2) places to the right of the decimal point.</i>					Total Raw Weighted Score: <i>(sum of Raw Weighted Scores above)</i>
Total Raw Weighted Score <hr/> Maximum Possible Raw Weighted Score <i>(i.e., 5 x the sum of item weights above)</i>			X 40 <i>(maximum possible score)</i>	= SCORE:	
<i>State Use – Evaluator Identification:</i>					
<i>State Use – Solicitation Coordinator Signature, Printed Name & Date:</i>					

COST PROPOSAL & SCORING GUIDE

The Respondent shall complete and submit its Cost Proposal in accordance with the instructions given in RFP Section 3.2.2.2. The Respondent shall use an XLS spreadsheet to prepare the Cost Proposal. This spreadsheet is found at the following website address, under the section labeled RFP # 31786-00155:

<https://www.tn.gov/content/tn/generalservices/procurement/central-procurement-office--cpo-/supplier-information/request-for-proposals--rfp--opportunities1.html>

Further instructions specific to the content of the Cost Proposal are found in the above referenced spreadsheet.

The spreadsheet will calculate the Total Evaluation Cost Amount. This Amount will be used in the formula below to derive the Proposer's Cost Proposal score.

$\frac{\text{Lowest Evaluation Cost Amount from all Proposals}}{\text{Evaluation Cost Amount Being Evaluated}}$	X 50 <i>(maximum section score)</i>	= SCORE:	
<i>State Use – RFP Coordinator Signature, Printed Name & Date:</i>			

REFERENCE QUESTIONNAIRE

The standard reference questionnaire provided on the following pages of this attachment MUST be completed by all individuals offering a reference for the Respondent.

The Respondent will be solely responsible for obtaining completed reference questionnaires as required (refer to RFP Attachment 6.2., Technical Response & Evaluation Guide, Section B, Item B.17.), and for enclosing the sealed reference envelopes within the Respondent's Technical Response.

RFP # 31786-00155 REFERENCE QUESTIONNAIRE

REFERENCE SUBJECT: RESPONDENT NAME (completed by Respondent before reference is requested)

The "reference subject" specified above, intends to submit a response to the State of Tennessee in response to the Request for Proposals (RFP) indicated. As a part of such response, the reference subject must include a number of completed and sealed reference questionnaires (using this form).

Each individual responding to this reference questionnaire is asked to follow these instructions:

- complete this questionnaire (either using the form provided or an exact duplicate of this document);
- sign and date the completed questionnaire; and follow either process outlined below:

Physical

- seal the completed, signed, and dated questionnaire in a new standard #10 envelope;
- sign in ink across the sealed portion of the envelope; and
- return the sealed envelope containing the completed questionnaire directly to the reference subject.

E-Mail

- email the completed Questionnaire to the Solicitation Coordinator, Seannalyn Brandmeir, at Seannalyn.brandmeir@tn.gov.

(1) What is the name of the individual, company, organization, or entity responding to this reference questionnaire?

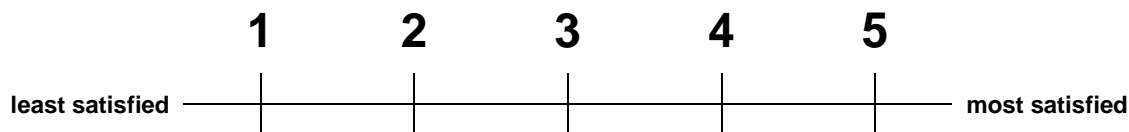
(2) Please provide the following information about the individual completing this reference questionnaire on behalf of the above-named individual, company, organization, or entity.

NAME:	
TITLE:	
TELEPHONE #	
E-MAIL ADDRESS:	

(3) What goods or services does/did the reference subject provide to your company or organization?

(4) What is the level of your overall satisfaction with the reference subject as a vendor of the goods or services described above?

Please respond by circling the appropriate number on the scale below.

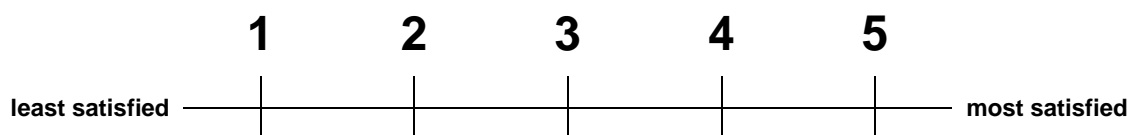


RFP # 31786-00155 REFERENCE QUESTIONNAIRE — PAGE 2

If you circled 3 or less above, what could the reference subject have done to improve that rating?

- (5) If the goods or services that the reference subject provided to your company or organization are completed, were the goods or services provided in compliance with the terms of the contract, on time, and within budget? If not, please explain.
- (6) If the reference subject is still providing goods or services to your company or organization, are these goods or services being provided in compliance with the terms of the contract, on time, and within budget? If not, please explain.
- (7) How satisfied are you with the reference subject's ability to perform based on your expectations and according to the contractual arrangements?
- (8) In what areas of goods or service delivery does/did the reference subject excel?
- (9) In what areas of goods or service delivery does/did the reference subject fall short?
- (10) What is the level of your satisfaction with the reference subject's project management structures, processes, and personnel?

Please respond by circling the appropriate number on the scale below.



What, if any, comments do you have regarding the score selected above?

RFP # 31786-00155 REFERENCE QUESTIONNAIRE — PAGE 3

- (11) Considering the staff assigned by the reference subject to deliver the goods or services described in response to question 3 above, how satisfied are you with the technical abilities, professionalism, and interpersonal skills of the individuals assigned?

Please respond by circling the appropriate number on the scale below.

	1		2		3		4		5	
least satisfied										most satisfied

What, if any, comments do you have regarding the score selected above?

- (12) Would you contract again with the reference subject for the same or similar goods or services?

Please respond by circling the appropriate number on the scale below.

	1		2		3		4		5	
least satisfied										most satisfied

What, if any, comments do you have regarding the score selected above?

REFERENCE SIGNATURE:

(by the individual completing this request for reference information)

(must be the same as the signature across the envelope seal)

DATE:

RFP ATTACHMENT 6.5.

SCORE SUMMARY MATRIX

	<i>RESPONDENT NAME</i>		<i>RESPONDENT NAME</i>		<i>RESPONDENT NAME</i>	
GENERAL QUALIFICATIONS & EXPERIENCE (maximum: 10)						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
	AVERAGE:		AVERAGE:		AVERAGE:	
TECHNICAL QUALIFICATIONS, EXPERIENCE & APPROACH (maximum: 40)						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
	AVERAGE:		AVERAGE:		AVERAGE:	
COST PROPOSAL (maximum: 50)	SCORE:		SCORE:		SCORE:	
TOTAL RESPONSE EVALUATION SCORE: (maximum: 100)						
<i>Solicitation Coordinator Signature, Printed Name & Date:</i>						

RFP # 31786-00155 *PRO FORMA* CONTRACT

The *Pro Forma* Contract detailed in following pages of this exhibit contains some “blanks” (signified by descriptions in capital letters) that will be completed with appropriate information in the final contract resulting from the RFP.

CONTRACT
BETWEEN THE STATE OF TENNESSEE,
Finance & Administration, Division of Benefits Administration, State Insurance Committee
AND
CONTRACTOR NAME

This Contract, by and between the State of Tennessee, Finance & Administration, Division of Benefits Administration, State Insurance Committee ("State") and **Contractor Legal Entity Name** ("Contractor"), is for the provision of a voluntary short term disability insurance program and a voluntary long term disability insurance program ("Program"), as further defined in the "SCOPE." State and Contractor may be referred to individually as a "Party" or collectively as the "Parties" to this Contract.

The Contractor is **a/an Individual, For-Profit Corporation, Non-Profit Corporation, Special Purpose Corporation Or Association, Partnership, Joint Venture, Or Limited Liability Company.**

Contractor Place of Incorporation or Organization: **Location**

Contractor Edison Registration ID # **Number**

A. SCOPE:

- A.1. The Contractor shall provide all goods or services and deliverables as required, described, and detailed below and shall meet all service and delivery timelines as specified by this Contract.

The Contractor agrees to provide and administer a fully insured voluntary (100% employee paid premium) short term disability insurance program ("STD") to central state government and state higher education employees and a fully insured voluntary (100% employee paid premium) long-term disability insurance program ("LTD") to Central State Government employees only beginning January 1, 2022. State Higher Education has the option to offer the LTD program beginning January 1, 2023 to its employees. Hereinafter, the STD and LTD programs shall be collectively referred to as the "Program". Eligible employees who individually elect to enroll in the Program shall be referred to as "Members". The STD and LTD options shall be delivered in accordance with the provisions of this Contract, including Contract Attachment E – STD and LTD Insurance Benefits; the Contractor's response to RFP 31786-00155; and the group master policy and/or certificate of coverage created under Contract Section A.15.a. of this contract which shall be incorporated hereto by reference. Eligible employees may elect to enroll in the short term disability insurance program and/or the long term disability insurance program. Insurance coverage under the Program shall begin (go-live) on January 1, 2022.

- A.2. Definitions. For purposes of this Contract, definitions shall be as follows and as set forth in the Contract:

- a. **Active Pay Status:** Means conditions under which an employee is eligible to receive pay, and includes, but is not limited to, vacation leave, sick leave, bereavement leave, administrative leave, compensatory time, holidays, and personal leave. For the purpose of determining overtime or compensatory time for an employee who is eligible for overtime compensation, active pay status does not include sick leave or leave used in lieu of sick leave.
- b. **Agency Benefits Coordinator ("ABC"):** The individual within each agency or department who is the officially-designated liaison between BA and employees.
- c. **At-Risk Performance Payment:** Contractor's payment based on KPI performance listed on the SLA Scorecard set forth in Contract Attachment C. The payment is calculated based on the SLA Scorecard quarterly score and percentage of the administrative fees at risk.

- d. **Average Speed of Answer (ASA):** The average waiting time for a caller before he/she is answered by a call center service representative. For this definition, the term “answer” shall mean to begin an uninterrupted dialogue with the caller. If a call center representative asks the caller to hold during the first 60 seconds of the dialogue, the Contractor shall not consider the call to be “answered” for purposes of this definition until the call center representative returns to the caller and begins an uninterrupted dialogue.
- e. **Benefits:** The services available to members and the corresponding amounts that Members and the Program will pay for covered services under this contract.
- f. **Benefits Administration (“BA”):** The division of the Tennessee Department of Finance & Administration that administers the Public Sector Plans.
- g. **Business Days:** Traditional workdays, including Monday, Tuesday, Wednesday, Thursday, and Friday. State Government Holidays are excluded.
- h. **Certificate of Coverage:** A formal document detailing the eligibility and benefits for the Program that has been approved by the State’s Department of Commerce and Insurance.
- i. **Claim:** Notification to an insurance company or Third-Party Administrator (TPA) requesting payment of an amount due under the terms of the policy.
- j. **Claims Payment Accuracy:** The measurement of claims processed with an accurate payment of Benefits divided by the total number of claims with payments in the audited population. **Quarterly internal audit performed by the Contractor on a statistically valid sample.**
- k. **Claims Processing Accuracy:** **The measurement of claims processed without any type of error divided by the total number of claims in the audited population. Quarterly internal audit performed by the Contractor on a statistically valid sample.**
- l. **Claims Processing Turnaround:** The total number of Calendar Days needed to process a Claim. The calculation covers the period from the day the Claim is received to the day the Claim is processed, suspended, or denied.
- m. **Clean Claim:** A claim received by the Contractor for adjudication that requires no further information, adjustment, or alteration by the provider in order to be processed by the Contractor. In addition to the provider, this includes information, adjustment, or alteration by the Member, the Member, third-party payers (i.e. – Social Security), and/or Benefits Administration.
- n. **Decision Support System (“DSS”):** A database and query tool containing health care information and Claims data which allows for analytics and executive decision making.
- o. **Days:** Unless otherwise specified, refers to calendar days.
- p. **Denied Claim:** A claim that is not paid for reasons such as eligibility and coverage rules.
- q. **Edison:** The State’s enterprise resource planning system, which supports human resources, payroll, insurance, contracting, procurement and other agency functions.
- r. **First Call Resolution:** A Member or employee’s question(s) is answered during their first call eliminating the need for the Contractor to call back.
- s. **Holidays:** Days on which official holidays and commemorations as defined in Tenn. Code Ann. § [15-1-101](#) *et seq.*, are observed.
- t. **In Writing:** Written communication between the Parties, which may be in the form of an official memo, or documents sent via postal mail, fax, or email communications.
- u. **Key Performance Indicators (“KPI”):** Performance indicators which are the metrics used to measure and evaluate Contractor’s performance against the desired outcomes. These indicators are used to determine Contractor’s At-Risk Performance Payment as set forth in Contract Section C and Contract Attachment D.

- v. **Loss Ratio:** The percentage ratio derived from the sum of total claims dollars paid divided by the total collected premiums.
- w. **Member:** Employees enrolled in the Program
- x. **Open Call/Inquiry Closure:** The completion (responding with an answer to the appropriate caller or other identified entity) of calls which required additional handling beyond the initial call.
- y. **Paid Claim:** A claim that meets all coverage criteria of the Program and is paid by the Contractor.
- z. **Plan Sponsor:** The State of Tennessee Insurance Committee.
- aa. **Plan Year:** January 1 through December 31 of the same calendar year.
- bb. **Public Key Infrastructure (“PKI”):** The framework and services that provide for the generation, production, distribution, control, accounting, and destruction of public key certificates. Components include the personnel, policies, processes, server platforms, software, and workstations used for the purpose of administering certificates and public-private key pairs, including the ability to issue, maintain, recover, and revoke public key certificates.
- cc. **Public Sector Plans (“Plan”):** Refers to all benefit options sponsored by the State, Local Government, and Local Education Insurance Committees (e.g. health plan options, disability insurance, life insurance, other voluntary benefits).
- dd. **Section 508:** Section 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794d) and implementing regulations at 36 CFR 1194 Parts A-D which requires accessibility among persons with a disability.
- ee. **Service Level Agreement (“SLA”) Scorecard:** Performance management scorecard that contains Contractor’s KPIs and desired outcomes in Contract Attachment C. The At-Risk Performance Payments will be based on the Contractor’s ability to meet the listed KPIs.
- ff. **Splash Page:** Dedicated and customized webpage for this Contract containing program information, specific to the Plan, which does not require a Member to log in.
- gg. **State Insurance Committee:** Policy making body for the State plans established under Tenn. Code Ann. § 8-27-101.

A.3. Staffing.

- a. The Contractor shall have a designated full-time implementation team to service this account. All of the Contractor’s implementation team members shall have participated, as team members, in the implementation of a disability insurance program for at least one other client with at least 5,000 members. The Contractor’s implementation team shall include a full-time, designated project manager ready to begin work immediately following the Contract Effective Date. The team shall also include an account manager dedicated to this Contract, who will be the main contact with the State for all of the day-to-day matters relating to the implementation and ongoing operations. Also, the Contractor shall assign a backup to the account manager. An information systems project manager shall be part of the implementation team. All implementation team members shall be available as needed during the implementation as well as thirty (30) days after the go-live date.
- b. Staffing Plan:
 - (1) As part of its project implementation plan described in Contract section A.14., the Contractor shall submit to the State for review and approval a detailed staffing plan. The Contractor shall submit to the State its staffing plan with its project

implementation plan by the date specified in Contract Section A.16.

- (2) The staffing plan shall provide staffing estimates for all functions and requirements of the Contract, including:
- i. Representatives/operators, serving in the call center
 - ii. Contractor supervisory/account management staff;
 - iii. Technical staff, as required to process the Plan enrollment files from the State's Edison system; and
 - iv. Communications staff responsible for published documents and text on websites.
- c. The Contractor shall provide and maintain qualified personnel and staffing to provide all contractual deliverables and services.
- d. The Contractor shall ensure that all staff; including the Contractor's employees, independent contractors, consultants, and subcontractors performing services has the experience and qualifications to perform the applicable services. The State may also direct the Contractor to replace staff members providing core services and/or interacting regularly with the State as it deems necessary and appropriate. The decision of the State on these matters shall not be subject to appeal.
- e. The Contractor shall designate an account manager and a back-up with overall responsibility for the Program. The account manager shall serve as the single point of contact for the State and have overall responsibility for the Contractor's functions under the Contract. The account manager shall have the authority to make decisions and resolve problems on behalf of the Contractor with the State.
- f. In addition to the account manager, the Contractor shall designate a customer service manager, who shall manage the call center operations and staff assigned to the State.
- g. The Contractor shall also designate an information systems project coordinator who shall be responsible for implementation of the systems requirements necessary to administer the Plan and interface with the State.
- h. Unless otherwise directed by the State, all key Contractor project staff shall attend a project kick-off meeting at the State offices in Nashville, Tennessee, within ten (10) Business Days after the Contract Effective Date or on a date established by the State. The State may also approve virtual meetings as appropriate.
- i. The Contractor shall train its representatives/operators and other staff regarding the provisions of the State's Program. The Contractor's staff shall successfully complete the training program prior to assuming their duties. The Contractor shall conduct regular staff refresher training to address current Program Benefits, process, and policy.
- j. The Contractor shall employ no employees or contract with subcontractors that are on the U.S. Department of Health and Human Services' Office of Inspector General (OIG) exclusions list unless the Contractor receives prior, written approval from the State.
- k. The Contractor agrees that, prior to the execution of the Contract, it will provide the State

with a list of the subcontractors that will be utilized in connection with this Contract and will provide reasonable advance notice of any additional subcontractors that may be used. The State may approve or disapprove the Contractor's subcontractors or its staff assigned to this Contract if the State is not satisfied with the service delivered by the subcontractor or its staff. Should the State disapprove of any particular subcontractor, the Contractor will work with the State in good faith to procure a reasonable alternative subcontractor.

- i. Key personnel commitments made by the Contractor shall not be changed unless prior approval is received from the State. For these purposes, such commitments shall include any named individuals in the proposal and the levels of effort proposed. The Contractor shall notify In-Writing the State at least fifteen (15) Business Days in advance of proposed changes and shall submit justification (including proposed substitutions) in sufficient detail to the State to evaluate the impact.
- m. The State shall perform an account satisfaction survey of the Contractor's performance annually during the contract period to determine the State's satisfaction with the ongoing account team and Contractor. Results shall be shared with the Contractor including the identification of any deficiencies. The Contractor shall respond In-Writing within fifteen (15) days of receiving the results with a corrective action plan as necessary to remedy any identified deficiencies.

A.4. Call Center.

- a. The Contractor shall maintain a call center and provide a dedicated toll-free line, by the date specified in A.16. for the exclusive purpose of responding to inquiries and general questions from Members and those eligible for the Program. The Contractor shall provide advice and assistance to callers regarding matters such as, but not limited to, Program Benefits, Claim details, and underwriting applications.
- b. Call Center Requirements
 - (1) The Contractor shall operate a call center that uses a designated toll-free number as the "front-end" entry point for callers. The Contractor's call center shall have designated representatives/operators to respond to inquiries from Members.
 - (2) The Contractor's call center and staff shall be located in the continental United States.
 - (3) The Contractor's call center shall accept calls, at a minimum, from 7:00 a.m. to 4:30 p.m. Central Time (CT), Monday through Friday, except on official State Holidays.
- c. Call Center Processes
 - (1) The Contractor's call center shall maintain a monthly Average Speed Of Answer rate of thirty (30) seconds or less.
 - (2) The Contractor's call center shall maintain a monthly average First Call Resolution rate of eighty-five (85%) or greater.
- d. The Contractor shall provide statistics related to the call center performance standards above to the State on a monthly basis. (See Contract Attachment D – Reporting Requirements #4.)

- e. The Contractor's call center shall have call management systems and communications infrastructure that can manage the potential call volume and achieve the performance standards.
- f. The Contractor's call management systems shall be scalable and flexible so they can be adapted as needed, within negotiated timeframes where applicable, in response to Program benefit or enrollment changes.
- g. The Contractor's call management systems shall be equipped with caller identification. In addition, the Contractor's call center shall adopt caller identification for outgoing calls.
- h. The Contractor's call management system shall record and index all calls such that the Contractor can easily retrieve recordings of individual calls based on the Edison ID of the caller, phone number of the caller, the caller's name, the date/time of the call and the staff member who handled the call. The Contractor shall be able to provide a full recording of each call upon the State's request. The Contractor shall archive the recordings for one year from the date of each call.
- i. The Contractor may use an automated interactive voice response (IVR) system for managing inbound calls, provided that the caller always has the ability to leave the IVR system and wait in the queue in order to speak directly with a live-voice call center staff member rather than continuing through additional prompts.
- j. The Contractor shall have the ability to make outbound calls without interrupting the ability of callers to continue to access the call center.
- k. The call management system shall enable the logging of all calls, including:
 - (1) The caller's identifying information (e.g., Edison employee ID);
 - (2) The call date and time;
 - (3) The reason for the call;
 - (4) The member services representative that handled the call;
 - (5) The length of call; and
 - (6) The resolution of the call and if unresolved, the action taken and follow up steps required.
- l. The call management system shall maintain a history of correspondence and call transactions for performance management, quality management and audit purposes. This history shall contain the actual information, a date/time stamp that corresponds to when the transaction took place, the origin of the transaction (e.g., the State and /or one of its authorized representatives or the Member), and the member services representative that processed the transaction. Related correspondence and calls shall be indexed and properly recorded such that they can be treated in reporting and analysis as part of a distinct transaction.
- m. The Contractor's call center staff shall have access to the Contractor's enrollment and other systems as necessary to respond to inquiries from Members.

A.5. Communications/Materials.

- a. The Contractor shall develop a written marketing and communications plan by the date specified in Contract Section A.16. In addition, the Contractor shall update this plan on an annual basis to reflect any changes in marketing strategy and updated methods, tools or technology to engage with Members. Contractor's marketing plan will reflect a thoughtful, proactive approach to encourage Member enrollment, and drive engagement and utilization of applicable services and programs. Contractor shall identify what resources (e.g., MailChimp, Constant Contact, etc.) Contractor will use to support marketing and communications. All marketing and communications plan updates shall be approved In Writing by the State.
 - 1) Contractor will provide an annual analytics report of marketing and communications efforts that could include email or other communications statistics. Contractor shall use the State's template or the Contractor's template with prior approval In Writing by the State.
 - 2) The Contractor covenants that all materials distributed and prepared or produced by the Contractor shall be accurate in all material respects.

- b. The Contractor shall, in consultation with the State, develop and disseminate Member information and communication materials. All material must have approval In Writing by the State prior to distribution. Contractor shall ensure that all Member materials and other communications meet any state or federal regulatory compliance (e.g., Civil Rights Compliance), if applicable. The Contractor shall develop all materials in conformance with the style, formatting and other related standards developed by the State and its marketing staff.
 - 1) Materials could include, but are not limited to, Member handbooks, welcome packet, administrative forms, letters, emails, manuals, brochures, fliers, webinars, text messages, website copy, website images, mobile app and app content, social media content, PowerPoints, training materials, marketing materials specific to the Program and videos.
 - 2) Marketing/segmenting: Contractor may offer or suggest marketing and communications based on segmentation of population (e.g., demographics, geography, etc.). Contractor may provide data to address paths and barriers to engagement.
 - 3) Personalization of materials and digital communications may be an option upon request.
 - 4) Contractor shall provide marketing and communications samples of how they introduce Program options to Members.
 - 5) The Contractor shall use graphics to communicate key messages to populations with limited literacy, limited-benefit program literacy or limited English proficiency. The Contractor shall also prominently display the call center's telephone number in large, bolded typeface and hours of operation on all materials.
 - 6) The Contractor shall provide text and graphics, if applicable, for the State's communication to Members.
 - 7) As part of its submission to the State, the Contractor in consultation with the State shall specify how the materials will be sent (e.g., email, text, regular mail, other).

- c. Member materials shall be finalized (including State review and sign-off) and ready for distribution on or before the date(s) specified in Contract Section A.16. or otherwise In Writing by the State.

- d. In addition to the Member information and communications referenced above, the Contractor shall assist the State, if requested, in the education and dissemination of information regarding the Program. This assistance could include but may not be limited

to:

- 1) Written information;
 - 2) Audio/video and webinar presentations;
 - 3) Member and Agency Outreach: With notification In Writing to the State, attendance at meetings, workshops, benefits fairs, marketing events and conferences (approximately 60-70 annually).
 - i. Educating State staff, Agency Benefits Coordinators, Members and other persons on Contractor's administrative and benefits procedures. Specifically, when a new agency joins the Plan, Contractor may be asked to attend onsite enrollment and benefits educational events.
 - ii. Educating Members and Agency Benefits Coordinators could include targeted agency outreach and partnering with other state departments on outreach efforts across the state on benefit implementation, engagement and education.
 - iii. Any on-site visits to agencies, marketing or other state department co-marketing efforts covered shall require prior notification In Writing to the State. The State also reserves the right to request Contractor's attendance at specific events or webinars.
- e. Unless otherwise specified, the Contractor shall be responsible for all costs related to the design, development, printing, distribution, mailing (if applicable) and revision of all materials that are required to be produced under this Contract.
- f. The Contractor shall use First Class Mail for all mailings, unless otherwise directed or unless otherwise approved by the State In Writing. With prior approval, the State may approve bulk or alternative rates.
- g. The Contractor shall provide the State with draft versions of all communications materials and letters at least fourteen (14) Business Days prior to planned printing, assembly, and/or distribution (including web posting). The Contractor shall not distribute any materials until the State issues approval In Writing to the Contractor for the respective materials. The State has and retains the ability to edit and customize all communication pieces distributed by the Contractor, including the right to require that the State branding "ParTners for Health" logo be included on any Member letters or correspondence. The Contractor shall ensure communications are specific to the Program design and not simply a rebranding/repackaging of standard book-of-business materials or communications unless it is to remain in compliance with other regulatory requirements.
- h. The Contractor shall work in conjunction with the State's staff to ensure continuity of branding across all Program materials, mailings, emails, website, apps, social media and any other communications information, tools, communication methods, and resources. This branding shall include, but is not limited to, use of the "ParTners for Health" logo, color scheme and applicable taglines. All uses of these branding elements shall be subject to prior approval In Writing by the State. All marketing and communications materials specific to this Program, including contact information for any Members, shall become property of the State.
- i. The Contractor shall have the exclusive responsibility to write, edit and arrange for clearance of materials (such as securing full-time use of a stock photograph for perpetuity) for any and all marketing and communication materials.
- j. The Contractor shall distribute materials that are culturally sensitive and professional in content, appearance and design with prior approval In Writing by the State.

- k. The Contractor shall provide electronic templates of all finalized materials in a format that the State can easily alter, edit, revise and update.
- l. Unless otherwise prior approved In Writing by the State, the Contractor shall design all marketing and communication materials at a sixth (6.0) grade reading level or lower using the Flesch-Kincaid Index, or a comparable product. The Contractor shall evaluate materials using the entire text of the materials (except return addresses). When submitting draft materials to the State for approval, the Contractor shall provide a certification of the reading level of each piece of material.
- m. At any time and at the State's request, the Contractor shall notify Members, In Writing, of any benefit or other Program changes no less than thirty (30) Business Days prior to the implementation of the change.
- n. Unless otherwise directed by the State, the Contractor shall print and distribute any mass mailings developed by the State within fourteen (14) Business Days of receiving the language/copy from the State.
- o. The Contractor shall ensure that up-to-date versions of all printed Member marketing and communication materials can be downloaded from the Splash Page. The Contractor shall provide an electronic copy of all marketing and communication materials at the State's request to the State for posting on the State's website.
- p. The Contractor shall update web-based versions of all materials as Program changes are made and to correct errors. The Contractor shall update web-based versions at the request of the State, within five (5) Business Days or other time approved by the State. New Plan year information must be added no later than one (1) month prior to the State's annual enrollment.
- q. Unless approved in advance and In Writing by the State, the Contractor shall not distribute any promotional materials or gifts to employees or Members, even if such gifts are of a de minimus value (e.g., magnets, pens, etc.).

A.6. Welcome Kit

- a. Unless otherwise directed by the State, the Contractor shall mail an initial welcome kit to at least ninety-five percent (95%) of Members on or before fourteen (14) Business Days prior to the go-live date. The welcome kit shall include items approved by the State In Writing including, but not limited to: Member handbook, a URL to customized Splash Page maintained by the Contractor, toll-free customer service number, general Contractor website login information, and other agreed upon material.
- b. As a new Member(s) joins the Program, they shall be mailed a welcome kit no later than ten (10) Business Days from the date initial enrollment was passed to the Contractor on the enrollment file. At least ninety-five percent (95%) of ongoing welcome kits shall be mailed within ten (10) Business Days of new Member enrollment record being received.

A.7. Member Handbooks

- a. The Contractor, following review and approval In Writing by the State, shall write, update, print and distribute, upon the State's request, Member handbooks and shall maintain an up-to-date version of the Member handbook on the State's Splash Page (see Contract Section A.8).

- b. The Member handbook shall be specific to the Program. Handbooks shall include, but not be limited to, detailed Benefits and excluded services and procedures; detailed cost-sharing requirements for each benefit option; description of additional features specific to any of the benefit options; description of procedures for accessing services; description of appeal procedures; and other information helpful to Members.
- c. Upon request by the State, the Contractor shall mail a Member handbook, with a cover letter if requested by the State, no later than ten (10) Business Days from receipt of a Member's request for a copy.
- d. Upon the State's request, the Contractor shall provide Member handbooks to specified parties (e.g., Agency Benefits Coordinators) within fourteen (14) Business Days of the State's request to provide copies. The number of Member handbooks, fliers and other relevant information to be printed shall be in sufficient quantities for distribution by the Contractor to the State's Agency Benefits Coordinators, plus a quantity of handbooks and brochures as requested by the State for distribution to potential new Members, unless otherwise directed In Writing by the State.

A.8. Splash Page, Contractor Website, and Mobile Application

- a. The Contractor shall maintain a Splash Page, which does not require a person to log in, dedicated to and customized to the State containing information specific to the Program. The design of the Splash Page, inclusive of the site map, page layout, color/font scheme and branding, static content and any documents which can be accessed via, or downloaded from, the Splash Page must be prior approved In Writing by the State.
- b. The Splash Page shall at a minimum contain the following information or a link to the information with no login required:
 - (1) Contractor customer service phone number and hours;
 - (2) Program Benefits, limitations, and exclusions;
 - (3) Member handbook(s);
 - (4) Generic Certificate(s) of Coverage;
 - (5) Member tools, forms, and information; and
 - (6) Other information as requested by the State.
- c. The Contractor shall link the Splash Page to the BA website, other State-contracted vendor websites, microsities, content or other web or mobile device enabled video/multimedia tools apps, methods or technology as determined by the State that are useful or applicable for Members (State-approved tools from other approved vendors). The Contractor shall obtain prior approval In Writing from the State for any links from the site to an external website/portal or webpage.
- d. Contractor shall have a website with a Member log-in portal on the Splash Page so Members can view Member-specific documents. Contractor must maintain this website, which shall be available twenty-four (24) hours a day, three hundred sixty-five (365) days a year except for maintenance windows.
- e. The Contractor's website shall be enabled for mobile devices, mobile app or by other methods that may apply. The Contractor website and/or Splash Page shall at a minimum contain the following for access via mobile devices, mobile apps, or other access

methods:

- (1) Member specific Benefits, including exclusions, and limitations;
 - (2) Have an intuitive user interface, including a frequently asked questions (FAQs) section and other resources;
 - (3) Applicable Member forms; and
 - (4) Links to other State contractors' websites, if requested by the State.
- f. The Contractor shall submit the text and screenshots of the Splash Page and Contractor website to the State for review and approval by the dates specified in Contract Section A.16.
 - g. The Contractor shall grant the State access to the customized developed Splash Page for review and approval no later than the date specified in Contract Section A.16.
 - h. The Splash Page and Contractor website shall be fully operational with the exception of Member data/Protected Health Information (PHI) on or before the date specified in Contract Section A.16.
 - i. Unless otherwise approved by the State, the Contractor shall update content and/or documents posted to the Splash Page and/or Contractor's website/portal within ten (10) Business Days of the State's prior approval of changes to said content and/or documents.
 - j. The Contractor shall ensure that all up-to-date versions of all printed materials can be downloaded from the Splash Page or accessible via a mobile device, or other method, if applicable.
 - k. The Contractor shall provide all information pertinent to each new Plan year on the Splash Page and website by the date specified In Writing by the State.
 - l. The Contractor shall host the Splash Page on a non-governmental server, which shall be located within the United States. The contractor shall have adequate server capacity and infrastructure to support the likely volume of traffic from Members without disruption or delay.
 - m. The Contractor shall obtain and cover the cost of the domain name for the Contractor's Splash Page. The Splash Page URL must be prior approved by the State In Writing.
 - n. To ensure accessibility among persons with a disability, the Contractor's Splash Page and Contractor's own log-in portal and website shall be in compliance with Section 508. If the Contractor posts any video content, it shall include a closed captioning option and/or include text scripting to comply with Section 508 for these products.
 - o. The Contractor shall include a mobile application for use by Members with prior approval In Writing by the State. The Contractor must agree to and adhere to all security measures as it relates to Member data. The Contractor must provide a one hundred percent (100%) secure web-based application that requires only a web browser and an internet connection.
 - p. At the State's request, the Contractor's mobile application(s) shall be linked with other web applications to allow for seamless data linkage (this may include, but is not limited

to, single sign-on) of Member information including the ability for Members to, as applicable, upload information (through a mobile device), or link to other technology or information that is helpful to the Member.

- q. Contractor agrees that the State shall have the authority to request any revisions to the Contractor's online Terms and Conditions or Online Service Agreement at any time and that the State shall be provided with a copy of any Terms and Conditions that a Member must consent to in order to be provided with online account access. If Contractor revises the online Terms and Conditions or Online Service Agreement, Contractor agrees to provide the State with a copy of the proposed changes at least sixty (60) Business Days prior to the new effective date, and will allow the State to make revisions.

A.9. Administrative Services

- a. The Contractor shall provide customary corporate office services and functions including but not limited to call center, Claims adjudication, medical underwriting, administration, and accounting.
- b. The Contractor, upon request by the State, shall review and comment on benefit provisions in the Program. When so requested, the Contractor shall comment in regard to:
 - (1) industry practices; and/or
 - (2) the general financial impact to premium rates plus Program and Member costs if future changes were made to the Benefits of the Program.
- c. The Contractor shall provide assistance and information to the State regarding applicable existing and proposed Federal and State laws, court holdings and regulations affecting the Program, and other Program related matters as needed.
- d. The Contractor shall provide assistance with questions and issues raised by the State, individual employees/retirees, former Members and others identified by the State. The Contractor shall log escalated questions (other than general routine questions identified by the State In Writing) and issues and submit the log monthly to the State until notified by the State In Writing to begin sending the log to the State quarterly. (See Contract Attachment D, #10.)
- e. The Contractor shall refer calls regarding eligibility and premium payment issues to the State.
- f. The Contractor shall respond to all inquiries In Writing from the State within three (3) Business Days after receipt of said inquiry. In cases where additional information to answer the State's inquiry is required, the Contractor shall notify the State within two (2) Business Days as to when the response can be furnished to the State. For matters designated as urgent by the State, the Contractor shall provide a response to the State within four (4) hours during normal business hours. During non-business hours, the Contractor shall provide a response to urgent matters to the State within twenty-four (24) hours. Staff members, from the applicable business unit, with final decision making authority shall provide responses. Said responses may be communicated through the Account Manager.
- g. The Contractor shall answer, In Writing, within five (5) Business Days, all written inquiries from Members concerning Benefits available through the benefit option, its clarifications and revisions, and other relevant information.

- h. The Contractor shall establish a formal grievance procedure for Members and providers to appeal decisions in regard to administration of the Program and to resolve disputes that may arise in the administration of the Program. The Contractor shall provide the State with a written copy of this grievance procedure by the date specified in Contract Section A.16., and the State reserves the right to require changes in the procedures when appropriate.
- i. To maintain the privacy of personal information, the Contractor shall enable Transport Layer Security (TLS), or other encryption software as directed by the State, on the mail server used for daily communications between the State and the Contractor. TLS, or other protocols that provide data encryption, shall be enabled by the date specified in Contract Section A.16. and shall remain in effect throughout the term of the contract unless otherwise directed by the State.
- j. The Contractor shall meet with representatives of the State periodically, but no less than annually, to discuss programmatic, operational and contractual issues related to the Program. The Contractor shall have in attendance the staff requested by the State, which shall include the account manager and representatives from the Contractor's organizational units required to respond to topics indicated by the agenda. These meetings will take place at the State offices in Nashville, Tennessee, unless directed otherwise by the State. Quarterly meetings between the Contractor and the State may also be held upon request by either the Contractor or the State. At its discretion, the State may allow the Contractor to participate in meetings by webinar or teleconference.
- k. The Contractor shall perform, following review and approval by the State, Member satisfaction surveys no less than annually. The survey instrument shall be developed by the Contractor and approved by the State In Writing. The survey shall be conducted at a time mutually agreed upon by the State and the Contractor and shall involve a statistically valid random sample of State Members. The Contractor shall guarantee a statistically valid response rate consistent with the sample size. The Contractor shall obtain an overall Member satisfaction rating equal to or greater than eighty-five percent (85%) in the first year and ninety percent (90%) in all subsequent year(s) within the Term. Based upon the results of the survey, the Contractor and the State shall jointly develop an action plan to correct problems or deficiencies identified through this activity.
- l. The Contractor shall not modify the services or Benefits provided to Members during the term of this Contract without the prior written consent of the State.
- m. The Contractor shall refer all media and legislative inquiries concerning the Program to BA, which will have the sole and exclusive responsibility to respond to all such inquiries. However, the Contractor shall respond directly to audit requests from the Comptroller, to audit requests from divisions within the Department of Finance & Administration, and to subpoenas; in all such instances, the Contractor shall copy BA on all correspondence.
- n. Unless prior approved In Writing by the State and in compliance with State and Federal law, the Contractor shall not use information gained through this Contract, including but not limited to utilization and pricing information, in marketing or expanding non-State business relationships or for any pecuniary gain.
- o. The Contractor shall ensure that the U. S. Postal Service or other mailing service does not return any undeliverable mail to the State.
- p. The Contractor shall maintain an annual average rate of ninety-eight percent (98%) or higher for Claims Payment Accuracy, ninety-seven percent (97%) or higher for Claims Processing Accuracy, and ninety-eight percent (98%) or higher within twenty-one (21)

days for Claims Processing Turnaround. The contractor shall report the results to the State on a quarterly and annual basis as required in Contract Attachment D, #11.

- q. The Contractor shall develop a process approved In Writing by the State for coordinating with the State applications for enrollment and medical underwriting forms by employees for coverage or increase in coverage that require medical underwriting.

A.10. Information Systems

- a. When the Contractor houses indexed images of documents used by Members and subcontractors to transact with the Contractor, the Contractor shall ensure that these documents maintain logical relationships to certain key data such as Member identification and subcontractor identification numbers. The Contractor shall also ensure that records associated with a common event, transaction or customer service issue have a common index that facilitates search, retrieval and analysis of related activities, e.g., interactions with a particular Member about the same matter/problem/issue.
- b. Upon the State's request, the Contractor shall be able to generate a listing of all Members (including each Member's Edison identification number) that were sent a particular document, the date and time that the document was generated, and the date and time that it was sent to particular Members or groups thereof. The Contractor shall also be able to generate a sample of said document.
- c. Information Ownership. All information, whether data or documents, and reports that contain or make references to said information, involving or arising out of this Contract is owned by the State. The Contractor is expressly prohibited from sharing or publishing State information and reports or releasing such information to external entities, affiliates, parent company, or subsidiaries without the prior written consent of the State.
- d. Upon termination of this Contract and request by the State, the Contractor shall provide to the State or its designated agent, pertinent data identified by the State for Members to effect a transition of the Program from the Contractor. The information shall be furnished in a format and medium as is compatible with the data processing system maintained by the State or its designated agent. Additionally, the Contractor shall provide all information necessary to properly interpret the data supplied. To ensure the continuous operation of the Program and upon 30 days' notice, this information shall be provided to the State or its designated agent.
- e. Prior to implementing any major modifications to or replacement of the Contractor's core information systems functionality and/or associated operating environment, the Contractor shall notify the State In Writing of the change or modification within a reasonable amount of time (commensurate with the nature and effect of the change or modification) if the change or modification; (a) would affect the Contractor's ability to perform one or more of its obligations under this Contract; (b) would be visible to State system users and Members; (c) might have the effect of putting the Contractor in noncompliance with the provisions or substantive intent of this Contract; or (d) would materially reduce the coverage amounts payable or services provided to the average Member. If so directed by the State, the Contractor shall discuss the proposed change with the State prior to implementing the change. Subsequent to this discussion, the State may require the Contractor to demonstrate the readiness of the impacted systems prior to the effective date of the actual modification or replacement.
- f. Upon request by the State, the Contractor shall provide designated State employees with access and update authority to the Contractor's enrollment system by the date specified in Contract Section A.16. Additional users may be added at any time at the State's request In Writing.

A.11. Data Integration and Technical Requirements

- a. The Contractor shall maintain an electronic data interface with the State's Edison System for the purpose of retrieving and processing Member enrollment records and any other files which may be identified and generated by the State. The Contractor shall be responsible for providing and installing the hardware and software necessary. The State requires the use by the Contractor of second level authentication for the exchange of Member personal information. This is accomplished using the State's standard software product, which supports PKI. The Contractor shall design a solution, in coordination with the State, to connect to the State's Secure File Transfer Protocol (SFTP) server using a combination of the password and the authentication certificate. The initial sign-on and transmission testing will use a password. Certificate testing may also be performed during the test cycle. Subsequent production sign-on will be done using the authentication certificate. The Contractor will then download the file and decrypt the file in its secure environment. The State of Tennessee uses public key encryption with Advanced Encryption Standard (AES) to encrypt PHI. If the State adopts a different or additional encryption standard or tool in the future, the Contractor shall, with adequate notice, cooperate with the State to maintain the security of protected information according to all applicable State and Federal standards.
- b. The Contractor shall accept confirmation from the State of the in-force status of each Member's coverage on the basis of enrollment information maintained electronically in the State's computer system Edison and provided electronically to the Contractor for housing in the Contractor's computer system.
- c. The Contractor shall accept all current Members' STD and LTD coverage transferred from the prior contract, without any break or lapse in coverage. The Contractor shall also accept all Members enrolled in the State Higher Education LTD programs as of January 1, 2023 if State Higher Education leadership agrees to participate in this LTD program.
- d. Notwithstanding the requirement to maintain enrollment data, the Contractor shall not perform changes to enrollment data without the State's approval. This prohibition shall include, but not be limited to initiation, termination, and/or changes of coverage.
- e. The Contractor shall save in its computer system the State's Edison employee identification number for Members and shall include the Edison identification number when communicating with the State about a particular Member.
- f. At least two (2) months prior to the go-live date, the Contractor shall complete testing of the transmission, receipt, and loading of the test enrollment file from the State.
- g. At least one (1) month prior to the go-live date, the Contractor shall load, test, verify, and make available online for use the State's enrollment information. The Contractor shall certify, In Writing, to the State that the Contractor understands and can fully accept and utilize the enrollment files as provided by the State.
- h. The Contractor shall maintain, in its systems, in-force enrollment records of all individuals covered by the Program.
 - (1) Weekly Enrollment Update: To ensure that the State's enrollment records remain accurate and complete, the Contractor shall, unless otherwise directed by the State, retrieve, via secure medium, the weekly enrollment file from the State. Files will include full population records for all Members and will be in the format agreed upon

In Writing between the State and the Contractor.

- (2) The Contractor shall electronically process the State's electronically retrieved enrollment full population file within two (2) Business Days of receipt of the weekly file.
 - (3) The Contractor shall submit to the State within one (1) Business Day of processing the weekly enrollment file, a Weekly Enrollment File Error Report, in a format agreed upon by the State In Writing. The error report shall contain a) only errors that require correction by the State and b) an indication of the correction required to resolve the error. (See Contract Attachment D, #13.) A report is not necessary if there are no errors that require correction by the State.
 - (4) The Contractor shall resolve all enrollment discrepancies identified by the Contractor for internal correction within two (2) Business Days of identification. The Contractor shall process all error corrections received from the State within two (2) Business Days of receipt of the correction information.
 - (5) State Enrollment Data Match: Upon request by the State, not to exceed two (2) times annually, the Contractor shall submit to the State, in a secure manner, its full file of State Members, by which the State may conduct a data match against the State's Edison database. The purpose of this data match will be to determine the extent to which the Contractor is maintaining its database of State Members. The State will communicate results of this match to the Contractor, including any Contractor requirements, and associated timeframes, for resolving the discrepancies identified by the data match.
- i. Decision Support System:
- (1) Contractor shall provide the State's DSS contractor with all of the State's Claim data, data layouts, and data dictionaries in the formats, layouts and specifications mutually agreed upon.
 - (2) Contractor shall submit complete and accurate data to the State's DSS contractor by the fifteenth (15th) day after the end of each month. Complete and accurate data is defined to be data that:
 - i. Contains records for all finalized Claims activity within the specified time periods;
 - ii. Has the same format and content as the agreed-upon record layout and data dictionary; and
 - iii. Does not have unreported changes in either format or content; and is submitted in a single record format.
 - (3) Contractor shall provide the data files at no charge to the State or the State's DSS contractor. Any charge by the DSS contractor to set up the Contractor shall be borne by the Contractor. The Contractor is responsible for the fee charged by the DSS contractor to develop, test and implement conversion programs for the Contractor's Claims data. Furthermore, the Contractor shall pay during the term of this contract all applicable fees as assessed by the State's DSS contractor related to any data format changes or additions, which are Contractor-initiated or are due to meeting compliance with new regulations. The Contractor shall also pay all applicable fees related to any DSS contractor efforts to correct Contractor data quality errors that occur during the term of this contract.
 - (4) If Contractor's Contract with the State is terminated, Contractor shall continue to

provide Claims data to the State's DSS contractor until all Claims submitted prior to the Contract termination date have been processed.

- (5) Contractor shall provide the data without any restrictions on its use and recognize that the Claims data transmitted pursuant to the provision of this Contract is owned by the State.
- (6) Contractor shall ensure that production data matches the test data in format, layout, and content.
- (7) Contractor shall update valid values and maps in a timely manner and notify the State's DSS contractor of any such updates at least ten (10) Business Days before the scheduled data submission date.

A.12. Audits and Quality Assurance

- a. The Contractor shall cooperate fully with audits the State may conduct related to any aspect of the Plan the State deems appropriate. The State may select any qualified persons or organization to conduct the audits. To the extent allowed by applicable law, the State agrees that persons or organizations conducting audits of the Contractor shall be prohibited from disclosing confidential patient records or proprietary or confidential information reasonably designated as such by the Contractor. For the purpose of audit requirements, Contractor shall include its parents, affiliates, subsidiaries, and subcontractors.
- b. The Contractor shall provide access, at any time during the term of this contract and for five (5) years after final contract payment (longer if required by law), to the State and/or its authorized representative to examine and audit Contractor services, payments, and pricing pursuant to this Contract. The State reserves the right to request that documentation be provided for review at the authorized representative's location, the State's location, or at the Contractor's corporate site.
- c. The Contractor shall provide reasonable cooperation with requests for information, which includes but is not limited to the timing of the audit, deliverables, data/information requests and the Contractor's response time to the State's questions during and after the process. The Contractor shall also provide a response to all "findings" received. Such response shall occur within thirty (30) days, or at a later date if mutually determined with the State to be more reasonable based on the number and type of findings.
- d. The State shall not be responsible for time or any costs incurred by the Contractor in association with an audit including, but not limited to, the costs associated with providing data, reports, documentation, systems access, or space.
- e. If the outcome of the audit results in an amount due to the State, then the State will work with the Contractor to negotiate terms of repayment. In the absence of such agreement, the State will deduct the total amount due from the fees due to the Contractor pursuant to Section C.3. If the Contractor disagrees with a finding resulting in a payment to the State, the State will review the Contractor's comments, but if the State retains the original audit findings the Contractor will be responsible for any payment to the State.
- f. The Contractor shall maintain an internal quality assurance plan. The Contractor shall provide by the date specified in Contract Section A.16. a summary of the internal quality assurance plan indicating areas addressed, established criteria and standards and those

methods employed to evaluate results.

- g. The Contractor shall submit to the State by the date specified in Contract Section A.16. a summary of its methodology for conducting internal Claims and operational audits, including audits to determine Claims payment and processing accuracy and Claims payment turnaround. The Contractor shall notify the State In Writing at least thirty (30) calendar days in advance of any significant changes to its methodology. The State reserves the authority to review the change and require changes, where appropriate.
- h. The Contractor shall fund a pre-implementation audit to include, at a minimum, whether the Contractor's adjudication system is configured according to the State's benefit design. The audit shall be conducted by a qualified organization or representative chosen by the State and the scope of the audit shall be defined by the State.

A.13. Reporting

- a. The Contractor shall submit reports to the State electronically, in the format specified by the State (e.g. Excel instead of PDF), and shall be of the type and at the frequency indicated in Contract Attachment D. The State reserves the right to modify reporting requirements as deemed necessary to monitor the Program. The State will provide the Contractor with at least ninety (90) days' notice prior to implementation of a report modification.
- b. Unless prior approved In Writing by the State, each report required in Contract Attachment D shall be specific to the Program (not the Contractor's book of business).
- c. The Contractor shall ensure that reports submitted by the Contractor to the State shall meet the following standards:
 - (1) The Contractor shall verify the accuracy and completeness of data and other information in reports submitted.
 - (2) The Contractor shall ensure delivery of reports or other required data on or before scheduled due dates.
 - (3) Reports or other required data shall conform to the State's defined written standards.
 - (4) All required information shall be fully disclosed in a manner that is responsive and with no material omission.
 - (5) Each report shall be accompanied by a brief narrative that describes the content of the report, statistics relevant to the data that supports the final level of results, and highlights salient findings of the report.
 - (6) As applicable, the Contractor shall analyze the reports for any early patterns of change, identified trend, or outliers and shall submit a written summary with the report including such analysis and interpretation of findings. At a minimum, such analysis shall include the identification of change(s), the potential reasons for change(s), and the proposed action(s).
 - (7) The Contractor shall notify the State regarding any significant changes in its ability to collect information relative to required data or reports.
 - (8) The submission of late, inaccurate or otherwise incomplete reports shall be

considered failure to report within the specified timeframe (see Contract Attachment D).

- (9) State requirements regarding reports, report content and frequency of submission may change during the term of the Contract. The Contractor shall have at least forty-five (45) days to comply with changes specified In Writing by the State.
- d. The Contractor shall notify the State, within three (3) Business Days of identification, about any situation that appears to negatively impact the administration or delivery of the Plan or Benefits. Failure to do so may result in Liquidated Damages as specified in Attachment B. The situation shall be researched and resolved in a timeframe mutually agreed upon with the State.

A.14. Implementation

- a. The Contractor shall provide to the State a comprehensive Implementation plan no later than ten (10) Business Days after the Contract Effective Date as specified in Contract Section B. or upon another date established by the State. The plan shall outline the steps necessary for the Contractor to submit deliverables by the dates specified in Contract Section A.16. for the Contractor to be fully operational by the go-live date. This plan shall include a detailed timeline description of all work to be performed both by the Contractor and the State. The implementation plan shall also provide specific details on the following:
 - (1) Identification, timing, and assignment of significant responsibilities and tasks;
 - (2) Names and titles of key implementation staff;
 - (3) Identification and timing of the State's responsibilities;
 - (4) Processing of test data for appropriate interpretation of data values;
 - (5) Identification and timing for the testing, acceptance and certification of exchange of data between the Contractor and Edison and other relevant information systems;
 - (6) Member communications and their timing (consistent with BA's larger Member communication strategy); and
 - (7) Schedule of in-person meetings and conference calls with the State.
- b. The State may conduct a comprehensive readiness review of the Contractor at least sixty (60) days prior to January 1, 2022, in order to ensure that the Contractor is able and prepared to perform all functions and to provide high quality services to Members. Such review by the State may include an on-site review of the Contractor's customer service and operations facilities. Contractor shall participate in all readiness review activities conducted by the State staff and/or the State's benefit consultants to ensure the Contractor's operational readiness for all products and services (e.g. enrollment, Member services, reporting requirements, Edison interface, etc.). The State will provide the Contractor with a summary of findings that may include areas requiring corrective action prior to January 1, 2022.

A.15. Regulatory Requirements

- a. The Contractor shall prepare and submit to the State for approval by the date specified in Contract Section A.16. the group master policy and/or certificate of coverage for approval by BA before submission to the State of Tennessee Department of Commerce and Insurance. Such final approved group master policy and/or certificate of coverage shall be added as a Contract Attachment incorporated by reference once approved. The certificate of coverage shall include at a minimum the following:

- (1) Eligibility Provisions;
- (2) Description of Claims Process;
- (3) General Limitations, Exclusions and Elimination Periods;
- (4) Optional Services; and
- (5) Schedule of Benefits

- b. The Contractor shall post the most current certificate of coverage on its State of Tennessee Splash Page and provide a copy of the certificate for the State to post on its website.
- c. The Contractor shall submit to the State a revised certificate within thirty (30) Business Days of any changes to the eligibility, benefits, limitations, exclusions or other provisions of the Program which are detailed in the certificate.
- d. The Contractor shall immediately notify the State of any pending disciplinary action initiated by the State of Tennessee Department of Commerce and Insurance or other state or federal agency that may materially impact its ability to perform under this Contract.
- e. The Contractor shall perform the administration of tax calculations, payments, and filing of appropriate IRS W2 forms, and any other required federal and/or state tax forms. The Contractor shall issue W2 forms to Members who received benefit during the prior calendar year.

A.16. Due Dates for Key Contract Deliverables/Milestones.

- a. Unless otherwise specified In Writing by the State, the Contractor shall adhere to the following schedule for the key deliverables and milestones for which it is responsible under this Contract:

Key Deliverables/Milestones		Contract Reference(s)	Milestone/Deliverable Due Dates
Implementation			
1.	Provide a comprehensive implementation plan	A.14.a.	Within ten (10) Business Days after the Contract Effective Date or on a date established by the State
2.	Submit to the State for review and approval a detailed staffing plan	A.3.b.	Within ten (10) Business Days after the Contract Effective Date or on a date established by the State
3.	Kick-off meeting for all key Contractor Staff	A.3.h.	Within ten (10) Business Days after Contract Effective Date or on a date determined by the State
4.	Submit list of all subcontractors to be utilized in connection with this Contract	A.3.k.	Within ten (10) Business Days after the Contract Effective Date or on a date determined by the State
5.	Information systems project coordinator in place	A.3.g.	August 2, 2021

6.	Provide written marketing and communications plan	A.5.a.	August 2, 2021
7.	Submit the text and screenshots of the Splash Page and website to the State for review and approval	A.8.f.	August 2, 2021
8.	Account manager and backup in place	A.3.e.	August 2, 2021
9.	Customer service manager in place	A.3.f.	August 2, 2021
10.	Grant the State access to the customized developed Splash Page for review and approval	A.8.g.	August 16, 2021
11.	Contractor's representatives/operators and other staff trained on State's Program	A.3.i.	September 1, 2021
12.	Call center open and accepting calls	A.4.a.	September 1, 2021
13.	Member materials shall be finalized and ready for distribution	A.5.c	September 1, 2021
14.	Write, update, print and distribute, upon the State's request Member handbook(s)	A.7.a.	September 1, 2021
15.	Splash Page and Contractor website fully operational	A.8.h.	September 1, 2021
16.	Enable Transport Layer Security (TLS) on the mail server	A.9.i.	September 1, 2021
17.	Confirm with State the format, data needed, and due date, for the weekly enrollment file	A.11.h.1	September 1, 2021
18.	Develop a process approved In Writing by the State for coordinating with the State applications for enrollment and medical underwriting forms by employees for coverage or increase in coverage that require medical underwriting	A.9.q.	September 1, 2021
19.	Provide State with a written copy of grievance procedure description	A.9.h.	October 1, 2021
20.	Provide a summary of the internal quality assurance plan indicating areas addressed, established criteria and standards and those methods employed to evaluate results	A.12.f.	October 1, 2021
21.	Provide a summary of methodology for conducting internal Claims and operational audits, including audits to determine Claims payment and processing accuracy and Claims payment turnaround.	A.12.g.	October 1, 2021
22.	Confirm with State the format, data needed, and due dates for each required report	A.13.a.	October 1, 2021
23.	Completion of enrollment file testing	A.11.f.	November 1, 2021
24.	State readiness review of Contractor	A.14.b.	November 1, 2021

25.	Load, test, verify, and make available online for use the State's enrollment information	A.11.g.	December 6, 2021
26.	Mail a welcome kit to Members	A.6.a.	December 17, 2021
27.	Provide requested State employees with access and update authority to the Contractor's enrollment system	A.10.f.	December 28, 2021
28.	Go-live	A.9.p.	January 1, 2022

- A.17. **Warranty.** Contractor represents and warrants that the term of the warranty ("Warranty Period") shall be the greater of the Term of this Contract or any other warranty generally offered by Contractor, its suppliers, or manufacturers to customers of its goods or services. The goods or services provided under this Contract shall conform to the terms and conditions of this Contract throughout the Warranty Period. Any nonconformance of the goods or services to the terms and conditions of this Contract shall constitute a "Defect" and shall be considered "Defective." If Contractor receives notice of a Defect during the Warranty Period, then Contractor shall correct the Defect, at no additional charge.

Contractor represents and warrants that the State is authorized to possess and use all equipment, materials, software, and deliverables provided under this Contract.

Contractor represents and warrants that all goods or services provided under this Contract shall be provided in a timely and professional manner, by qualified and skilled individuals, and in conformity with standards generally accepted in Contractor's industry.

If Contractor fails to provide the goods or services as warranted, then Contractor will re-provide the goods or services at no additional charge. If Contractor is unable or unwilling to re-provide the goods or services as warranted, then the State shall be entitled to recover the fees paid to Contractor for the Defective goods or services. Any exercise of the State's rights under this Section shall not prejudice the State's rights to seek any other remedies available under this Contract or applicable law.

- A.18. **Inspection and Acceptance.** The State shall have the right to inspect all goods or services provided by Contractor under this Contract. If, upon inspection, the State determines that the goods or services are Defective, the State shall notify Contractor, and Contractor shall re-deliver the goods or provide the services at no additional cost to the State. If after a period of thirty (30) days following delivery of goods or performance of services the State does not provide a notice of any Defects, the goods or services shall be deemed to have been accepted by the State.

B. TERM OF CONTRACT:

This Contract shall be effective on June 1, 2021 ("Effective Date") and extend for a period of sixty-seven (67) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. **Maximum Liability.** In no event shall the maximum liability of the State under this Contract exceed **Written Dollar Amount (\$Number)** ("Maximum Liability"). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.

C.2. Compensation Firm. The payment methodology in Section C.3. of this Contract shall constitute the entire compensation due the Contractor for all goods or services provided under this Contract regardless of the difficulty, materials or equipment required. The payment methodology includes all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Contractor.

C.3. Payment Methodology. The Contractor shall be compensated based on the payment methodology for goods or services authorized by the State in a total amount as set forth in Section C.1.

- a. The Contractor's compensation shall be contingent upon the satisfactory provision of goods or services as set forth in Section A. Any implementation efforts and activities prior to services performed starting January 1, 2022, will be at no additional cost to the State.
- b. The premium rates are NOT contingent upon the State maintaining a minimum number of insured Members.
- c. The Contractor shall be compensated based upon the following payment methodology:

For service performed from January 1, 2022, through December 31, 2026, the following rates shall apply:

Note: The Member's age and salary shall be as of September 1 of the current calendar year, or another date established by the State, and shall be effective as of October 1 of the current calendar year, or another date established by the State.

**PLACEHOLDER FOR COMPLETED COST PROPOSAL TABLE
FROM BEST EVALUATED RESPONDENT**

- d. If member materials containing an error were approved by the State In Writing and the error was detected after the materials were mailed, the State will reimburse the Contractor the production and postage cost of mailing the corrected version pursuant to Contract Section C.3.e.
- e. For mailings in addition to those identified in the Contract, the State shall reimburse the Contractor for the following, selected actual costs in the performance of this Contract upon Contractor providing documentation of actual costs incurred.
 - (1) Postage. The State shall reimburse the Contractor for the actual cost of postage for mailing materials produced under the terms of this Contract and as directed and authorized by the State.
 - (2) Printing/Production. The State shall reimburse the Contractor an amount equal to the actual cost of document printing/production as required and authorized by the State and as detailed by the Contract Scope of Services as referred to in A.5.e.

Notwithstanding the foregoing, the State retains the option to authorize the Contractor to deliver a product to be printed. The State also retains the option to approve and accept the product but not use the Contractor to print the material. In those situations, the State shall have the discretion to use other printing and production services at its disposal.

C.4. At-Risk Performance Payments and SLA Scorecard.

- a. The Parties shall conduct a scorecard assessment (Contract Attachment C), beginning after the go-live date, on a quarterly basis (every three months) during the Term.
- b. Based on the SLA Scorecard, Contractor shall send the State an At-Risk Performance Payment (if applicable) quarterly (every three months) during the Term in accordance with Contract

Attachment D. This payment is due within forty-five (45) calendar days of the quarterly SLA scorecard assessment.

- C.5. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel time, travel expenses, meals, or lodging.
- C.6. Purchase Order in lieu of Invoice. The State will generate a monthly purchase order and initiate payment of the purchase order, based upon payroll deduction information provided by the State, utilizing the rates listed in C.3. above.
- C.7. Reconciliation of Payment. The Contractor shall reconcile, within ten (10) business days of receipt, payment information provided by the State. Upon identification of any discrepancies, the Contractor shall immediately advise the State.
- C.8. Payment of Purchase Order. A payment by the State shall not prejudice the State's right to object to or question any payment, purchase order, or other matter. A payment by the State shall not be construed as acceptance of goods delivered, any part of the services provided, or as approval of any amount reflected on the purchase order.
- C.9. Payment Reductions. The Contractor's payment shall be subject to reduction for amounts included in any purchase order or payment that is determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, to not constitute proper compensation for goods delivered or services provided.
- C.10. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee, any amounts that are or shall become due and payable to the State of Tennessee by the Contractor.
- C.11. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following, properly completed documentation.
- a. The Contractor shall complete, sign, and present to the State the "Authorization Agreement for Automatic Deposit Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once this form is received by the State, payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee, may be made by ACH; and
 - b. The Contractor shall complete, sign, and return to the State the State-provided W-9 form. The taxpayer identification number on the W-9 form must be the same as the Contractor's Federal Employer Identification Number or Social Security Number referenced in the Contractor's Edison registration information.

D. MANDATORY TERMS AND CONDITIONS:

- D.1. Required Approvals. The State is not bound by this Contract until it is duly approved by the Parties and all appropriate State officials in accordance with applicable Tennessee laws and regulations. Depending upon the specifics of this Contract, this may include approvals by the Commissioner of Finance and Administration, the Commissioner of Human Resources, the Comptroller of the Treasury, and the Chief Procurement Officer. Approvals shall be evidenced by a signature or electronic approval.
- D.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective Party at the appropriate mailing address, facsimile number, or email address as stated below or any other address provided in writing by a Party.

The State:

Seannalyn Brandmeir, Procurement and Contracting Director
 Tennessee Department of Finance & Administration
 Division of Benefits Administration
 312 Rosa L. Parks Avenue, Suite 1900
 Nashville, Tennessee 37243
 Seannalyn.Brandmeir@tn.gov
 Telephone: 615.532.4598
 Fax: 615.253.8556

The Contractor:

Contractor Contact Name & Title**Contractor Name****Address****Email Address****Telephone # Number****FAX # Number**

All instructions, notices, consents, demands, or other communications shall be considered effective upon receipt or recipient confirmation as may be required.

- D.3. Modification and Amendment. This Contract may be modified only by a written amendment signed by all Parties and approved by all applicable State officials.
- D.4. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State or federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate this Contract upon written notice to the Contractor. The State's exercise of its right to terminate this Contract shall not constitute a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. If the State terminates this Contract due to lack of funds availability, the Contractor shall be entitled to compensation for all conforming goods requested and accepted by the State and for all satisfactory and authorized services completed as of the termination date. Should the State exercise its right to terminate this Contract due to unavailability of funds, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages of any description or amount.
- D.5. Termination for Convenience. The State may terminate this Contract for convenience without cause and for any reason. The State shall give the Contractor at least thirty (30) days written notice before the termination date. The Contractor shall be entitled to compensation for all conforming goods delivered and accepted by the State or for satisfactory, authorized services completed as of the termination date. In no event shall the State be liable to the Contractor for compensation for any goods neither requested nor accepted by the State or for any services neither requested by the State nor satisfactorily performed by the Contractor. In no event shall the State's exercise of its right to terminate this Contract for convenience relieve the Contractor of any liability to the State for any damages or claims arising under this Contract.
- D.6. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor materially violates any terms of this Contract ("Breach Condition"), the State shall have the right to immediately terminate the Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any Breach Condition and the State may seek other remedies allowed at law or in equity for breach of this Contract.
- D.7. Assignment and Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the goods or services provided under this Contract without the prior written approval of the State. Notwithstanding any use of the approved subcontractors, the Contractor shall be

the prime contractor and responsible for compliance with all terms and conditions of this Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving an assignment of this Contract in whole or in part or the use of subcontractors in fulfilling the Contractor's obligations under this Contract.

- D.8. Conflicts of Interest. The Contractor warrants that no part of the Contractor's compensation shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed under this Contract.

The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six (6) months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six (6) months has been, an employee of the State of Tennessee.

- D.9. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, creed, color, religion, sex, national origin, or any other classification protected by federal or state law. The Contractor shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

- D.10. Prohibition of Illegal Immigrants. The requirements of Tenn. Code Ann. § 12-3-309 addressing the use of illegal immigrants in the performance of any contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.

- a. The Contractor agrees that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment A, semi-annually during the Term. If the Contractor is a party to more than one contract with the State, the Contractor may submit one attestation that applies to all contracts with the State. All Contractor attestations shall be maintained by the Contractor and made available to State officials upon request.
- b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the Term, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work under this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work under this Contract. Attestations obtained from subcontractors shall be maintained by the Contractor and made available to State officials upon request.
- c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Contractor's records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
- d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Tenn. Code Ann. § 12-3-309 for acts or omissions occurring after its effective date.
- e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not: (i) a United States citizen; (ii) a Lawful Permanent Resident; (iii) a person whose physical presence in the United States is authorized; (iv) allowed by the federal Department of Homeland Security and who, under federal immigration laws or regulations, is authorized to be employed in the U.S.; or (v) is otherwise authorized to provide services under the Contract.

- D.11. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, for work performed or money received under this Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.12. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.13. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.14. Strict Performance. Failure by any Party to this Contract to require, in any one or more cases, the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the Parties.
- D.15. Independent Contractor. The Parties shall not act as employees, partners, joint venturers, or associates of one another. The Parties are independent contracting entities. Nothing in this Contract shall be construed to create an employer/employee relationship or to allow either Party to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one Party are not employees or agents of the other Party.
- D.16. Patient Protection and Affordable Care Act. The Contractor agrees that it will be responsible for compliance with the Patient Protection and Affordable Care Act ("PPACA") with respect to itself and its employees, including any obligation to report health insurance coverage, provide health insurance coverage, or pay any financial assessment, tax, or penalty for not providing health insurance. The Contractor shall indemnify the State and hold it harmless from any costs to the State arising from Contractor's failure to fulfill its PPACA responsibilities for itself or its employees.
- D.17. Limitation of State's Liability. The State shall have no liability except as specifically provided in this Contract. In no event will the State be liable to the Contractor or any other party for any lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Contract or otherwise. The State's total liability under this Contract (including any exhibits, schedules, amendments or other attachments to the Contract) or otherwise shall under no circumstances exceed the Maximum Liability. This limitation of liability is cumulative and not per incident.
- D.18. Limitation of Contractor's Liability. In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to two (2) times the Maximum Liability amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of the Contractor for: (i) intellectual property or any Contractor indemnity obligations for infringement for third-party intellectual property rights; (ii) any claims covered by any specific provision in the Contract providing for liquidated damages; or (iii) any claims for intentional torts, criminal acts, fraudulent conduct, or acts or omissions that result in personal injuries or death. For clarity, except as otherwise expressly set forth in this Section, Contractor's indemnification obligations and other remedies available under this Contract are subject to the limitations on liability set forth in this Section.
- D.19. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the

Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys' fees, court costs, expert witness fees, and other litigation expenses for the State to enforce the terms of this Contract.

In the event of any suit or claim, the Parties shall give each other immediate notice and provide all necessary assistance to respond. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.

- D.20. Tennessee Consolidated Retirement System. Subject to statutory exceptions contained in Tenn. Code Ann. §§ 8-36-801, *et seq.*, the law governing the Tennessee Consolidated Retirement System ("TCRS"), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established under Tenn. Code Ann. §§ 8-35-101, *et seq.*, accepts State employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the Term.
- D.21. Tennessee Department of Revenue Registration. The Contractor shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Contract.
- D.22. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:
- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
 - b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
 - c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
 - d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Contractor shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded, disqualified, or presently fall under any of the prohibitions of sections a-d.

- D.23. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Contract arising from a Force Majeure Event is not a

default under this Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Contractor's representatives, suppliers, subcontractors, customers or business apart from this Contract is not a Force Majeure Event under this Contract. Contractor will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Contractor's performance longer than forty-eight (48) hours, the State may, upon notice to Contractor: (a) cease payment of the fees for the affected obligations until Contractor resumes performance of the affected obligations; or (b) immediately terminate this Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Contractor will not increase its charges under this Contract or charge the State any fees other than those provided for in this Contract as the result of a Force Majeure Event.

- D.24. State and Federal Compliance. The Contractor shall comply with all State and federal laws and regulations applicable to Contractor in the Contractor's performance of this Contract.
- D.25. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to its conflict or choice of law rules. The Tennessee Claims Commission or the state or federal courts in Tennessee shall be the venue for all claims, disputes, or disagreements arising under this Contract. The Contractor acknowledges and agrees that any rights, claims, or remedies against the State of Tennessee or its employees arising under this Contract shall be subject to and limited to those rights and remedies available under Tenn. Code Ann. §§ 9-8-101 - 408.
- D.26. Entire Agreement. This Contract is complete and contains the entire understanding between the Parties relating to its subject matter, including all the terms and conditions of the Parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the Parties, whether written or oral.
- D.27. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions of this Contract shall not be affected and shall remain in full force and effect. The terms and conditions of this Contract are severable.
- D.28. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.
- D.29. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below:
- a. any amendment to this Contract, with the latter in time controlling over any earlier amendments;
 - b. this Contract with any attachments or exhibits (excluding the items listed at subsections c. through f., below), which includes:
 - i. Contract Attachment A Attestation Re Personnel Used in Contract Performance;
 - ii. Contract Attachment B Performance Guarantees and Liquidated Damages;
 - iii. Contract Attachment C Service Level Agreement Scorecard;
 - iv. Contract Attachment D Reporting Requirements; and
 - v. Contract Attachment E Short Term Disability (STD) Insurance and Long Term Disability (LTD) Insurance Minimum Benefit Provisions;

- vi. Contractor's group master policy; and
- vii. Contractor's group certificate(s) of coverage.

- c. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
- d. the State solicitation, as may be amended, requesting responses in competition for this Contract;
- e. any technical specifications provided to proposers during the procurement process to award this Contract;
- f. the Contractor's response seeking this Contract; and
- g. any Contractor rules or policies contained in insurance policy filings by the Contractor with State regulators including but not limited to the Contractor's Group Master Policy and/or Certificate of Coverage for this Program as approved by the Tennessee Department of Commerce and Insurance.

D.30. Iran Divestment Act. The requirements of Tenn. Code Ann. § 12-12-101, *et seq.*, addressing contracting with persons as defined at Tenn. Code Ann. §12-12-103(5) that engage in investment activities in Iran, shall be a material provision of this Contract. The Contractor certifies, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.

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

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

Contractor shall provide the State a certificate of insurance ("COI") evidencing the coverages and amounts specified in this Section. The COI must be on a form approved by the TDCI (standard ACORD form preferred). The COI must list each insurer's National Association of Insurance Commissioners (NAIC) number and be signed by an authorized representative of the insurer. The COI must list the State of Tennessee – CPO Risk Manager, 312 Rosa L. Parks Ave., 3rd floor Central Procurement Office, Nashville, TN 37243 as the certificate holder. Contractor shall provide the COI ten (10) business days prior to the Effective Date and again thirty (30) calendar days before renewal or

replacement of coverage. Contractor shall provide the State evidence that all subcontractors maintain the required insurance or that subcontractors are included under the Contractor's policy. At any time, the State may require Contractor to provide a valid COI. The Parties agree that failure to provide evidence of insurance coverage as required is a material breach of this Contract. If Contractor self-insures, then a COI will not be required to prove coverage. Instead Contractor shall provide a certificate of self-insurance or a letter, on Contractor's letterhead, detailing its coverage, policy amounts, and proof of funds to reasonably cover such expenses. The State reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

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

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

a. Commercial General Liability ("CGL") Insurance

- 1) The Contractor shall maintain CGL, which shall be written on an ISO Form CG 00 01 occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from property damage, premises and operations products and completed operations, bodily injury, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).
The Contractor shall maintain single limits not less than one million dollars (\$1,000,000) per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this policy or location of occurrence or the general aggregate limit shall be twice the required occurrence limit.

b. Workers' Compensation and Employer Liability Insurance

- 1) For Contractors statutorily required to carry workers' compensation and employer liability insurance, the Contractor shall maintain:
 - i. Workers' compensation in an amount not less than one million dollars (\$1,000,000) including employer liability of one million dollars (\$1,000,000) per accident for bodily injury by accident, one million dollars (\$1,000,000) policy limit by disease, and one million dollars (\$1,000,000) per employee for bodily injury by disease.
- 2) If the Contractor certifies that it is exempt from the requirements of Tenn. Code Ann. §§ 50-6-101 – 103, then the Contractor shall furnish written proof of such exemption for one or more of the following reasons:
 - i. The Contractor employs fewer than five (5) employees;
 - ii. The Contractor is a sole proprietor;

- iii. The Contractor is in the construction business or trades with no employees;
- iv. The Contractor is in the coal mining industry with no employees;
- v. The Contractor is a state or local government; or
- vi. The Contractor self-insures its workers' compensation and is in compliance with the TDCI rules and Tenn. Code Ann. § 50-6-405.

c. Professional Liability Insurance

- 1) Professional liability insurance shall be written on an occurrence basis or on a claims-made basis. If this coverage is written on a claims-made basis, then:
 - i. The retroactive date must be shown, and must be on or before the earlier of the Effective Date of the Contract or the beginning of Contract work or provision of goods and services;
 - ii. Insurance must be maintained and evidence of insurance must be provided for at least five (5) full years from the date of the final Contract payment; and
 - iii. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date on or prior to the Contract Effective Date, the Contractor must purchase "extended reporting" or "tail coverage" for a minimum of five (5) full years from the date of the final Contract payment.
- 2) Any professional liability insurance policy shall have a limit not less than one million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) in the aggregate; and
- 3) If the Contract involves the provision of services by medical professionals, a policy limit not less than three million (\$3,000,000) per claim and three million dollars (\$3,000,000) in the aggregate for medical malpractice insurance.

d. Technology Professional Liability (Errors & Omissions)/Cyber Liability Insurance

- 1) The Contractor shall maintain technology professional liability (errors & omissions)/cyber liability insurance appropriate to the Contractor's profession in an amount not less than ten million dollars (\$10,000,000) per occurrence or claim and ten million dollars (\$10,000,000) annual aggregate, covering all acts, claims, errors, omissions, negligence, infringement of intellectual property (including copyright, patent and trade secret); network security and privacy risks, including but not limited to unauthorized access, failure of security, information theft, damage to destruction of or alteration of electronic information, breach of privacy perils, wrongful disclosure and release of private information, collection, or other negligence in the handling of confidential information, and including coverage for related regulatory fines, defenses, and penalties.
- 2) Such coverage shall include data breach response expenses, in an amount not less than ten million dollars (\$10,000,000) and payable whether incurred by the State or Contractor, including but not limited to consumer notification, whether or not required by law, computer forensic investigations, public relations and crisis management firm fees, credit file or identity monitoring or remediation services and expenses in the performance of services for the State or on behalf of the State hereunder.

- D.32. Major Procurement Contract Sales and Use Tax. Pursuant to Tenn. Code Ann. § 4-39-102 and to the extent applicable, the Contractor and the Contractor's subcontractors shall remit sales and use taxes on the sales of goods or services that are made by the Contractor or the Contractor's subcontractors and that are subject to tax.
- D.33. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State that is regarded as confidential under state or federal law shall be regarded as "Confidential Information." Nothing in this Section shall permit Contractor to disclose any Confidential Information, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties. Confidential Information shall not be disclosed except as required or permitted under state or federal law. Contractor shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state and federal law.

The obligations set forth in this Section shall survive the termination of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, the special terms and conditions shall be subordinate to the Contract's other terms and conditions.
- E.2. Additional lines, items, or options. At its sole discretion, the State may make written requests to the Contractor to add lines, items, or options that are needed and within the Scope but were not included in the original Contract. Such lines, items, or options will be added to the Contract through a Memorandum of Understanding ("MOU"), not an amendment.
- a. After the Contractor receives a written request to add lines, items, or options, the Contractor shall have ten (10) business days to respond with a written proposal. The Contractor's written proposal shall include:
 - (1) The effect, if any, of adding the lines, items, or options on the other goods or services required under the Contract;
 - (2) Any pricing related to the new lines, items, or options;
 - (3) The expected effective date for the availability of the new lines, items, or options; and
 - (4) Any additional information requested by the State.
 - b. The State may negotiate the terms of the Contractor's proposal by requesting revisions to the proposal.
 - c. To indicate acceptance of a proposal, the State will sign it. The signed proposal shall constitute a MOU between the Parties, and the lines, items, or options shall be incorporated into the Contract as if set forth verbatim.
 - d. Only after a MOU has been executed shall the Contractor perform or deliver the new lines, items, or options.
- E.3. Prohibited Advertising or Marketing. The Contractor shall not suggest or imply in advertising or marketing materials that Contractor's goods or services are endorsed by the State. The restrictions on Contractor advertising or marketing materials under this Section shall survive the termination of this Contract.
- E.4. Contractor Commitment to Diversity. The Contractor shall comply with and make reasonable business efforts to exceed the commitment to diversity represented by the Contractor's Response to RFP 31786-00155 and resulting in this Contract.

The Contractor shall assist the State in monitoring the Contractor's performance of this commitment by

providing, as requested, a monthly report of participation in the performance of this Contract by small business enterprises and businesses owned by minorities, women, service-disabled veterans, and persons with disabilities. Such reports shall be provided to the State of Tennessee Governor's Office of Diversity Business Enterprise in the TN Diversity Software available online at: <https://tn.diversitysoftware.com/FrontEnd/StartCertification.asp?TN=tn&XID=9810>.

- E.5. Liquidated Damages. If the Contractor fails to perform in accordance with any term or provision of this contract, only provides partial performance of any term or provision of the Contract, violates any warranty, or any act prohibited or restricted by the Contract occurs, ("Liquidated Damages Event"), the State may assess damages on Contractor ("Liquidated Damages"). The State shall notify the Contractor of amounts to be assessed as Liquidated Damages. The Parties agree that due to the complicated nature of the Contractor's obligations under this Contract it would be difficult to specifically designate a monetary amount for Contractor's failure to fulfill its obligations regarding the Liquidated Damages Event as these amounts are likely to be uncertain and not easily proven. Contractor has carefully reviewed the Liquidated Damages contained in Attachment B and agrees that these amounts represent a reasonable relationship between the amount and what might reasonably be expected in the event of a Liquidated Damages Event, and are a reasonable estimate of the damages that would occur from a Liquidated Damages Event. The Parties agree that the Liquidated Damages represent solely the damages and injuries sustained by the State in losing the benefit of the bargain with Contractor and do not include any injury or damage sustained by a third party. The Contractor agrees that the Liquidated Damages are in addition to any amounts Contractor may owe the State pursuant to the indemnity provision or any other sections of this Contract.

The State is not obligated to assess Liquidated Damages before availing itself of any other remedy. The State may choose to discontinue Liquidated Damages and avail itself of any other remedy available under this Contract or at law or equity.

- E.6. Personally Identifiable Information. While performing its obligations under this Contract, Contractor may have access to Personally Identifiable Information held by the State ("PII"). For the purposes of this Contract, "PII" includes "Nonpublic Personal Information" as that term is defined in Title V of the Gramm-Leach-Bliley Act of 1999 or any successor federal statute, and the rules and regulations thereunder, all as may be amended or supplemented from time to time ("GLBA") and personally identifiable information and other data protected under any other applicable laws, rule or regulation of any jurisdiction relating to disclosure or use of personal information ("Privacy Laws"). Contractor agrees it shall not do or omit to do anything which would cause the State to be in breach of any Privacy Laws. Contractor shall, and shall cause its employees, agents and representatives to: (i) keep PII confidential and may use and disclose PII only as necessary to carry out those specific aspects of the purpose for which the PII was disclosed to Contractor and in accordance with this Contract, GLBA and Privacy Laws; and (ii) implement and maintain appropriate technical and organizational measures regarding information security to: (A) ensure the security and confidentiality of PII; (B) protect against any threats or hazards to the security or integrity of PII; and (C) prevent unauthorized access to or use of PII. Contractor shall immediately notify State: (1) of any disclosure or use of any PII by Contractor or any of its employees, agents and representatives in breach of this Contract; and (2) of any disclosure of any PII to Contractor or its employees, agents and representatives where the purpose of such disclosure is not known to Contractor or its employees, agents and representatives. The State reserves the right to review Contractor's policies and procedures used to maintain the security and confidentiality of PII and Contractor shall, and cause its employees, agents and representatives to, comply with all reasonable requests or directions from the State to enable the State to verify or ensure that Contractor is in full compliance with its obligations under this Contract in relation to PII. In accordance with the timeframe for audits listed in Contract Section D.11 and in consultation with the State, Contractor shall immediately return to the State any and all PII which it has received under this Contract and shall destroy all records of such PII.

The Contractor shall report to the State any instances of unauthorized access to or potential disclosure of PII in the custody or control of Contractor ("Unauthorized Disclosure") that come to the Contractor's attention. Any such report shall be made by the Contractor within twenty-four (24) hours after the Unauthorized Disclosure has come to the attention of the Contractor. Contractor shall take all necessary measures to halt any further Unauthorized Disclosures. The Contractor, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals whose PII was

affected by the Unauthorized Disclosure. The Contractor shall bear the cost of notification to all individuals affected by the Unauthorized Disclosure, including individual letters and public notice. The remedies set forth in this Section are not exclusive and are in addition to any claims or remedies available to this State under this Contract or otherwise available at law. The obligations set forth in this Section shall survive the termination of this Contract.

E.7. Contractor Hosted Services Confidential Data, Audit, and Other Requirements

- a. "Confidential State Data" is defined as data deemed confidential by State or Federal statute or regulation. The Contractor shall protect Confidential State Data as follows:
- (1) The Contractor shall ensure that all Confidential State Data is housed in the continental United States, inclusive of backup data.
 - (2) The Contractor shall encrypt Confidential State Data at rest and in transit using the current version of Federal Information Processing Standard ("FIPS") 140-2 validated encryption technologies.
 - (3) The Contractor must annually perform Penetration Tests and Vulnerability Assessments against its Processing Environment. "Processing Environment" shall mean the combination of software and hardware on which the Application runs. "Application" shall mean the computer code that supports and accomplishes the State's requirements as set forth in this Contract. "Penetration Tests" shall be in the form of attacks on the Contractor's computer system, with the purpose of discovering security weaknesses which have the potential to gain access to the Processing Environment's features and data. The "Vulnerability Assessment" shall be designed and executed to define, identify, and classify the security holes (vulnerabilities) in the Processing Environment. **The contractor shall provide to the State the results of its Penetration Tests and Vulnerability assessments as requested by the State.** The Contractor shall provide the results of the third party testing to the State.
 - (4) Upon State request, the Contractor shall provide a copy of all Confidential State Data it holds. The Contractor shall provide such data on media and in a format determined by the State. The Contractor shall maintain a duplicate set of all records relating to this Contract in electronic medium, usable by the State and the Contractor for the purpose of Disaster recovery. Such duplicate records are to be stored at a secure fire, flood, and theft- protected facility located away from the storage location of the originals. The Contractor shall update duplicate records, at a minimum, on a daily basis and shall retain said records for a period of sixty (60) days from the date of creation.
 - (5) In accordance with the timeframe for audits listed in Contract Section D.11 and in consultation with the State, the Contractor shall **sanitize** all Confidential State Data it holds (including any copies such as backups) in accordance with the current version of National Institute of Standards and Technology ("NIST") Special Publication 800-88. The Contractor shall provide a written confirmation of destruction to the State within ten (10) business days after **sanitization**.
- b. Minimum Requirements
- (1) The Contractor and all data centers used by the Contractor to host State data, including those of all Subcontractors, must comply with the State's Enterprise Information Security Policies as amended periodically. The State's Enterprise Information Security Policies document is found at the following URL: <https://www.tn.gov/finance/strategic-technology-solutions/strategic-technology-solutions/sts-security-policies.html>.

- (2) The Contractor agrees to maintain the Application so that it will run on a current, manufacturer-supported Operating System. "Operating System" shall mean the software that supports a computer's basic functions, such as scheduling tasks, executing applications, and controlling peripherals.
- (3) If the Application requires middleware or database software, Contractor shall maintain middleware and database software versions that are at all times fully compatible with current versions of the Operating System and Application to ensure that security vulnerabilities are not introduced.

c. Comptroller Audit Requirements

Upon reasonable notice and at any reasonable time, the Contractor and Subcontractor(s) agree to allow the State, the Comptroller of the Treasury, or their duly appointed representatives to perform information technology control audits of the Contractor and all Subcontractors used by the Contractor. Contractor will maintain and cause its Subcontractors to maintain a complete audit trail of all transactions and activities in connection with this Contract. Contractor will provide to the State, the Comptroller of the Treasury, or their duly appointed representatives access to Contractor and Subcontractor(s) personnel for the purpose of performing the information technology control audit.

The information technology control audit may include a review of general controls and application controls. General controls are the policies and procedures that apply to all or a large segment of the Contractor's or Subcontractor's information systems and applications and include controls over security management, access controls, configuration management, segregation of duties, and contingency planning. Application controls are directly related to the application and help ensure that transactions are complete, accurate, valid, confidential, and available. The audit shall include the Contractor's and Subcontractor's compliance with the State's Enterprise Information Security Policies and all applicable requirements, laws, regulations or policies.

The audit may include interviews with technical and management personnel, physical inspection of controls, and review of paper or electronic documentation.

For any audit issues identified, the Contractor and Subcontractor(s) shall provide a corrective action plan to the State within 30 days from the Contractor or Subcontractor receiving the audit report.

Each party shall bear its own expenses incurred while conducting the information technology controls audit.

d. Business Continuity Requirements. The Contractor shall maintain set(s) of documents, instructions, and procedures which enable the Contractor to respond to accidents, disasters, emergencies, or threats without any stoppage or hindrance in its key operations ("Business Continuity Requirements"). Business Continuity Requirements shall include:

- (1) The BC-DR plan shall encompass all Information Systems supporting this Contract. At a minimum the Contractor's BC-DR plan shall address and provide the results for the following scenarios:
 - i. Central and/or satellite data processing, telecommunications, print and mailing facilities and functions therein, hardware and software are destroyed or damaged;
 - ii. System interruption or failure resulting from network, operating hardware, software, communications infrastructure or operational errors that compromise the integrity of transactions that are active in a live system at the time of the outage;

- iii. System interruption or failure resulting from network, operating hardware, software, communications infrastructure or operational errors that compromise the integrity of data maintained in a live or archival system; and
- iv. System interruption or failure resulting from network, operating hardware, software, communications infrastructure or operational errors that does not compromise the integrity of transactions or data maintained in a live or archival system but does prevent access to the system.

- (2) "Disaster Recovery Capabilities" refer to the actions the Contractor takes to meet the Recovery Point and Recovery Time Objectives defined below. Disaster Recovery Capabilities shall meet the following objectives:
- i. Recovery Point Objective ("RPO"). The RPO is defined as the maximum targeted period in which data might be lost from an IT service due to a major incident: one (1) hour.
 - ii. Recovery Time Objective ("RTO"). The RTO is defined as the targeted duration of time and a service level within which a business process must be restored after a disaster (or disruption) in order to avoid unacceptable consequences associated with a break in business continuity: seventy-two (72) hours.
- (3) The Contractor shall perform at least one Disaster Recovery Test every three hundred sixty-five (365) days. A "Disaster Recovery Test" shall mean the process of verifying the success of the restoration procedures that are executed after a critical IT failure or disruption occurs. The Disaster Recovery Test shall use actual State Data Sets that mirror production data, and success shall be defined as the Contractor verifying that the Contractor can meet the State's RPO and RTO requirements. A "Data Set" is defined as a collection of related sets of information that is composed of separate elements but can be manipulated as a unit by a computer. The Contractor shall provide written confirmation to the State after each Disaster Recovery Test that its Disaster Recovery Capabilities meet the RPO and RTO requirements. The Contractor shall submit a written summary of its annual BC-DR test results to the State (see Contract Attachment D, item #6).

- e. The Contractor and any Subcontractor used by the Contractor to host State data, including data center vendors, shall be subject to an annual engagement by a CPA firm in accordance with the standards of the American Institute of Certified Public Accountants ("AICPA") for a System and Organization Controls for service organizations ("SOC") 2 Type II audit. The SOC audit control objectives shall include all five trust services principles. The State shall approve the SOC audit control objectives. The Contractor shall provide the State with the Contractor's and Subcontractor's annual audit report within 30 days from when the CPA firm provides the audit report to the Contractor or Subcontractor and in addition to periodic bridge reports as requested by the State, see Contract Attachment D, Item 8. The Contractor shall submit corrective action plans **or mitigation** to the State for any issues included in the audit report within 30 days after the CPA firm provides the audit report to the Contractor and Subcontractor.

If the scope of the most recent SOC audit report does not include all of the current State fiscal year, upon request from the State, the Contractor must provide to the State a letter from the Contractor or Subcontractor stating whether the Contractor or Subcontractor made any material changes to their control environment since the prior audit and, if so, whether the changes, in the opinion of the Contractor or Subcontractor, would negatively affect the auditor's opinion in the most recent audit report.

No additional funding shall be allocated for these audits as they are included in the Maximum Liability of this Contract.

- E.8. Extraneous Terms and Conditions. Contractor shall fill all orders submitted by the State under this Contract. No purchase order, invoice, or other documents associated with any sales, orders, or supply

of any good or service under this Contract shall contain any terms or conditions other than as set forth in the Contract. Any such extraneous terms and conditions shall be void, invalid and unenforceable against the State. Any refusal by Contractor to supply any goods or services under this Contract conditioned upon the State submitting to any extraneous terms and conditions shall be a material breach of the Contract and constitute an act of bad faith by Contractor.

- E.9. Survival. The terms, provisions, representations, and warranties contained in this Contract which by their sense and context are intended to survive the performance and termination of this Contract, shall so survive the completion of performance and termination of this Contract.

IN WITNESS WHEREOF,

CONTRACTOR LEGAL ENTITY NAME:

CONTRACTOR SIGNATURE **DATE**

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

**STATE OF TENNESSEE,
STATE INSURANCE COMMITTEE:**

Howard H. Eley, CHAIRMAN **DATE**

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	
EDISON VENDOR IDENTIFICATION NUMBER:	

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

CONTRACTOR SIGNATURE

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. Attach evidence documenting the individual's authority to contractually bind the Contractor, unless the signatory is the Contractor's chief executive or president.

PRINTED NAME AND TITLE OF SIGNATORY

DATE OF ATTESTATION

CONTRACT ATTACHMENT B**PERFORMANCE GUARANTEES AND LIQUIDATED DAMAGES**

To effectively manage contractual performance, the State has established Liquidated Damages associated with the Contractor's obligations with respect to the Contract. The Contractor is expected to perform according to a certain level of standards. If these standards are not met, the State is entitled to impose liquidated damage assessments. Damages are included in this Attachment.

The Parties agree that the Liquidated Damages represent solely the anticipated damages and injuries sustained by the State in losing the benefit of the bargain with Contractor and do not include any injury or damage sustained by a third party.

Payment of Liquidated Damages: It is agreed by the State and the Contractor that any liquidated damages assessed by the State shall be due and payable to the State within forty-five (45) calendar days after Contractor receipt of the Invoice containing an assessment of Liquidated Damages. If payment is not made by the due date, the Liquidated Damages amount may be withheld from future payments by the State without further notice.

1. Program Go-Live Date	
Guarantee	The Program shall take effect and be fully Operational on the Program go-live date specified in Contract Section A.16. "Operational" is defined as the ability to electronically capture enrollment records accurately for Members, answer Members' calls, process Claims, and provide all other services described in the Contract.
Assessment	Twenty-five thousand dollars (\$25,000) for each Business Day beyond the go-live date that the Program is not operational up to thirty (30) Business Days.
Justification	Program go-live is an imperative performance guarantee listed in the Contract. If there is a delay in this, the State is unable to provide Program Benefits coverage to our Members. This assessment and amount take into account the State's increased staff time for Member inquiries, resolution of additional Member issues, and increased legislative inquiries.
Measurement	Assessed, reported, reconciled, and paid no later than three (3) months after the go-live date.
2. Implementation	
Guarantee	The Contractor shall comply with all tasks, deliverables, and milestones included in the project implementation plan, as required in Contract Section A.14., and meet the "Milestone/Deliverable Due Dates" as required in Contract Section A.16. necessary to install the Program by the go-live date.
Assessment	One thousand dollars (\$1,000) for each Business Day for each deliverable and/or milestone beyond the due date up to, and including the Program go-live date.
Justification	Timely and accurate completion of all tasks, deliverables, and milestones in the project implementation plan and key deliverables table is critical to the successful implementation of a new contract. This assessment calculates the potential impact of missed or inaccurate implementation milestones.
Measurement	Assessed, reported, and reconciled no later than three (3) months after go-live.
3. Operational Readiness	
Guarantee	The Contractor shall resolve all noncompliance with Contract terms identified by the State during its operational readiness review as required in Contract Section A.16.
Assessment	Ten thousand dollars (\$10,000) for each Business Day per finding that is not resolved after go-live.

Justification	Operational readiness review requires the Contractor and the State to investigate and navigate any potential issues, deadlines, and milestones leading up to go-live and operations.
Measurement	Assessed and reported no later than three (3) months after go-live.
4. Program Design	
Guarantee	Program design per the Contract and Certificate of Coverage will be implemented correctly, as required in Contract Attachment Section A.1.
Assessment	Twenty-five thousand dollars (\$25,000) per each incorrect Program design setup such as, but not limited to, incorrect age brackets, percentage of salary covered, elimination periods, maximum benefit periods, and excluded conditions.
Justification	Program design information must be timely and accurate as to not cause confusion or financial hardship to Members. This assessment and amount take into account the State's increased staff time for Member inquiries, resolution of additional Member issues, and increased legislative inquiries.
Measurement	Assessed as identified.
5. Enrollment File Set-Up	
Guarantee	Enrollment information must be loaded, tested, verified and available online for use as required in Contract Section A.11.g.
Assessment	Ten thousand dollars (\$10,000) for each Business Day beyond the date specified in Contract Section A.16.
Justification	Enrollment file set-up is a critical step in providing Member Benefits. Without the accurate and timely set-up of this file, there is a potential harm to Members financially and in receiving services. This assessment and amount take into account the State's increased staff time for Member inquiries, resolution of additional Member issues, and increased legislative inquiries.
Measurement	Assessed, reported, and reconciled no later than three (3) months after go-live.
6. Splash Page	
Guarantee	The Contractor's Splash Page shall be available on the internet, fully operational by the date specified in Contract Section A.16. and updated annually no later two (2) weeks prior to the State's annual enrollment period as required in Contract Section A.8.k.
Assessment	One thousand dollars (\$1,000) per Business Day until operational or updated.
Justification	This assessment and amount take into account the State's increased staff time for Member inquiries, resolution of additional Member issues, and increased legislative inquiries.
Measurement	Assessed, reported, and reconciled annually.
7. Privacy and Security of Member Information Impacting 1 to 499 Members	
<i>Guarantee</i>	In accordance with Contract Section E.6., the Contractor shall not release, intentionally or unintentionally, Members' personal information, enrollment information, or claims information to unauthorized parties.
<i>Justification</i>	The guarantee and assessment estimate the impact on the State including the unpredictability of the timing of a breach; specifics of the breach's scope; length of time of investigation completion; number of Member calls to the BA service center; and level of legislative inquiries.

<i>Assessment</i>	<p>Four Thousand Eight Hundred dollars (\$4,800) per incident basis.</p> <p>This assessment is based on the previous experience BA has had in responding to similar incidents impacting less than five hundred (500) Members which includes the following predicted costs to BA:</p> <ol style="list-style-type: none"> 1. Compliance Officer time including investigating the breach, monitoring the privacy hotline and email address estimated at seventy-five (75) hours; 2. Director of Financial Management and Program Integrity time and work estimated at seven and half (7.5) hours; 3. Program Director associated with this contract time and work estimated at fifteen (15) hours; 4. Executive Director's time and work estimated at one (1) hour; 5. Department attorney time including legal review estimated at one (1) hour; and 6. Service Center staff time and work answering Member questions/concerns estimated at fifteen (15) hours.
<i>Measurement</i>	Assessed, reported, reconciled, and paid after each occurrence.
9. Privacy and Security of Member Information Impacting 500 or more Members	
<i>Guarantee</i>	In accordance with Contract Section E.6., the Contractor shall not release, intentionally or unintentionally, Members' personal information, enrollment information, or claims information to unauthorized parties.
<i>Justification</i>	The guarantee and assessment estimate the impact on the State including the unpredictability of the timing of a breach; specifics of the breach's scope; length of time of investigation completion; number of Member calls to the BA service center; and level of legislative inquiries.
<i>Assessment</i>	<p>Nineteen Thousand dollars (\$19,000) per incident basis.</p> <p>This assessment is based on the previous experience BA has had in responding to similar incidents impacting five hundred (500) or more Members which includes the following predicted costs to BA:</p> <ol style="list-style-type: none"> 1. Compliance Officer time including investigating the breach, monitoring the privacy hotline and email address estimated at one hundred thirty (130) hours; 2. Director of Financial Management and Program Integrity time and work estimated at thirty (30) hours; 3. Program Director associated with this Contract time and work estimated at forty-five (45) hours; 4. Executive Director's time and work estimated at eighteen (18) hours; 5. Department attorney time including legal review estimated at thirty (30) hours; 6. Service Center staff time and work answering Member questions/concerns estimated at one-hundred (100) hours; 7. Public Information Officer ("PIO")'s time and work estimated at forty-five (45) hours; and 8. Communications Director's time and work estimated at thirty (30) hours.
<i>Measurement</i>	Assessed, reported, reconciled, and paid after each occurrence.

Service Level Agreement
Scorecard

Below is the SLA Scorecard and associated KPIs used to measure the Contractor's performance against the desired outcomes. KPIs shall be evaluated, scored, and reconciled quarterly via the SLA Scorecard with relevant documentation. Contractor must submit the SLA Scorecard each calendar quarter documenting the Contractor's outcome for each of the KPI for the previous quarter, in which services were delivered, as well as any At-Risk Performance Payment due (if applicable).

It is agreed by the State and the Contractor that any At-Risk Performance Payment assessed by the State shall be due and payable to the State within forty-five (45) calendar days after Contractor receipt of the Invoice containing an assessment of fees at risk. If payment is not made by the due date, the At-Risk Performance Payment amount may be withheld from future payments by the State without further notice.

Use the following for the quarterly calculations – the Contractor will fill in the Quarterly Score column for each individual KPI. If the individual KPI does not apply for the reported quarter, place 'n/a' in the Quarterly Score column. The total possible score will be adjusted accordingly. The State will calculate the Total Quarterly Score using the following formula: Sum of Quarterly Scores divided by maximum possible quarterly score multiplied by 100%. The At Risk Performance Payment will be determined by this percentage (see table below).

KPI		Description	Performance Requirement	Contractor Performance	Score if Met	Quarterly Score
1.	First Call Resolution	The Contractor's call center shall maintain a monthly average First Call Resolution rate of eighty-five percent (85%) or greater as required in Contract Section A.4.c	85%	85% or greater	10	
				83% - 84.9%	6	
				80% - 82.9%	2	
				Less than 80%	0	
2.	Mailing of ongoing welcome kit	Ninety-five percent (95%) of ongoing welcome kits shall be mailed within ten (10) Business Days of new Member enrollment record being received as required in Contract Section A.6.b.	95%	95% or greater	10	
				93%-94.9%	6	
				Less than 93%	0	

KPI		Description	Performance Requirement	Contractor Performance	Score if Met	Quarterly Score
3.	Member Satisfaction Survey	The level of overall Member satisfaction, as measured annually through the Member satisfaction survey, shall be equal to or greater than eighty-five percent (85%) in the first year of the Contract, and shall be equal to or greater than ninety percent (90%) in all subsequent year(s) within the contract term as required in Contract Section A.9.k.	≥ 85% First year of contract	85% or greater	10	
				83-84.9%	6	
				81-82.9%	2	
				Less than 81%	0	
			≥ 90% in years 2-5 of contract	90% or greater	10	
				88-89.9%	6	
				86-87.9%	2	
				Less than 86%	0	
4.	Enrollment Posting	One hundred percent (100%) of electronically retrieved enrollment files processed within two (2) Business Days of receipt of the weekly file as required in Contract Section A.11.h.(2).	100%	100%	10	
				98-99.9%	6	
				96-97.9%	2	
				Less than 96%	0	
5.	Enrollment Discrepancies	Resolve 100% of enrollment discrepancies as identified by the Contractor for internal correction within two (2) business days of identification and within two (2) Business Days of receiving corrected information from the State as required in Contract Section A.11.h.(4).	100%	100%	10	
				98.0-99.9%	6	
				96.0-97.9%	2	
				Less than 96%	0	
6.	Reporting	The Contractor shall distribute to the State all reports required in the Contract within the time frame and in the format specified in the Contract as required in Contract Section A.13.a.	100%	100%	10	
				98-99.9%	6	
				96-97.9%	2	
				Less than 96%	0	
7.	Average Speed of Answer	The Contractor's call center shall maintain a monthly Average Speed of Answer rate of thirty (30) seconds or less as required in Contract Section A.4.c.(1).	30 seconds or less	30 Sec. or less Avg.	10	
				31-35 Sec, Avg.	6	
				36-40 Sec Avg.	2	
				Greater than 40 Sec Avg.	0	
8.	Claims Payment	The Contractor shall maintain an annual average rate of ninety-eight	98% or greater	98% or greater	10	

KPI		Description	Performance Requirement	Contractor Performance	Score if Met	Quarterly Score
	Accuracy	percent (98%) or higher for Claims Payment Accuracy as required in Contract Section A.9.p.		97% - 97.9%	6	
				96% - 96.9%	2	
				Less than 96%	0	
9.	Claims Processing Accuracy	The Contractor shall maintain an annual average rate of ninety-seven percent (97%) or higher for Claims Processing Accuracy as required in Contract Section A.9.p.	97% or greater	97% or greater	10	
				96% - 96.9%	6	
				95% - 95.9%	2	
				Less than 95%	0	
10.	Claims Processing Turnaround	The Contractor shall maintain an annual average rate of ninety-eight percent (98%) or higher within twenty-one (21) days for Claims Processing Turnaround as required in Contract Section A.9.p.	98% or greater	98% or greater	10	
				97% - 97.9%	6	
				96% - 96.9%	2	
				Less than 96%	0	
Calculated Performance Payment (Sum of Quarterly Score divided by total possible quarterly score multiplied by 100%).						

Quarterly Score	At Risk Performance Payment
>=95%	\$0
90.1-94.9%	\$10,000
85-90%	\$20,000
80-84.9%	\$30,000
75-79.9%	\$40,000
74.9% or below	\$50,000

KPI	Description	Performance Requirement	At Risk Performance Payment
11.	Unauthorized Usage of Information	Unless prior approved In Writing by the State, and in compliance with state and federal law, the Contractor shall not use information gained through this Contract, including but not limited to utilization and pricing information, in marketing or expanding non-State business relationships or for any pecuniary gain as specified in Contract Section A.9.n.	If Contractor uses data without prior State approval
			\$25,000 per incident

	KPI	Description	Performance Requirement	At Risk Performance Payment
12.	Authorization of Member Communications	The Contactor shall not distribute any materials to Members prior to receiving the express, written authorization by the State for the use of such materials, as required in Contract Section A.5.b.	If Contractor distributes materials without prior State approval	\$1,000 per incident
13.	Timely Notification	Contractor shall notify the State, within three (3) Business Days of identification, about any situation that appears to negatively impact the administration or delivery of the Program or Benefits, as required in Contract Section A.13.d.	If Contractor fails to notify the state within three (3) Business Days	\$10,000 per incident
14.	Call Center Responses	The Contractor shall have sufficient staff to respond to inquiries, correspondence, complaints, and problems related to all aspects of the services required in this contract, as required in Contract Section A.4.a.	If a Member contacts the State with an unresolved issue that they previously attempted to resolve with the Contractor.	\$1,000 per incident

Contract Attachment D

REPORTING REQUIREMENTS

As required by the Contract, the Contractor shall submit Management Reports to the State. The reports shall be used by the State to assess the Plan costs, as well as reconcile the Liquidated Damages and Service Level Agreements. All reports shall be submitted in Microsoft Excel format, unless otherwise specified by the State, and shall be sent to the State via secure email.

Unless otherwise directed by the State, the Contractor shall submit reports as follows:

- 1) Weekly reports shall be submitted by Tuesday of the following week;
- 2) Monthly reports shall be submitted by the 15th of the following month;
- 3) Quarterly reports shall be submitted by the 20th of the month following the end of the quarter;
- 4) Semi-Annual Reports shall be submitted by January 20th and July 20th;
- 5) Annual reports shall be submitted within sixty (60) days after the end of the calendar year.

Note: Any report due on a holiday or weekend will then be due on the following Business Day.

Reports shall include:

- 1) **Liquidated Damages and Service Level Agreement Tracking Report**, as detailed in Contract Attachments B and C, each component to be listed with guarantee and actual results, submitted quarterly and annually using the template prior approved In Writing by the State; the report shall also include a narrative statement regarding the status of each item with statistics supporting the results achieved.
- 2) **Claims Paid Summary Report**, submitted quarterly and annually using the template prior approved In Writing by the State to support Contract Section A.9.a.
- 3) **Claims Paid Lag Report**, submitted quarterly and annually using the template prior approved In Writing by the State to support Contract Section A.9.a.
- 4) **Call Center Activity Report**, as detailed in Contract Section A.4.c, submitted monthly.
 - a. Average Speed of Answer – statistics to support an Average Speed of Answer (ASA) of thirty (30) seconds or less during each month
 - b. First Call Resolution – statistics to support a monthly average rate of eighty-five percent (85%) or greater for First Call Resolution
- 5) **Member Satisfaction Survey Report**, submitted annually by agreed upon date by secure email using the template prior approved In writing by the State, as required in contract section A.9.k.
- 6) **BC/DR Test Results Report**, submitted annually using the template prior approved In writing by the State, as required in Contract Section E.7.d.(3).
- 7) **AdHoc Reports**, The Contractor shall submit such ad hoc reports as are deemed by the State to be necessary to analyze the Plan. The exact format, frequency and due dates for such reports shall be mutually agreed upon with the Contractor and shall be submitted at no cost to the State.

- 8) **System and Organization Controls for service organizations (“SOC”) 2 Type II audit Report**, submitted annually within thirty (30) days from when the CPA firm provides the audit report and in addition to periodic bridge reports as requested by the State in compliance with contract Section E.7.e.
- 9) **Marketing and Communications Plan and Efforts Report**, submitted annually, as required in contract section A.5.a.(1).
- 10) **Member Issues Log**, submitted monthly until notified by the State In Writing to send quarterly using template agreed to by the State, as required in Contract Section A.9.d.
- 11) **Claims Processing Activity Report**, submitted quarterly and annually to reflect: volume of claims received, adjudicated, and pending to substantiate as required in Contract Section A.9.p:
 - a. Claims Payment Accuracy,
 - b. Claims Processing Accuracy, and
 - c. Claims Processing Turnaround results (percentages)
- 12) **Appeals Summary Report**, submitted quarterly using the template prior approved In Writing by the State as described in Contract Section A.9.h.
- 13) **Weekly Enrollment File Error Report**, submitted within one (1) Business Day of processing the weekly enrollment file using the template prior approved In writing by the State, as required in Contract section A.11.h.(3)., if errors for State correction are identified.

CONTRACT ATTACHMENT E**Short Term Disability (STD) Insurance and Long Term Disability (LTD) Insurance Minimum Benefit Provisions**

The Contractor shall provide the Program benefits shown below as the minimum provisions for each type of disability insurance program. Enhanced or additional benefits may be provided by the Contractor upon approval by the State; however, the Contractor's compensation shall not be other than specified in Contract Section C.3. These Program benefits and other detailed provisions of the benefits shall be included in the Contractor's group master policy and/or certificate of coverage.

Short Term Disability Insurance Program		
	Option A	Option B
STD Weekly Benefit % of Annual Gross Base Salary	60% paid weekly	60% paid weekly
STD Maximum per Week	\$2,500	\$2,500
STD Minimum per Week	\$25	\$25
Elimination Period	14 calendar days	30 calendar days
Definition of Disability	Own Job	Own Job
Duration of Benefit	26 weeks	26 weeks
Pre-Existing Conditions Limitation	None	None
Evidence of Insurability (EOI)	Guaranteed Issue for New Hires who enroll within 30 days of eligibility date; EOI for Late Enrollees during Annual Enrollment Period	Guaranteed Issue for New Hires who enroll within 30 days of eligibility date; EOI for Late Enrollees during Annual Enrollment Period
Integration	Full Family received due to Member's disability	Full Family received due to Member's disability

STD Plan Provision	Terms
Elimination Period	The period of time that a Member must be continuously disabled to be eligible for benefits under the policy.
Definition of Disability	A Member is considered disabled if due to an injury or illness he or she is unable to perform the duties of his or her own job and unable to earn 80% or more of his pre-disability earnings.
Return to Work Incentive	A Member may work while disabled. If a Member is able to work, they may earn up to 100% of his or her pre-disability earnings when combining his or her disability payments and earnings. If the sum of the disability payment and earnings exceeds 100%, the earnings will be considered an offset so that the Member receives 100% of his or her pre-disability earnings.
Termination of Coverage	Coverage will end on the earliest of the following: <ul style="list-style-type: none"> • The date the policy is terminated • The date the Member is no longer eligible • The date that premiums are no longer paid Disability benefits will continue to be paid for claimants who are disabled prior to the termination date and are entitled to receive benefits.
Continuation of Insurance	If a Member is no longer actively at work due to Family Medical Leave, coverage may continue for up to twelve (12) weeks.

	A Member who has been enrolled in the State's short term disability insurance program for at least twelve (12) calendar months and whose active employment ends due to a reason other than disability may convert within thirty-one (31) days of termination of enrollment to an individual short term disability insurance policy or a non-State sponsored group short term disability insurance plan.
Successive Period of Disability	If a Member returns back to work for a period of less than fourteen (14) days and goes back out on disability due to same injury or illness, the Member will not be required to satisfy a new elimination period.
Deductible sources of Income	<p>Member's benefit will be reduced if the Member receives another source of income due to his or her disability including the following:</p> <ol style="list-style-type: none"> 1. any amounts received (or assumed to be received*) by the Member or his or her dependents under: <ul style="list-style-type: none"> - the Canada and Quebec Pension Plans; - the Railroad Retirement Act; - any local, state, provincial or federal government disability or retirement plan or law including a motor vehicle law or similar law - any sick leave, annual leave or salary continuation plan sponsored by the Employer; 2. any Social Security disability or retirement benefits the Member or any third party receives (or is assumed to receive) on his or her own behalf or for his or her dependents; or which his or her dependents receive (or are assumed to receive) because of his or her entitlement to such benefits. 3. any Retirement Plan benefits sponsored by the Employer. "Retirement Plan" means any defined benefit or defined contribution plan sponsored or funded by the Employer. 4. any proceeds payable under any franchise or group insurance or similar plan. 5. any amounts paid because of loss of earnings or earning capacity through settlement, judgment, arbitration or otherwise, where a third party may be liable, regardless of whether liability is determined. 6. any amounts received from worker's compensation benefit.
Exclusions	Suicide, act of war, participation in a riot, commission of a felony, cosmetic or elective surgery.
Annual Gross Base Earnings	Member's gross annual base salary as of September 1 of each year or another date established by the State to be effective on October 1 of each year or another date established by the State.

Long Term Disability Insurance Program		
	Option 1	Option 2
LTD Benefit % of Gross Annual Base Salary	60% paid monthly	60% paid monthly
LTD Maximum per Month	\$7,500 per month covers an annual salary of \$150K	\$7,500 per month covers an annual salary of \$150K
LTD Minimum per Month	Greater of 10% of benefit or \$100 per month	Greater of 10% of benefit or \$100 per month
Elimination Period	90 calendar days	180 calendar days
Definition of Disability	24 month own occupation followed by any occupation	24 month own occupation followed by any occupation
Duration of Benefit	Social Security Normal Retirement Age*	Social Security Normal Retirement Age*
Annual Cost of Living Adjustment	Not Applicable	Not Applicable
Mental Nervous & Substance Abuse Limitations	24 months	24 months
Pre-Existing Conditions Limitation	3 months prior to effective date and 12 months from effective date	3 months prior to effective date and 12 months from effective date
Evidence of Insurability (EOI)	Guaranteed Issue for New Hires who enroll within 30 days of eligibility date; EOI for Late Enrollees during Annual Enrollment Period	Guaranteed Issue for New Hires who enroll within 30 days of eligibility date; EOI for Late Enrollees during Annual Enrollment Period
Waiver of Premium	Included once the elimination period has been satisfied	Included once the elimination period has been satisfied
Integration	Full Family received due to Member's disability	Full Family received due to Member's disability

Long Term Disability Insurance Program		
	Option 3	Option 4
LTD Benefit % of Gross Annual Base Salary	63% paid monthly	63% paid monthly
LTD Maximum per Month	\$10,000 per month covers an annual salary of \$190K	\$10,000 per month covers an annual salary of \$190K
LTD Minimum per Month	Greater of 10% of benefit or \$100 per month	Greater of 10% of benefit or \$100 per month
Elimination Period	90 calendar days	180 calendar days
Definition of Disability	36 month own occupation followed by any occupation	36 month own occupation followed by any occupation
Duration of Benefit	Social Security Normal Retirement Age*	Social Security Normal Retirement Age*
Annual Cost of Living Adjustment	Included	Included
Mental Nervous & Substance Abuse Limitations	24 months	24 months
Pre-Existing Conditions Limitation	3 months prior to effective date and 12 months from effective date	3 months prior to effective date and 12 months from effective date
Evidence of Insurability	Guaranteed Issue for New Hires who enroll within 30 days of eligibility date; EOI for Late Enrollees during Annual Enrollment Period	Guaranteed Issue for New Hires who enroll within 30 days of eligibility date; EOI for Late Enrollees during Annual Enrollment Period
Integration	Full Family received due to Member's disability	Full Family received due to Member's disability

LTD Plan Provision	Terms
Elimination Period	If the disability stops for sixty (60) consecutive days or less during the elimination period, it will be treated as a continuous period of disability.
Definition of Disability	A Member is considered Disabled if due to injury or illness he or she is unable to perform his or her Own Occupation or have a loss of 20% or more of his or her pre-disability earnings (unable to earn 80% or more of his pre-disability earnings) by working in his or her regular occupation. After twenty-four (24) months or thirty-six (36) months, based upon Program enrollment for Member, of disability payments a Member is considered Disabled if due to injury or illness he or she is unable to perform the duties of Any Occupation or unable to earn 60% or more of his or her pre-disability earnings by working in any occupation.
Return to Work Incentive	During the first twenty-four (24) months of disability benefits, earnings from working while disabled will not be considered an offset unless the sum of the Disability benefit and the earnings exceed 100% of pre-disability earnings.
Annual Cost of Living Adjustment	If a Member has been disabled for a period of twelve (12) months, annually the benefit will be increased by the lesser of 3% or the Consumer Price Index for Urban Wage Earners

	and Clerical Workers (CPI-W) up to a maximum of five (5) years.
Continuation of Insurance	<p>Disability Insurance continues if a Member's Active Pay Status ends due to a Disability for which benefits under the Policy are or may become payable. Premiums for the Member will be waived while Disability Benefits are payable. If the Member does not return to Active Service, this insurance ends when the Disability ends or when benefits are no longer payable, whichever occurs first.</p> <p>If a Member's Active Service ends due to personal or family medical leave approved timely by the Employer, insurance will continue for a Member for up to twelve (12) weeks, if the required premium is paid when due.</p> <p>A Member who has been enrolled in the State's long term disability insurance program for at least twelve (12) calendar months and whose active employment ends due to a reason other than disability may convert within thirty-one (31) days of termination of enrollment to an individual long term disability insurance policy or a non-State sponsored group long term disability insurance plan.</p>
Successive Period of Disability	A separate period of Disability will be considered continuous if it is due to a related disability and occurs within six (6) months of the Member returning to work for the initial period of disability.
Mental Nervous/Substance Abuse Limitations	Benefits will be payable for a maximum of twenty-four (24) months during a Member's lifetime for a disability due to Mental Nervous conditions or Substance Abuse. If confined in a hospital for treatment upon exhaustion of the twenty-four (24) months, benefits will continue as long the Member remains confined.
Pre-Existing Condition	If within the first year of being a covered Member a Member files a disability claim, a pre-existing investigation will be performed to determine whether the Member received care or treatment for this condition during the three months prior to his or her coverage effective date. Benefits will not be payable if the disability was caused by a pre-existing condition. Time enrolled by the Member in the prior Higher Education Plan will count toward the satisfaction of pre-existing limitations under the State Program for the same income percentage replacement. Should a Member from the Higher Education Plan select a higher income replacement level under the State Program, the time enrolled in the prior plan will only count toward the same income replacement percentage in the State program; the additional percentage of replacement income will be subject to the pre-existing clause.
*Duration	<p>Under Age 65 - To Member's normal retirement age</p> <p>Age 65 - 24 months</p> <p>Age 66 - 21 months</p> <p>Age 67 - 18 months</p> <p>Age 68 - 15 months</p> <p>Age 69 and over - 12 months</p>
Annual Gross Base Salary	Member's gross annual base salary as of September 1 of each year or another date established by the State to be effective on October 1 of each year or another date established by the State.

Deductible sources of Income	<p>Member's monthly benefit will be reduced if the Member receives another source of income due to his or her disability including the following:</p> <ol style="list-style-type: none"> 1. any amounts received or assumed to be received by the Member or his or her dependents under: <ul style="list-style-type: none"> - the Canada and Quebec Pension Plans; - the Railroad Retirement Act; - any local, state, provincial or federal government disability or retirement plan or law; - any sick leave, annual leave or salary continuation plan sponsored by the Employer; 2. any Social Security disability or retirement benefits the Member or any third party receives or is assumed to receive on his or her own behalf or for his or her dependents; 3. any Retirement Plan benefits sponsored by the Employer. "Retirement Plan" means any defined benefit or defined contribution plan sponsored or funded by the Employer. 4. any proceeds payable under any franchise or group insurance or similar plan. 5. any amounts received by the Member or his or her dependents under any workers' compensation, occupational disease, unemployment compensation law or similar state or federal law payable for Injury or Sickness arising out of work with the Employer, including all permanent and temporary disability benefits. This includes any damages, compromises or settlement paid in place of such benefits, whether or not liability is admitted. 6. any amounts paid because of loss of earnings or earning capacity through settlement, judgment, arbitration or otherwise, where a third party may be liable, regardless of whether liability is determined. 7. any amounts received from worker's compensation benefit.
Survivor Benefit	<p>If the Member received disability benefits under the plan and had been disabled for one-hundred eighty (180) or more days, a survivor benefit will be paid upon the Member's death. The survivor will receive a benefit equal to three (3) months of the Member's gross disability benefit paid in a lump sum.</p>