

## **MODIFICATION TO GROUP LONG TERM CARE CONTRACT**

THIS FIRST MODIFICATION AGREEMENT is made this 20<sup>th</sup> of March 2013 by and between The Prudential Insurance Company of America (Contractor) and the State of Maryland, acting through the Department of Budget and Management.

IN CONSIDERATION of the promises and the covenants herein contained, the parties agree to modify the Contract F10B1400014, between the Contractor, and the State of Maryland acting through the Department of Budget and Management as follows:

### **1. Definitions**

In this Modification, the following words have the meanings indicated:

- 1.1 “Calendar Plan Year” means the twelve-month period of benefit coverage beginning January 1 and ending December 31.
- 1.2 “Contract” means the Contract for Group Long Term Care between the Contractor and the State of Maryland acting through the Department of Budget and Management dated December 9, 2011.
- 1.3 “Contractor” means The Prudential Insurance Company of America.
- 1.4 “Department” means the Maryland Department of Budget and Management.
- 1.5 “Financial Proposal” means Contractor’s Financial Proposal dated November 4, 2011.
- 1.6 “Fiscal Plan Year” means the twelve-month period of benefit coverage beginning July 1 and ending June 30.
- 1.7 “Modification” means this Modification Agreement.
- 1.8 “RFP” means the Request for Proposals for F10B1400014 dated June 15, 2011, including attachments and Excel worksheets and as amended through Amendment #5.
- 1.9 “Short Plan Year” means the six-month period of benefit coverage beginning July 1, 2013 and ending December 31, 2013.
- 1.10 “Short Plan Year Open Enrollment” means the Open Enrollment period prior to the Short Plan Year.
- 1.11 “State” means the State of Maryland.
- 1.12 “Technical Proposal” means Contractor’s Technical Proposal dated June 15, 2011.

**2. Scope of Modification**

This Modification amends the Contract specifically as described herein. Except as specifically revised by the terms of this Modification, all of the terms of the Contract shall remain in full force and effect.

**3. Term of the Contract**

Section 3 of the Contract shall be amended to shorten the Contract end date by six months from June 30, 2017 to December 31, 2016. The Contractor's obligations as insurer with respect to covered losses and claims arising during a period of coverage shall survive the expiration of this Contract. All terms that survive expiration of the Contract, including but not limited to, Audit, confidentiality, document retention, and indemnification obligations remain unchanged.

**4. Plan Year**

**4.1** The 2014 Fiscal Plan Year, beginning July 1, 2013, will be converted to the Short Plan Year ending December 31, 2013.

**4.2** The 2014 Calendar Plan Year will commence January 1, 2014 and end on December 31, 2014.

**4.3** All references in the Contract, including documents incorporated therein, to "fiscal year", "plan year", or "year" with regard to plan design, administering benefits, and obligations of the Contractor impacted by the change from the Fiscal Year Plan to the Calendar Year Plan are replaced with "Calendar Plan Year", as the case may be.

**5. Open Enrollment Services**

The Contractor agrees to provide all Open Enrollment Services, as specified in the Contract, for the Short Plan Year and each subsequent Calendar Plan Year. Final Open Enrollment Services will occur in advance of the 2016 Calendar Plan Year. Prudential will continue to accept Long Term Care enrollments from both new hires and Open Enrollees through December 31, 2016.

**6. Short Plan Year Provisions**

**6.1** The Financial Proposal Premium Rates required by the RFP, Attachment H, and any and all rates quoted by the Contractor in its Financial Proposal shall apply without increase to the Short Plan Year. All provisions in the RFP, Contract, and all documents incorporated therein specific to the Fiscal Plan Year period of July 1, 2013 through June 30, 2014 shall apply to the Short Plan Year.

**7. 2014 through 2016 Calendar Plan Year Provisions**

7.1 The Financial Proposal Premium Rates required by the RFP, Attachment H, and any and all rates quoted by the Contractor in its Financial Proposal shall apply without increase to the 2014, 2015, and 2016 Calendar Plan Years, respectively. All provisions in the RFP, Contract, and all documents incorporated therein specific to the Fiscal Plan Year periods shall apply to the 2014, 2015, and 2016 Calendar Plan Years, as the case may be.

IN WITNESS THEREOF, the parties have executed this First Modification Agreement as of the date hereinabove set forth.

**CONTRACTOR:**  
**The Prudential Insurance Company of America**

**STATE OF MARYLAND:**  
**DEPARTMENT OF BUDGET AND  
MANAGEMENT**

[Redacted Signature Line]  
By: MALCOLM CHONG, VICE PRESIDENT  
MARCH 19, 2013  
Date: [Redacted]  
[Redacted]

[Redacted Signature Line]  
By: T. Eloise Foster, Secretary  
4/3/13  
Date: [Redacted]  
Witness: [Redacted]

APPROVED FOR FORM AND LEGAL SUFFICIENCY  
THIS 2nd DAY OF April, 2013.  
[Redacted]  
ASSISTANT ATTORNEY GENERAL

APPROVED BY BPW: 20 March 2013 15-5-1161  
(Date) (BPW Item#)