

Attachment 24: Questions and Answers

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

SCOPE OF WORK/SPECIFICATIONS

Claims Processing and Payment (page 19)

1. The Contractor shall coordinate and submit to PEBA for its approval all standard forms and documentation requirements that the Contractor requires claimants to submit when requesting the payment of all basic life and accidental death and dismemberment insurance benefits provided under this contract for both paper and online submission of claims. The Contractor shall not make any changes in its documents, requirements, or procedures regarding the basic life and accidental death and dismemberment insurance provided pursuant to this contract without notifying PEBA of any proposed change and receiving the written approval of PEBA at least thirty (30) days in advance of the proposed change becoming effective.

1. Will PEBA agree to permit endorsements/amendments to policies and forms based on changes and requirements as set forth in applicable laws and regulations, including any specified effective date for a change in law or regulation set?

A: PEBA expects its vendors to abide by all applicable laws and regulations and to ensure PEBA remains compliant with those laws and regulations when they impact the vendor's contractual obligations for PEBA. When changes are required by law or regulation, PEBA expects its vendors to communicate the need for those changes promptly, allowing for adequate time for discussion and planning prior to the implementation of the necessary changes.

Optional Life Insurance Program

Schedule of Benefits (pages 22 – 27)

2. The below comments are regarding the current policy language that we have identified as not matching entirely our current filed language in South Carolina. If selected as your Life Insurance carrier, we will work with you and the South Carolina Department of Insurance to gain approval of policy language modifications to meet your needs in the following areas:

Child Care Benefit

- **Child Care Benefit:** to allow payment of a \$1,000 alternative benefit in the event there is no child eligible to receive the benefit

Child Education Benefit

- **Higher Education Benefit:** to allow payment of a \$1,000 alternative benefit in the event there is no child eligible to receive the benefit

- A: Offeror has not asked a question. Offerors must comply with all requirements as stated in the solicitation.

Part 7. TERMS AND CONDITIONS -- A. GENERAL

7.4 CONTRACT DOCUMENTS and ORDER OF PRECEDENCE (FEB 2015)

(a) Any contract resulting from this solicitation shall consist of the following documents: (1) a Record of Negotiations, if any, executed by you and the Procurement Officer, (2) the solicitation, as amended, (3) documentation of clarifications or discussions of an offer, if applicable, (4) your offer, (5) any statement reflecting the state's final acceptance (the "award"), and (6) purchase orders. These documents shall be read to be consistent and complimentary. Any conflict among these documents shall be resolved by giving priority to these documents in the order listed above.

(b) The terms and conditions of documents (1) through (5) above shall apply notwithstanding any additional or different terms and conditions in any other document, including without limitation, (i) a purchase order or other instrument submitted by PEBA, (ii) any invoice or other document submitted by Contractor, or (iii) any privacy policy, terms of use, or end user agreement. Except as otherwise allowed herein, the terms and conditions of all such documents shall be void and of no effect.

(c) No contract, license, or other agreement containing contractual terms and conditions will be signed by PEBA. Any document signed or otherwise agreed to by persons other than the Procurement Officer shall be void and of no effect.

3. Will PEBA agree that the terms and conditions of the selected carrier's group insurance policy shall govern eligibility for insurance and benefits and the Carrier's right to modify, re-rate and terminate the group insurance policy?

A: No. The terms of the Offeror's group insurance policy must reflect the requirements of this solicitation.

7.6 DISPUTES

(1) Choice-of-Forum. All disputes, claims, or controversies relating to the Agreement shall be resolved exclusively by the appropriate Chief Procurement Officer in accordance with Title 11, Chapter 35, Article 17 of the South Carolina Code of Laws, or in the absence of jurisdiction, only in the Court of Common Pleas for, or a federal court located in, Richland County, State of South Carolina. Contractor agrees that any act by PEBA regarding the Agreement is not a waiver of either PEBA's or the State of South Carolina's sovereign immunity or immunity under the Eleventh Amendment of the United States' Constitution. As used in this paragraph, the term "Agreement" means any transaction or agreement arising out of, relating to, or contemplated by this solicitation. (2) Service of Process. Contractor consents that any papers, notices, or process necessary for the initiation or continuation of any disputes, claims, or controversies relating to the Agreement; for any court action in connection therewith; or for the entry of judgment on any award made, may be served on Contractor by certified mail (return receipt requested) addressed to Contractor at the address provided as the Notice Address on Page Two or by personal service or by any other manner permitted by law, in or outside South Carolina. Notice by certified mail is deemed duly given upon deposit in the United States mail.

4. Will PEBA agree that the choice of forum language does not apply to disputes related to claims decisions under the group insurance policy?

A: Section 7.6 applies to disputes between PEBA and the Contractor.

5. Will PEBA agree to a Carrier's requirements that all legal formalities be followed with respect to service of process related to any court action, entry of judgment or award?

A: The clause stands as written.

7.10 NO INDEMNITY OR DEFENSE

Any term or condition is void to the extent it requires the State to indemnify, defend, or pay attorney's fees to anyone for any reason.

- 6. To the extent that the selected Carrier's filed and approved group insurance policy contains language requiring the State to provide indemnity to the Carrier under certain circumstances, is PEBA able to accept an administrative agreement by the Carrier to not enforce the language while it seeks approval to remove the language from the policy?**

A: PEBA is prohibited by law from agreeing to any indemnification provision.

Part 7 – TERMS AND CONDITIONS – B. SPECIAL

7.23 BANKRUPTCY – GOVERNMENT INFORMATION (FEB 2015)

(a) All government information (as defined in the clause herein entitled "Information Security - Definitions") shall belong exclusively to PEBA, and Contractor has no legal or equitable interest in, or claim to, such information. Contractor acknowledges and agrees that in the event Contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary, government information in its possession and/or under its control will not be considered property of its bankruptcy estate. (b) Contractor agrees to notify PEBA within two (2) business days of any determination that it makes to file for bankruptcy protection, and Contractor further agrees to turn over to PEBA, before such filing, all government information that is in Contractor's possession in a format that can be readily utilized by PEBA. (c) In order to protect the integrity and availability of government information, Contractor shall take reasonable measures to evaluate and monitor the financial circumstances of any subcontractor that will process, store, transmit or access government information.

- 7. Will PEBA agree that all records, documents, etc. created in the ordinary course of business including, but not limited to, sales, marketing, claims and underwriting files are the exclusive property of the selected Carrier?**

A: Yes, except to the extent the records and documents (including, but not limited to, sales, marketing, claims, and underwriting files) are created solely for PEBA pursuant to this Contract.

7.24 CHANGES (JAN 2006)

(1) Contract Modification. By a written order, at any time, and without notice to any surety, the Procurement Officer may, subject to all appropriate adjustments, make changes within the general scope of this contract in any one or more of the following:

8. Will PEBA agree that any modifications to the group insurance policy will be requested and enacted in accordance with the group insurance policy and the Carrier's normal underwriting practices?

A: Any contract modifications will be requested and enacted in accordance with the terms of this Contract and South Carolina law.

(a) drawings, designs, or specifications, if the supplies to be furnished are to be specially manufactured for the [State] in accordance therewith;

(b) method of shipment or packing; (c) place of delivery;

(d) description of services to be performed;

(e) time of performance (i.e., hours of the day, days of the week, etc.); or,

(f) place of performance of the services.

Subparagraphs (a) to (c) apply only if supplies are furnished under this contract.

Subparagraphs (d) to (f) apply only if services are performed under this contract.

(2) Adjustments of Price or Time for Performance. If any such change increases or decreases the contractor's cost of, or the time required for, performance of any part of the work under this contract, whether or not changed by the order, an adjustment shall be made in the contract price, the delivery schedule, or both, and the contract modified in writing accordingly. Any adjustment in contract price made pursuant to this clause shall be determined in accordance with the Price Adjustment Clause of this contract. Failure of the parties to agree to an adjustment shall not excuse the contractor from proceeding with the contract as changed, provided that the State promptly and duly make such provisional adjustments in payment or time for performance as may be reasonable. By proceeding with the work, the contractor shall not be deemed to have prejudiced any claim for additional compensation, or an extension of time for completion.

(3) Time Period for Claim. Within 30 days after receipt of a written contract modification under Paragraph (1) of this clause, unless such period is extended by the Procurement Officer in writing, the contractor shall file notice of intent to assert a claim for an adjustment. Later notification shall not bar the contractor's claim unless the State is prejudiced by the delay in notification.

(4) Claim Barred After Final Payment. No claim by the contractor for an adjustment hereunder shall be allowed if notice is not given prior to final payment under this contract.

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9. Will PEBA agree that all changes to the group insurance policy are subject to the terms and conditions of the selected Carrier's group insurance policy and normal underwriting practices?

A: Any changes will be subject to the terms of this Contract and South Carolina law.

7.27 CONTRACT INTERPRETATION

In the event there are any disagreements between the parties with regards to the application of this contract or the requirements of PEBA arising from any interpretation of the Request for Proposal, this contract, or otherwise, Contractor agrees to defer to the reasonable interpretations of PEBA as from time to time may be made by PEBA. This provision applies to all matters including those arising from disputes concerning whether Contractor is required to provide some service or item including scope of work issues and whether particular items or services were included in the scope of work agreed to by the parties in this contract or otherwise. In summary, if both parties have a reasonable interpretation regarding application of the contract, Contractor agrees to defer to PEBA's interpretation.

The above requirements shall apply to any change orders, contract modifications, or other deviations to this agreement. Failure to receive the prior written and express approval of PEBA prior to implementing any changes to the requirements provided for hereunder, for which requests for extra or additional compensation are thereafter submitted by the Contractor to PEBA, shall impose no liability for payment upon PEBA and may be rejected by PEBA without recourse.

10. Will the State agree to work with the selected Carrier to resolve any disputes or differences in the interpretation of the contract?

A: PEBA values its relationships with its vendors and strives to resolve all disputes or differences collaboratively.

7.49 PRICING DATA -- AUDIT -- INSPECTION (JAN 2006)

(a) Cost or Pricing Data. Upon Procurement Officer's request, you shall submit cost or pricing data, as defined by 48 C.F.R. Section 2.101 (2004), prior to either (1) any award to contractor pursuant to 11-35-1530 or 11-35-1560, if the total contract price exceeds \$500,000, or (2) execution of a change order or contract modification with contractor which exceeds \$100,000. Your price, including profit or fee, shall be adjusted to exclude any significant sums by which the state finds that such price was increased because you furnished cost or pricing data that was

inaccurate, incomplete, or not current as of the date agreed upon between parties. (b) Records Retention. You shall maintain your records for three years from the date of final payment, or longer if requested by the chief Procurement Officer. The state may audit your records at reasonable times and places. As used in this subparagraph (b), the term "records" means any books or records that relate to cost or pricing data submitted pursuant to this clause. In addition to the obligation stated in this subparagraph (b), you shall retain all records and allow any audits provided for by 11-35-2220(2). (c) Inspection. At reasonable times, the state may inspect any part of your place of business which is related to performance of the work. (d) Instructions Certification. When you submit data pursuant to subparagraph (a), you shall (1) do so in accordance with the instructions appearing in Table 15-2 of 48 C.F.R. Section 15.408 (2004) (adapted as necessary for the state context), and (2) submit a Certificate of Current Cost or Pricing Data, as prescribed by 48 CFR Section

15.406-2(a) (adapted as necessary for the state context). (e) Subcontracts. You shall include the above text of this clause in all of your subcontracts. (f) Nothing in this clause limits any other rights of the state.

11. Will PEBA agree that any audits by PEBA or a selected third party auditor shall be subject to reasonable negotiation between PEBA and the selected Carrier, including an agreement that no competitor of the selected Carrier shall be an acceptable third party auditor?

A: Yes.

12. Will PEBA agree that the selected Carrier's obligation to retain records is only subject to applicable law and the Carrier's records retention policies based on applicable law?

A: No; Contractor must comply at a minimum with the retention requirements in section 7.49, in addition to Contractor's other legal retention requirements.

13. Will PEBA agree that the selected Carrier is only required to extend this provision to subcontractors that the Carrier retains to provide service solely to PEBA?

A: Contractor must extend this provision to any subcontractor that provides service to PEBA, not just those that serve PEBA solely.

ATTACHMENT NUMBER FIVE (5) - Business Associate Agreement

14. Will PEBA agree to enter into a different form of confidentiality agreement in light of the fact that HIPAA is legally inapplicable to the group life insurance coverages sought under this RFP?

A: Yes. See updated Attachment 5 that replaces the BAA with an NDA.

General Question(s)

15. Was there an open enrollment in 2018? If yes, what were the parameters?

A: Yes. Employees could enroll in or increase their Optional Life insurance coverage by \$50,000 without medical evidence. All other Optional Life increases and Dependent Life-Spouse increases required medical evidence.

16. Is it possible to receive plan experience for all the life and AD&D coverages for 2018?

A: Please complete Attachment 5 and return to ggillens@peba.sc.gov to have Attachment 17 (updated) sent securely.

17. Is it possible to receive the average number of lives for each year for each coverage?

A: See Attachment 19 provided with Amendment 1..

18. Is it possible to receive a claims run of all claims from 1/1/18 through 12/1/21?

A: Please complete Attachment 5 and return to ggillens@peba.sc.gov to have Attachment 20 (updated) sent securely.

19. Is it possible to receive the actual experience reports generated by MetLife?

A: Please complete Attachment 5 and return to ggillens@peba.sc.gov to have Attachment 17 (updated) sent securely.

20. Is it possible to receive the current Basic Life and Basic AD&D rates?

A: The employer pays one combined premium of \$0.312 rounded to \$0.32 per month per subscriber for Basic Life and Basic AD&D.

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

21. Under IV. Scope of Work, Section C. Reporting, item 4 on page 38, the requirement states, “The Contractor shall provide to PEBA a SOC1 Type 2 report by August 15 each year. Bridge letters are acceptable. The report should cover no less than 50 percent of the period in which the Contractor provided services to PEBA through June 30 of the same year. Contractor shall provide additional financial data as requested.” Please confirm this requirement should state SOC2 Type2, as is currently being requested and delivered under the existing contract.

A: A SOC1 Type 2 is required. A SOC2 is preferred, but not required.

22. Within Terms and Conditions – B. Special, item 7.52 Security for Performance Damages, on page 60 references what appears to be a request for a \$500,000 Performance Bond. While we can secure this as part of the contract, we wanted to confirm the State’s desire to have this in place as this has not been in place in the past.

A: The requirement is confirmed as written.

23. Can the State confirm that, with respect to the insurance being provided, that the insurance contract filed with the State’s Insurance Department would govern?

A: PEBA recognizes the Department of Insurance’s regulatory authority over the insurance provided pursuant to this solicitation. However, the terms of this solicitation govern the matters required herein, and the Offerors must agree to abide by all the terms, conditions, and requirements of this solicitation.

24. With respect to the definition of “subcontractor” on page 7 of the RFP, we propose the following modifications, “Subcontractor means any person having a contract to perform work or render service to Contractor **exclusively for as** a part of the Contractor's **agreement work or services** arising from this solicitation.” Does the State agree to this change to maintain the similar language in the existing contract?

A: No.

25. With respect to Section on F.6 on page 40 and Attachment 5 – Business Associate Agreement, we are in full compliance with all applicable privacy laws, however the State has agreed in the past that the requirements of HIPAA do not apply to the coverages requested and that a BAA is not applicable. Does the State agree to this to maintain the position as was taken in the past?

A: The State will provide the appropriate NDA in the Amendment.

26. With respect to Section 7.39 on pages 54-55 of the RFP, we propose the following modifications to the definition of “data”: Data means **information provided by the State to the Contractor means a subset of information in an electronic format that allows it to be retrieved or transmitted**. Does the State agree to this change to maintain similar language in the existing contract?

A: PEBA does not accept this change. The clause stands as written.

27. With respect to Section 7.40 on pages 54-55 of the RFP, we propose the following modification: (5) Sanitization. At a minimum, clear information on media that have been used to process government information before external release or disposal. Overwriting is an acceptable means of clearing media in **alignment accordance** with National Institute of Standards and Technology 800–88, Guidelines for Media Sanitization, at [http://csrc.nist.gov/](http://csrc.nist.gov/publications/nistpubs/800-88/NISTSP800-) publications/nistpubs/800-88/NISTSP800-

88_with-errata.pdf. Does the State agree to this change to maintain the similar language in the existing contract?

A: PEBA does not accept this change. The clause stands as written.

28. Part 5 – Information for Offerors to Submit (page 42), please confirm your preference for “spiral bound” copies. We understand that coil binding and spiral bound processes are the same. Please clarify your preference.

A: Please provide spiral bound coil. No GBC comb binding.

29. Given the current national health and safety concerns around the COVID 19 virus, our workforce transitioned working from home. Are you willing to accept electronic signatures and waive seal requirements on all required RFP forms/documents?

A: Electronic signatures are acceptable. Sealed requirements remain unchanged.

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

Please note: All questions relate to life and AD&D coverages only

Census

30. Please provide a census that includes gender, date of birth, annual salary, resident state, and amounts of all Life and AD&D coverage for each employee.

A: PEBA does not maintain annual salary. Please complete Attachment 5 and return to ggillens@peba.sc.gov to have Attachment 15 (updated) sent securely.

31. Please provide a retiree census that includes gender, date of birth, dates of retirement, and amount of life insurance coverage for each retiree insured.

A: Please complete Attachment 5 and return to ggillens@peba.sc.gov to have Attachment 15 (updated) sent securely

Experience and Rates

32. In addition to the experience data that has already been released with the RFP, please provide the following experience data:

- **Annual paid premiums from 2018.**
- **Average annual volume from 2018 to 2022**
- **A basic life and AD&D premium rate history from 2018 to 2022**

A: See Attachment 21 and Attachment 22. Basic Life and AD&D premium rate history from 2018 to 2022 is \$0.312 rounded to \$0.32.

33. Please provide a copy of a recent monthly billing statement/premiumis remittance statement to compare census volumes to reported volumes.

A: Please complete Attachment 5 and return to ggillens@peba.sc.gov to have Attachment 23 sent securely.

34. Please provide a premium rate history from 2018 to 2022 for each line of Life and AD&D coverage.

A: See answer to Question 20.

35. Please provide a detailed listing of all death claims incurred between 2018 and 2022.

A: Please complete Attachment 5 and return to ggillens@peba.sc.gov to have Attachment 20 sent securely.

36. The bidding schedule on page 77 of the RFP requests “life” rates in section B. Should the proposed rates include AD&D for basic life, employee life, and spouse life, or should they be life only? If life only, how should we present our AD&D rates?

A: The proposed rate should include AD&D.

37. Please provide the current life and AD&D rates separately.

A: These rates are combined. See response to Question 32.

38. Please provide an example calculation for the criteria on Page 77 noting that “All premiums must be divisible by 2”.

A: Monthly premiums should be in even numbers to accommodate semi-monthly payroll deductions.

39. Confirm that all basic life and supplemental life plans use a non-participating financial rate structure.

A: Confirmed.

Plan Design

40. Please provide a copy of the current Life and AD&D policy

A: The current policy is posted on the PEBA website at https://www.peba.sc.gov/sites/default/files/life_certificate_active.pdf.

41. Are the additional AD&D benefits such seat belt available to those with basic AD&D coverage, or only those with supplemental AD&D?

A: The Seat Belt and Air Bag Rider, Repatriation Benefit, and Common Carrier Benefit are available to those with basic AD&D and supplemental AD&D. All other AD&D benefits are available only to those with supplemental AD&D.

42. It appears that disabled employees may continue supplemental life coverage by paying premium for 12 months. Can the basic life coverage also be continued with premium payment when disabled?

A: Yes, as long as the employee remains enrolled in health coverage.

43. The RFP states that an open enrollment opportunity will be required for employee supplemental life plan participants (guaranteed coverage up to \$50,000). Please provide details and timing of any open enrollment opportunities with guaranteed coverage over the past 5 years.

A: Employees were offered guaranteed issue for up to \$50,000 in supplemental life coverage during open enrollment for 2018 and 2020.

General

44. Will the life insurance plan be self-administered/self-billed by the employer, or will the insurance carrier be responsible for maintaining individual employee records and for generating monthly invoices?

A: PEBA administers enrollment and billing of all employer/employee life premiums, and remits billed premiums to the carrier.

45. How many enrollment meetings will the life insurer be expected to attend? At how many different locations will these meetings be held? How many employees will be at each location? During what time period will these meetings held (i.e. October 12 - 14, etc.)?

A: Participating employers across the state of South Carolina host enrollment meetings throughout the year and may extend invitations to a vendor, however PEBA does not require vendors to attend. See Communications and Training in section IV of the IFB for informational materials and marketing requirements.

Miscellaneous Questions

46. Please provide a description of your claims submission process; including such items as information gathering, submission, follow up and resolution.

A: The employer can either submit a claim electronically or by paper. The employer submits an employer statement, along with a completed claimant statement, original death certificate, last two years of enrollment documentation, most recent beneficiary designation documents and additional documentation such as accident and toxicology and/or autopsy reports, if applicable. The current contractor will make a payment to the beneficiary or send a notification of denial to the beneficiary. In the case of a denial, an eligibility appeal may be made to PEBA; all other appeals should be sent to the contractor.

47. Please provide the details of your current portability and conversion administration process.

A: PEBA sends a bi-weekly file of terminations to facilitate the portability and conversion process. Employees who are eligible to retire may port or convert their coverage. Coverage for employees who are not eligible to retire, and all dependent coverages, can only be converted. The contractor sends notification to the former subscriber to port or convert coverage, and the contractor arranges billing with the former subscriber.

48. Do you currently use a TPA or software vendor for you benefits enrollment and eligibility? If so, can the name of the vendor be released?

A: No, PEBA utilizes an in-house enrollment system.

49. Please describe your Evidence of Insurability process; including such things as submission, follow-up and notification.

A: For any amount requiring Evidence of Insurability, an employee completes a Notice of Election form with his employer. The employer enters information into PEBA's online enrollment system, and sends a file to the contractor. The contractor then sends an email to the employee with a link to complete an online Statement of Health. After submission, the contractor will approve, deny or request for information. The contractor notifies employers on a weekly spreadsheet of the status for all the Statements of Health for their employees. The employer sends a copy of the spreadsheet showing approval along with the Notice of Election form to PEBA. Coverage is then added.

A: Currently, PEBA sends a weekly file (via secure SFTP server) of any Optional Life or Dependent Life-Spouse coverage requests that require Evidence of Insurability and current vendor sends email with link for participants to complete a Statement of Health electronically. PEBA also send a bi-weekly file of terminations to facilitate the portability and conversion process.

50. What's the best way to communicate with your employees during enrollment and throughout the year?

A: PEBA provides online resources to assist participating employers and employees with enrollment, and the open enrollment period. See Communications and Training in section IV of the IFB for informational materials and marketing requirements.

51. Are current beneficiary designations held electronically or on paper?

a. Who holds current beneficiary designations?

b. What is the process to share beneficiary information with the current carrier?

c. Are designation details (e.g. name, class, share) stored as system data, images or both?

A: a. PEBA and the BAs hold current beneficiary designations

b. Currently beneficiary information is only shared with current carrier when there is a claim. PEBA is prepared to share beneficiary as well as participant's enrollment information to carrier on a frequent basis.

c. Beneficiary details are stored as system data and imaged data.