



Friday, November 30, 2018

### **ADDENDUM #1**

Regarding the Request for Proposal (RFP) for:

**Lifetime Benefit Term Insurance**  
Specification Number: CBO-2018-02

The City of Chicago, acting through its Department of Finance (DOF), is hereby posting Addendum #1 to the above referenced RFP. Addendum #1 contains: Questions from Respondents and answers by DOF, as found in the Excel file which can be downloaded at the DOF's Chicago Benefits Office website at the following URL:

[www.cityofchicago.org/benefits](http://www.cityofchicago.org/benefits)

- Scroll down to: "Most Recent News (Chicago Benefits Office)" and click it
- Click on the Oct 1, 2018 [Lifetime Benefit Term Insurance RFP](#) link
- Click on Addendum #1 Excel file

The information contained in Addendum #1 is incorporated by reference into the original RFP issued on October 1, 2018.

Please acknowledge receipt of Addendum #1 in your cover letter (per Section 7.01. Cover Letter, of the RFP).

ADDENDUM # 1  
for Lifetime Benefit Term Insurance RFP  
Specification Number: CBO-2018-02

Q #	Question or Request for Clarification	RFP section being referenced	City's Response
1	Can you please provide 3-5 years of experience?	Section 8.01	This would be a new voluntary benefit program. Accordingly, no experience yet exists.
2	Do you have a complete census listing?	Section 8.01	Refer to Table 6 of the RFP, in: <u>EXHIBIT X Active Employee Purchase Detail for Optional Term Life and Voluntary Benefits</u> . Also note that reference to EXHIBIT X was made on page 2-of-49 of the RFP.
3	Do you have plan design details?	Section 8.01	This RFP asks that Repondents propose Plan details subject to the brief guidance provided in the RFP.
4	Do you have a sample certificate?	Section 8.01	This would be a new program. Accordingly, no current certificate of insurance exists.
5	What other voluntary life plans are currently in-force with the City? What is the current participation in the voluntary supplemental life plan?	<p>Section 9.03 - Enrollment Requirements (pg 26 ) 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:</p> <p>iii. Employer provided term life insurance; iv. Voluntary term life insurance;</p> <p>Section 9.03 - Enrollment Requirements 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:</p> <p>iii. Employer provided term life insurance; iv. Voluntary term life insurance;</p>	<p>See RFP paragraph 2 of <u>Article I. INTRODUCTION</u> for a brief description of voluntary life plans. More details are in the open enrollment guides found online here:</p> <p><a href="https://www.cityofchicago.org/city/en/depts/fin/supp_info/2019_Open_Enrollment.html">https://www.cityofchicago.org/city/en/depts/fin/supp_info/2019_Open_Enrollment.html</a></p> <p>For further information including participation, refer to Table 6 of the RFP, in: <u>EXHIBIT X Active Employee Purchase Detail for Optional Term Life and Voluntary Benefits</u>.</p>
6	Did the City select a Voluntary Supplemental Life carrier as a result of the RFP distributed in 2016? If so, who was selected? What benefits and Guaranteed Issue / Conditional Issue limits does that carrier's Life product provide?	<p>Section 9.03 - Enrollment Requirements (pg 26 ) 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:</p> <p>iii. Employer provided term life insurance; iv. Voluntary term life insurance;</p>	<p>1) No the City did not select a Voluntary Supplemental Life Carrier. 2) REMINDER: Respondents must, under 9.03 of the RFP, describe how proposed products will integrate with employer provided group term life insurance (\$25,000 for most employees, \$75,000 for certain police and fire) and voluntary group term life insurance (available in amounts specified in the open enrollment guides referenced above.)</p>

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7	How does the city anticipate this product being enrolled in the first year? Subsequent years?	<p>Section 9.03 - Enrollment Requirements (pg 26)</p> <p>The City reserves the right to review all enrollment information and make changes to any proposed enrollment information.</p>	Open enrollment has closed for 2019. 2019 enrollment would be conducted by mail as no group meetings are scheduled. The City anticipates that Respondents will propose a 2019 enrollment timeline and a project plan, and will be prepared for 2020 open enrollment meetings to be conducted in fall 2019.
8	Is the city considering offering any other voluntary benefits in addition to what is listed in the RFP at this time?	<p>Article I: Introduction (pg 1)</p> <p>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:</p> <ul style="list-style-type: none"> <li>• Optional Group Term Life Insurance</li> <li>• Group Long Term Disability</li> <li>• Universal Life Insurance</li> <li>• Voluntary Supplemental Insurance (which includes cancer and critical condition insurance, Hospital Indemnity Insurance, and Accidental Indemnity Benefit)</li> </ul>	The Chicago Benefits Office is not preparing any other such RFPs, nor is it considering issuing any such other RFPs in the near future.
9	<p>Due to the long term nature of life insurance, many of the benefits are likely be paid following retirement, not while covered individuals are actively at work. Therefore, we prefer to provide financial information that preserves privacy following retirement, and provide the following:</p> <ul style="list-style-type: none"> <li>- Number of certificates inforce</li> <li>- Value of benefits inforce</li> <li>- Claims paid volumes and amounts</li> </ul> <p>Is this acceptable to COC?</p>	<p>Section 8.03 Report Interrogatives (pg 20)</p> <p>1) Describe how you shall provide the City with both quarterly and monthly management information reports, including at a minimum:</p> <ul style="list-style-type: none"> <li>a. Premium rates in force</li> <li>b. Monthly premium revenues</li> <li>c. Number of Claims paid</li> <li>d. Total dollars paid</li> <li>e. Experience refunds (if applicable)</li> <li>f. Expense and interest on reserves (as applicable)</li> </ul> <p>Section 9.05 Reporting Requirements (pg 27)</p> <p>B. Prepare and present an annual report that identifies the policy</p> <ul style="list-style-type: none"> <li>i. Loss ratios;</li> <li>ii. Expenses;</li> <li>iii. Premium income; and</li> <li>iv. Insurer operating margin.</li> </ul> <p>D. Provide:</p> <p>iv. Quarterly and monthly management information reports, including at a minimum:</p> <ul style="list-style-type: none"> <li>(1) Premium rates in force;</li> <li>(2) Monthly premium revenues;</li> <li>(3) Number of Claims paid with total dollars paid;</li> <li>(4) Experience refunds (if applicable).</li> </ul>	No. All Respondents must respond to the RFP interrogatives as written.

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