

REQUEST FOR PROPOSALS #2021-034
Life, AD&D, Disability and Leave Administration
RESPONSE ADDENDUM # 2
April 13, 2021

QUESTIONS

Q1: Will you consider a vendor/TPA for FMLA only, if the vendor has a partner who is a carrier, and can handle the rest of the lines (Life, AD&D & Disability)?

A1: Refer to RFP Section 1.3.2 Eligibility to Submit Responses. Qualified Bidders are those who can insure the Life and Disability programs. UMS is not considering stand-alone FMLA vendors at this point in time. The Life, AD&D & Disability partner is welcome to submit a response and include the vendor/TPA as the FMLA carrier.

Q2: Whether companies from Outside USA (like from India or Canada) can apply for this?

A2: Refer to RFP Section 1.3.2 Eligibility to Submit Responses.

Q3: Whether the vendor would need to come to the US for meetings?

A3: Refer to RFP Appendix D, Rider A, Business and Performance Reviews

Q4: Can the vendor perform the tasks (related to RFP) outside USA (like from India or Canada)?

A4: Refer to RFP Appendix D, Rider A, Business and Performance Reviews

Q5: Can we submit the proposals via email?

A5: Yes, please submit proposals via email to the emails listed on the cover page of the RFP document.

Q6: Can you please advise on how we may obtain the full RFP specifications and documents including census (including DOB, gender, elections, salary, occupation), rates, experience, and certificates of coverage? Will these items be available before the Q&A is released?

A6: Interested bidders can reach out to melissa.frechette@willistowerswatson.com to request a copy of the RFP attachments, including items noted above.

Q7: Would there be any interest in considering a stand-alone Leave Administration response?

A7: Refer to RFP Section 1.3.2 Eligibility to Submit Responses. Qualified Bidders are those who can insure the Life and Disability programs. UMS is not considering stand-alone FMLA vendors at this point in time. In addition, the current STD program is fully-insured and UMS is not looking to make a change in funding at this time.

Q8: Please clarify commission request. 'Requirements' Cell A28 as well as 'Client Overview' Cell G46 is asking for 2% BLIFE/SLIFE and 15% for 'Optional and Voluntary AD&D'. Is this meant to be 2% BLIFE/SLIFE and 15% BADD/SADD? If no, please confirm correct commission schedule.

A8: Confirming current commission is 2% for Basic Life & Supplemental (Voluntary) Life and 15% for Basic AD&D and Supplemental (Voluntary) AD&D. Please quote matching current commission levels.

Q9: RFP states there is no Self-Reported Limitation for LTD, per their booklet they have a Non-Verifiable Symptoms Limitation (Page 37/73, Non-verifiable symptoms definition on 15/73). Please confirm RFP is incorrect and that Self-Reported Limitation is included.

A9: Confirming that the booklet is correct and there was a mistake on the RFP. Self-reported limitation is included.

Q10: RFP states there are no Offsets for Sick Pay/Sal Con for STD. Booklet (29/73) states there is a dollar for dollar offset for Sick Pay/Sal Con for class 2, whereas there is no offset for class 1. Please confirm this is correct.

A10: Confirming that the booklet is correct and there was a mistake due to a limitation on the RFP. There is a dollar for dollar offset for Sick Pay/Salary Continuation for Class 2, but not for Class 1.

Q11: Please provide updated reserves by claimant to accompany the updated LTD PDI report valuation date.

A11: Given the timing, the current carrier can only run a report now with the 4/1 valued reserves. This report doesn't allow for historical reserve valuations, only the most recent. We feel the information provided has enough data to make assumptions on the reserve changes between the 2/1 data and 3/1 data. The aggregate reserves are provided in the 2/1 and 3/1 PDI reports.

Q12: Does the group participate in the Maine State Retirement System for Teachers?

A12: Yes, for a closed class of retirees.

Q13: Provided STD reporting seems to be incorrect, the most recent period is indicated as 1 month, but has more paid premium than any other period as well as \$276,500 in incurred and paid claims with 77 approved claims? Can we get some clarification?

A13: We have confirmed with the current carrier that the claims and premium appear to have been jumbled and are not aligned with the periods. An updated report is attached using rolling 12-month periods.

Q14: LTD incurral exhibit as of 3/1/2021 provided however we need Open claims listing to include Date of Birth, Date of Disability, Gender, Gross Benefit, Net Benefit, SS Approval & Offset, Additional Offsets which apply, Total Paid and Individual Reserve.

A14: This is included in the zipped file/attachment titled RFP Attachments - UMS Experience as of 2-1-2021. Per above, current carrier is unable to run to align.

Q15: Please provide Basic Life split between Actives and Retirees.

A15: The majority of the basic life program is tied to the active population. Basic life is also offered to a closed class of retirees, covered under Class 4. There are currently seven retirees in the closed Class 4, representing volume of 78,100.

Q16: Please confirm AD&D experience provided, confirm this is combined Basic and Optional? If available, please provide split.

A16: We have confirmed it is the combined data. The carrier does not have the ability to split it within the report. The AD&D experience should not be considered credible anyway, given the number of lives and only two claims.

Q17: Confirm Company specific leaves are being requested. If so, please provide Certs for each.

A17: No company specific leaves are being requested.

Q18: Census Class 1-3:

- o LTD appears to be Non-Contrib – Census has Voluntary/Buy-up Election – please confirm.
- o Parental & Paid Family Leave indicators? What does this pertain to?

A18: The census template is standard and includes all available headers. All classes of LTD are non-contributory. The amounts listed for LTD are based on the benefit and not voluntary/buy-up elections. Parental and Paid Family Leave indicators do not apply and can be disregarded.

Q19: Census Class 4 – 6:

- o Also has LTD coverage included – however, only covers 3 classes. Please confirm
- o Zip Code work or residential?
- o No Optional AD&D coverage included

A19: The census name reflects the basic life classes. For this census, anyone listed with LTD coverage would be Class 1 under LTD class listing. Also confirm if zip code provided is work or residential. Optional AD&D coverage is not available to classes 4 – 6.

Q20: Please confirm if the retirees are included on the census and if so can they be identified

A20: Retirees are included on the Census Class 4 – 6 and are included under Class 4.

Q21: Please provide the commissions level requested for all lines.

A21: Current/requested commission levels can be found on the Appendix C G & H excel attachment, on the Client Overview tab. They are Basic & Voluntary Life - 2%, Basic & Voluntary AD&D - 15%, STD/LTD - 2%, NYDBL/PFL - Net of Commission.

Q22: Have there been any plan changes on the LTD from 1/1/2016 to current? If so please provide.

A22: Effective January 1, 2016 the plan added LTD Classes 2 (for Service & Maintenance employees) & 3 (for Associated Faculties of the University of Maine System aka AFUM). The plan updated the mental/nervous, substance abuse and non-verifiable conditions limitations to 36 months (for all except Class 2) and updated the COLA duration for Class 1 to 24 months. Effective January 1, 2017 the plan updated the mental nervous, substance abuse and non-verifiable limitations to 36 months and the COLA provision for 24 months for Class 2 (Serv & Main, to align with Class 1). There have not been any further changes to the LTD program since 1/1/17.

Q23: Have there been any plan changes on the STD from 1/1/2018 to current? If so please provide.

A23: Effective January 1, 2020 the Class 2 STD elimination period and maximum benefit period were updated to match Class 1. There have been no other changes since 1/1/20.

Q24: Plan Booklets do not address classes 4-6 (76 lives) who are these employees? Please provide applicable plan booklets.

A24: The disability booklet provided is correct. While there are 6 classes for basic life, there are two classes for STD and three classes for LTD. Eligibility for each class is outlined in the disability booklet. The Class 4 – 6 census name is in reference to the life, but anyone listed on that census would be considered Class 1 for STD and LTD.

Q25: Please provide their current FMLA Plan.

A25: FMLA is currently managed in-house by UMS. A copy of their leave policy is attached in the zipped file titled Q&A Attachments.

Q26: Leave counts for 2019 & 2020

- o Approved leaves broken out by Continuous & Intermittent
- o Denied leaves

A26: The requested information above is not available currently. FMLA leave counts can fluctuate but typically range between 70 – 80 at any given time.

Q27: COVID leave volumes for 2020

A27: 566.

Q28: Corresponding employee counts for each year (2019 and 2020).

A28: The requested information above is not available currently.

Q29: List of corporate leaves in place, with confirmation of which are paid vs. unpaid. Please indicate if these corporate leaves are included in the counts requested above. If not please provide corporate leave counts separately.

A29: There are no corporate leaves in place.

Q30: Any customizations currently in place that DT “requires” moving forward. For example, custom scripts, custom letters, fit for duty form collection, etc.

A30: As the University manages their leave in-house, all documents are created by an internal team and/or standard templates are used for compliance purposes. If customization is needed, the University would advise upon review of bidder documents in the implementation phase.

Q31: Have there been any plan changes on the life plans from 1/16 to the present?

A31: Effective January 1, 2016 the plan added Class 6 and revised Class 5 description. Effective July 1, 2018 the plan revised the employee basic life maximum for Class 2 to \$1.5M.

Q32: The current census shows about 310 million for basic life volume, while the invoice has 270 million. Has the group grown in the last few months?

A32: The group has some fluctuations due to sabbaticals and unpaid leaves and there was a timing difference between the invoice and the census. The census is the most recent information, so please use that for quoting purposes.

Q33: LTD experience goes through 07/31/2020. Please provide through current date or at least through 12/31/2020.

A33: The LTD experience provided is valued as of 2/1/2021 and 3/1/2021 respectively and is on an incurred basis, not a paid basis. The carrier does not include the IBNR (Incurred But Not Reported) period in the experience, since any claims incurred during that time are still in the process of satisfying the elimination period. They use an EP + 1 Month IBNR period. The experience valuation date and IBNR periods are noted at the top of the experience that was provided. The carrier doesn't review and cannot report the LTD experience on a paid basis. That is only available on legacy Lincoln accounts, not legacy Liberty accounts (such as the University).

Q34: Based on the Life & ADD booklet it appears that life coverage (Basic & Optional) terminates at age 70 but Basic & Optional ADD do not. Please confirm if this is correct.

A34: Only the Optional Life terminates at age 70.

Q35: Please provide some clarity around Partial/Phased Retirement Plan (PPRP) participants. Are these EE's actively working or are they considered semi-retired?

A35: These participants are employees actively working a part-time arrangement with an agreement to retire within three years.

Q36: Can we get a listing of which tabs in the excel file are meant to be exhibits C, G, and H, respectively? They are not labeled within the excel document itself.

A36: All purple tabs in the excel encompass exhibits C, G and H. Respondents should complete all purple tabs. Tabs are represented as follows:

- Exhibit C – Requirements tab
- Exhibit G – Questionnaire tab
- Exhibit H - Basic Life Questionnaire tab, Basic Life-AD&D tab, Voluntary Life Questionnaire tab, Voluntary Life-AD&D tab, Disability Core Questionnaire tab, Vol STD tab, LTD tab, DBL tab, Value Added Benefits-Svc tab and FMLA-ADAAA Cost tab

Q37: Can the 250-character limit be rescinded? In order to provide thorough answers to some of the questions being asked, it will be necessary to refer to additional documentation as responses will not fit within the character limit.

A37: Due to template requirements, the character limit cannot be rescinded.

Q38: There is some ambiguity in regards to Appendix E: the items in section 1.2.1.2 include the preface “[...] the University, due to its public nature, will not:” but this language is not present in Appendix E. Is it assumed that Appendix E, Items 1.2 – 1.12 are meant to include the “will not” preface as well?

A38: Confirmed – for items 1.2 – 1.12 under Appendix E, by checking “Agreed” and initialing the bidder is confirming that they will not do the items listed.

Q39: We understand that Appendix D represents a sample contract, and that a fully executed master agreement is not sought as part of our proposal response; will Rider E (implementation timeline) and Rider F (Service Level Agreement) be required as part of our response to Appendix D in section 3, or is it the intent that these documents will be provided in this space at the time of a final agreement?

A39: While completion of the master agreement is not required as part of this submission, we are asking that bidders do provide Rider E (implementation timeline) and Rider F (Service Level Agreement) as part of this submission for review now.

Q40: Appendix D.21 refers to privacy rules and regulations as used by the University; is a copy of these rules able to be provided so we can review for compliance?

A40: Please refer to Rider C University of Maine System Standards for Safeguarding Information of Appendix D. Additional regulations may be added at the University's discretion.

Q41: Please confirm that billing will be centralized.

A41: Confirmed.

Q42: Please provide a copy of the renewal if available. If not, are you aware of the expected renewal action(s)?

A42: A copy of the renewal is not available currently and we are not aware of the expected renewal action.

Q43: Does the group participate in PERS/STRS and/or SSDI? If there is a mix by class, please outline.

A43: Yes, for a closed class of retirees (Class 4).

Q44: Is there any sick leave incidence and duration info available? This will help us determine our Absence Management rate.

A44: The requested information above is not available currently. FMLA leave counts can fluctuate but typically range between 70 – 80 at any given time.

Q45: We have the rate history and the amendments. Are any of the rate changes related to plan changes?

A45: The 1/1/2019 rate reductions were pure renewal reductions without corresponding plan changes. All other rate changes were tied to plan changes.

Q46: There is no waiver of premium on the Life plans, but question 45 in the Voluntary Life Questionnaire references approval for WOP for LTD claims. Is there interest in adding Waiver of Premium to the Life plans? Or was the question in error?

A46: This question was included in error. Please disregard.

Q47: In lieu of waiver of premium, there is continuation of coverage with payment of premium for disabled employees. Please provide a list of the disabled lives with face amounts, date of disability, gender and DOB. If they are on the census, please indicate.

A47: The current carrier does not maintain a list of disabled employees covered under the Life program. Eligibility for continuity of coverage is determined by the University and then the carrier verifies using the LTD claim data.

Q48: Are there any requests for plan options? I did not see any in the RFP or questionnaire.

A48: No; we are asking bidders to only quote current plans at this time.

Q49: Please confirm whether or not the members listed as N/E on the census are to be covered for Absence.

A49: Confirmed those employees listed as N/E would be covered for absence.

Q50: Are the members on the census all student employees? If not, please explain.

A50: While there are some student employees listed on the census (as those eligible for FFCRA and Maine Personal Leave), the census is not all student employees. The census contains all eligible employees, including some that may be student employees.

Q51: Do you currently use a benefits administration platform for your enrollment? If so, can the name of the vendor be released?

A51: Enrollment is currently managed in-house by the University of Maine System.

Q52: Would you like any commission included in the rates?

A52: Current/requested commission levels can be found on the Appendix C G & H excel attachment, on the Client Overview tab. They are Basic & Voluntary Life - 2%, Basic & Voluntary AD&D - 15%, STD/LTD - 2%, NYDBL/PFL - Net of Commission.

Q53: Please provide a census with the following information:

- a. DOB
- b. DOH
- c. Gender
- d. Occupation
- e. Salary
- f. STD election
- g. Class
- h. Resident state
- i. Tobacco status
- j. Amounts of all Life and AD&D coverage
- k. For any covered retirees, please provide a retiree census that includes gender, date of birth, dates of retirement, location information, and amount of life insurance coverage for each retiree insured.
- l. If tobacco distinct rates are desired, please provide each employee's tobacco status on the census.

A53: Information requested above is included in both census attachments, included in the zipped file titled RFP Attachments. There is a small closed class of retirees indicated as Class 4 on the census. Rates are tobacco based and the University does not have this information, so tobacco status is listed as unknown on the census.

Q54: Please provide full certificates for all lines of coverage.

A54: Certificates for all lines of coverage have been provided and are attached to this response.

Q55: Please confirm whether the group participates in Social Security.

A55: Confirmed.

Q56: Please confirm whether the disability premium contributions are paid with pre or post tax dollars.

A56: LTD is non-contributory, with premiums paid by the University. STD is fully employee-paid, and the contributions are on a post-tax basis.

Q57: Please confirm whether the group prepares W-2s for STD claimants, or if the group requires the carrier to do so.

A57: The University prepares W-2s for STD claimants.

Q58: Please confirm whether the group requires the carrier to pay the FICA match for STD claimants or if the group intends to pay the FICA match.

A58: The current program does not include FICA match; please match current.

Q59: Please confirm whether the group currently has telephonic claims service on the STD.

A59: Confirmed.

Q60: Please confirm what (if any) state retirement plan the group participates in, and which classes participate.

A60: The group participates in the Maine State Retirement System for Teachers for a closed class of retirees (Class 4).

Q61: Please provide both LTD and STD experience from a 3 to 5-year period showing:

- a. Earned Premium and number of insured lives by year
- b. Rate History (if not already provided)
- c. Paid Claims by Incurred Year
- d. List of open claims including date of loss, date of birth, gender, salary, gross benefit, offset amounts, net benefit and reserve

A61: LTD and STD experience is provided and attached in zipped file titled RFP Attachments. Note updated STD experience is included in the zipped file titled Q&A Attachments.

Q62: Please provide the following life experience data separately for each line of life coverage from 2016 to 2020:

- Annual paid premiums
- Annual paid claims
- Average annual volume
- A premium rate history
- A detailed list of all death claims paid
- If possible, please report Dependent Life coverages separately.

A62: Life experience is provided and attached in zipped file titled RFP Attachments.

Q63: Please provide a copy of a recent monthly billing statement/premium remittance statement to compare census volumes to reported volumes.

A63: A copy of a recent invoice is provided and attached in zipped file titled RFP Attachments.

Q64: Please provide a list of open Waiver of Premium claims, including gender, date of birth, date of disability, and amounts of life coverage for all current disabled insureds.

A64: Waiver of premium is not currently included.

Q65: Please provide a copy of the current Life and AD&D policy or certificate so that our proposal can match current plan provisions as closely as possible.

A65: A copy of the current Life and AD&D policy is provided and attached in zipped file titled RFP Attachments.

Q66: If there are retiree groups, please confirm whether the retiree groups are open to future retirees? If not, when did the groups close?

A66: There is a closed class of retirees that are provided Basic Life insurance, indicated as Class 4. This closed class includes any retired employees who were hired prior to July 1, 1968 and have maintained their participation in the Maine State Retirement System. There are currently seven retirees in this closed class.

Q67: Does voluntary AD&D coverage automatically match an employee's voluntary Life election, or is AD&D elected independently of Life coverage?

A67: Voluntary AD&D coverage is elected independently of Life coverage.

Q68: Have there been any significant plan design changes in the last several years (i.e. change in benefit schedules, acquisitions, mergers)?

A68: There has not been any mergers or acquisitions in the past several years, however, there has been some plan design changes. These are noted as amendments in the certificates provided, as well as outlined above in questions 22, 23 and 31.

Q69: Please confirm who maintains the beneficiary designation records, and if they are stored on paper (including images) or electronically.

A69: The Employee Benefits Center for the University of Maine System maintains beneficiary records. They are stored electronically and if the employee pre-dates PeopleSoft then they may have a paper copy stored in the employee file.

Q70: Please confirm who distributes claim forms to beneficiaries, and how the carrier is notified of a claim.

A70: The University distributes claims forms to employees, and they notify current carrier of a claim.

Q71: Please describe your current EOI process i.e. paper, batch, SSO etc.

A71: EOI is electronic and a link is provided to the University for employees to access the EOI portal.

Q72: Are there any value adds that are highly utilized by your employees?

A72: No utilization reporting is available for the no cost, value add services.

Q73: Would you want the carrier to handle any recordkeeping functions? What recordkeeping functions are performed by the current carrier? Is the cost of these included in the rate or billed for separately?

A73: The current carrier does not perform any recordkeeping functions and the University is not looking to make changes to this process.

Q74: Have there been any plan design changes over the past 5 years? If so, please provide the details and dates of any change(s).

A74: Plan design changes over the last five years are outlined in the certificates as amendments. They are also addressed in questions 22, 23 and 31.

Q75: Was there a recent open enrollment or a "free one up" or any other underwriting liberalization? If so, specify the date and conditions.

A75: The policy already allows employees to increase Optional Life coverage by one level at annual enrollment or a family status change without EOI (see page 10 of certificate). Given this and the relatively strong participation in the Optional Life program, an open enrollment has not been necessary.

Q76: Please provide prior years' rates (rate history) for life/AD&D. Are the renewal rates available?

A76: Rate history can be found in the zipped file titled RFP Attachments that was shared, labeled UMS – Rate History. Current rates are reflected on the invoice that was shared and included in the zipped file titled RFP Attachments. Renewal rates are not available.

Q77: What HRIS, payroll and time & attendance platforms do you utilize? How is your current carrier integrating with these platform(s)?

A77: Peoplesoft. Currently, an eligibility file is sent to the carrier on a biweekly basis via SFTP.

Q78: Do you currently integrate with any health & wellness or disease management programs through the healthcare provider or otherwise?

A78: There is not currently any integration for disability with the University's health and wellness or disease management programs.

Q79: Who is the current Worker's Compensation vendor?

A79: Memic.

Q80: How are accommodation requests handled today?

A80: They handled in-house by the University.

Q81: Please confirm all additional leaves beyond FMLA being considered for outsourcing and provide copies of the leave policy.

A81: There are no additional leaves beyond FMLA being considered at this time. A copy of the current leave policy is attached in the zipped file titled Q&A Attachments.

Q82: Have there been any plan design changes over the past 5 years? If so, please provide the details and dates of any change(s).

A82: Plan design changes over the last five years are outlined in the certificates as amendments. They are also addressed in questions 22, 23 and 31.

Q83: Please provide prior years' rates (rate history) for disability. Are the renewal rates available?

A83: Rate history can be found in the zipped file titled RFP Attachments that was shared, labeled UMS – Rate History. Current rates are reflected on the invoice that was shared and included in the zipped file titled RFP Attachments. Renewal rates are not available.

Q84: We understand that Leave administration is currently administered in-house by the University. Is data available around the incidence and types of leaves tracked?

A84: FMLA leave counts can fluctuate but typically range between 70 – 80 at any given time. The types of leave tracked include FMLA and any specific state or municipal leaves that are not managed by the state.

Q85: For fully insured Life, AD&D and Disability coverages, the insurance carrier will issue a group insurance policy in accordance with state law. The Group Contract governs the terms and conditions of the insurance coverage being provided and governs in the event of any conflict with any other documents. Are you open to incorporating the group insurance policy into the University's Master Agreement as an Addendum?

A85: With regard to questions regarding Appendix D: Contract for Services, please refer to Appendix E and Section 1.2.1 of the RFP. In addition, please review section 2.1 Evaluation Criteria related to Appendix D&E.

Q86: With respect to Section 1.2.1.2., part a and part f, we understand that the University may not provide indemnification. As a counter proposal, would the University acknowledge that it is responsible for damages that are a consequence of its own actions?

A86: With regard to questions regarding Appendix D: Contract for Services, please refer to Appendix E and Section 1.2.1 of the RFP. In addition, please review section 2.1 Evaluation Criteria related to Appendix D&E.

Q87: With respect to Appendix D – 4 (Termination), we require a reasonable notice period of at least 30 days to enable us to wrap up the services we are providing. Is this amenable to the University?

A87: With regard to questions regarding Appendix D: Contract for Services, please refer to Appendix E and Section 1.2.1 of the RFP. In addition, please review section 2.1 Evaluation Criteria related to Appendix D&E.

Q88: Appendix D - 5. (Obligations Upon Termination): With respect to the first sentence, we agree that any materials produced exclusively for the University in performance of this agreement and documented in an underlying Statement of Work are the property of the University and shall be turned over to the University upon request. We may retain one (1) copy of the materials as a record of its obligations hereunder and which is reasonably required to comply with applicable law or its record retention requirements. Does the University agree?

A88: [With regard to questions regarding Appendix D: Contract for Services, please refer to Appendix E and Section 1.2.1 of the RFP. In addition, please review section 2.1 Evaluation Criteria related to Appendix D&E.](#)

Q89: Appendix D – 13 (Indemnification): We would propose minimal modifications for further discussion if awarded the business. In particular, for insured disability services, we require that our exposure is limited to our grossly negligent acts in performing our obligations under the Contract, and that the provision is not applicable to any actions taken by the University or at its direction. Will you please confirm that you are amenable to further discussion if awarded the business? We can assure you that we will provide coverage in accordance with the terms of the group contract and we will defend, at our expense, lawsuits seeking coverage under the group contract.

A89: [With regard to questions regarding Appendix D: Contract for Services, please refer to Appendix E and Section 1.2.1 of the RFP. In addition, please review section 2.1 Evaluation Criteria related to Appendix D&E.](#)

Q90: With respect to Appendix D - 21. (Confidentiality), we comply with all applicable laws. We are unfamiliar with the rules and regulations of the University, which can change at will upon University action. Will the University provide us with a copy of University rules and regulations for review as well as advance written notice of any changes?

A90: [Please refer to Rider C University of Maine System Standards for Safeguarding Information of Appendix D. Additional regulations may be added at the University's discretion.](#)