



**ADDENDUM  
PURCHASING OFFICE  
CITY OF AUSTIN, TEXAS**

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**Solicitation: RFP 5800 LNH3022**

**Addendum No: 1**

**Date of Addendum: 2/12/20**

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This addendum is to incorporate the following changes to the above referenced solicitation:

**I. Clarifications:**

- C1.** Exhibit 1a – Employee Enrollment Census is added to RFP 5800 LNH3022 and included with this Addendum.
- C2.** Exhibit 4a – Experience Reports Package thru Dec 2019 is added to RFP 5800 LNH3022 and included with this Addendum.

**II. Questions:**

- Q1.** Please advise the enrollment platform which will be used to enroll this benefit for 1/1/2021 effective date.
  - A1.** The City's eligibility vendor's (CompuSys/Erisa Group Inc.) proprietary online platform is used for Open Enrollment as well as paper Benefits Enrollment forms.
- Q2.** Please describe any established file transfers you have in place today.
  - A2.** There are no file transfers for the Group Life Insurance. The City self-bills/self-reports for billing and invoice purposes. See Section 0500 Scope of Work, item 3.6.3.
- Q3.** Please provide a full census of all Active employees (Full-time and Part-time) indicating all enrolled amounts for each line of coverage, along with DOB, Job description, Gender, Salary, etc.
  - A3.** An Employee Census (Exhibit 1a) is included in this Addendum. Reference C1 in this Addendum. Job descriptions are not available in the Basic Life coverage tab.
- Q4.** Please provide updated claims experience through 12/31/19.
  - A4.** An updated Experience Report through December 2019 (Exhibit 4a) is included in this Addendum. Reference C2 in this Addendum.
- Q5.** Please provide an individual claim breakout for all lines of coverage for the whole time period of the experience information provided.
  - A5.** An updated Experience Report through December 2019 (Exhibit 4a) is included in this Addendum. Reference C2 in this Addendum.
- Q6.** Please provide a breakout of all individual retiree claims from the Active claims, as well, for the whole time period of the experience information provided.
  - A6.** An updated Experience Report through December 2019 (Exhibit 4a, page 8) is included in this Addendum. Reference C2 in this Addendum.

- Q7.** Please clarify from the experience exhibits that the “Portability & Conversion Charges” are all Conversion Charges & there are no Portability Charges included. The current Fort Dearborn certificates provided do not indicate that Portability is currently available
- A7. There are no portability charges included.
- Q8.** Please clarify the City of Austin’s Continuation program in place for Leave of Absence as the current Fort Dearborn certificate does not indicate how long the Policyholder allows premium payment to continue for an employee on a Leave of Absence.
- A8. Payments are allowed up to one year while an employee is on leave of absence. The City considers employees as Actively at Work while on approved leave of absence. Reference Section 0500 Scope of Work, item 2.7.1.
- Q9.** Please confirm that all Life and ADD rates are on a per \$1,000 basis. There is a conflicting spreadsheet that appears that the City of Austin is asking carriers to fill out that indicates rates are all on a PEPM basis.
- A9. Rates for Section 0610A and 0610B are on a per employee per month, per \$1,000 basis, that will calculate an Estimated Annual Premium based on Assumed Volumes/Participants.
- Q10.** Please clarify any Benefit Admin system in place that the City of Austin uses or will be used going forward.
- A10. The City’s eligibility vendor’s (CompuSys/Erisa Group Inc.) proprietary online platform is used for enrollment.
- Q11.** For term life insurance, please provide an Excel census file for all active employees with the following information on each insured employee: Gender, Date of birth, Annual salary, Class of insured, Resident state, Tobacco status, and Amounts of all Life and AD&D coverage.
- A11. An Employee Census (Exhibit 1a) is included in this Addendum. Reference C1 in this Addendum. Class, resident state and tobacco status are not available in the report.
- Q12.** For term life insurance, please provide a copy of a recent monthly billing statement/premium remittance statement to compare census volumes to reported volumes.
- A12. The City is self-billed. See Exhibit 1 – Employee Enrollment for the December 2019 invoice.
- Q13.** For term life insurance, the provided rate history ends in 2019, but the enrollment guide indicates a rate hold for 2020 for employee paid coverages. Please confirm the current Basic active and retiree rates.
- A13. Reference the table below:
- |                     | Rate per \$1000 |
|---------------------|-----------------|
| Employee Basic Life | \$.066          |
| Employee AD&D       | \$.02           |
| Retiree Basic Life  | \$2.50          |
- Q14.** For term life insurance, please provide a detailed listing of all death claims incurred between 2015 and 2020.
- A14. An updated Experience Report through December 2019 (Exhibit 4a) is included in this Addendum. Reference C2 in this Addendum. A detailed listing of all death claims is not available.
- Q15.** For term life insurance, please provide individual level conversion detail from 2015 through 2020.
- A15. Information not available. Conversion is between vendor and employees.

- Q16.** For term life insurance, we note that experience runs through August 2019. Please provide paid premium, paid claims, and claims detail separately for each line of coverage through the end of 2019.
- A16. An updated Experience Report through December 2019 (Exhibit 4a) is included in this Addendum. Reference C2 in this Addendum.
- Q17.** For term life insurance, please confirm whether the waiver of premium provision has no termination age and has no elimination period. If termination age provisions or elimination age provisions do exist, please clarify.
- A17. Waiver of premium does not have an elimination period or age termination provision.
- Q18.** For term life insurance, we note that the City has requested options for alternative retiree plans. In these scenarios, will this be on a going-forward basis only or will this change be applied to both current and future retirees?
- A18. Option selected would apply to both current and future retirees.
- Q19.** For term life insurance, we note that the City transitioned carriers to Dearborn in 2015, when was the last renewal?
- A19. The last contract was for an initial 36-month term with three, 12-month extension options. The last renewal is January 1, 2020 through December 31, 2020.
- Q20.** For term life insurance, please confirm the commission level.
- A20. The City will not pay a commission. The City will contract directly with the carrier/administrator. No quotes will be accepted from agent/brokers, and no commissions or fees shall be paid by the City, to agents/brokers. Refer to Section 0600 Proposal Preparation Instructions and Evaluation Factors.
- Q21.** For whole life insurance, will whole life policies be funded by the employer or the employee? Or both? If both, what is the split?
- A21. Employee funded.
- Q22.** For whole life insurance, can you describe the enrollment conditions (timeline, platform, and active/passive)?
- A22. The City may offer this optional services at some time during the life of the Contract. Enrollment would be an active enrollment during Open Enrollment this optional plan is rolled out and passive enrollment thereafter.
- Q23.** For whole life insurance, would you entertain a bid that offers coverage in increments of 10k instead of increments of 25k?
- A23. Detail any business exceptions that you will require in Section 0630 Exceptions and place in Tab 7.
- Q24.** For whole life insurance, will you provide a census that highlights for each benefit eligible employee: date of birth, date of hire, salary, gender, and average number of hours worked per week?
- A24. An Employee Census (Exhibit 1a) is included in this Addendum. Reference C1. Date of hire and average number of hours worked are not included in the Basic Life coverage tab.
- Q25.** For whole life insurance, Section 9.1 on page 48 of the RFP states: "These services may not be implemented when the Contract is executed. The City may offer these services at some time during the life of the Contract." Does this imply that the coverage might not be effective on 1/1/2021? If so, how long can you delay implementation of the whole life product?
- A25. The optional coverage might not be effective on 01/01/2021. The City has the option to delay implementation throughout life of contract including not implementing the optional services.

- Q26.** For whole life insurance, would you entertain a bid that doesn't provide extension options beyond the initial three-year rate guarantee?
- A26. No. The City is requesting fee guarantees or fee caps (fees with a maximum percentage increase) for each extension option.
- Q27.** Please provide a description of your claim's submission process; including such items as information gathering, submission, follow up and resolution.
- A27. The City process is:
- The City verifies the volume amount and coverage effective date.
  - The City verifies beneficiary on file.
  - The City mails out claims package to include vendor's claim form to beneficiary.
  - The City submits completed claim form and death certificate to the vendor.
  - The City reaches out to beneficiaries and will turn over to vendor after 4 weeks of unsuccessful attempts to contact beneficiary.
- Q28.** Please provide the details of your current portability and conversion administration process.
- A28. The City provides conversion information forms to Employees leaving. It is the Employee's responsibility to mail the application to carrier within deadline. There is no porting option.
- Q29.** Do you currently use a TPA or software vendor for your benefits enrollment and eligibility? If so, can the name of the vendor be released?
- A29. The City's eligibility vendor's (CompuSys/Erisa Group Inc.) proprietary online platform is used for Open Enrollment as well as paper Benefits Enrollment forms.
- Q30.** For purposes of coordinating waiver of premium with the LTD plan, what is your LTD definition of disability?
- A30. Disability/Disabled definition:
- You are considered Disabled if, solely because of Injury or Sickness, you are:
1. unable to perform the material duties of your Regular Occupation; and
  2. unable to earn 80% or more of your Indexed Earnings from working in your Regular Occupation.
- After Disability Benefits have been payable for 24 months, you are considered Disabled if, solely due to Injury or Sickness, you are:
1. unable to perform the material duties of any occupation for which you are, or may reasonably become, qualified based on education, training or experience; and
  2. unable to earn 60% or more of your Indexed Earnings.
- The City will require proof of earnings and continued Disability.
- Q31.** Please describe your Evidence of Insurability process; including such things as submission, follow-up and notification.
- A31. Employees are guaranteed issued as newly hired/eligible employees. After that, they can increase up to one level during a Qualified Life Event or Open Enrollment without Evidence of Insurability.
- Q32.** What's the best way to communicate with your employees during enrollment and throughout the year?
- A32. Vendors provide electronic and printed flyers and communication information to pass on to Employees during Open Enrollment and New Employee Orientation. City staff also communicates via intranet articles and quarterly HR Newsletters to include Vendor plan information.

- Q33.** Are current beneficiary designations held electronically or on paper?
  - a. Who holds current beneficiary designations?
  - b. What is the process to share beneficiary information with the current carrier?
  - c. Are designation details (e.g. name, class, share) stored as system data, images or both?
- A33. Both electronic and paper beneficiary designations are available for employees to complete.
  - a. The City holds beneficiary designations.
  - b. The City verifies beneficiary on file. The City mails out claims package to include vendor's claim form to beneficiary. The City then submits completed claim form and death certificate to the vendor. The City reaches out to beneficiaries and will turn over to vendor after 4 weeks of unsuccessful attempts to contact beneficiary.
  - c. Both.
- Q34.** Does COA own, lease or control aircraft? If so, we need the following information.
  - a. How many aircraft? Fixed Wing or Helicopter/Med Evac?
  - b. Provide the year, make and model of each.
  - c. Passenger seats per craft?
  - d. Are pilots to be covered? If so, how many?
  - e. Pilot and crew seats per aircraft.
  - f. How many police or emergency crew employees are typically in flight together?
- A34. Yes, the City owns/leases aircraft.
  - a. One fixed wing and three helicopters.
  - b. Year, make and model are: 2013 Eurocopter AS350B3; 2001 Eurocopter EC120; 1973 Cessna 182P; and 1994 Bell 206B3.
  - c. Two people per flight – 1 pilot and 1 tactical flight officer (TFO)
  - d. Currently there are four primary City pilots, however, this number is subject to change as Austin Police Department identifies/trains qualified candidates. There are four TFOs.
  - e. Two per flight.
  - f. Information not available.

**III. ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.**

ACKNOWLEDGED BY:

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 Name Authorized Signature Date

**RETURN ONE COPY OF THIS ADDENDUM TO THE PURCHASING OFFICE, CITY OF AUSTIN, WITH YOUR RESPONSE OR PRIOR TO THE SOLICITATION CLOSING DATE. FAILURE TO DO SO MAY CONSTITUTE GROUNDS FOR REJECTION.**