



June 14, 2017

TO ALL PROSPECTIVE RESPONDENTS:

Subject: Request for Proposals (RFP):
17-PR-HCM-36

Addendum Number: 1
For: Group Life and Disability Insurance Services
Closing Date: June 28, 2017

The subject RFP 17-PR-HCM-36, for Group Life and Disability Insurance Services, was issued May 30, 2017 with a closing date of June 28, 2017. The opening date remains June 28, 2017. This addendum is being issued on June 14, 2017 to respond to questions submitted by the June 12, 2017 deadline.

Question 1: Please send the monthly billing statement?

Answer 1: Premium and enrollment experience has been provided.

Question 2: Please confirm all lines are NET of commissions?

Answer 2: Yes, all lines are NET of commissions.

Question 3: On Exhibit 11 -7: Do they want to see DC employees only and then a combined quote with Federal Employees?

Answer 3: Yes, please provide a quote with DC employees only in the first table on that tab using the Post 1987 census only file and then provide a combined quote for DC Employees and Federal Employees using both census files in the second table on that tab.

Question 4: Do they have a Basic AD&D benefit or just a Voluntary AD&D benefit?

Answer 4: Voluntary AD&D benefit only.

Question 5: Is the Core STD piece Employer paid?

Answer 5: No, both plans are voluntary.

Question 6: Can we get STD experience broken out by Core and Buy-up?

Answer 6: Current carrier system does not have the ability to provide the STD Experience broken out by plan design

Question 7: The Federal Employees who are offered a STD core/Buy-up plan, we will need to know who is electing the buy-up in order to quote. The census did not provide this information. Need to know which employees are in the Buy-up plan, it appears as if all employees have the core plan.

Answer 7: This plan is not currently offered to the Federal Employees. DC Water is considering offering this plan to this population. Please provide your most competitive quote.

Question 8. Do you participate in Public Employee Retirement System (PERS) and/or Social Security?

Answer 8: DC Water does not participate in a Public Retirement System (PERS) but does participate in Social Security.

Question 9: Is the LTD Voluntary? If not, why aren't all employees receiving a LTD benefit?

Answer 9: Yes, it is voluntary.

Question 10: Please confirm there are NO Federal Employees with LTD, only a STD benefit?

Answer 10: Neither of these plans are currently offered to the Federal Employees by DC Water. DC Water is considering offering these plans to this population. Please provide your most competitive quote.

Question 11: On the LTD claim listing, can we get net benefits?

Answer 11: Please see attachment to this addendum.

Question 12: On the LTD claim listing, can we get termination dates or total paid for the CC (closed claims)? Can we get reserves for the Open claims?

Answer 12: Please see attachment to this addendum.

Question 13: Can we get more details on the LTD experience:

- a. Is the Paid Claims on an Incurred Basis or Paid Basis (can we get on an incurred basis)?
- b. Can we get a detailed Open Claim Listing (with Gross benefit, net benefit, Offsets, total Paid and Reserves)?

Answer 13: a. Incurred Basis

a. Please see attachment to this addendum.

Question 14: Six (6) EE's have "employment status" listed as "L" – are these people on leave?

Answer 14: Yes. These employees are on a leave status.

Question 15: Is the intention to add the Federal Employees as new coverage (are they currently not covered by this plan)?

- a. Will they also be voluntary?
- b. Do they currently have coverage elsewhere?
 - i. If so, are we able to obtain certificates for this coverage?

Answer 15: Yes, DC Water is considering offering these plans to this population.

a. Yes.

b. Federal employees if approved are eligible to retire with a disability retirement under the Civil Service Retirement System.

i. No.

Question 16: Please confirm whether Group participates in Social Security Disability Insurance.

Answer 16: No. The group does not participate in Social Security Disability Insurance.

Question 17: Please confirm what (if any) state retirement plan Group participates in, and which classes participate.

Answer 17: The group does not participate in group state retirement.

Question 18: Why is the group currently out to bid?

Answer 18: The current contract expires in December, 2017.

Question 19: Are you, or the group, aware of any issues with the plan in place?

Answer 19: No.

Question 20: Is price the driving factor? What is the threshold of savings it would take to make the move?

Answer 20: Price will be a factor in the evaluation of proposals however, is not the driver. There is no threshold of savings.

Question 21: Has the current carrier gone through negotiations on the renewal?

Answer 21: The current contract expires in December, 2017. There is no renewal period.

Question 22: Have there been any issues the group is looking to "fix" (billing, EOI, implementation, account management, etc.)?

Answer 22: No.

Question 23: Is the group open to plan design changes?

Answer 23: Yes.

Question 24: Have there been any major changes to the medical this year?

Answer 24: No, however the cost share of premiums will increase in 2017.

Question 25: Who are the carriers being considered?

Answer 25: This is an open solicitation and all eligible carriers encouraged to compete.

Question 26: Will the questions and answers of all the carriers be shared?

Answer 26: Via this Addendum No. 1 all questions and responses are provided.

Question 27: Confirm # of lives. RFP/experience shows 986 lives but census has 1,114 lives.

Answer 27: The DC Water Census_Post 1987.xlsx file (which is the only census file that should be used for life products) shows 1,000 lives eligible and elected. The 986 lives along with volume were used from the March 2017 invoice.

Question 28: LTD Open Claims listing with Net Benefit amounts and Individual reserves

Answer 28: Please see attachment to this addendum.

Question 29: I read the ltd and std booklet and the quote detail. Both appear to be voluntary benefit coverages. To clarify and confirm, the RFP information states that the LTD and STD has an annual open enrollment. I reviewed sections of the contract booklets. Both contracts appear include a pre-ex that will apply to late entrants. One contract section states insuring at the annual open enrollment without satisfying an insurability requirement. Another section mentions meeting insurability requirements. Will you clarify how late entrants and enrollees at the annual open enrollment are handled when they elect std or ltd coverage?

- a. Does the pre-ex provision apply to these individuals? See response below.
- b. Does evidence of insurability apply currently to these individuals? See response below.

Answer 29: If an enrollment form is received more than 31 days after you eligibility for insurance, employees must satisfy the Insurability Requirement before insurance is effective. If approved, insurance is effective on the date our insurance carrier agrees in writing to insure the employee.

Except for any amount of benefit in excess of a Prior Plan's benefits, the Pre-existing Condition Limitation will not apply to the employee if they were covered under the Prior Plan and had satisfied the pre-existing condition limitation, if any, under that plan. If the employee were covered under the Prior Plan and did not fully satisfy the preexisting condition limitation of that plan, credit will be given for any time that was satisfied under the Prior Plan's pre-existing condition limitation.

Pre-Existing Condition Limitation

The insurance company will not pay benefits for any period of Disability caused or contributed to by, or resulting from, a Preexisting Condition. A "Pre-existing Condition" means any Injury or Sickness for which you incurred expenses, received medical treatment, care or services including diagnostic measures, took prescribed drugs or medicines, or for which a reasonable person would have consulted a Physician within 3 months before your most recent effective date of insurance. The Pre-existing Condition Limitation will apply to any added benefits or increases in benefits. This limitation will not apply to a period of Disability that begins after the employee is covered for at least 12 months after their most recent effective date of insurance, or the effective date of any added or increased benefits.

Question 30: We received two versions of the census for the disability quotes. One census includes DC Water ees and the other includes "Federal ees".

- a. Are both groups currently covered? If so, then why does the 1st tab on the "federal census" shows no LTD or std coverage for the 114 ees listed under the first tab.
- b. On the "Federal ees" census, should we use the census listed under the "Federal ees" tab or "sheet 2" tab? "Federal ees: tab only shows around 114 employees. The "sheet 2" tab lists ~1100 employees. It does not appear that employees under the "federal census" (under either tab) are currently covered for ltd or std. We're unclear what is being asked for the employees covered under the "federal employees" census.
- c. If we are using the "Federal census", then we need more census information on the employees listed under the "sheet 2" tab. We need DOB, job title/occ, ee zip code. They provided the first name. So, we can make assumptions on gender. However, it would be appreciated if they can add m or f on the census under "sheet 2" tab since we were asked to quote with and without Federal employees.
- d. All of the premium, claim detail appears to cover only DC Water ees, not employees under the "Federal ees" census. Do employees currently listed under the "Federal ees" census currently have ltd and std insurance coverage? If so, can you provide provide plan design detail, premium, claim, and rate detail for the employees covered under the "Federal census"? Again, they do not appear to be currently covered under the plan. I say that because the P&I analysis detail they submitted only provides information on the number of lives covered by the DC Water census.

- Answer 30:
- a. The Federal ees are not currently covered by either disability plans. DC Water is considering allowing this population to participate in these plans. Please provide your most competitive rate.
 - b. Please use the Federal EEs Tab. The Federal ees are not currently covered by either the LTD or STD plans. DC water is considering allowing this population to participate. Please provide your most competitive rate.
 - c. Please use the first tab labeled Federal EEs.
 - d. The Federal ees are not currently covered by either of these plans. DC Water is considering allowing this population to participate in these plans. Please provide your most competitive rate.

Question 31: On the ltd open/closed claims listing, is the age the age at “date of disability” or the current age of claimant as to today? Is date of birth for active claimants available?

Answer 31: Please see attachment to this addendum.

Question 32: Can we get the average lives and volume for the experience periods? The premium moves from \$88k in 2012, to \$105k in 2013, to \$93k in 2014, to \$100k in 2015, to \$124k in 2016. The premium bounces up and down so we would like to know why.

Answer 32: Data for 2012 and 2013 is not available.

Year	Average Volume
2014	71,223,000
2015	77,076,000
2016	82,439,000

Question 33: Please confirm we will not be including commissions in our rates.

Answer 33: Yes, confirmed. Quotes should be net of commissions.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

All offerors responding to solicitation RFP 17-PR-HCM-36, Group Life and Disability Insurance Services, must sign and complete the last page, attach copies to the electronic submission to the DC Water POC and return all documents as specified in the RFP for submission of offers. In the event your offer had been previously emailed, submit this addendum under a separate email. This addendum, together with your offer and any revisions or changes occasioned by this addendum, must be received prior to the deadline set for submission of offers.



Teresa L. Scott
Category Manager

FAILURE TO ACKNOWLEDGE RECEIPT OF THIS ADDENDUM MAY BE CAUSE FOR REJECTION OF YOUR OFFER.

This addendum is acknowledged and is considered a part of RFP Number 17-PR-HCM-36, Group Life and Disability Insurance Services.

Signature of Authorized Representative

Title

Name of Firm

Date