Example RFP
Proposal No. P15/9880 Life, AD&D, Optional Life, STD & Dental Ins.
Date: November 19, 2014

Answers to Vendor Questions - Questions are in black, answers are in red.

1. Is orthodontia for Adults & children or children only?
   
   Answer: PPO Dental – Adults and Children are covered
   DHMO Dental - Adults and Children are covered

2. May we get project renewal rates for 7/1/2015 if available?
   
   Answer: Not available

3. We see that the experience which includes premium and claims is through June of 2014. Is there more current experience available?
   
   Answer: PPO Dental – DHMO Dental - Report will be sent via secure mail to vendors that have submitted a Confidentiality Agreement to Segal Consulting.

4. May we get breakout of in-network claims vs. out of network claims?
   
   Answer: PPO Dental – Report will be sent via secure mail to vendors that have submitted a Confidentiality Agreement to Segal Consulting
   
   DHMO – N/A

5. Section 2, Page 9 states that the Board Members do not participate in the Basic Life and AD&D Plan. And page 10 talks about the Voluntary Life and AD&D amount maximums for the Board Members. However the Census – Attachment R – does not specify who are Employees or who are Board Members. Could you specify or send an updated Census?
   
   Answer: Board members do not participate in Basic Life & AD&D because PCCCD pays for basic life premiums for employees. Board members are not paid and therefore are only able to participate in Voluntary Life per Arizona Revised Statute #15-1450 but member must pay the full premium. Participating board members are included in the Census.

6. The RFP indicates that the inforce STD rate is $0.16 per $10 of weekly benefit. In addition, the RFP includes information that says that as of June 2014, there were 1,302 covered lives and that the July, 2014 premium on the STD was $9,660.62. Based on our analysis, it doesn't appear that the rate of $0.16 per $10 is correct. Here is why:
   
   - The census volume for the STD (on a per $10 of weekly benefit basis) is approximately $966,161 based on 1,368 lives. The lives count of 1,368 is relatively close to the 1,302 in the Assurant claims report.
   
   - However, if we multiply the $0.16 rate by the census volume, we come up with approximate monthly premium of $15,459. This is significantly higher than the monthly premiums that the group has been paying, which has been around $9,600.
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• We re-calculated the estimated volume if the rate was on a per $100 of Monthly Covered Payroll (MCP) basis. If we do that, we come up with a volume of $6,281,633. If we calculate the monthly premium assuming the rate of $0.16 is actually a per $100 of MCP rate rather than per $10 of weekly benefit, we come up with estimated monthly premium of $10,051. This is much closer to the most recent months paid premium of $9,660. It would make sense that it actually went up since the census lives are 1,368 versus the last months reported of 1,302.

• Due to this analysis, we believe the inforce rate is $0.16 per $100 of MCP rather than $0.16 per $10 of weekly benefit. Please confirm.

• If our analysis is not correct, please explain the discrepancies in our calculated volume/premiums versus what is being paid to and reported by Assurant.

Answer: The correct rate is 0.16% of covered payroll (Max $7,500 per month)

7. Are you able to provide the 7/1/10 through 6/30/11 Minnesota Life "Financial Experience Report?"

Answer: Report will be sent via secure mail to vendors that have submitted a Confidentiality Agreement to Segal Consulting.

8. The Minnesota Life contract provides Optional Life to "Board Members." They are not eligible for Basic Life/ADD. We are not able to determine who the Board Members are on the census. Can you provide a way for us to identify these Board Members?

Answer: A Board Member will appear on the census as having voluntary life but not basic life.

9. What are the current performance guarantees?

Answer: Not Available

10. Will you please verify who is covered under the current orthodontia benefit? Is orthodontia for children only or adults & children?

Answer: PPO Dental – Adults and Children are covered
DHMO Dental - Adults and Children are covered

11. Census (Reference Page 12)
• There are 11 EEs listed as LOA. Can you provide any additional information on these EEs?
• There are 17 EEs listed without salaries (11 are LOA – see above). Will we have access to this information?
• Assuming that all members on census fall into class 1 (see below). Correct?

Answer: No additional information will be provided. All members on LOA are in Class 1.

12. Plan Design (Page 9 for Life and Page 10 for STD)
• Life is broken into 2 classes.
  • Class 1 is all employees and 1 year admin appointments.
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- Class 2 is Board Members. There is really no ER/EE relationship here. Can we obtain more information on this segment (how many people, what is the turnover rate, anything else)?

Answer: Board members do not participate in Basic Life & AD&D because PCCCD pays for basic life premiums for employees. Board members are not paid and therefore are able to participate in Voluntary Life per Arizona Revised Statute #15-1450. Board members who participate in our plan are included in the Optional Life census.

- The current life contract is written in one policy but the provisions would allow us to choose if we want to offer flex (One Policy with Base & Buyup) or offer Base Life and Voluntary Life (which would create two different policies).

Answer: No preference.

- Please confirm STD Max Duration. It appears that the plan is a 60 day/60 day/17 week plan. The contract lists 4 months as the max duration but we measure the duration in weeks (4 months = 17 weeks).

Answer: The plan has a 60 day qualifying period. Benefits begin on the 61st consecutive day of disability. Correct; the maximum benefit period is 4 months, or 17 weeks.


- Life and vLife experience covers up until 6/30/2014 (4 years of experience). Since the provided information is a year prior to the requested coverage, can we get any more data with more current information; i.e. Through 10/31/2014.

- STD is similar to life – the experience is current to 9/2014. With this size group, the experience is credible so fast that a year from now we could have a very different view of the case. Do we have access to more current information?

Answer: Estimated Life Report will be sent via secure mail to vendors that have submitted a Confidentiality Agreement to Segal Consulting. STD report will be sent via secure mail to vendors that have submitted a Confidentiality Agreement to Segal Consulting. It starts with 2011 but if you scroll down the data goes through 10/2014.

14. Can you provide PPO Dental claims and enrollment data through August 2014?

Answer: Report will be sent via secure mail to vendors that have submitted a Confidentiality Agreement to Segal Consulting.

15. Can you provide the renewal rate action for the PPO Dental plan?

Answer: Not Available

16. Can you confirm the employer contribution for the dental plan is a flat $8.76 for employee only?

Answer: Confirmed
17. What renewal notification (number of days prior) are you requesting for PCCCD?

Answer: 180 days

18. ERISA Status: Is the District ERISA or Non-ERISA?

Answer: Non-ERISA

19. Group Name: Is it okay in our responses if we refer to the group as PCCCD or do you want us to spell out the entire group name within our responses?

Answer: PCCCD is fine.

20. Section 3 Proposal Preparation and Submittal, Item 3. Proposal Copies: For the CD that the District is requesting, since the Excel and Word documents involve signatures would it be okay if we include the original documents in their native format without the signatures and then include PDFs of said documents that reflect the signatures?

Answer: Yes

21. Section 3 Proposal Preparation and Submittal, Item 7. Proprietary Information: Can you please clarify if the District wants us to provide one (1) original non-redacted binder and copy and then one (1) original redacted binder and copy (total of four (4) binders) as this section indicates that any proprietary or protected information shall be separately packaged from the balance of the proposal.

Answer: Please provide two (2) of each for a total of four (4) binders.

22. Enrollment lives history for voluntary life is missing. Please provide the number of employees enrolled (by year) for voluntary life these past four years.

Answer: Report will be sent via secure mail to vendors that have submitted a Confidentiality Agreement to Segal Consulting.

23. The spouse voluntary life rate is based on the spouse’s age. Spouse ages were not provided. While this is not required, is the group able to provide a census which includes spouse ages?

Answer: A Spouse Census will be sent via secure mail to vendors that have submitted a Confidentiality Agreement to Segal Consulting.

24. The census does not show classes or job titles so we cannot identify who is a class 2 Board member for voluntary life and dependent life. Are there any enrolled with voluntary life (if yes, please identify)?

Answer: A Board Member will appear on the census as having voluntary life but not basic life.

25. According to the Arizona compliance code an employer cannot provide life insurance to non-ee directors unless they are bonafide employees. Explain how the current carrier allows Board
members to be covered for voluntary life in Arizona? If there are Board members enrolled we would not be able to cover them according to the compliance code. Will this be a problem?

Non-Employee Members – Arizona

<table>
<thead>
<tr>
<th>Group Type</th>
<th>Can An Eligible Group Also Include</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-EE Directors</td>
</tr>
<tr>
<td>Employer</td>
<td>Yes*</td>
</tr>
<tr>
<td>Union</td>
<td>---</td>
</tr>
<tr>
<td>Trust</td>
<td>Yes*</td>
</tr>
<tr>
<td>Association</td>
<td>Yes</td>
</tr>
</tbody>
</table>

* No for Life Insurance unless otherwise a bonafide employee

**Answer:** Arizona Revised Statute #15-1450 provides for community college board member participation in plans as long as member pays full premium.

26. The current carrier provides W-2 service but no FICA match. For non-contributory taxable STD benefits we cannot provide W-2 services only. The FICA tax and W-2 services must both be provided and cannot be separated. We can exclude W-2 services or offer FICA and W-2 for load to rates. Would the group prefer our quote to include both services, or neither?

**Answer:** Both

27. There are a few provisions that Assurant has that we are unable to provide, i.e. education benefit, family care benefit, medical expense benefit, moving expense benefit, quality of care benefit. Is the group willing to consider proposals which cannot provide these provisions?

**Answer:** Please list the differences between your coverage and the requested coverage on Exhibit 7 “Deviations”.

28. The specs are asking for bilingual services and bilingual communication/educational materials. Please expand upon the services which are currently being provided? Is it mandatory for the potential new carrier to provide these services, as well?

**Answer:** Selected vendor must be able to provide upon request.

29. The plans have been in place since July 2010. Can we get the 7/2010 through 6/2011 experience for all lines?
Answer: *DHMO – the information for that time period is a manual process and the data would needed to be requested from storage. It would require several weeks or more to retrieve it and it would not arrive before the due date.  
*PPO Dental – Can’t go back that far.  
*Life - Report will be sent via secure mail to vendors that have submitted a Confidentiality Agreement to Segal Consulting.  
*STD – Report will be sent via secure mail to vendors that have submitted a Confidentiality Agreement to Segal Consulting.

30. Are there any service issues or areas which need improvement pertaining to the current administration of the plans?

Answer: The District is always interested in best practices and moving their plans forward in a cost-effective and positive manner. Feel free to provide improvements and if cost is associated, please define that cost.