



MARTIN O'MALLEY
Governor

ANTHONY BROWN
Lieutenant Governor

T. ELOISE FOSTER
Secretary

DAVID C. ROMANS
Deputy Secretary

**Amendment #2 to
Requests for Proposals (RFP)
Group Term Life and Personal Accident and Dismemberment (PA&D) Insurance
Project No. F10B8200006
November 14, 2007**

Ladies and Gentlemen:

This Amendment is being issued to amend and clarify certain information contained in the above named RFP. All information contained herein is binding on all offerors who respond to this RFP. Specific parts of the RFP have been amended. The following revisions /deletions / additions are listed below; new language has been double underlined and marked in bold (ex. **new language**) and language deleted has been marked with a strikeout (ex. ~~language deleted~~).

1. Revise, RFP Page iii, Key Information Sheet, to read, "Closing Date and Time: ~~Wednesday, November 7, 2007~~ **Friday, November 16, 2007** ~~Monday, November 26, 2007~~ at 2:00 PM (Local Time)"
2. Revise, RFP, Section 1.4 to read, "An unbound original, plus four (4) bound copies of each proposal must be received by the Procurement Officer, at the address listed in Section 1.7, no later than ~~Wednesday, November 7, 2007~~ **Friday, November 16, 2007** ~~Monday, November 26, 2007~~, at 2:00 PM, Local Time, in order to be considered. Requests for extension of this date or time shall not be granted. Offerors mailing proposals should allow sufficient mail delivery time to ensure timely receipt by the Procurement Officer. Except as provided in COMAR 21.05.02.10, proposals received by the Procurement Officer after the closing time and date will not be considered. Proposals delivered by email or facsimile shall not be considered."

~Effective Resource Management~

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3. Revise RFP, Section 3.1.5 charts as follows:

“Group Life Insurance Historical Data

Inclusive Period	Avg Monthly Covered Lives <u>(Active/Retiree)</u> **	Avg Monthly Volume (\$)	Earned Premium (\$)	Incurred Claims (\$)	Incurred Claim Loss Ratio
1/2003-12/2004	46,453	*	10,833,429	8,696,705	0.80
1/2004-12/2004	46,453	*	11,794,749	9,714,822	0.82
1/2005-12/2005	49,098	*	13,034,765	8,842,658	0.68
1/2006- 6/2006	49,098	4,292,747,698	6,717,288	3,834,765	0.57
7/2006- 6/2007	52,922	4,684,468,200	14,411,605	11,080,137	0.77
7/2007- 9/2007	53,964	4,874,289,450	3,573,478	3,211,329	0.90

Note: *Data Unavailable; ****Does not include spouses and dependent children**

Personal Accident & Dismemberment Insurance Historical Data

Inclusive Period	Covered Lives at the End of the Year	Volume (\$) at the End of the Year	Premiums Paid (\$)	Incurred Claims (\$)	Incurred Claim Loss Ratio
2003	310,164	74,150,400,000	2,135,484.09	1,133,248.30	0.53
2004	401,653	111,496,056,662	2,006,055.15	601,999.45	0.30
2005	391,865	120,160,540,552	2,162,889.73	1,946,285.83	0.90
2006	401,412***	119,666,718,885***	2,154,010.95	1,509,229.93	0.70
1/1/07-9/30/07	331,003	93,117,293,900	1,676,111.29	1,129,473.44	0.67

Note: *Estimated”**

5. Change the RFP, Section 3.2.10, lead in sentence to read: “Benefit reductions **for retirees and dependents of retirees** due to age cannot be greater than those provided below:”

6. Delete RFP, Section 3.3.4. “~~The plan shall also include a Waiver of Premium provision (see definition.)~~”

7. Add the following at the end of RFP, Section 3.5.1, to read: “**Benefits booklets shall be mailed to all members’ (employees and retirees) homes and again mailed as necessary based on new enrollments. Retirees shall receive a booklet when they are in active status and do not require a mailing once they are retired. If the carrier changes, new booklets must be mailed to all participants. An electronic version shall be provided to EBD.**”

8. Add the following at the end of RFP, Section 3.5.3, to read: “**Marketing brochures shall be provided in both hard copy and an electronic version for EBD.**”

9. Change RFP, Section 3.5.7, third bullet to read: “~~Payment of a proportionate amount of Open Enrollment materials printing and mailing costs which are split equally among Program contractors regardless of enrollment; costs for each Program Contractor have historically ranged between \$20,000 and \$25,000.~~ **The State’s costs for Open Enrollment printing and mailing are split evenly among**

all the State's health plan contractors after Open Enrollment has ended. Typically, a cost of approximately \$16,000 is paid by each Contractor.

10. Change RFP, Section 3.5.7, fourth bullet to read "Medical underwriting reviews as necessary, with approved coverage beginning with the start of the applicable Plan Year even if medical underwriting decisions are delayed past the Plan Year beginning date. **Medical underwriting reviews as necessary, with guaranteed issue amounts approved with the start of the applicable plan year, but amounts over the guaranteed issue limit not in effect until the first of the month following the date of approval by the Plan.**"

11. Add to RFP, Section 3.6, May 2008, subparagraph 2), to read: "**The Contractor shall begin collecting beneficiary designations from all enrolled members and directly mail confirmations to employees.**"

12. Add to the RFP, Section 3.5.6, to read, "**The toll free line shall be manned by a live person during State business hours. Telephone calls received after hours or on weekends/holidays shall be accommodated by a voice mail system. All messages received after business hours or on weekends/holidays are returned the next business morning.**"

13. Change the RFP, Section 4.5, third line, to read, "copies, and ~~four~~ **one** (1) electronic..."

14. Add to the RFP, Attachment E, Instructions, paragraph B) to read, "**The Unit prices (premium rates) proposed must be fully loaded and are the only compensation that the Contractor will receive under the Contract awarded. No other compensation or payment from the State or insured individuals will be permitted for services provided pursuant to the Contract. The Contractor must set premium rates to recover all of its costs and overhead as well as underwrite the risk insured.**"

15. Revise RFP, Attachment E, Pages 60, 61 and 62. Replace with the revised "Attachment E-1 (Amendment #2)" provided with this Amendment #2.

Date issued: November 14, 2007

By:

<signed>

Joseph M. Gatto
Procurement Officer

Attachment
RFP Atch E, pages 60, 61 and 62

Attachment E-1: Term Life Insurance (Amendment #2) Unit Price Detail

The offeror shall provide monthly term life insurance rates per applicable unit of coverage (\$10,000 for employees, \$5,000 for spouses) in each age bracket indicated. A flat monthly rate per \$5,000 of coverage shall be provided for child(ren) coverage. Rates quoted in the tables below shall apply to the entire 5-year base contract term. Enrollment and utilization information is provided in the price sheet to assist Offerors with rate calculations.

For purposes of financial ranking, the State will use the “TOTAL PREMIUMS” from Column O as the evaluated price in order to rank Offerors’ proposals in order of lowest to highest price to the State.

Table 1: Employees/Retirees

Age Brackets for Employees/Retirees	# of Insured Employees/Retirees (A)	Monthly Rate (per \$1,000) (B)	Volume per \$1,000 (C)	Total Monthly Amount (D) (BxC=D)
0-29	5,023		235,550	
30 to 34	4,489		278,360	
35 to 39	6,033		421,780	
40 to 44	7,120		495,810	
45 to 49	7,900		505,370	
50 to 54	8,012		466,150	
55 to 59	7,096		369,830	
60 to 64	4,660		209,960	
64 to 69	1,954		65,090	
70 to 74	807		19,700	
75 to 79	187		3,750	
80 and older	38		660	
Totals	53,319		3,072,010	

Attachment E-1 (Continued) (Amendment #2)

Table 2: Spouses

Age Brackets for Spouses	# of Insured Spouses (E)	Monthly Rate (per \$1,000) (F)	Volume per \$1,000 (G)	Total Monthly Amount (H) (F x G = H)
0-29	913		24,360	
30 to 34	1,583		51,705	
35 to 39	2,517		80,495	
40 to 44	2,924		93,715	
45 to 49	3,102		85,900	
50 to 54	3,100		76,860	
55 to 59	2,676		60,755	
60 to 64	1,733		34,640	
64 to 69	872		14,565	
70 to 74	388		5,275	
75 to 79	127		1,615	
80 and older	54		700	
Totals	19,989		530,585	

Table 3: Dependent Children

# of Insured Dependent Children (I)	Dependent Monthly Rate (per \$1,000) (J)	Volume per \$1,000 (K)	Total Monthly Amount (L) (J x K = L)
15,097		272,945	

Attachment E-1 (Continued)

Table 4: Summary and Totals

Member Group	Monthly Total (M) Enter totals from D, H and L respectively	60 Months (N)	Total (O) (MxN=O)
Employees/Retirees (D)		60	
Spouses (H)		60	
Dependent Children (L)		60	
TOTAL PREMIUMS (Sum of Column O) (Evaluated Price)			

AUTHORIZED SIGNATURE

DATE

PRINTED NAME AND TITLE

COMPANY NAME

COMPANY ADDRESS

FEIN NUMBER

TELEPHONE NUMBER