

Request for Proposal (RFP)
Specification Number: CBO-2018-02
for

Lifetime Benefit Term Insurance



CITY OF CHICAGO
Department of Finance, Chicago Benefits Office

PROPOSALS DUE BY
Friday, January 18, 2019 10 A.M., CENTRAL TIME
(Due date is subject to change by Addendum)

RAHM EMANUEL
MAYOR

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EXHIBITS LIST

EXHIBIT numbers in **RED** indicate that they are a separate file attachment, incorporated into the main RFP document by reference.

RFP Exhibit #	Exhibit Title
I	Definitions
II	City Contract Insurance Requirements for: Lifetime Benefit Term
III	References Form - Respondents to Provide
IV	Data Protection Requirements for Contractors, Vendors, and Third-Parties
V	Business Associates Agreement (BAA)
VI	Economic Disclosure Statement (EDS)
VII	Economic Disclosure Statement (EDS) Appendix B
VIII	MBE & WBE Special Conditions for Commodities or Services Contracts
IX	Non-Disclosure and Confidentiality Agreement (NDCA)
X	Active Employee Purchase Detail for Optional Term Life and Voluntary Benefits

Article I. INTRODUCTION

The City of Chicago (“City” or “City”), through its Chicago Benefits Office of the Department of Finance (DOF), under the authority of the City Comptroller, manages various types of employee benefits, including various insurance related benefits. One new type of insurance product, to be paid for by the employee through payroll deductions, is hereby being contemplated for solicitation and award pursuant to the solicitation of this RFP: “Lifetime Benefit Term Insurance”. The Lifetime Benefit Term insurance shall provide for a level premium for term insurance determined at entry age with full portability and continuation post termination through the payment of required premiums. Further the policy shall provide for a “paid up” insurance benefit upon payment of premiums for a required length of time as specified in the insurance policy.

The types of insurance benefit products currently available to City employees but which are NOT contemplated for consideration pursuant to this RFP, are as follows:

- Optional Group Term Life Insurance
- Group Long Term Disability
- Universal Life Insurance
- Voluntary Supplemental Insurance (which includes cancer and critical condition insurance, Hospital Indemnity Insurance, and Accidental Indemnity Benefit)

NOTE₁: TO THE EXTENT THAT ANY OF THE CITY’S COLLECTIVE BARGAINING AGREEMENTS AND/OR ARBITRATION AWARD CURRENT AT THE TIME SHALL BE AMENDED OR OTHERWISE REVISED WITH NEW OR CHANGED TERMS AND CONDITIONS, THE RESPONDENT AGREES NOW AND WITHOUT EXCEPTION TO MAKE ANY AND ALL REQUIRED CHANGES TO ITS INSURANCE PRODUCT PRIOR TO THE EXECUTION OF SAID AWARD, WHEREIN SUCH REQUIRED CHANGES MUST BE WRITTEN TO BE CONSISTENT WITH AND ACCEPTABLE BY THE COLLECTIVE BARGAINING AGREEMENT AND/OR ARBITRATION AWARD, AS APPLICABLE, AND BECOME EFFECTIVE AS OF THE DATE REQUIRED BY THE COLLECTIVE BARGAINING AGREEMENT AND/OR ARBITRATION AWARD, AS APPLICABLE. THE DETERMINATION OF “CONSISTENCY WITH” AND “ACCEPTABLE BY” WITH RESPECT TO THIS NOTE₁, SHALL BE DETERMINATIONS MADE SOLEY AT THE DISCRETION OF THE CITY.

ACCEPTANCE BY THE RESPONDENT AND COMPLIANCE WITH THE CONDITIONS OF THIS NOTE₁ SHALL BE DEMONSTRATED BY THE SUBMISSION OF RESPONDENT’S PROPOSAL IN RESPONSE TO THIS RFP.

Section 1.01 Award

The City contemplates the potential for multiple awards pursuant to the RFP.

The nature of an “award” (“Contract” or insurance policy per EXHIBIT I Definitions) may take the form of an insurance policy or policies as may be issued by the Contractor to its client.

Article II. BACKGROUND

Section 2.01 Background Information

- This insurance is a new offering to City employees and shall be at no cost to the City.
- City would like to obtain competitive proposals for the purchasing of Lifetime Benefit Term Insurance for employees and, as applicable, their eligible spouses/domestic partners/civil union spouses and dependent children on a voluntary benefit.
- The successful Respondent or Respondents will execute a Contract that will authorize them as a Contractor with the City and be allowed to market supplemental insurance to City employees, and be required to provide a single data file to the City payroll department for purposes of payroll deduction.
- The Contract will specify the terms and conditions under which the City will deduct specified amounts from paychecks and send such amounts in one single remittance to the Contractor.

All active full-time employees are eligible to participate if participation is permitted by the applicable collective bargaining agreement and the employee agrees to have the full cost of coverage paid through after-tax payroll deductions.

The City currently employs approximately 31,500 active employees. Attached as EXHIBIT X Active Employee Purchase Detail for Optional Term Life and Voluntary Benefits is basic demographic data on City employees. Currently all employees receive City provided basic insurance and AD&D insurance. (See amounts below.) They may purchase optional term life coverage; and various supplemental voluntary products. As of September 2018, 10,075 employees are enrolled for at least one employee-pay-all optional program. For details, see EXHIBIT X Active Employee Purchase Detail for Optional Term Life and Voluntary Benefits.

- Class 1:** employees who work at least 35 hours per week (and who are not a sworn police officer or uniformed Fire Department employee): \$25,000 basic life benefit; \$2,000 AD&D benefit
- Class 2:** uniformed Fire Department employees \$75,000 basic life benefit; \$5,000 AD&D benefit
- Class 3:** sworn police officers: \$75,000 basic life benefit; \$5,000 AD&D benefit.

NOTE₂: Pursuant to this RFP, the Respondent should note that the City determines which of its employees are eligible to be insured for the various types of insurance product types. The City will provide information to the Contractor in a manner sufficient to permit the Contractor to know which products and/or classes of insurance are available to an individual employee. The City's determinations will be final and binding on the Contractor.

Article III. TIMELINE

Table 1 Timeline Milestones for this RFP

Key Activity	Tentative Target Date	# of days after above date
City Advertises RFP	Monday, October 01, 2018	0
City Issues Supplemental Information (if necessary)	Wednesday, October 24, 2018	23
Respondents Submit Questions by	Wednesday, November 07, 2018	14
City Posts Answers to Questions by	Friday, November 30, 2018	23
Proposals Due on	Friday, January 18, 2019	49
City Selects Contractor(s)	Wednesday, March 06, 2019	47
Contract Negotiations Begin	Tuesday, March 19, 2019	13
Contract Executed	Tuesday, April 02, 2019	14
Implementation	Wednesday, April 17, 2019	15

All Target Dates are subject to change via an Addendum posted on the website. (See Section 5.04 Addenda and RFP Notices.)

Article IV. POST-SUBMITTAL PHASES

After Proposals are submitted, an Evaluation Committee (EC) convenes to review and assess all Proposals, based on the Evaluation Criteria described in Article VI, during each of the following phases:

Phase I – The Proposals are distributed to EC members for review and assessment to determine if the Respondent provided a complete response meeting the RFP requirements, before Phase II.

Phase II – The EC members convene as a group to discuss and determine whether to accept or reject individual submittals based on Phase I review. The EC is authorized to eliminate Proposals after Phase I that are non-responsive to the stated requirements set forth in **Article I NOTE**.

Phase III – After the EC completes its review of Proposals, it will rate the Respondents based on the Evaluation Criteria and decide upon a short list of the Respondents offering the best Lifetime Benefit Term Insurance benefits, and who, in the opinion of the EC, should be considered for award.

The EC may elect to invite those selected Respondents to provide an oral presentation of their Proposal details. (Oral presentations are not limited to one presentation.)

During oral presentations, the Respondent should be prepared to discuss and clarify information that was submitted in the Respondent's Proposal; answer additional questions, if applicable; and demonstrate the online user-experience, if applicable.

The Respondent should bring to the oral presentation those subject matter experts who can best address the core business requirements, as well those who will work directly with the City personnel and its vendors.

Phase IV – EC members will convene to discuss and determine whether the Respondents' Proposals are accepted or rejected to begin Contract negotiations. The EC may also review any other information that is available to it, including but not limited to information gained by checking references and by investigating the Respondent's financial condition. The EC may also request a Best and Final Offer (BaFO) before submitting its recommendation to begin negotiations towards Contract award.

Phase V – The City negotiation team will meet with selected Respondent(s) to discuss and agree to Contract terms. More than one Respondent and more than one Contract may be awarded at the end of the negotiation process.

The selected Respondent(s) may provide a draft Contract to be used as the starting point for the final executable version to help expedite the negotiation and Contract award process.

The negotiation process is not a binding commitment to award a Contract. If the City determines that it is unable to reach an agreement with any one or more of the selected Respondents, the City may terminate negotiations with such Respondent and may elect to negotiate with any of the other Respondents deemed to be qualified, until such time as a favorable negotiated Contract is achieved. The City at its sole discretion may terminate the negotiation process and not proceed to Contract with any Respondent.

Phase VI –Prior to award, Benefits Committee approval and City Council approval may be required as part of the final award approval process. The final Contract will be executed by the parties and awarded by the City as required. Implementation may begin as required as agreed to by the parties.

Article V. GENERAL RFP INSTRUCTIONS AND PROCEDURES

Section 5.01 How to Obtain the RFP Documents

The RFP and related documents, as well as addenda and/or clarifications if any, can be downloaded at the City’s Department of Finance website at the following URL: www.cityofchicago.org/benefits under the panel: “Most Recent News (Chicago Benefits Office),” from which you can access the link to the RFP and related documents.

In the event any confidential data is to be obtained, such data may not be made available on the above website, but rather shall be provided on a CD or USB-drive that will have to be picked-up at City Hall.

Such confidential data will only be provided upon the City’s receipt of the attached Non-Disclosure and Confidentiality Agreement (NDCA) signed by an authorized representative of the Respondent. (See EXHIBIT IX). The NDCA must be signed and submitted along with personal identification in exchange for a copy of the CD or USB drive, from City Hall, 121 North LaSalle Street, Chicago 60602, Room 700, between the hours of 9:30 AM to 4:00 PM, Monday through Friday.

In the event information, clarifications, changes, or additions are required in order to amend or supplement the RFP, such information shall be provided as an addendum to this RFP. Such addenda shall be available as posted on the above URL. (See Section 5.04 Addenda and RFP Notices below.)

Under no circumstances shall the failure to obtain the RFP documents, clarifications, and/or any related addenda, if any, relieve a Respondent from being bound by such additional information, terms, and conditions set out in any addendum contained therein, during the RFP process. Furthermore, failure to obtain any clarification and/or addendum shall not be valid grounds for a protest against awards made pursuant to this RFP.

Section 5.02 Communications via Email Only

Unless as may otherwise be provided, Respondents must communicate in writing only, at the following email address: InsuranceBenefitRFP2018@cityofchicago.org.

There must be no other communication with respect to this solicitation and this RFP process, in person, in writing (except via the email address above), by phone, or otherwise, between a Respondent or Respondent’s designee to City personnel, City-elected officials or their staff members, or any other person in a position to influence the decision of the recommendation to award a Contract, at any time during the RFP process, except at times specified for oral presentations with the authorized representatives at the oral presentation, or as is expressly allowed for during this RFP process.

The City has a 25 Mb size limit per email – both incoming and outgoing. Respondent may request DOF for support to send large files via a secured VPN, subject to scheduling and availability by DOF’s IT staff, if necessary.

If Respondent attempts to send a Zip-file, the City’s security system may route it as a threat and it may not be received.

Communication by a Respondent or its designee with anyone in an attempt to influence the awarding of a Contract pursuant to this RFP may be considered grounds for the Respondent to be disqualified.

A Respondent who deviates from any of these restrictions is subject to immediate disqualification from this RFP process.

Section 5.03 Q&A – Questions and/or Requests for Clarification

Questions and/or requests for information or clarification concerning this RFP must be made in writing and sent to the email address above in an Excel spreadsheet in the format sampled below in Table 2.

Table 1 Example 1: Format for Respondents to Submit Questions

Item	Question or Request for Clarification	RFP section being referenced
1		
2		

The City will provide its response to all questions and requests for clarifications received, via the addendum process. The deadline for submitting questions is indicated in the timeline in Table 1 Timeline Milestones for this RFP process.

The City understands that after the City provides its response to the questions via an addendum, the Respondent may have a subsequent round of questions or requests for clarification. In the event there should be a subsequent round of questions requiring answers, the City may elect to set a deadline after which no further questions or requests for clarification shall be considered.

Section 5.04 Addenda and RFP Notices

The City shall convey all information relating to this RFP prior to the Proposal Due Date by posting all such information, addenda, and related RFP notices, if any, at the URL and related links indicated in Section 5.01 How to Obtain the RFP Documents.

Section 5.05 Hard and Soft Copies of Complete Original

Proposal documents must be provided as a hardcopy printed document, as well as provided electronically on USB-drives.

Hardcopy

Respondent must submit its Proposal as follows:

- 1 hardcopy original of the Proposal, clearly marked as “ORIGINAL”.
- 7 hardcopy COPIES of the exact copy of the original Proposal.
- 8 USB-drives with one electronic copy of the entire Proposal on each USB-drive
- See Section 5.06 Redacted Copy for FOIA

The “ORIGINAL” Proposal must bear the signature of an authorized representative on all documents requiring a signature. The original Proposal and all hardcopies of the original Proposal should be prepared on “8½ x 11” letter size paper (preferably recycled), printed double-sided and bound on the long side. The City encourages using recyclable and chlorine-free printed materials for documents prepared in connection with this solicitation.

The “COPIES” must be exact duplicates of the “ORIGINAL” in terms of content and order.

Electronic Copy

The eight electronic copies of Proposal responses must be provided on eight USB-drives each of which shall meet the following requirements:

- USB-drive is marked with Respondent’s name
- File must be an exact copy (in the same sequence) of the original hardcopy Proposal
- Electronic FILES MUST BE **WORD SEARCHABLE**
- See Section 5.06 Redacted Copy for FOIA

Financial statements may, as an option, be provided separately, on a USB-drive or CD.

Section 5.06 Redacted Copy for FOIA

All submittals from Respondents to this RFP solicitation process may be made available in accordance with the Freedom of Information Act (FOIA).

Even though the Respondent’s Proposal may contain trade secrets or other proprietary data that is necessary in order for the City to sufficiently evaluate the Proposal, it is subject to the Illinois Freedom of Information Act (FOIA) 5 ILCS 140. However, if the Respondent considers portions of its submitted information to be confidential and not subject to FOIA law, then such determination must be managed as follows:

- Provide one hardcopy and one USB-drive of the Proposal response with the redacted content blacked-out. Only content that is actually a trade secret or proprietary may be redacted.
- Provide a key, describing what content was redacted and why the redacted content was redacted, citing the specific FOIA reference which justifies the redaction being made.
- Failure to follow this procedure may lead to release of data under a FOIA. Overly broad or wholesale redacting of content that is not a trade secret or other proprietary data, or otherwise not in accordance with FOIA, shall constitute failure to follow this procedure.

Section 5.07 Proposal Delivery Information

Proposal hardcopies and USB devices must be delivered no later than 10:00 a.m. Central Standard Time at the address indicated below, on Friday, January 18, 2019; or on the due date most recently posted at the URL as the final due date indicated via addendum.

All hardcopy Proposals and USB-drive packages must be labeled as follows:

Lifetime Term Life Benefit Insurance Specification No. CBO-2018-02
Respondent Name: _____

All hardcopy Proposal packages and USB-drives must be delivered to the front reception desk located at:

City of Chicago
Department of Finance
City Hall - 7th Floor
ATTN: Teri Davis
121 N. LaSalle Street
Chicago IL 60602-1246

Proposals that are not received by the date and time as posted may not be accepted.

Section 5.08 General RFP Conditions

No Liability for Costs

The City is not responsible for costs or damages incurred by Respondents, member(s), partners, subcontractors or other interested parties in connection with the RFP process, including but not limited to costs associated with preparing the Proposal and of participating in any site visits, product system demonstrations, oral presentations, or negotiations.

If Respondent has provided any researching, consulting, advising, drafting, or pre-reviewing of this RFP prior to advertising of the RFP documents, such Respondent may be disqualified from further consideration.

False Statements

(a) 1-21-010 False Statements.

Any person who knowingly makes a false statement of material fact to the city in violation of any statute, ordinance or regulation, or who knowingly falsifies any statement of material fact made in connection with an application, report, affidavit, oath, or attestation, including a statement of material fact made in connection with a bid, proposal, Contract or economic disclosure statement or affidavit, is liable to the city for a civil penalty of not less than \$500.00 and not more than \$1,000.00, plus up to three times the amount of damages which the city sustains because of the person's violation of this section. A person who violates this section shall also be liable for the city's litigation and collection costs and attorney's fees.

The penalties imposed by this section shall be in addition to any other penalty provided for in the municipal code. (Added Coun. J. 12-15-04, p. 39915, § 1)

- (b) 1-21-020 Aiding and Abetting.
Any person who aids, abets, incites, compels or coerces the doing of any act prohibited by this chapter shall be liable to the city for the same penalties for the violation. (Added Coun. J. 12-15-04, p. 39915, § 1)
- (c) 1-21-030 Enforcement.
In addition to any other means authorized by law, the corporation counsel may enforce this chapter by instituting an action with the department of administrative hearings. (Added Coun. J. 12-15-04, p. 39915, § 1)

Termination of RFP

The City reserves the right to terminate this RFP solicitation in part or in whole at any stage, if the City determines such action to be in its best interest. The receipt of Proposals or other related submittal documents will in no way obligate the City to enter into any Contract of any kind with any party.

Request for Clarification

The City reserves the right to seek clarification of any information that is submitted by any Respondent in any portion of its Proposal or to request additional information during the evaluation process. Any material misrepresentation made by a Respondent may void the Proposal and eliminate the Respondent from further consideration.

Article VI. EVALUATION CRITERIA

Any Respondent that does not satisfy the conditions described in **NOTE₁** or meet the minimum qualifications listed in Section 6.01 Minimum Qualification Requirements set out below, will not be considered for award.

A Respondent may offer terms better (or more generous) to the extent that they do not conflict with collective bargaining or personnel policies and are demonstrated to be of significant value to either the City or its employees.

Section 6.01 Minimum Qualification Requirements

In order to be deemed qualified, a Respondent must, in its Cover Letter, affirm meeting the following:

- 1) have at least three accounts, each having at least 25,000 employees per account;
- 2) have at least two accounts with at least 25,000 employees per account in which the majority of employees' employment is the subject of collective bargaining agreements;
- 3) have at least five (5) years' experience as an organization in providing the type of services to be procured through this competitive RFP process;
- 4) be licensed in the State of Illinois and must have other licenses and certifications as may be necessary to provide the proposed services
- 5) have insurance premiums of at least \$300,000,000 during 2017
- 6) receive a financial size category rating from A.M. Best of A -or greater;
- 7) provide evidence of having a minimum rating as indicated below (to the extent the Respondent has been given such rating or ratings, at the time of Proposal submittal and recommendation of award), as follows:

- A.M. Best: **A-**
- Standard & Poors: **AA-**
- Moody's: **Aa3**
- Fitch: **AA-**

Any exceptions or variance taken by the Respondent with respect to any of the above must be noted in the portion of the Respondent's Proposal submittal that correlates to this Section 6.01 Minimum Qualification Requirements.

Section 6.02 Additional Qualification Requirements

Notwithstanding NOTE₁ or Section 6.01 Minimum Qualification Requirements above, the EC may consider any factors it deems necessary to determine the best overall value and most advantageous solution for the City, based on the following criteria:

- 1) Cost. Respondent's cost proposal and overall cost structure. The EC will examine all costs associated with Respondent's product and services.

Respondent must detail the calculation of the loss ratio, including assumptions included in the calculation.
- 2) Qualifications. Respondent's professional qualifications and specialized experience and local availability of key personnel committed to perform Services. Preferably, Respondents should demonstrate having clients similar in size to the City, or larger.
- 3) Scope of Service Exceptions. The EC will consider the degree to which the Respondent accepts the Scope of Service Requirements.
- 4) Required Content. The EC will consider the responsiveness to Article VII. Required Content of All Proposals section.
- 5) BaFO. The "best and final offer" is an option available to the City under this RFP process, which permits the City to request a "best and final offer" from one or more Respondents, if additional information is required to make a final decision. This decision to seek a "BaFO" is at the sole discretion of the City.
- 6) Financial Stability. The EC will consider the financial condition of Respondent. Respondent must be financially stable to ensure performance over the duration of the Contract.
- 7) Legal Concerns. Respondent or any of its divisions, subsidiaries, or parent company of Respondent, or any member, partner, etc., of Respondent (if Respondent is a business entity other than a corporation), involved in any legal action, may be taken into consideration by the City.
- 8) Conflict of Interest. The EC will consider any information regarding Respondent, including information contained in Respondent's Proposal, that may indicate any conflicts (or potential conflicts) of interest which might compromise Respondent's ability to satisfactorily perform the proposed services or undermine the integrity of the competitive procurement process.

- 9) MBE & WBE Participation. Subsequent to the evaluation of the factors set forth above, the EC will consider the level, relevancy, and quality of participation by MBE & WBE firms certified in accordance with the Department of Procurement Services' MBE & WBE Special Conditions; attached to this RFP as EXHIBIT VIII.

Notwithstanding the above, Respondents will also be evaluated on responses to the following:

- 10) Demonstrated strength and experience, as Contractor, in its ability to:
- a. Administer and insure the insurance plans without any broker or agent commissions and to provide these services at an economical cost to Participants.
 - i. Respondent must offer products and services directly to the City and not through a broker relationship.
 - ii. Joint ventures, partnerships, or LLCs may submit a Proposal, but must be identified as a legal joint venture, partnership, or LLC entity;
 - b. Provide the insurance product type described above to groups of similar size (per Section 6.01 Minimum Qualification Requirements) and with similarly complex benefit offerings to the City of Chicago.
 - c. Offer various payout options, if applicable, that take into account the health status of the Participant during end of life periods that are in the best interests of employees and beneficiaries;
 - d. Offer competitive performance guarantees to the City related to implementation and on-going services to Participants and City management;
 - e. Be very responsive to changes in the insurance product offerings required as the result of changes in collectively bargained benefits and/or arbitration awards and requests of the City.
- 11) Intent to comply with the following requirements as proposed and at the time of the effective date of the Contract, unless as may be otherwise accepted by the City, with respect to the following:
- a. Rate quotations must include a minimum rate guarantee period of 36 months;
 - b. Issuance of a master policy to the City, as applicable, and with the benefits in place as of the day prior to the effective date of the policy, and as applicable thereafter;

Permit any current employee (as of the date of offer) to purchase insurance if she/he so desires.

Collect beneficiary designations for the product(s) purchased by employees.

- c. Provide the proposed key personnel including the dedicated account manager who will have overall responsibility for managing the client relationship.

The City reserves the right to unilaterally decline the account manager or any other key personnel and request the Contractor to provide a different but no less qualified replacement at any time (including at the time of Contract negotiations); and

- d. Provide electronic Certificates of Coverage to Participants.

- e. Adhere to the City's Data Protection Requirements for Contractors, Vendors, and Third-Parties (EXHIBIT IV)
- f. Sign the Business Associates Agreement (BAA) form (EXHIBIT V)

12) Additionally, the Respondent (subsequent to execution of a Contract) agrees to the following:

- a. To not contact or solicit the City employees for any products other than those for which the Contract has been awarded by the City; and, the Contractor must not contact any City employee at his or her place of residence unless such contact is required to complete a Claim or otherwise provide customer services related to the product for which an Contract is awarded by the City.
 - i. The Contractor may not use any information in its possession for any purpose other than the administration of the benefits authorized by the City;
 - ii. The Contractor must not distribute any information in any form without the express permission of the City and/or as required without the written agreement of the employee and/or beneficiary.
 - iii. The Contractor may not submit any City data to any entity or person in any form including "blinded" data formats;
- b. To offer such Services in conformance with applicable federal and/or state laws and regulations and the City's ordinances, personnel policies, procedures, rules, and the terms of the applicable benefit Plan;
- c. To provide the Services at a cost most advantageous to the City employee;
- d. To review and advise the City of all present or future operational changes, industry specific practices, or pending legislative changes which may impact insurance benefit products;
- e. To provide any information that is necessary for the effective operation of the Contractor's insurance product, including administrative advice and assistance related to changes in law that affect the Contractor's insurance product;
- f. To perform any and all administrative functions necessary to ensure appropriate financial control and accuracy;
- g. To permit a periodic audit of the Contractor's insurance benefit product by either the City's staff or auditors appointed by the City;
- h. To work cooperatively and in the spirit of good faith with the City in order to assure that all Services are rendered in a prompt and fair manner to all eligible employees and their eligible dependents and to meet with the City representatives whenever necessary to promptly resolve any problems that occur relative to the administration of the Agreement;
- i. To provide renewal information in form and content, including costs, benefit levels, etc. to the City, at least one hundred twenty (120) days prior to the expiration date of an original Contract period.

13) The Contractor must submit annual statements of policy performance.

In the event that the policy performance is substantially more favorable to the Contractor than to the City or its employees, the City reserves the right to re-open rate negotiations to adjust premium rates so that the policy experience demonstrates loss ratios favorable to the policy holder and/or to the City.

14) Respondent must describe the renewal process including:

- a. Methodology
- b. Timing
- c. Reports
- d. Data and information provided to the City in support of the renewal rate(s).

Article VII. REQUIRED CONTENT OF ALL PROPOSALS

All Respondents must provide the following information and responses to the interrogatives, as indicated in the following sections:

Section 7.01 Cover Letter

Respondent must submit a cover letter signed by an authorized representative, addressing the following:

- 1) Legal name of the Respondent submitting Proposal.
 - a) Validate whether Respondent is authorized to do business in the State of Illinois.
 - i) Provide copies of appropriate City of Chicago, County of Cook, and State of Illinois licenses required of the Respondent and individual performing the Services.
 - (a) Include I.a.i. above for any subcontractors to perform any Services.
 - ii) Provide evidence that Respondent is authorized by the Secretary of State to do business in the State of Illinois.
 - b) Indicate the states in which your company is licensed to do business.
 - c) Describe whether the product you are proposing is *not* permitted to be offered in any state because of insurance regulations.
 - i) Identify those states
 - ii) Describe the reasons why the product cannot be offered
 - d) Indicate the number of years during which your firm has offered the product you are proposing for Illinois in particular (and the number of years in other states where applicable).
- 2) Address of corporate headquarters.
 - a) Local place of business, if applicable (relative to the City of Chicago) .
 - b) Names of key personnel, their role, and level of commitment during initial phase, negotiation phase, and post-award phase of this engagement.
 - c) Name and telephone number of the principal contact for oral presentation and Contract negotiations.
- 3) Overview of the experience and background of the Respondent.

- 4) Describe how you differentiate your capabilities from your competitors’.
- 5) Names of first-tier and second-tier partners and subcontractors, as applicable, and their roles.
- 6) State your agreement with and understanding of the conditions set forth in NOTE₁ and NOTE₂.
- 7) Confirm that you understand that this product is 100% employee-paid on a post-tax basis.
- 8) Represent that all statements made by the Respondent in the response to the RFP are true and correct, and that all statements which will be made by the Respondent in response to further information requested in the RFP process will be true and correct.
- 9) Indicate, in a separately referenced appendix to the cover letter, any exceptions taken to and/or assumptions made with respect to the requirements set forth in the RFP, and identify the referenced section of concern, and/or provide a redline of your exceptions with e-comments as applicable.
- 10) Disclose the following, as applicable:
 - a) planned or pending mergers
 - b) planned or pending transfer of company ownership
 - c) planned or pending sales management reorganizations
 - d) planned or pending departure of key personnel
 - e) any other significant change planned in the near future and/or within the next three (3) years that might affect your ability to carry out your Proposal if it results in a Contract with the City.
 - f) Describe any changes within the past two (2) years concerning any of the following:
 - i) Change in ownership
 - ii) Change in name of Respondent
 - iii) Merger
 - iv) Acquisition
 - g) Describe any consequences that might negatively affect your performance under a contract with the City as a result of such merger or acquisition described in 8a-8d above.
- 11) Describe the fidelity and surety insurance or bond coverage your organization carries to protect your clients.
- 12) Describe the type and amount of the fidelity bond insuring your employees, which would protect this Plan in the event of loss.

Section 7.02 Financial Summary

Respondent must provide a general Financial conditions summary addressing the following:

- 1) The amount collected in premiums during 2015, 2016, and 2017 for the Lifetime Term Insurance product being proposed.
- 2) Provide the loss ratio for the Lifetime Term Insurance product during the same three years. Provide a general description of size and assets of your organization that manages the Lifetime Term Insurance product. List any assumptions used to develop the loss ratio assessment.
- 3) Provide the Rating and Date of your most recent rating for the following (if not rated, indicate “N/A”) in Table 3, below:

Table 2 Financial Rating of Respondent

Reference	Rating	Date
A.M. Best		
Standard & Poors		
Fitch (formerly Duff & Phelps)		
Moody's:		

Financial Statements

Provide a copy of Respondent’s audited financial statements for the last three years. If Respondent is unable to provide audited financial statements, state the reasons in your Proposal response and provide sufficient alternate documentation that would, at a minimum, include the balance sheets and income statements (or equivalent) for the requested three years. Assets/liabilities and income/expenses must be presented in adequate detail for the City to assess the financial condition of the Respondent.

Section 7.03 Legal Actions

Provide a listing and a brief description of all material legal actions, together with any fines and penalties, for the past five years in which: (A) Respondent or any division, subsidiary or parent entity of Respondent, or (B) any member, partner, etc., of Respondent, if Respondent is a business entity other than a corporation, has been:

- (i) A debtor in bankruptcy; or
- (ii) A plaintiff or defendant in a legal action for deficient performance under a contract or violation of a statute or related to service reliability; or
- (iii) A respondent in an administrative action for deficient performance on a project or in violation of a statute or related to service reliability; or
- (iv) A defendant in any criminal action; or
- (v) A named insured of an insurance policy for which the insured has paid a Claim related to deficient performance under a contract or in violation of a statute or related to service reliability; or
- (vi) A principal of a bond for which a surety has provided contract performance or compensation to an obligee of the bond due to deficient performance under a contract or in violation if a statute or related to service reliability; or
- (vii) A defendant or respondent in a governmental inquiry or action regarding accuracy of preparation of financial statements or disclosure documents.

The City reserves the right to request similar legal action information from Respondent’s team members during the evaluation process.

Provide written responses to the following questions in Table 4 below. If the answer to any question is “YES,” Respondent shall describe fully the circumstances, current status, and ultimate disposition of each matter.

Table 3 Additional Legal Action Questions

Additional Legal Action Questions	YES	NO
1. Has Respondent been declared in default on any contract?		
2. Has Respondent forfeited payment of a performance bond issued by a surety company on any contract?		
3. Has an uncompleted contract been assigned by Respondent’s surety company on any payment of performance bond issued to Respondent arising from its failure to fully discharge all contractual obligations thereunder?		
4. Within the past three (3) years, has Respondent filed for reorganization, protection from creditors, or dissolution under the bankruptcy statutes?		
5. Is Respondent now the subject of any litigation in which an adverse decision might result in a material change in the Respondent’s financial position or future viability?		
6. Is Respondent currently involved in any state of a fact-finding, negotiations or resistance to a merger, friendly acquisition or hostile take-over, either as a target or as a pursuer?		
7. Is Respondent subject to any regulatory or license agency sanctions?		
8. Is the Respondent currently under review by any state department of insurance for any reason?		
9. Has the Respondent been under review by any state department of insurance within the last seven years for any reason?		

Section 7.04 Organizational Chart

- 1) Describe your organizational structure (corporate form) and provide an organizational chart for all operations significant to the Lifetime Benefit Term, as well as its marketing, administration, and financing structures.
- 2) Provide an overview of your organization's history of operations related to the Lifetime Benefit Term
 - a. How long has your organization been providing insurance services;
 - b. The date your organization first offered Lifetime Benefit Term;
 - c. The total number of employees in your organization; and
 - d. Your history of providing Lifetime Benefit Term to public sector employers.

Section 7.05 Subcontractors and Affiliates

- 1) Describe any subcontractor or other entities that will be providing Services.
- 2) Is your company affiliated with another company? If yes, please describe the relationship and describe any services the affiliated company would provide if your company is selected as the Contractor.
- 3) Describe your contractual relationships, if any, with any other organizations or persons necessary for your firm to successfully provide the Lifetime Benefit Term.
 - a. Describe what Services they will provide,
 - b. For what period of time; and
 - c. Indicate whether they provide said Services under other insurance contracts for your firm.
- 4) Provide evidence of their financial stability and viability and the names of key contacts within the organization.

Section 7.06 Key Personnel

Provide the following information for each of the key personnel proposed to serve during each phase of the RFP and during the life of the Contract term (i.e., contact person for the Proposal response; oral presentations person; Contract negotiations person; key manager during the term of the Contract, etc.) as well as for the following general positions:

- Key Account Executive
- Service Representatives
- Account Coordinators
- Account Underwriter
 - name,
 - telephone number,
 - email,
 - title,
 - location they report to
 - years of experience

Section 7.07 References and Resumes

Include references and resumes of each key personnel proposed, describing their education and work experience with life insurance programs similar in size and complexity to the City.

Article VIII. INTERROGATIVES

In addition to the submittal requirements set out in Article VII. Required Content of All Proposals, All Respondents must provide a response to each of the interrogatives listed in the following Sections.

Section 8.01 Business Approach Interrogatives

- 1) Describe all the portability and, if applicable, conversion options available under your Proposal.
- 2) Describe all minimum employee participation requirements for coverage you are offering.
- 3) If participation requirements are not met what happens? Provide details.
- 4) Describe employee eligibility criteria.
- 5) What are the exceptions/exclusions in your policy offerings?
- 6) Provide reasons why coverage can be denied or an employee would be deemed ineligible.
 - a. Indicate what any age restrictions apply
 - b. Describe which, if any, pre-existing condition limitations would apply
 - c. Explain other conditions which must be met in order for an employee to *not* be deemed ineligible.
- 7) How do you intend to solicit City employees for the Lifetime Benefit Term insurance?
- 8) How do you propose to collect and maintain all records, including beneficiary designations?
- 9) Provide all forms to be used in providing these services, including beneficiary designation, enrollment and any billing forms.
- 10) Describe the web experience options available to an employee provided your Lifetime Benefit Term insurance.
 - a. What transactions/services can policyholders perform using your web and/or mobile applications?
 - b. What reporting functionality can City of Chicago administrators perform using your web and/or mobile applications?
- 11) Is there an Active at Work clause in your policy?
 - a. If yes, describe your requirements for enrollment for those not actively at work in the covered population on the effective date of the transfer of coverage and the process by which you will determine whether an individual meets the actively at work requirement.
 - b. Confirm that you will accept those employees who are actively at work as of the date of product offering.
- 12) Under what circumstances can an employee convert his or her policy without demonstrating evidence of insurability?
- 13) Describe what happens when employment terminates.
 - a. Is the coverage portable?
 - b. If so, describe the portability provision you are proposing.
- 14) How is your sales staff compensated? Be specific.
- 20) Describe your firm's quality assurance procedures.
- 21) How do you determine if your company is in compliance with all applicable laws and regulations?
- 22) Describe your company's current process to be compliant with the various privacy laws.
- 23) In each of the last five years:
 - a. How many complaints have been filed about your products with the Illinois Department of Insurance?
 - b. How many were resolved in favor of the complainants?
- 24) During each of the last three years:

- a. How many policyholders have filed complaints with the various state departments of insurance related to any of your products?
 - b. How many of those complaints above were resolved in the interests of the policyholders?
- 25) Explain how confidentiality is assured and how it is communicated to the policyholders.

Section 8.02 Lifetime Benefit Term Product Interrogatives

- 1) What is the Loss Ratio of the product you are proposing? Describe in detail how it is calculated.
- 2) Provide a sample of your enrollment communication materials. Include promotional materials if available.
- 3) What sales/service office and claim office would handle the general servicing of this account?
- 4) Describe any value-added services your company offers for this product and the corresponding costs.
- 5) What is the persistency rate for this product at one, three, five, ten and twenty years?
- 6) What percentage of policyholders have stopped paying premium before there is any “paid-up” insurance associated with the policy within the last three years?
- 7) Describe any additional benefit features that the employee may purchase to augment or improve the basic policy offering.
- 8) Can an employee increase the death benefit (i.e., the amount at risk) at any time?
 - a. If not, what limitations (in both maximum amount and other factors) restrict increasing the death benefit?
- 9) Is there a minimum sum by which an employee can increase or decrease his/her death benefit? If yes, identify.
- 10) At what age do premium payments stop? If premium payments are made until the later of the maximum premium payment age or death (whichever occurs first) what is the amount of the life benefit payable to beneficiaries?
- 11) What features of your product make it a better option for employees than a whole life product purchased individually by the employee at the same age this product would be effective?
- 12) Describe the circumstances under which you believe that this product offers superior benefits to other types of life insurance including voluntary term insurance, individual term insurance, whole-life insurance, universal life insurance.
- 13) If premiums payments stop, under what circumstances will the policy continue in force? For what period of time? At what face value?
- 14) Provide examples of policyholders with the following circumstances listed in a. through d. directly below. For each case provide the monthly, annual and lifetime premium, the amount of insurance payable under the circumstances described, and any assumptions you made in the preparation of the examples. If the face value of insurance diminishes overtime (with advancing age) and/or upon cessation of premium payments, illustrate all changes in face value in your response. Specify the age at which premiums are no longer required and the end date, if any for termination of coverage beyond the specified premium end date. If your proposal provides for premium rate variations based on smoking status, provide the requested information for both a “smoker” and a “non-smoker” :
 - a. Case A: Entry age 23, face value \$50,000, male, termination of employment after 25 years of service, pays premiums until age 70; deceased at age 85;
 - b. Case B: Entry age 23, face value \$50,000, male, termination of employment after 25 years of service, pays premiums until death at age 60;
 - c. Case C: Entry age 40, face amount \$25,000, female, termination of employment after 15 years of service, pays premium until end of employment; deceased at age 65.

- d. Case D: Entry age 40, face amount \$25,000, female, termination of employment after 10 years, pays premium until age 65; deceased at age 70.

Section 8.03 Report Interrogatives

- 1) Describe how you shall provide the City with both quarterly and monthly management information reports, including at a minimum:
 - a. Premium rates in force
 - b. Monthly premium revenues
 - c. Number of Claims paid
 - d. Total dollars paid
 - e. Experience refunds (if applicable)
 - f. Expense and interest on reserves (as applicable)
- 2) How long will it take for you to deliver the reports listed above after a request has been made?
- 3) List and provide samples of all management reports and administrative reports you generate and indicate the frequency of the reports. Include samples of all experience, premium payment and any other statistical reports currently generated, identifying which reports are standard and which are available upon request.
- 4) Provide an expense and interest on reserves report and an IBNR (incurred but not reported) tracking report (as applicable).
- 5) Identify reports for which there is a charge and indicate the amount.
- 6) Describe the proposed quarterly and annual reporting format.

Section 8.04 Claims Processing Interrogatives

- 1) How many people does your organization employ in its Claims administration department?
- 2) Where are the Claims examiners that would provide services to the City account located?
- 3) What is the average turn-around-time from the date that a Claim is filed to the date the beneficiary receives payment or an advice that the Claim is denied or pended for additional information?
- 4) Will beneficiaries receive interest on late payments?
- 5) What additional forms of payment are available?
- 6) How will you handle payroll deductions, billing, and Claims processing?
- 7) Do you agree to fund any changes required in City systems and procedures necessary to allow payroll deduction of required premiums?
- 8) Where are Claims processed?
- 9) What are your Claim submission procedures?
- 10) Describe the action that would be taken, the support provided, and the personnel who would be involved in investigating and settling a disputed Claim.
- 11) Indicate the following:
 - a. The number of Claims filed in 2015;
 - b. Provide your average turn-around-time for the years 2014 and 2015.
 - c. The number of Claims processed within 10 days;
 - d. The number of Claims processed within 30 days;
 - e. The number of Claims processed 31 days and later;
 - f. The number of Claims which resulted in a payment to the policyholder;
 - g. The number of Claims that were initially denied for further information and later paid;
 - h. The number of Claims that were initially denied for further information and were subsequently denied;

- i. The number of Claims that were denied and no payment was issued to the policyholder; and,
 - j. The top five Claim denial reasons.
- 12) Do you agree to provide the City with a list of death Claims with name, date of death, and amount of Claim as part of your year-end-data?
- 13) What role if any (be specific) do you expect the City to perform in the processing of Claims?
- 14) Describe your process for reserving for Claims incurred but not reported.
- 15) What affirmative steps do you take to locate beneficiaries if a death is reported either by an employer or by another source?
 - a. Describe the information you will require from the City
 - b. Describe the methods by which you typically gather such information.
- 16) Describe the process you typically follow once you have been notified of a Claim.
- 17) What settlement options are available to beneficiaries?
- 18) How do you handle distribution of death benefits to beneficiaries who are minors?
- 19) Provide a detailed description of how you expect to resolve complaints or appeals regarding Claims.
- 20) Describe in detail the grievance or appeal process and any role you expect the City to assume in the process.
- 21) Provide sample applications, policies, communication materials, bills, and forms necessary for policyholders to file a Claim.
- 22) Describe your quality assurance program with regards to Claims processing.

Section 8.05 Implementation Plan Interrogatives

- 1) Describe your implementation process and your firm's approach to providing the Services.
 - a. Provide a work plan and schedule identifying the tasks and time frames required to complete this transition.
 - b. Include a Gantt chart, or equivalent, beginning with "Day 1--Notice of Award of Contract" and list all required steps to insure a smooth implementation of services.
 - i. Put all time frames as "X business days";
 - ii. Be specific as to person(s) responsible for completion of the task;
 - iii. If your proposed Lifetime Benefit Term product requires Department of Insurance (DOI) approval, indicate a reasonable estimated time frame for approval by Illinois DOI, considering that it will likely require significant time to establish the necessary infrastructure for new payroll deductions and payments to Respondent.
 - iv. Include any City required actions; and
 - 1. Estimate reasonable times required for City approvals
 - 2. Be very specific as to data requirements and other City tasks.
- 2) Confirm that premiums include all implementation costs.
- 3) How does the eligibility information get transferred to any outsourced providers, if any?
- 4) Describe the information technology and data management facilities your company currently owns and/or would use to administer the City's Lifetime Benefit Term.
 - a. Include a description of any system resources that would be available to the City's staff for inquiry and information exchange.
- 5) Describe the protocols employed to protect the security and privacy of personal information, related data, records, forms, etc.
 - a. See EXHIBIT IV "Data Protection Requirements for Contractors, Vendors, and Third-Parties" and EXHIBIT V "Business Associates Agreement (BAA)".

- i. indicate if there are any exceptions taken with respect to the standard language set forth in the above referenced EXHIBITS.

Section 8.06 Enrollment Interrogatories

- 1) Describe how Respondent will assist employee enrollment, while educating them about the Lifetime Benefit Term plans and services.
- 2) Describe how the enrollment will be organized and managed.
- 3) As the enrollment will be mid-year, there will be no employee meetings available for the selected vendor to attend to promote the product(s). Thus, initial enrollment would have to be based on written information sent to employees to describe the product and its benefits. Confirm your understanding of this. Please submit a draft of an initial announcement letter/brochure for distribution to employees. The proposer will bear all costs of production and distribution.
- 4) Do you agree to work in good faith with the City to insure that your communication and enrollment materials are satisfactory to the City and accurately reflect the terms of your product?

Section 8.07 Customer Service Interrogatives

Respondents that propose a subcontractor service organization to provide CSR services must have an established relationship with those subcontractors for a minimum of approximately 5 years with programs similar in size to the City.

- 1) Does your company use an outside service for handling calls after standard business hours? If yes, describe:
 - a. The services provided,
 - b. The name of the provider,
 - c. Address,
 - d. Telephone number,
 - e. Email, and
 - f. Website.
- 2) Describe services available to employers and policyholders.
- 3) Describe your organization's procedures regarding routing of telephone, email, fax and written inquiries and complaints from Participants.
- 4) Include your standard timeframes for response and specify which inquiries are referred to supervisory or management staff.
- 5) What are the hours of operation for your Customer Service department?
- 6) Will you provide a toll-free customer service line at no additional charge?
 - a. Is the same number used for customer service, billing, eligibility, and complaints?
 - b. Do you offer assistance with Claims? If so, describe.
 - c. Do you offer assistance with coverage questions? If so, describe.
 - d. Will this line be dedicated to the City to answer questions from potential and enrolled members?
- 7) Do you have a tracking system to log-in customer service calls and the content of those calls? If so describe.
- 8) Do you record any calls? If so, what percentage?
- 9) If you record calls, in the event of dispute or arbitration hearing, would you provide either a transcript of the calls or a computer-based file of the conversation at the request of the City?
- 10) If you record calls, how long do you keep the recording?

- 11) Identify the multi-lingual services your customer service department can provide to the insured population.
- 12) How many days prior to roll-out of product information will the phone line be operational?
- 13) How do you respond to employee and client complaints about your service?

Provide average call metrics.

Section 8.08 Cost Proposal Interrogatives

Respondent must provide a response to each of the following:

- 1) Explain in detail how rates are determined for the Lifetime Benefit Term product you are quoting.
- 2) For which of the following factors do premium rates vary:
 - a. Age
 - b. Gender
 - c. Smoking Status
 - d. Occupation
 - e. Zip code of residence
 - f. Other: specify all other applicable factors
- 3) What additional benefits (if any) do you offer as riders or variations to your product for which a premium is charged? Specify all riders you would propose to offer. Can the City choose which, if any, riders you market to its employees?
- 4) Provide a schedule of rates for your product offerings and any riders, if proposed, showing the monthly, semi-monthly and annual premium amounts. (The City pays on a semi-monthly basis and deductions would be applied on the same basis.) Your rate charts should be provided in an Excel format and in the text.
- 5) Are you willing to guarantee any rates/fees beyond the first year of your Contract?
- 6) Do you require a minimum participation rate?
 - a. If so, describe
 - b. If a minimum enrollment threshold is required and it is not reached, will you withdraw your proposal?
- 7) For the Lifetime Benefit Term product Plan you are proposing, include
 - a. Benefits as described in policy documents and sample communication materials
 - b. Rates,
 - c. Exclusions,
 - d. Five-year loss ratio history with a description of assumptions related to the loss ratio calculation..
- 8) Explain how the Lifetime Benefit Term product differs from the employees' any similar benefit plan currently offered by the City to employees.
- 9) What are the typical participation rates for other similar employer groups you currently insure for the Lifetime Benefit Term product for which you are offering coverage?
- 10) Do you agree to reimburse the City for any costs associated with the establishment of any required payroll deduction fields, any payroll reports, or computer files/data transfers necessary to account for payroll deductions taken and forwarded to the Contractor; and, for any payroll activities related to the application of a payroll master deduction file established and maintained by the Contractor? If not, explain.
 - 11) Please state that you understand that the City's involvement will be limited to: a) processing deduction files that you create, manage and submit in the form and with the required content and in the frequency determined by the City; b) you will handle the refund of payroll deductions taken in error; and, c) that the City will not be involved with

any deduction adjustments related to terminations of employment or coverage as ordered by the employee.

- 12) Does the product include a disability premium waiver?
- 13) Is there a cost for customization or ad hoc reports? If so, describe.
- 14) Include a detailed cost statement showing itemized cost.
 - a. Include an itemized listing of all other expenses or fees that are anticipated.
- 15) If there are additional costs associated with the Lifetime Benefit Term services, indicate in the Cost Proposal section. The pricing and program components must be clearly defined.
- 16) Additional information should be included as necessary to explain in detail the cost/price.
- 17) Do not qualify the cost Proposal with “If...., then” statements. A qualified Cost Proposal may be rejected and not be further considered.
- 18) Other Lifetime Benefit Term Cost Factors:
 - a. What is the rating basis (e.g. prospective, retrospective, pooled etc.)?
 - i. Will you consider the City’s experience fully credible?
 - ii. If not, describe the credibility method you would apply.
 - b. Include an explanation of how reserves are calculated.
 - i. Include interest credits,
 - ii. Premium/disabled life and waiver of premium reserves.
 - iii. Are reserves based on actual experience patterns, overall book of business or a combination of the two?
 - iv. Would any other reserves (besides IBNR) be established or charged to the Lifetime Benefit Term Plan? If so, describe.
 - c. Do your rates include all costs for federal and state mandates as of the date of your quote?
 - i. Do they factor in costs associated with any proposed mandates for the coming year?
 - ii. If future costs are factored in, identify the nature and amount of these costs.
 - d. Do you agree to a three-year rate guarantee?

If you are proposing any increases during the City’s renewal periods (exercisable at the City’s sole discretion) specify.

Section 8.09 MBE & WBE Commitment

Respondent shall address its MBE & WBE compliance plan, to evidence Respondent’s proposed meaningful direct MBE & WBE participation, in response to this RFP, with respect to the MBE & WBE Special Conditions set out in EXHIBIT VIII.

Article IX. SCOPE OF SERVICE REQUIREMENTS

This section describes Scope of Service Requirements applicable with respect to an awarded Contract for Lifetime Benefit Term Insurance.

Section 9.01 Term of Services

The initial Contract base term period will be three (3) years from the date on which a Contract is awarded. In addition, the Contract shall provide the option for the City to extend the Contract, in the City's discretion, for up to two (2) additional periods, each period not to exceed one year, and, notwithstanding any other extension authorizations, continue to provide services until such time a new Contract is executed. If contractor does not present a written demurer to the requirements listed in this Article IX during the proposal process, the contractor is representing that it is ready, willing and able to perform the services in the manner described. Each proposer must confirm that it is ready, willing and able to perform the services in accordance with this Scope of Services or provide an explanation of any limits or changes in writing.

Section 9.02 Loss Ratios

The Loss Ratio shall be appropriate for the Lifetime Benefit Term product proposed.

Section 9.03 Enrollment Requirements

The City reserves the right to review all enrollment information and make changes to any proposed enrollment information. However, the Contractor shall retain responsibility for the accuracy of information and conformance to insurance laws and regulations.

Contractor must comply with the following:

- A. When Payroll deducts premiums, one remittance per payroll period will be sent to Contractor. Contractor must provide effective, efficient, and economic enrollment services, payroll deduction reporting, client services, and experience reporting.
- B. Provide one single data feed to City's payroll department in a format acceptable to that department.
- C. Provide state-of-the-art secure web-access for Participants to enroll, establish/change policy beneficiary information, and submit Claims and information in support of filed Claims.
- D. Develop and provide enrollment materials. Enrollment materials shall be in a form and include content sufficient to permit employees to self-enroll.
- E. No enrollment meetings (e.g. annual open enrollment season meetings or new employee orientations) shall be conducted during work hours or on City premises unless specifically authorized by the City.
- F. Provide enrollment information of high-quality that is free from errors.
- G. All materials must be available in English and Spanish.
- H. Enrollment information must be comprehensive enough such that no employee/Contractor representative meetings are required for the employee to make a fair and informed purchasing decision taking into account the terms of the benefits provided to or made available to the employee by the City at no cost or at minimal cost.
- I. Have access to a "language line" so that if an employee who uses English as a second language has questions, that employee can speak with a person who is fluent in the employee's primary language.

- J. Provide communication methods that comply with requirements appropriate for people with disabilities.
- K. Warrant that its materials shall be free from defect and that it will indemnify the City against any cost associated with errors in the materials or information provided by the Contractor's staff or any inconsistency with required policy terms.
- L. Pay all costs of enrollment including production and mailing of marketing materials.
- M. Reimburse the City for all costs associated with the creation and maintenance of any newly required payroll deduction fields.
- N. Provide web based and paper enrollment capabilities for employees throughout the Plan year.
- O. Provide communications (i.e. posters, flyers, newsletters, brochures, articles etc.) and other electronic communications concerning the open enrollment period and the program at a frequency determined by the City.
- P. Provide on-site representation at all open enrollment and employee benefit fairs.
- Q. Provide accurate information to any employee about how the Lifetime Benefit Term product integrates with or supplements the employee's current benefit program, to the extent applicable, including at a minimum:
 - i. Employer provided health insurance;
 - ii. Employer provided dental insurance;
 - iii. Employer provided term life insurance;
 - iv. Voluntary term life insurance;
 - v. Employer provided sick time;
 - vi. Employer provided FMLA;
 - vii. Employer provided Workers' Compensation benefits (for non-Police and Fire sworn personnel) and Injury on Duty benefits for sworn personnel;
 - viii. Pension plan benefits for ordinary, occupational, duty, and retirement benefits;
 - ix. Any benefit that integrates with or for which the payment from the Contractor is secondary to or contingent upon any event that is subject to any City benefit program, must be described in marketing materials and examples of sample Claims must be provided; and
 - x. Any minimum benefit terms must be specifically described.
- R. Track experience specific to City employees if there are at least 500 employees who have opted to purchase the Lifetime Benefit Term product and the favorable loss ratio shall be at least 75%.
- S. Educate employee about the insurance being offered.
 - i. The employee must be able to understand:
 - a) What the insurance covers (what the requisite events are that must occur before a Claim for benefits can be filed);
 - b) What the maximum duration of the benefit is;
 - c) What the maximum possible benefit received from the Plan during any Plan benefit period is; and
 - d) Be informed that this benefit does not substitute for existing employee benefits. For example, it must be clear this is not a substitute for employee/dependent health care coverage and that coverage does not satisfy the requirements of the Affordable Care Act for healthcare coverage.

Section 9.04 Customer Service Representative (CSR)

CSR Scope

All customer service scripts, phone prompts and sales staff answers to Frequently Asked Questions must be reviewed by the City prior to their application/use for City employees.

Contractor must:

- A. Provide customer service support to all enrolled participating employees.
- B. Provide excellent customer service to Participants as measured by
 - i. Timely response to inquiries,
 - ii. Timely production of requested forms,
 - iii. Professional responses to Claims,
 - iv. Robust appeal process if the Participant feels that a Claim determination is inappropriate and/or inconsistent with the terms of the policy.
- C. Respond to all employee inquiries in a timely manner.
- D. Provide, at minimum, a toll-free telephone number and a customer-friendly website.
- E. Provide excellent customer service to employees and terminated individuals enrolled in the Lifetime Benefit Term insurance program.
- F. Provide a client call center/help desk to assist employees with resolving any enrollment, Claim filing, and appeal related issues.

Section 9.05 Reporting Requirements

Contractor must comply with the following:

- A. Maintain all enrollment and payroll deduction information and regularly provide such information to the City in the City's required format on a fixed-schedule to be determined by the City. In the event that any deduction cannot be taken from an employee's check for any reason, it will be the responsibility of the Contractor to collect any required premium from the employee.
- B. Prepare and present an annual report that identifies the policy
 - i. Loss ratios;
 - ii. Expenses;
 - iii. Premium income; and
 - iv. Insurer operating margin.
- C. Provide the specific experience for City employees if the policy has 500 City employees enrolled for coverage.
- D. Provide:
 - i. Reporting and secure-authorized access into hosted system account information;
 - ii. Timely responses to City requests for information necessary for collective bargaining purposes or resolution of employee complaints; and
 - iii. Other City business matters as required.
 - iv. Quarterly and monthly management information reports, including at a minimum:
 - (1) Premium rates in force;
 - (2) Monthly premium revenues;
 - (3) Number of Claims paid with total dollars paid;
 - (4) Experience refunds (if applicable).
- E. Provide ongoing enrollment and activity reports consistent with the Lifetime Benefit Term insurance product offered to City employees.
- F. Provide a semi-monthly deduction file to the City that will specify the individual payroll deduction amount to be collected from the employee's earnings for premium payment.

Section 9.06 Service Level Requirements (SLRs)

The Contractor shall comply with the Service Level Requirements (SLRs) agreed upon during Contract negotiations based on, but not limited to, Table 5, below, and the conditions set forth in the Respondent’s Proposal with respect to the following:

- 1) The Respondent must propose performance guarantees. The suggested performance guarantees should be designed to objectively measure performance based on mutually agreed-upon standards.
- 2) Respondent must provide performance guarantee reports within 45 days of the end of the quarter and the corresponding liquidated damages, if any, shall be paid within 30 days thereafter.
- 3) Table 5 indicates minimum performance guarantees the City requires, albeit subject to negotiation.
 - a. The parties may negotiate both financial and non-financial performance guarantees with the Selected Respondent.
 - b. Respondent must propose an “At-Risk Amount” – dollar amounts to be at risk within each performance category and specify a quantifiable basis for performance evaluation.

Table 4 Service Level Requirements

Service Requirement	Service Level	Indicate Proposed At-Risk Amount
Implementation	Completion of key activities according to an agreed-upon implementation work plan (evaluation by Benefits staff).	
Telephone Answering Time	Average answer time will be no more than 30 seconds from the first ring.	
Telephone Abandonment Rate	Abandonment rate will not exceed 5%	
First-Contact Resolution	No less than 95%	
Response-Time to Written Correspondence (email; US mail; fax; other)	Within 24-hours from receipt	
Robust Self-Service IVR	To be negotiated	
Claims Processing Accuracy	99% of Claims will be processed accurately.	
Claim Turnaround Time	All initial Claims for benefits shall be responded to within five business days of receipt.	



EXHIBIT I DEFINITIONS

For purposes of this RFP, the following definitions shall apply, unless as may otherwise be used.

Certificates of Coverage – indicates the current terms of coverage and benefits available in a benefits Plan.

Claim – means a request made by the insured for Contractor remittance of payment due to loss incurred and covered under the policy agreement.

Collective Bargaining Agreement – means an agreement between the City and a labor organization that represents certain employees of the City. The City may be a party to one or more Collective Bargaining Agreements.

Contract – means the terms of agreement agreed upon between the City and Contractor, and the insurance policy product accepted by the City, pursuant to this Request for Proposal process.

Contractor – means the Respondent awarded a Contract pursuant to this Request for Proposal process and approved to provide the insurance policy coverages to the City as the insurance provider.

Coordination of Benefits – a process for determining the respective responsibilities of two or more insurance plans that have some portion of responsibility for a Claim.

Experience Rating – means rating system where each group is rated entirely on the basis of its own expected Claims in the coming period.

Loss Ratio – means the percentage of incurred losses to earned premiums.

Open Enrollment Period – that period of time, generally once during a calendar year, designated by the City, during which Plan enrollment is managed.

Participant – (whether capitalized or not) means any qualified employee deemed eligible for insurance coverage. (In context, participant may mean an insurable spouse or dependent.)

Plan – means the set of benefits provided under the Contract and insurance policy.

Proposal – means the documents submitted by the Respondent in response to this RFP.

Respondent – means the entity that submits a Proposal in response to this RFP.

Selected Respondent – means the entity that was selected by the City to enter into negotiations for award of Contract to provide Services.

Services – means the insurance benefits related services required to be performed by the Contractor in accordance with the Contract.

EXHIBIT II CITY CONTRACT INSURANCE REQUIREMENTS

Contractor must provide and maintain at Contractor's own expense, during the term of the Contract and during the time period following expiration if Contractor is required to return and perform any work, services, or operations, the insurance coverages and requirements specified below, insuring all work, services, or operations related to the Contract.

A. Insurance Required

1) Workers Compensation and Employers Liability (Primary and Umbrella)

Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide a service under this Contract and Employers Liability coverage with limits of not less than \$1,000,000 each accident; \$1,000,000 disease-policy limit and \$1,000,000 disease-each employee, or the full per occurrence limits of the policy, whichever is greater.

Contractor may use a combination of primary and excess/umbrella policy/policies to satisfy the limits of liability required herein. The excess/umbrella policy/policies must provide the same coverages/follow form as the underlying policy/policies.

2) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent must be maintained with limits of not less than \$1,000,000 per occurrence, or the full per occurrence limits of the policy, whichever is greater, for bodily injury, personal injury, and property damage liability. Coverages must include but not be limited to the following: All premises and operations, products/completed operations, separation of insureds, defense, and contractual liability (not to include Endorsement CG 21 39 or equivalent).

The City must be provided additional insured status with respect to liability arising out of Contractor's work, services or operations performed on behalf of the City. The City's additional insured status must apply to liability and defense of suits arising out of Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the City on an additional insured endorsement form acceptable to the City. The full policy limits and scope of protection also will apply to the City as an additional insured, even if they exceed the City's minimum limits required herein. Contractor's liability insurance must be primary without right of contribution by any other insurance or self-insurance maintained by or available to the City.

Contractor may use a combination of primary and excess/umbrella policy/policies to satisfy the limits of liability required herein. The excess/umbrella policy/policies must provide the same coverages/follow form as the underlying policy/policies.

3) Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work, services, or operations to be performed, Automobile Liability Insurance must be maintained by the Contractor with limits of not less than \$1,000,000 per occurrence, or the full per occurrence limits of the policy, whichever is greater, for bodily injury and property damage and covering the ownership, maintenance, or use of any auto whether owned, leased, non-owned or hired used in the performance of the work or services. The City is to be added as an additional insureds on a primary, non-contributory basis.

Contractor may use a combination of primary and excess/umbrella policy/policies to satisfy the limits of liability required herein. The excess/umbrella policy/policies must provide the same coverages/follow form as the underlying policy/policies.

4) Excess/Umbrella

Excess/Umbrella Liability Insurance must be maintained with limits of not less than \$4,000,000 per occurrence, or the full per occurrence limits of the policy, whichever is greater. The policy/policies must provide the same coverages/follow form as the underlying Commercial General Liability, Automobile Liability, Employers Liability and Completed Operations coverage required herein and expressly provide that the excess or umbrella policy/policies will drop down over reduced and/or exhausted aggregate limit, if any, of the underlying insurance. The Excess/Umbrella policy/policies must be primary without right of contribution by any other insurance or self-insurance maintained by or available to the City.

Contractor may use a combination of primary and excess/umbrella policies to satisfy the limits of liability required in sections A.1, A.2, A.3 and A.4 herein.

5) Errors & Omissions/Professional Liability

When any program manager/administrator or any other professional consultants perform services in connection with this Contract, Professional Liability Insurance must be maintained covering acts, errors, or omissions with limits of not less than \$5,000,000. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede start of work or services on the Contract. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

6) Blanket Crime

Blanket Commercial Crime coverage or equivalent covering all loss or damage by employee dishonesty, robbery, burglary, theft, destruction, or disappearance, computer fraud, credit card forgery, and other related crime risks. The policy limit must be written to cover losses in the amount of maximum monies collected, received and in the possession of Contractor at any given time. The City must be named as a loss payee. Coverage must include, but not limited to, third party fidelity coverage, including coverage for loss due to theft and must not contain a requirement for an arrest and/or conviction.

7) Cyber Liability

Cyber Liability Insurance must be maintained with limits of not less than \$5,000,000 for each occurrence or claim. Coverage must include but not be limited to network security and privacy liability including computer or network system attacks (liability arising from the loss or disclosure of confidential information), privacy breach response coverage and costs, regulatory liability including fines and penalties, denial or loss of service, introduction, implantation and/or spread of malicious software code, unauthorized access to or use of computer systems, theft of data, and no exclusion/restriction for unencrypted portable devices/media may be on the policy. The City must be named as an additional insured and if policy contains an insured vs insured exclusion, the exclusion must be amended and not be applicable to the City.

The Contractor is responsible for all loss or damage to personal property (including materials, equipment and supplies) owned, rented or used by Contractor.

B. Additional Requirements

Evidence of Insurance. Contractor must furnish the City of Chicago, Department of Finance, Benefits Management Office, Room 400, 333 South State Street, Chicago, IL. 60604, original certificates of insurance and additional insured endorsement, or other evidence of insurance, to be in force on the date of this Contract, and renewal certificates of Insurance and endorsement, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Contract. Contractor must submit evidence of insurance prior to execution of Contract. The receipt of any certificate does not constitute Contract by the City that the insurance requirements in the Contract have been fully met or that the insurance policies indicated on the certificate are in compliance with all requirements of Contract. The failure of the City to obtain, nor the City's receipt of, or failure to object to a non-complying insurance certificate, endorsement or other insurance evidence from Contractor, its insurance broker(s) and/or insurer(s) will not be construed as a waiver by the City of any of the required insurance provisions. Contractor must advise all insurers of the Contract provisions regarding insurance. The City in no way warrants that the insurance required herein is sufficient to protect Contractor for liabilities which may arise from or relate to the Contract. The City reserves the right to obtain complete, certified copies of any required insurance policies at any time.

Failure to Maintain Insurance. Failure of the Contractor to comply with required coverage and terms and conditions outlined herein will not limit Contractor's liability or responsibility nor does it relieve Contractor of the obligation to provide insurance as specified in this Contract. Nonfulfillment of the insurance conditions may constitute a violation of the Contract, and the City retains the right to suspend this Contract until proper evidence of insurance is provided, or the Contract may be terminated.

Notice of Material Change, Cancellation or Non-Renewal. Contractor must provide for sixty (60) days prior written notice to be given to the City in the event coverage is substantially changed, canceled or non-renewed and ten (10) days prior written notice for non-payment of premium.

Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions on referenced insurance coverages must be borne by Contractor.

Waiver of Subrogation. Contractor hereby waives its rights and its insurer(s)' rights of and agrees to require their insurers to waive their rights of subrogation against the City under all required insurance herein for any loss arising from or relating to this Contract. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City received a waiver of subrogation endorsement for Contractor's insurer(s).

Contractors Insurance Primary. All insurance required of Contractor under this Contract shall be endorsed to state that Contractor's insurance policy is primary and not contributory with any insurance Contractor by the City.

No Limitation as to Contractor's Liabilities. The coverages and limits furnished by Contractor in no way limit the Contractor's liabilities and responsibilities specified within the Contract or by law.

No Contribution by City. Any insurance or self-insurance programs maintained by the City do not contribute with insurance provided by Contractor under this Contract.

Insurance not Limited by Indemnification. The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Contract or any limitation placed on the indemnity in this Contract given as a matter of law.

Insurance and Limits Maintained. If Contractor maintains higher limits and/or broader coverage than the minimums shown herein, the City requires and shall be entitled the higher limits and/or broader coverage maintained by Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Joint Venture or Limited Liability Company. If Contractor is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

Other Insurance obtained by Contractor. If Contractor desires additional coverages, the Contractor will be responsible for the acquisition and cost.

Insurance required of Subcontractors. Contractor shall name the Subcontractor(s) as a named insured(s) under Contractor's insurance or Contractor will require each Subcontractor(s) to provide and maintain Commercial General Liability, Commercial Automobile Liability, Worker's Compensation and Employers Liability Insurance and when applicable Excess/Umbrella Liability Insurance with coverage at least as broad as in outlined in Section A, Insurance Required. The limits of coverage will be determined by Contractor. Contractor shall determine if Subcontractor(s) must also provide any additional coverage or other coverage outlined in Section A, Insurance Required. Contractor is responsible for ensuring that each Subcontractor has named the City as an additional insured where required and name the City as an additional insured on an endorsement form at least as broad and acceptable to the City. Contractor is also responsible for ensuring that each Subcontractor has complied with the required coverage and terms and conditions outlined in this Section B, Additional Requirements. When requested by the City, Contractor must provide to the City certificates of insurance and additional insured endorsements or other evidence of insurance. The City reserves the right to obtain complete, certified copies of any required insurance policies at any time. Failure of the Subcontractor(s) to comply with required coverage and terms and conditions outlined herein will not limit Contractor's liability or responsibility.

City's Right to Modify. Notwithstanding any provisions in the Contract to the contrary, the City, Department of Finance, Risk Management Office maintains the right to modify, delete, alter or change these requirements.



EXHIBIT III REFERENCES FORM

- 1) Describe your experience providing and servicing your Lifetime Benefit Term plans with other municipal government agencies.
- 2) Provide a list of government clients for which your firm provides these services.
- 3) How many companies have terminated employer contracts in the last 12 months and why?
- 4) Using the format outlined below, provide references of three (3) current and three (3) former clients of similar size to the City, for whom you provide insurance products; preferably government bodies having collective bargaining contracts in force.
- 5) Complete the table below for the three largest companies to which you currently provide and formerly provided the same services that you are proposing and their participation numbers.

Table 5 Reference Form

Reference Client name:	Contact & title:
Address:	Phone number: Email address:
Effective date of contract: Termination date of contract:	Number of enrolled employees: _____ Number of eligible employees: _____
Description of products provided:	Face value
Annual premium revenue	



EXHIBIT IV DATA PROTECTION REQUIREMENTS FOR CONTRACTORS, VENDORS, AND THIRD-PARTIES

“Breach” means the acquisition, access, use, or disclosure of Protected Information that compromises the security or privacy of the Protected Information.

"Contractor" means an entity that receives or encounters Protected Information. Contractor includes, without limitation, entities that store Protected Information, or host applications that process Protected Information. The provisions of this Data Policy includes not only the entity that is a signatory to this Policy but all subcontractors, of whatever tier, of that entity; the signatory must inform and obtain the agreement of such subcontractors to the terms of this Data Policy.

“Protected Information” means all data provided by City to Contractor or encountered by Contractor in the performance of the services to the City, including, without limitation, all data sent to Contractor by City and/or stored by Contractor on its servers. Protected Information includes, but is not limited to, employment records, medical and health records, personal financial records (or other personally identifiable information), research data, and classified government information. To the extent there is any uncertainty as to whether any data constitutes Protected Information, the data in question shall be treated as Protected Information.

1. Information Security. Contractor agrees to the following:
 - 1.1. General. Notwithstanding any other obligation of Contractor under this policy, Contractor agrees that it will not lose, alter, or delete, either intentionally or unintentionally, any Protected Information, and that it is responsible for the safe-keeping of all such information, except to the extent that the City directs the Contractor in writing to do so.
 - 1.2. Access to Data. In addition to the records to be stored / maintained by Contractor, all records that are possessed by Contractor in its service to the City of Chicago to perform a governmental function are public records of the City of Chicago pursuant to the Illinois Freedom of Information Act (FOIA), unless the records are exempt under the Act. FOIA requires that the City produce records in a very short period of time. If the Contractor receives a request from the City to produce records, the Contractor shall do so within 72 hours of the notice.
 - 1.3. Minimum Standard for Data at Rest and Data in Motion. Contractor must, at a minimum, comply, in its treatment of Protected Information, with National Institute of Standards and Technology (NIST) Special Publication 800-53 Moderate Level Control. Notwithstanding this requirement, Contractor acknowledges that it must fully comply with each additional obligation contained in this policy. If data is protected health information or electronic protected health information, as defined in the Health Insurance Portability and Accountability Act and Health Information Technology for Economic and Clinical Health Act (HIPAA/HITECH) and regulations implementing these Acts (see 45 CFR Parts 160 and 164), it must be secured in accordance with “Guidance Specifying the Technologies and Methodologies that Render Protected Health Information Unusable, Unreadable, or Indecipherable to Unauthorized Individuals,” available on the United States Department of Health and Human Services (HHS)

website <http://www.hhs.gov/ocr/privacy/hipaa/administrative/breachnotificationrule/index.html>, or at Volume 74 of the Federal Register, beginning at page 42742. That guidance from the HHS states that valid encryption processes for protected health information data at rest (e.g., protected health information resting on a server), must be consistent with the NIST Special Publication 800-111, Guide for Storage Encryption Technologies for End User Devices. Valid encryption processes for protected health information data in motion (e.g., transmitted through a network) are those which comply with NIST Special Publications 800-52, Guidelines for the Selection and Use of Transport Layer Security Implementation; 800-77, Guide to IPsec VPNs; or 800-113, Guide to SSL VPNs, or others which are Federal Information Processing Standards (FIPS) 140-2 validated.

- 1.4. Where Data is to be Stored. All data must be stored only on computer systems located in the continental United States.
- 1.5. Requirement to Maintain Security Program. Contractor acknowledges that the City has implemented an information security program to protect the City's information assets, which Program is available on the City website at http://www.cityofchicago.org/city/en/depts/doi/supp_info/is-and-it-policies.html ("City Program"). Contractor shall be responsible for establishing and maintaining an information security program that is designed to: (i) ensure the security and confidentiality of Protected Information; (ii) protect against any anticipated threats or hazards to the security or integrity of Protected Information; (iii) protect against unauthorized access to or use of Protected Information; (iv) ensure the proper disposal of Protected Information; and, (v) ensure that all subcontractors of Contractor, if any, comply with all of the foregoing.
- 1.6. Undertaking by Contractor. Without limiting Contractor's obligation of confidentiality as further described herein, in no case shall the safeguards of Contractor's information security program be less stringent than the information security safeguards used by the City Program.
- 1.7. Right of Audit by the City of Chicago. The City of Chicago shall have the right to review Contractor's information security program prior to the commencement of Services and from time to time during the term of this Contract. During the performance of the Services, from time to time and without notice, the City of Chicago, at its own expense, shall be entitled to perform, or to have performed, an on-site audit of Contractor's information security program. In lieu of an on-site audit, upon request by the City of Chicago, Contractor agrees to complete, within forty-five (45 days) of receipt, an audit questionnaire provided by the City of Chicago or the City of Chicago's designee regarding Contractor's information security program.
- 1.8. Audit by Contractor. No less than annually, Contractor shall conduct an independent third-party audit of its information security program and provide such audit findings to the City of Chicago, all at the Contractor's sole expense.
- 1.9. Audit Findings. Contractor shall implement at its sole expense any remedial actions as identified by the City as a result of the audit.
- 1.10. Demonstrate Compliance - PCI. No less than annually, as defined by the City of Chicago and where applicable, the Contractor agrees to demonstrate compliance with PCI DSS (Payment Card Industry Data Security Standard). Upon City's request, Contractor must be prepared to demonstrate compliance of any system or component used to process, store, or transmit

cardholder data that is operated by the Contractor as part of its service. Similarly, upon City's request, Contractor must demonstrate the compliance of any third party it has sub-contracted as part of the service offering. As evidence of compliance, the Contractor shall provide upon request a current attestation of compliance signed by a PCI QSA (Qualified Security Assessor).

- 1.11. Demonstrate Compliance – HIPAA / HITECH. If the Protected Information includes protected health information or electronic protected health information covered under HIPAA/HITECH, Contractor must execute, and be governed by, the provisions in its Contract with the City regarding HIPAA/HITECH, the regulations implementing those Acts, and the Business Associate Agreement in its Contract with the City. As specified in 1.3, protected health information must be secured in accordance with the “Guidance Specifying the Technologies and Methodologies that Render Protected Health Information Unusable, Unreadable, or Indecipherable to Unauthorized Individuals.”
- 1.12. Data Confidentiality. Contractor shall implement appropriate measures designed to ensure the confidentiality and security of Protected Information, protect against any anticipated hazards or threats to the integrity or security of such information, protect against unauthorized access or disclosure of information, and prevent any other action that could result in substantial harm to the City of Chicago or an individual identified with the data or information in Contractor's custody.
- 1.13. Compliance with All Laws and Regulations. Contractor agrees that it will comply with all laws and regulations.
- 1.14. Limitation of Access. Contractor will not knowingly permit any Contractor personnel to have access to any City of Chicago facility or any records or data of the City of Chicago if the person has been convicted of a crime in connection with (i) a dishonest act, breach of trust, or money laundering, or (ii) a felony. Contractor must, to the extent permitted by law, conduct a check of public records in all of the employee's states of residence and employment for at least the last five years in order to verify the above. Contractor shall assure that all contracts with subcontractors impose these obligations on the subcontractors and shall monitor the subcontractors' compliance with such obligations.
- 1.15. Data Re-Use. Contractor agrees that any and all data exchanged shall be used expressly and solely for the purposes enumerated in the Contract. Data shall not be distributed, repurposed or shared across other applications, environments, or business units of Contractor. As required by Federal law, Contractor further agrees that no City of Chicago data of any kind shall be revealed, transmitted, exchanged or otherwise passed to other Contractors or interested parties except on a case-by-case basis as specifically agreed to in writing by an officer of the City of Chicago with designated data, security, or signature authority.
- 1.16. Safekeeping and Security. Contractor will be responsible for safekeeping all keys, access codes, passwords, combinations, access cards, personal identification numbers and similar security codes and identifiers issued to Contractor's employees, agents or subcontractors. Contractor agrees to require its employees to promptly report a lost or stolen access device or information to their primary business contact and to the City of Chicago Information Security Office.

- 1.17. Mandatory Disclosure of Protected Information. If Contractor is compelled by law or regulation to disclose any Protected Information, the Contractor will provide to the City of Chicago with prompt written notice so that the City of Chicago may seek an appropriate protective order or other remedy. If a remedy acceptable to the City of Chicago is not obtained by the date that the Contractor must comply with the request, the Contractor will furnish only that portion of the Protected Information that it is legally required to furnish, and the Contractor shall require any recipient of the Protected Information to exercise commercially reasonable efforts to keep the Protected Information confidential.
- 1.18. Data Breach. Contractor agrees to comply with all laws and regulations relating to data breach, including without limitation, the Illinois Personal Information Protection Act and other applicable Illinois breach disclosure laws and regulations. Data breaches of protected health information and electronic protected health information shall be governed by the provisions regarding HIPAA/HITECH, and the regulations implementing those Acts, in the Contractor's Contract with the City, specifically the Business Associate Agreement in such Contract. Contractor will immediately notify the City if security of any Protected Information has been breached, and will provide information as to that breach in such detail as requested by the City. Contractor will, if requested by the City, notify any affected individuals of such breach at the sole cost of the Contractor.
- 1.19. Data Sanitization and Safe Disposal. All physical and electronic records must be retained per federal, state and local laws and regulations, including the Local Records Act. Where disposal is approved, the Contractor agrees that prior to disposal or reuse of all magnetic media (e.g. hard disk, floppy disk, removable media, etc.) which may have contained City of Chicago data shall be submitted to a data sanitization process which meets or exceeds DoD 5220.28-M 3-pass specifications. Certification of the completion of data sanitization shall be provided to the City of Chicago within 10 days of completion. Acceptance of Certification of Data Sanitization by the Information Security Office of the City of Chicago is required prior to media reuse or disposal. All other materials which contain City of Chicago data shall be physically destroyed and shredded in accordance to NIST Special Publication 800-88, Guidelines for Media Sanitization, specifications.
- 1.20. End of Contract Data Handling. The Contractor agrees that upon termination of this Contract it shall return all data to the City of Chicago in a useable electronic form, and erase, destroy, and render unreadable all data in its entirety in accordance to the prior stated Data Sanitization and Safe Disposal provisions. Data must be rendered in a manner that prevents its physical reconstruction through the use of commonly available file restoration utilities. Certification in writing that these actions have been completed must be provided within 30 days of the termination of this Contract or within 7 days of a request of an agent of the City of Chicago, whichever shall come first.



EXHIBIT V BUSINESS ASSOCIATES AGREEMENT (BAA)

The City (“City”) and _____ (“Business Associate”) agree to the following terms and conditions, which are intended to comply with the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health Act, and their implementing regulations:

The terms below that are capitalized and in bold have the same meanings as set forth in the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health Act, which is part of the American Recovery and Reinvestment Act of 2009, and the regulations promulgated thereunder, including the privacy, security, breach, omnibus, and enforcement rules, as each may be amended from time to time (collectively, “HIPAA”). See 45 CFR parts 160 and 164.

Specifically, the following terms used in the Business Associate Agreement shall have the same meaning as in HIPAA: **Breach, Business Associate, Covered Entity, Data Aggregation, Designated Record Set, Disclosure, Financial Remuneration, Fundraising, Health Care Operations, Individual, Marketing, Minimum Necessary, Notice of Privacy Practices, Protected Health Information (“PHI”), Required By Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.** The term “Breach” has the meaning as set forth in HIPAA when capitalized below, but has the ordinary dictionary meaning when not capitalized below.

For purposes of this Business Associate Agreement, the term “Protected Health Information” or “PHI” includes electronic PHI, also known as ePHI.

1. Interpretation of this Business Associate Agreement. A reference in this Business Associate Agreement to HIPAA means the section in effect or as amended. If there is a dispute as to whether Business Associate is, in fact, a Business Associate, the Business Associate must provide a legal memorandum to the City indicating why the Business Associate does not fall under the definition of Business Associate in HIPAA. If the City disagrees with the legal memorandum regarding the Business Associate’s conclusion that Business Associate is not a Business Associate, the City may choose to report a Breach to the Secretary or take other measures as deemed necessary to ensure the City’s compliance with HIPAA. Any ambiguity or inconsistency in this Business Associate Agreement shall be resolved in favor of a meaning that permits City to comply with HIPAA.

2. Amendment of this Business Associate Agreement. The parties hereto agree to negotiate in good faith to amend this Contract from time to time as is necessary for City to comply with the requirements of HIPAA and for Business Associate to provide services to City. However, no change, amendment, or modification of this Contract shall be valid unless it is set forth in writing and signed by both parties.

3. Designation of HIPAA Officer(s). Business Associate agrees to designate, in writing, a HIPAA Privacy and Security Officer(s) who will communicate with the City’s HIPAA Privacy and Security Officers for purposes of this Contract. Business Associate agrees to notify the City’s HIPAA Privacy and Security Officers of such designation and the contact information of such officer(s):

Stephen Murphy
HIPAA Privacy Officer
312-747-9605
hipaaprivacyofficer@cityofchicago.org

Neba Ambe
Acting HIPAA Security Officer
312-744-2994
hipaasecurityofficer@cityofchicago.org

4. Uses and Disclosures of PHI. Business Associate must not use or further disclose Protected Health Information (“PHI”) other than as permitted or required by this Contract, as necessary to perform the services in this Contract, or as required by law.

- a. Business Associate will not sell PHI or use or disclose PHI for the purposes of marketing or fundraising.
- b. Business Associate shall not directly or indirectly receive financial remuneration in exchange for any PHI of an individual or in exchange for making communications regarding treatment or health care operations purposes, unless otherwise allowed in this Contract.
- c. If Business Associate is authorized to use PHI to provide the City with de-identified information, Business Associate is not permitted to use or disclose the de-identified information for purposes other than those specified in the Contract.
- d. Business Associate may use PHI to provide data aggregation services to the City, relating to the health care operations of the City.
- e. Business Associate may use and disclose PHI received by the Business Associate in its capacity as a Business Associate to the City, if necessary, for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided that, as to any such disclosure, the following requirements are met:
 - i. The disclosure is required by law; or
 - ii. The Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been the subject of a Breach.
- f. Except as otherwise limited in this Contract, Business Associate may use and disclose PHI obtained from or on behalf of the City to perform functions, activities, or services for, or on behalf of, the City as specified in the Contract, provided that such use or disclosure would not violate HIPAA if done by the City.

5. Minimum Necessary. Business Associate shall use, disclose, or request only the minimum necessary PHI necessary to accomplish the intended purpose of the use, disclosure, or request. Business Associate represents that the PHI used, disclosed, or requested by Business Associate is the minimum necessary to carry out purposes of the Contract. Prior to any use or disclosure, Business Associate shall determine whether a limited data set would be sufficient for these purposes.

6. Safeguards of PHI. Business Associate must use appropriate safeguards with respect to PHI that it creates, receives, maintains, or transmits on behalf of the City to prevent the use or disclosure of PHI other than as provided for in this Contract. The safeguards must reasonably protect PHI from any intentional or unintentional use or disclosure in violation of HIPAA privacy regulations (45 CFR Part 164, subpart E) and limit incidental uses or disclosures made pursuant to a use or disclosure otherwise permitted by this Contract. The safeguards must also reasonably and appropriately protect the confidentiality, integrity, and availability of PHI that Business Associate creates, receives, maintains, or transmits on the City’s behalf as required by the HIPAA security regulations (45 CFR Part 164, subpart C). Where applicable, Business Associate must comply with the HIPAA security regulations (45 CFR Part 164, subpart C) with respect to electronic protected health information, to prevent the use or disclosure other than as provided for by this Contract. Where feasible, PHI will not leave the City’s facilities and will be accessed under the supervision of City employees.

7. Applicability of Business Associate Contract to Subcontractors and Agents. Business Associate must ensure that any agent, including a subcontractor, that creates, receives, maintains, or transmits PHI on behalf of the Business Associate agrees to the same restrictions, conditions, and requirements that apply through this Contract to Business Associate with respect to such information, by entering into a contract or other arrangement that complies with HIPAA. An agent or subcontractor of a Business Associate is not permitted to use or disclose PHI in a manner that would not be permissible if done by the Business Associate. Business Associate will ensure that its subcontractors and agents to which Business Associate is permitted by this Contract or in writing by the City to disclose PHI agree to implement reasonable and appropriate safeguards to protect PHI. Business Associate will obtain reasonable assurances from any subcontractors and agents to which Business Associate discloses PHI that the subcontractor or agent will hold PHI in confidence and further use or disclose PHI only for the purpose for which Business Associate disclosed PHI to the subcontractor or agent or as required by law.

Business Associate will obtain reasonable assurances that any subcontractor or agent to which Business Associate discloses PHI will notify the Business Associate within 5 calendar days (who will, in turn, notify the City within 5 calendar days, as described below) of any instance in which the subcontractor or agent becomes aware of a Breach of unsecured PHI; possible Breach of unsecured PHI; any security incident of which it becomes aware, including: any attempted or successful unauthorized access, use, disclosure, modification, or destruction of PHI; or any attempted or successful interference with agent or subcontractor's system operations of which agent/subcontractor becomes aware.

Agent/subcontractor is not required to report the following types of unsuccessful security incidents: pings and other broadcast attacks on agent/subcontractor's firewall, port scans, unsuccessful log-on attempts, denial of service attacks, and any combination of the above, so long as no such incident results in unauthorized access, use, or disclosure of PHI.

If a delay is requested by a law enforcement official in accordance with 45 CFR 164.412, agent/subcontractor may delay notification to Business Associate for the time period specified in HIPAA. Agent or subcontractor's report will include the information described in 45 CFR 164.404(c) and such other information as the Business Associate or the City may reasonably request.

8. Reporting of Breaches, Potential Breaches, and Security Incidents. Business Associate must report to the City any use or disclosure of the PHI not provided for by this Contract of which it becomes aware, as well as any Breach of Unsecured PHI; potential Breach of unsecured PHI; any security incident of which it becomes aware; any attempted or successful unauthorized access, use, disclosure, modification, or destruction of PHI; or any attempted or successful interference with Business Associate's system operations of which Business Associate becomes aware.

Business Associate will make the report to the City's HIPAA Privacy and Security Officers not more than five (5) calendar days after Business Associate discovers such non-permitted use or disclosure, Breach, security incident, or other incident as described above. Business Associate shall provide any reports or notices required by HIPAA as a result of Business Associate's Breach. On behalf of the City, Business Associate will provide such reports or notices to any party or entity (including but not limited to media, Secretary, and individuals affected by the Breach) entitled by law to receive the reports or notices. Business Associate agrees to pay the costs associated with notifying individuals affected by the Breach, which may include, but are not limited to, paper, printing, and mailing costs.

Business Associate is not required to report the following types of unsuccessful security incidents: pings and other broadcast attacks on Business Associate's firewall, port scans, unsuccessful log-on attempts,

denial of service attacks, and any combination of the above, so long as no such incident results in unauthorized access, use, or disclosure of PHI.

If a delay is requested by a law enforcement official in accordance with 45 CFR 164.412, Business Associate may delay notifying City for the time period specified in HIPAA. Business Associate's report will include the information described in 45 CFR 164.404(c) and such other information as the City may reasonably request.

9. Mitigation and Penalties. Business Associate must mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Breach or of a use or disclosure of PHI by Business Associate in violation of the requirements of this Contract. Business Associate shall take reasonable steps to put corrective measures in place to prevent future Breaches (such as retraining employees and upgrading security systems). At the City's request, Business Associate shall take reasonable steps to mitigate the harm to affected Individuals whose PHI has been or may have been compromised as a result of a Breach by Business Associate, including obtaining credit monitoring services and offering identity theft insurance. To the extent that the City incurs civil or criminal monetary penalties as a result of a Breach by the Business Associate, the Business Associate agrees to reimburse the City for such penalties.

10. Designated Record Sets - Access. If the Business Associate has PHI in a Designated Record Set, then Business Associate must provide access to or otherwise make available, at the request of the City, and in the time and manner designated by the City, PHI in a Designated Record Set, to the City or, as directed by City, to an Individual in order to meet the requirements under 45 CFR 164.524.

11. Designated Record Sets – Amendments. If the Business Associate has PHI in a Designated Record Set, then Business Associate must make any amendments to PHI in a Designated Record Set that the City directs or agrees to pursuant to 45 CFR 164.526 at the request of City or an Individual, and in the time and manner designated by the City.

12. Internal Practices, Books, and Records. Business Associate must make its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of, the City available to the Secretary for purposes of determining compliance with HIPAA. Business Associate also must make internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, the City available to the City in a time and manner designated by the City, for purposes of the Secretary determining City's compliance with HIPAA.

13. Accounting of Disclosures - Documentation. Business Associate must document the disclosures of PHI and information relating to such disclosures as would be required for City to respond to a request by an individual for an accounting of disclosures of PHI in accordance with HIPAA, specifically 45 CFR 164.528.

14. Accounting of Disclosures – Provision of Information. Business Associate must provide to City or an individual, in time and manner designated by City, information collected which relates to the disclosure of PHI, to permit City to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR 164.528. If the Business Associate receives a request for accounting of disclosures directly from the individual, the Business Associate must respond to such request for an accounting of disclosures, provide the accounting of disclosures to the individual within the time required

by 45 CFR 164.528, and provide the information regarding such request to the City, in the time and manner designated by the City.

15. Survival, Termination, and Return or Destruction of PHI. Upon termination of this Contract for any reason, the Business Associate's obligations under these contractual obligations shall survive termination and remain in effect:

- (a) until Business Associate has completed the return or destruction (in accordance with the US Department of Health and Human Services' Guidance to Render Unsecured Protected Health Information Unusable, Unreadable, or Indecipherable to Unauthorized Individuals) of all of the PHI provided by City to Business Associate, or created or received by Business Associate on behalf of City, and
- (b) to the extent that Business Associate retains any PHI.

Upon the expiration or termination of the underlying Contract, if feasible, the Business Associate must either:

- (1) return all PHI received from the City, or created, maintained, or received by Business Associate on behalf of the City, which the Business Associate still maintains in any form, to the City or
- (2) destroy it, at the City's option (in accordance with the US Department of Health and Human Services' Guidance to Render Unsecured Protected Health Information Unusable, Unreadable, or Indecipherable to Unauthorized Individuals).

This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.

If Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall extend the protections of this Contract to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If it is infeasible for Business Associate to obtain, from a subcontractor or agent any PHI in the possession of the subcontractor or agent, Business Associate shall require the subcontractors and agents to agree to extend any and all protections, limitations and restrictions contained in this Contract to the subcontractors' and/or agents' use and/or disclosure of any PHI retained after the termination of this Contract, and to limit any further uses and/or disclosures to the purposes that make the return or destruction of the PHI infeasible.

In the event of a breach of the terms of these contractual obligations, the cure and remedies of the Contract shall govern. HIPAA's privacy rule (45 CFR § 164.504(e)(2)) requires that the Business Associate will authorize termination of the Contract by the City, if the City determines that the Business Associate has violated a material term of these contractual obligations.

16. Compliance with Obligations. To the extent the Business Associate is to carry out one or more of City's obligation(s) under Subpart E of 45 CFR Part 164, the Business Associate must comply with the requirements of Subpart E that apply to the City in the performance of such obligation(s). Business Associate may not use or disclose PHI in a manner that would violate Subpart E of 45 CFR Part 164 if done by the City.

17. No Third Party Rights. The terms and conditions of this Contract are intended for the sole benefit of Business Associate and City and do not create any third party rights.

18. Governing Law. To the extent not preempted by federal law, the Contract shall be governed and construed in accordance with the laws of the State of Illinois.



EXHIBIT VI ECONOMIC DISCLOSURE STATEMENT (EDS)

<<<INCORPORATED HERE BY REFERENCE>>>

EXHIBIT VII EDS APPENDIX B

<<<INCORPORATED HERE BY REFERENCE>>>

**EXHIBIT VIII MBE & WBE SPECIAL CONDITIONS FOR COMMODITIES
OR SERVICES CONTRACTS**

<<<INCORPORATED HERE BY REFERENCE>>>

**EXHIBIT IX NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT
(NDCA)**



Non-Disclosure and Confidentiality Agreement Concerning Census and Claims Data CDs concerning the Request for Proposal (RFP) for:

LIFETIME BENEFIT TERMS FOR CITY OF CHICAGO EMPLOYEES:

Specification No. CBO-2018-02

I, the below undersigned, by signing this NDCA form, hereby agree to keep secure and confidential all information contained in the CD and/or USB drive as provided to me (the “Data”) and shall, to the best of my reasonable ability, ensure that the Data is used solely in response to the above referenced RFP; and

I also agree, unless as may otherwise be required by law, to not make copies of or otherwise share or disclose any of the Data to any person other than such persons participating in this RFP process and who has also signed an NDCA form; and

I agree that any unauthorized dissemination of the Data, or to knowingly use any information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person, is a breach of ethical standards which may be cause for termination of the RFP process in part or in whole; therefore,

I pledge my cooperation with agreement to fully complying with all matters of security and confidentiality as indicated above.

Signature

Date

Print Name

Company Name

Title

**EXHIBIT X ACTIVE EMPLOYEE PURCHASE DETAIL FOR OPTIONAL
TERM LIFE AND VOLUNTARY BENEFITS**

Table 6 Active Employee Purchase Detail for Optional Term Life and Voluntary Benefits as of September 2018

Employee Ages	No Products Purchased	Optional Term Life Only	Optional Term Life and at least one Supplemental coverage	Supplemental Coverage(s) only	Total Employees
under 20-24	672	23	1	17	713
25-29	1,788	79	9	156	2,032
30-34	2,494	277	28	180	2,979
35-39	3,043	605	37	222	3,907
40-44	2,852	1,052	106	238	4,248
45-49	3,303	1,840	144	325	5,612
50-54	3,093	1,750	198	364	5,405
55-59	2,272	1,031	149	279	3,731
60-64	1,296	497	74	155	2,022
65-69	357	113	16	38	524
70-74	135	43	4	6	188
75 plus	49	15		4	68
Grand Totals	21,354	7,325	766	1,984	31,429