

**State of West Virginia
Public Employees Insurance Agency**

**Request for Proposal
Life Insurance and
Accidental Death & Dismemberment Services**

September 4, 2012

RFP Purchasing # PEI013001

Section I
General Information

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General Information

Background

The Public Employees Insurance Agency (PEIA) was established under Article 16 of the West Virginia Code (<http://www.legis.state.wv.us>). Its mandate is "...to encourage and promote a uniform partnership relation between all employers and employees participating in the insurance plan or plans formulated under the provisions of this article and constituting the insurance program...". Employers are eligible to participate in this plan and in doing so provide basic group life and accidental death and dismemberment (AD&D) insurance to an estimated 134,000 active and retiree members (*retiree members are not eligible for the accidental death and dismemberment benefit*) as well as optional and dependent group life and accidental death and dismemberment coverage to approximately 161,500 covered lives. The following employers are eligible to participate in the PEIA plan:

- State of West Virginia
- West Virginia Legislature
- West Virginia State colleges and universities
- County boards of education to include elected members of the boards of education
- Counties, cities, or towns
- Comprehensive community mental health centers and mental retardation centers authorized pursuant to section one, article two-a, chapter twenty-seven (27-2-1) of the West Virginia Code and which is supported in part by state, county or municipal funds, and
- Other individuals and government bodies specified in the West Virginia Code Chapter 5, Article 16.

Objectives

It is the PEIA's goal to procure proposals which comply with the minimum requirements outlined in this RFP from qualified vendors for its fully insured life insurance plans:

- Basic life insurance
- Basic accidental death and dismemberment
- Optional life insurance
- Optional accidental death and dismemberment
- Optional dependent life and AD&D insurance

Plan design illustrated in Exhibit A

Section II

Bidding Instructions

Intent to Bid

After you've received and reviewed this Request for Proposal (RFP), reply *in writing* by September 19, 2012 with your intention to submit a proposal and your ability to administer the plan as outlined. Reply will be accepted in written (hard copy, e-mail or FAX) form and should be submitted to Thomas J. Marchio as indicated below.

Proposal Submission

Proposals are due prior to 4:00 p.m. Eastern Standard Time on November 8, 2012. Six (6) hard copies of the completed proposal (*also include one (1) unbound original*) should be sent as indicated below. Proposers should allow sufficient time for mail delivery to ensure timely arrival. **The PEIA cannot waive or excuse late receipt of a proposal that is delayed and late for any reason.** Proposals and/or unsolicited amendments that are submitted after the stated time and date will be disqualified from the proposal process and returned to the sender unopened. Proposals submitted directly through a broker or agent will not be considered and multiple bids from the same vendor will constitute grounds for disqualification.

The proposal package along with the Affidavit of Debt and Litigation Bond (Exhibits E and F) is to be sent to the attention of Thomas J. Marchio and is to be clearly marked "Confidential – Bid Enclosed":

Thomas J. Marchio
WV Public Employees Insurance Agency
601 57th Street, SE, Suite 2
Charleston, WV 25304-2345

Telephone: (304) 558-7850, Ext. 52656
Fax: (304) 558-2470

E-mail: thomas.j.marchio@wv.gov

Note: The PEIA reserves the right to cancel or amend this RFP, to accept or reject any and all proposals, in whole or part, received in response to the RFP, to waive or permit cure of minor irregularities. If it becomes necessary to revise this RFP, amendments will be provided to all prospective proposers that were sent this RFP or otherwise are known by the PEIA to have obtained this RFP. Acknowledgement of the receipt of all amendments to this RFP must accompany the proposer's proposal.

Section II

Bidding Instructions

Questions

Questions regarding this RFP will be accepted in written (hard copy, e-mail or FAX) form until 4:00 p.m. Eastern Daylight Time on September 26, 2012 and must be addressed to:

Thomas J. Marchio
WV Public Employees Insurance Agency
601 57th Street, SE., Suite 2
Charleston, WV 25304-2345
Telephone: (304) 558-7850, Ext. 52656
Fax number: (304) 558-2470
E-mail: thomas.j.marchio@wv.gov

All verbal representations are to be considered unofficial responses and will not be binding. Only the information issued in writing and added to the Request for Proposal specifications are binding. No questions of any kind will be accepted after the deadline. Questions regarded by the PEIA to be essential in responding to this RFP will be answered within seven (7) business days of the question period deadline. Questions and answers will be provided to all competing vendors.

Compliance with Specifications

Your response to this RFP must address all items requesting information. Failure to respond to a requested item or failure to provide a thorough answer may subject your proposal to a lower ranking or disqualification. Answers such as “yes”, “no”, “we comply”, “see attached brochure” or the like are not acceptable answers. In addition, you are expected to duplicate the benefits and administrative arrangements requested here. If you are unable to meet all of these requirements, your proposal must clearly note each variation.

If your proposal describes services that are under development, the development process and projected implementation dates must be clearly described.

Commissions

No commissions or finder's fee, or any combination thereof, shall be paid to any individual or agent; but this shall not preclude an underwriting insurance company or companies, *at their own expense*, from appointing a licensed resident agent, within the state, to service the companies' contracts.

Commissions reasonably related to actual service rendered for the agent or agents may be paid by the underwriting company or companies: *Provided, however*, that in no event shall payment be made to any agent or agents when no actual services are rendered or performed.

Please provide an explanation of any compensation paid to an agent or agents of the company and the services which that individual will be performing, if applicable to your proposal.

Section II

Bidding Instructions

Lobbying

Proposer certifies that no federal appropriated funds have been paid or will be paid, by or on behalf of the company or an employee thereof, to any person for purposes of influencing or attempting to influence an officer or employee of any Federal entity, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan, or cooperative agreement.

Proposers may not engage in attempting to influence the selection process via any unauthorized contact with any officer or employee of the State of West Virginia or other involved states or entities or any officer, employee or insured of West Virginia or the other states or entities. Violation of this clause shall disqualify the proposer from further consideration. Any lobbying activity to obtain the contract is grounds for disqualification.

Finalist Presentation and Vendor Selection

Finalists may be asked to make an on-site presentation of their proposal to the selection team and other parties as deemed appropriate by the Public Employees Insurance Agency. You will be notified of the time and place where the presentation will occur. The quality of your presentation may result in an increase/decrease of your overall score. The State will not be responsible for any costs incurred by a proposer in preparing and submitting a proposal, in making an oral presentation, in providing a demonstration, or in performing any other activities relative to this solicitation.

The PEIA also reserves the right, in its sole, discretion, to award a contract based upon the written proposals received without discussions or negotiations.

Public Record

All documents submitted which are related to purchase orders/contracts are subject to West Virginia Freedom of Information statute (W. Va. Code §29B-1-1, et seq).

A proposer should give specific attention to the clear identification of those portions of its proposal that it considers confidential, proprietary commercial information or trademark secrets, and provide justification why such materials, upon request, should not be disclosed by the State under the Freedom of Information Act of the Code of West Virginia (FOIA). Respondents are advised that, upon request for this information from a third party, the PEIA is required to make an independent determination whether the information should or should not be divulged to the party. The PEIA will provide notice to respondents if it has received such an information request. Respondents are put on notice, however, that absent a very clear reason that the materials are exempt from disclosure under the FOIA, PEIA will release the materials absent an order to the contrary from a court of competent jurisdiction.

Section II

Bidding Instructions

Protest of Award

Protests based on the contract award must be submitted in writing to the Director of the West Virginia PEIA within fifteen (15) working days from the date of the award announcement. Protest should be sent to:

**Director
WV Public Employees Insurance Agency
601 57th Street, SE., Suite 2
Charleston, WV 25304-2345**

Protests may be submitted by FAX at (304) 558-2470.

All protests shall contain:

The name and address of the protesting proposer
A statement of the grounds of the protest
Supporting documentation (if available)
The resolution or relief sought

Failure to submit this information shall be grounds for rejection of the protest by the Director of PEIA.

The PEIA may refuse to review any protests when the matter involved is the subject of litigation before a court of competent jurisdiction; if the merits have previously been decided by a court of competent jurisdiction; or if it has been decided in a previous protest by the Director of PEIA. Subcontractors under a proposer's proposal do not have standing to file a protest.

The Director will respond to the protest within seven (7) business days of receipt of the written notice at the offices of the PEIA

Proposers in disagreement with the response of the Director may ask for further review of the protest by the Cabinet Secretary of the West Virginia Department of Administration within five (5) days of the Director's response. The request for further review should be sent to:

**Acting Cabinet Secretary
Ross Taylor
WV Department of Administration
State Capitol Complex, Building 1, Room E-119
1900 Kanawha Boulevard, East
Charleston, WV 25305**

Appeals may be submitted by FAX at (304) 558-2999.

Section II

Bidding Instructions

If the protesting company believes that due to the nature of the contract award an expedited determination is required, a request that the matter be directed immediately to the Department of Administration Cabinet Secretary should be in the original protest submitted to the Director of PEIA. If the Director is in agreement with the reasons for the expedited request, the Director will forward the protest to the Department of Administration Cabinet Secretary and inform the requesting proposer of his/her actions.

Decisions by the Department of Administration Cabinet Secretary shall be considered to be the final level of administrative relief. Any further appeal of the administrative decision of the Department of Administration Cabinet Secretary must be directed to the Circuit Court of Kanawha County, Charleston, West Virginia.

Proposer Responsibilities

The PEIA will enter into contractual agreement only with the selected proposer. The selected proposer shall be responsible for all products and services required by this RFP. Any subcontractor(s) must be identified and a complete description of their role(s) relative to the proposal must be included in your proposal's Executive Summary. Subcontractors will not be treated as bidders and will have no standing to challenge any contract award.

The proposer is required to meet the intent of the mandatory specifications in order to be eligible for consideration and to continue in the evaluation process. Decisions regarding compliance with the intent of any mandatory specification shall be at the sole discretion of the PEIA.

If an agreement cannot be negotiated, PEIA reserves the right to enter into negotiation with the second highest vendor.

Proposer must respond to all questions in the RFP in the order they are presented. All forms, certificates, etc., should also be presented in the order which they appear in the RFP.

Section III

Mandatory Requirements

The following are considered to be mandatory requirements:

Affidavit of Debt (See page 10 and Exhibit E)

Litigation Bond (See page 10 and Exhibit F)

References

All client contacts referenced in the proposal must be both available and willing to discuss their current relationship with your organization.

Minimum Company Rating:

Provide your company's most recent rating by Fitch, Standard & Poor's, A.M.Best, Moody's and Weiss Ratings, Inc. Please indicate any change in rating that has occurred in the last 12 months and provide an explanation for that change.

STANDARD	RATING
Fitch	A-
Standard & Poor's	A
A.M. Best	A, A-
Moody's	A1, A2
Weiss Ratings, Inc.	B+

Bid Guarantee

All proposals must be guaranteed for an effective date of July 1, 2013. All service fees and premium should be guaranteed, at a minimum, through June 30, 2015. A guarantee through June 30, 2016 will be given special consideration, but is not required.

Performance Guarantees

The PEIA intends to implement a performance guarantee agreement with the life insurance plan administrator. Your proposal must include proposed performance standards and financial guarantees. At a minimum, the performance agreement must include standards for claims turnaround, employee satisfaction, payment dollar accuracy, coding accuracy, procedural accuracy, timeliness of reporting, and account management. Refer to page 27 under section H titled Performance Guarantees.

Mandatory Requirements

Proposer Registration

Proposers participating in this process should complete and file a *Vendor Registration and Disclosure Statement* (Form WV-1 and WV-1A respectively) (Exhibit I) and remit the registration fee. The proposer must register and pay the fee prior to the award of an actual contract.

Executive Order No. 19-01

By Executive Order of the Governor of the State of West Virginia on November 6, 2001, and still in effect, an executive order was extending, “life insurance benefits to those full-time public employees currently covered by the Public Employees Insurance Agency who are members of a reserve component of the United States Armed Forces including the West Virginia National Guard, and who are mobilized to active military duty by the President...” (Exhibit H). This provision must be part of your proposed benefit plan.

Executive Order No. 19-01

Implementation and Enrollment

The new plans will become effective on July 1, 2013. The implementation process will begin on February 15, 2013 and will continue through May 15, 2013. Implementation tasks will include extensive employee communications, on-site meetings, and enrollment processing.

The successful proposer must be fully committed to a seamless and on-time installation process with sufficient staff.

If the successful proposer and PEIA agree to an open enrollment the successful proposer will provide sufficient staff to assist in the open enrollment employee meetings to be held at various PEIA locations.

Actively-at-Work

The basic Life Insurance plan contains a waiver of premium provision for employees who become disabled prior to age sixty (60). This liability for these individuals will be maintained by the current carrier.

The optional Life Insurance plan contains a continuation of premium provision for employees who become disabled prior to age sixty (60) which will end when and if the existing contract is terminated.. Proposers will be required to waive the “actively-at-work” rule for existing members and their dependents currently covered under the plan.

Claims Submission

The PEIA, *only* when necessary, will continue to utilize the postal service, e-mail and faxes to submit claims and resolve any claim related issues.

Section IV

Contractual Services Terms and Conditions

Affidavit of Debt

West Virginia State Code §5A-3-10a-(3)(d) requires that all proposers submit an affidavit of debt which certifies that there are no outstanding obligations or debts owed the State of West Virginia. The Debt Affidavit is attached to this request for proposal as an attachment and **must** be completed, signed and returned **with** your proposal. (Exhibit E).

Litigation Bond

Each proposer responding to this request for proposal **is required** to submit a litigation bond in the amount of 5% of the total contract amount, made payable to the West Virginia PEIA. This bond must be issued by a surety company licensed to do business in the State of West Virginia with the West Virginia Insurance Commission, on a form acceptable to the PEIA, and countersigned by a West Virginia Resident Agent. The only acceptable alternatives to the bond are (1) a company certified check (not an individual) or (2) a cashier's check.

The purpose of the litigation bond is to discourage unwarranted or frivolous law suits pertaining to the award of a contract from this request for proposal. Secondly, the bond provides a mechanism for the State of West Virginia, the Agency, it's officers, employees, or agents thereof to recover damages, including (but not limited to) attorney fees, loss of revenue, loss of grants or portions thereof, penalties imposed by the federal government and travel expenses which may result from any such litigation. A claim against the bond will be made if the proposer contests the award in a court of competent jurisdiction and the grounds are found to be unwarranted or frivolous based on the facts of the award or applicable law as determined by the court.

The bond or alternate form (Exhibit F) must remain in effect for two years from the proposal submission date. After six (6) months, each proposer may request, and the Agency anticipates granting, a release of the litigation bond. However, the proposer will be required to provide a release (signed and notarized in a form that is acceptable to the PEIA) prior to release of the bond which states that the proposer will not in any way challenge the award.

The PEIA may also establish a procedure for the waiver of the ability of the proposer to challenge the award in lieu of a bond.

Failure to submit an appropriate bond or alternative to the bond with the proposal at the time of proposal opening will result in automatic disqualification of the proposer's proposal and the proposal will be considered non-responsive.

Contractual Services Terms and Conditions

Mandatory Contract Terms

By submitting an offer in the response to this RFP, proposer, if selected for contract award, shall be deemed to have accepted the terms of this RFP, including the mandatory contract terms which are included in (Exhibit J). The RFP and the proposer's winning proposal will be incorporated by reference in any resulting contract.

Indemnification

The proposer agrees to indemnify, defend and hold harmless the State and the Agency, their officers, and employees from and against: (1) Any claims or losses for services rendered by any subcontractor, person or firm performing or supplying services, materials or supplies in connection with the performance of the contract; (2) Any claims or losses resulting to any person or entity injured or damaged by the proposer, its officers, employees, or subcontractors by the publication, translation, reproduction, delivery, performance, use or disposition of any data used under the contract in a manner not authorized by the contract, or by Federal or State statutes or regulations; (3) Any failure of the proposer, its officers, employees or subcontractors to observe State and Federal laws, including but not limited to labor and wage laws.

Claims Responsibility

The new administrator will assume responsibility for all claims incurred on or after the effective date. The current administrator will be responsible for run-out claims.

Right to Audit

You must agree to the PEIA's right to audit life insurance and accidental death & dismemberment claim files, eligibility records, and/or financial accounting data. ***The PEIA will not be held responsible for costs incurred by the plan administrator in connection with these audits.***

Renewal Notification

Rate changes must be provided no later than the 120 days prior to a contract anniversary date. Renewal accounting must disclose all claims experience, reserves, interest calculations and administration expenses.

Section V Questionnaire

Use the selection criteria presented here to assist your organization in preparing a proposal that thoroughly addresses the PEIA's needs and objectives.

The selected proposer will provide the following:

Financial efficiency: Fees are competitive with those provided by other vendors, although *lowest cost* is not the sole decision-making factor.

Account management: The account executive and service manager are highly experienced and responsive. Stability and consistency in these roles is important.

Implementation: Commitment to a smooth and on-time implementation process is demonstrated through a detailed implementation plan and timeline (*please make this as realistic and specific as possible*), experienced staffing, and appropriate performance guarantees.

Performance guarantees: Refer to page 27 under section H titled Performance Guarantees.

Customer service: Telephone representatives must be courteous, knowledgeable, and well trained.

Organizational stability: Annual financial reports or other documentation must demonstrate long-term financial stability.

Administration and reporting: A sophisticated and efficient administrative and claims system is utilized. Comprehensive and timely management reporting capabilities are provided.

Client references: Current and former customers provide positive references.

Questionnaire

Guidelines:

- Each question should be retyped in your proposal with the response immediately following. Bullet points, or questions within questions, should be considered and answered separately.
- Please contact Thomas J. Marchio for an email copy of this RFP.

Thomas J. Marchio
WV Public Employees Insurance Agency
601 57th Street, SE., Suite 2
Charleston, WV 25304-2345

Telephone: (304) 558-7850, Ext. 52656
Fax number: (304) 558-2470

E-mail: thomas.j.marchio@wv.gov

- Your responses should be complete, yet succinct. Please avoid making references to pre-printed materials.
- Provide information in the requested formats. Clearly specify all of your assumptions.
- Responses should be based on current services, administrative systems and programs. Anticipated changes/enhancements should also be described, proposed effective dates should be clearly indicated.

Questionnaire

A. General Information

1. Describe the history, organization, and ownership of your company.
2. Provide the name, address, phone number, e-mail address, and fax number for the person to contact with questions regarding this proposal.
3. Provide the following information regarding the account service team that would be assigned to the Public Employees Insurance Agency:

Position	Name, Location, Phone No., Email	Years of Industry Experience	Years with Organization	Years in Current Position
Account Executive				
Customer Service Manager				
Claims Manager				
Implementation Coordinator				
Other (specify)				

Please note: One or more members of the proposed PEIA account team must be or have recently been members of one or more of the account teams for the client references being requested under item 13 of this section.

4. To what extent will your company's representatives be available to assist in the program, establishing administrative procedures and to explain claim submission processes and procedures to the PEIA representatives? The PEIA requires monthly face-to-face meetings the first year and quarterly meetings thereafter. Will you be able to comply with this schedule?
5. Provide the following information regarding functions to be performed for the PEIA.

Questionnaire

Function	Centralized or Decentralized?	Office Location	On Line Capabilities
Claims processing			
Customer services			
Underwriting services			
Billing			
Eligibility services			
Banking services			
Contract drafting			

6. Enclose copies of the following audited financial statements for the last three (3) years:

- Balance Sheet
- Income Statement
- Statement of Cash Flows
- Statement of Retained Earnings
- Annual Report

7. Provide a detailed implementation plan and timeline based upon a January 10, 2013 selection date and a July 1, 2013 effective date. Include the individuals involved and their experience. (The PEIA expects the vendor to take the initiative in this process and be responsible for its timely completion.)

8. Provide a sample life insurance contract. The PEIA will have final approval of the contract language to insure that wording is based on legal and statutory requirements of the PEIA.

Questionnaire

9. Provide a copy of the following forms and documentation similar to the ones that will be used by the PEIA:

- Insurance applications
- Evidence of insurability form
- Certificates of insurance *(Please note if there is an additional cost for this item.)*
- Change form
- Claims form
- Other related forms

10. Provide the following client references for the three (3) largest group term life insurance contracts currently insured by your organization. At least one of these three references should have a minimum of 60,000 participants and at least one should generate an annual premium for life insurance benefits in excess of \$18,000,000:

Employer Name:	
Number of employees/group size	
Contact name and title	
Contact telephone number	
Program implementation date	
Product	
Estimated annual premium	

Questionnaire

11. List any life insurance contracts you have in force with other state agencies. Provide the following information for each:

Employer Name:	
Number of employees/group size	
Contact name and title	
Contact telephone number	
Program implementation date	
Product	
Estimated annual premium	

Questionnaire

B. Claims Administration – General Information

1. What is the proposed claim office location for the PEIA, and how long has this office been in operation? Would you be willing to administer this plan from a West Virginia location?
2. What will the normal business hours (EST) for this office?
3. Will staff working on the PEIA's account have responsibilities for any other accounts or will they be dedicated to the PEIA only? Will a claims supervisor be accessible to the PEIA's Life Insurance staff?
4. Describe hiring and training processes for all claim office staff, including processors, supervisors/team leaders, member services, and data entry operators.
5. What is the average productivity of the claim payers? Use a per payer per day basis. Is employee compensation tied directly to productivity?
6. How does the claim office handle periods of significantly increased workload?
7. Will you accept liability for claim processor negligence? Fraud?
8. Please describe how claims and customer service systems are linked.

Questionnaire

C. Claims Administration – Customer Service

1. Describe the proposed customer service unit that would support the PEIA. What are its hours of operation? The PEIA requires that the customer service unit be available Monday through Friday between the hours of 8:00 a.m. – 5:00 p.m. EST. RFPs containing expanded customer service hours will be given extra consideration. Is a toll-free member services line provided?
2. Are customer service functions handled separately from claims payment functions? If so, are the customer service phones within the claims payment unit or part of a totally separate customer service unit? Do customer service representatives have access to the claim system?
3. How many customer service representatives would be assigned to the PEIA? Please describe their background and training.
4. What is your ratio of customer service representatives to enrolled members?
5. Can you provide customer service training for the PEIA's onsite customer service personnel?
6. Describe your tracking system for your customer service unit. What issues are raised most frequently? Is a monthly report available via the Internet or through another form of electronic transmission? Provide a sample report.
7. Does your organization survey participants regarding their satisfaction on an ongoing basis? If so, how often? Provide a copy of your most recent participant satisfaction survey results. Describe any action taken as a result of this survey.
8. After program start-up, what is the average delivery time for printed materials including enrollment forms and program descriptions?

Questionnaire

Claims Administration – Underwriting and Claim System

1. The PEIA would be interested in your organization developing or customizing a web site for its life insurance plan. This should be a secure site assessable by PEIA's staff and members when necessary. Is this plausible and if so would there be an additional cost to doing so?
2. What on-line automated underwriting and claim services do you currently offer e.g. life insurance underwriting, evidence-of-insurability, claims submission, open enrollment? *Please include the Internet address for all services provided.* Are there any additional costs for these services?
3. What underwriting system software is utilized for life insurance underwriting? When was this system originally implemented? Can life insurance applications be submitted and approved on-line?
4. What claim system software is utilized for life insurance claims? When was this system originally implemented? Can life insurance claims be submitted and approved on-line?
5. Describe the claim system for life insurance and accidental death & dismemberment claims as appropriate:
 - a. Describe the workflow from the time a claim is received until it is paid.
 - b. Describe how reimbursements are distributed. How long from date of receipt does it take to distribute a lump sum payment on a "clean" claim? Is interest credited from the date of death to the time the check is actually dated and mailed to the beneficiary? Does your system have the flexibility to capture an alternative date for interest calculations such as the date the PEIA receives complete information from the beneficiary for claim processing?
 - c. What security measures are in place to ensure that reimbursements are issued to the proper party?
 - d. How are pended claims handled? How often are follow-ups prompted? Who is responsible for the follow-up?
 - e. How long is individual claim history maintained on-line?
 - f. Describe any claim system changes planned for the next two years.
 - g. Describe back-up systems and disaster plans for the claims processing office and the computer center.
 - h. Describe the claim exception process.

Questionnaire

6. Define disability for purposes of qualifying for waiver of premium benefits. Explain the waiver of premium approval process, time limits for the PEIA to submit the claim for eligibility, and turnaround time for waiver of premium approval. Can disability waiver of premium benefits underwriting, and approval be completed on-line?
7. Can underwriting status reports be transmitted on-line? Provide the frequency of these reports.
8. Can claim status reports be transmitted on-line? Provide the frequency of these reports.
9. The winning proposer must be able to **accept** and **send** electronic files regarding life insurance underwriting status. These transmissions must be transmitted and secured through PEIA's FTP site.
10. The winning proposer must be able to transmit beneficiaries in an electronic file. These transmissions must be transmitted and secured through PEIA's FTP site.
11. All transmissions sent and received from the winning proposer and/or PEIA, must be transmitted on a secure site.
12. PEIA is looking for a vendor who can offer guidance on the issue of assigning benefits payable under the Life Insurance Plan(s). Due to problems associated with authenticating documents, unscrupulous vendors, pre-need contracts that do not specify amounts, and other issues, PEIA is reluctant to allow the assignment of life insurance benefits to funeral homes, cemeteries, crematories, etc. and would like vendor input on policy design(s) that ensure members are protected from potential fraud and/or abuse."

Questionnaire

13. Provide the following statistics for the claim office that will handle the PEIA plan:

Performance Measure	2010	2011	2012 YTD	Target
Financial accuracy <i>(Dollars paid correctly divided by dollars paid)</i>				
Processing accuracy <i>(Number of claims processed with 100 percent accuracy divided by number of claims)</i>				
Payment accuracy				
Average turnaround time <i>(Period from the date a claim is received until the date the transaction is processed completely.)</i>				
Average customer service telephone response time				
Call abandonment rate				

If you utilize other administrative and financial accuracy benchmarks, please provide information.

14. Where are output items such as checks produced and mailed?

Questionnaire

D. Claims Administration – Quality Assurance

1. Describe internal audit procedures. What percentage of claims is audited? How are claims selected? Are audits conducted before or after claim payment?
2. Do you have dedicated internal audit staff?
3. Are audits performed on a pre- or post-disbursement basis?
4. On average, what percentage of all claims is audited?
5. What kind of quality assurance tools are in place for the telephone system? What kind of management reporting information is provided?

E. Management Information

1. Can you provide data to the PEIA in an electronic file using either Microsoft Access or Excel format? The PEIA would prefer to access those files either via the Internet or through another form of electronic transmission. Is this feasible?
2. Provide samples of standard claims and statistical reports. These should include monthly and cumulative policy year-to-date paid life, accidental death and dismemberment and dependent group life claims separately for basic and optional coverage's, as well as separate status reports for waiver of premium claimants and reserve accumulations. Reports must be submitted within thirty (30) days of the end of each month. The transmission of these reports must be transmitted in an electronic file and secured through PEIA's FTP site.
3. Provide sample reports that are provided at policy year-end to support the financial accounting position along with a sample financial accounting statement.
4. Describe your ability to provide ad hoc reports. Do you charge for such reports?
5. What is the typical turnaround time for standard reports? Ad hoc reports?

Questionnaire

6. Indicate whether the following reports are included in a standard reporting package, or if they are available on a custom basis. If standard, indicate frequency:

Report Type	Standard	Custom	Frequency	Internet/ Electronic Transmission
Claim and Utilization				
Monthly paid claims				
Large claims				
Type of service				
Claim detail				
Other				
Enrollment summary				
By line of coverage (<i>Basic, AD&D, Optional, etc.</i>)				
By age band				
Financial				
Renewal package				
Settlement (annual accounting)				
Statement of revenues, expenditures and reserves				
Quarterly loss ratio reports and administrative charges				

Questionnaire

7. How many sub-groups can you accommodate?

8. Does your organization routinely interface with other third parties on behalf of your clients (e.g., data analysis vendors)? Do you charge for claim files?

9. Do you offer on-line claim inquiry? If so, please provide details. How do you protect claim records from unauthorized electronic inquiry?

Questionnaire

G. Liability Protection Measures

1. What level of liability insurance does your company carry?
2. In the last three years, how many lawsuits have been filed against your company? Indicate the number of suits settled out of court and the number settled by a judge or jury. In approximately what percentage of the cases was the employer named in the suit?
3. Is your company subject to any disciplinary action by the insurance regulatory officials of any state? If yes, please provide details.
4. The proposer agrees to indemnify, defend and hold harmless the State and the Agency, their officers, and employees from and against: (1) Any claims or losses for services rendered by any subcontractor, person or firm performing or supplying services, materials or supplies in connection with the performance of the contract; (2) Any claims or losses resulting to any person or entity injured or damaged by the proposer, its officers, employees, or subcontractors by the publication, translation, reproduction, delivery, performance, use or disposition of any data used under the contract in a manner not authorized by the contract, or by Federal or State statutes or regulations; (3) Any failure of the proposer, its officers, employees or subcontractors to observe State and Federal laws, including but not limited to labor and wage laws.

Questionnaire

H. Performance Guarantees

1. Provide your suggested performance guarantees/risk sharing in the following areas:
 - a. Plan implementation
 - Overall satisfaction
 - All implementation tasks accurately completed by May 15, 2013
 - b. Customer service
 - Telephone answering time
 - Telephone abandonment rate
 - c. Claim administration
 - Claim financial accuracy
 - Claim processing accuracy
 - Claim payment accuracy
 - Claim turnaround time
 - Problem resolution
 - d. Account management
 - e. Member satisfaction (via survey)
2. Are you willing to guarantee your performance on a PEIA-specific basis, or are performance measures based on book-of-business or departmental statistics?
3. Please detail any additional performance guarantees you are willing to implement for the PEIA.

Questionnaire

I. Financial

1. Does your proposal reflect a firm quotation? If not, which premiums are estimates, and on what basis will final premiums be determined?
2. Are you willing to offer multiple year rate guarantees? Please describe any contractual conditions that apply to this guarantee.
3. Are you willing to offer a deficit limitation provision that imposes a maximum annual deficit that can be carried forward from the annual financial accounting period? If so, how is the maximum deficit limitation calculated?
4. Are you willing to provide final financial accounting statements within 120 days from the close of the plan year-end (e.g. no later than December 1st)?
5. Does your organization require that the PEIA deposit a portion of surplus premiums that are generated through the annual financial accounting process into a special reserve account? Does this requirement vary for basic and optional life contracts?
6. Surplus operating results shall be deposited into a Premium Stabilization Account (PSR) maintained by you at the end of each reporting period from which PEIA may make withdrawals.
7. In no event shall any part of any risk pool deficit which may arise during the term of the agreement become the financial responsibility of PEIA beyond those amounts which have been transferred to the related risk pool PSR. Said risk shall be borne by the bidder.

Questionnaire

8. In the event a special reserve (PSR) is used by the PEIA for surplus premiums (either mandatory or voluntary), please respond to the following issues:
 - a. Is there a minimum balance that must be held in the (PSR) e.g. percentage of premium before additional surplus premiums can be returned to the PEIA?
 - b. Are surplus premiums subject to premium taxation prior to being deposited into the special reserve account, or are surplus premiums which are held in reserve taxed only when used to offset a deficit in subsequent plan years?
 - c. Describe any contractual limitations which would apply to the PEIA in the event a request is made to return the surplus dollars held in reserve.
 - d. In the event of contract termination, when will surplus dollars held in reserve and/or special reserve account be returned to the PEIA?
 - e. Please indicate the interest rate that you will pay in regard to cash balance held in the PSR. This rate should be quoted in terms of the Wall Street Journal prime rate and monthly compounding is required. Are interest rates quoted for a 12-month plan year, or is the interest rate variable during the plan year?
9. Explain the current interest formula and outline interest percentages that will apply in the financial accounting statements for the plan year beginning July 1, 2013. For what period are interest percentages guaranteed? Please include each of the following in your response:
 - a. Paid premiums
 - b. Paid death claims
 - c. Interest to beneficiaries
 - d. Waiver of premium reserves
 - e. Incurred but not reported (IBNR) reserves
 - f. Administration expenses
 - g. Late premium payments
10. What degree of credibility would your company apply to the life claims experience of this account for rate increase protection purposes? Will you consider historical claims experience from the incumbent carrier to allow for 100% credibility? Please provide your credibility formula for basic and optional life.

Questionnaire

11. For purposes of projecting renewal rate increases, is it your policy to include fluctuation margins and/or manual rate adjustments over and above the credibility of experience?
12. Define paid claims, incurred claims and benefit charge.
13. Describe briefly the basis on which your company calculates incurred but not reported (IBNR) claim reserves. Is the reserve a function of your book of business, or will the reserve be adjusted for actual PEIA claims experience lag?
14. Would you agree to a three-month delay in the calculation of the annual dividend in order to reduce what would be required as an unrevealed claim charge (IBNR claim)? In the event a sizable dividend is apparent, would a check for an estimated dividend subject to a final dividend calculation be issued immediately?
15. Describe the basis on which your company calculates waiver of premium claim reserves.
16. Will any portion of the coverage's be re-insured? If so, identify percentages of coverage's ceded, re-insurers and include an annual report for each.
17. You will be responsible for developing the Life Insurance Summary Plan Description. The PEIA will have final approval of the language which should be written in a manner that is representative of its audience. You will be required to supply a minimum of 150,000 copies of the SPD the first year of the contract. In the second and subsequent years the Life Insurance SPD will be incorporated into a more comprehensive employee benefit SPD. What will your company contribute, on a per-copy basis to printing of this SPD?
18. If your organization has quoted an implementation fee, please outline the services that your fee is intended to cover.
19. Are there any other costs or fees that the PEIA would likely incur in their first or subsequent year with your company? If so, please identify them.
20. Have you made any other rate assumptions in making this quotation? If so, please list them.

Section VI

Fee Exhibits

Fee Quotations

1. The annual accounting for PEIA's life insurance plan is based on a fully (100%) participating contract. At a minimum your proposal must contain a similar participating funding arrangement.
2. Financial exhibits have been provided for completion. For your proposal to be considered, you must complete the exhibits based on the assumptions provided. Partial or incomplete financial submissions will not be considered. All indicated financial elements must be disclosed or a "not applicable" (N/A) inserted in the exhibit.
3. Rates should be established so that each age band within each line of coverage is financially self-sufficient. Financial independence should exist between employer paid basic life policies and employee pay all optional life coverage's.
4. The PEIA requires that any factor, formula rate, or interest percentage that applies in the policy year-end financial account statement be disclosed in full during renewal negotiations. Any change that is presented in the renewal and ultimately accepted by the PEIA will become effective the first day of each plan year. In the event full disclosure is not provided at renewal, prior policy year factors, formula rates and interest percentages will be held and no change may occur.
5. Fixed costs should include the charges associated with administering evidence of insurability requirements. Indicate your unbundled charge per evidence of insurability submission that will be calculated in your financial accounting statements.
6. A retention illustration should be submitted with your proposal that identifies all reserve, expense formulas and cost that will apply during the time period of your rate guarantees. Confirm that all factors are guaranteed and identify specific components that are subject to a variable formula.
7. If you are willing to offer a deficit limit provision and there is a charge associated with that provision, please indicate the impact it will have separately from your rates quoted.

Section VI

Fee Exhibits

8. The PEIA will be responsible for paying all claims incurred prior to 12:00 am on July 1, 2013. First year administrative fees should be quoted on an immature basis as well as an illustrative mature basis. Identify separately any first year implementation fees.

9. Your proposal should include the cost of all normal claim processing services. Other services to be included are:
 - a. Administrative materials such as the contract, plan documents, booklets, insurance applications, change forms, claim forms and any other related forms
 - b. Management, financial, and performance reports
 - c. Toll-free telephone line for employees and the PEIA Customer Service staff
 - d. Dedicated claim and service units, if applicable
 - e. An administrative manual that documents material pertinent to successful administration of the program, and
 - f. All other services needed to administer the program described in these specifications.

10. In your quotation identify the per \$1,000 life insurance conversion charge. Indicate if it is part of claims or retention.

Section VI

Fee Exhibits

11. The following is a breakdown of the PEIA's current account structure. Indicate how many subgroups are included in your basic cost.
- a. State Agencies
 - Active basic life
 - Active optional life
 - Waivers

 - b. Boards of Education
 - Active basic life
 - Active optional life
 - Waivers

 - c. Colleges and Universities
 - Active basic life
 - Active optional life
 - Waivers

 - d. Retirees
 - Less than 65 – basic life
 - Less than 65 – optional life
 - 65 & over – basic life
 - 65 & over – optional life

 - e. Non-State Agencies
 - Active basic life
 - Active optional life
 - Waivers
12. West Virginia Code Chapter 5, Article 16 allows the PEIA to expand coverage to:
- Any separate corporation or instrumentality established by one or more counties, cities or towns, as permitted by law;
 - Any corporation or instrumentality supported in most part by counties, cities or towns; and
 - Any public corporation charged by law with the performance of a governmental function and whose jurisdiction is coextensive with one or more counties, cities, or towns.

What would be the impact to the rate structure you are proposing if the PEIA decides to expand their plan to include these entities?

Section VII

Selection Criteria

Use the selection criteria presented here to assist your organization in preparing a proposal that thoroughly addresses the PEIA's needs and objectives.

The selected proposer will provide the following:

Financial efficiency: Fees are competitive with those provided by other vendors, although *lowest cost* is not the sole decision-making factor.

Account management: The account executive and service manager are highly experienced and responsive. Stability and consistency in these roles is important.

Implementation: Commitment to a smooth and on-time implementation process is demonstrated through a detailed implementation plan and timeline (*please make this as realistic and specific as possible*), experienced staffing, and appropriate performance guarantees.

Performance guarantees: Performance in the areas of claim payment accuracy, claim turnaround, customer service, and account management is guaranteed via financial incentives.

Customer service: Telephone representatives must be courteous, knowledgeable, and well trained.

Organizational stability: Annual financial reports or other documentation must demonstrate long-term financial stability.

Administration and reporting: A sophisticated and efficient administrative and claims system is utilized. Comprehensive and timely management reporting capabilities are provided.

Client references: Current and former customers provide positive references.

Location: Proximity to Charleston, West Virginia.

PSR Interest Rate: Rate must be competitive.

Selection Criteria

Evaluation Process: Proposals will be evaluated by a committee of three (3) or more individuals in accordance with the criteria stated. The Proposer who meets all the mandatory specifications, attains the final highest point score of all Proposers (possible 100 points maximum) shall be awarded the contract. The selection of the successful Proposer will be made by a consensus of the evaluation committee. The criteria and the assigned weight factors are as follows:

Evaluation Criteria: The following are the factors and point values:

Account capability / Company Experience <i>Type and size of accounts, Customer satisfaction, History in the life insurance market, etc.</i>	15 Points Possible
Technology	20 Points Possible
Company Financial Viability <i>Company industry ratings, assets vs. debts, etc.</i>	15 Points Possible
Overall Quality of Proposal	10 Points Possible
Cost	40 Points Possible

Total 100 Points Possible

Each cost proposal will be evaluated by use of the following formula:

Lowest price of all proposals

_____ X 40 = Price Score

Price of Proposal being evaluated

Minimum Acceptable Score: Proposers must score a minimum of 70% of the total technical points possible. For example, the minimum qualifying score based upon a total possible technical score of 60, would be 70% of 60 points, or a technical score of 42 points or greater. All Proposers not attaining the minimum acceptable score (MAS) shall be disqualified and removed from further consideration.

The PEIA will select the successful Proposer's proposal based on best value purchasing which is not necessarily the low cost Proposer. Cost is considered, but is not the sole determining factor for award. The PEIA reserves the right to accept or reject any or all of the proposal, in whole or in part, without prejudice if to do so is felt to be in the best interests of the PEIA.

Proposer's failure to provide complete and accurate information may be considered grounds for disqualification. The PEIA reserves the right, if necessary, to ask Proposers for additional information to clarify their proposals. Nothing may be added to alter the original proposal after the proposal opening.

Exhibit A – Benefit Summary and Eligibility Provisions

Plan Design and Eligibility Provisions

The outline that follows summarizes the key benefit and eligibility provisions for the basic group life insurance, accidental death and dismemberment, optional life insurance, and dependent life insurance and accidental death and dismemberment program.

Optional AD&D benefits available to ACTIVE EMPLOYEES ONLY

Benefit Summary and Eligibility Provisions

SUMMARY OF CURRENT BASIC TERM LIFE INSURANCE PLAN		
Eligibility	<p>A regular full-time active employee of:</p> <ul style="list-style-type: none"> • State of West Virginia • West Virginia Legislature • West Virginia State colleges and universities • County boards of education to include elected members of the boards of education • Counties, cities, or towns • Comprehensive community mental health centers and mental retardation centers authorized pursuant to section one, article two-a, chapter twenty-seven (27-2-1) of the West Virginia Code and which is supported in part by state, county or municipal funds, or • Other individuals and government bodies specified in the West Virginia Code Chapter 5, Article 16 <p>And in a permanent position that is considered full-time by the participating entity and that requires services to be performed at least twenty (20) hours per week, unless otherwise exempt under West Virginia Code.</p>	
	<p>Retired employees who meet the minimum eligibility requirements of the applicable state retirement system and are enrolled in the month of or the two (2) months following their date of retirement.</p>	
Effective Date	The first day of the calendar month next following the date the participant enrolls.	
Benefit Schedule	Age	Volume
<ul style="list-style-type: none"> • Active employees 	Under Age 65	\$10,000
	Age 65 - 69	6,500
	Age 70 or over	5,000

Benefit Summary and Eligibility Provisions

SUMMARY OF CURRENT BASIC TERM LIFE INSURANCE PLAN (continued)		
Benefit Schedule (continued) <ul style="list-style-type: none"> • Retirees 	<u>Age</u>	<u>Volume</u>
	Under Age 67	\$5,000
	Age 67 or over	2,500
<ul style="list-style-type: none"> • Employees disabled prior to age 60 	<u>Age</u>	<u>Volume</u>
	Under Age 65	\$10,000
	Age 65 - 69	5,000
	Age 70 or Over	2,500
Waiver of Premium	Yes	
Reduction Schedule	Any reduction in the amount of principal sum due to the employee attaining an age will become effective on the first day of the calendar month coinciding with or next following the employee's attainment of a specified age.	
Conversion	Yes	
Accelerated Death Benefit	Yes	
Contribution	100% Employer paid	

Benefit Summary and Eligibility Provisions

SUMMARY OF CURRENT AD&D PLAN		
Eligibility	<p>A regular full-time active employee of:</p> <ul style="list-style-type: none"> • State of West Virginia • West Virginia Legislature • West Virginia State colleges and universities • County boards of education to include elected members of the boards of education • Counties, cities, or towns • Comprehensive community mental health centers and mental retardation centers authorized pursuant to section one, article two-a, chapter twenty-seven (27-2-1) of the West Virginia Code and which is supported in part by state, county or municipal funds, or • Other individuals and government bodies specified in the West Virginia Code Chapter 5, Article 16 <p>And in a permanent position that is considered full-time by the participating entity and that requires services to be performed at least twenty (20) hours per week, unless otherwise exempt under West Virginia Code.</p>	
Effective Date	The first day of the calendar month next following the date the participant enrolls.	
Benefit Schedule Active employees only	<p><u>Age</u></p> <p>Under Age 65</p> <p>Age 65 - 69</p> <p>Age 70 or over</p>	<p><u>Volume</u></p> <p>\$10,000</p> <p>6,500</p> <p>5,000</p>

Benefit Summary and Eligibility Provisions

SUMMARY OF CURRENT AD&D PLAN (continued)	
Reduction Schedule	Any reduction in the amount of principal sum due to the employee attaining an age will become effective on the first day of the calendar month coinciding with or next following the employee's attainment of a specified age.
Contribution	100% Employer paid

Benefit Summary and Eligibility Provisions

SUMMARY OF CURRENT EMPLOYEE OPTIONAL LIFE PLAN			
Eligibility	Same as Basic Life Insurance Plan		
Effective Date	Same as Basic Life Insurance Plan		
Benefit Schedule • Active employees	<u>Under Age 65</u>	<u>65 - 69</u>	<u>Age 70 or over</u>
	\$ 5,000	\$ 3,250	\$ 2,250
	10,000	6,500	4,500
	20,000	13,000	9,000
	30,000	19,500	13,500
	40,000	26,000	18,000
	50,000	32,500	22,500
	60,000	39,000	27,000
	75,000	48,750	33,750
	80,000	52,000	36,000
	100,000	65,000	45,000
	150,000	97,500	67,500
	200,000	130,000	90,000
	250,000	162,500	112,500
	300,000	195,000	135,000
	350,000	227,500	157,500
	400,000	260,000	180,000
	450,000	292,500	202,500
	500,000	325,000	225,000
• Retirees	<u>Under Age 65</u>	<u>65 - 69</u>	<u>Age 70 or over</u>
	\$ 5,000	\$ 3,250	\$ 2,500
	10,000	6,500	5,000
	15,000	9,750	7,500
	20,000	13,000	10,000
	30,000	19,500	15,000
	40,000	26,000	20,000
	50,000	32,500	25,000
	75,000	48,750	37,500
	100,000	65,000	50,000
	150,000	97,500	75,000

Benefit Summary and Eligibility Provisions

SUMMARY OF CURRENT EMPLOYEE OPTIONAL LIFE PLAN (continued)	
Evidence of Insurability	Evidence of insurability for active employees is required for amounts in excess of the guaranteed issue and increases elected after the initial election period. Retirees can increase their coverage through the evidence of insurability process <i>only</i> during their initial enrollment. Coverage cannot be increased after the initial enrollment period.
Waiver of Premium	Coverage is continued during periods of disability through premium continuation.
Reduction Schedule	Any reduction in the amount of insurance due to the employee reaching an age will become effective on September 1 of each year.
Conversion	Yes
Accelerated Death Benefit	Yes
Contribution	100% Employee paid

Benefit Summary and Eligibility Provisions

SUMMARY OF CURRENT EMPLOYEE OPTIONAL AD&D PLAN			
Eligibility	Same as Basic AD&D Plan		
Effective Date	Same as Basic AD&D Plan		
Benefit Schedule	<u>Under Age 65*</u>	<u>65 to 69\$</u>	<u>Age 70 Or Over</u>
Active employees only	\$ 5,000	3,250	2,250
	10,000	6,500	4,500
	20,000	13,000	9,000
	30,000	19,500	13,500
	40,000	26,000	18,000
	50,000	32,500	22,500
	60,000	39,000	27,000
	75,000	48,750	33,750
	80,000	52,000	36,000
	100,000	65,000	45,000
	150,000	97,500	67,500
	200,000	130,000	90,000
	250,000	162,500	112,500
	300,000	195,000	135,000
	350,000	227,500	157,500
	400,000	260,000	180,000
	450,000	292,500	202,500
	500,000	325,000	225,000
	*As of September 1		
Reduction Schedule	Any reduction in the amount of insurance due to the employee reaching an age will become effective on September 1 of each year.		
Contribution	100% Employee paid		

Benefit Summary and Eligibility Provisions

SUMMARY OF CURRENT DEPENDENT LIFE INSURANCE PLAN			
Eligibility	<p>Legal spouse and dependent children to age 26 of active employees and retirees.</p> <p>Where husband and wife are both covered under the plan as employees, both may elect to cover each other and any children.</p>		
Waiting Period	<p>The date the employee/retiree becomes effective if there are eligible dependents at that time or the first day the employee acquires an eligible dependent, if they are already eligible.</p>		
Benefit Schedule	<u>Option</u>	<u>Spouse</u>	<u>Child(ren)</u>
	1	\$ 5,000	\$ 2,000
	2	10,000	4,000
	3	15,000	7,500
	4	20,000	10,000
Evidence of Insurability	<p>Evidence of insurability for dependents is required if dependents are not enrolled in the month of or the two months following the qualifying event.</p> <p>Evidence of insurability for dependents of active employees is required for increases after the initial election period.</p> <p>Evidence of insurability for dependents of retirees is required for the higher option. Increases are not permitted after the retiree's initial election period.</p>		
Conversion	Yes		
Contribution	100% Employee paid		

Benefit Summary and Eligibility Provisions

SUMMARY OF CURRENT DEPENDENT AD&D PLAN			
Eligibility	<p>Legal spouse and dependent children to age 26 of active employees.</p> <p>Where husband and wife are both covered under the plan as employees, both may elect to cover each other and any children.</p>		
Waiting Period	<p>The date the employee becomes effective if there are eligible dependents at that time or the first day the employee acquires an eligible dependent, if they are already eligible.</p>		
Benefit Schedule	<p><u>Option</u></p> <p>1</p> <p>2</p> <p>3</p> <p>4</p>	<p><u>Spouse</u></p> <p>\$ 5,000</p> <p>10,000</p> <p>15,000</p> <p>20,000</p>	<p><u>Child(ren)</u></p> <p>\$ 2,000</p> <p>4,000</p> <p>7,500</p> <p>10,000</p>
Contribution	<p>100% Employee paid</p>		

Exhibit B – Census Data

**PUBLIC EMPLOYEES INSURANCE AGENCY
EMPLOYEE CENSUS - BASIC LIFE**

AGE	---- BASIC ONLY ----		----LIFE VOLUME----	
	FEMALE	MALE	FEMALE	MALE
< 20	26	47	260,000	470,000
20-24	838	1,014	8,380,000	10,140,000
25-29	3,831	2,760	38,310,000	27,600,000
30-34	4,879	3,638	48,785,000	36,375,000
35-39	5,217	3,797	52,145,000	37,930,000
40-44	6,702	4,616	66,955,000	45,930,000
45-49	7,172	4,888	71,555,000	48,465,000
50-54	8,882	5,656	88,030,000	55,270,000
55-59	10,891	6,775	99,775,000	60,480,000
60-64	10,709	7,298	80,155,000	53,875,000
65-69	6,482	5,283	19,892,500	17,202,500
70&ABOVE	13,080	8,674	35,755,000	24,850,000
	-----	-----	-----	-----
	78,709	54,446	609,997,500	418,587,500

**PUBLIC EMPLOYEES INSURANCE AGENCY
EMPLOYEE CENSUS - DEPENDENT LIFE**

----- ACTIVE -----

GROUPID	OPTION	DEPENDENTS	LIFE VOLUME
ACTIVE	OPTION 1	10,776	37,926,000
ACTIVE	OPTION 2	15,129	103,620,000
ACTIVE	OPTION 3	2,914	30,367,500
ACTIVE	OPTION 4	21,829	315,240,000
		-----	-----
		50,648	487,153,500

Census Data

PUBLIC EMPLOYEES INSURANCE AGENCY
 EMPLOYEE CENSUS
 OPTIONAL LIFE - TOBACCO FREE

AGE	OPTIONAL LIFE		LIFE VOLUME	
	FEMALE	MALE	FEMALE	MALE
< 20	1	11	100,000	900,000
20-24	232	283	16,630,000	20,490,000
25-29	1,303	911	101,580,000	82,895,000
30-34	1,851	1,322	161,840,000	135,115,000
35-39	2,382	1,533	220,305,000	160,580,000
40-44	3,248	1,967	291,845,000	203,245,000
45-49	3,397	2,221	273,500,000	204,770,000
50-54	4,299	2,609	302,045,000	218,565,000
55-59	5,632	3,334	342,910,000	239,585,000
60-64	5,379	3,635	265,905,000	221,885,000
65-69	3,257	2,690	121,435,000	135,285,000
70&ABOVE	5,448	3,962	82,842,500	83,736,250
	36,429	24,478	2,180,937,500	1,707,051,250

PUBLIC EMPLOYEES INSURANCE AGENCY
 EMPLOYEE CENSUS
 OPTIONAL LIFE - TOBACCO USER

AGE	OPTIONAL LIFE		LIFE VOLUME	
	FEMALE	MALE	FEMALE	MALE
< 20	4	3	200,000	200,000
20-24	38	89	2,420,000	7,050,000
25-29	121	194	8,110,000	12,995,000
30-34	296	326	21,230,000	26,035,000
35-39	383	478	29,665,000	38,000,000
40-44	544	714	39,120,000	57,235,000
45-49	671	763	44,190,000	58,040,000
50-54	875	974	52,390,000	68,320,000
55-59	843	995	43,815,000	57,330,000
60-64	669	889	27,880,000	43,695,000
65-69	371	622	12,430,000	26,930,000
70&ABOVE	577	703	8,180,250	13,295,750
	5,392	6,750	289,630,250	409,125,750

Exhibit C – Claim History

ACTIVE BASIC LIFE EXPERIENCE ANALYSIS

Incurring Period	07/06-06/07	07/07-06/08	07/08-06/09	07/09-06/10	07/10-06/11	07/11-12/11	Total
Total Paid Claims	Claims and premium not reported separately until 07/2011					\$ 666,341	\$ 666,341
Paid Premium						\$ 2,015,846	\$ 2,015,846
Paid Loss Ratio						33.1%	33.1%

RETIREE BASIC LIFE EXPERIENCE ANALYSIS

Incurring Period	07/06-06/07	07/07-06/08	07/08-06/09	07/09-06/10	07/10-06/11	07/11-12/11	Total
Total Paid Claims	Claims and premium not reported separately until 07/2011					\$ 1,804,187	\$ 1,804,187
Paid Premium						\$ 1,341,992	\$ 1,341,992
Paid Loss Ratio						134.4%	134.4%

TOTAL BASIC LIFE EXPERIENCE ANALYSIS

Incurring Period	07/06-06/07	07/07-06/08	07/08-06/09	07/09-06/10	07/10-06/11	07/11-12/11	Total
Total Paid Claims	\$ 5,438,932	\$ 5,344,283	\$ 5,201,114	\$ 5,375,491	\$ 5,587,440	\$ 2,470,528	\$ 29,417,788
Paid Premium	\$ 5,925,221	\$ 6,032,532	\$ 6,148,990	\$ 6,269,992	\$ 6,701,453	\$ 3,357,838	\$ 34,436,026
Paid Loss Ratio	91.8%	88.6%	84.6%	85.7%	83.4%	73.6%	85.4%

Paid claims figures include the change in waiver reserves.
 These figures do not include death claim IBNR reserves.

Claim History

ACTIVE OPTIONAL LIFE EXPERIENCE ANALYSIS

Incurring Period	07/06-06/07	07/07-06/08	07/08-06/09	07/09-06/10	07/10-06/11	07/11-12/11	Total
Total Paid Claims	\$ 6,216,519	\$ 6,029,718	\$ 5,761,861	\$ 6,537,719	\$ 6,909,965	\$ 2,253,246	\$ 33,709,029
Paid Premium	\$ 9,858,458	\$ 10,396,952	\$ 10,563,715	\$ 10,831,023	\$ 9,545,281	\$ 4,813,922	\$ 56,009,351
Paid Loss Ratio	63.1%	58.0%	54.5%	60.4%	72.4%	46.8%	60.2%

RETIREE OPTIONAL LIFE EXPERIENCE ANALYSIS

Incurring Period	07/06-06/07	07/07-06/08	07/08-06/09	07/09-06/10	07/10-06/11	07/11-12/11	Total
Total Paid Claims	\$ 10,743,644	\$ 9,927,713	\$ 9,901,754	\$ 10,925,968	\$ 12,261,928	\$ 5,909,751	\$ 59,670,758
Paid Premium	\$ 7,802,629	\$ 8,463,650	\$ 8,948,756	\$ 9,933,663	\$ 12,078,569	\$ 6,859,975	\$ 54,087,242
Paid Loss Ratio	137.7%	117.3%	110.6%	110.0%	101.5%	86.1%	110.3%

TOTAL OPTIONAL LIFE EXPERIENCE ANALYSIS

Incurring Period	07/06-06/07	07/07-06/08	07/08-06/09	07/09-06/10	07/10-06/11	07/11-12/11	Total
Total Paid Claims	\$ 16,960,164	\$ 15,957,431	\$ 15,663,615	\$ 17,463,687	\$ 19,171,894	\$ 8,162,997	\$ 93,379,787
Paid Premium	\$ 17,661,087	\$ 18,860,602	\$ 19,512,471	\$ 20,764,686	\$ 21,623,850	\$ 11,673,897	\$ 110,096,593
Paid Loss Ratio	96.0%	84.6%	80.3%	84.1%	88.7%	69.9%	84.8%

These figures do not include IBNR reserves.

Claim History

ACTIVE DEPENDENT LIFE EXPERIENCE

Incurring Period	07/06-06/07	07/07-06/08	07/08-06/09	07/09-06/10	07/10-06/11	07/11-12/11	Total
Total Paid Claims	\$ 1,608,747	\$ 1,820,845	\$ 1,683,218	\$ 1,783,192	\$ 2,319,409	\$ 918,136	\$ 10,133,547
Paid Premium	\$ 1,842,769	\$ 1,871,221	\$ 1,874,336	\$ 1,873,637	\$ 1,761,756	\$ 1,022,918	\$ 10,246,636
Paid Loss Ratio	87.3%	97.3%	89.8%	95.2%	131.7%	89.8%	98.9%

RETIREE DEPENDENT LIFE EXPERIENCE

Incurring Period	07/06-06/07	07/07-06/08	07/08-06/09	07/09-06/10	07/10-06/11	07/11-12/11	Total
Total Paid Claims	\$ 880,257	\$ 1,037,377	\$ 1,264,597	\$ 1,509,820	\$ 1,448,594	\$ 838,227	\$ 6,978,872
Paid Premium	\$ 469,165	\$ 520,953	\$ 575,517	\$ 616,107	\$ 848,063	\$ 634,991	\$ 3,664,796
Paid Loss Ratio	187.6%	199.1%	219.7%	245.1%	170.8%	132.0%	190.4%

TOTAL DEPENDENT LIFE EXPERIENCE

Incurring Period	07/06-06/07	07/07-06/08	07/08-06/09	07/09-06/10	07/10-06/11	07/11-12/11	Total
Total Paid Claims	\$ 2,489,004	\$ 2,858,222	\$ 2,947,815	\$ 3,293,013	\$ 3,768,003	\$ 1,756,363	\$ 17,112,419
Paid Premium	\$ 2,311,934	\$ 2,392,174	\$ 2,449,852	\$ 2,489,744	\$ 2,609,819	\$ 1,657,909	\$ 13,911,432
Paid Loss Ratio	107.7%	119.5%	120.3%	132.3%	144.4%	105.9%	123.0%

These figures do not include IBNR reserves.

Claim History

BASIC AD&D EXPERIENCE

Incurring Period	07/06-06/07	07/07-06/08	07/08-06/09	07/09-06/10	07/10-06/11	07/11-12/11	Total
Total Paid Claims	\$ 176,332	\$ 142,287	\$ 122,929	\$ 162,337	\$ 172,907	\$ 81,233	\$ 858,025
Paid Premium	\$ 251,261	\$ 254,204	\$ 256,979	\$ 262,291	\$ 211,658	\$ 106,097	\$ 1,342,490
Paid Loss Ratio	70.2%	56.0%	47.8%	61.9%	81.7%	76.6%	63.9%

OPTIONAL AD&D EXPERIENCE

Incurring Period	07/06-06/07	07/07-06/08	07/08-06/09	07/09-06/10	07/10-06/11	07/11-12/11	Total
Total Paid Claims	\$ 975,324	\$ 818,502	\$ 240,950	\$ 820,748	\$ 836,467	\$ 326,464	\$ 4,018,455
Paid Premium	\$ 844,951	\$ 878,213	\$ 884,419	\$ 897,807	\$ 897,146	\$ 451,100	\$ 4,853,636
Paid Loss Ratio	115.4%	93.2%	27.2%	91.4%	93.2%	72.4%	82.8%

DEPENDENT AD&D EXPERIENCE

Incurring Period	07/06-06/07	07/07-06/08	07/08-06/09	07/09-06/10	07/10-06/11	07/11-12/11	Total
Total Paid Claims	\$ 69,477	\$ 128,354	\$ 192,977	\$ 155,012	\$ 244,152	\$ 4,240	\$ 794,212
Paid Premium	\$ 128,165	\$ 130,145	\$ 130,361	\$ 130,314	\$ 122,533	\$ 61,049	\$ 702,567
Paid Loss Ratio	54.2%	98.6%	148.0%	119.0%	199.3%	6.9%	113.0%

Claim History

TOTAL AD&D EXPERIENCE

Incurred Period	07/06-06/07	07/07-06/08	07/08-06/09	07/09-06/10	07/10-06/11	07/11-12/11	Total
Total Paid Claims	\$ 1,221,133	\$ 1,089,143	\$ 556,856	\$ 1,138,097	\$ 1,253,526	\$ 411,937	\$ 5,670,692
Paid Premium	\$ 1,224,377	\$ 1,262,562	\$ 1,271,759	\$ 1,290,412	\$ 1,231,337	\$ 618,246	\$ 6,898,693
Paid Loss Ratio	99.7%	86.3%	43.8%	88.2%	101.8%	66.6%	82.2%

These figures do not include IBNR reserves.

Exhibit D – Rates and Retention

100% Participating Rates

		<u>NUMBER INSURED</u>	<u>LIFE VOLUME (in 1000's)</u>	<u>MONTHLY RATE/\$1000</u>	<u>MONTHLY PREMIUM</u>
A	<u>BASIC LIFE ACTIVE</u>	90,284	\$890,080		
	<u>BASIC LIFE RETIREE</u>	43,676	\$152,490		
B	<u>BASIC AD&D</u>	90,284	\$890,080		
C	<u>OPTIONAL LIFE</u>				
	<u>AGE GROUP</u>	<u>NUMBER</u>	<u>LIFE VOLUME</u>	<u>MONTHLY</u>	<u>MONTHLY</u>
		<u>INSURED</u>	<u>(in 1000's)</u>	<u>RATE/\$1000</u>	<u>PREMIUM</u>
	<u>ACTIVE</u>				
	<u>TOBACCO FREE</u>				
	UNDER-30	3,151	\$259,755		
	30-34	3,303	\$310,560		
	35-39	4,140	\$398,405		
	40-44	5,207	\$483,905		
	45-49	5,646	\$474,830		
	50-54	7,036	\$518,845		
	55-59	7,146	\$476,545		
	60-64	3,855	\$231,290		
	65-69	906	\$31,651		
	70 & OVER	327	\$7,704		
	<u>ACTIVE</u>				
	<u>TOBACCO USER</u>				
	UNDER-30	540	\$37,595		
	30-34	651	\$49,915		
	35-39	939	\$73,845		
	40-44	1,270	\$96,530		
	45-49	1,475	\$102,870		
	50-54	1,791	\$115,615		
	55-59	1,406	\$77,205		
	60-64	579	\$31,050		
	65-69	110	\$3,922		
	70 & OVER	37	\$688		

Rates and Retention

<u>RETIREE TOBACCO FREE</u>	NUMBER INSURED	LIFE VOLUME (in 1000s)	MONTHLY RATE \$1000	MONTHLY PREMIUM
UNDER 30	0	0		
30-34	1	\$30		
35-39	5	\$330		
40-44	35	\$2,595		
45-49	77	\$5,030		
50-54	294	\$16,685		
55-59	2,063	\$109,665		
60-64	5,070	\$237,795		
65-69	4,401	\$110,207		
70 & OVER	8,363	\$106,807		
<u>RETIREE TOBACCO USER</u>				
UNDER-30	0	\$0.00		
30-34	0	\$0.00		
35-39	4	\$160		
40-44	12	\$920		
45-49	30	\$1,920		
50-54	115	\$6,280		
55-59	415	\$19,540		
60-64	931	\$37,465		
65-69	791	\$18,486		
70 & OVER	1,118	\$13,570		

Rates and Retention

Optional AD&D

<u>ACTIVE ONLY</u>	<u>NUMBER INSURED</u>	<u>AD&D VOLUME</u>	<u>MONTHLY RATE/\$1000</u>	<u>MONTHLY PREMIUM</u>
UNDER-30	3,691	\$297,350		
30-34	3,954	\$360,475		
35-39	5,079	\$472,250		
40-44	6,477	\$580,435		
45-49	7,121	\$577,700		
50-54	8,827	\$634,460		
55-59	8,552	\$553,750		
60-64	4,434	\$262,340		
65-69	1,016	\$35,574		
70 & OVER	364	\$8,392		

<u>DEPENDENT LIFE</u>	<u>NUMBER INSURED</u>	<u>MONTHLY RATE PER EMPLOYEE</u>	<u>MONTHLY PREMIUM</u>
OPT 1 ACTIVE	6,790		
OPT 2 ACTIVE	8,335		
OPT 3 ACTIVE	1,416		
OPT 4 ACTIVE	11,153		
OPT 1 ACTIVE AD&D	6,790		
OPT 2 ACTIVE AD&D	8,335		
OPT 3 ACTIVE AD&D	1,416		
OPT 4 ACTIVE AD&D	11,153		
OPT 1 RETIREE	5,224		
OPT 2 RETIREE	3,465		
OPT 3 RETIREE	218		
OPT 4 RETIREE	2,113		

Rates and Retention

THE STATE OF WEST VIRGINIA
PUBLIC EMPLOYEES INSURANCE AGENCY
RETENTION AND DIVIDEND ILLUSTRATION
BASIC LIFE AND AD&D

NOTE: Please prepare your retention illustration assuming a volume of \$1,043,947,000 for Basic Life and \$891,155,000 for Basic AD&D.

	FIRST YEAR	SECOND YEAR	THIRD YEAR
Annual Premium (Quoted rates times volume shown above)	\$ _____	\$ _____	\$ _____
Paid Death Claims	\$ _____	\$ _____	\$ _____
Waiver of Premium Reserves	\$ _____	\$ _____	\$ _____
IBNR Reserves Percentage of Premium _____ % or formula _____	\$ _____	\$ _____	\$ _____
Conversion Charges \$ _____ /1,000 volume	\$ _____	\$ _____	\$ _____
Pool Charge (if applicable) ER Limit _____ Percentage of Premium _____ %	\$ _____	\$ _____	\$ _____
Gross Retention: Implementation _____ Administration _____ Per Claim Charges \$ _____ Risk Charges _____ Profit _____ Premium Taxes _____ % E of I _____ /occurrence Other (explain) _____ Total Charges	\$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____	\$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____	\$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____
Proposals must disclose all components that are based on a cost per transaction, cost per occurrence, % charge, etc.			
Interest Credits (Assume all premiums paid within the defined grace period)	\$ _____	\$ _____	\$ _____
Surplus/Deficit	\$ _____	\$ _____	\$ _____
Special Reserve Requirements Percentage of Premium _____ %	\$ _____	\$ _____	\$ _____
Surplus Return to PEIA or Deficit Carried Forward	\$ _____	\$ _____	\$ _____

Rates and Retention

THE STATE OF WEST VIRGINIA
PUBLIC EMPLOYEES INSURANCE AGENCY
RETENTION AND DIVIDEND ILLUSTRATION
OPTIONAL LIFE, AD&D, DEPENDENT LIFE/AD&D *with MEDICAL EVIDENCE*
N

	FIRST YEAR	SECOND YEAR	THIRD YEAR
Annual Premium (Quoted rates times volume shown above)	\$ _____	\$ _____	\$ _____
Paid Death Claims	\$ _____	\$ _____	\$ _____
Waiver of Premium Reserves	\$ _____	\$ _____	\$ _____
IBNR Reserves Percentage of Premium _____ % or formula _____	\$ _____	\$ _____	\$ _____
Conversion Charges \$ _____ /1,000 volume	\$ _____	\$ _____	\$ _____
Pool Charge (if applicable) ER Limit _____ Percentage of Premium _____ %	\$ _____	\$ _____	\$ _____
Gross Retention: Implementation _____ Administration _____ Per Claim Charges \$ _____ Risk Charges _____ Profit _____ Premium Taxes _____ % E of 1 _____ /occurrence Other (explain) _____ Total Charges	\$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____	\$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____	\$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____
Proposals must disclose all components that are based on a cost per transaction, cost per occurrence, % charge, etc.			
Interest Credits (Assume all premiums paid within the defined grace period)	\$ _____	\$ _____	\$ _____
Surplus/Deficit	\$ _____	\$ _____	\$ _____
Special Reserve Requirements Percentage of Premium _____ %	\$ _____	\$ _____	\$ _____
Surplus Return to PEIA or Deficit Carried Forward	\$ _____	\$ _____	\$ _____

Exhibit E – Affidavit of Debt

AFFIDAVIT

W.Va. Code §5A-3-10a states:

No contract or renewal of any contract may be awarded under this article to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor as defined in this section and the debt owed is an amount greater than five thousand dollars in the aggregate.

Definitions:

“Debt” means any assessment, penalty, fine, tax, or other amount of money owed to the state because of a judgment, fine, permit violation, license assessment, penalty or other assessment presently due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon;

“Debtor” means any individual, corporation, partnership, association, limited liability company or any other form or business association owing a debt to the state or any of its political subdivisions;

“Related party” means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever related to any vendor by blood, marriage, ownership or contract through which the party has a relationship or ownership or other interest with the vendor, so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving the amount that meets or exceeds five percent of the total contract amount.

Exception:

The prohibition does not apply where a vendor has contested any tax administered pursuant to chapter eleven of W.Va. Code, workers’ compensation premium, permit fee or environmental fee or assessment, and the matter has not become final, or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

Under penalty of law for false swearing (W.Va. Code § 61-5-3), it is hereby certified that the bidder and all related parties do not owe any debts or, if a debt is owed, that the provisions of the exception clause (above) apply.

Vendor’s Name:			
Authorized Signature:		Date:	

Exhibit F – Litigation Waiver

Proposer’s Total Waiver of Legal Challenge

_____, hereinafter “Proposer,” wishes to submit a Proposal in response to the Request For Proposal for the Life Insurance Program (the RFP) issued _____ by the Public Employees Insurance Agency for the State of West Virginia (PEIA). The Proposer acknowledges that a mandatory requirement of the RFP is that the Proposer submit a litigation bond with its proposal.

In consideration of the waiver of said litigation bond requirement by the PEIA, and in lieu of such bond, the Proposer agrees:

That the Proposer completely waives and foregoes any and all legal right or ability it may now have, or in the future acquire, to initiate any sort of challenge to or against the selection of a proposer and/or the ultimate award of a contract or contracts pursuant to the RFP. This Waiver is entered voluntarily by a representative authorized to legally bind the Proposer and shall be binding on the Proposer, its successors, assigns, heirs and any others claiming under the legal rights of the Proposer. This Waiver shall apply to any and all types of action, in challenge to or seeking to attack, in any way, the RFP selection process, or the subsequent award of contract(s) to the successful proposer, including but not limited to, administrative, judicial, or collateral actions.

Legal Name of Proposer

By: _____
Authorized Signature

Title: _____
Title of Authorized Signature

Approved:
Public Employees Insurance Agency for the State of West Virginia

By: _____
Authorized Signature

Exhibit G – Timetable for Proposals

The following timetable is expected to apply during this process:

<u>Event</u>	<u>Target Date</u>
Release of RFP to Selected Vendors	September 4, 2012
Mandatory Bidders Conference	September 18, 2012
Notification of Intent to Bid (fax/email)	September 19, 2012
Submission of Questions	September 26, 2012
Proposal Due Date	November 8, 2012
Oral Presentation (if necessary)	<i>To be determined.</i>
Finalist(s) Selection	December 6, 2012
Tentative Vendor(s) Selection	January 10, 2013
Implementation	90 days from contract award.
Proposed Effective Date	July 1, 2013

A mandatory bidder's conference shall be conducted on September 18, 2012, at 1:00 p.m. Said conference will be held at the Public Employees Insurance Agency offices, Room 1058 (PEIA Conference Room) at 601 57th Street, SE, Suite 2, Charleston, West Virginia.

****All interested proposers are required to be present at this meeting in person or through a teleconference arrangement.**

The teleconference contact arrangement is as follows:
Teleconference Phone Line: 1 (866) 206-0240
Participant Phone PIN 367013

Failure to attend the mandatory bidder's conference shall automatically result in disqualification.

No one person can represent more than one proposer.

Exhibit H – Executive Order

**STATE OF WEST VIRGINIA
EXECUTIVE DEPARTMENT
CHARLESTON
EXECUTIVE ORDER NO. 19-01
By the Governor**

WHEREAS, the President of the United States has ordered a partial mobilization to active military duty of certain units of the National Guard of the several states as well as certain reserve units of the United Forces in connection with the military retaliation and increased readiness in response to the terrorist attacks on the World Trade Center and Pentagon on September 11, 2001;

WHEREAS, some of those National Guardsmen and military reservists are also full-time employees of this State, its counties, or other political subdivisions;

WHEREAS, some of those public employees have already been mobilized by order of the President, while others may yet be mobilized in connection with the military response to terrorist attacks;

WHEREAS, prolonged military services imposes a harsh financial impact on public employees and their families by jeopardizing their income and valuable health or life insurance coverage or benefits;

WHEREAS, in an attempt to ameliorate such harsh financial impact on public employees salaries, this Administration proposed and the West Virginia Legislature enacted Enrolled House Bill No. 604 allowing state employees up to sixty working days paid leave when mobilized by appropriate federal authorities;

WHEREAS, no public employees should jeopardize or lose health or life insurance coverage or benefits as a result of his or her participation in the mobilization ordered by the President of the United States during the course of the present military response; and

WHEREAS, the Public Employees Insurance Agency is responsible for administering healthcare and life insurance coverage and benefits for public employees and their families;

Executive Order

NOW THEREFORE, I, BOB WISE, by virtue of the authority vested in me as the Governor of the State of West Virginia, do hereby ORDER that:

- 1) The Public Employees Insurance Agency shall make available health and life insurance benefits to those full-time public employees currently covered by the Public Employees Insurance Agency who are members of a reserve component of the United States Armed Forces, including the West Virginia National Guard, and who are mobilized to active military duty by the President in response to the above terrorist attacks, as follows:
 - a) Public employee members with healthcare insurance coverage and benefits for themselves and their families may continue their coverage while on such active military duty by paying their premium share to their respective benefit coordinators after expiration of their leave time. The employer shall continue to pay its normal pre-mobilization share for the public employee members and their families;
 - b) Employer participants in the Public Employees Insurance Agency shall continue to pay premiums associated with the basic life insurance for their public employee members who are on such active military duty; and
 - c) Public employee members with optional life insurance coverage in force at the time of mobilization for active military duty may continue such coverage by paying their premium share to their respective benefits coordinators.
- 2) The Department of Administration, the Public Employees Insurance Agency, and the Consolidated Public Retirement Board are hereby directed to cooperate in the formulation of any rules or other directives necessary to implement and effectuate the purposes of this Executive Order.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of West Virginia to be affixed.



DONE at the Capitol, in the City of Charleston, State of West Virginia, this sixth day of November, in the year of our Lord, Two Thousand One, and in the One Hundred Thirty-Ninth year of the State.

GOVERNOR

SECRETARY OF STATE

Exhibit I – Vendor Registration and Disclosure Statement

WV-1
REV. 09/01/03

**STATE OF WEST VIRGINIA
PURCHASING DIVISION**

VENDOR REGISTRATION AND DISCLOSURE STATEMENT

Dear Vendor:

Before a vendor is eligible to sell goods and/or services to the State of West Virginia, the *West Virginia Code* (§5A-3-12) requires all vendors to have on file with the State Purchasing Division a completed Vendor Registration & Disclosure Statement.

All vendors wishing to participate in the competitive bid process and receive purchase orders from the State of West Virginia exceeding one thousand dollars (\$1,000) are required to complete the Vendor Registration & Disclosure Statement (WV-1 form) and pay a \$45.00 annual fee. Payment of the \$45.00 annual fee includes a year's subscription to the *West Virginia Purchasing Bulletin*, which is available weekly, advertising purchases expected to exceed ten thousand dollars (\$10,000).

Please complete this form in its ENTIRETY and return with a check or money order made payable to the STATE OF WEST VIRGINIA in the amount of \$45.00. Incomplete forms will not be processed and will be returned to the vendor. Your cancelled check will serve as notification that the registration process is complete and that you are a registered vendor eligible to receive purchase orders from the State of West Virginia.

Please send completed form and \$45.00 payment to:

Purchasing Division
Vendor Registration
State Capitol Complex
2019 Washington Street East
P.O. Box 60130
Charleston, WV 25305-0130

Pages 1 and 2 which consist of information related to vendor organizational structure must be completed. Whenever a change occurs in the information submitted as required, such change shall be reported immediately in the same manner as required in the original disclosure affidavit (WV Code §5A-3-12). If you have any questions concerning the Vendor Registration & Disclosure Statement, please call the Purchasing Division at (304) 558-0059.

PLEASE TYPE OR CLEARLY PRINT ALL INFORMATION
Part I: To Be Completed by the Vendor and Return to the State Agency Listed Above

1. Legal Name of Company/Individual _____
 Bidding Address _____

 City/State/Zip _____
 Contact Person _____
 Telephone Number _____ FAX Number _____

2. Vendor Classified As

<input type="checkbox"/> Individual	<input type="checkbox"/> Governmental Entity
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Non-Profit Organization
<input type="checkbox"/> Partnership	<input type="checkbox"/> Other (Explain) _____
<input type="checkbox"/> Estate/Trust	_____
<input type="checkbox"/> Corporation	_____
<input type="checkbox"/> Public Service Corp	_____

3. If you have a Federal Employer's Identification Number enter it. All partnerships, corporations, sole owners, or companies with employees must have an FEIN

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3a. Individual's enter Social Security Number.

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4. By providing the following information, I represent that this enterprise is a small business as defined by the *Code of Federal Regulations*, Title 13, Part 121, as appended - which contains detailed industry definitions and related procedures - and/or the characteristics of the enterprise's control, operation and/or ownership are accurately reflected in the information provided. Check all that apply.

<input type="checkbox"/> Disabled Small Business Ownership [1]	<input type="checkbox"/> Veteran Small Business Ownership [4]
<input type="checkbox"/> Minority Small Business Ownership [2]	<input type="checkbox"/> Woman Small Business Ownership [5]
<input type="checkbox"/> Small Business Ownership [3]	

The information gathered in question 4 is for data collection efforts only

Continue on page 2...

Vendor Registration

5. Are you registering as a new vendor? No Yes

6. Are you updating the organizational status previously submitted? No Yes

7. Payment of the \$45.00 annual fee entitles you to a year's subscription to the *West Virginia Purchasing Bulletin*. Do you wish to receive this publication? No Yes

8. Are you completing this form to register a branch/division/subsidiary? No Yes
If yes, please list the parent company's name, address, and FEIN.
 Company Name: _____
 Address: _____
 FEIN: _____

9. Has the vendor done business under another name? If so, list the name and address under which the business was conducted.
 Name _____ Address (St. & No.), City & State _____

10. List the name, title and resident location of all officers. Attach an additional sheet if space is needed.

Name	Position	Resident Address (St. & No.), City & State
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

11. Has the vendor or those owning a controlling interest of the vendor or those serving as managers or officers of the vendor done business within the preceding ten years under a different name or under a different form of business organization under which such business was conducted? No Yes

12. List one or more banking institutions to serve as reference for the vendor.

13. What is the latest Dun & Bradstreet rating on the vendor (if there is any such rating)?

14. Is the vendor acting as an agent for some other individual, firm or corporation? If yes, attach statement of the principal authorizing such representation. No Yes

15. List the three digit commodity code number(s) from the list on pages 2 and 4 which best describe the product(s)/service(s) furnished by your company. (Attach additional page, if necessary)

As authorized agent of the vendor named herein, I do solemnly swear that the above information is true and complete

 Vendor Signature

 Title

Dated this _____ day of _____, 20__

Exhibit J – Mandatory Contract Terms

The terms of the contract negotiated as a result of the RFP must, by State law be consistent with the following:

- **Arbitration** Any references to arbitration contained in the agreement are unacceptable. Any claims against the PEIA under the agreement shall be presented to the West Virginia Court of Claims.
- **Hold Harmless** Any clause requiring the agency to indemnify or hold harmless any party is unacceptable.
- **Interest** Should the agreement include a provision for interest on late payments, the PEIA agrees to pay the maximum legal rate under West Virginia Law. All other references to interest or late charges are unacceptable.
- **Recoupment** Any language in the agreement waiving the PEIA's right to set-off, counterclaim, recoupment, or other defense is unacceptable.
- **Statute of Limitation** Any clauses limiting the time in which the PEIA may bring suit against the vendor, lessor, individual, or any other party are unacceptable.
- **Similar Services** Any provisions limiting the PEIA's right to obtain similar services or equipment in the event of default or non-funding during the term of the agreement are unacceptable.

Mandatory Contract Terms

- **Attorney Fees**

The PEIA recognizes an obligation to pay attorney's fees or costs only when assessed by a court of competent jurisdiction. Any other provision is invalid and considered null and void.
- **Limitation of Liability**

The PEIA, as a State entity, cannot agree to assume the potential liability of a vendor. Accordingly, any limiting the vendor's liability for direct damages or limiting the vendor's liability under a warranty to a certain dollar amount or to the amount of the agreement is unacceptable. In addition, any limitation is unacceptable to the extent that it precludes any action for injury to persons or for damages to personal property.
- **Termination Charges**

Any provision requiring the PEIA to pay a fixed amount or liquidated damages upon termination of the agreement is unacceptable. The PEIA may only agree to reimburse a vendor for actual costs incurred or losses sustained during the current fiscal year due to wrongful termination by the PEIA prior to the end of any current agreement term.
- **Renewal**

Any reference to automatic renewal is unacceptable. The agreement may be renewed only upon mutual written agreement of the parties.
- **Insurance**

Any provision requiring the PEIA to insure equipment or property of any kind and name the vendor as beneficiary or as an additional insured is unacceptable.
- **Right to Notice**

Any provision for repossession of equipment without notice is unacceptable.
- **Acceleration**

Any reference to acceleration of payments in the event of default or non-funding is unacceptable.

Mandatory Contract Terms

- **Amendments**

All amendments, modifications, alterations or changes to the agreement shall be in writing and signed by both parties.

Exhibit K – CERTIFICATE OF INSURANCE

Certificate of Insurance - July 2012

West Virginia Public
Employees Insurance Agency

Group Term Life and Accidental Death and Dismemberment Insurance

Underwritten by Minnesota Life
Insurance Company



MINNESOTA LIFE

A Securian Company

Introduction To Your PEIA Group Life Insurance Policy underwritten by Minnesota Life Insurance Company:

This booklet provides a description of the options available to you and your dependents. Detailed policy provisions including enrollment requirements, effective dates of coverage, policy limits, and exclusions are included. Please review this important information and keep it in a secure place for future reference.

As an eligible employee of an employer who is affiliated with the West Virginia Public Employees Insurance Agency (PEIA), life insurance benefits are available to you and your dependents through a group life insurance policy underwritten by Minnesota Life Insurance Company. Your benefit choices include basic life insurance, optional life insurance, and optional dependent life insurance.

Basic Life Insurance

Active and retired employees may elect basic life insurance. Your benefit amount depends on your age and employment status (active employee or retired employee).

Basic Accidental Death and Dismemberment Insurance

Active employees who elect basic life insurance are automatically covered for accidental death and dismemberment (AD&D) insurance. Retired employees are not eligible for AD&D insurance.

Optional Life and AD&D Insurance

If you want more protection than the basic life insurance benefit provides, you may elect additional coverage. Optional life insurance and an equal amount of AD&D coverage are available to active employees. Retired employees may also select optional life insurance, but no AD&D benefits are available to retired employees.

Dependent Life and AD&D Insurance

Active employees may choose life and AD&D insurance for their eligible dependents. Retired employees may elect dependent life insurance, but no AD&D benefits are available to dependents of retired employees.

Please remember that both basic and optional coverage on the employee is decreasing term life insurance. That means the premiums increase and coverage amounts decrease as the employee ages.

Again, please review this information, and if you have questions regarding this coverage, please contact Minnesota Life Insurance Company at 800-203-9515.

Minnesota Life Insurance Company • 400 Robert Street North • St. Paul, Minnesota 55101-2098

POLICY NUMBER: 33227-G

POLICYHOLDER: WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY

Read Your Certificate Carefully

You are insured under the group policy shown on the specifications page attached to this certificate. This certificate summarizes the principal provisions of the group policy that affect you. The provisions summarized in this

certificate are subject in every respect to the group policy. You may examine the group policy at the principal office of the policyholder during regular working hours.

Dennis E. Fiedler
Secretary

Robert L. Soudan
President

GROUP TERM LIFE CERTIFICATE OF INSURANCE

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GENERAL INFORMATION

POLICYHOLDER: West Virginia Public Employees Insurance Agency **POLICY NO.:** 33227-G

PARTICIPATING EMPLOYERS:

- State of West Virginia
- West Virginia Legislature
- West Virginia State colleges and universities
- County boards of education to include elected members of the boards of education
- Counties, cities, or towns (if the employer elects to participate in the PEIA Plan)
- Comprehensive community mental health centers and mental retardation centers authorized pursuant to West Virginia Code
- Other individuals and government bodies specified in the West Virginia Code, (if the employer elects to participate in the PEIA Plan)

CERTIFICATE EFFECTIVE DATE: July 1, 2011

This certificate and/or certificate specifications page replaces any and all certificates and/or certificate specifications pages previously issued to you under the group policy. Please replace any certificate and/or certificate specifications page previously issued to you with this new certificate and/or specifications page.

GROUP: Regular, full-time active public employees of West Virginia (including elected officials) who are:

- full-time employees regularly working at least 20 hours per week in a permanent position that is considered full-time by the participating employer; or
- elected officials who work full-time in elected positions; or
- members of the West Virginia Legislature; or
- elected members of a county board of education; or
- school service employees eligible under W.Va. Code, Chapter 18A

Retired public employees are also eligible under the policy as defined by the policyholder as follows:

The retiree meets the minimum eligibility requirements of the applicable State retirement system and the retiree's last employer immediately prior to retirement is a participating employer under the state retirement system. Members of the Teacher's Defined Contribution Retirement plan must have 12 or more years of credited service or be age 60 or over with a minimum of 5 years of service to qualify to continue coverage upon retirement. Members who participate in a non-State retirement system must, in the case of education employees (such as TIAA-CREF or similar plans), meet the minimum eligibility requirements of the State Teachers Retirement System, and in other cases, meet the minimum eligibility requirements of the Public Employees Retirement System.

ENROLLMENT PERIOD: The calendar month in which an employee is hired and the two calendar months immediately following the employee's date of hire. An employee must complete an enrollment form for all coverage under this policy, including basic insurance.

In addition, for an employee who acquires a newly eligible dependent through marriage, birth or adoption, the enrollment period for the newly eligible dependent is the calendar month in which the event occurs and the two calendar months immediately following the event.

WAITING PERIOD: For employees in an eligible class on July 1, 2006:
None

For all other employees:

The period commencing with the employee's date of employment and ending with the first day of the month immediately following the employee's enrollment for coverage under the group policy. For employees who enroll before their first day of active employment, coverage will begin the first day of the month following the employee's first day of active employment.

**MINIMUM HOURS PER WEEK
REQUIRED**

20 hours per week, unless otherwise exempt under W. Va. Code.

CERTIFICATE HOLDER:

An employee who meets the eligibility requirements and becomes insured according to the terms of the policy.

CERTIFICATE EFFECTIVE DATE:

The date that the certificate holder becomes insured under the group policy.

PLAN OF INSURANCE

EMPLOYEE BENEFIT SCHEDULE

EMPLOYEE TERM LIFE INSURANCE:

Basic Life Insurance

Eligible Class – All active employees

Schedule of Life Insurance

<u>Under age 65</u>	<u>Age 65 – 69</u>	<u>Age 70 or over</u>
\$10,000	\$6,500	\$5,000

Eligible Class – All disabled employees whose coverage is continued under the Waiver of Premium Rider

Schedule of Life Insurance

<u>Under age 65</u>	<u>Age 65 – 69</u>	<u>Age 70 or over</u>
\$10,000	\$5,000	\$2,500

Optional Life Insurance

An employee must enroll for basic life insurance in order to enroll for optional life insurance. An employee may choose an amount of optional life insurance from the following options:

Eligible Class - All active employees

Schedule of Life Insurance for Active Employees

<u>Option</u>	<u>Under age 65</u>	<u>Age 65 – 69</u>	<u>Age 70 or over</u>
I	\$ 5,000	\$ 3,250	\$ 2,250
II	10,000	6,500	4,500
III	20,000	13,000	9,000
IV	30,000	19,500	13,500
V	40,000	26,000	18,000
VI	50,000	32,500	22,500
VII	60,000	39,000	27,000
VIII	75,000	48,750	33,750
IX	80,000	52,000	36,000
X	100,000	65,000	45,000
XI	150,000	97,500	67,500
XII	200,000	130,000	90,000
XIII	250,000	162,500	112,500
XIV	300,000	195,000	135,000
XV	350,000	227,500	157,500
XVI	400,000	260,000	180,000
XVII	450,000	292,500	202,500
XVIII	500,000	325,000	225,000

EMPLOYEE ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D) INSURANCE:

Basic and Optional Insurance

Eligible Class

All employees

Amount of Insurance

An amount equal to the amount of basic and optional life insurance for which the employee is insured under the group policy.

GENERAL PROVISIONS FOR EMPLOYEE INSURANCE

AGE REDUCTIONS:

For basic insurance age reductions will apply the first day of the calendar month coinciding with or next following an employee's attainment of a specified age.

For optional insurance reductions in an employee's amount of insurance due to attainment of a specified age will become effective September 1 of each year based on the employee's age as of that date.

RETIREE COVERAGE:

An eligible retiree may elect basic and optional life insurance coverage as a retiree on a contributory basis, subject to the following provisions.

Basic Retiree Life Insurance

Evidence of insurability will not be required for basic retiree coverage if:

- (1) basic retiree coverage is elected during the month of the employee's retirement or within the two calendar months immediately following the employee's date of retirement; and
- (2) the employee was covered for basic life insurance immediately prior to his or her date of retirement.

All elections for retiree basic coverage must be made during the employee's month of retirement, or within the subsequent two calendar months immediately following the employee's date of retirement. Basic retiree insurance cannot be elected outside of this enrollment period. As an exception, a retiree will be given an opportunity to enroll for basic retiree life insurance without evidence of insurability at the time the retiree enrolls for retiree medical coverage through PEIA.

If elected by the employee, the amount of basic retiree life insurance will be determined by the retiree's age as follows:

Schedule of Basic Retiree Life Insurance

<u>Under age 67</u>	<u>Age 67 or over</u>
\$5,000	\$2,500

Optional Retiree Life Insurance

A retired employee (including an employee approved for disability retirement) who is enrolled for basic retiree life insurance may also elect one of the following options of optional retiree life insurance:

Schedule of Optional Retiree Life Insurance

<u>Option</u>	<u>Under age 65</u>	<u>Age 65 – 69</u>	<u>Age 70 or over</u>
I	5,000	3,250	2,500
II	10,000	6,500	5,000
III	15,000	9,750	7,500
IV	20,000	13,000	10,000
V	30,000	19,500	15,000
VI	40,000	26,000	20,000
VII	50,000	32,500	25,000
VIII	75,000	48,750	37,500
IX	100,000	65,000	50,000
X	150,000	97,500	75,000

**Optional Retiree Life Insurance
Continued**

All elections for retiree optional coverage must be made during the employee's month of retirement, or within the subsequent two calendar months immediately following the employee's date of retirement or the date the employee is approved for disability retirement. Optional retiree coverage cannot be elected or increased outside of this enrollment period.

Evidence of insurability will not be required for elections equal to or less than the amount of optional insurance the retiree had in force as an active employee under the plan immediately prior to his or her retirement date. As an exception an employee enrolled for Option I or Option II as an active employee can enroll for the same respective option under the retiree schedule without evidence of insurability, even if the election results in a slight increase in his or her amount of insurance.

Evidence of insurability will be required for any increase in the amount of insurance. Any amount of life insurance subject to evidence of insurability will become effective the first day of the month following the date which Minnesota Life finds the evidence of insurability to be satisfactory.

In the event a retired employee dies within 31 days of his or her retirement date without making an election for retiree coverage, benefits will be paid according to the employee's coverage in force immediately prior to his or her date of retirement.

All AD&D coverage terminates the first day of the month following the employee's date of retirement.

CONTRIBUTORY/NONCONTRIBUTORY:

Basic insurance for active employees may be noncontributory or contributory insurance, as determined by the participating employer. Basic insurance for retired employees is contributory insurance. All optional insurance is contributory insurance.

GUARANTEED ISSUE AMOUNT:

Guaranteed issue is the maximum amount of insurance an employee can receive without evidence of insurability when first eligible under the plan provided enrollment is made within the enrollment period. The amounts are as follows:

For basic insurance:

All basic insurance is guaranteed issue.

For optional insurance:

For employees in an eligible class immediately prior to the effective date of the group policy:

An amount equal to the amount of contributory insurance for which the employee was insured under the prior carrier's group policy on the day immediately preceding the effective date of this policy.

For employees who first become eligible after the effective date of this policy:

\$100,000

EVIDENCE OF INSURABILITY:

Evidence of insurability is required as stated in the policy and for an amount of insurance greater than the guaranteed issue amount.

DEPENDENTS BENEFIT SCHEDULE

DEPENDENTS TERM LIFE INSURANCE: An employee must enroll for basic life insurance in order to enroll for dependents term life insurance. An active employee enrolled for life insurance may choose an amount of dependents term life insurance from the following options:

Schedule of Life Insurance

<u>Option</u>	<u>Eligible Class</u>	<u>Amount of Life Insurance</u>
I	Spouse	\$ 5,000
	Children	2,000
II	Spouse	10,000
	Children	4,000
III	Spouse	15,000
	Children	7,500
IV	Spouse	20,000
	Children	10,000

An employee must enroll each dependent he or she want to cover. All insured dependents must be insured under the same coverage option. In the event an employee who has dependents insurance in force for existing dependents acquires a newly eligible dependent, the newly eligible dependent may be enrolled for any of the coverage options listed above on a guaranteed issue basis, provided enrollment for the newly eligible dependent is made within the enrollment period.

If the amount of insurance applied for on the life of the newly acquired dependent is greater than the amount of insurance then in force for the employee's other insured dependents, evidence of insurability will be required for all previously insured dependents. The increase in coverage will not become effective until the first day of the month following the date required evidence of insurability is approved by Minnesota Life. If any dependent is declined in underwriting the employee may choose to continue dependent coverage for all dependents (including the newly acquired dependent) at the coverage amount in force without applying the increase, or cancel coverage for the declined dependent and continue coverage at the increased amount for all other insured dependents.

DEPENDENTS ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D) INSURANCE:

Available to dependents of active employees only. Not available for dependents of retired employees.

Eligible Class

Spouse and Children

Amount of Insurance

An amount equal to the amount of dependents term life insurance for which the spouse or child is insured under the group policy.

GENERAL PROVISIONS FOR DEPENDENTS INSURANCE

CONTRIBUTORY/NONCONTRIBUTORY: Dependents insurance is contributory insurance.

GUARANTEED ISSUE AMOUNT: Guaranteed issue is the maximum amount of insurance an eligible dependent can receive without evidence of insurability when first eligible under the plan provided enrollment is made within the enrollment period. The amounts are as follows:

For employees with eligible dependents immediately prior to the effective date of this policy:

The guaranteed issue amount is equal to the amount of dependents insurance for which they were insured under the prior group policy.

For employees who first become eligible for dependents insurance after the effective date of this policy:

All dependents insurance is guaranteed issue.

EVIDENCE OF INSURABILITY: Evidence of insurability is required as stated in the policy and for an amount of insurance greater than the guaranteed issue amount.

EFFECT OF EMPLOYEE'S RETIREMENT:

An eligible retiree who is insured under the basic retiree life plan may elect optional dependents life insurance coverage (not including AD&D insurance) as a retiree, subject to the following provisions.

All elections for optional dependents life insurance coverage must be made during the employee's month of retirement, or within the subsequent two calendar months immediately following the employee's date of retirement.

A retired employee insured under the basic retiree life plan may elect one of the following options of dependent life insurance.

<u>Option</u>	<u>Eligible Class</u>	<u>Amount of Life Insurance</u>
I	Spouse	\$ 5,000
	Children	2,000
II	Spouse	10,000
	Children	4,000
III	Spouse	15,000
	Children	7,500
IV	Spouse	20,000
	Children	10,000

Retirees with dependent coverage inforce immediately prior to retirement:

A retiree may elect to continue dependent term life insurance equal to the amount inforce immediately prior to his or her retirement without evidence of insurability. Any increase in the amount of dependent term life insurance will require evidence of insurability.

Retirees with no dependent coverage inforce immediately prior to retirement:

A retiree who is not enrolled for dependent life insurance immediately prior to retirement may elect any of the coverage options offered. Evidence of insurability will be required.

Retirees who acquire a newly eligible dependent

A retiree who acquires a newly eligible spouse or dependent child may elect Option I without evidence of insurability, provided the retiree enrolls for dependent coverage during the month in which he or she acquires a newly eligible dependent, or within the two calendar months immediately following the month in which he or she acquires the newly eligible spouse or dependent child. Elections for greater than level I require evidence of insurability.

Dependent life insurance elections which do not require evidence of insurability will become effective the first day of the month immediately following the date the retiree enrolls for dependent life insurance.

Dependent life insurance for any dependent required to submit evidence of insurability will become effective the first day of the month immediately following the date such evidence of insurability is found satisfactory by Minnesota Life.

In the event a dependent dies within 31 days of the employee's retirement date and before the retiree has made an election for retiree dependent life coverage, benefits will be paid according to the dependent's coverage inforce immediately prior to his or her date of retirement.

All dependents AD&D coverage terminates the first day of the month following the employee's date of retirement.

ADDITIONAL INFORMATION

WAIVER OF PREMIUM APPLICATION:

Applies to basic employee term life insurance only.

Does not apply to basic AD&D insurance, optional employee term life insurance, optional employee AD&D insurance, or optional dependents term life or dependents AD&D insurance.

SUPPLEMENTS TO THE CERTIFICATE

Accidental Death and Dismemberment

Dependents Term Life

Waiver of Premium

Accelerated Benefits

Definitions

age

Attained age as of most recent birthday.

application

Your application for insurance under the group policy and, if required, your evidence of insurability application.

certificate effective date

The date your coverage under this certificate becomes effective.

contributory insurance

Insurance for which you are required to make premium contributions.

employee

An individual who is employed by a participating employer. As used herein, the term employee shall also mean an appointed or elective officer.

employer

Any designated participating employer.

evidence of insurability

Evidence satisfactory to us of the good health of the prospective insured and any other underwriting information we require.

insured

A person who is eligible for and becomes insured according to the terms of this certificate.

non-work day

A day on which you are not regularly scheduled to work, including scheduled time off for vacations, personal holidays, weekends and holidays, and approved leaves of absence for non-medical reasons.

Non-work day does not include time off for medical leave of absence, temporary layoff, employer suspension of operations in total or in part, strike, and any time off due to sickness or injury including sick days, short-term disability, or long term disability.

noncontributory insurance

Insurance for which you are not required to make premium contributions.

PEIA

Public Employees Insurance Agency.

participating employer

Any employer which has affiliated with the West Virginia Public Employees Insurance Agency.

policyholder

The owner of the group policy as shown on the specifications page attached to this certificate.

specifications page

The outline which summarizes your coverage under the policyholder's plan of insurance.

waiting period

The period, if any, of continuous employment with the employer required prior to becoming eligible for coverage under this certificate. The waiting period is shown on the specifications page attached to this certificate.

we, our, us

Minnesota Life Insurance Company.

you, your, certificate holder

An employee or retired employee who is eligible for and becomes insured under the group policy.

General Information

What is your agreement with us?

You are insured under the group policy shown on the specifications page attached to this certificate. This certificate summarizes the principal provisions of the group policy that affect your life insurance coverage. The provisions summarized in this certificate are subject in every respect to the group policy.

Any statements made in your application as defined in this certificate will, in the absence of fraud, be considered representations and not warranties. Also, any statement made will not be used to void your insurance nor defend against a claim unless the statement is contained in the application.

This certificate is issued in consideration of your application and the payment of the required premium.

Can this certificate be amended?

Yes. We retain the right to amend this certificate at any time without your consent. Any amendment will be without prejudice to any claim incurred for benefits prior to the date of the amendment.

Who is eligible for insurance?

You are eligible if you:

- (1) are a member of the group and of an eligible class as defined in the group policy; and
- (2) work for a participating employer for at least the number of hours per week shown as the minimum hours per week requirement on the specifications page attached to this certificate; and
- (3) have satisfied the waiting period as shown on the specifications page attached to this certificate; and
- (4) meet the actively at work requirement as shown in the section entitled "What is the actively at work requirement?".

Are retired employees eligible for insurance?

Yes. As reflected in the specifications page attached to this certificate, the policyholder's plan of insurance provides insurance for eligible retired employees. The minimum hours per week and actively at work requirements do not apply to such persons.

What is the actively at work requirement?

To be eligible to become insured or to receive an increase in the amount of insurance, you must be actively at work performing your customary duties for a full work day at the employer's normal place of business, or at other places the employer's business requires you to travel.

If you are not actively at work on the date coverage would otherwise begin, or on the date an increase in your amount of insurance would otherwise be effective, you will not be eligible for the coverage or increase until you complete a full day of active work. However, if the absence is on a non-work day, coverage will not be delayed provided you were actively at work on the work day immediately preceding the non-work day.

Except as otherwise provided for in this certificate, you are eligible to continue to be insured only while you remain actively at work.

When will we require evidence of insurability?

Evidence of insurability will be required if:

- (1) the amount of insurance applied for is greater than the guaranteed issue amount shown on the specifications page attached to this certificate; or
- (2) you do not enroll within the enrollment period shown on the specifications page attached to this certificate; or
- (3) the insurance for which you previously enrolled did not go into effect or was terminated because you failed to make a required premium contribution; or
- (4) you are insured by an individual policy issued under the terms of the conversion right section.

When does insurance become effective?

Insurance becomes effective on the first day of the month immediately following the date that all of the following conditions have been met:

- (1) you meet all eligibility requirements; and
- (2) if required, you apply for the insurance on forms which are approved by us; and
- (3) we are satisfied with your evidence of insurability, if we require evidence; and
- (4) we receive the required premium.

Can your coverage be continued during sickness, injury, leave of absence or temporary layoff?

Yes. The participating employer may continue your noncontributory insurance or allow you to continue your contributory insurance when you are absent from work due to sickness, injury, leave of absence, or temporary layoff. Continuation of your insurance is subject to certain time limits and conditions as stated in the group policy. If you stop active work for any reason, you should discuss with your employer what arrangements may be made to continue your insurance.

Premiums

When and how often are your premium contributions due?

Unless the policyholder and we have agreed to some other premium payment procedure, any premium contributions you are required to make for contributory insurance are to be paid by you to the policyholder on a monthly basis. We apply premiums consecutively to keep the insurance in force.

How is the premium determined?

The premium will be the premium rate multiplied by the number of \$1,000 units of insurance in force on the date premiums are due. The premium may also be computed by any other method on which the policyholder and we agree.

We may change the premium rate:

- (1) on any premium due date after the end of the rate guarantee period; or
- (2) anytime, if the policy terms are amended or the total amount of insurance in force changes by 10% or more.

Death Benefit

What is the amount of the death benefit?

The amount of the death benefit is the amount of insurance shown on the specifications page attached to this certificate.

Can you request a change in the amount of your contributory insurance?

Yes. The policyholder's plan of insurance, as reflected in the specifications page attached to the group policy, allows for a choice of amounts of insurance for your class. You can request an increase or a decrease in the amount of your contributory insurance within the limitations of the policyholder's plan of insurance, including any limitations on when and how often such requests may be made. All requests must be made in writing.

If you request an increase in the amount of your contributory insurance, we will require evidence of insurability.

When will changes in your coverage amount be effective?

Requested increases in the amount of your contributory insurance, if approved, are effective on the first day of the month immediately following the date we approve the increase. Requested decreases in the amount of your contributory insurance will become effective according to the policyholder's enrollment rules.

All increases in the amount of insurance are subject to the actively at work requirement.

When will the death benefit be payable?

We will pay the death benefit upon receipt at our home office of written proof that you died while insured under this certificate. All payments by us are payable from our home office.

The death benefit will be paid in a single sum or by any other method agreeable to us and the beneficiary. We will pay interest on the death benefit from the date of your death until the date of payment. Interest will be at an annual rate determined by us, but never less than 0.1% per year compounded annually, or the minimum required by state law, whichever is greater.

Payment of the death benefit will extinguish our liability under the certificate for which the death benefit has been paid.

To whom will we pay the death benefit?

We will pay the death benefit to the beneficiary or beneficiaries. A beneficiary is named by you to receive the death benefit to be paid at your death. You may name one or more beneficiaries. You cannot name the policyholder or a participating employer as a beneficiary.

If there is more than one beneficiary, each will receive an equal share, unless you have requested another method in writing. To receive the death benefit, a beneficiary must be living on the date of your death. In the event a beneficiary is not living on the date of your death, that beneficiary's portion of the death benefit shall be equally distributed to the remaining surviving beneficiaries. In the event of the simultaneous deaths of you and a beneficiary,

the death benefit will be paid as if you survived the beneficiary.

If there is no eligible beneficiary, or if you do not name one, we will pay the death benefit to:

- (1) your lawful spouse, if living, otherwise;
- (2) your natural or legally adopted child (children) in equal shares, if living, otherwise;
- (3) your parents in equal shares, if living, otherwise;
- (4) your brothers and sisters (including whole or half blood) in equal shares, if living, otherwise;
- (5) the personal representative of your estate.

Can you add or change beneficiaries?

Yes. You can add or change beneficiaries if all of the following are true:

- (1) your coverage is in force; and
- (2) you have not assigned the ownership of your insurance.

A request to add or change a beneficiary must be made in writing. A change will take effect as of the date it is signed, but will not affect any payment we make or action we take before receiving your notice.

Termination

When does your coverage terminate?

Your coverage ends on the earliest of the following:

- (1) the date the group policy ends; or
- (2) the last day of the calendar month in which your employment voluntarily ceases, except that retired employees who meet the minimum eligibility requirements of the applicable state retirement system continue to be eligible under the plan of insurance available to eligible retirees, provided you apply in the month of or the two calendar months immediately following your retirement; or
- (3) three months after the end of the month in which your employment ends if employment is terminated involuntarily or through a reduction of work force, except that retired employees who meet the minimum eligibility requirements of the applicable state retirement system continue to be eligible under the plan of insurance available to eligible retirees, provided you apply in the month of or the two calendar months immediately following your retirement; or
- (4) the date the group policy is amended so you are no longer eligible; or
- (5) upon the expiration of the grace period for any premium contribution which is not paid; or
- (6) the last day for which premium contributions have been paid following your written request to cease participation under this certificate.

When does the group policy terminate?

The policyholder may terminate the group policy by giving us 30 days prior written notice. We reserve the right to terminate the group policy on the earliest of the following to occur:

- (1) upon the expiration of the grace period for any premiums which are not paid; or
- (2) on any subsequent policy anniversary after the date the number of employees insured is less than any minimum established by us or as required by applicable state law; or
- (3) 30 days after we provide the policyholder with notice of our intent to terminate the group policy.

Conversion Right

What is the conversion right?

You may convert this insurance to a new individual life insurance policy if all or part of your life insurance under the group policy terminates.

You may convert up to the full amount of terminated insurance if termination occurs because you move from one existing eligible class to another, or you are no longer in an eligible class.

What is the limited conversion right?

Limited conversion is available if, after you have been insured for at least three years and the group policy has been in effect for at least five years, insurance is terminated because:

- (1) the group policy is terminated; or
- (2) the group policy is changed to reduce or terminate your insurance.

You may convert up to the full amount of terminated insurance, but not more than the maximum. The maximum is the lesser of:

- (a) \$10,000; and
- (b) the amount of life insurance which terminated minus any amount of group life insurance for which you become eligible under any group policy issued or reinstated by us or any other carrier within 31 days of the date the insurance terminated under the group policy.

Neither the conversion right nor the limited conversion right is available if your coverage under the group policy terminates due to failure to make, when due, required premium contributions.

Under both the conversion right and the limited conversion right, you may convert your insurance to any type of individual policy of life insurance then customarily issued by us for purposes of conversion, except term insurance. The individual policy will not include any supplemental benefits, including, but not limited to, any disability

benefits, accidental death and dismemberment benefits, or accelerated benefits.

The incontestable and suicide exclusion periods for the new individual policy will still be measured from the original effective date of your certificate under the group policy. However, if you apply for an increase in your amount of insurance under the new individual policy, or if the new individual policy contains new or additional benefits, the incontestability and suicide exclusion periods will be measured from the effective date of your new individual policy.

How do you convert your insurance?

You convert your insurance by applying for an individual policy and paying the first premium within 31 days after your group insurance terminates. No evidence of insurability will be required.

How is the premium for the individual policy determined?

We base the premium for the individual policy on the plan of insurance, your age, and the class of risk to which you belong on the date of the conversion.

When is the individual policy effective?

The individual policy takes effect 31 days after the group insurance provided under the group policy terminates.

What happens if you die during the 31-day period allowed for conversion?

If you die during the 31-day period allowed for conversion, we will pay a death benefit regardless of whether or not an application for coverage under an individual policy has been submitted. The death benefit will be the amount of insurance you would have been eligible to convert under the terms of the conversion right section.

We will return any premium you paid for an individual policy to your beneficiary named under the group policy. In no event will we be liable under both the group policy and the individual policy.

Additional Information

What if your age has been misstated?

If your age has been misstated, the death benefit payable will be that amount to which you are entitled based on your correct age. A premium adjustment will be made so that the actual premium required at your correct age is paid.

When does your insurance become incontestable?

Except for fraud or the non-payment of premiums, after your insurance has been in force during your lifetime for two years from the effective date of your coverage, we cannot contest your coverage. However, if there has been an increase in the amount of insurance for which you were required to apply or for which we required evidence of

insurability, then, to the extent of the increase, any loss which occurs within two years of the effective date of the increase will be contestable.

Any statements you make in your application as defined under this certificate will, in the absence of fraud, be considered representations and not warranties. Also, any statement you make will not be used to void your insurance, nor defend against a claim, unless the statement is contained in the insured's application.

Can your insurance be assigned?

Yes. However, we will not be bound by an assignment of the certificate or of any interest in it unless it is made as a written instrument, and you file the original instrument or a certified copy with PEIA and you receive an acknowledged copy.

Assignments will be allowed only if:

- (1) they are not collateral assignments or assignments for consideration; and
- (2) they are consented to in writing with your notarized signature.

We are not responsible for the validity of any assignment. You are responsible for ensuring that the assignment is legal in your state and that it accomplishes your intended goals. If a claim is based on an assignment, we may require proof of interest of the claimant. A valid assignment will take precedence over any claim of a beneficiary.

Is the policyholder required to maintain records?

Yes. The policyholder is required to maintain adequate records of any information necessary for us to administer this certificate.

If a clerical error is made in keeping records on the insurance under the group policy, it will not affect otherwise valid insurance. A clerical error does not continue insurance which is otherwise stopped. If an error causes a change in premium payment, we will make a fair adjustment.

Will the provisions of this certificate conform with state law?

Yes. If any provision in this certificate, or in the provisions of the group policy, is in conflict with the laws of the state governing the certificates or the group policy, the provision will be deemed to be amended to conform to such laws

General Information

This certificate supplement is issued in consideration of the required premium and is subject to every term, condition, exclusion, limitation, and provision of your certificate unless otherwise expressly provided for herein. Coverage under this supplement will not be included in any insurance issued under the conversion right section of your certificate.

What does this supplement provide?

This supplement provides a benefit for your or your insured dependent's accidental death or dismemberment which occurs as a result of an accidental injury.

Accidental Death and Dismemberment Benefit

What does accidental death or dismemberment by accidental injury mean?

Accidental death or dismemberment by accidental injury as used in this supplement means that an insured's death or dismemberment results, directly and independently of all other causes, from an accidental injury which is unintended, unexpected, and unforeseen.

The injury must occur while the insured's coverage under this supplement is in force. The insured's death or dismemberment must occur within 90 days after the date of the injury and while his or her coverage under this supplement is in force.

In no event will we pay the accidental death or dismemberment benefit where the insured's death or dismemberment is caused directly or indirectly by, resulting from, or where there is a contribution from, any of the following:

- (1) suicide or attempted suicide, whether sane or insane; or
- (2) the insured's participation in or attempt to commit a felony; or
- (3) bodily or mental infirmity, illness or disease; or
- (4) the abuse of drugs, or the use of poisons, gases or fumes, voluntarily taken, administered, absorbed, inhaled, ingested or injected, except as administered by a licensed medical professional; or
- (5) bacterial infection, other than infection occurring simultaneously with, and as a result of, the accidental injury; or
- (6) war or any act of war, whether declared or undeclared.

What is the amount of the accidental death and dismemberment benefit?

FOR LOSS OF	AMOUNT OF BENEFIT
Life	Full Amount of Insurance
Both Hands or Both Feet.....	Full Amount of Insurance
Sight of Both Eyes	Full Amount of Insurance
One Hand and One Foot	Full Amount of Insurance
One Foot and Sight of One Eye.....	Full Amount of Insurance
One Hand and Sight of One Eye.....	Full Amount of Insurance
Sight of One Eye	50% of Amount of Insurance
One Hand or One Foot.....	50% of Amount of Insurance

The amount of insurance is shown on the specifications page attached to your certificate. Loss of hands or feet means complete severance at or above the wrist or ankle joints. Loss of sight means the entire and irrecoverable loss of sight which cannot be corrected by medical or surgical treatment or by artificial means.

Benefits may be paid for more than one accidental injury but the total amount of insurance payable under this supplement for any one accident will never exceed the full amount of insurance shown on the specifications page attached to your certificate.

When will the accidental death and dismemberment benefit be payable?

We will pay the accidental death and dismemberment benefit upon receipt at our home office of written proof that an insured died or suffered dismemberment as a result of an accidental injury. All payments by us are payable from our home office.

The benefit will be paid in a single sum. We will pay interest on the benefit from the date of the insured's death or dismemberment until the date of payment. Interest will be at an annual rate determined by us, but never less than 0.1% per year compounded annually or the minimum required by state law, whichever is greater.

To whom do we pay the benefit?

We pay the death benefit to the person or persons entitled to receive a death benefit under the terms of your certificate. The benefit for other losses is paid to you.

Termination

When does an insured's coverage under this supplement terminate?

An insured's coverage ends on the earliest of:

- (1) the date the insured is no longer covered for life insurance under the group policy; or
- (2) the last day of the month in which you retire; or
- (3) upon the expiration of the grace period following the due date of any premium contribution which is not paid.

When does this supplement terminate?


This supplement will terminate on the earlier of:


- (1) the date we receive a request from the policyholder to cancel the Accidental Death and Dismemberment Policy Rider to the group policy; or
- (2) the date the group policy is terminated.

Additional Information

Do we have the right to obtain independent medical verification?

Yes. We retain the right to have you medically examined at our expense whenever a claim is pending and, where not forbidden by law, we reserve the right to have an autopsy performed in case of death.


Secretary


President

General Information

This certificate supplement is issued in consideration of the required premium and is subject to every term, condition, exclusion, limitation, and provision of your certificate unless otherwise expressly provided for herein.

What does this supplement provide?

This supplement provides insurance on the lives of your eligible dependents.

What members of your family are eligible for insurance under this supplement?

The following members of your family are eligible for insurance under this supplement:

- (1) your lawful spouse who is not legally separated from you and;
- (2) your insured biological children, stepchildren, legally adopted children, and children for whom you are the court appointed guardian.

Eligibility begins at live birth (stillborn or unborn children are not eligible). In order to be eligible under the group policy, the child must be under the age of 26. Children ages 18 to 26 who have employer-sponsored health insurance coverage available in which they could be covered as a policyholder are not eligible for coverage under this supplement.

In addition, a child who has attained the age of 26 is also eligible for continued coverage under the group policy if he or she is physically or mentally incapable of self-support and all of the following apply:

- (a) the child is unmarried; and
- (b) the disabling condition must have begun before attainment of age 26;
- (c) the child must have been insured under this supplement prior to attainment of age 26; and
- (d) the child is financially dependent on you for more than one-half of his or her support and maintenance.

If both parents of a child qualify as eligible employees under the group policy, both may elect to cover the child under this rider. If any child qualifies as an eligible employee under the group policy, he or she is not eligible to be insured as a dependent child.

When will we require evidence of insurability?

Evidence of insurability will be required if:

- (1) the amount of insurance applied for is greater than the guaranteed issue amount shown on the specifications page attached to your certificate; or
- (2) you apply for an increase in the amount of insurance for a covered dependent; or
- (3) you do not enroll for coverage under this supplement within the enrollment period shown on the specifications page attached to your certificate; or
- (4) dependents insurance for which you previously enrolled did not go into effect or was terminated because you failed to make a required premium contribution; or
- (5) the dependent is insured by an individual policy issued under the terms of the conversion right of this supplement.

When does insurance on a dependent (other than a newborn) become effective?

Insurance on a dependent becomes effective on the first day of the month following the date when all of the conditions listed below have been met:

- (1) the dependent meets all eligibility requirements; and
- (2) you apply for dependents coverage on the life of the eligible dependent on forms which are approved by us; and
- (3) we are satisfied with the dependent's evidence of insurability, if we require evidence; and
- (4) we receive the required premium.

If a dependent is hospitalized or confined because of illness or disease on the date his or her insurance would otherwise become effective, his or her effective date shall be delayed until he or she is released from such hospitalization or confinement.

However, in no event will insurance on a dependent be effective before your insurance under the group policy is effective.

When does insurance on a newborn become effective?

You may enroll your eligible newborn child (natural or adoptive) in any dependent insurance option offered under the plan of insurance without evidence of insurability, provided enrollment is made within the enrollment period. Coverage for the newborn child will become effective as follows:

- (1) if you have dependents insurance in force for any other eligible dependents immediately prior to the birth of the newborn, coverage for the newborn child will be effective upon live birth at the option level then in force for your eligible dependents insured under the policy. You may elect a higher option of coverage for the newborn child subject to the provisions outlined in the Specifications Page attached to this certificate; or
- (2) if you were not eligible for dependent coverage prior to the birth, or if you waived coverage on your eligible dependents, you may enroll the newborn child for any dependent coverage option available under the plan of insurance without evidence of insurability, provided enrollment is made within the enrollment period. Regardless of the dependent coverage option elected the newborn will be insured for an amount equal to option 1 from the time of live birth until the newborn is discharged from the hospital. Upon discharge from the hospital the newborn will be insured for the full amount of the elected option.

- (3) the last day for which premium contributions have been made following your written request that insurance on your eligible dependents be terminated; or
- (4) the date you are no longer covered under the group policy.

You must notify PEIA when a dependent is no longer eligible for coverage under this supplement so that premiums may be discontinued.

When does this supplement terminate?

This supplement will terminate on the earlier of:

- (1) the date we receive a request from the policyholder to cancel the Dependents Term Life Insurance Policy Rider; or
- (2) the date the group policy is terminated.

Additional Information

What is the conversion right under this supplement?

If an insured dependent's coverage under this supplement terminates because he or she is no longer eligible, or because of your death, or because of termination or amendment of this supplement, the insurance may be converted to a policy of individual insurance with Minnesota Life.

Conversion may be requested by you, an insured dependent of legal capacity, or the insured dependent's guardian, if applicable. All other conditions and provisions of the conversion right section of your certificate to which this supplement is attached will apply.

Does the Waiver of Premium supplement to your certificate apply to insured dependents?

No. The Waiver of Premium supplement to your certificate does not apply to dependents covered under this supplement.

However, in no event will insurance on a newborn be effective before your insurance under the group policy is effective.

Death Benefit

What is the amount of life insurance on each insured dependent?

The amount of life insurance on each insured dependent is shown on the specifications page attached to your certificate.

To whom will we pay the death benefit?

The death benefit payable under this supplement will be paid to you if living, otherwise to your estate.

Termination

When does an insured dependent's coverage under this supplement terminate?

An insured dependent's coverage ends on the earliest of the following:

- (1) the last day of the month in which the dependent no longer meets the eligibility requirements; or
- (2) upon the expiration of the grace period following the due date of any premium contribution which is not paid; or

Dennis E. Pedersen
Secretary

Robert L. Lindblom
President

General Information

This certificate supplement is issued in consideration of the required premium and is subject to every term, condition, exclusion, limitation, and provision of your certificate unless otherwise expressly provided for herein. The specifications page attached to your certificate indicates whether this supplement applies to contributory insurance or noncontributory insurance. Coverage under this supplement will not be included in any insurance issued under the conversion right section of your certificate.

What does this supplement provide?

This supplement provides for waiver of premium if you become totally and permanently disabled, as defined herein, while under age 60. Upon approval of proof of such disability, your basic insurance only will be continued in force without payment of premiums during the uninterrupted continuance of the total and permanent disability.

What is total disability?

Total disability is a disability which occurs while your insurance is in force and which results from an accidental injury or an illness that continuously prevents you from engaging in any occupation for which you are reasonably suited by education, training, or experience. You must be under the care of a licensed physician. The licensed physician cannot be you or a member of your immediate family. For purposes of this supplement, your immediate family consists of your spouse, children, parents, grandparents, grandchildren, brothers and sisters and their spouses.

What is permanent disability?

Permanent disability is a total disability which has existed continuously for at least nine months.

However, premiums will not be waived during any such recovery period.

Do premiums have to be paid after you become disabled?

Yes. Premiums have to be paid after you become disabled, but only until we approve your total and permanent disability claim. Continued payment prevents the possible loss of your coverage and eligibility if your claim is not approved.

What if you convert your group life insurance to a policy of individual insurance prior to the approval of your disability claim?

If your coverage has been converted in accordance with the conversion right section of your certificate, benefits under this supplement will apply only if the converted policy is surrendered without claim, except for refund of premiums.

What will be considered due proof of total and permanent disability?

You must furnish evidence satisfactory to us that your disability:

- (1) commenced while your insurance under your certificate was in force; and
- (2) meets the definition of total disability; and
- (3) commenced before your 60th birthday; and
- (4) was continuous for nine months or more.

We will, from time to time, also require additional proof satisfactory to us that you continue to be totally and permanently disabled. We may also require that you submit to one or more medical examinations at our expense.

If you die within one year of the date of onset of your disability, your beneficiary may claim benefits under this supplement even if your premium payments were discontinued and you had not submitted due proof satisfactory to us of your total disability or you were continuously disabled for less than nine months. Your beneficiary must submit due proof satisfactory to us that your total disability, which began before premium payments on your behalf were discontinued and before your 60th birthday, continued without interruption until your death.

When must we be notified of your disability or death?

We must receive written notice at our home office of your total disability within one year of the date of onset of such disability. However, failure to give notice within the time provided will not invalidate the claim if it is shown that notice was given as soon as reasonably possible.

We must receive written notice at our home office within one year of death that you died during the period of continuance provided by this supplement. Proof must be furnished that you continued to be totally disabled during the entire period of continuance until death. If such notice and proof are not provided within the required time frame, there shall be no liability for any payment under this supplement.

What is the amount of insurance to be continued without payment of premium under this supplement?

The amount of your insurance continued shall be the amount show on the Specifications Page applicable to disabled employees.

How long will insurance be continued without payment of premium?

If you become totally and permanently disabled, insurance will be continued, without payment of premium, until the earliest of:

- (1) the date you recover so that you are no longer totally and permanently disabled; or
- (2) the date you fail to furnish proof of continued disability when requested or you refuse to submit to a required medical examination.

What happens to your insurance when the waiver of premium benefit ends?

When the benefits under this supplement end according to the provisions of the section entitled "How long will insurance be continued without payment of premium?," the following will apply:

- (1) If you are then eligible for coverage under your certificate, your insurance may be continued under your certificate provided that premiums are paid. The first such premium payment must be made within 31 days of the date the waiver of premium benefit ends.

- (2) if you are no longer eligible for coverage under your certificate, you may convert coverage to an individual policy, as provided for under the conversion right section of your certificate.


Your insurance will end unless, within 31 days of the date benefits under this supplement end, premium payments on your behalf are resumed or you apply to convert your coverage.

When does this supplement terminate?

This supplement will terminate on the earlier of:

- (1) the date we receive a request from the policyholder to terminate the Term Life Waiver of Premium Policy Rider; or
- (2) the date the group policy is terminated.

Insurance being continued without further payment of premiums in accordance with the provisions of this supplement will not end due solely to the termination of the Term Life Waiver of Premium Policy Rider or of the group policy.


Secretary


President

Benefits received under this Accelerated Benefits Certificate Supplement may be taxable. You should seek assistance from a personal tax advisor prior to requesting an accelerated payment of death benefits.

General Information

This certificate supplement is subject to every term, condition, exclusion, limitation, and provision of your certificate unless otherwise expressly provided for herein.

What does this supplement provide?

This supplement provides for the accelerated payment of a partial amount of an insured's optional death benefit provided under your certificate. If an insured has a terminal condition as defined in this supplement, you may request an accelerated payment of the applicable death benefit.

Definitions

accelerated benefit

The amount of the death benefit we will pay if the insured is eligible under this supplement.

death benefit

The amount of an insured's optional life insurance as shown on the specifications page attached to your certificate.

immediate family

Your spouse, children, parents, grandparents, grandchildren, brothers and sisters, and their spouses.

physician

An individual who is licensed to practice medicine or treat illness in the state in which treatment is received. This does not include you or a member of your immediate family.

Terminal Condition

What is a terminal condition?

A terminal condition is a condition caused by sickness or accident which directly results in a life expectancy of twelve months or less.

What evidence do we require of your terminal condition?

We must be given evidence that satisfies us that the insured's life expectancy, because of sickness or accident,

is twelve months or less. That evidence must include certification by a physician.

Do we have the right to obtain independent medical verification?

Yes. We retain the right to have the insured medically examined at our own expense to verify the insured's medical condition. We may do this as often as reasonably required while accelerated benefits are being considered or paid.

Payment of Accelerated Benefit

What is the accelerated benefit?

The accelerated benefit is the amount of the death benefit payable under this rider. It is the death benefit requested to be accelerated, subject to the minimum and maximum amounts described later.

What are the conditions for the payment of an accelerated benefit?

We will consider the payment of an accelerated benefit, subject to all of the following conditions:

- (1) coverage must be in force and all premiums due must be fully paid; and
- (2) application must be made in writing and in a form which is satisfactory to us. We will tell you what form is required; and
- (3) you must be the sole owner of the certificate.

Who may request an accelerated payment of the death benefit?

You may request an accelerated payment of the insurance on your life or on the life of a spouse or dependent child insured under your certificate.

Is the request for an accelerated benefit voluntary?

Yes. An accelerated benefit will be made available on a voluntary basis only. An accelerated benefit under this supplement is not intended to cause an involuntary reduction of the death benefit ultimately payable to the named beneficiary. Therefore, payment of the death benefit cannot be accelerated under this supplement if the insured:

- (1) is required by law to use this option to meet the claims of creditors, whether in bankruptcy or otherwise; or
- (2) is required by a government agency to use this option in order to apply for, obtain, or keep a government benefit or entitlement.

Is there a minimum or maximum death benefit eligible for an accelerated benefit?

Yes. The minimum death benefit to be eligible for an accelerated benefit under this supplement is \$10,000 for a certificate holder. The minimum does not apply to dependent spouse or child insurance. The maximum death benefit to be eligible for an accelerated benefit is 50 percent of your amount of employee optional life insurance, or 50 percent of an insured spouse or child's life insurance.

Can you choose to accelerate less than 50 percent of your amount of optional insurance?

Yes. You may choose to accelerate less than the maximum, provided the remaining amount is at least \$25,000 for a certificate holder. This minimum does not apply to dependent spouse or child insurance. This is called a partial accelerated benefit.

You may apply for a subsequent accelerated benefit at any time. However, the total amount payable to you for all accelerated benefit payments cannot exceed 50 percent of your amount of optional employee life insurance, or 50 percent of an insured spouse or child's life insurance in effect immediately prior to the first accelerated death benefit payment. We may ask for further satisfactory evidence that the insured meets all requirements for the accelerated benefit.

What is the effect on your coverage of the receipt of an accelerated benefit?

Coverage will remain in force and premiums will be reduced accordingly. The remaining amount of insurance under your certificate will be the full amount of insurance minus the amount of insurance that was accelerated.

How will we pay the accelerated benefit?

We will pay the accelerated benefit in one lump sum or in any other mutually agreeable manner.

To whom will we pay accelerated benefits?

All accelerated benefits will be paid to you unless you validly assign them otherwise. If you die before all payments have been made, we will pay the remainder to the insured's beneficiary named under this certificate. Payment will be made in one lump sum which will be the present value of the payments that remain, using the interest rate we use to determine the payments.

Termination

When does your coverage under this supplement terminate?

An insured's coverage ends on the date the insured is no longer covered for life insurance under the group policy.

When does this supplement terminate?

This supplement will terminate on the earlier of:

- (1) the date we receive a request from the policyholder to cancel the Accelerated Benefits Policy Rider; or
- (2) the date the group policy is terminated.

Dennis E. Paddisford
Secretary

Robert L. Loubser
President

Important Notice

Minnesota Life Insurance Company - A Securian Company
400 Robert Street North • St. Paul, Minnesota 55101-2098

MINNESOTA LIFE

SUMMARY OF THE WEST VIRGINIA LIFE AND HEALTH GUARANTY ASSOCIATION ACT AND NOTICE CONCERNING COVERAGE LIMITATIONS AND EXCLUSIONS (Effective July 10, 2009)

Residents of West Virginia who purchase life insurance, annuities or health insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the West Virginia Life and Health Insurance Guaranty Association. The purpose of this association is to assure that policyholders will be protected, within limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guaranty Association will assess its other member insurance companies for the money to pay the claims of insured persons who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by these insurers through the Guaranty Association is not unlimited, however. And, as noted in the box below, this protection is not a substitute for consumers' care in selecting companies that are well-managed and financially stable.

The West Virginia Life and Health Insurance Guaranty Association may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in West Virginia. You should not rely on coverage by the West Virginia Life and Health Insurance Guaranty Association in selecting an insurance company or in selecting an insurance policy. For a complete description of coverage, consult Article 26A, Chapter 33 of the West Virginia Code.

Coverage is NOT provided for any portion OF YOUR CONTRACT if that is not guaranteed by the insurer or for which you have assumed the risk.

Insurance companies or their agents are required by law to give or send you this notice. However, insurance companies and their agents are prohibited by law from using the existence of the guaranty association to induce you to purchase any kind of insurance policy.

The Guaranty Association or the West Virginia Insurance Commission will respond to questions you may have which are not answered by this document. Policyholders with additional questions may contact:

West Virginia Life and Health Insurance Guaranty Association
P. O. Box 816
Huntington, West Virginia 25712

West Virginia Insurance Commissioner
Consumer Services Division
1124 Smith Street, RM 309
P. O. Box 50540
Charleston, West Virginia 25305-0540
(304) 558-3386
Toll Free 1-888-879-9842
TDD 1-800-435-7381

The state law that provides for this safety-net coverage is called the West Virginia Life and Health Insurance Guaranty Association Act. On the back of this page is a brief summary of this law's coverages, exclusions and limits. This summary does not cover all provisions of the law nor does it in any way change anyone's rights or obligations under the act or the rights or obligations of the Guaranty Association.

COVERAGE

Generally, individuals will be protected by the West Virginia Life and Health Insurance Guaranty Association if they live in West Virginia and hold a life or health insurance contract, annuity contract, unallocated annuity contract, or if they are insured under a group life, health or annuity insurance contract, issued by a member insurer. Member insurer also includes non-profit service corporations (W. Va. Code §33-24) and health care corporations (W. Va. Code § 33-25). The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

However, persons holding such policies are not protected by this association if:

- they are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state);
- the insurer was not authorized to do business in this state;
- the policy was issued at a time when the insurer was not licensed or authorized to do business in the state;
- their policy was issued by an HMO, a fraternal benefit society, mandatory state pooling plan, a mutual protective association or similar plan in which the policyholder is subject to future assessments, an insurance exchange, or any entity similar to the above.

The association also does not provide coverage for:

- any policy or portion of a policy which is not guaranteed by the insurer or for which the individual or contractholder has assumed the risk;
- any policy of reinsurance (unless an assumption certificate was issued);
- interest rate yields that exceed an average rate;
- dividends;
- credits given in connection with the administration of a policy by a group contractholder;
- employer or association plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them) or uninsured, including:
 - i. multiple employer welfare arrangement;
 - ii. minimum premium group insurance plan;
 - iii. stop loss group insurance plan; or
 - iv. administrative services only contract.
- any unallocated annuity contract issued to an employee benefit plan protected under the federal pension guaranty corporation;
- any portion of any unallocated contract which is not issued to or in connection with a specific employee, union or association's benefit plan or a governmental lottery;
- any policy or contract providing any hospital, medical, prescription drug or other health care benefits pursuant to Medicare Part C and D.
- an obligation that does not arise under the written terms of the policy, including claims based on marketing materials; claims based on side letters or riders not approved by the Commissioner; misrepresentations regarding policy benefits; extracontractual claims for penalties or consequential or incidental damages;
- a contractual agreement that establishes the member insurer's obligation to provide a book value guaranty for defined contribution benefit plan participants by reference to a portfolio of assets that is owned by the benefit plan or trustee, which is not an affiliate of the insurer.

LIMITS ON AMOUNT OF COVERAGE

The act also limits the amount the association is obligated to pay out: The association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, regardless of the number of policies or contracts the association will only pay:

- \$300,000 in life insurance benefits, but no more than \$100,000 in net cash surrender and net cash withdrawal values;
- \$300,000 for disability insurance;
- \$300,000 for long term care insurance;
- \$250,000 in the present value of annuity benefits, including net cash surrender and net cash withdrawal values;
- \$500,000 for basic major hospital medical and surgical insurance or major medical insurance, and;
- \$100,000 for all other types of accident and sickness insurance than those listed above (disability, long term care, and major medical).

Also, for any one insured life, the association will only pay a maximum of \$300,000 - no matter how many policies or contracts there were with the same company for all policies or contracts other than major medical insurance, in which case the aggregate limit shall not exceed \$500,000 with respect to any one individual.

Note to benefit plan trustees or other holders of unallocated annuities (GICs, DACs, etc.) covered by the act: for unallocated annuities that fund governmental retirement plans under §§401(k), 403(b) or 457 of the Internal Revenue Code, the limit is \$250,000 in present value of annuity benefits including net cash surrender and net cash withdrawal per participating individual. In no event shall the association be liable to spend more than \$300,000 in the aggregate per individual; for covered unallocated annuities that fund other plans, a special limit of \$5,000,000 applies to each contractholder, regardless of the number of contracts held with the same company or number of persons covered. In all cases, of course, the contract limits also apply.

MINNESOTA LIFE

400 Robert Street North • St. Paul, Minnesota 55101-2098

GROUP TERM LIFE CERTIFICATE OF INSURANCE

Minnesota Life Insurance Company
A Securian Company

Group Insurance - Charleston Office
110 Tracy Way, Suite 100, Charleston, WV 25311
1-800-203-9515 • 304-344-1221 Fax • www.LifeBenefits.com
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Exhibit L – Proposed Additional Dependent Life and AD&D Options

NOTE: In addition to the current plan design the Public Employees Insurance Agency is asking all proposers to provide rates for the four additional Dependent Life and Accidental Death and Dismemberment insurance plans outlined in (Exhibit L).

SUMMARY OF PROPOSED DEPENDENT LIFE INSURANCE PLAN			
Benefit Schedule	<u>Option</u>	<u>Spouse</u>	<u>Child</u>
	5	\$40,000	\$15,000
	6	\$60,000	\$15,000
	7	\$80,000	\$20,000
	8	\$100,000	\$20,000
Contribution		100% Employee paid	

SUMMARY OF PROPOSED DEPENDENT AD&D PLAN			
Benefit Schedule	<u>Option</u>	<u>Spouse</u>	<u>Child</u>
	5	\$40,000	\$15,000
	6	\$60,000	\$15,000
	7	\$80,000	\$20,000
	8	\$100,000	\$20,000
Contribution		100% Employee paid	

Note: Dependent AD&D benefits available to active employees ONLY.

The proposed Dependent options illustrated above are available with Evidence of Insurability underwriting.

Exhibit M – Vendor Preference Certificate

State of West Virginia

VENDOR PREFERENCE CERTIFICATE

Certification and application* is hereby made for Preference in accordance with West Virginia Code, §5A-3-37. (Does not apply to construction contracts). West Virginia Code, §5A-3-37, provides an opportunity for qualifying vendors to request (at the time of bid) preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the West Virginia Code. This certificate for application is to be used to request such preference. The Purchasing Division will make the determination of the Resident Vendor Preference, if applicable.

- 1. Application is made for 2.5% resident vendor preference for the reason checked: Bidder is an individual resident vendor and has resided continuously in West Virginia for four (4) years immediately preceding the date of this certification; or, Bidder is a partnership, association or corporation resident vendor and has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or 80% of the ownership interest of Bidder is held by another individual, partnership, association or corporation resident vendor who has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or, Bidder is a nonresident vendor which has an affiliate or subsidiary which employs a minimum of one hundred state residents and which has maintained its headquarters or principal place of business within West Virginia continuously for the four (4) years immediately preceding the date of this certification; or,
2. Application is made for 2.5% resident vendor preference for the reason checked: Bidder is a resident vendor who certifies that, during the life of the contract, on average at least 75% of the employees working on the project being bid are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,
3. Application is made for 2.5% resident vendor preference for the reason checked: Bidder is a nonresident vendor employing a minimum of one hundred state residents or is a nonresident vendor with an affiliate or subsidiary which maintains its headquarters or principal place of business within West Virginia employing a minimum of one hundred state residents who certifies that, during the life of the contract, on average at least 75% of the employees or Bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,
4. Application is made for 5% resident vendor preference for the reason checked: Bidder meets either the requirement of both subdivisions (1) and (2) or subdivision (1) and (3) as stated above; or,
5. Application is made for 3.5% resident vendor preference who is a veteran for the reason checked: Bidder is an individual resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard and has resided in West Virginia continuously for the four years immediately preceding the date on which the bid is submitted; or,
6. Application is made for 3.5% resident vendor preference who is a veteran for the reason checked: Bidder is a resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard, if, for purposes of producing or distributing the commodities or completing the project which is the subject of the vendor's bid and continuously over the entire term of the project, on average at least seventy-five percent of the vendor's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years.
7. Application is made for preference as a non-resident small, women- and minority-owned business, in accordance with West Virginia Code §5A-3-59 and West Virginia Code of State Rules. Bidder has been or expects to be approved prior to contract award by the Purchasing Division as a certified small, women- and minority-owned business.

Bidder understands if the Secretary of Revenue determines that a Bidder receiving preference has failed to continue to meet the requirements for such preference, the Secretary may order the Director of Purchasing to: (a) reject the bid; or (b) assess a penalty against such Bidder in an amount not to exceed 5% of the bid amount and that such penalty will be paid to the contracting agency or deducted from any unpaid balance on the contract or purchase order.

By submission of this certificate, Bidder agrees to disclose any reasonably requested information to the Purchasing Division and authorizes the Department of Revenue to disclose to the Director of Purchasing appropriate information verifying that Bidder has paid the required business taxes, provided that such information does not contain the amounts of taxes paid nor any other information deemed by the Tax Commissioner to be confidential.

Under penalty of law for false swearing (West Virginia Code, §61-5-3), Bidder hereby certifies that this certificate is true and accurate in all respects; and that if a contract is issued to Bidder and if anything contained within this certificate changes during the term of the contract, Bidder will notify the Purchasing Division in writing immediately.

Bidder: _____ Signed: _____
Date: _____ Title: _____