

Request for Proposal (RFP)
Specification Number: 244314
for

INSURANCE BENEFITS FOR CITY OF CHICAGO EMPLOYEES:

- (A) Group Term Life
- (B) Group Long Term Disability
- (C) Universal Life
- (D) Voluntary Supplemental Insurance



CITY OF CHICAGO
Department of Finance, Benefits Management Division

PROPOSALS DUE BY 4:00 P.M., CENTRAL TIME
Thursday, October 6, 2016
(Due date is subject to change by Addendum)

RAHM EMANUEL
MAYOR

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EXHIBITS LIST

EXHIBIT numbers in **in RED Roman numerals** are separate attachments to the main RFP document.

Exhibit #	Exhibit Title
I	Definitions
II	Cost Proposal Spreadsheet
III	City Contract Insurance Requirements for: Group Term Life Insurance/Group Long Term Disability Insurance/Universal Life Insurance/ Supplemental Insurance Programs
IV	References Form - Respondents to Provide
V	Employee Term Life Coverage All Employees other than Fraternal Order of Police, Police Officers, Sergeants, Lieutenants, Captains, and Top Commanders; and Uniformed Firefighter Employees Basic and Optional Plans Dependents Term Life Coverage Accidental Death and Dismemberment Coverage
VI	Group Insurance - Civilian Employees Kit Basic Term Life Basic Accidental Death & Dismemberment (AD&D) Optional Term Life Optional Dependent Term Life
VII	Employee Term Life Coverage Fraternal Order of Police, Police Officers, Sergeants, Lieutenants, Captains, and Top Commanders; and Uniformed Firefighter Employees Basic and Optional Plans Dependents Term Life Coverage Accidental Death and Dismemberment Coverage
VIII	Group Insurance - Police Officers Employee Kit Basic Term Life Basic Accidental Death & Dismemberment (AD&D) Optional Term Life Optional Dependent Term Life

Exhibit #	Exhibit Title
IX	Employee Term Life Coverage Uniformed Firefighter Employees Basic and Optional Plans Dependents Term Life Coverage Accidental Death and Dismemberment Coverage
X	Group Insurance - Uniformed Firefighters Employees Kit Basic Term Life Basic Accidental Death & Dismemberment (AD&D) Optional Term Life Optional Dependent Term Life
XI	Current Rates as of 7/2014 Basic Term Life Basic AD&D Dependent Term Life (Dependent Child/Children Coverage) (single rate)
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XIII	Basic Life Premiums and Claims Data
XIV	Sample Life Insurance Policy
XV	Universal Life - Financial Statistics
XVI	Employee Long Term Disability Coverage
XVII	Sick-Time Data
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XIX	Information Security and Technology Policies
XX	Data Protection Requirements for Contractors, Vendors, and Third-Parties
XXI	Business Associates Agreement (BAA)
XXII	Economic Disclosure Statement (EDS)
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Exhibit #	Exhibit Title
XXIV	Special Conditions for Professional Service MBE & WBE
XXV	Sample Terms and Conditions to be Included in Professional Services Agreement (PSA)
XXVI	Non-Disclosure and Confidentiality Agreement (NDCA)

ARTICLE I. INTRODUCTION

The City of Chicago (“COC” or “City”), through its Chicago Benefits Office of the Department of Finance (DOF), under the authority of the City Comptroller, manages various types of employee benefits.

There are four basic types of insurance products contemplated for solicitation and award under this RFP:

A. Group Term Life Insurance types:

- i. Basic Term Life (paid for by the City)
- ii. Optional Term Life (paid for by the employee through payroll deductions)
- iii. Dependent Term Life (paid for by the employee through payroll deductions)
- iv. Accidental Death and Dismemberment (“AD&D”) Insurance (paid for by the City)

B. Group Long Term Disability (“LTD”) Insurance (paid for by the employee through payroll deductions)

C. Universal Life Insurance (paid for by the employee through payroll deductions)

D. Voluntary Supplemental Insurance (VSI)

Voluntary Supplemental Insurance (VSI) is currently *not* a benefit to City employees. VSI and its subcategories may be a new offering, pursuant to this RFP. The intent is for VSI to be paid for by the employee through payroll deductions.

- i. Cancer/Critical Condition Insurance (paid for by the employee through payroll deductions)
- ii. Hospital Indemnity Insurance (paid for by the employee through payroll deductions)
- iii. Accidental Indemnity Benefit (paid for by the employee through payroll deductions)

NOTE₁: The City is generally satisfied with the terms of its current insurance policies.

- i. Respondents must provide products with the same or better terms in order to avoid any collective bargaining disputes or conflicts.
- ii. Respondents offering Group Term Life must also offer AD&D.
- iii. Respondents offering AD&D must also offer Group Term Life.
- iv. Further, to the extent that any collective bargaining agreement or arbitration award shall provide for new or changed terms and conditions related to the insurance products that are the subject of this RFP, Insurance Provider agrees to make any required changes to the insurance products consistent with the collective bargaining agreement or arbitration award effective as of the date required by the collective bargaining agreement or arbitration award.
- v. Additionally, Services must mirror the current actively at work provisions. The selected Respondent must provide continuation of existing coverage without regard to whether it meets the Respondent’s standard actively at work provisions.
- vi. Further, certain COC employees in the Police and Fire services are entitled to receive an increase in the Basic Life Amount without regard to their active at work status if the Basic Life Amount is increased in the labor contract that covers their employment.
- vii. The current Optional Group Term Life carrier's thresholds are the minimum acceptable thresholds for the guarantee issue amount and the maximum benefit available under the Optional Group Term Life benefit. In the most recent transition of the Group Term Life

product, existing optional term amounts were "rolled-over" to the new carrier. The "new" carrier in those circumstances understood and agreed that the face in force on the first day of coverage under the "new" carrier's policy would be exactly equal to the "old" carrier policy amount.

- viii. If, pursuant to this RFP, the existing agreement with the current carrier is not sustained, the City requires that the "new" carrier agree to accept all face value in force on both the basic and optional products.
- ix. Respondents may offer more generous terms related to guarantee issue for new employees and/or higher amounts of optional insurance.

Section 1.01 Contract Award Combinations

The City contemplates the potential of having up to four separate awards. The potential award scenarios are as follows:

- 1) One award for A+B+ C+D above. (One award for all four.)
- 2) Separate awards for A, B, C, and D above. (Four awards.)
- 3) Fewer than four awards, combining any of A, B, C or D for award.
- 4) The City reserves the right to make no awards if it is in its best interests to do so.

The nature of the "award" may take the form of a traditional professional services contract which includes the City's terms and conditions acceptable to the City's law department and is executed between the City and the selected Respondent; or a traditional insurance policy issued by the insurance provider to its client.

ARTICLE II. BACKGROUND

The City currently has approximately 33,000 employees. Generally, for the purpose of this RFP, the City categorizes its pool of employees into three broad "Classes":

- **Class 1:** employees who work at least 35 hours per week (and who are not a sworn police officer or uniformed Fire Department employees)
- **Class 2:** uniformed Fire Department employees
- **Class 3:** sworn police officers

NOTE₂: Pursuant to this RFP, the Respondent should note that the City shall determine which of its employees are eligible to be insured for the various types of insurance product types. The City will provide information to the insurer sufficient to permit the insurer to know which products and/or classes of insurance are available to an individual employee. The City's determinations will be final and binding on the insurer.

ARTICLE III. TIMELINE

Table III-1 Timeline for this RFP process

Key Activity	Target Date	# of days between date above
City Advertises RFP	Friday, August 05, 2016	0
City Issues Supplemental Information if necessary	Friday, August 19, 2016	14
Respondents Submit Questions by	Friday, August 26, 2016	7
City Answers Questions by	Friday, September 16, 2016	21
Proposal Due date	Thursday, October 06, 2016	20

Dates are subject to change.

ARTICLE IV. POST-SUBMITAL PHASES

After Proposals are submitted, an Evaluation Committee (EC) convenes to review and assess all submittals based on the Evaluation Criteria described in Article VI during each of the following phases:

Phase I – The submitted proposals are distributed to EC members for individual review and assessment. The EC is authorized to eliminate submittals that are clearly non-responsive to the stated requirements after Phase I in Article I **Note₁**.

Phase II – The EC members convene to discuss and determine whether to accept or reject individual submittals based on Phase I review.

Phase III – After the EC completes its detailed review of Proposals, it will rate the Respondents based on the Evaluation Criteria and decide upon a short list of the Respondents offering the best insurance benefits for each insurance product type, and who, in the opinion of the EC, should be considered for contract award. The EC may invite those selected Respondents to provide an oral presentation of their Proposal details. (Oral presentations are not limited to one presentation.)

During oral presentations, the Respondent should be prepared to discuss and clarify information that was submitted in the Respondent’s Proposal; answer additional questions, if applicable; and demonstrate the online user-experience, for example.

The Respondent should bring to the meeting those subject matter experts who can best address the core business requirements, as well those who will work directly with the City personnel and its contractors.

Phase IV – EC members will convene to discuss and determine whether the Respondents’ proposals are accepted or rejected for contract negotiation. The EC may also review any other information that is available to it, including but not limited to information gained by checking references (see EXHIBIT IV) and by investigating the Respondent’s financial condition. The EC may also request a Best and Final Offer (BaFO) before submitting its recommendation to begin negotiations towards contract award.

Phase V – The City negotiation team will meet with selected Respondent(s) to discuss and agree to contract terms.

The selected Respondent(s) may provide a draft agreement to be used as the starting point for the final executable version to help expedite the contract award process.

The negotiation process is not a binding commitment to award a contract. If the City determines that it is unable to reach an agreement with a selected Respondent, the City may terminate negotiations with the selected Respondent and may elect to negotiate with any of the other highly ranked Respondents, until such time as a favorable negotiated contract is achieved. The City at its sole discretion may terminate the negotiation process and not proceed to contract with any proposer.

Phase VI –Prior to award, Benefits Committee approval and City Council approval may be required as part of the award approval process. The final agreement (or insurance policy) will be executed by the parties and awarded by the City.

ARTICLE V. GENERAL RFP INSTRUCTIONS AND PROCEDURES

Section 5.01 How to Obtain the RFP Documents

The RFP and related documents, as well as addenda and/or clarifications if any, can be downloaded at the City's Department of Finance website at the following URL:

<http://www.cityofchicago.org/city/en/depts/fin.html> under the heading in the center panel: “[Most Recent News \(Finance\)](#),” from where you can access the link to the RFP and related documents.

In the event any confidential data is to be obtained, such data may not be made available on the above website, but rather shall be provided on a CD or USB-drive that will have to be picked-up at City Hall. The CD will only be provided upon the City's receipt of the attached Non-Disclosure and Confidentiality Agreement (NDCA) signed by an authorized representative of the Respondent. (See EXHIBIT XXVI). The NDCA must be signed and submitted along with identification, in exchange for a copy of the CD or USB-drive from City Hall, 121 North LaSalle Street, Chicago 60602, Room 700, between the hours of 9:30 AM to 4:00 PM, Monday through Friday.

In the event information, clarifications, changes, or additions are required in order to amend or supplement the RFP, such changes shall be provided as an addendum to this RFP. Such addenda shall be available as posted on the above URL. (See Addenda section 5.04 below.)

Under no circumstances shall the failure to obtain the RFP documents, clarifications, and/or any related addenda, if any, relieve a Respondent from being bound by such additional information, terms, and conditions set out in any addendum contained therein, during the RFP process. Furthermore, failure to obtain any clarification and/or addendum shall not be valid grounds for a protest against awards made pursuant to this RFP.

Section 5.02 Communications via Email Only

Unless as may otherwise be provided, Respondents must communicate in writing only, at the following email address: InsuranceBenefitsRFP@cityofchicago.org .

There must be no other communication with respect to this solicitation and this RFP process, in person, in writing (except via the email address above), by phone, or otherwise, between a Respondent or Respondent’s designee to City personnel, City-elected officials or their staff members, or any other person in a position to influence the decision of the recommendation to award a contract, at any time during the RFP process, except at times specified for oral presentations with the authorized representatives at the oral presentation, or as is expressly allowed for during this RFP process.

The City has a 25 Mb size limit per email – both incoming and outgoing. Respondent may request DOF for support to send large files via a secured VPN, subject to scheduling and availability by DOF’s IT staff.

If Respondent attempts to send a Zip file, the City’s security system may route it as a threat and it may not be received.

Communication by a Respondent or its designee with anyone in an attempt to influence the awarding of a contract pursuant to this RFP, shall be considered grounds for the Respondent to be disqualified.

A Respondent who deviates from any of these restrictions is subject to immediate disqualification from this RFP process.

Section 5.03 Q&A – Questions and/or Requests for Clarification

Questions and/or requests for information or clarification concerning this RFP must be made in writing and sent to the email address above in an Excel spreadsheet in the format sampled below.

Example 1 Format for Respondent to submit questions to City

Item	Question or Request for Clarification	RFP section being referenced
1		
2		

The COC will provide its response to all questions and requests for clarifications received, via the addendum process.

The deadline for submitting questions is indicated in the timeline Table III-1.

The COC understands that when the City provides its response to the questions via an addendum, the Respondent may have a subsequent round of questions or requests for clarification. In the event there should be a subsequent round of questions requiring answers, the City may elect to set a deadline after which no further questions or requests for clarification shall be considered.

Section 5.04 Addenda and RFP Notices

The COC shall post all addenda and related RFP notices, if any, at the URL and related links indicated above.

Section 5.05 Preparing Proposal Documents: Required Information

There are four Insurance Benefit product types being solicited. Proposals for each product type may be submitted individually or in combination with any of the other three products.

Proposals must mirror the format of the RFP structure, to the extent applicable. Sections and headings and the narrative as set-out in the RFP, should follow your response accordingly.

Each of the four insurance product types are designated by a capital alpha character in parenthesis:

- (A) Group Term Life
- (B) Group Long Term Disability
- (C) Universal Life
- (D) Voluntary Supplemental Insurance

Each of the four insurance product sub-product types (where applicable), are designated by a Romanette, e.g., (A.i), (A.ii), (A.iii), and (A.iv.).

Each of the four insurance product types are presented in three sections per each product type:

- Background Information section. Each product type is introduced with basic background information about the current state of the product.
- Scope Requirements section. Immediately following the Background Information section, is the Scope of Service requirement for the insurance type. Each Scope of Service requirement is bulleted by an upper-case alpha character (A., B., C., etc.).
- Interrogatives section. Immediately following each Scope of Service requirement section is a set of related interrogatories section which must be addressed by the Respondent as part of its submittal requirement. Each interrogative that the Respondent must respond to is bulleted by a numeral as follows: 1), 2), 3), etc.

Section 5.06 Submit One Proposal for up to Four Separate Solutions

Although there are four insurance product types being solicited (along with their sub-product types where applicable), there are several insurance-related business practices that are common within the insurance marketplace (e.g., licensing, claims processing, risk/loss ratios, enrollment, customer service, etc.).

In lieu of having the Respondent repeat the same information for each of the individual insurance product types being proposed, the City has structured this RFP to have the Respondent submit a response to these common business matters only once; under Article VII “Required Content of All Proposals,” as well as Article VIII “Common Scope of Service Requirements”.

- Each Common Scope of Service Requirement is bulleted by an upper-case alpha character (A., B., C., etc.).
- Immediately following the Common Scope of Service Requirements section is a set of related interrogatories section which must be addressed by the Respondent as part of its submittal requirement. Each interrogative that the Respondent must respond to is bulleted by a numeral as follows: 1), 2), 3), etc.

Nevertheless, if there should be any materially nuanced differences in approach as a function of the type of product being proposed (especially under subsections such as “Business Approach,” “Claims Processing Approach,” “Transition and Implementation Plan,” and “Performance Guarantees”), the Respondent must describe the differences between such product solutions as proposed.

Respondent must address where any exceptions are taken and provide an explanation of such exceptions and if any alternative position is proposed.

Section 5.07 Hard and Soft Copies of Complete Original

Proposal documents must be provided as a hardcopy printed document, as well as provided electronically on USB-drives.

Hardcopies

Respondent must submit its Proposal hardcopies (and USB-drives) as follows:

- 1 hardcopy original of the Proposal, clearly marked as “ORIGINAL”.
- 7 hardcopy COPIES of the exact copy of the original Proposal.

The “original” Proposal must bear the signature of an authorized representative on all documents requiring a signature. The original Proposal and all hardcopies of the original Proposal should be prepared on “8½ x 11” letter size paper (preferably recycled), printed double-sided and bound on the long side. The City encourages using recyclable and chlorine-free printed materials for documents prepared in connection with this solicitation.

Soft Copies

Electronic copies of Proposal responses must be provided on USB-drives. The Respondent is required to provide 8 USB-drives with one electronic copy of the Proposal on each USB-drive that meets the following requirements:

- USB-drive is marked with Respondent’s name
- File must be an exact copy (in the same sequence) of the original hardcopy Proposal
- File must be word searchable

Financial statements may, as an option, be provided electronically.

Section 5.08 Redacted Copies for FOIA

All submittals from Respondents to this RFP solicitation process may be made available in accordance with the Freedom of Information Act (FOIA).

Even though the Respondent’s Proposal may contain trade secrets or other proprietary data that is necessary in order for the City to sufficiently evaluate the Proposal, it is subject to the Illinois Freedom of Information Act (FOIA) 5 ILCS 140. However, if the Respondent considers portions of its submitted information to be confidential and is not subject to FOIA law, then such determination must be managed as follows:

- Submit the whole/intact/original and USB-drives for evaluation purposes, in accordance with General RFP procedures section.
- Provide one hardcopy and one USB-drive of the Proposal response with the redacted content blacked-out. Only content that is actually a trade secret or proprietary shall be redacted.
- Provide a key, describing what content was redacted and why the redacted content was redacted, citing the specific FOIA reference which justifies the redaction being made.
- Failure to follow this procedure may lead to release of data under a FOIA. Overly broad or wholesale redacting of content that is not a trade secret or other proprietary data shall constitute failure to follow this procedure.

Section 5.09 Proposal Delivery Information

Proposal hardcopies must be delivered no later than 4:00 p.m. Chicago time at the address indicated below, on Thursday, October 6, 2016; or on the due date most recently posted at the URL as the final due date indicated via addendum.

All hardcopy Proposals and USB-drive packages must be labeled as follows:

Insurance Benefits RFP Specification No. 244314
Insurance Product Types Proposed: _____
Respondent Name: _____

All hardcopy Proposal packages and USB-drives must be delivered to the front reception desk located at:

City of Chicago
Department of Finance
City Hall - 7th Floor
ATTN: Teri Davis
121 N. LaSalle Street
Chicago IL 60602-1246

Proposals that are not received by the date and time as posted may not be accepted.

Section 5.10 General RFP Conditions

No Liability for Costs

The City is not responsible for costs or damages incurred by Respondents, member(s), partners, subcontractors or other interested parties in connection with the RFP process, including but not limited to costs associated with preparing the Proposal and of participating in any site visits, product system demonstrations, oral presentations, or negotiations.

If Respondent has provided any researching, consulting, advising, drafting, or pre-reviewing of this RFP prior to advertising of the RFP documents, such Respondent may be disqualified from further consideration.

False Statements

(a) 1-21-010 False Statements.

Any person who knowingly makes a false statement of material fact to the city in violation of any statute, ordinance or regulation, or who knowingly falsifies any statement of material fact made in connection with an application, report, affidavit, oath, or attestation, including a statement of material fact made in connection with a bid, proposal, contract or economic disclosure statement or affidavit, is liable to the city for a civil penalty of not less than \$500.00 and not more than \$1,000.00, plus up to three times the amount of damages which the city sustains because of the person's violation of this section. A person who violates this section shall also be liable for the city's litigation and collection costs and attorney's fees.

The penalties imposed by this section shall be in addition to any other penalty provided for in the municipal code. (Added Coun. J. 12-15-04, p. 39915, § 1)

- (b) 1-21-020 Aiding and Abetting.
Any person who aids, abets, incites, compels or coerces the doing of any act prohibited by this chapter shall be liable to the city for the same penalties for the violation. (Added Coun. J. 12-15-04, p. 39915, § 1)
- (c) 1-21-030 Enforcement.
In addition to any other means authorized by law, the corporation counsel may enforce this chapter by instituting an action with the department of administrative hearings. (Added Coun. J. 12-15-04, p. 39915, § 1)

Termination of RFP

The City reserves the right to terminate this RFP solicitation in part or in whole at any stage, if the City determines such action to be in its best interest. The receipt of proposals or other related submittal documents will in no way obligate the City to enter into any contract of any kind with any party.

Request for Clarification

The City reserves the right to seek clarification of any information that is submitted by any Respondent in any portion of its Proposal or to request additional information during the evaluation process. Any material misrepresentation made by a Respondent may void the Proposal and eliminate the Respondent from further consideration.

ARTICLE VI. EVALUATION CRITERIA

Any Respondent that does not satisfy the condition described in **NOTE₁** or meet the minimum qualifications listed below will not be considered for award. A Respondent may offer terms better (or more generous) than the existing benefit terms. Any response that offers terms less generous will not be considered by the City. Product improvements are welcome to the extent that they do not conflict with other collective bargaining or personnel policies and they are demonstrated to be of significant value to either the City or its employees.

In order to be deemed qualified, a Respondent must:

- have at least three accounts, each having at least 25,000 employees per account;
- have at least two accounts with at least 25,000 employees per account in which the majority of employees' employment is the subject of collective bargaining agreements;
- have at least five (5) years' experience as an organization in providing the type of services to be procured through this competitive RFP process;
- be licensed in the State of Illinois and must have other licenses and certifications as may be necessary to provide the proposed services
- have insurance premiums of at least \$300,000,000.00 during 2015
- receive a financial size category rating from A.M. Best of X or greater;
- provide evidence of having a minimum rating as indicated below (to the extent the Respondent has been given such rating or ratings, at the time of Proposal submittal and recommendation of award)

A.M. Best: **A-**
Standard & Poors: **AA-**
Moody's: **Aa3**
Fitch: **AA-**

The EC may consider any factors it deems necessary to determine the best overall value and most advantageous solution for the City, based on the following criteria:

- 1) Cost. Respondent's cost proposal and overall cost structure. The EC will examine all costs associated with each Respondent's products and services. Respondent must detail the calculation of the loss ratio, including assumptions included in the calculation.
- 2) Qualifications. Respondent's professional qualifications and specialized experience and local availability of key personnel committed to perform Services. Preferably, Respondents should demonstrate having clients similar in size to the City, or larger.
- 3) Scope of Service Exceptions. The EC will consider the degree to which the Respondent accepts the Scope of Service requirements.
- 4) Required Content. The EC will consider the responsiveness to Article VII. Required Content of All Proposals section.
- 5) Sample Terms and Conditions to be Included in Professional Services Agreement (PSA) Exceptions. The EC will consider the degree to which the Respondent accepts the COC's sample Professional Services Agreement (PSA) terms and conditions attached to this RFP as EXHIBIT XXV without revision, insofar as the form of award to the selected Respondent results in a contract having COC terms and conditions (in contrast to an award in the form of an "insurance policy").

Note: The City may add, modify, or delete provisions in any agreement that the City determines to enter into with insurance providers.

- 6) BaFO. The "best and final offer" is an option available to the COC under this RFP process, which permits the City to request a "best and final offer" from one or more Respondents, if additional information is required to make a final decision. This decision to seek a "BaFO" is at the sole discretion of the City.
- 7) Financial Stability. The EC will consider the financial condition of Respondent. Respondent must be financially stable to ensure performance over the duration of the contract.
- 8) Legal Concerns. Respondent or any of its divisions, subsidiaries, or parent company of Respondent, or any member, partner, etc., of Respondent (if Respondent is a business entity other than a corporation), involved in any legal action, may be taken into consideration by the City.
- 9) Conflict of Interest. The EC will consider any information regarding Respondent, including information contained in Respondent's Proposal, that may indicate any conflicts (or potential conflicts) of interest which might compromise Respondent's ability to satisfactorily perform the proposed services or undermine the integrity of the competitive procurement process.
- 10) MBE/WBE Participation. Subsequent to the evaluation of the factors set forth above, the EC will consider the level, relevancy, and quality of participation by MBE/WBE firms certified in accordance with the Department of Procurement Services' MBE/WBE Special Conditions; attached to this RFP as EXHIBIT XXIV.

Notwithstanding the above, Respondents will also be evaluated on responses to the following:

- 11) “Will discuss” and “will consider” are not appropriate answers, nor is a reference to the current contractual terms by any incumbent.
- 12) Respondents must be able to clearly demonstrate strength and experience, as Contractor, in its ability to:
 - a. Administer and insure all of the insurance plans without any broker or agent commissions and to provide these services at an economical cost to Participants. Respondent shall offer products and services directly to the COC and not through a broker relationship. Joint ventures, partnerships or LLCs may be responsive, but must be identified as a joint venture, partnership or LLC;
 - b. Provide one or more of the insurance product types described above to groups of similar size and with similarly complex benefit offerings.
 - c. As appropriate to the individual products, offer various payout options that take into account the health status of the Participant during end of life periods that are in the best interests of employees and beneficiaries;
 - d. Offer competitive performance guarantees to the City related to implementation and on-going services to Participants and City management;
 - e. Be very responsive to changes in the insurance product offerings required as the result of changes in collectively bargained benefits and/or arbitration awards and requests of the COC; and
- 13) Respondent must indicate its intent (as Contractor) to comply with the following requirements as proposed and at the time of the effective date of the Agreement, unless as may be otherwise accepted by the City:
 - a. Rate quotations must include a minimum rate guarantee period of 36 months;
 - b. Services must mirror the current actively at work provisions;
 - c. Continuation of existing coverage without regard to whether it meets the Respondent’s standard actively at work provisions. This is not a takeover of existing claims.
 - i. Any existing claims or claims incurred prior to the takeover date stay with the current carrier.
 - ii. Further, certain collectively bargained COC employees are entitled to receive an increase in the Basic Life Amount without regard to their active at work status if the Basic Life amount is increased in the labor contract that covers their employment.
 - iii. State your agreement with and understanding of the conditions in section 13) c;
 - d. Issuance of a master policy to the COC, as applicable, that is consistent with the terms of the current benefit policy documents and, if applicable, with the benefits in place as of the day prior to the effective date of the policy, and as applicable thereafter;

- e. Accept all participants current at the time of the effective date of the Agreement, at the then-current insurance amounts, without any evidence of insurability requirements;
- f. Accept all beneficiary designations on file;
- g. Provide the proposed key personnel including the dedicated account manager who will have overall responsibility for managing the client relationship. The City reserves the right to decline the account manager or any other key personnel and request the Contractor to provide a different but no less qualified replacement at any time (including at the time of contract negotiations); and
- h. Provide electronic Certificates of Coverage to participants.
- i. Adhere to the City's Information Security and Technology Policies (EXHIBIT XIX)
- j. Adhere to the City's Data Protection Requirements for Contractors, Vendors, and Third-Parties (EXHIBIT XX)
- k. Sign the Business Associates Agreement (BAA) form (EXHIBIT XXI)

14) Additionally, the Respondent agrees to the following:

- a. To not solicit the COC employees for any products other than those for which a contract is awarded by the City; and, the Insurance Provider must not contact any COC employee at his or her place of residence unless such contact is required to complete a claim or otherwise provide customer service related to the products offered to City employees by the Insurance Provider.
 - i. The Insurance Provider may not use any information in its possession for any purpose other than the administration of the benefits authorized by the City;
 - ii. The Insurance Provider must not distribute any information in any form without the express permission of the City and/or as required without the written agreement of the employee and/or beneficiary.
 - iii. The Insurance Provider may not submit any City data to any entity or person in any form including "blinded" data formats;
- b. To offer such Services in conformance with applicable federal and/or state laws and regulations and the City's ordinances, personnel policies, procedures, rules and the terms of the applicable Benefit Plans;
- c. To provide the services at the most advantageous cost to the City and for voluntary/ optional products, at a cost most advantageous to the City employee;
- d. To review and advise the COC of all present or future operational changes, industry specific practices or pending legislative changes which may impact the insurance benefit programs;
- e. To provide any information that is necessary for the effective operation of the program, including administrative advice and assistance related to changes in law that affect the insurance programs;

- f. To perform any and all administrative functions necessary to ensure appropriate financial control and accuracy;
 - g. To permit a periodic audit of the program by either the COC's staff or auditors appointed by the COC;
 - h. To work cooperatively and in the spirit of good faith with the City in order to assure that all services are rendered in a prompt and fair manner to all eligible employees and their eligible dependents and to meet with the City representatives whenever necessary to promptly resolve any problems that occur relative to the administration of the contract;
 - i. To provide performance guarantees (financial) regarding a successful transition for December 31, 2016, or whenever the initial term of any contract with the City; and
 - j. To provide renewal information in form and content, including costs, benefit levels, etc. to the City, at least one hundred twenty (120) days prior to the expiration date of any contract period.
- 15) The Insurance Provider must submit annual statements of policy performance. In the event that the policy performance is substantially more favorable to the Insurance Provider than to the City or its employees, the City reserves the right to re-open rate negotiations to adjust premium rates so that the policy experience demonstrates loss ratios favorable to the policy holder and/or to the City.
- 16) Respondent must describe the renewal process including:
- a. Methodology,
 - b. Timing,
 - c. Reports,
 - d. Data and information provided to the City in support of the renewal rate(s).

ARTICLE VII. REQUIRED CONTENT OF ALL PROPOSALS

All Respondents must provide the following information as indicated in the following sections:

Section 7.01 Cover Letter

Respondent must submit a cover letter signed by an authorized representative, addressing the following:

1. Legal name of the Respondent submitting Proposal.
2. Address of headquarters.
3. Principal place of business.
4. Legal form (i.e. corporation, joint venture, limited partnership, etc.).
5. Number of years the company has been in business.
6. Overview of the experience and background of the company and its committed key personnel.
7. Names of first-tier and second-tier partners and subcontractors.
8. Name and telephone number(s) of the principal contact for oral presentation or negotiations.
9. Validate whether Respondent is authorized to do business in the State of Illinois.

10. If the product you are proposing is not permitted to be offered in any state because of insurance regulations, please identify those states and the reason why the product cannot be offered.
11. State your agreement with and understanding of the conditions set forth in **NOTE₁** and **NOTE₂**.
12. In Table VII-1 below, indicate the products being proposed with a \checkmark mark in the adjacent column, and the number of years during which your firm has offered each product type for which you are proposing as a product in any state and for Illinois in particular.

Table VII-1 Insurance Types Respondent is Proposing

Product you are proposing	\checkmark	# of years offered in any state	# of years offered in Illinois
(A) Group Term Life Insurance			
A.i Basic Term Life			
A.ii Optional Term Life			
A.iii Dependent Term Life			
A.iv Accidental Death and Dismemberment			
(B) Group Long Term Disability			
(C) Universal Life Insurance			
(D) Voluntary Supplemental Insurance			
D.i Cancer/Critical Condition			
D.ii Hospital Indemnity			
D.iii Accidental Indemnity			

13. Confirm that you understand that all optional insurance products are 100% employee-paid on a post-tax basis.
14. Describe how do you differentiate your capabilities from your competitors?
15. Do you anticipate any mergers, transfer of company ownership, sales management reorganizations or departure of key personnel within the next three (3) years that might affect your ability to carry out your Proposal if it results in a contract with the COC? If yes, explain.
16. Provide details of any changes in ownership that have occurred in the last five years, details of any anticipated mergers, transfers of organization or ownership, management or departure of key staff members within the next twelve (12) months.
17. In what states is your company licensed to do business?
18. Has your organization been involved in a merger or acquisition within the past two (2) years? If yes, describe any consequences that might negatively affect your performance under a contract with the City.

19. Do you anticipate any significant change in the near future? If yes, explain.
20. What fidelity and surety insurance or bond coverage does your organization carry to protect your clients? Specifically describe the type the type and amount of the fidelity bond insuring your employees, which would protect this plan in the event of loss.

Section 7.02 Licenses and Certifications

Provide copies of appropriate licenses or certifications required of any individual or entity performing the Services described in this RFP in the COC, County of Cook, and State of Illinois, for itself, its subcontractors, including evidence that Respondent is authorized by the Secretary of State to do business in the State of Illinois.

Section 7.03 Financials

- 1) Identify the amount in premiums collected during 2014, 2015, and 2016 for each insurance products being proposed.
- 2) Provide the loss ratio for the product(s) during the same three years.
- 3) Provide a general description of size and assets of your organization.

Financial Ratings

Has there been any change in your organization’s ratings in the last two years? If yes, explain the nature and reason(s) for the change. Provide your most recent rating or filing for the following (provide date if rated; if not rated, indicate “N/A”):

Table VII-2 Financial Ratings

Reference	Rating	Date
A.M. Best		
Standard & Poors		
Fitch (formerly Duff & Phelps)		
Moody’s:		

Financial Statements

Provide a copy of Respondent’s audited financial statements for the last 3 years. If Respondent is unable to provide audited financial statements, state the reasons in your Proposal response and provide sufficient alternate documentation that would, at a minimum, include the balance sheets and income statements (or equivalent) for the requested three years. Assets/liabilities and income/expenses must be presented in adequate detail for the City to assess the financial condition of the Respondent.

Section 7.04 Legal Actions

Provide a listing and a brief description of all material legal actions, together with any fines and penalties, for the past 5 years in which: (A) Respondent or any division, subsidiary or parent entity of Respondent, or (B) any member, partner, etc., of Respondent, if Respondent is a business entity other than a corporation, has been:

- (i) A debtor in bankruptcy; or
- (ii) A plaintiff or defendant in a legal action for deficient performance under a contract or violation of a statute or related to service reliability; or
- (iii) A respondent in an administrative action for deficient performance on a project or in violation of a statute or related to service reliability; or
- (iv) A defendant in any criminal action; or
- (v) A named insured of an insurance policy for which the insured has paid a claim related to deficient performance under a contract or in violation of a statute or related to service reliability; or
- (vi) A principal of a bond for which a surety has provided contract performance or compensation to an obligee of the bond due to deficient performance under a contract or in violation of a statute or related to service reliability; or
- (vii) A defendant or respondent in a governmental inquiry or action regarding accuracy of preparation of financial statements or disclosure documents.

The City reserves the right to request similar legal action information from Respondent's team members during the evaluation process.

Provide written responses to the following questions in Table VII-3 below. If the answer to any question is "yes", Respondent shall describe fully the circumstances, current status, and ultimate disposition of each matter.

Table VII-3 Additional Legal Action Questions

<i>Additional Legal Action Questions</i>	<i>YES</i>	<i>NO</i>
1. Has Respondent been declared in default on any contract?		
2. Has Respondent forfeited payment of a performance bond issued by a surety company on any contract?		
3. Has an uncompleted contract been assigned by Respondent's surety company on any payment of performance bond issued to Respondent arising from its failure to fully discharge all contractual obligations thereunder?		
4. Within the past three (3) years, has Respondent filed for reorganization, protection from creditors, or dissolution under the bankruptcy statutes?		
5. Is Respondent now the subject of any litigation in which an adverse decision might result in a material change in the Respondent's financial position or future viability?		
6. Is Respondent currently involved in any state of a fact-finding, negotiations or resistance to a merger, friendly acquisition or hostile take-over, either as a target or as a pursuer?		
7. License Sanctions: List any regulatory or license agency sanctions.		
8. Is the Respondent currently under review by any state department of insurance for any reason?		
9. Has the Respondent been under review by any state department of insurance within the last seven years for any reason?		

Section 7.05 Organizational Chart

- 1) Describe your organizational structure (corporate form) and provide an organizational chart for all operations significant to your proposed products and their marketing, administration and financing.
- 2) Specify your organization's history of operations related to the products and identify five things that you believe distinguishes your organization from other entities offering similar products.
- 3) Describe your company's management style.
- 4) Provide a brief history of your organization:
 - a. How long your organization has been providing insurance services;
 - b. The date your organization first offered the types of products for which you are proposing;
 - c. The total number of employees in your organization; and
 - d. Your history of providing product to public sector employers similar to the products requested herein.

Section 7.06 Subcontractors

- 1) Describe any subcontractor or other entities that will be tied to providing services as proposed.
- 2) Is your company affiliated with another company? If yes, please describe the relationship and describe any services the affiliated company would provide if your company is selected as the Insurance Provider.
- 3) Describe your contractual relationships, if any, with any other organizations or persons necessary for your firm to successfully provide the services/products requested in this RFP.
 - a. Describe what services they will provide,
 - b. For what period of time; and
 - c. Whether they provide said services under other insurance contracts for your firm.
- 4) Provide evidence of their financial stability and viability and the names of key contacts within the organization.

Section 7.07 Key Personnel

Provide the following information for each of the key personnel proposed to serve during the term of the contract for the following general positions:

- Key Account Executive
- Service Representatives
- Account Coordinators
- Account Underwriter
 - name,
 - telephone number,
 - email,
 - title,
 - location they report to,
 - insurance product they propose to support for the City, and
 - years of experience

Section 7.08 Resumes

Include references and resumes of each key personnel proposed, describing their education and work experience with life insurance programs similar in size and complexity to the COC.

Section 7.09 Business Approach

- 1) Describe all the portability and conversion options available under your Proposal.
- 2) Describe all minimum employee participation requirements for any of the voluntary coverages you are offering.
- 3) If participation requirements are not met what happens? Provide details.
- 4) Eligibility
- 5) What are the exceptions/exclusions in your policy offerings?
- 6) Provide reasons why coverage can be denied or an employee deemed ineligible.
 - a. Any age restrictions?
 - b. Any pre-existing condition limitations?
 - c. Explain.
- 7) In the event that the current/incumbent insurer is not selected as a result of this RFP process, how do you intend to solicit City employees for the optional programs?
- 8) How do you propose to collect and maintain all records, including beneficiary designations?

- 9) Provide all forms to be used in providing these services, including beneficiary designation, enrollment and any billing forms.
- 10) Provide your website URL.
- 11) What transactions/services can policyholders and employers perform using your internet applications?
- 12) Do you have a mobile application? If so, what transactions/services can policyholders and employers perform using your mobile application(s)?
- 13) Is there an Active at Work clause in your policy?
 - a. If yes, describe your requirements for enrollment for those not actively at work in the covered population on the effective date of the transfer of coverage and the process by which you will determine whether an individual meets the actively at work requirement.
 - b. Confirm that you will accept the actively at work definition in the existing insurance contracts.
- 14) Under what circumstances can an employee convert his or her policy without demonstrating evidence of insurability?
- 15) Describe what happens when employment terminates.
 - a. Is the coverage portable?
 - b. If so, describe the portability provision you are proposing.
 - c. If term insurance is not portable to another term product, describe your conversion product.
- 16) How is your sales staff compensated? Be specific.
- 17) You will be expected to provide the City with both quarterly and monthly management information reports, including at a minimum:
 - a. Premium rates in force
 - b. Monthly premium revenues
 - c. Number of claims paid, total dollars paid
 - d. Experience refunds (if applicable)
 - e. Expense and interest on reserves (as applicable)
- 18) How long will it take for you to deliver the reports listed above after a request has been made?
- 19) List and provide samples of all management reports and administrative reports you generate and indicate the frequency of the reports.
- 20) Describe your firm's quality assurance procedures.
- 21) How do you determine if your company is in compliance with all applicable laws and regulations?
- 22) Describe your company's current process to be compliant with the various privacy laws.
- 23) In each of the last five years, how many complaints have been filed about your products with the Illinois Department of Insurance? How many were resolved in favor of the complainants?
- 24) During each of the last three years, how many policyholders have filed complaints with the various state departments of insurance related to any of your products?
- 25) How many of those complaints above were resolved in the interests of the policyholders?
- 26) Explain how confidentiality is assured and how it is communicated to the participants.
- 27) Indicate what exceptions, if any, are taken to the City's PSA Terms and Conditions (if proposing Universal Life or Supplemental Insurance products).

Section 7.10 Claims Processing

- 1) How many people does your organization employ in its claims administration department?
- 2) Where are the claims examiners located that would provide services to the City account?
- 3) What is the average turn-around-time from the date that a claim is filed to the date the beneficiary receives payment or an advice that the claim is denied or pended for additional information?

- 4) Will beneficiaries receive interest on late payments?
- 5) What additional forms of payment are available?
- 6) How will you handle payroll deductions, billing and claims processing?
- 7) Are you willing to conform your processes to meet all City requirements?
- 8) Do you agree to fund any changes required in City systems and procedures necessary to allow payroll deduction of required premiums?
- 9) Where are claims processed?
- 10) What are your claim submission procedures?
- 11) What is your claim turnaround time?
- 12) Describe the action that would be taken, the support provided and the personnel who would be involved in investigating and settling a disputed claim.
- 13) For each product type for which you are proposing, please indicate the following:
 - a. The number of claims filed in 2015;
 - b. Provide your average turn-around-time for the years 2014 and 2015.
 - c. The number of claims processed within 10 days;
 - d. The number of claims processed within 30 days;
 - e. The number of claims processed 31 days and later;
 - f. The number of claims which resulted in a payment to the policyholder;
 - g. The number of claims that were initially denied for further information and later paid;
 - h. The number of claims that were initially denied for further information and were subsequently denied;
 - i. The number of claims that were denied and no payment was issued to the policyholder; and,
 - j. The top five claim denial reasons.
- 14) Do you agree to provide the City with a list of death claims with name, date of death and amount of claim as part of your year-end-data?
- 15) What role if any (be specific) do you expect the City to perform in the processing of claims?
- 16) Describe your process for reserving for claims incurred but not reported.
- 17) What affirmative steps do you take to locate beneficiaries if a death is reported either by an employer or by another source?
- 18) If you are proposing to provide multiple products, describe the information you will require from the City for each product and the methods by which you typically gather such information.
- 19) Describe the process you typically follow once you have been notified of a claim.
- 20) What settlement options are available to beneficiaries?
- 21) How do you handle distribution of death benefits to beneficiaries who are minors?
- 22) Provide a detailed description of how you expect to resolve complaints or appeals regarding claims. Describe in detail the grievance or appeal process and any role you expect the COC to assume in the process.
- 23) Provide sample applications, policies, communication materials, bills and forms necessary for employees to file a claim.
- 24) Describe your quality assurance program with regards to claims processing.

Section 7.11 Transition and Implementation Plan

- 1) Describe your implementation process and your firm's approach to providing the services.
- 2) Describe in detail the steps that would be taken to insure a smooth transition if you assume the administration of the program from the current insurer.
- 3) Provide a work plan and schedule identifying the tasks and time frames required to complete this transition. Be very specific as to data requirements and other City tasks.

- 4) Specify in detail what information you would need from the current carrier in the event the current carrier is not selected again.
- 5) Confirm that premiums include all implementation costs.
- 6) How does the eligibility information get transferred to any outsourced providers, if any?
- 7) Describe the computer and data processing facilities that your company currently owns and would use to administer the City's benefits included in this RFP.
- 8) Include a description of any system resources that would be available to the City's staff for inquiry and information exchange.
- 9) Describe the internal controls policy procedures and plans you will institute to protect the security and privacy of program data, records, forms, and data processing operations.
- 10) Include a Gantt chart in a form that starts with "Day 1--Notice of Award of Contract" and list all required steps to insure a smooth implementation of services.
 - a. Put all time frames as "X business days";
 - b. Be specific as to person(s) responsible for completion of the task;
 - c. Include any City required actions; and
 - d. Include adequate time for City approval of all communication materials.
- 11) If your proposed products would require Department of Insurance (DOI) approval, indicate what you feel is a reasonable time frame for approval by Illinois DOI. (Be aware that it takes significant time to establish the necessary infrastructure for new payroll deductions and payments to Respondent)

Section 7.12 Service Level Requirements (SLR)

- 1) The Respondent must propose performance guarantees. The suggested performance guarantees should be designed to objectively measure performance based on mutually agreed-upon standards.
- 2) Respondent must provide performance guarantee reports within 45 days of the end of the quarter and the corresponding liquidated damages, if any, shall be paid within 30 days thereafter.
- 3) The following Table VII-4 indicates minimum performance guarantees the COC requires, albeit subject to negotiation. The parties may negotiate both financial and non-financial performance guarantees with the selected Respondent.
- 4) Respondent must propose dollar amounts to be at risk within each performance category and specify a quantifiable basis for performance evaluation.

Table VII-4 Service Level Requirements

Service Requirement	Service Level	At-Risk Amount
Implementation	Completion of key activities according to an agreed-upon implementation work plan (evaluation by Benefits staff).	
Telephone Answering Time	Average answer time will be no more than 30 seconds from the first ring.	
Telephone Abandonment Rate	Abandonment rate will not exceed 5%	
First-Contact Resolution	No less than 95%	
Response-Time to Written Correspondence (email; US mail; fax; other)	Within 24-hours from receipt	
Robust Self-Service IVR	To be negotiated	
Claims Processing Accuracy	99% of claims will be processed accurately.	
Claim Turnaround Time	All initial claims for benefits shall be responded to within five business days of receipt.	

Section 7.13 MBE/WBE Commitment

Respondent shall address its MBE/WBE compliance plan, to evidence Respondent’s proposed direct MBE/WBE participation, in response to this RFP.

ARTICLE VIII. COMMON SCOPE OF SERVICE REQUIREMENTS

This section describes Scope of Service Requirements that will be common to any awarded contract for any insurance product type.

Section 8.01 Term of Services

The initial contract base term period will be three (3) years from the date on which a contract is awarded. In addition, the contract shall provide the option for the COC to extend the contract, in the City’s discretion, for up to two (2) additional periods, each period not to exceed one year, and, notwithstanding any other extension authorizations, continue to provide services until such time a new contract is executed.

Section 8.02 Loss Ratios

The Loss Ratio for all products proposed shall be appropriate for the product proposed. The Loss Ratio for specific types of insurance shall be greater if so specified in the Scope section for that insurance type, below.

Section 8.03 Enrollment Scope of Service Requirements

- A. Provide effective, efficient, and economic enrollment services, payroll deduction reporting, client services, experience reporting, and state-of-the-art multi-media access for covered Participants.
- B. Provide secure web-access for Participants to enroll, establish/change policy beneficiary information, and submit claims and information in support of filed claims.
- C. Develop and provide enrollment materials for each product selected by the City. Enrollment materials shall be in a form and include content sufficient to permit employees to self-enroll.
- D. No enrollment meetings (e.g. annual open enrollment season meetings or new employee orientations) shall be conducted during work hours or on City premises unless specifically authorized by the City.
- E. Provide enrollment information of high-quality that is free from errors.
- F. All materials must be available in English and Spanish.
- G. Enrollment information must be comprehensive enough such that no employee/Insurance Provider representative meetings are required for the employee to make a fair and informed purchasing decision taking into account the terms of the benefits provided to or made available to the employee by the City at no cost or at minimal cost.
- H. Insurance Provider must have access to a "language line" so that if an employee who uses English as a second language has questions, that employee can speak with a person who is fluent in the employee's primary language.
- I. Insurance Provider must provide communication methods that comply with requirements appropriate for people with disabilities.
- J. The City reserves the right to review all enrollment information and make changes to any proposed enrollment information. However, the Insurance Provider shall retain responsibility for the accuracy of information and conformance to insurance laws and regulations.
- K. The Insurance Provider specifically warrants that its materials shall be free from defect and that it will indemnify the City against any cost associated with errors in the materials or information provided by the Insurance Provider's staff or any inconsistency with required policy terms.
- L. The Insurance Provider must pay all costs of enrollment including production and mailing of marketing materials.
- M. Insurance Provider must reimburse the City for all costs associated with the creation and maintenance of any newly required payroll deduction fields.
- N. Provide web based and paper enrollment capabilities for employees throughout the plan year.
- O. Provide communications (i.e. posters, flyers, newsletters, brochures, articles etc.) and other electronic communications concerning the open enrollment period and the program at a frequency determined by the COC.
- P. Provide on-site representation at all open enrollment and employee benefit fairs.
- Q. Provide accurate information to any employee about how a product integrates with or supplements the employee's current benefit program including at a minimum:
 - i. Employer provided health insurance;
 - ii. Employer provided dental insurance;
 - iii. Employer provided sick time;
 - iv. Employer provided FMLA;
 - v. Employer provided Workers' Compensation benefits (for non-Police and Fire sworn personnel) and Injury on Duty benefits for sworn personnel;
 - vi. Pension plan benefits for ordinary, occupational, duty, and retirement benefits;
 - vii. Any benefit that integrates with or for which the payment from the insurer is secondary to or contingent upon any event that is subject to any City benefit program, must be described in marketing materials and examples of sample claims must be provided; and
 - viii. Any minimum benefit terms must be specifically described.

Section 8.04 Enrollment Interrogatories

- 1) Describe how you will assist employee enrollment, while educating them about the plans and services.
- 2) Describe how the enrollment will be organized and managed.

Section 8.05 Customer Service Representative (CSR) Scope of Service Requirements

CSR Scope

All customer service scripts, phone prompts and sales staff answers to Frequently Asked Questions must be reviewed by the City prior to their application/use for City employees.

Contractor must:

- A. Provide customer service support to all enrolled participating employees.
- B. Provide excellent customer service to Participants as measured by
 - i. Timely response to inquiries,
 - ii. Timely production of requested forms,
 - iii. Professional responses to claims,
 - iv. Robust appeal process if the Participant feels that a claim determination is inappropriate and/or inconsistent with the terms of the policy.
- C. Respond to all employee inquiries in a timely manner.
- D. Provide, at minimum, a toll-free telephone number and a customer-friendly website.
- E. Provide excellent customer service to employees and terminated individuals enrolled in the insurance programs.
- F. Provide a client call center/help desk to assist employees with resolving any enrollment, claim filing, and appeal related issues.

Section 8.06 Customer Service Interrogatives

Respondents that propose a subcontractor service organization to provide CSR services, must have an established relationship with those subcontractors for a minimum of approximately 5 years with programs similar in size to the City.

- 1) Does your company use an outside service for handling calls after standard business hours? If yes, describe:
 - a. The services provided,
 - b. The name of the provider,
 - c. Address,
 - d. Telephone number,
 - e. Email, and
 - f. Website.
- 2) Describe services available to employers and policyholders.
- 3) Describe your organization's procedures regarding routing of telephone, email, fax and written inquiries and complaints from Participants.
- 4) Include your standard timeframes for response and specify which inquiries are referred to supervisory or management staff.
- 5) What are the hours of operation for your Customer Service department?
- 6) Will you provide a toll-free customer service line at no additional charge?

- a. Is the same number used for customer service, billing, eligibility, and complaints?
 - b. Do you offer assistance with claims?
 - c. Do you offer assistance with coverage questions?
 - d. Will this line be dedicated to the City to answer questions from potential and enrolled members?
- 7) Do you have a tracking system to log-in customer service calls and the content of those calls? If so describe.
 - 8) Do you record any calls? If so, what percentage?
 - 9) If you record calls, in the event of dispute or arbitration hearing, would you provide either a transcript of the calls or a computer-based file of the conversation at the request of the City?
 - 10) If you record calls, how long do you keep the recording?
 - 11) Identify the multi-lingual services your customer service department can provide to the insured population.
 - 12) How many days prior to roll-out of product information will the line be operational?
 - 13) How do you respond to employee and client complaints about your service?
 - 14) Provide average call metrics.

Section 8.07 Report Scope of Service Requirements

- A. The City expects that the insurer shall maintain all enrollment and payroll deduction information and that the insurer shall regularly provide such information to the City in the City's required format, on a fixed-schedule to be determined by the City. In the event that any deduction cannot be taken from an employee's check for any reason, it will be the responsibility of the insurer to collect any required premium from the employee.
- B. Prepare and present an annual report for each product offered that identifies the policy
 - i. Loss ratios;
 - ii. Expenses;
 - iii. Premium income; and
 - iv. Insurer operating margin.
- C. Provide the specific experience for City employees if the policy has 500 City employees enrolled for coverage. If less than 500 are enrolled, the insurer may provide the information on the performance of all policyholders with the same coverage.
- D. Provide high-quality and timely account management services to the COC, including, but not limited to:
 - i. Reporting and secure-authorized access into hosted system account information;
 - ii. Timely responses to City requests for information necessary for collective bargaining purposes or resolution of employee complaints; and
 - iii. Other City business matters as required.
- E. The City requires both quarterly and monthly management information reports, including at a minimum:
 - i. Premium rates in force;
 - ii. Monthly premium revenues;
 - iii. Number of claims paid with total dollars paid;
 - iv. Experience refunds (if applicable).
- F. Provide ongoing enrollment and activity reports consistent with the nature of the insurance product offered to City employees.
- G. Provide a semi-monthly deduction file to the City that will specify the individual payroll deduction amount to be collected from the employee's earnings for premium payment.

Section 8.08 Reports Interrogatives

- 1) Provide an expense and interest on reserves report and IBNR tracking report (as applicable).
- 2) Include samples of all experience, premium payment and any other statistical reports currently generated, identifying which reports are standard and which are available upon request.
- 3) Additionally, identify reports for which there is a charge and indicate the amount.
- 4) Respondent shall describe its proposed quarterly and annual reporting.

ARTICLE IX. (A) GROUP TERM LIFE

The sections to follow provide the Background, Scope of Service requirements, and Interrogatives for the Group Term Life insurance product type (A).

Section 9.01 (A). Group Term Life Insurance Background Information

Refer to the sections below for background information.

Section 9.02 (A). Group Term Life Insurance Scope of Service

A "loss ratio" shall be calculated by dividing the sum of: claims paid plus reserves for incurred but not reported claims, by the premium amount collected.

Section 9.03 (A). Group Term Life Insurance Interrogatories

- 1) Provide a sample policy of each product type.
- 2) Describe your current life insurance conversion policy, and the provisions for an employee to convert the life insurance to individual coverage at termination of employment or loss of eligibility, including retirement (if applicable).
- 3) Will you allow accelerated death benefits for
 - a. Chronically ill policy holders?
 - b. Terminally ill?
 - c. Under what circumstances?
- 4) What happens if the person who receives an accelerated death benefit is no longer considered to be a terminally ill person?
- 5) What are the amounts that are subject to acceleration?
- 6) How many times may an insured person apply for accelerated benefits?
- 7) Will you offer disability waiver of premiums as an optional feature for the group term life insurance product? In other words, are you willing to offer both optional group term with no disability waiver and optional group term with a disability waiver of premium feature?
- 8) What is the Loss Ratio of each Group Term product you are proposing? Describe in detail how it is calculated.

Section 9.04 (A.i) Basic Term Life Background Information

- The current Basic Term Life benefit per civilian employee, is \$25,000 per life.
- The current Basic Term Life benefit per Sworn Police Officer or per Uniformed Fire Employee, is \$75,000 per life.
- Respondent shall propose a term insurance product, including a portability feature and conversion options, for employees who are retiring or terminating employment with the City no less favorable than the features and options described in the current Certificate of Insurance.
- The Basic Term Life plan currently has 32,250 participants.

Section 9.05 (A.i) Basic Term Life Scope of Service

Contractor must provide a term insurance product, including a portability feature and conversion options, for employees who are retiring or terminating employment with the City no less favorable than the features and options described in the current Certificate of Insurance.

Section 9.06 (A.i) Basic Term Life Interrogatories

- 1) Periodical changes occur with the policy and schedule of benefits to accommodate Collective bargaining agreements. If you are willing to accommodate those changes, procedurally:
 - a. What is your process for the City to initiate these changes?
 - b. How quickly would you be able to complete necessary policy modifications upon a change in the Basic Life amount?
- 2) Under what circumstances can the employee increase the amount of term insurance?
- 3) Under what circumstances can an employee who originally rejected spousal and dependent life insurance, elect to enroll in those coverages?
- 4) Upon termination of employment and/or retirement:
 - a. Will you offer the former employee an opportunity to continue the term coverage under the same group rates?
 - b. Will you offer the former employee an opportunity to continue the term coverage under other rates?
- 5) Do you allow term "portable" coverage in addition to conversion to whole life products?
- 6) What are the charges and contract provisions under all options which are available at termination of the master contract?
- 7) For the basic term life insurance benefit over \$50,000, are you able to provide on a regular basis, a payroll file to reflect the imputed income for the amount over \$50,000?

Section 9.07 (A.ii) Optional Term Life Background Information

- The Optional Term Life currently has 18,110 participants.
- Optional Term Life insurance is available for the employee, spouse, and dependents.
- Optional Term Life insurance coverage can be purchased by the employee from 1-through-10 times the employee's annual earnings, up to a maximum of \$1,500,000.00 per employee.
- Spouses, civil union/same sex domestic partners' coverage can be \$10,000, \$25,000, or \$50,000 (flat amounts) but cannot exceed 100% of the amount of the employee's Optional Term Life coverage.
- Coverage for dependent children \$5,000 or \$10,000
- An employee must be enrolled for Optional Employee Term Life coverage, in order to enroll a spouse or dependent(s).

Section 9.08 (A.ii) Optional Term Life Scope of Service

Contractor shall propose an optional term insurance product, including a portability feature and conversion options, for employees who are retiring or terminating employment with the City no less favorable than the features and options described in the current Certificate of Insurance.

Section 9.09 (A.ii) Optional Term Life Interrogatories

- 1) What is your guaranteed issue amount for Optional Term Life?
- 2) Will you require a minimum participation level in order to underwrite the Optional Term Life? Be specific as to enrollment or face in force requirements.
- 3) At what level do you require an employee to submit evidence of insurability for Optional Term Life?

Section 9.10 (A.iii) Dependent Term Life Background Information

- The Dependent Term Life plan currently has 6,088 participants.

- Coverage of \$5,000 can be purchased for a dependent child, beginning from live birth and continuing to age 19, if the child is unmarried.
- If a dependent is unmarried, is dependent on the employee for support, and is a full-time student, coverage under the Dependent Life Benefit continues to age 25.
- Employee pays a single premium rate for Dependent Life Insurance without regard to the number of children insured.

Section 9.11 (A.iii) Dependent Term Life Scope of Service

Contractor shall provide a dependent term insurance product, including a portability feature and conversion options, for employees who are retiring or terminating employment with the City no less favorable than the features and options described in the current Certificate of Insurance.

Section 9.12 (A.iii) Dependent Term Life Interrogatories

- 1) Do you agree to offer the existing dependent term life products?
- 2) Do you wish to offer any improved products for dependent term life?

Section 9.13 (A.iv) AD&D Background Information

- The AD&D plan currently has 32,250 participants.
- Class 1 employees are automatically enrolled for \$1,000 basic AD&D coverage.
- Class 2, Uniformed Fire employees and Class 3 Sworn Police are both automatically enrolled for \$5,000 of basic AD&D coverage.

Section 9.14 (A.iv) AD&D Scope of Service

- A. Contractor must provide the currently offered life and AD&D insurance benefit amounts to all eligible employees. (Any additional amounts and or changes negotiated in the Proposal will be effective upon completion and award of the contract.)
- B. Contractor must provide the COC with recommendations for changes to the life and AD&D insurance program as new products become available in the marketplace.
- C. Contractor must provide AD&D coverage such that it operates at a minimum loss ratio of 90%
- D. Provide the COC with recommended rate changes for the AD&D if the loss ratio is below 90%

Section 9.15 (A.iv) AD&D Interrogatories

- 1) Provide references for clients with similar benefit designs and/or public sector clients which do not participate in the federal Social Security program to demonstrate expertise in the integration of non-SSI disability income sources.
- 2) Is conversion coverage or waiver of premium available for AD&D coverage?
- 3) Periodical changes occur with the policy and schedule of benefits to accommodate Collective bargaining agreements. If you are willing to accommodate those changes, procedurally, what is your process for the City to initiate these changes?
- 4) How quickly would you be able to complete necessary policy modifications upon a change in the AD&D amount?

ARTICLE X. (B) GROUP LONG TERM DISABILITY

The sections to follow provide the Background, Scope of Service requirements, and Interrogatives for the Group Long Term Disability insurance product type (B).

Section 10.01 (B) Group Long Term Disability Background Information

The Group Long Term Disability plan currently has 8,971 participants.

- In the event that the current carrier is not selected to offer the LTD product, the current carrier will be responsible for all claims incurred through the termination date of the existing LTD policy.
- The current LTD policy is a non-participating policy. However, the policy immediately prior to the current policy was a participating policy. As of the date of this RFP, there is a premium stabilization reserve held by the current insurer in the amount of \$1,679,758.03. This premium stabilization reserve will be transferred to any successor policy whether participating or non-participating. From time to time this premium stabilization reserve has been used to offset small amounts of premium increases and would be expected to be used in the same fashion during any new policy term.
- Proposers may offer rates on the basis of participating or non-participating policies.
- Any actively-at-work clause must be waived for current insureds that may be on vacation, or are using scheduled time off, or sick leave unless the insured person's illness is the basis of a claim with the current policyholder.
- If an employee is not at work due to major illness or injury on the date the insurance would otherwise be effective, it will be effective on the date he or she returns to any occupation for the City if the occupation to which the employee returns is eligible to participate in LTD.

Section 10.02 (B). Group Long Term Disability Scope of Service

- A. Contractor shall provide a group long term disability insurance product, with the City no less favorable than the features and options described in the current Certificate of Insurance.
- B. At a minimum, LTD reports must show all open claims, prognosis, dollars paid and established reserves by claimant, as well as closed claims during the previous period.

Section 10.03 (B) Group Long Term Disability Interrogatories

- 1) What is the Loss Ratio of the product you are proposing?
- 2) Describe in detail how it is calculated.
- 3) Provide a sample policy.
- 4) Provide references for clients with similar benefit designs and/or public sector clients who do not participate in the federal Social Security program to demonstrate expertise in the integration of non-SSI disability income sources.
- 5) Review the existing policy to confirm your agreement with the income integration provisions.
- 6) How long has your organization provided LTD on a continuous basis for employer groups?
- 7) How many of your employer groups do not integrate their LTD benefit with Social Security disability?
- 8) At what location would you perform the day-to-day LTD administration and recordkeeping services for the City?
- 9) Regarding your current operations, briefly summarize your premium volume and number of accounts in group LTD insurance.
- 10) What percentage of this business is in the state of Illinois?

- 11) List the three (3) largest current public sector clients whom your company provides LTD insurance.
- 12) What was the total amount of LTD benefits paid during the 2016 calendar year?
- 13) What was the total volume of LTD benefits paid during the 2015 calendar year?
- 14) How many lives were covered under the group LTD as of December 31, 2015?
- 15) Describe your underwriting process for LTD coverage in detail:
 - a. For new cases (those without prior plan/carrier)
 - b. For new cases (with a prior plan/carrier)
 - c. For renewing cases (with a plan with your organization)
- 16) The COC, like many public employers, does not participate in the Social Security system; they do however, offer pension plans to employees that provide a time-limited disability benefit for non-occupational injuries.
 - a. How many of your current clients offer a plan that integrates with a pension plan rather than Social Security?
 - b. As there is no Social Security integration, how have you changed your underwriting assumptions to account for this?
- 17) How often is the validation of continued disability required, once a claimant is approved?
- 18) What is the process to validate continued disability?
- 19) Would your firm agree to a penalty if approval is not provided within an agreed upon time period?
- 20) Provide your criteria for a pending claim being questionable? Unsubstantiated?
- 21) Under what conditions are exceptions made to standard disability determination protocols?
- 22) Indicate the steps taken to prevent LTD abuse.
- 23) When is evidence of insurability required? How long does it take to approve an Evidence of Insurability (EOI) form?
- 24) What type of reporting will be provided to the City to monitor the status of EOI forms?
- 25) How will you notify the City and the employee of the approval or denial of an EOI request?
- 26) Describe the process for determining whether an employee is disabled.
 - a. Begin at the point an employee notifies the insurer of the claim and continue until the point the disabled employee receives the first disability payment.
 - b. Include the expected time periods.
- 27) Once a claimant is approved for disability,
 - a. how often is the validation of continued disability required and
 - b. what is the process used to validate continued disability?
 - c. Are benefits suspended if no proof/evidence is received?
- 28) Describe the process for LTD claims disputes.
- 29) How much information will you provide to the City in trying to resolve disputed claims?
- 30) Describe any limitations that may apply to sharing claim data with the City
- 31) How are recurring disabilities handled?
- 32) Define total, partial, and residual disability, as it specifically relates to the plan you are proposing.
 - a. What is the main difference, if any, between your partial and residual disability?
 - a. What provisions does your policy have regarding presumptive total disability?
 - b. Do either of these disabilities require an earnings test? If so, explain.
- 33) Indicate the guidelines used to determine appropriate durations for disability.
 - a. Are they developed internally or externally based upon published guidelines?
 - b. How often are these guidelines updated?
- 34) Under what conditions are exceptions made to standard disability determination protocols?
- 35) Does your policy contain wording regarding "Gainful Occupation" or "Maximum Capacity"? If yes, explain.
- 36) Does your quote include a return to work program? If yes, describe.

- 37) Upon leaving employment due to disability, when can an employee apply for waiver of premium?
 - a. What is the average length of the waiting period on waiver of premium requests?
 - b. What are the requirements for a waiver of premium to be approved?
- 38) Explain how the monthly benefit amount is determined; and include an explanation of all offsets such as statutory benefits and other income.
- 39) Explain any stipulations the proposed policy may have concerning pre-existing conditions.
- 40) Does your policy include rehabilitation benefits? Are they mandatory or -voluntary?
- 41) Does this policy provide for benefit increases due to increases in the cost of living? If yes, explain.
- 42) Does this policy provide an option for coverage after age 65?
- 43) What special conditions will apply to any LTD claims filed by an employee over 60 years of age?

ARTICLE XI. (C) UNIVERSAL LIFE

The sections to follow provide the Background, Scope of Service requirements, and Interrogatives for the Universal Life insurance product type (C).

Section 11.01 (C). Universal Life Background Information

- The Universal Life Insurance plan currently has 9,240 participants.

Section 11.02 (C). Universal Life Scope of Service

- A) Provide a Universal Life product at least as favorable as the current product. See sample insurance policy in EXHIBIT XIV Sample Life Insurance Policy.
- B) Provide one single data feed to City's payroll department in a format acceptable to that department.
- C) When Payroll deducts premiums, one remittance per payroll period will be sent to Contractor.

Section 11.03 (C). Universal Life Interrogatories

- 1) What is the Loss Ratio of the product you are proposing? Describe in detail how it is calculated.
- 2) Provide a sample of your Group Universal Life enrollment communication materials. Include promotional materials if available.
- 3) What is the average cash accumulation account participation percentage for your individual Universal Life products?
- 4) What sales/service office and claim office would handle the general servicing of this account?
- 5) Does your company provide at no additional costs, the following:
 - a. Legacy planning services,
 - b. Beneficiary financial counseling and l
 - c. Legal services?
- 6) Describe any value-added services your company offers for this product and the corresponding costs.
- 7) Can an employee increase the death benefit (i.e., the amount at risk) at any time? If not, what limitations (in both maximum amount and other factors) restrict increasing the death benefit?
- 8) Do you offer an option in which the amount at risk (i.e., the pure protection) stays constant and as the cash value of the policy increases, the total death benefit decreases?

- 9) Is there a minimum sum by which an employee can increase or decrease his/her death benefit? If yes, identify.
- 10) Describe the process for borrowing from the cash value of the policy.
 - a. Note, rates charged and
 - b. Operating procedures.
- 11) If premiums payments stop, will the policy continue as long as the cash value of the policy covers mortality and other expenses?
- 12) What is the minimum amount of cash which must be held by the policy?
- 13) What is the grace period available after the cash value of the policy no longer covers expenses before the policy terminates?



ARTICLE XII. (D) VOLUNTARY SUPPLEMENTAL INSURANCE

The sections to follow provide the Background, Scope of Service requirements, and Interrogatives for the Voluntary Supplemental Insurance product type (D).

Section 12.01 (D). Voluntary Supplemental Insurance Background Information

- Supplemental insurance is a new offering to City employees and shall be at no cost to the City.
- COC would like to obtain competitive proposals for the purchasing of Supplemental Insurance to provide individual insurance policies for employees and, as applicable, their eligible spouses/domestic partners/civil union spouses and dependent children as a voluntary benefit.
- The City is seeking proposals on three types of supplemental insurance:
 - Critical Illness (Cancer) Indemnity Insurance
 - Hospital Indemnity Insurance
 - Accidental Indemnity Insurance
- The successful Respondent will execute a services agreement with the City under which the Respondent will be allowed to market supplemental insurance to City employees, and provide a single data file to the City payroll department for purposes of payroll deduction.
- In addition to the PSA, the services agreement will specify the terms and conditions under which the City will deduct specified amounts from paychecks and send such amounts in one single remittance to the Respondent.
- All active full-time employees are eligible to participate if participation is permitted by the applicable collective bargaining agreement and the employee agrees to have the full cost of coverage paid through after-tax payroll deductions.

Section 12.02 (D). Voluntary Supplemental Insurance Scope of Service

- A. For products sold as individual products, the Insurance Provider must track experience specific to City employees if there are at least 500 employees who have opted to purchase a given product and the favorable loss ratio shall be at least 75%.
- B. Educate employee about the supplemental insurance being offered.
- C. The employee must be able to understand:
 - i. What the supplemental insurance covers (what the requisite events are that must occur before a claim for benefits can be filed);
 - ii. What the maximum duration of the benefit is;
 - iii. What the maximum possible benefit received from the plan during any plan benefit period is; and
 - iv. Be informed that the supplemental benefit does not substitute for existing employee benefits. For example, it must be clear that "Hospital Indemnity Insurance" is not a substitute for employee/dependent health care coverage and that coverage by "Hospital Indemnity Insurance" does not satisfy the requirements of the Affordable Care Act for healthcare coverage.

Section 12.03 (D). Voluntary Supplemental Insurance Interrogatives

- 1) What is the Loss Ratio of each product you are proposing? Describe in detail how the Loss Ratio for each product is calculated.
- 2) Comment on what complications might arise regarding implementation and ongoing operation of the payroll deduction voluntary supplemental insurance program. Use actual experiences your organization has had that were resolved successfully and comment on how your proposed

implementation plan accounts for reasonable contingency plans in the areas you identified as potential complications.

- 3) If you are proposing supplemental insurance(s), detail your marketing plans for these new offerings.
- 4) Be specific as to timeframes and effective dates of coverage;
- 5) detail any information that you will require from the City;
- 6) include samples of proposed marketing materials drafted to be consistent with the earlier described requirements on information content.
- 7) prepare a detailed implementation schedule that includes clear statements of City and Contractor duties.
- 8) Specify that you understand that these products cannot be marketed other than through reading materials, posters, and appearances at open enrollment meetings and that the insurer may not solicit the employee for any product not specifically approved by the City. Further agree that you understand that you may not use any information provided by the City about its employees to market or solicit for any product not specifically approved by the City.

Section 12.04 (D.i) Cancer/Critical Condition Insurance Background Information

- Cancer/Critical Condition Insurance helps to pay for unexpected expenses after a cancer diagnosis or the diagnosis of a serious medical condition. It provides a lump sum of cash the client can use for any purpose, such as medical treatments, living expenses, and transportation services.
- Persons who have already been diagnosed with cancer or the critical condition are not eligible for coverage for that cancer/condition.

Section 12.05 (D.i) Cancer/Critical Condition Insurance Scope of Service

- A) Provide a cancer/critical condition product with a high Loss Ratio that is favorable to the covered individual.
- B) Provide one single data feed to our payroll department in a format acceptable to that department.
- C) When Payroll deducts premiums, one remittance per payroll period will be sent to Contractor.

Section 12.06 (D.i) Cancer/Critical Condition Insurance Interrogatives

- 1) How does your cancer/critical conditions product rank in the industry?
- 2) Have any states required that you increase your minimum loss ratios for these types of products? If yes, what are the state required minimum loss ratios?
- 3) Based on your book of business, what is the average claim paid per diagnosis?
- 4) What is the total and amount of lump sum paid upon initial cancer/critical condition diagnosis?
- 5) Based on your book of business, what is the average sum dollar paid for this type of insurance.

Section 12.07 (D.ii) Hospital Indemnity Background

- Hospital Indemnity Insurance pays a lump sum directly to the insured for a covered hospital confinement.
- Accident Insurance pays a lump sum directly to the insured for a covered accident for the insured's use for incidental expenses.

Section 12.08 (D.ii) Hospital Indemnity Insurance Scope of Service

- A. Insurer shall provide a product at a cost most favorable to the insured that provides for an indemnity payment of \$100 to \$250 per day hospitalized. The indemnity payment shall be paid without regard to the actual cost of the hospitalization or without regard to whether the hospitalization has been paid by any medical plan. The indemnity payment shall be paid without regard to the diagnosis of the patient or the treatment received by the patient.
- B. For purposes of this policy, "hospitalized" shall include observation stays of 24 hours and over; the number of "days" of benefit shall be equal to the number of hours of observation, divided by 24, rounded to the nearest whole day. "Hospital" shall include a hospital, skilled nursing facility, residential treatment center, and nursing home where custodial care is provided. The insurance shall provide for up to 365 days of coverage in any year.
- C. The minimum benefit per day of hospitalization or per ambulance transportation (if ambulance transportation indemnity is provided) as defined herein shall be \$100.
- D. For any insured person, coverage shall be effective as of the effective date of the employee insurance unless a covered person is hospitalized as of the effective date.
- E. If a covered person is hospitalized as of the effective date, coverage shall be delayed until the person is discharged from the facility. This provision related to effective date shall be waived for newborns as described directly below.
- F. The insurer shall provide the following coverage options for employees:
 - i. Employee only
 - ii. Employee and spouse
 - iii. Employee and one dependent
 - iv. Family
 - v. Newborn children shall be eligible for enrollment upon birth and coverage shall be effective at the option of the employee within thirty days of the birth of any child; if an employee already has elected "family coverage" the newborn shall be covered effective on its date of birth with no action required by the employee.

Section 12.09 (D.ii) Hospital Indemnity Insurance Interrogatives

- 1) How does your hospital indemnity product rank in the industry?
- 2) Review the City's existing medical, dental, vision, basic insurance, AD&D, and pension benefit programs and discuss how each product you are offering to provide would integrate with, supplement, or complement the benefit programs already in place.
- 3) Given that many employees have limited resources to spend on insurance, how would you advise an employee that questions whether these products are necessary given the relative generosity of the existing medical, dental and vision plans, pension plans, workers' compensation benefits, etc.?
- 4) Describe any benefits offered in the event an insured is ambulance transferred to/from a hospital or other medical facility.

Section 12.10 (D.iii) Accidental Indemnity Background

- Accident Insurance pays a lump sum directly to the insured for a covered accident for the insured's use for incidental expenses.

Section 12.11 (D.iii) Accidental Indemnity Scope of Service

- A. Insurer shall provide a product at a cost most favorable to the insured that provides for an indemnity payment in the event of an accident that requires medical attention; sickness benefits are not provided.

- B. The indemnity payment shall be paid as a supplemental cash allowance that the insured can use to pay for costs not covered by medical insurance such as deductibles, copayments, transportation costs, childcare costs, and other costs incidental to an accidental injury.
- C. The minimum benefit per accident shall be in accordance with the proposed schedule of benefits accepted by COC.
- D. For any insured person, coverage shall be effective as of the effective date of the employee insurance or the date of any applicable qualifying event (e.g. marriage, birth, etc.) that gives rise to coverage under the policy.
- E. If the insured is recovering from a covered accident that began before the effective date of insurance, no payment will be made for that accident.
- F. The insurer shall provide the following coverage options for employees:
 - a. Employee only
 - b. Employee and spouse
 - c. Employee and one dependent
 - d. Family
- G. Newborn children shall be eligible for enrollment upon birth and coverage shall be effective at the option of the employee within thirty days of the birth of any child; if an employee already has elected "family coverage" the newborn shall be covered effective on its date of birth with no action required by the employee.

Section 12.12 (D.iii) Accidental Indemnity Interrogatives

- 1) The Respondent shall propose a definition of accident and a schedule of benefits that may vary by accident type and/or severity of injury. (COC will consider the reasonableness of the covered accidents and the schedule of benefits in its evaluation of the proposal.)
- 2) Respondent shall propose a comprehensive schedule of excluded accidents and services; indicate policy frequency and dollar limits.
- 3) Respondent may propose more than one schedule of benefits and exclusions, provided that a rate quotation for each product is proposed. (The City reserves the right to accept or reject all schedules/exclusions or request modifications to same.)



EXHIBIT I DEFINITIONS

For purposes of this RFP, the following definitions shall apply, unless as may otherwise be used.

Agreement – means the contract or insurance policy executed between the COC and Contractor, pursuant to this Request for Proposal process.

Certificates of Coverage – indicates the current terms of coverage and benefits available in a benefits Plan.

Claim – means a request made by the insured for insurer remittance of payment due to loss incurred and covered under the policy agreement.

Collective Bargaining Agreement – means an agreement between the COC and a labor organization that represents certain employees of the COC. The COC may be a party to one or more Collective Bargaining Agreements.

Contractor – means the Respondent awarded a contract pursuant to this Request for Proposal process and approved to provide insurance coverage to the City.

Coordination of Benefits – a process for determining the respective responsibilities of two or more insurance plans that have some portion of responsibility for a Claim.

Experience Rating – means rating system where each group is rated entirely on the basis of its own expected claims in the coming period.

Insurance Provider – means the insurer and is the same as “Contractor”.

Loss Ratio – means the percentage of incurred losses to earned premiums.

Open Enrollment Period – that period of time, generally once during a calendar year, designated by the COC, during which Plan enrollment is managed.

Participant – (whether capitalized or not) means any qualified employee deemed eligible for insurance coverage. (In context, participant may mean an insurable spouse or dependent.)

Plan – means the set of benefits provided under the Agreement.

Proposal – means the documents submitted by the Respondent in response to this RFP.

Respondent – means the entity that submits a Proposal in response to this RFP.

Selected Respondent – means the entity that was selected by the COC to enter into negotiations for award of contract to provide Services.

Services – means the insurance benefits related services required to be performed by the Contractor in accordance with the Agreement.

EXHIBIT II COST PROPOSAL SPREADSHEET

Cost Scope Requirements

- A. Contractor shall reimburse City all costs of supplemental insurance administration, whether incurred by the City for outside consultants or City employees or other resources. Costs include but are not limited to:
 - i. Initial programming of the City payroll system.
 - ii. Future programming changes of the City payroll system, if necessary as determined by the City.
 - iii. Ongoing costs incurred with each payroll cycle.
- B. Premiums for Supplemental insurance shall be after tax. No pre-tax premiums are to be provided under this program.

Cost Proposal Interrogatives

Respondent must, in addition to the interrogatives indicated on EXHIBIT II COST PROPOSAL SPREADSHEET, provide a response to the following:

- 1) Explain in detail how rates are determined for all plans you are quoting.
- 2) Do you require a census in order to quote on the voluntary plans?
- 3) Are you willing to guarantee any rates/fees beyond the first year of your contract?
- 4) Do you require a minimum participation rate?
- 5) For each voluntary plan you are proposing, include
 - a. Benefits,
 - b. Rates,
 - c. Exclusions,
 - d. Five-year loss ratio history.
- 6) Explain how these plans differ from the employees' traditional benefit plans currently offered by the City to employees.
- 7) What are the typical participation rates for other similar employer groups you currently insure for each product for which you are offering coverage?
- 8) Do you agree to reimburse the City for any costs associated with the establishment of any required payroll deduction fields, any payroll reports, or computer files/data transfers necessary to account for payroll deductions taken and forwarded to the insurer; and, for any payroll activities related to the application of a payroll master deduction file established and maintained by the insurer? If not, explain.
- 9) Premiums shall be waived during periods of disability for the LTD product. For basic life and AD&D insurance, the City will continue to pay premiums during periods of disability for Police and Fire employees to the extent such continued payments are required under applicable collective bargaining agreements. There is no disability premium waiver for other products.
- 10) Is there a cost for customization or ad hoc reports?
- 11) Include a detailed cost statement showing itemized cost.
- 12) Include an itemized listing of all other expenses or fees that are anticipated.
- 13) If there are additional costs associated with the program services, indicate in the Cost Proposal section. The pricing and program components must be clearly defined.
- 14) Additional information should be included as necessary to explain in detail the cost/price.
- 15) Do not qualify the cost Proposal with "If...., then" statements. A qualified Cost Proposal may be rejected and not be further considered.
- 16) Other Plan Cost Factors: Below: Answer separately for Basic Term Life, Optional Term Life, Dependent Life and Long Term Disability.

- a. What is the rating basis (e.g. prospective, retrospective, pooled etc.)?
 - i. Will you consider the City's experience fully credible?
 - ii. If not, describe the credibility method you would apply.
 - b. Include an explanation of how reserves are calculated.
 - i. Include interest credits,
 - ii. premium/disabled life and waiver of premium reserves.
 - iii. Are reserves based on actual experience patterns, overall book of business or a combination of the two?
 - iv. Would any other reserves (besides IBNR) be established or charged to the Plan? If so, describe.
 - c. Do your rates include all costs for federal and state mandates as of the date of your quote?
 - i. Do they factor in costs associated with any proposed mandates for the coming year?
 - ii. If future costs are factored in, identify the nature and amount of these costs.
 - d. Do you agree to a three-year rate guarantee?
 - e. If you are proposing any increases during the City's renewal periods (exercisable at the City's sole discretion) specify.
- 17) Under what circumstances is an additional benefit payable if a cancer/condition recurs?
- 18) Is there an extra charge for recurrence coverage?
- 19) What is the price point/rate percentage decrease if a cancer/condition recurrence is not an included benefit?

Cost Proposal Spreadsheet

The cost proposal spreadsheet is attached by reference as an Excel file labelled as EXHIBIT II COST PROPOSAL SPREADSHEET. Respondent must complete this file and submit along with Proposal.



EXHIBIT III CITY CONTRACT INSURANCE REQUIREMENTS

A. INSURANCE TO BE PROVIDED

Carrier must provide and maintain at Carrier's own expense, during the term of the Agreement and any time period following expiration if Carrier is required to return and perform any of the Services or additional Services under this Agreement, the insurance coverage and requirements specified below, insuring all operations related to the Agreement.

- 1) Workers Compensation and Employers Liability
Workers Compensation Insurance, as prescribed by applicable law, covering all employees who are to provide a service under this Agreement and Employers Liability coverage with limits of not less than \$1,000,000 each accident; \$1,000,000 disease-policy limit; and \$1,000,000 disease-each employee. Coverage shall include other states endorsement, alternate employer and voluntary compensation, when applicable.
- 2) Commercial General Liability (Primary and Umbrella)
Commercial General Liability Insurance or equivalent must be maintained with limits of not less than \$5,000,000 per occurrence for bodily injury, personal injury and property damage liability. Coverage must include but not be limited to all premises and operations, products/completed operations, separation of insureds, defense and contractual liability (not to include Endorsement CG 21 39 or equivalent).

The City must be provided additional insured status with respect to liability arising out of Carrier's work, services or operations and completed operations performed on behalf of the City. The City's additional insured status shall apply to liability and defense of suits arising out of the Carrier's acts or omissions, whether such liability is attributable to the Carrier or to the City. The full policy limits and scope of protection also shall apply to the City as an additional insured, even if they exceed the City's minimum limits required herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the insured provisions required herein. The Carrier's liability insurance shall be primary without right of contribution by any other insurance or self-insurance maintained by or available to the City. The Carrier must ensure that the City is an additional insured on insurance required from subcontractors.

- 3) Automobile Liability (Primary and Umbrella)
When any motor vehicles (owned, non-owned and hired) are used in connection with Services to be performed, Carrier must provide Automobile Liability Insurance with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage. The City is to be named as an additional insured on a primary, non-contributory basis.
- 4) Professional Liability
When any program manager/administrator or any other professional consultants perform Services in connection with this Agreement, Professional Liability Insurance covering acts, errors or omissions must be maintained with limits of not less than \$5,000,000. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede start of Services on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

- 5) Blanket Crime
Blanket Crime coverage covering loss by employee dishonesty, forgery or alternation, funds transfer fraud, money and securities, robbery, burglary, theft, destruction, or disappearance, computer fraud, credit card forgery, and any other related crime risks. The policy limit must be written to cover losses in the amount of maximum monies collected, received and in the possession of the Carrier at any given time. City must be named as loss payee as its interests may appear.
- 7) Directors and Officers Liability
Directors and Officers Liability Insurance must be maintained in connection with this Agreement with limits of not less than \$5,000,000. Coverage must include but not be limited to any actual or alleged act, error or omission by directors or officers while acting in their individual or collective capacities. When policies are renewed or replaced, the policy retroactive date must coincide with; or precede commencement of services by the Carrier under this Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.
- 8) Cyber Liability
Cyber Liability insurance must be maintained with limits of not less than \$5,000,000 for each occurrence or claim. Coverage must include but not be limited to network security and privacy liability including computer or network system attacks (liability arising from the loss or disclosure of confidential information), privacy breach response coverage and costs, regulatory liability including fines and penalties, denial or loss of service, introduction, implantation, and/or spread of malicious software code, unauthorized access to or use of computer systems, theft of data, and no exclusion/restriction for unencrypted portable devices/media may be on the policy. The City must be named as an additional insured and if policy contains an insured vs insured exclusion, the exclusion must be amended and not be applicable to the City.

B. ADDITIONAL REQUIREMENTS

Evidence of Insurance. The Carrier must furnish the City of Chicago, Department of Finance, Benefits Management Office, Room 400, 333 South State, Chicago, IL 60604 original certificates of insurance and additional insured endorsement, or other evidence of insurance, to be in force on the date of this Agreement, and renewal certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. Carrier must submit evidence of insurance prior to execution of Agreement. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all requirements of Agreement. The failure of the City to obtain, nor the City's receipt of, or failure to object to a non-complying insurance certificate, endorsement or other insurance evidence from Carrier, its insurance broker(s) and/or insurer(s) will not be construed as a waiver by the City of any of the required insurance provisions. Carrier must advise all insurers of the Agreement provisions regarding insurance. The City in no way warrants that the insurance required herein is sufficient to protect Carrier for liabilities which may arise from or relate to the Agreement. The City reserves the right to obtain complete, certified copies of any required insurance policies at any time.

Failure to Maintain Insurance. Failure to maintain insurance does not relieve the Carrier of the obligation to provide insurance as specified in this Agreement. Nonfulfillment of the insurance conditions may

constitute a violation of the Agreement, and the City retains the right to suspend this Agreement until proper evidence of insurance is provided, or the Agreement may be terminated.

Notice of Material Change, Cancellation or Non-Renewal. The Carrier must provide for sixty (60) days prior written notice to be given to the City in the event coverage is substantially changed, canceled or non-renewed and ten (10) days prior written notice for non-payment of premium.

Insurance required of Subcontractors. In each contract with any subcontractor, the Carrier must require such subcontractor to obtain insurance coverages that are reasonably comparable to the insurance coverage required herein and are reasonably appropriate in their limits and other terms and conditions to the nature of the contract and standard in the industry within which such subcontracts practices and be responsible for verifying each subcontractor complies with said insurance. Such coverages shall insure the interests of the City, its employees, elected officials, agents and representatives. When requested by the City, the Carrier must provide, or cause to be provided, to the City certificates of insurance and additional insured endorsements or such other evidence of insurance, acceptable in form and content to the City. The City reserves the right to obtain complete, certified copies of any required insurance policies at any time.

Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions on referenced insurance coverages must be borne by the Carrier.

Waiver of Subrogation. The Carrier hereby waives its rights and its insurer(s)' rights of and agrees to require their insurers to waive their rights of subrogation against the City under all required insurance herein for any loss arising from or relating to this Agreement. Carrier 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 City received a waiver of subrogation endorsement for Carrier's insurer(s).

Application of Excess/Umbrella Liability Insurance. The Carrier may use a combination of primary and excess insurance policies to satisfy the required insurance herein. The excess/umbrella policies must provide coverage as broad as (follow form) the underlying primary insurance policies and drop down over reduced or exhausted underlying policy limits.

Carriers Insurance Primary. The Carrier expressly understands and agrees that any insurance maintained by the City shall apply excess of and not contribute with insurance provided by the Carrier under this Agreement. All insurance required of the Carrier under this Agreement shall be endorsed to state that Carrier's insurance policy is primary and not contributory with any insurance carrier by the City.

No Limitation as to the Carrier's Liabilities. The coverages and limits furnished by Carrier in no way limit the Carrier's liabilities and responsibilities specified within the Agreement or by law.

No Contribution by City. Any insurance or self-insurance programs maintained by the City of Chicago do not contribute with insurance provided by Carrier under this Agreement.

Insurance not Limited by Indemnification. The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Agreement or any limitation placed on the indemnity in this Agreement given as a matter of law.

Insurance Limits Maintained. If the Carrier maintain higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Carrier. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Joint Venture or Limited Liability Company. If Carrier is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

Other Insurance obtained by Carrier. If Carrier desires additional coverages, the Carrier will be responsible for the acquisition and cost.

City's Right to Modify. Notwithstanding any provisions in the Agreement to the contrary, the City of Chicago, Department of Finance, Risk Management Office maintains the right to modify, delete, alter or change these requirements.



EXHIBIT IV REFERENCES FORM

- 1) Describe your experience providing and servicing your plans with other municipal government agencies.
- 2) Provide a list of government clients for which your firm provides these services.
- 3) How many companies have terminated employer contracts in the last 12 months and why?
- 4) Using the format outlined below, provide references of three (3) current and three (3) former clients of similar size to the COC, for whom you provide insurance products; preferably government bodies having collective bargaining contracts in force.
- 5) Complete the table below for the three largest companies to which you currently provide and formerly provided the same services that you are proposing and their participation numbers.

Reference Client name:	Contact & title:
Address:	Phone number: Email address:
Effective date of contract: Termination date of contract:	Number of enrolled employees: _____ Number of eligible employees: _____
Description of products provided:	Face value
Annual premium revenue	



EXHIBIT V EMPLOYEE TERM LIFE COVERAGE

*All Employees other than Fraternal Order of
Police, Police Sergeants, Lieutenants, and Captains, and
Uniformed Firefighter Employees*

Basic and Optional Plans

Dependents Term Life Coverage

**Accidental Death and
Dismemberment Coverage**

<<<ATTACHED BY REFERENCE>>>

EXHIBIT VI GROUP INSURANCE – CIVILIAN EMPLOYEE KIT

Basic Term Life Insurance

Basic Accidental Death & Dismemberment (AD&D) Insurance

Optional Term Life Insurance

Optional Dependent Term Life Insurance

<<<ATTACHED BY REFERENCE>>>

EXHIBIT VII EMPLOYEE TERM LIFE COVERAGE FRATERNAL ORDER OF
POLICE

*Fraternal Order of Police, Police Officers, Sergeants,
Lieutenants, Captains, and Top Commanders; and Uniformed
Firefighter Employees*

**Employee Term Life Coverage
Basic and Optional Plans
Dependents Term Life Coverage
Accidental Death and
Dismemberment Coverage**

<<<ATTACHED BY REFERENCE>>>

EXHIBIT VIII GROUP INSURANCE – POLICE OFFICERS EMPLOYEE KIT

Basic Term Life

Basic Accidental Death & Dismemberment (AD&D)

Optional Term Life

Optional Dependent Term Life

<<<ATTACHED BY REFERENCE>>>

EXHIBIT IX EMPLOYEE TERM LIFE COVERAGE UNIFORMED
FIREFIGHTER EMPLOYEES

Basic and Optional Plans
Dependents Term Life Coverage
Accidental Death and Dismemberment Coverage

<<<ATTACHED BY REFERENCE>>>

EXHIBIT X GROUP INSURANCE – UNIFORMED FIREFIGHTERS EMPLOYEE

KIT

Basic Term Life

Basic Accidental Death & Dismemberment (AD&D)

Optional Term Life

Optional Dependent Term Life

<<<ATTACHED BY REFERENCE>>>

**EXHIBIT XI CURRENT RATES AS OF 7/2014 BASIC TERM LIFE, BASIC
AD&D, DEPENDENT TERM LIFE (DEPENDENT CHILD/CHILDREN
COVERAGE) (single rate)**

Basic Term Life	City of Chicago rate per \$1,000 per month: \$0.146 Duty Disabled rate: \$.226
Basic AD&D	City of Chicago rate per \$1,000 per month: \$0.015

(Initial rates based on age as of effective date of your coverage. Rates will change based on the following age schedule)	Rates per \$1,000 per month for City of Chicago
Under 25	\$0.042
25 - 29	\$0.051
30 - 34	\$0.068
35 - 39	\$0.076
40 - 44	\$0.085
45 - 49	\$0.127
50 - 54	\$0.195
55 - 59	\$0.364
60 - 64	\$0.558
65 - 69	\$1.074
70 - 74	\$1.743
75 +	\$1.743

(Initial rates based on age as of effective date of your coverage. Rates will change based on the following age schedule)	Spouse Rates per \$1,000 per month for City of Chicago
Under 25	\$0.042
25 - 29	\$0.051
30 - 34	\$0.068
35 - 39	\$0.076
40 - 44	\$0.085
45 - 49	\$0.127
50 - 54	\$0.195
55 - 59	\$0.364
60 - 64	\$0.558
65 - 69	\$1.074
70 - 74	\$1.743
75 +	\$1.743

Dependent Term Life for City of Chicago (Dependent Child/Children Coverage) (single rate)

Coverage Amount \$5,000 or \$10,000 per eligible child; provide cost per pay period (24 per annum)	\$.057/\$1,000.
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180-Day Elimination Period NOTE: Rates are per \$100 covered monthly payroll	Rates per \$100 of insured income per pay period (24 pay periods per annum)
Under 30	\$0.09
30 - 34	\$0.11
35 - 39	\$0.14
40 - 44	\$0.19
45 - 49	\$0.29
50 - 54	\$0.44
55 - 59	\$0.60
60 - 64	\$0.67
65 - 69	\$0.82
70+	\$1.51



EXHIBIT XII CLAIM RATE & LOSS RATION ANALYSIS FOR LTD
4/1/2012 – 2/28/2014 Gross Cash Claims and Reserve Values Discounted
Value of Cash Claims and Reserves

<<<ATTACHED BY REFERENCE>>>

EXHIBIT XIII BASIC LIFE PREMIUMS AND CLAIMS DATA

**1/1/12 thru 6/30/16 P&C Data
City of Chicago #44004**

AD&D							Estimated
		Average	Average	Due	Claims &	Conversion	Claims
	Period	Lives	Volume (000's)	Premium	Interest	Charges	Loss Ratio
	1/1/12 - 12/31/12	32,598	101,426	\$ 19,442	\$11,000	\$0	57%
	1/1/13 - 12/31/13	32,136	98,482	\$ 19,682	\$20,000	\$0	102%
	1/1/14 - 12/31/14	32,384	100,563	\$ 20,049	\$13,000	\$0	65%
	1/1/15 - 12/31/15	32,380	100,458	\$ 20,032	\$1,000	\$0	5%
	1/1/16 - 6/30/16	32,188	99,946	\$ 9,980	\$11,000	\$0	110%
	Cumulative			\$89,186	\$56,000	\$0	63%

Basic Life							Estimated
		Average	Average	Due	Claims &	Conversion	Claims
	Period	Lives	Volume (000's)	Premium	Interest	Charges	Loss Ratio
	1/1/12 - 12/31/12	32,598	1,665,595	\$ 2,928,438	\$3,421,640	\$92,650	120%
	1/1/13 - 12/31/13	32,136	1,629,935	\$ 2,862,128	\$3,425,243	\$391,955	133%
	1/1/14 - 12/31/14	32,384	1,666,492	\$ 3,013,013	\$3,938,453	\$72,930	133%
	1/1/15 - 12/31/15	32,379	1,665,202	\$ 2,919,959	\$3,195,163	\$203,275	116%
	1/1/16 - 6/30/16	32,188	1,656,463	\$ 1,454,806	\$1,644,761	\$52,250	117%
	Cumulative			\$13,178,345	\$15,625,260	\$813,060	125%

Optional Life							
							Estimated
		Average	Average	Due	Claims &	Conversion	Claims
	Period	Lives	Volume (000's)	Premium	Interest	Charges	Loss Ratio
	1/1/12 - 12/31/12	9,525	1,768,804	\$ 3,535,889	\$4,226,000	\$37,500	121%
	1/1/13 - 12/31/13	9,635	1,935,183	\$ 3,558,488	\$3,009,960	\$75,000	87%
	1/1/14 - 12/31/14	9,564	2,127,935	\$ 3,703,763	\$3,836,630	\$58,825	105%
	1/1/15 - 12/31/15	9,153	2,059,430	\$ 4,103,862	\$2,031,015	\$61,349	51%
	1/1/16 - 6/30/16	15,026	3,521,082	\$ 1,773,254	\$1,315,695	\$61,746	78%
	Cumulative			\$16,675,256	\$14,419,300	\$294,420	88%

Dependent Life							
							Estimated
		Average	Average	Due	Claims &	Conversion	Claims
	Period	Lives	Volume (000's)	Premium	Interest	Charges	Loss Ratio
	1/1/12 - 12/31/12	5,731	64,226	\$ 107,285	\$65,000	\$0	61%
	1/1/13 - 12/31/13	6,275	78,775	\$ 116,759	\$220,000	\$8,700	196%
	1/1/14 - 12/31/14	6,325	87,081	\$ 132,684	\$125,000	\$0	94%
	1/1/15 - 12/31/15	6,006	78,986	\$ 141,174	\$210,000	\$2,860	151%
	1/1/16 - 6/30/16	10,004	137,299	\$ 62,866	\$30,000	\$0	48%
	Cumulative			\$560,767	\$650,000	\$11,560	118%

Above data is unaudited. Best estimate based on available information. Exhibit is for illustrative purposes only.

EXHIBIT XIV SAMPLE LIFE INSURANCE POLICY

<<ATTACHED BY REFERENCE>>

EXHIBIT XV UNIVERSAL LIFE – FINANCIAL STATISTICS

Texas Life Policies (2007-2015)
130 Death Claims
Volume \$5,104,544

Texas Life Policies (2015 only)
29 Death Claims
Volume \$1,222,470



EXHIBIT XVI EMPLOYEE LONG TERM DISABILITY COVERAGE

<<ATTACHED BY REFERENCE>>

EXHIBIT XVII SICK-TIME DATA AS OF 7-26-2016

Accumulated Sick Hours by Civilian Bargaining Unit		
Bargaining Unit	Total # of employees	Total # of hours
001	96	12,523
005	40	14,548
006	99	26,721
023	77	21,693
025	109	13,983
027	552	84,803
028	24	2,368
030	38	6,441
031	392	113,444
033	72	10,740
035	81	9,480
038	973	51,052
041	521	76,229
045	16	5,514
048	28	10,048
050	639	59,231
054	217	38,820
055	2	2,012
056	80	19,030
058	2,076	105,522
067	258	53,701
070	163	43,678
073	70	7,658
077	1	73
078	8	3,463
081	2,014	58,628
084	1,222	84,881
085	1,387	91,545
088	1,837	57,649
091	956	168,855
Grand Total	14,048	1,254,331

EXHIBIT XVIII SICK LEAVE POLICIES

Formal Discussion of Sick Leave Policies for the City of Chicago

The City of Chicago has a number of sick leave policies applicable to different employees, structured as follows:

- The City has a general sick leave policy applicable to employees, and:
 - Specific collective bargaining agreements with labor unions may have other sick leave provisions which, to the extent they conflict with the general policy, supersede it.
 - Individual departments may have policies and rules, but they cannot supersede the general sick leave policy or collective bargaining agreements. In case of conflicts with individual department policies, the general policy and collective bargaining agreements control.
- Location of Policies
 - The general sick leave policy can be located by visiting the City Human Resource Policies page on the internet.
 - You can navigate to that page by visiting www.cityofchicago.org and entering in the search box Human Resource Policies. Alternatively you can visit that page directly by going here:
http://www.cityofchicago.org/city/en/depts/dhr/supp_info/human_resource_policies.html
 - Scroll down to Personnel Rules then click on “Click on this link to view the Personnel Rules” to access the pdf document. The sick leave policy can be found in Rule XXVIII, beginning on page 63.
 - The quantity of sick days is part of the City’s salary resolution which can be found here:
http://www.cityofchicago.org/content/dam/city/depts/dhr/supp_info/JobClassification/2015-2016_Schedule_A-8.31.2015.pdf Scroll to page 68.
 - Collective Bargaining Agreements
 - The City’s collective bargaining agreements with unions can be located by visiting the City’s Collective Bargaining Agreements page on the internet.
 - You can navigate to that page by visiting www.cityofchicago.org and entering in the search box “Collective Bargaining Agreements”. Alternatively you can visit that page directly by going here:
http://www.cityofchicago.org/city/en/depts/dol/supp_info/city_of_chicago_collectivebargainingagreements.html

Informal Discussion of Sick Leave Policies for the City of Chicago

Informal Overview. For a formal description of City leave policies see above. The following is an informal discussion, serves as an overview, and does not replace the formal discussion above. This overview does not contain all the details found in the documents referenced above, but merely serves as an introduction, providing selected generalities and context.

Social Security. In general City employees are not entitled to Social Security disability benefits by virtue of their City employment, but may be entitled if they have other employment. Instead, they are generally allowed fully paid sick days which can be used for short disabilities, and may qualify for disability benefits after 30 unpaid days under their respective retirement annuity fund.

Sick Days. In general, under the sick day policy above, twelve sick days are earned per year; unused sick days may be carried over to following years subject to a maximum of 200 sick days. Sick days for the trades, police and fire are different; see below.

Paid Time Off for the Trades. A number of employees perform work governed by collective bargaining agreements listed in the Trades Coalition section of the Collective Bargaining Agreements website above. These are typically construction trades such as carpenters and plumbers, as well as other trades. Instead of sick days which can only be used for sickness, injury or other disability, their bargaining agreements provide for specified days which can be used either as paid vacation or paid sick days.

Police / Fire 365 Days. As a general matter, firefighters and sworn police officers receive a 365 sick day every two years benefit, detailed under their respective collective bargaining agreements. Short term disabilities are thus covered by this provision.

Paid Parental Leave. The City allows parents paid parental leave for the birth or adoption of a child, but only for parents who qualify for FMLA for that leave. Birth mothers generally receive four to six weeks of parental leave. Two weeks are allowed for an adoption. Two weeks are allowed for the non-birth parent. The policy applies to AFSCME and non-represented employees and in general provides that an employee wishing to take paid parental leave must apply and be eligible for Family Medical Leave Act (FMLA) leave. An employee is eligible for FMLA leave if he or she has been employed by the City for at least 12 months before taking the leave and has worked at least 1250 hours during the 12 month period prior to the leave. Eligible employees may be granted the following paid parental leaves, in conjunction with and as part of an approved FMLA leave:

- Up to four (4) weeks paid maternity leave to a birth mother to recover from a nonsurgical delivery; or
- Up to six (6) weeks paid maternity leave to a birth mother to recover from a C-section delivery; or
- Up to two (2) weeks paid parental leave for the birth of a child or children to an employee spouse or domestic partner of the birth mother; or
- Up to two (2) weeks paid parental leave for the adoption of a child or children by an employee or the spouse or domestic partner of the employee.

Paid parental leave may be combined with other earned paid time off such as vacation and/or sick time to achieve the maximum amount of paid time off from work while taking FMLA leave. Paid parental leave shall be granted as part of an approved FMLA leave.



EXHIBIT XIX INFORMATION SECURITY AND TECHNOLOGY POLICIES

<<<ATTACHED BY REFERENCE>>>

EXHIBIT XX DATA PROTECTION REQUIREMENTS FOR CONTRACTORS, VENDORS, AND THIRD-PARTIES

“Breach” means the acquisition, access, use, or disclosure of Protected Information that compromises the security or privacy of the Protected Information.

"Contractor" means an entity that receives or encounters Protected Information. Contractor includes, without limitation, entities that store Protected Information, or host applications that process Protected Information. The provisions of this Data Policy includes not only the entity that is a signatory to this Policy but all subcontractors, of whatever tier, of that entity; the signatory must inform and obtain the agreement of such subcontractors to the terms of this Data Policy.

“Protected Information” means all data provided by City to Contractor or encountered by Contractor in the performance of the services to the City, including, without limitation, all data sent to Contractor by City and/or stored by Contractor on its servers. Protected Information includes, but is not limited to, employment records, medical and health records, personal financial records (or other personally identifiable information), research data, and classified government information. To the extent there is any uncertainty as to whether any data constitutes Protected Information, the data in question shall be treated as Protected Information.

1. Information Security. Contractor agrees to the following:
 - 1.1. General. Notwithstanding any other obligation of Contractor under this policy, Contractor agrees that it will not lose, alter, or delete, either intentionally or unintentionally, any Protected Information, and that it is responsible for the safe-keeping of all such information, except to the extent that the City directs the Contractor in writing to do so.
 - 1.2. Access to Data. In addition to the records to be stored / maintained by Contractor, all records that are possessed by Contractor in its service to the City of Chicago to perform a governmental function are public records of the City of Chicago pursuant to the Illinois Freedom of Information Act (FOIA), unless the records are exempt under the Act. FOIA requires that the City produce records in a very short period of time. If the Contractor receives a request from the City to produce records, the Contractor shall do so within 72 hours of the notice.
 - 1.3. Minimum Standard for Data at Rest and Data in Motion. Contractor must, at a minimum, comply, in its treatment of Protected Information, with National Institute of Standards and Technology (NIST) Special Publication 800-53 Moderate Level Control. Notwithstanding this requirement, Contractor acknowledges that it must fully comply with each additional obligation contained in this policy. If data is protected health information or electronic protected health information, as defined in the Health Insurance Portability and Accountability Act and Health Information Technology for Economic and Clinical Health Act (HIPAA/HITECH) and regulations implementing these Acts (see 45 CFR Parts 160 and 164), it must be secured in accordance with “Guidance Specifying the Technologies and Methodologies that Render Protected Health Information Unusable, Unreadable, or Indecipherable to Unauthorized Individuals,” available on the United States Department of Health and Human Services (HHS) website <http://www.hhs.gov/ocr/privacy/hipaa/administrative/breachnotificationrule/index.html>,

or at Volume 74 of the Federal Register, beginning at page 42742. That guidance from the HHS states that valid encryption processes for protected health information data at rest (e.g., protected health information resting on a server), must be consistent with the NIST Special Publication 800-111, Guide for Storage Encryption Technologies for End User Devices. Valid encryption processes for protected health information data in motion (e.g., transmitted through a network) are those which comply with NIST Special Publications 800-52, Guidelines for the Selection and Use of Transport Layer Security Implementation; 800-77, Guide to IPsec VPNs; or 800-113, Guide to SSL VPNs, or others which are Federal Information Processing Standards (FIPS) 140-2 validated.

- 1.4. Where Data is to be Stored. All data must be stored only on computer systems located in the continental United States.
- 1.5. Requirement to Maintain Security Program. Contractor acknowledges that the City has implemented an information security program to protect the City's information assets, which Program is available on the City website at http://www.cityofchicago.org/city/en/depts/doit/supp_info/is-and-it-policies.html ("City Program"). Contractor shall be responsible for establishing and maintaining an information security program that is designed to: (i) ensure the security and confidentiality of Protected Information; (ii) protect against any anticipated threats or hazards to the security or integrity of Protected Information; (iii) protect against unauthorized access to or use of Protected Information; (iv) ensure the proper disposal of Protected Information; and, (v) ensure that all subcontractors of Contractor, if any, comply with all of the foregoing.
- 1.6. Undertaking by Contractor. Without limiting Contractor's obligation of confidentiality as further described herein, in no case shall the safeguards of Contractor's information security program be less stringent than the information security safeguards used by the City Program.
- 1.7. Right of Audit by the City of Chicago. The City of Chicago shall have the right to review Contractor's information security program prior to the commencement of Services and from time to time during the term of this Agreement. During the performance of the Services, from time to time and without notice, the City of Chicago, at its own expense, shall be entitled to perform, or to have performed, an on-site audit of Contractor's information security program. In lieu of an on-site audit, upon request by the City of Chicago, Contractor agrees to complete, within forty-five (45 days) of receipt, an audit questionnaire provided by the City of Chicago or the City of Chicago's designee regarding Contractor's information security program.
- 1.8. Audit by Contractor. No less than annually, Contractor shall conduct an independent third-party audit of its information security program and provide such audit findings to the City of Chicago, all at the Contractor's sole expense.
- 1.9. Audit Findings. Contractor shall implement at its sole expense any remedial actions as identified by the City as a result of the audit.
- 1.10. Demonstrate Compliance - PCI. No less than annually, as defined by the City of Chicago and where applicable, the Contractor agrees to demonstrate compliance with PCI DSS (Payment Card Industry Data Security Standard). Upon City's request, Contractor must be prepared to demonstrate compliance of any system or component used to process, store, or transmit cardholder data that is operated by the Contractor as part of its service. Similarly, upon City's request, Contractor must demonstrate the compliance of any third party it has sub-contracted as

part of the service offering. As evidence of compliance, the Contractor shall provide upon request a current attestation of compliance signed by a PCI QSA (Qualified Security Assessor).

- 1.11. Demonstrate Compliance – HIPAA / HITECH. If the Protected Information includes protected health information or electronic protected health information covered under HIPAA/HITECH, Contractor must execute, and be governed by, the provisions in its contract with the City regarding HIPAA/HITECH, the regulations implementing those Acts, and the Business Associate Agreement in its contract with the City. As specified in 1.3, protected health information must be secured in accordance with the “Guidance Specifying the Technologies and Methodologies that Render Protected Health Information Unusable, Unreadable, or Indecipherable to Unauthorized Individuals.”
- 1.12. Data Confidentiality. Contractor shall implement appropriate measures designed to ensure the confidentiality and security of Protected Information, protect against any anticipated hazards or threats to the integrity or security of such information, protect against unauthorized access or disclosure of information, and prevent any other action that could result in substantial harm to the City of Chicago or an individual identified with the data or information in Contractor’s custody.
- 1.13. Compliance with All Laws and Regulations. Contractor agrees that it will comply with all laws and regulations.
- 1.14. Limitation of Access. Contractor will not knowingly permit any Contractor personnel to have access to any City of Chicago facility or any records or data of the City of Chicago if the person has been convicted of a crime in connection with (i) a dishonest act, breach of trust, or money laundering, or (ii) a felony. Contractor must, to the extent permitted by law, conduct a check of public records in all of the employee’s states of residence and employment for at least the last five years in order to verify the above. Contractor shall assure that all contracts with subcontractors impose these obligations on the subcontractors and shall monitor the subcontractors’ compliance with such obligations.
- 1.15. Data Re-Use. Contractor agrees that any and all data exchanged shall be used expressly and solely for the purposes enumerated in the Agreement. Data shall not be distributed, repurposed or shared across other applications, environments, or business units of Contractor. As required by Federal law, Contractor further agrees that no City of Chicago data of any kind shall be revealed, transmitted, exchanged or otherwise passed to other Contractors or interested parties except on a case-by-case basis as specifically agreed to in writing by an officer of the City of Chicago with designated data, security, or signature authority.
- 1.16. Safekeeping and Security. Contractor will be responsible for safekeeping all keys, access codes, passwords, combinations, access cards, personal identification numbers and similar security codes and identifiers issued to Contractor’s employees, agents or subcontractors. Contractor agrees to require its employees to promptly report a lost or stolen access device or information to their primary business contact and to the City of Chicago Information Security Office.
- 1.17. Mandatory Disclosure of Protected Information. If Contractor is compelled by law or regulation to disclose any Protected Information, the Contractor will provide to the City of Chicago with prompt written notice so that the City of Chicago may seek an appropriate

protective order or other remedy. If a remedy acceptable to the City of Chicago is not obtained by the date that the Contractor must comply with the request, the Contractor will furnish only that portion of the Protected Information that it is legally required to furnish, and the Contractor shall require any recipient of the Protected Information to exercise commercially reasonable efforts to keep the Protected Information confidential.

- 1.18. Data Breach. Contractor agrees to comply with all laws and regulations relating to data breach, including without limitation, the Illinois Personal Information Protection Act and other applicable Illinois breach disclosure laws and regulations. Data breaches of protected health information and electronic protected health information shall be governed by the provisions regarding HIPAA/HITECH, and the regulations implementing those Acts, in the Contractor's contract with the City, specifically the Business Associate Agreement in such contract. Contractor will immediately notify the City if security of any Protected Information has been breached, and will provide information as to that breach in such detail as requested by the City. Contractor will, if requested by the City, notify any affected individuals of such breach at the sole cost of the Contractor.
- 1.19. Data Sanitization and Safe Disposal. All physical and electronic records must be retained per federal, state and local laws and regulations, including the Local Records Act. Where disposal is approved, the Contractor agrees that prior to disposal or reuse of all magnetic media (e.g. hard disk, floppy disk, removable media, etc.) which may have contained City of Chicago data shall be submitted to a data sanitization process which meets or exceeds DoD 5220.28-M 3-pass specifications. Certification of the completion of data sanitization shall be provided to the City of Chicago within 10 days of completion. Acceptance of Certification of Data Sanitization by the Information Security Office of the City of Chicago is required prior to media reuse or disposal. All other materials which contain City of Chicago data shall be physically destroyed and shredded in accordance to NIST Special Publication 800-88, Guidelines for Media Sanitization, specifications.
- 1.20. End of Agreement Data Handling. The Contractor agrees that upon termination of this Agreement it shall return all data to the City of Chicago in a useable electronic form, and erase, destroy, and render unreadable all data in its entirety in accordance to the prior stated Data Sanitization and Safe Disposal provisions. Data must be rendered in a manner that prevents its physical reconstruction through the use of commonly available file restoration utilities. Certification in writing that these actions have been completed must be provided within 30 days of the termination of this Agreement or within 7 days of a request of an agent of the City of Chicago, whichever shall come first.



EXHIBIT XXI BUSINESS ASSOCIATES AGREEMENT (BAA)

The COC (“City”) and _____ (“Business Associate”) agree to the following terms and conditions, which are intended to comply with the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health Act, and their implementing regulations:

The terms below that are capitalized and in bold have the same meanings as set forth in the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health Act, which is part of the American Recovery and Reinvestment Act of 2009, and the regulations promulgated thereunder, including the privacy, security, breach, omnibus, and enforcement rules, as each may be amended from time to time (collectively, “HIPAA”). See 45 CFR parts 160 and 164.

Specifically, the following terms used in the Business Associate Agreement shall have the same meaning as in HIPAA: **Breach, Business Associate, Covered Entity, Data Aggregation, Designated Record Set, Disclosure, Financial Remuneration, Fundraising, Health Care Operations, Individual, Marketing, Minimum Necessary, Notice of Privacy Practices, Protected Health Information (“PHI”), Required By Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.** The term “Breach” has the meaning as set forth in HIPAA when capitalized below, but has the ordinary dictionary meaning when not capitalized below.

For purposes of this Business Associate Agreement, the term “Protected Health Information” or “PHI” includes electronic PHI, also known as ePHI.

1. Interpretation of this Business Associate Agreement. A reference in this Business Associate Agreement to HIPAA means the section in effect or as amended. If there is a dispute as to whether Business Associate is, in fact, a Business Associate, the Business Associate must provide a legal memorandum to the City indicating why the Business Associate does not fall under the definition of Business Associate in HIPAA. If the City disagrees with the legal memorandum regarding the Business Associate’s conclusion that Business Associate is not a Business Associate, the City may choose to report a Breach to the Secretary or take other measures as deemed necessary to ensure the City’s compliance with HIPAA. Any ambiguity or inconsistency in this Business Associate Agreement shall be resolved in favor of a meaning that permits City to comply with HIPAA.
2. Amendment of this Business Associate Agreement. The parties hereto agree to negotiate in good faith to amend this Agreement from time to time as is necessary for City to comply with the requirements of HIPAA and for Business Associate to provide services to City. However, no change, amendment, or modification of this Agreement shall be valid unless it is set forth in writing and signed by both parties.
3. Designation of HIPAA Officer(s). Business Associate agrees to designate, in writing, a HIPAA Privacy and Security Officer(s) who will communicate with the City’s HIPAA Privacy and Security Officers for purposes of this Agreement. Business Associate agrees to notify the City’s HIPAA Privacy and Security Officers of such designation and the contact information of such officer(s):

Stephen Murphy
Attorney/HIPAA Privacy Officer
(312) 747-9605
Fax (312) 745-7639
Chicago Department of Public Health

4. Uses and Disclosures of PHI. Business Associate must not use or further disclose Protected Health Information (“PHI”) other than as permitted or required by this Agreement, as necessary to perform the services in this Agreement, or as required by law.
- a. Business Associate will not sell PHI or use or disclose PHI for the purposes of marketing or fundraising.
 - b. Business Associate shall not directly or indirectly receive financial remuneration in exchange for any PHI of an individual or in exchange for making communications regarding treatment or health care operations purposes, unless otherwise allowed in this Agreement.
 - c. If Business Associate is authorized to use PHI to provide the City with de-identified information, Business Associate is not permitted to use or disclose the de-identified information for purposes other than those specified in the Agreement.
 - d. Business Associate may use PHI to provide data aggregation services to the City, relating to the health care operations of the City.
 - e. Business Associate may use and disclose PHI received by the Business Associate in its capacity as a Business Associate to the City, if necessary, for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided that, as to any such disclosure, the following requirements are met:
 - i. The disclosure is required by law; or
 - ii. The Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been the subject of a Breach.
 - f. Except as otherwise limited in this Agreement, Business Associate may use and disclose PHI obtained from or on behalf of the City to perform functions, activities, or services for, or on behalf of, the City as specified in the Agreement, provided that such use or disclosure would not violate HIPAA if done by the City.

5. Minimum Necessary. Business Associate shall use, disclose, or request only the minimum necessary PHI necessary to accomplish the intended purpose of the use, disclosure, or request. Business Associate represents that the PHI used, disclosed, or requested by Business Associate is the minimum necessary to carry out purposes of the Agreement. Prior to any use or disclosure, Business Associate shall determine whether a limited data set would be sufficient for these purposes.

6. Safeguards of PHI. Business Associate must use appropriate safeguards with respect to PHI that it creates, receives, maintains, or transmits on behalf of the City to prevent the use or disclosure of PHI other than as provided for in this Agreement. The safeguards must reasonably protect PHI from any intentional or unintentional use or disclosure in violation of HIPAA privacy regulations (45 CFR Part 164, subpart E) and limit incidental uses or disclosures made pursuant to a use or disclosure otherwise permitted by this Agreement. The safeguards must also reasonably and appropriately protect the confidentiality, integrity, and availability of PHI that Business Associate creates, receives, maintains, or transmits on the City’s behalf as required by the HIPAA security regulations (45 CFR Part 164, subpart C). Where applicable, Business Associate must comply with the HIPAA security regulations (45 CFR Part 164, subpart C) with respect to electronic protected health information, to prevent the use or disclosure other than as provided for by this Agreement. Where feasible, PHI will not leave the City’s facilities and will be accessed under the supervision of City employees.

7. Applicability of Business Associate Agreement to Subcontractors and Agents. Business Associate must ensure that any agent, including a subcontractor, that creates, receives, maintains, or transmits PHI on behalf of the Business Associate agrees to the same restrictions, conditions, and requirements that apply through this Agreement to Business Associate with respect to such information, by entering into a contract or other arrangement that complies with HIPAA. An agent or subcontractor of a Business Associate is not permitted to use or disclose PHI in a manner that would not be permissible if done by the Business Associate. Business Associate will ensure that its subcontractors and agents to which Business Associate is permitted by this Agreement or in writing by the City to disclose PHI agree to implement reasonable and appropriate safeguards to protect PHI. Business Associate will obtain reasonable assurances from any subcontractors and agents to which Business Associate discloses PHI that the subcontractor or agent will hold PHI in confidence and further use or disclose PHI only for the purpose for which Business Associate disclosed PHI to the subcontractor or agent or as required by law.

Business Associate will obtain reasonable assurances that any subcontractor or agent to which Business Associate discloses PHI will notify the Business Associate within 5 calendar days (who will, in turn, notify the City within 5 calendar days, as described below) of any instance in which the subcontractor or agent becomes aware of a Breach of unsecured PHI; possible Breach of unsecured PHI; any security incident of which it becomes aware, including: any attempted or successful unauthorized access, use, disclosure, modification, or destruction of PHI; or any attempted or successful interference with agent or subcontractor's system operations of which agent/subcontractor becomes aware.

Agent/subcontractor is not required to report the following types of unsuccessful security incidents: pings and other broadcast attacks on agent/subcontractor's firewall, port scans, unsuccessful log-on attempts, denial of service attacks, and any combination of the above, so long as no such incident results in unauthorized access, use, or disclosure of PHI.

If a delay is requested by a law enforcement official in accordance with 45 CFR 164.412, agent/subcontractor may delay notification to Business Associate for the time period specified in HIPAA. Agent or subcontractor's report will include the information described in 45 CFR 164.404(c) and such other information as the Business Associate or the City may reasonably request.

8. Reporting of Breaches, Potential Breaches, and Security Incidents. Business Associate must report to the City any use or disclosure of the PHI not provided for by this Agreement of which it becomes aware, as well as any Breach of Unsecured PHI; potential Breach of unsecured PHI; any security incident of which it becomes aware; any attempted or successful unauthorized access, use, disclosure, modification, or destruction of PHI; or any attempted or successful interference with Business Associate's system operations of which Business Associate becomes aware.

Business Associate will make the report to the City's HIPAA Privacy and Security Officers not more than five (5) calendar days after Business Associate discovers such non-permitted use or disclosure, Breach, security incident, or other incident as described above. Business Associate shall provide any reports or notices required by HIPAA as a result of Business Associate's Breach. On behalf of the City, Business Associate will provide such reports or notices to any party or entity (including but not limited to media, Secretary, and individuals affected by the Breach) entitled by law to receive the reports or notices. Business Associate agrees to pay the costs associated with notifying individuals affected by the Breach, which may include, but are not limited to, paper, printing, and mailing costs.

Business Associate is not required to report the following types of unsuccessful security incidents: pings and other broadcast attacks on Business Associate's firewall, port scans, unsuccessful log-on attempts,

denial of service attacks, and any combination of the above, so long as no such incident results in unauthorized access, use, or disclosure of PHI.

If a delay is requested by a law enforcement official in accordance with 45 CFR 164.412, Business Associate may delay notifying City for the time period specified in HIPAA. Business Associate's report will include the information described in 45 CFR 164.404(c) and such other information as the City may reasonably request.

9. Mitigation and Penalties. Business Associate must mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Breach or of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement. Business Associate shall take reasonable steps to put corrective measures in place to prevent future Breaches (such as retraining employees and upgrading security systems). At the City's request, Business Associate shall take reasonable steps to mitigate the harm to affected Individuals whose PHI has been or may have been compromised as a result of a Breach by Business Associate, including obtaining credit monitoring services and offering identity theft insurance. To the extent that the City incurs civil or criminal monetary penalties as a result of a Breach by the Business Associate, the Business Associate agrees to reimburse the City for such penalties.

10. Designated Record Sets - Access. If the Business Associate has PHI in a Designated Record Set, then Business Associate must provide access to or otherwise make available, at the request of the City, and in the time and manner designated by the City, PHI in a Designated Record Set, to the City or, as directed by City, to an Individual in order to meet the requirements under 45 CFR 164.524.

11. Designated Record Sets – Amendments. If the Business Associate has PHI in a Designated Record Set, then Business Associate must make any amendments to PHI in a Designated Record Set that the City directs or agrees to pursuant to 45 CFR 164.526 at the request of City or an Individual, and in the time and manner designated by the City.

12. Internal Practices, Books, and Records. Business Associate must make its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of, the City available to the Secretary for purposes of determining compliance with HIPAA. Business Associate also must make internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, the City available to the City in a time and manner designated by the City, for purposes of the Secretary determining City's compliance with HIPAA.

13. Accounting of Disclosures - Documentation. Business Associate must document the disclosures of PHI and information relating to such disclosures as would be required for City to respond to a request by an individual for an accounting of disclosures of PHI in accordance with HIPAA, specifically 45 CFR 164.528.

14. Accounting of Disclosures – Provision of Information. Business Associate must provide to City or an individual, in time and manner designated by City, information collected which relates to the disclosure of PHI, to permit City to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR 164.528. If the Business Associate receives a request for accounting of disclosures directly from the individual, the Business Associate must respond to such request for an accounting of disclosures, provide the accounting of disclosures to the individual within the time required by 45 CFR 164.528, and provide the information regarding such request to the City, in the time and manner designated by the City.

15. Survival, Termination, and Return or Destruction of PHI. Upon termination of this Agreement for any reason, the Business Associate's obligations under these contractual obligations shall survive termination and remain in effect:

- (a) until Business Associate has completed the return or destruction (in accordance with the US Department of Health and Human Services' Guidance to Render Unsecured Protected Health Information Unusable, Unreadable, or Indecipherable to Unauthorized Individuals) of all of the PHI provided by City to Business Associate, or created or received by Business Associate on behalf of City, and
- (b) to the extent that Business Associate retains any PHI.

Upon the expiration or termination of the underlying Agreement, if feasible, the Business Associate must either:

- (1) return all PHI received from the City, or created, maintained, or received by Business Associate on behalf of the City, which the Business Associate still maintains in any form, to the City or
- (2) destroy it, at the City's option (in accordance with the US Department of Health and Human Services' Guidance to Render Unsecured Protected Health Information Unusable, Unreadable, or Indecipherable to Unauthorized Individuals).

This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.

If Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If it is infeasible for Business Associate to obtain, from a subcontractor or agent any PHI in the possession of the subcontractor or agent, Business Associate shall require the subcontractors and agents to agree to extend any and all protections, limitations and restrictions contained in this Agreement to the subcontractors' and/or agents' use and/or disclosure of any PHI retained after the termination of this Agreement, and to limit any further uses and/or disclosures to the purposes that make the return or destruction of the PHI infeasible.

In the event of a breach of the terms of these contractual obligations, the cure and remedies of the Agreement shall govern. HIPAA's privacy rule (45 CFR § 164.504(e)(2)) requires that the Business Associate will authorize termination of the contract by the City, if the City determines that the Business Associate has violated a material term of these contractual obligations.

16. Compliance with Obligations. To the extent the Business Associate is to carry out one or more of City's obligation(s) under Subpart E of 45 CFR Part 164, the Business Associate must comply with the requirements of Subpart E that apply to the City in the performance of such obligation(s). Business Associate may not use or disclose PHI in a manner that would violate Subpart E of 45 CFR Part 164 if done by the City.

17. No Third Party Rights. The terms and conditions of this Agreement are intended for the sole benefit of Business Associate and City and do not create any third party rights.

18. Governing Law. To the extent not preempted by federal law, the Agreement shall be governed and construed in accordance with the laws of the State of Illinois.



EXHIBIT XXII ECONOMIC DISCLOSURE STATEMENT (EDS)

<<ATTACHED BY REFERENCE>>

EXHIBIT XXIII ECONOMIC DISCLOSURE STATEMENT (EDS) APPENDIX B

<<ATTACHED BY REFERENCE>>

EXHIBIT XXIV SPECIAL CONDITIONS for PROFESSIONAL SERVICES
MBE & WBE

<<<ATTACHED BY REFERENCE>>>

EXHIBIT XXV SAMPLE PROFESSIONAL SERVICES AGREEMENT (PSA)

<<<ATTACHED BY REFERENCE>>>

EXHIBIT XXVI NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT
(NDCA)



Non-Disclosure and Confidentiality Agreement Concerning Census and Claims Data CDs concerning the Request for Proposal (RFP) for:

INSURANCE BENEFITS FOR CITY OF CHICAGO EMPLOYEES:

Specification No. 244314

I, the below undersigned, by signing this NDCA form, hereby agree to keep secure and confidential all information contained in the CD as provided to me and shall, to the best of my reasonable ability, ensure that all information contained in the CD is used solely in response to the above referenced RFP; and

I also agree, unless as may otherwise be required by law, to not make copies of or otherwise share or disclose any information contained in the CD to any person other than such persons participating in this RFP process and who has also signed an NDCA form; and

I agree that any unauthorized dissemination of any information contained in the CD, or to knowingly use any information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person, is a breach of ethical standards which may be cause for termination of the RFP process in part or in whole; therefore,

I pledge my cooperation with agreement to fully complying with all matters of security and confidentiality as indicated above.

Signature

Date

Print Name

Company Name

Title