

REQUEST FOR PROPOSALS
(RFP)

ISSUE DATE: September 1, 2005
TITLE: Long Term Care Insurance Plan
NUMBER: OHB05-2
ISSUING AGENCY: Commonwealth of Virginia
Department of Human Resource Management
James Monroe Building, 13th Floor
101 North 14th Street
Richmond, Virginia 23219
PERIOD OF CONTRACT: From April 3, 2006 through December 31, 2012

Sealed proposals for furnishing services described herein will be received subject to the conditions cited herein until 2:00 p.m., September 30, 2005.

All Inquiries Must Be In Writing And Should Be Directed To:

Mr. William G. Gregory
Department of Human Resource Management
James Monroe Building, 13th Floor
101 North 14th Street
Richmond, Virginia 23219
Fax Number: 804-225-2790

SEND ALL PROPOSALS DIRECTLY TO THE ISSUING AGENCY ADDRESS SHOWN ABOVE.

Note: This public body does not discriminate against faith-based organizations in accordance with the Code of Virginia, § 2.2-4343.1 or against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

In compliance with this Request for Proposals, and to all the conditions imposed therein and hereby incorporated by reference, the undersigned offers and agrees to furnish materials and services in accordance with the attached signed proposal or as mutually agreed upon by subsequent negotiation.

Name and Address of Firm:

	Date: _____
	By: _____
	(PRINTED NAME)
	_____ (SIGNATURE IN INK)
_____ Zip Code: _____	Title: _____
Fax Number: () _____	Telephone: () _____

PRE-PROPOSAL CONFERENCE: A mandatory pre-proposal conference will be held on September 12, 2005 at the James Monroe Building. (Reference Paragraph 5.9)

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1.0 INTRODUCTION

1.1 Purpose

The purpose of this Request for Proposals (RFP) is to secure a fully insured Long-Term Care (LTC) plan for the employees, retirees, qualified relatives of Commonwealth of Virginia employees, local governments, school systems within the Commonwealth of Virginia (at the employer's option), and terminated participants who are vested with the Virginia Retirement System. The objective of the program is to provide better than average benefits administered in a very cost-effective manner with excellent service to enrollees, so that state agencies and participating local jurisdictions can recruit and retain high quality employees.

1.2 Background

The Department of Human Resource Management (the Department) is the authorized agent of the Commonwealth in administering certain benefits programs. The programs are delivered through approximately 250 state agencies to some 91,000 active, full-time employees, and to the dependents of these employees. There are also some 30,000 state retirees with benefits delivered through the state agencies and the Virginia Retirement System (VRS). The Department also has the responsibility for administering certain benefits programs to localities statewide. Any local government, school district, political subdivision, etc. may join this program. Presently there are 40 member groups.

The 2004 General Assembly passed legislation that required the Department to include as eligible participants in the long-term care plan persons who have five or more years of creditable service with any retirement plan administered by the Virginia Retirement System. These persons do not have to currently be employed by an employer participating in the Virginia Retirement System, or receiving retirement benefits, However, the person cannot be eligible to participate in this long-term care insurance program as a member of one of the eligible groups listed above.

The Department has developed plans and programs with the advice of consultants, vendors and employees, and others, and has delivered benefits through contractors, either insurers or third party administrators. The LTC program specifications have been developed using this methodology and will be delivered by the insurer who is awarded this contract. Each Offeror will be required to provide a proposal for the plan as described in the specifications, but may provide alternatives where it is felt that the alternative will provide a superior, yet cost effective, benefit to employees of the Commonwealth. The coverage currently available can be found on the department's website at www.dhrm.state.va.us/compandbenefits.html and the Local Choice web site: www.thelocalchoice.state.va.us

1.3 Policy Regarding Participation of Small, Women, and Minority Owned Businesses

It is the policy of the Commonwealth of Virginia to contribute to the establishment, preservation, and strengthening of small businesses and businesses owned by women and minorities and to encourage their participation in state procurement activities. The Commonwealth encourages contractors to provide for the participation of small businesses and businesses owned by women and minorities through partnerships, joint

ventures, subcontracts, and other contractual opportunities. Submission of a report of past efforts to utilize the goods and services of such businesses and plans for involvement on this contract are required. By submitting a proposal, offerors certify that all information provided in response to this RFP is true and accurate. Failure to provide information required by this RFP will ultimately result in rejection of the proposal.

All information requested by this RFP on the ownership, utilization, and planned involvement of small businesses, women owned businesses, and minority owned businesses must be submitted. If an offeror fails to submit all information requested, the purchasing agency will require prompt submission of missing information after the receipt of vendor proposals in order for a non-compliance proposal to be considered.

1.4 Appendices

Appendix 1 is the current standard contract. Appendix 2 contains selected enrollment and demographic data for state employees.

2.0 TASKS

2.1 Plan Description

The Department wishes to establish a Long-Term Care program for the active, full time and certain part-time employees of the Commonwealth and active employees of local governments and school systems within the Commonwealth of Virginia, and the spouses, parents, parents-in-law, and stepparents of these active employees. Retirees of the Commonwealth and local governments and school systems within the Commonwealth, who retired under the Employer's qualified retirement plan, certain former employees of state and local government or local school systems who have five or more years of creditable service with the Virginia Retirement System, and their spouses will also be eligible.

The plan for these eligibles will be insured by the successful offeror. All costs for the plan, including claims expenses and administration, will be paid through the enrollees' premiums without any contributions by the Commonwealth. Each offeror should provide the benefits specified in paragraph 2.4 and may offer added benefits as they deem advantageous for the plan.

2.2 Plan Eligibility

1. Active employees and their spouses, parents, parents-in-law, and step parents
 - a. An employee who wishes to join the program must enroll at the time the plan becomes effective or at the time of employment, if a new hire. In the case of a new hire, the effective date of their coverage will be the first day of the month following the date the newly hired employee makes written request for coverage and the written request is processed by the contractor.
If coverage is waived, an employee may come into the program at a later time by submitting to underwriting criteria.
 - b. Spouses and other eligible relatives of employees may be required to submit to underwriting if required by the contractor.

2. Retired state employees and their spouses
 - a. A retiree must be eligible for the employer's retirement plan to be eligible for this program.
 - b. The contractor may require underwriting.

3. Retired employees of Participating Local Employers and their spouses:
 - a. Participating employer will determine if retirees are included as an eligible class.
 - b. If included, the contractor may require underwriting

4. Terminated Vested Participants and their spouses.
 - a. Terminated employees of the Commonwealth or a local employer who have five or more years of creditable service with the Virginia Retirement System, but due to age requirements were not eligible to receive an immediate annuity
 - b. In order to be eligible to participate in this class an individual must not be eligible to participate as a member of another class under this chapter. This includes individuals who are employees of local employers whose former employer has not elected to participate in the program.
 - c. The contractor may require underwriting

5. Re-entry after termination of coverage

An enrollee who once terminates coverage under this program may not reenter the program during the term of this contract.

2.3 Portability Options

If the current carrier is replaced, employees will have the option of remaining with the previous carrier through the portability provision, or moving to the new carrier; however only paying the rate that the new carrier would charge for that employee based on the employee's age on their original entry date into the current plan (not the new contract date). Assuming current reserves for the individual are transferred, please state that you would honor this provision. (See Exhibit Two, Section III 8)

2.4 Enrollment Period

1. In order to obtain coverage, an eligible employee or retiree must apply for LTC during the initial enrollment period or within 60 days of the date of hire if a new employee.

Thereafter, there may be special enrollment periods for active employees only determined by the contractor and agreed to by the Department.

. The contractor may require underwriting for employees who waived coverage at their initial enrollment period.

For active employees, the employee must be at work on the first working day of the effective month for the enrollment to be effective.

2.5 Program Specifications

1. The Department's preference would be a plan based upon a reimbursement model, that is, participants must submit itemized bills and be reimbursed on the covered costs up to a maximum limit chosen by the participant. However, if the offeror wants to submit a plan based upon another model, they may do so, but must include documentation as to why they deem their model to be more advantageous to the Department. If another model is offered, this must be clearly stated in the proposal.
2. Guaranteed issue with no underwriting for active employees, during specific enrollment periods.
3. Plan premiums, including administrative costs, will be paid entirely by the participants.
4. Guaranteed renewable.
5. The plan should provide inflation protection.
6. The plan shall have a ninety (90) day elimination period.
7. The plan will provide a choice of lifetime maximums to participants of two to five years.
8. Benefit levels
 - a. The participant shall have a choice of daily benefits from at least three levels from \$50.00 per day to \$300.00 per day.
 - b. The plan will pay up to 100% of the benefit level for nursing home care.
 - c. The plan will pay up to 100% of the benefit level for alternate covered facilities, such as assisted living, providing long term care.
 - d. The plan will pay up to 50% for qualified at home care, or day care.
 - e. The plan will clearly identify the types of settings/facilities covered and percentage of benefit level paid.
9. The plan shall provide for waiver of premiums upon completion of elimination period.
10. The participant shall be the owner of the policy.
11. The plan shall provide for non-forfeiture of benefits.
12. In addition, the proposed plan should contain provisions to:
 - a. Provide case management services.
 - b. Provide restoration of benefits.
 - c. Provide benefit increase option(s).

2.6 PLAN INQUIRIES

1. Plan shall provide a toll free customer service number which shall provide general information on the plan, claims status, referral information, and counseling to participants.

2. Plan shall respond correctly and timely to inquiries received by telephone, by mail or in person.
3. The plan must offer toll-free customer service telephone numbers at least three months before the effective date of the contract.
4. The offeror should provide a web site providing information on the LTC plan.

2.7 PLAN COMMUNICATIONS

1. Develop, produce, and distribute a Department approved Long Term Care Administrative Manual for use by State agencies in the administration of all aspects of the LTC program.
2. Develop up to 2 articles per year, as requested, for use by the Department in employee communications about various aspects of the plan.
5. Develop annually (as required) a booklet for open enrollment to the specifications of the Department.
6. The Department maintains a web site containing current information on all DHRM administered plans. The contractor will provide web ready plan information as required.
7. Participate in Department sponsored health benefit fairs, human resource conferences and other employee meetings, as requested.

3.0 DELIVERABLES

3.1 Utilization of Small Businesses and Businesses Owned by Women and Minorities. See Exhibit ONE for the format of this report.

3.2 Other Deliverables

The Contractor agrees to furnish and warrants that the premiums quoted includes all enrollment materials, benefits booklets, and brochures describing plan benefits, applications, notices, claims forms, checks, remittance advices, two articles for employee publications, administrative instruction manuals, identification cards, and such services and materials stated or implied anywhere in this RFP or the Contractor's response thereto.

4.0 REPORTS AND PERFORMANCE STANDARDS

Monthly enrollment reports will be required for (1) the state active employee group, (2) the state retiree group, (3) local governments and school jurisdictions active employee group, (4) local governments and school jurisdictions retiree group and (5) the terminated vested participants. We would also require enrollment information on the applicable family members for each group. It is requested that each offeror provide reports and/or performance standards that would be applicable to a fully insured LTC contract.

5.0 PROCUREMENT PROCEDURES

5.1 Method of Award

1. The Department shall select two or more Offerors deemed to be fully qualified and best suited among those Offerors submitting proposals, unless the Department has made a determination in writing that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration. The selection of Offerors will be based on the evaluation factors included in this RFP. Negotiations shall be conducted with the selected Offeror(s). Price shall be considered when selecting finalists for negotiation, but shall not be the sole determining factor.
2. After negotiations have been conducted with each selected Offeror, the Department shall select the Offeror which, in its opinion, has made the best proposal. The Department shall award the contract to that Offeror. The Department may cancel this RFP, or reject proposals at any time prior to an award. The Department is not required to furnish a statement of the reason why a particular Offeror was not deemed to have made the best proposal (Section 2.2-4359, Code of Virginia).
3. Should the Department determine in writing, and in its sole discretion, that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that Offeror.
4. The contract will incorporate by reference all the requirements, terms and conditions of this RFP and the Contractor's proposal, except as either or both may be amended through negotiation. All statements and representations, written or verbal, relating to the award of this and renewal contracts must be construed to be consistent with the following.

5.2 Submission of Written Proposals

1. All proposals must be in the form requested. The data required on the schedules submitted in response to this RFP are subject to verification. Material errors shall be a basis for rejecting such a proposal. An original and five copies shall be delivered in a sealed envelope, and labeled as a proposal, with the words "**Do Not Open**" and **LONG TERM CARE PROPOSAL** prominently displayed on the face of the envelope. Proposals must be received no later than 2:00 p.m. on Friday, September 30, 2005 by:

Mr. William G. Gregory
Department of Human Resource Management
James Monroe Building, 13th Floor
101 North 14th Street
Richmond, Virginia 23219

Each copy of the proposal should be bound in a loose-leaf notebook. All documentation submitted with the proposal should be contained in that single volume. (If necessary, additional notebooks may be submitted in clearly marked and referenced sequence.)

2. Ownership of all data, materials and documentation originated and prepared for the Department pursuant to the RFP shall belong exclusively to the Department and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by an offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the offeror must invoke the protections of Section 2.2-4342 of the Code of Virginia, in writing, at the time the data or other material is submitted. The written notice must specifically identify the data or materials to be protected and state the reasons why protection is necessary. The proprietary or trade secret material submitted must be identified as required and must indicate only the specific words, figures, or paragraphs which constitute trade secrets or proprietary information. The Department, in its sole discretion, may not consider proposals with unduly broad requests for protection against disclosure.

5.3 Modification of Proposals

Any changes, amendments or modifications of an offeror's proposal prior to the deadline for receipt of proposals must be in writing and submitted in the same manner as the original proposals. All modifications must be labeled conspicuously as a change, amendment, or modification of the previously submitted proposal. Changes, amendments, or modifications of proposals will not be considered after the deadline for receipt of proposals, except when the Department requests modifications.

5.4 Oral Presentation

Offerors who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to the Department. This provides an opportunity for the offeror to clarify or elaborate on the proposal. This is a fact finding and explanation session only and does not include negotiation. The Department will schedule the time and location of these presentations. Oral presentations are an option of the Department and may or may not be conducted.

5.5 Inquiries Concerning the RFP

Any communication concerning this RFP or any resulting contracts must be addressed in writing to:

Mr. William G. Gregory
Department of Human Resource Management
James Monroe Building, 13th Floor
101 North 14th Street
Richmond, Virginia 23219
Fax Number: (804) 225-2789
E-mail Address: b.gregory@dhrm.virginia.gov

5.6 Public Inspection of Procurement Records

Proposals will be subject to public inspection only in accordance with Section 2.2-4342 of the Code of Virginia.

5.7 Clarification Of Proposal Information

The Department reserves the right to request verification, validation or clarification of any information contained in any of the proposals. This clarification may include checking references and securing other data from outside sources, as well as from the offeror.

5.8 Reference To Other Materials

The offeror cannot compel the Department to consider any information except that which is contained in its proposal, or which is offered in response to a request from the Department. The offeror should rely solely on its proposal. The Department, however, reserves the right, in its sole discretion, to take into consideration its prior experience with offerors and information gained from other sources.

5.9 Mandatory Pre-Proposal Conference

A mandatory pre-proposal conference will be held at 10:00 a.m. on Monday, September 12, 2005, in the James Monroe Building, Conference Room B, 1st Floor, 101 North 14th Street, Richmond, Virginia. The purpose of this conference is to allow potential offerors an opportunity to present questions and to obtain clarification relative to any facet of this procurement.

Attendance at this conference is a prerequisite to submitting a proposal. Offerors who intend to submit a proposal are required to attend. Any changes resulting from this conference will be issued in a written addendum to the RFP. Attendance at the conference will be documented by the representative's signature on the attendance roster.

It is requested that any known questions regarding the RFP be forwarded to William G. Gregory prior to date of conference to facilitate the conference. See Fax number and E-mail address in paragraph 5.5.

Offerors should bring a copy of this RFP to the conference. Any changes, which result from this conference, will be issued in a written addendum to the RFP.

5.10 Timetable

RFP Published	September 1, 2005
Mandatory Pre-Proposal Conference	September 12, 2005
Proposals Due, 2:00 P.M.	September 30, 2005
Notice of Intent to Award	November 1, 2005

6.0 FORM OF RESPONSE AND CRITERIA

6.1 General

Each proposal shall be in the form of a loose-leaf binder, tabbed to point to each section below. Before the first tab, place the executed RFP Cover Sheet followed by a statement defining those sections of your proposal which may not be released because they are proprietary. Each page so designated shall also be marked "Confidential: Proprietary Information," and, if not so marked, shall not be protected.

An original proposal and six copies are required. The original shall contain a Cover Sheet bearing an original signature signed in BLUE ink and be labeled on the cover as "Original".

6.2 Legally Correct Description of Benefits (Tab 1)

The offeror shall submit a benefits booklet, which is a complete, legally binding description of the benefits to be provided and exclusions from coverage. The benefits booklet for the each plan shall accurately reflect, at a minimum, the benefits specifications contained in paragraph 2.4. Differences in benefit levels for varying types of facilities/settings providing the covered services must be clearly identified by type and benefit level.

6.3 Benefits Brochure (Tab 2)

The offeror shall submit a model brochure containing supplemental information for employees to help them understand how the plan works.

6.4 Organizational Questionnaire (Tab 3)

Exhibit two contains a questionnaire to be completed by each Offeror, which, must be submitted along with its latest certified audit report.

6.5 Cost Proposal (Tab 4)

Exhibit three contains a format for a premium schedule providing monthly premiums by age bands, which must be submitted in the format provided or similar format. Please note if the age bands being proposed are different from those provided. Clearly distinguish premiums for different benefit sets and optional elections. If multiple levels of benefits are being quoted, submit a separate schedule for each level.

6.6 Participation of Small, Women, and Minority Owned Businesses (Tab 5)

Complete the information required on Exhibit ONE.

6.7 Criteria for Evaluation

Proposals will be evaluated on five criteria: offeror's organization and financial stability (20); communication material and services (15); administrative capability (20); premiums (40); and small, women owned, and minority business (5).

7.0 GENERAL TERMS AND CONDITIONS

7.1 Vendor's Manual

This solicitation is subject to the provisions of the Commonwealth of Virginia Vendor's Manual and any revisions thereto, which are hereby incorporated into this contract in their entirety. A copy of the manual is normally available for review at the Department's office on the 13th floor of the James Monroe Building. In addition, a copy can be obtained from the Department of General Services' Division of Purchases and Supply by calling (804) 786-3842.

7.2 Applicable Laws and Courts

This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia, and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The contractor shall comply with all applicable federal, state, and local laws, rules, and regulations.

7.3 Anti-Discrimination

By submitting their proposals, offerors certify to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians with Disabilities Act, the Americans with Disabilities Act, and Section 11-51 of the Virginia Public Procurement Act.

In every contract over \$10,000 the provisions in 1 and 2 below apply:

1. During the performance of this contract, the contractor agrees as follows:
 - a. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin, or disabilities, except where religion, sex or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
 - b. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
 - c. Notices, advertisements, and solicitations placed in accordance with federal law, rule, or regulation shall be deemed sufficient for the purpose of meeting these requirements.
2. The contractor will include the provisions of 1 above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

7.4 Ethics In Public Contracting

By submitting their proposals, offerors certify (1) that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer, or subcontractor in connection with their proposal, and (2) that they have not conferred on or promised, any public employee having official responsibility for this procurement transaction, any payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, unless consideration of substantially equal or greater value was exchanged.

7.5 Immigration Reform and Control Act of 1986

By submitting their proposals, offerors certify that they do not and will not, during the performance of this contract, employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.

7.6 Debarment Status

By submitting their proposals, offerors certify that the Commonwealth of Virginia does not currently debar them from submitting proposals for the type of goods or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.

7.7 Antitrust

By entering into a contract, the contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title, and interest in and to all causes of the action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said contract.

7.8 Mandatory Use of State Form and Terms and Conditions

Failure to submit a proposal on the official state form provided for that purpose may be a cause for rejection of the proposal. Modification of or additions to the General Terms and Conditions of the solicitation may be cause for rejection of the proposal; however, the Commonwealth reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a proposal.

7.9 Clarification of Terms

If any prospective offeror has questions about the specifications or other solicitation documents, the prospective offeror should contact T.J. Clayton no later than five working days before the due date. Any revisions to the solicitation will be made only by addendum issued by the Department.

7.10 Payment

1. To Prime Contractor:

- a. Invoices for items ordered, delivered and accepted shall be submitted by the contractor directly to the payments address shown on the purchase order/contract. All invoices shall show the state contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).
- b. Any payment terms requiring payments in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
- c. All goods or services provided under this contract or purchase order, that are to be paid for with public funds, shall be billed by the contractor at the contract price, regardless of which public agency is being billed.
- d. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.

2. To Subcontractors:

- a. A contractor awarded a contract under this solicitation is hereby obligated:
 - (1) To pay the subcontractor(s) within seven (7) days of the contractor's receipt of payment from the Commonwealth for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or
 - (2) To notify the agency and the subcontractor(s) in writing, of the contractor's intention to withhold payment and the reason.
- b. The contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the contractor that remain unpaid seven (7) day following receipt of payment from the Commonwealth, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U.S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier contractor performing under the primary contract. A contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Commonwealth.

7.11 Precedence of Terms

Paragraphs 7.1 - 7.10 of these General Terms and Conditions shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions

and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.

7.12 Qualifications of Offerors

The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the offeror to perform the services and the offeror shall furnish to the Commonwealth all such information and data for this purpose as may be requested. The Commonwealth reserves the right to inspect offeror's physical facilities prior to award to satisfy questions regarding the offeror's capabilities. The Commonwealth further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such offeror fails to satisfy the Commonwealth that such offeror is properly qualified to carry out the obligations of the contract and to provide the services contemplated therein.

7.13 Testing and Inspection

The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to assure supplies and services conform to the specification.

7.14 Assignment of Contract

A contract shall not be assignable by the contractor in whole or in part without the written consent of the Commonwealth.

7.15 Changes to the Contract

Changes can be made to the contract in any one of the following ways:

1. The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.
2. The Department may order changes within the general scope of the contract at any time by written notice to the contractor. Changes within the scope of the contract include, but are not limited to such things as services to be performed, the method of packing or shipment and the place of delivery or installation. The contractor shall comply with the notice upon receipt. The contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Department a credit for any savings. Said compensation shall be determined by one of the following methods:
 - a. By mutual agreement between the parties in writing; or
 - b. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the contractor accounts for the number of units of work performed, subject to the Department's right to audit the contractor's records and/or to determine the correct number of units independently; or

- c. By ordering the contractor to proceed with the work and to keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The contractor shall present the Department with all vouchers and records of expenses incurred and savings realized. The Department shall have the right to audit the records of the contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Department within thirty (30) days from the date of receipt of the written order from the Department. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall resolve in accordance with the procedures for resolving disputes provided by the Disputes Clause (paragraph 8.8) of this contract or, if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia's Vendor's Manual. Neither the existence of claim or a dispute resolution process, litigation or any other provision of this contract shall excuse the contractor from promptly complying with the changes ordered by the Department or with the performance of the contract generally.

7.16 Default

In case of failure to deliver goods or services in accordance with the contract terms and conditions, the Commonwealth, after due oral or written notice, may procure them from other sources and hold the contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Commonwealth may have.

7.17 INSURANCE

By signing and submitting a proposal under this solicitation, the offeror certifies that if awarded the contract, it will have the following insurance coverages at the time the contract is awarded. The offeror further certifies that the contractor and any subcontractors will maintain these insurance coverages during the entire term of the contract and that all insurance coverages will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

INSURANCE COVERAGES AND LIMITS REQUIRED:

1. Worker's Compensation - Statutory requirements and benefits.
2. Employers Liability - \$100,000.
3. Commercial General Liability - \$500,000 combined single limit. Commercial General Liability is to include Premises/Operations Liability, Products and Completed Operations Coverage, and Independent Contractor's Liability or Owner's and Contractor's Protective Liability. The Commonwealth of

Virginia must be named as an additional insured with respect to the services being procured.

7.18 ANNOUNCEMENT OF AWARD

Upon the award or the announcement of the decision to award a contract as a result of this solicitation, the purchasing agency will publicly post such notice on the Agency's web site, www.dhrm.virginia.gov, for a minimum of 10 days.

7.19 DRUG FREE WORK PLACE

During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

7.20 NONDISCRIMINATION OF CONTRACTORS

A bidder, offeror, or contractor shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, national origin, age, or disability or against faith-based organizations. If the award of this contract is made to a faith-based organization and an individual, who applies for or received goods, services, or disbursements provided pursuant to this contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

7.21 eVA BUSINESS-TO-GOVERNMENT VENDOR REGISTRATION

The eVA Internet electronic procurement solution, web site portal www.eva.state.va.us, streamlines and automates government purchasing activities in the Commonwealth. The portal is the gateway for vendors to conduct business with state agencies and public bodies.

All vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet e-procurement solution either through the eVA Basic Vendor Registration Service or eVA Premium Vendor Registration Service, and complete the Ariba Commerce Services Network registration.

- a. eVA Basic Vendor Registration Service: \$25 Annual Fee plus a Transaction Fee of 1% per order received. The maximum transaction fee is \$500 per order. eVA Basic Vendor Registration Service includes electronic order receipt, vendor catalog posting, on-line registration, and electronic bidding, as they become available.
- b. eVA Premium Vendor Registration Service: \$200 Annual Fee plus a Transaction Fee of 1% per order received. The maximum transaction fee is \$500 per order. eVA Premium Vendor Registration Service includes all benefits of the eVA Basic Vendor Registration Service plus automatic email or fax notification of solicitations and amendments, and ability to research historical procurement data, as they become available.
- c. Ariba Commerce Services Network Registration. The Ariba Commerce Services Network (ACSN) registration is required and provides the tool used to transmit information electronically between state agencies and vendors. There is no additional fee for this service.

Note: Vendors are strongly encouraged to register your company prior to submitting a bid or offer. Failure to register will result in your bid or offer being found non-responsive and rejected. All vendors must register in both the eVA and the Ariba Commerce Services Network Vendor Registration Systems.

8.0 SPECIAL TERMS AND CONDITIONS

8.1 Advertising

In the event a contract is awarded as a result of this RFP, the contractor shall not advertise that the Commonwealth of Virginia, or any agency or institution of the Commonwealth, has purchased, or uses its products or services.

8.2 Enrollment Periods

The Department will provide eligible, but non-participating, employees special opportunities to enroll in the Long-Term Care program. Contractor agrees to follow all instructions of the Department with respect to the conduct of the enrollment period, including and especially the form and content of information supplied to eligible persons. The contractor agrees to supply to agencies sufficient quantities of benefits booklets and brochures for the orderly conduct of enrollment activities. Enrollment expenses are the responsibility of the contractor and are to be absorbed as its costs. There will be no special recognition of enrollment expenses.

8.3 Audits

The contractor shall assist the Department and the Department's auditors, who may be employees of the Department, employees of other contractors, or agents of the Department, in the conduct of audits. This assistance shall include the provision of secure, quiet office space, including furnishings and telephones needed by the auditors.

The contractor agrees to retain all books, records, and other documents relative to the contract which results from this RFP for five (5) years after final payment, or until the conclusion of any audit by the Commonwealth, whichever is sooner. The Department, its authorized agents, and state auditors, shall have full access to, and the right to examine, any of the contractor's materials relevant to the contract which results from this RFP.

8.4 Certified Corporate Annual Reports

Within 120 days of the close of its fiscal year, the contractor shall furnish to the Department an annual report of its consolidated operations. An independent auditor shall certify this report.

8.5 Confidentiality of Information

The contractor shall treat all information utilized in its performance of the contract as confidential, personal information. The contractor shall handle all confidential information in accordance with the Virginia Privacy Protection Act, Virginia Code Section 2.1-377 et seq. All files, computer databases and other records developed or maintained pursuant to the execution of the contract are the property of the Department, and shall be delivered to the Department upon demand.

8.6 Contract Representatives

Both the Department and the Contractor shall appoint a contract representative who shall ensure that the provisions of this contract are adhered to. The Department hereby appoints the State Procurement Specialist. Currently the position is held by Mr. William G. Gregory. His E-mail Address is bill.gregory@dhrm.virginia.gov

The contractor shall provide the full name and address of their contract representative including telephone and fax number. In the event of a change in contract representatives, an official written notice shall be provided within 15 days of the change.

8.7 Contractor Affiliation

If an affiliate (as defined below in this paragraph) of the contractor takes any action which, if taken by the contractor, would constitute a breach of the contract, the action taken by the affiliate shall be deemed a breach by the contractor. "Affiliate" shall mean a "parent," subsidiary or other company controlling, controlled by, or in common control with the contractor, subcontractor or agents of the contractor.

8.8 Disputes

In accordance with section 2.2-4363 of the Code of Virginia, disputes arising out of the contract, whether for money or other relief, may be submitted by the contractor for consideration by the Department. Disputes must be submitted in writing, with all necessary data and information, to the Director of the Department of Human Resource Management at the James Monroe Building, 12th Floor, 101 North 14th Street, Richmond, Virginia 23219. Disputes will not be considered if submitted later than sixty (60) days after the final payment is made by the Department under the contract. Further, no claim may be submitted unless written notice of the contractor's intention to file the dispute has been submitted at the time of the occurrence or at the beginning of the work upon which the dispute is based. The Department shall render a final written decision regarding the dispute not more than ninety (90) days after the dispute is submitted, unless the parties agree to an extension of time. If the Department does not render its decision within 90 days, the contractor's sole remedy will be to institute legal action, pursuant to section 2.2-4364 of the Code of Virginia. The Contractor shall not be granted relief as a result of any delay in the Department's decision.

During the time that the parties are attempting to resolve any dispute, each party shall proceed diligently to perform its duties.

8.10 Eligibility

The Department shall determine who is eligible for the LTC program.

8.11 Employer Contributions toward Premiums

There is no employer contribution towards premiums.

8.12 Force Majeure

Neither party shall be deemed to be in default of any of its obligations hereunder, if, and so long as, it is prevented from performing such obligations by an act of war, hostile foreign action, nuclear explosion, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

8.13 Indemnification

The contractor agrees to indemnify, defend, and hold harmless the Commonwealth of Virginia, its officers, agents, and employees from any claims, damages, and actions of any kind or nature, whether at law or in equity, arising from or caused by the use of any services of any kind or nature furnished by the contractor, provided that such liability is not attributable to the sole negligence of the Department.

8.14 Internet Site

Contractor agrees to maintain an Internet site with a section or page devoted to enrollees covered under the employee long-term Care program. The site shall contain the following.

1. The benefit information specified in paragraph 2.2 and additional benefits as contracted as a result of this solicitation.

2. A directory of terms used in LTC with definitions.
3. An outline of coverage.
4. Other information about the plan

8.15 Eligibility and Payments

1. Active State Employee Premiums

The Commonwealth may payroll deduct monthly premiums for active state employees, and their participating spouses, on a semi-monthly basis. This would require the contractor to participate in the Commonwealth of Virginia's Miscellaneous Insurance/Annuities Program administered by Fringe Benefits Management Company for premium deductions for the majority of state agencies. Also, included in the state agency population are nine institutions of higher education and two authorities that have decentralized their payroll activities from the Commonwealth's central payroll system. As a result, anyone submitting a proposal must be able to bill and receive premium deductions from multiple sources.

2. Premiums for other eligible groups

The contractor will bill directly on a monthly basis all other participants in the LTC program based upon the plan eligibility. It will be the responsibility of the contractor to establish procedures for this billing and to transfer to the Department, if requested, information pertaining to participants who are terminated from the program, either voluntarily or for non-payment. This terminated participant information shall be transferred to the Department by electronic file monthly.

3. Retroactive Adjustments

Where the Department discovers an error in enrollment for which the contractor has no responsibility, contractor agrees to correct such an error retroactively up to a period of twelve months from the date on which the error is discovered.

8.16 Premiums

The contractor shall propose premiums that are fixed for the life of this contract using the schedule referenced in paragraph 6.5 and submitted under Tab 4. NOTE: Quote premiums on a payroll deduction basis and a bill directly to the participant basis.

8.17 Transfer of Current Participants

The contractor agrees that for current participants in the Commonwealth's voluntary long term care program, who transfers to this contractor, coverage and any corresponding premium rates will be based on the date that the current participant entered the voluntary plan, not the date of this contract.

8.18 Severability

In the event any portion of the contract shall be determined by a court of competent jurisdiction to be invalid or unenforceable, such provision shall be deemed void and the remainder of the contract shall continue in full force and effect.

8.19 Subcontracting

The contractor is fully responsible for all work performed under the contract. The contractor may not assign, transfer, or subcontract any interest in the contract, without prior written approval of the Department. The contractor shall require all subcontractors to comply with all provisions of this RFP. The contractor will be held liable for contract compliance for all duties and functions whether performed by the contractor or any subcontractor.

8.20 Term and Renewal of Contract

The term of this contract is for an initial partial year beginning April 1 and five calendar years thereafter. The contract will renew annually on January 1 after the initial partial year subject to the following.

1. The contractor shall advise the Department in writing no later than 2:00 PM on the last business day before April 16 that the insurer is willing to continue the contract on the same terms and conditions as currently in force or as modified pursuant to a request from the Department. This advice shall be in written form and apply to the plan year beginning the next January 1.
2. The contractor shall require a finding by the Department that the contractor's performance has been satisfactory. Such findings are within the sole discretion of the Department but will be based on materially important issues such as the plan's accreditation status (if applicable), employee satisfaction, and the failure of the contractor to provide the plan as contracted.

8.21 Termination, Suspension and Cancellation of Contract

Either party may terminate this contract for its sole convenience effective January 1 of any year by delivery of written notice at least nine months prior to the effective date of cancellation, that is, by the previous April 1.

If the Department determines, in its sole discretion, that limiting additional enrollment would enhance the administration of this contract, the Department may limit enrollment or suspend entirely new enrollments by a written order to the contractor.

Furthermore, in the event of emergency requirements which could not have reasonably been foreseen, the Department reserves the right to cancel and terminate this contract, in part or in whole without penalty, upon 60 days written notice to the contractor.

Any contract cancellation notice shall not relieve the contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.

8.23 Transfer of Files

If for any reason the Department decides to no longer contract with the contractor, the contractor agrees to transfer to the party designated by the Department, at no cost, all data, records, computer files, other files, and materials of any sort that were maintained for the Commonwealth. The contractor agrees to assist the Department in understanding, using, and transferring all files and records, including those maintained in computer language.

EXHIBITS

**ONE SMALL BUSINESS AND BUSINESS OWNED BY WOMEN AND
MINORITIES**

TWO ORGANIZATIONAL QUESTIONNAIRE

THREE COST PROPOSAL

EXHIBIT ONE

PARTICIPATION IN STATE PROCUREMENT TRANSACTIONS

BY

SMALL BUSINESSES AND BUSINESSES OWNED BY WOMEN AND MINORITIES

The following definitions will be used in completing the information required by one or more of the three categories of businesses contained in this Appendix as applicable to your firm: (1) Participation by Small Businesses; (2) Participation by Businesses Owned by Women; and (3) Participation by Businesses Owned by Minorities.

DEFINITIONS

Period is the specified 12-month period for which the information provided in this list is applicable and valid. The period will be specified as month and year.

Firm Name, Address and Phone Number is the name, address and business phone number of the small business, women-owned business or minority-owned business with which the Offeror has contracted or done business over the specified period or plans to involve on this contract, as applicable.

Contact Person is the name of the individual in the specified small business, women owned business or minority-owned business who would have knowledge of the specified contracting and would be able to validate the information provided in this list.

Type Goods or Services is the specific goods or services the Offeror has contracted for from the specified small, women-owned or minority-owned business over the specified period of time or plans to use in the performance of this contract, as applicable. The Offeror will asterisk (*) those goods and services that are in the Offeror's primary business or industry.

Dollar Amount is the total dollar amount (in thousands of dollars) the Offeror has contracted for or has done business with the listed firm during the specified period or plans to use on this contract, as applicable.

% Total Company Expenditures for Goods and Services is calculated by dividing the dollar amount of business conducted or contracted for with the indicated firm over the specified period by the total expenditure of the Offeror over the specified period for goods and services.

% of Total Contract is calculated by dividing the estimated dollars planned for the indicated firm on this contract by the total Offeror estimated price of this contract.

2. PARTICIPATION BY BUSINESSES OWNED BY WOMEN

(Continued)

- C. Describe Offeror's plans to involve businesses owned by women in the performance of this contract either as part of a joint venture, as a partnership, as subcontractors or as suppliers. Offerors are encouraged to provide additional information and expand upon the following format:

FIRM NAME, ADDRESS & PHONE NUMBER	CONTACT PERSON	TYPE GOODS/ SERVICES	DOLLAR AMOUNTS	% TOTAL CONTRACT

3. PARTICIPATION BY BUSINESSES OWNED BY MINORITIES

(Continued)

- C. Describe Offeror's plans to involve minority businesses in the performance of this contract either as part of a joint venture, as a partnership, as subcontractors or as suppliers. Offerors are encouraged to provide additional information and expand upon the following format:

FIRM NAME, ADDRESS & PHONE NUMBER	CONTACT PERSON	TYPE GOODS/ SERVICES	DOLLAR AMOUNTS	% OF TOTAL CONTACT

EXHIBIT TWO

ORGANIZATIONAL QUESTIONNAIRE

General

1. The RFP describes Tasks, including the Benefit Specifications, (Section 2.0 Items) and Deliverables (Section 3.0). Under the appropriate evaluation section below, you will be requested to affirm that you will fully comply and meet these specifications as stated. Be advised that failure to identify any deviation in response to the appropriate question constitutes a representation on the offeror's part that the specifications will be met precisely as written. **Your response must also contain any exceptions** and the reasons thereof. **The absence of exceptions shall constitute a representation that the offeror will provide services and reports exactly as requested by the Department. The absence of an implementation plan constitutes a representation that the offeror is capable of providing the services and reports exactly as requested as of the day the proposal is submitted.** In the space below, please acknowledge that you understand and have complied with this requirement.

I. Organization and Financial Stability (20 points)

This section asks offerors to provide a brief background of your organization.

1. Identify the type of LTC plan you propose.
2. Briefly describe the history of your organization and identify any parent organizational ties, if applicable. Identify the office(s) or division that would be used to service this LTC program and its address.
3. Identify the number of LTC customers and members (or employees -- specify) covered in the Commonwealth of Virginia as of January 1, 2005.
4. Submit evidence of appropriate liability insurance protection.
5. Has your firm ever been the subject of a complaint concerning your LTC product that was filed with the insurance department of any state? Describe the nature of each complaint and the present status.
6. As requested in RFP, Section 6.4, please submit a copy of your most recent audited financial statements (balance sheet, income statement and flow of funds) in Tab 3 of your response.
7. Please indicate any recent or anticipated changes in the offeror's corporate structure, such as mergers, acquisition, new venture capital, stock issue, etc.
8. Please include three current client references for whom you provide similar LTC services to those requested in this RFP, preferably public entities, as well as two former client references for whom you previously provided similar LTC services. (The latter should not represent lost clients due to merger or other neutral causes.) Include the name of a contact person, phone number, address, and indication of the services currently (or previously provided) and the number of employees (or members) currently covered under the contract.
9. If applicable, please indicate the number of years your organization has been operational in providing LTC services in the Commonwealth. List you're A.M. Best rating and any other applicable ratings.

If any of the above material is lengthy, you may provide it as a clearly referenced attachment. However, you must respond briefly here to each item.

II. Communication Materials and Services (15 points)

1. Provide a legally correct description of benefits (Section 6.2) in Tab 1.
2. Provide a benefits brochure (Section 6.2) in Tab 2.
3. Provide samples of the following items that you would plan to use with this contract:
 - a. Enrollment materials.
 - b. Communication/educational materials to be used in communicating this program to the Commonwealth's eligibles.
 - c. Notices.
 - d. Claim forms.
 - e. Remittance advice.
4. Provide a document detailing the implementation schedule between the date of award and the effective date of the LTC program. This document should provide the critical steps (with completion dates) and requirements on the part of the contractor and/or the Department.

III. Administrative Capabilities (20 points)

This section asks offerors to identify the staff personnel and qualifications for the personnel who will be assigned to this account.

1. Identify the accountable senior person (including title, office location, phone number, and number of years of experience in this position) who will be responsible for managing the relationship with the contractor, including these negotiations.
2. Submit an organizational chart that will identify key management personnel (i.e., those who will directly support this contract), their dedicated time allocation to this contract, the office locations responsible for managing the various duties associated with fulfilling all of the provisions of this contract, and the number of years of experience in handling contracts similar in scope to the Commonwealth's.
 - a. If in the foreseeable future there is a reasonable chance that any of these individuals will be reassigned, retire, or otherwise be unavailable to fulfill the duties described herein, please identify the replacement(s). Also, provide all of the requested information about any such individual.
 - b. Provide, as an attachment to your chart, resumes for these individuals. Resumes should clearly identify the number of years performing directly related activities and reference current, similarly situated customers.
3. What are the qualifications (e.g., educational degrees, years of experience, clients served) of the claims adjudicators to be assigned to the contract? Do you anticipate hiring additional claims adjudicators to administer the contract? If so, how many? What type of formal training is done for your claims adjudicators?
4. Please provide a listing, including definitions, of the activities of Daily Living that are recognized by the plan being proposed in your response.

5. Provide a glossary of Long-Term care terms and provisions for the benefits contained in your proposal.

This section asks offerors to describe their administrative/systems capabilities and to affirm standards of performance identified in RFP Section A.3.0.

6. Affirm that you can meet the entire task requirements identified in Section 2.0: Deliverables in Section 3.0; and the *Special Terms and Conditions* in Section 8.0.

7. Provide a brief summary below, and complete descriptions as supplemental exhibits, of the following administrative processes and systems. Carefully annotate which processes are automated and which are manual and where the systems/people interfaces occur:

- a. **Member Services:** Describe your processes and controls in providing member services (by phone, letter in person and/or on-line). Include the functions of (1) inquiries on benefits; and (2) handling administrative/service issues, and/or claim appeals.
- b. **Claim Processing Services:** Describe the claim processing system for LTC claims: (a) Describe how records are maintained, backed-up, stored and retrieved. (Include any provisions for recovery from disaster.) Explain how records are secured and how confidentiality of information is protected. The security of the system, including safeguards against employee embezzlement and theft are very important. (b) Supply an EOB and sample EOB messages. (c) Include a detailed description of the edits used to ensure the integrity of data and to guard against duplicate payments.
- c. **Membership Accounting Services:** Describe the billing processes for the LTC plans. Distinguish if there are any differences between a system which would direct bill participants only, and a system through which some premiums would be deducted through payroll systems.
- d. **Systems Development:** Provide the implementation date of the most recent substantive changes to your administration systems. If a future change is contemplated between this date and April 1, 2006, please provide a brief description of the changes and implementation dates.

8. a. If the current carrier is replaced, employees will have the option of remaining with the previous carrier through the portability provision, or moving to the new carrier; however only paying the rate that the new carrier would charge for that employee based on the employee's age on their original entry date into the current plan (not the new contract date). Assuming current reserves for the individual are transferred, please state that you would honor this provision.
- b. If the Commonwealth client decides to cancel the contract resulting from this RFP, or cancel its group Long Term Care plan, or legislation dictates termination or a significant modification of the plan, describe how reserves can be transferred. Include any withdrawal penalties or other charges resulting from cancellation of the policy or the movement of the reserves to another insurer.

EXHIBIT THREE

Premiums (40 points)

This section asks offerors to provide the information that comprises its cost proposal to be submitted in Tab 4.

1. Indicate the type of plan that you are proposing.

_____ Reimbursement Model.

_____ Other. If so, identify: _____

2. Provide your monthly rates on an Excel spread sheet. They should be expressed in both one year and five year age brackets. Additionally, please provide an overall composite rate showing the monthly cost of coverage per \$1,000.00.

For each set of rates, provide the benefit assumptions behind it as pertains to participant choice (lifetime maximums, daily benefits, etc.).

Five year age bracket <u>AGE</u> <u>Rate</u>	One year age brackets <u>Age</u> <u>Rate</u>
<25	<25
25-30	25
30-35	26
35-40	27
etc.	etc.
Composite rate per \$1,000.00 of coverage	

3. Provide the bases for the rates including the loss ratio.
4. Provide a rate history for plans offered in the Commonwealth, i.e., how often has your company changed your rates.
5. Identify any plan wide options that may be purchased by the Department at the time of contracting and related costs.
6. Identify any options that may be purchased by the participant at the time of enrollment and related costs.

List of Appendices

Appendix 1 Current Standard Contract

Appendix 2 Demographic Data for State Employees and Retirees

Appendix 1

DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

STANDARD CONTRACT

This contract is entered into this _____, 2005, by _____, hereinafter called "Contractor" and the Commonwealth of Virginia, Department of Human Resource Management, hereinafter called "Purchasing Agency".

WITNESSETH that the Contractor and the Purchasing Agency, in consideration of the mutual covenants, promises and agreements herein contained, agree as follows:

SCOPE OF SERVICES: The Contractor shall provide the services to the Purchasing Agency as set forth in the Contract Documents.

PERIOD OF CONTRACT:

COMPENSATION AND METHOD OF PAYMENT: The Contractor shall be paid monthly according to the terms of its accepted proposal.

CONTRACT DOCUMENTS: The Contract Documents shall consist of this signed Contract; the Request for Proposals: proposal submitted by the Contractor dated _____, _____; the general conditions, special conditions, specifications, and other data contained in the Request for Proposals.

Any contractual claims shall be submitted in accordance with the contractual dispute procedures set forth in the Request for Proposals.

In witness whereof, the parties have caused this Contract to be duly executed intending to be bound thereby.

CONTRACTOR:

PURCHASING AGENCY:

By: _____

By: _____

Print Name

Print Name

Title: _____

Title: _____

Date: _____

Date: _____

Approved as to Form: _____

Office of the Attorney General

Appendix 2-A

Total of Male/Female By Age (Active Employees) as of October 31, 1999

Age	Female	Male	Total
17	0	1	1
18	7	5	12
19	40	48	88
20	75	102	177
21	146	156	302
22	244	276	520
23	326	336	662
24	413	437	850
25	516	518	1034
26	557	549	1106
27	685	628	1313
28	820	797	1617
29	831	799	1630
30	844	831	1675
31	904	836	1740
32	878	851	1729
33	1007	906	1913
34	1013	962	1975
35	1169	1072	2241
36	1255	1022	2277
37	1251	1106	2357
38	1381	1170	2551
39	1422	1143	2565
40	1484	1245	2729
41	1516	1239	2755
42	1584	1364	2948
43	1693	1355	3048
44	1615	1420	3035
45	1755	1506	3261
46	1659	1460	3119
47	1739	1599	3338
48	1635	1548	3183
49	1602	1454	3056
50	1506	1571	3077
51	1536	1553	3089
52	1716	1685	3401
53	1235	1271	2506
54	1069	1137	2206
55	944	1190	2134

Appendix 2-A

<u>Age</u>	<u>Female</u>	<u>Male</u>	<u>Total</u>	
56	1000	1190	2190	
57	746	1006	1752	
58	653	833	1486	
59	588	722	1310	
60	527	642	1169	
61	494	612	1106	
62	386	451	837	
63	255	400	655	
64	224	310	534	
65	120	181	301	
66	75	145	220	
67	44	97	141	
68	29	74	103	
69	25	65	90	
70	23	45	68	
71	13	33	46	
72	6	23	29	
73	3	19	22	
74	10	18	28	
75	10	7	17	
76	5	7	12	
77	3	12	15	
78	5	3	8	
79	2	3	5	
80	1	2	3	
81	2	1	3	
82	1	2	3	
83	0	1	1	
	45322	44052	89374	State Totals

Appendix 2-B

Total of Male/Female By Age (Retirees) as of October 31, 1999

<u>Age</u>	<u>Female</u>	<u>Male</u>	<u>Total</u>
30	6	0	6
31	4	4	8
32	6	4	10
33	2	5	7
34	4	7	11
35	12	4	16
36	20	16	36
37	15	7	22
38	17	10	27
39	20	12	32
40	13	18	31
41	23	25	48
42	28	25	53
43	32	23	55
44	31	41	72
45	46	31	77
46	46	39	85
47	66	25	91
48	59	44	103
49	62	53	115
50	81	66	147
51	108	67	175
52	129	89	218
53	141	94	235
54	127	124	251
55	200	168	368
56	277	232	509
57	286	256	542
58	303	259	562
59	381	312	693
60	422	351	773
61	475	395	870
62	555	442	997
63	601	474	1075
64	669	525	1194
65	785	635	1420
66	715	640	1355
67	720	618	1338
68	757	579	1336

Age	Female	Male	Total	
69	797	598	1395	
70	692	619	1311	
71	667	605	1272	
72	731	544	1275	
73	622	476	1098	
74	648	495	1143	
75	586	492	1078	
76	496	424	920	
77	552	383	935	
78	499	366	865	
79	453	292	745	
80	375	247	622	
81	351	218	569	
82	320	199	519	
83	261	168	429	
84	202	139	341	
85	199	129	328	
86	178	98	276	
87	118	90	208	
88	116	58	174	
89	96	51	147	
90	80	39	119	
91	64	31	95	
92	33	20	53	
93	33	10	43	
94	22	10	32	
95	25	7	32	
96	9	6	15	
97	9	4	13	
98	10	5	15	
99	40	20	60	
100	2	0	2	
101	2	0	2	
102	1	0	1	
	17533	13562	31095	State Totals