

Attachment 9 – Questions and Answers

The following questions were submitted in writing by Vendor A. (Answers follow.)

1. Section 5.1.6 (p. 34), please provide any existing performance guarantees.

A:

- timeliness of disability determinations
- payment accuracy (including offsets)
- payment timeliness;
- timeliness of incapacitated determinations
- customer satisfaction
- implementation.

2. Section 5.1.4, (p. 30) A. Claims Processing – Item N - Can you describe the appeals coordination process between PEBA and your current carrier for the BLTD claims? What steps does your current carrier handle and what information do they provide to you?

A: If a subscriber appeals the denial of a decision that The Standard has made, The Standard will send a copy of the application file to PEBA for their review. The Standard does not complete the appeal.

3. Please provide copies of all LTD plan documents, including the State Health Plan with the criteria for determining if a covered dependent child is eligible to continue coverage in the medical program.

A: See the following link for the State Health Plan documents: [plan_of_benefits.pdf \(sc.gov\)](#)

4. Do employees in the PEBA plan participate in and contribute to Social Security?

A: Yes

5. Please confirm the pre-ex provision is a 12/12.

A: Page 19 of the RFP under Part 2 – Scope of Proposal section 2.1 states:

All employees currently enrolled in the BLTD and/or SLTD Plans will be re-enrolled automatically on January 1, 2025, and will not be subject to preexisting condition limitations other than those currently applicable to an individual. All employees actively at work as of October 1, 2024 may enroll in the SLTD Plan without medical evidence during the October 2024 open enrollment period. Subsequently hired employees are automatically eligible for enrollment in the BLTD and SLTD Plans during the first thirty-one (31) days after commencing employment without medical evidence, subject to a twelve (12) month preexisting condition limitation with coverage to commence on the first day of the month following enrollment. The Contractor shall describe an electronic means for participants to complete medical evidence when it is required. Rates are to be guaranteed for two (2) years, beginning January 1, 2025. Employees may cancel their SLTD coverage at will. However, any subsequent reentry is subject to medical evidence and preexisting benefit limitations.

6. Please provide claim data for takeover claims.

A: Information was provided to potential Offerors who signed an NDA by the stated deadline.

7. Part 3 – Scope of Work (p. 24) – D. Incapacitated Child Determinations, please provide the annual claim volume for incapacitated child reviews.

A: Information was provided to potential Offerors who signed an NDA by the stated deadline.

8. Part 3 – Scope of Work (p. 24) – D. Incapacitated Child Determinations, please provide submission incidence data for the incapacitated child administration.

A: The Standard has received an average of 30 incapacitated dependent review requests a year over the last five years.

9. Part 3 – Scope of Work (p. 24) – D. Incapacitated Child Determinations, what does the PEBA pay to The Standard for this service?

A: See page 38, Section 5.2.2, Fee for Administering the Basic Long Term Disability Insurance Plan. “Offeror’s per participant monthly fee for administering the BLTD Plan and for assisting and advising in incapacitated child determinations. The Administration Fee quoted below shall be the only payment for the BLTD Plan and Incapacitated Child Determination Services. There shall be no other charges for administration of the BLTD Plan and Incapacitated Child Determination Services.”

10. Part 3 – Scope of Work (p. 24) – D. Incapacitated Child Determinations, please provide information on the incapacitated child review process with your current carrier. Are they providing an initial recommendation against the criteria or ongoing recommendations (e.g., annually, every 2 years, etc.)?

A: The subscriber completes the Incapacitated Child Certification Form and submits it to PEBA. PEBA forwards the form to The Standard. The form will be either for a new application or an existing application (renewal). The analyst reviews the application to determine if it should be approved or denied based on the information received. Consultation with Disability Management Resources (DMR) may be required to form a recommendation on the dependent’s incapacitation. If additional information is needed to make a recommendation, The Standard will request that the subscriber provide additional medical documentation within 30 days, sending PEBA a copy of the request for their records in an encrypted email. Approvals are either permanent or temporary for either 1 year or 2 years.

11. Part 3 – Scope of Work (p. 24) – D. Incapacitated Child Determinations, under the current incapacitated child review process, it is indicated that “the Contractor shall gather documentation from the medical provider, review it, and make a timely written recommendation to PEBA, no later than thirty-one (31) days after receipt”. Please confirm if this is receipt of the request or receipt of all necessary information. If the latter, what is the current process if all necessary information is not received?

A: The current process states The Standard will gather documentation and make a timely recommendation to PEBA within 30 days from the date it requests the necessary information. After 30 days, if the information requested is not received, The Standard will proceed based on the information it has received, if any, which may result in a denial based on the lack of information provided.

12. Part 3 – Scope of Work (p. 27) – L. PORS Medical Reviews, please provide process details for the PORS medical review. How much time are the contracted physician’s allocating to PORS reviews? Are they simply providing a medical recommendation or is the expectation that they will also determine eligibility? Are they communicating directly with participants?

A: The contractor is paid based on file size, not by the amount of time spent on a case.

13. Since the census and claims experience will be released on 3/12, after the questions deadline, will there be an opportunity to ask specific questions around the census and claims data provided?

A: Yes. Questions will be received from those who signed the NDA and received the claims data.

14. PEBA:Connect – Item 2.1 – Page 18: The RFP states: “The contractor is expected to work with PEBA and the PEBA:Connect contractor, on the transition to the new benefits admin system without any additional cost to PEBA.” Is it the expectation that the carrier will cover any costs PEBA incurs with implementing the new system? If so, please provide an estimate for the initial cost as well as ongoing costs.

A: No.

15. ELIGIBILITY – Item 2.1 – Page 19: The RFP states “...PEBA has established that the BLTD Plan and the SLTD plan must provide the same criteria for benefit eligibility.” The BLTD plan eligibility appears to be tied to a member’s enrollment in a health plan offered as part of the state insurance program. Does this mean that if an EE chooses the SLTD, they too will need to be enrolled in a health plan offered as part of the state insurance program? Is it possible for a member to have SLTD and not BLTD?

A: Yes, if they are eligible but choose not to participate in PEBA’s medical plan they can still elect to enroll in the SLTD plan.

16. OPEN ENROLLMENT – Item 2.1 – Page 19: The RFP mentions an open enrollment period for all eligible members. Does this include members who have previously declined coverage? When was the last open enrollment that allowed late entrants into the plan without EOI? Does this occur annually?

A: The last open enrollment that allowed late entrants into the plan without EOI was 9/15/20 – 10/31/20 for a 1/1/21 effective date. No, this does not occur annually.

17. TAKEOVER BLTD CLAIMS – Part 3 – A – Page 21: The RFP indicates that the contractor selected will administer current self-insured claims on the BLTD plan. Please provide a claim listing of open claims that will be transitioned to the new carrier including date of disability, gender, date of birth, gross/net benefit, total paid to date.

A: Information was provided to potential Offerors who signed an NDA by the stated deadline.

18. CENSUS - Please provide a census that includes the following fields:

- **Plan Identifier (BLTD or SLTD or Both if applicable)**
- **Zip Code**
- **Date of Birth**
- **Gender**
- **Salary**

A: Information was provided to potential Offerors who signed an NDA by the stated deadline.

19. Experience - Please provide the following by plan and note the valuation date of the data:

- **5 years of paid claims by incurred year**
- **Open/Closed claim listing for the past 5 years including the following:**
 - **Plan Indicator**
 - **Date of Disability**
 - **Date of Birth**
 - **Gender**
 - **Gross Benefit**
 - **Net Benefit**
 - **Total Paid to Date**
 - **Claim Closed Date (Closed Claims)**
 - **Reserves**
 - **Offset amounts and description (Social Security/PERs/STRs etc.).**

A: Information was provided to potential Offerors who signed an NDA by the stated deadline.

20. PREMIUMS – SLTD - Please provide 5 years of SLTD premium to correspond to the claims requested/provided.

A: Information was provided to potential Offerors who signed an NDA by the stated deadline.

21. LIVES – Please provide average lives by period to align with the claims and premium data requested/provided.

A: Information was provided to potential Offerors who signed an NDA by the stated deadline.

22. RATES / FEES & RATE / FEE HISTORY - Please provide current fees and rates as well as historical fees and rates that align with the experience requested.

A: Information was provided to potential Offerors who signed an NDA by the stated deadline.

23. Please provide a copy of the most recent billing statement.

A: Information provided to potential Offerors who signed an NDA by the stated deadline.

24. PLAN CHANGES - Were there any plan changes during the experience periods requested? If so, please provide a description of the change, the effective date and if there was an impact to the rates/fees.

A: There were no changes to plan design during the review period. There were two amendments:

- a. Effective 1/1/21 – The Standard offered a one-time open enrollment on the SLTD plan without EOI.
- b. Effective 1/1/21 – The notice of rate change was increased to 365 days.

There was no impact to the rates or fees for either change.

25. LTD Offsets - Are members eligible for both a state pension plan and social security? If so, can members participate in both or must they choose between the state pension plan and social security?

A: Predominantly, employees of PEBA-covered employers participate in Social Security and PEBA Retirement. There is a relatively low number of employers that do not participate in Retirement; however, that Retirement non-participation represents a very small share of the employee population.

26. Will PEBA consider electronic signatures instead of ink?

A: Ink signatures are always preferred; however electronic signatures are acceptable.

27. The census provided showed 10,446 members that did NOT have Basic LTD but did have Supplemental LTD (112,005 members indicate they have both the Basic and Supplemental). Please explain. Does this mean that these plans do NOT function like a traditional core/buy-up where all members would have the Core/Basic Plan?

A: Enrolling in Basic LTD is not a requirement to enroll in SLTD. LTD is automatic for those enrolled in health. However, those not choosing health coverage can still select SLTD.

BLTD Eligibility from pg. 105 of 2024 IBG:

“You are eligible for BLTD if you are covered under the State Health Plan or the TRICARE Supplement Plan and are an active, full-time employee as defined by the Plan or a full-time academic employee and you are employed by: a department, agency, board, commission or institution of the state; a public school district; a county government (including county council members); or another group participating in the state’s insurance program. Members of the General Assembly and judges in the state courts are also eligible for coverage.”

SLTD Eligibility from pg. 110 of 2024 IBG:

“You are eligible for SLTD insurance if you are:

- An active, full-time, compensated employee as defined by the Plan;
- A full-time, compensated academic employee; or
- A member of the General Assembly, or a judge in the state courts.

You are not eligible for this coverage if you are an employee of an employer that is covered under any other group long term disability plan that insures any portion of your predisability earnings (other than the BLTD Plan); if you are receiving retirement benefits from PEBA and did not enroll in active employee coverage; if you are a temporary or seasonal employee; if you are a part-time teacher; or if you are a full-time member of the armed forces of any country.”

28. Rates were provided for 2024, however please provide historical rates to correspond to the experience provided (2019 – 2023).

A: This additional information will be provided securely to potential Offerors who signed an NDA by the stated deadline.

29. In our initial question, we requested current and historical ASO fees. If possible, please provide. (Please discard if this has already been addressed.)

A: That information was included with the initial release of secure information.

30. The “Monthly premium factors” PDF states “Multiply the premium factor for your age and plan selection by your monthly earnings to determine your monthly premium.” Based on the SLTD plan design, the maximum annual salary that’s covered is \$147,692 (Benefit Max \$8,000 / 0.65 * 12). How does the group calculate premium for members who have salaries where their benefit would exceed the \$8,000 maximum?

A: This is a self-administered plan, so PEBA is responsible for calculating and collecting premium for the SLTD plan. Earnings are capped at \$147,692 per year and is managed by the Contractor.

31. Please provide a key for abbreviations included in the claim listings. For example, on the claim listing column E is for “product” however it’s not clear what the various abbreviations mean.

A: Product code descriptions are listed below each list of claims. For example, on line 3017 of the BLTD Claim Listing you will find Long Term Disability under the LT claims, additional descriptions are on lines 3099 and 3151 of that report, but below is a recap for both the BLTD and SLTD claim listings.

LT = BLTD

OP=SLTD

L2= Accommodation claim expenses

L6=Rehab vendor expenses

SO=Survivor Benefit Claims on the SLTD plan

32. Please confirm the valuation date of the Incurred & Paid exhibits and claim listings.

A: 12/31/2023.

The following questions were submitted in writing by Vendor B. (Answers follow.)

33. Part 3 - SCOPE OF WORK

A. Claims Processing

- e. The Contractor shall be responsible for the payment of the FICA and Medicare contributions on behalf of employers eligible to offer the BLTD and SLTD Plans to the Internal Revenue Service under the Contractor's EIN, including not more than once a year the billing and collection from the employers of the payments made by Contractor on their behalf.**

Would PEBA agree to semi-annual billing and collection from employers of the FICA and Medicare payments made by Contractor on their behalf?

A: Yes.

34. I. Information Security

- 1. The Contractor shall comply with Health Insurance Portability and Accountability Act of 1996 (HIPAA) provision related to Electronic Transaction Standards.**

Vendor B has elected hybrid covered entity status, meaning we are a covered entity under HIPAA as to our dental and vision insurance products only.

A: Offeror has not asked a question. Offerors must comply with all requirements as stated in the solicitation. Statements made by Offerors during the Q&A period do not relieve the Offeror from this obligation, they do not alter the terms of the RFP, and they are not considered as part of the Offeror's proposal.

3. **The Contractor shall be responsible for transmitting and maintaining data security and confidentiality as required by state and federal law, including HIPAA.**

While HIPAA is not applicable, Vendor B does maintain security controls that align with protecting sensitive data scoped to HIPAA. Our controls either meet or exceeds HIPAA security regulations. Vendor B maintains physical, technical and administrative safeguards to protect the integrity, confidentiality and security of confidential information.

- A:** Offeror has not asked a question. Offerors must comply with all requirements as stated in the solicitation. Statements made by Offerors during the Q&A period do not relieve the Offeror from this obligation, they do not alter the terms of the RFP, and they are not considered as part of the Offeror's proposal.

7. **The Contractor will destroy all government data at the request of PEBA in a manner approved by PEBA.**

When claim files are closed, they are retained by Vendor B consistent with our Records Retention Policy and sufficient to meet regulatory and business requirements, which may exceed the term of contracts with the customer. An example of this is an active claim against an insurance policy that needs continued administration after the termination of the policy.

When destruction is appropriate, electronic media is either securely wiped or destroyed using methods consistent with NIST SP 800-88. Where applicable, printed material is placed in secure bins and then a third-party comes on site to do shredding.

- A:** Offeror has not asked a question. Offerors must comply with all requirements as stated in the solicitation. Statements made by Offerors during the Q&A period do not relieve the Offeror from this obligation, they do not alter the terms of the RFP, and they are not considered as part of the Offeror's proposal.

10. The Contractor will be subject to PEBA security assessments and audits at the request of PEBA.

To ensure the confidentiality and protection of all our customers, Vendor B does not let customers perform audits of our Information Security Program. We can provide a signed ISO 27001:2013 certificate by an accredited auditor as assurance that we take appropriate steps to secure the environment. The scope of our ISO 27001 certification covers our entire Information Security Program, including our penetration testing and remediation processes. Vendor B also receives a SOC 2 Type II report that covers our Information Security Program, which is made available to our customers.

Compliance with these standards, confirmed by an accredited auditor, demonstrates that Vendor B uses internationally recognized processes and best practices to manage the infrastructure and organization that support and deliver its services.

The certificate validates that Vendor B has implemented the guidelines and general principles for initiating, implementing, maintaining, and improving the management of information security.

A: Offeror has not asked a question. Offerors must comply with all requirements as stated in the solicitation. Statements made by Offerors during the Q&A period do not relieve the Offeror from this obligation, they do not alter the terms of the RFP, and they are not considered as part of the Offeror's proposal.

35. Part 5 - INFORMATION FOR OFFERORS TO SUBMIT

5.1.4 OFFEROR'S APPROACH

A. Claims Processing

c. Offerors should describe the documents they will require or generate during the claims administration process and how they will maintain hard copy files and documentation of all information needed to support claims payments, denials and appeals.

Vendor B does not maintain physical copies of files. All records are maintained and backed up electronically. Our backup procedures include magnetic tape as fully digital mechanisms for retaining data in the event of an emergency.

A: Offeror has not asked a question. Offerors must comply with all requirements as stated in the solicitation. Statements made by Offerors during the Q&A period do not relieve the Offeror from this obligation, they do not alter the terms of the RFP, and they are not considered as part of the Offeror's proposal.

36. Part 7 - TERMS AND CONDITIONS -- A. GENERAL

7.4 CONTRACT DOCUMENTS & ORDER OF PRECEDENCE:

Agreed, provided Vendor B's Supplemental Group LTD policy and the State's Basic LTD plan are made part of this Contract. The terms of the group insurance policy and plan will govern eligibility for insurance and benefits, and Vendor B's right to underwrite and terminate its group insurance policy.

A: The BLTD and SLTD policies are considered part of the Contract. However, the terms of the policies must reflect the requirements of the contract documents listed in Section 7.4, and, in the event of any conflicts between the contract documents and the policies, the contract documents will control in the order of precedence.

37. 7.6 DISPUTES (JAN 2006):

Agreed, provided this section applies to disputes between the parties (not disputes brought by claimants).

A: This provision applies to disputes between the parties.

38. 7.9 FIXED PRICING REQUIRED (JAN 2006):

The Contractor may change premium rates whenever:

- 1. A change or clarification in law or governmental regulation affects the amount payable under the Group Policy. Any such change in Premium Rates will reflect only the change in our obligations.**
- 2. The premium contribution arrangement for Members is changed or varies from that stated in the Group Policy when issued or last renewed.**
- 3. We and the Policyholder or the Employer mutually agree to change Premium Rates.**

A: Offeror has not asked a question. Offerors must comply with all requirements as stated in the solicitation. Statements made by Offerors during the Q&A period do not relieve the Offeror from this obligation, they do not alter the terms of the RFP, and they are not considered as part of the Offeror's proposal.

39. TERMS AND CONDITIONS -- B. SPECIAL

7.30 CONTRACTOR'S LIABILITY INSURANCE-GENERAL (FEB 2015): Vendor B proposes the following blue line edits.

(f) Contractor hereby grants to the State and PEBA a waiver of any right to subrogation which any insurer of said Contractor may acquire against the State or PEBA by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the State or PEBA has received a waiver of subrogation endorsement from the insurer, where available.

A: Denied; the clause stands as written.

(g)Any deductibles or self-insured retentions must be declared to and approved by PEBA. PEBA may require the Contractor to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

A: Accepted.

(h)PEBA reserves the right to discuss with Vendor B any potential concerns about modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

A: Denied; the clause stands as written.

40. 7.31 CONTRACTOR'S LIABILITY INSURANCE – INFORMATION SECURITY AND PRIVACY (FEB 2015): Vendor B proposes the following blue line edits.

(e) Coverage shall have limits no less than five million (\$5,000,000.00) dollars per occurrence claim and ten million (\$10,000,000.00) dollars aggregate.

(h)PEBA and its officers, officials, employees, and volunteers of any of them, must be covered as additional insureds on the policy or policies of insurance required by this clause, where available.

(l)Contractor hereby grants to PEBA a waiver of any right to subrogation which any insurer of said Contractor may acquire against PEBA by virtue of the payment of any loss under such insurance as is required by this clause, where available. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not PEBA has received a waiver of subrogation endorsement from the insurer.

A: Denied; the clause stands as written.

41. 7.33 DEFAULT (Jan 2006):

Part (b):

Vendor B does not agree to be responsible to pay for replacement coverage (the difference between the contract and purchase price) or the cost to obtain replacement coverage. We also do not agree that charges can be deducted from the existing premium due.

A: Offeror has not asked a question. Offerors must comply with all requirements as stated in the solicitation. Statements made by Offerors during the Q&A period do not relieve the Offeror from this obligation, they do not alter the terms of the RFP, and they are not considered as part of the Offeror's proposal.

Part (e):

Agreed as to the Basic LTD records. On fully insured plans, Vendor B owns all proprietary business records created in the course of administering the group insurance policy including, but not limited to underwriting, sales, and claim files.

- a. Will PEBA agree that all proprietary business records created in the ordinary course of business including, but not limited to sales, underwriting and claim files remains the property of the selected Contractor?**
- b. Will PEBA agree that the Contractor's obligation to provide copies of records be subject to applicable law and the selected Contractor's confidentiality policies?**
- c. Will PEBA agree that any intellectual property and associated ownership rights that the selected now holds or develops in the future shall remain the property of the selected Contractor?**

A: The clause stands as written.

42. 7.35 ILLEGAL IMMIGRATION (NOV. 2008):

We are willing to agree to this provision as it relates to “subcontractors” provided the term in this provision applies to those entities with whom Vendor B contracts to provide services solely and exclusively to the State.

A: Offeror has not asked a question. Offerors must comply with all requirements as stated in the solicitation. Statements made by Offerors during the Q&A period do not relieve the Offeror from this obligation, they do not alter the terms of the RFP, and they are not considered as part of the Offeror’s proposal. Also, see the definition of “Subcontractor” provided in Section 1.1, Definitions, Capitalization, and Headings.

43. 7.36 LAWSUIT NOTIFICATION AND COOPERATION:

Vendor B will notify the State of any class action lawsuits asserted or brought against us relating to our Contract with the State. We will provide such data, information, and document subject to applicable law. Is this acceptable to PEBA?

A: No; the clause stands as written.

44. 7.37 INDEMNIFICATION - THIRD PARTY CLAIMS - GENERAL:

Contractor’s group insurance policies include a provision that reads:

Individuals selected by the Policyholder or by any Employer to secure coverage under the Group Policy or to perform their administrative function under it, represent and act on behalf of the person selecting them, and do not represent or act on behalf of Contractor. The Policyholder, Employer and such individuals have no authority to alter, expand or extend our liability or to waive, modify or compromise any defense or right we may have under the Group Policy. The Policyholder and each Employer hereby release, hold harmless and indemnify Contractor from any liability arising from or related to any negligence, error, omission, misrepresentation or dishonesty of any of them or their representatives, agents or Employees.

Our group insurance policies do not contain a provision providing indemnification running from the Contractor to the policyholder. However, Contractor will agree to indemnify The State of South Carolina for any negligent, reckless or willful acts of the Contractor’s employees or officers in the performance of this contract through a separate contract or administrative agreement.

A: Offeror has not asked a question. Offerors must comply with all requirements as stated in the solicitation. Statements made by Offerors during the Q&A period do not relieve the Offeror from this obligation, they do not alter the terms of the RFP, and they are not considered as part

of the Offeror's proposal.

45. 7.40 INFORMATION SECURITY - SAFEGUARDING REQUIREMENTS

- (b) Safeguarding Information. Without limiting any other legal or contractual obligations, Contractor shall implement and maintain reasonable and appropriate administrative, physical, and technical safeguards (including without limitation written policies and procedures) for protection of the security, confidentiality and integrity of the government information in its possession. In addition, Contractor shall apply security controls when the Contractor reasonably determines that safeguarding requirements, in addition to those identified in paragraph (c) of this clause, may be required to provide adequate security, confidentiality and integrity in a dynamic environment based on an assessed risk or vulnerability. Contractor shall comply fully with all current and future updates of the information security requirements of PEBA, as outlined in this Contract and as provided during the term of the Contract.**

We are not able to conform to each customer's detailed security requirement. However, we feel that we have implemented security controls that meet or exceed many customer's requirements related to the services we provide. This is demonstrated by our achievement of the ISO 27001:2013 certification. Vendor B also receives a SOC 2 Type II report that covers our Information Security Program, which is made available to our customers.

- A:** Offeror has not asked a question. Offerors must comply with all requirements as stated in the solicitation. Statements made by Offerors during the Q&A period do not relieve the Offeror from this obligation, they do not alter the terms of the RFP, and they are not considered as part of the Offeror's proposal.

46. 7.41 INFORMATION SECURITY – DATA LOCATION (FEB 2015):

Vendor B is responsible for the administration of customer policy and will utilize specialized service providers as a resource to enhance our customer focused services. While some approved offshore providers can access data via secure methods such as virtual desktops hosted in Vendor B infrastructure, there are system, process and physical security controls in place to ensure all data resides and remains in the United States and within Vendor B infrastructure.

- A:** Section 7.41 is a material requirement of the Contract and expressly prohibits accessing government information outside the United States. Offeror has not asked a question. Offerors must comply with all requirements as stated in the solicitation. Statements made by Offerors during the Q&A period do not relieve the Offeror from this obligation, they do not alter the terms of the RFP, and they are not considered as part of the Offeror's proposal.

47. 7.42 INFORMATION USE AND DISCLOSURE (FEB 2015):

(b): *Legal mandates:*

Provided, however, Contractor may disclose information at the request of the person about whom the information relates (i.e. the claimant) without notifying the using governmental unit.

A: The clause stands as written, and PEBA notes this clause begins with “Except to the extent necessary for performance of the work,....” The Contractor is required under Part 3, Scope of Work to communicate with and disclose information to subscribers/claimants.

(e) *Rights, Disclosure and Use.*

When claim files are closed, they are retained by Vendor B consistent with our Records Retention Policy and sufficient to meet regulatory and business requirements, which may exceed the term of contracts with the customer. An example of this is an active claim against an insurance policy that needs continued administration after the termination of the policy.

A: Offeror has not asked a question. Offerors must comply with all requirements as stated in the solicitation. Statements made by Offerors during the Q&A period do not relieve the Offeror from this obligation, they do not alter the terms of the RFP, and they are not considered as part of the Offeror’s proposal.

(f) *Return.*

When claim files are closed, they are retained by Vendor B consistent with our Records Retention Policy and sufficient to meet regulatory and business requirements, which may exceed the term of contracts with the customer. An example of this is an active claim against an insurance policy that needs continued administration after the termination of the policy.

Does PEBA agree that Contractor may retain records beyond termination of the Contract as required with applicable law and consistent with Contractor’s Records Retention Policies and Procedures?

A: Denied. Section 7.42(b) allows Contractor to retain information as necessary to comply with applicable law. In the absence of such a law, Contractor must comply with the requirements of Section 7.42(f).

(h): Actions Following Unintended Disclosure

Vendor B requests three business days after discovery to provide notification. Vendor B will cooperate with the State to provide the remedies and needed and mutually agreed upon under the circumstances, which may include identity theft protection, payment of fines/penalties, or reimbursement of communication costs.

A: Denied; the clause stands as written.

48. 7.47 PRICE ADJUSTMENTS (JAN 2006):

Vendor B reserves the right to negotiate contract changes. Changes in the group insurance policy are subject to the terms of the policy and Vendor B's normal underwriting practices. If the plan is changed by amendment or by law, or if there is a significant change in the size of the group, we reserve the right to re-rate the group. At renewal, rates are developed using the group's experience.

A: Offeror has not asked a question. Offerors must comply with all requirements as stated in the solicitation. Statements made by Offerors during the Q&A period do not relieve the Offeror from this obligation, they do not alter the terms of the RFP, and they are not considered as part of the Offeror's proposal.

49. 7.49 PRICE ADJUSTMENTS--LIMITED BY CPI "OTHER GOODS & SERVICES" (JAN 2006):

Pricing for long term disability insurance is based on many factors. For a group the size of the State of South Carolina, the plans are experience rated. At renewal, we would look at the paid claims, open claim reserves and incurred but not reported (IBNR) reserves associated with the State of South Carolina's long term disability plan over the previous 5-year period to determine what rates we believe will cover claim expenses in the future. We also factor in our retention expenses when determining our renewal action.

The CPI-U is measuring the average change in prices paid by consumers over a period of time for a basket of goods and services and doesn't reflect how the pricing of long term disability is calculated by insurers.

Please confirm that you agree the CPI-U is not applicable to price adjustments for long term disability insurance.

A: Denied; the clause stands as written.

50. 7.50 PRICING DATA – AUDIT – INSPECTION (JAN 2006):

Vendor B will permit the State or an agreed-upon, third-party auditor (not a competitor) to perform audits. We require audits to be conducted at Vendor B's home office in Portland, Oregon, and be subject to applicable privacy and confidentiality laws and Vendor B's internal privacy and confidentiality policies and procedures.

Prior to the audit, we will hold a discussion between all parties (client, third-party auditor and Vendor B) to determine the desired process, as well as the amount of staff time required. If the third-party auditor anticipates a charge for time based on the audit request, we will discuss these fees and agree to terms prior to any onsite visit.

Vendor B will retain records consistent with applicable law and our records retention policies and procedures.

A: Offeror has not asked a question. Offerors must comply with all requirements as stated in the solicitation. Statements made by Offerors during the Q&A period do not relieve the Offeror from this obligation, they do not alter the terms of the RFP, and they are not considered as part of the Offeror's proposal.

51. Attachment 5 – Business Associate Agreement

Vendor B will comply with HIPAA to the extent it is applicable.

The HIPAA Privacy and Security rules define “covered entities” as health plans, health care clearinghouses and certain health care providers. “Health plan” is defined to include an individual or group plan that provides or pays the cost of medical care, including dental and vision insurance. Health plan does not include disability, life or AD&D insurance. Consequently, Vendor B is not a covered entity or a business associate in relation to our life and disability products and services. Meaning, the HIPAA privacy and security rules do not apply to the coverage and services quoted on. Accordingly, we are not required to, nor will we agree to comply with HIPAA with respect to our life and disability insurance products.

Vendor B takes seriously our obligation to protect personal information received in connection with insurance transactions. We comply with applicable federal and state laws addressing privacy and do distribute annually to our policyholders our Privacy Policy, which is also located at <https://www.XXXXX.com/legal-privacy>.

As was found acceptable in the previous LTD RFP, will PEBA be providing an amended BAA specific to the incapacitated child determination reviews?

A: Yes. See updated Attachment 5 included with Amendment 1.