

Request for Proposal (RFP) for Vermont Voluntary Paid Family and Medical Leave Insurance (FMLI)

July 1, 2022

SECTION I: INTRODUCTION

A. BACKGROUND

Early in 2019 the State of Vermont, in conjunction with the State of New Hampshire, released a Request for Information (RFI) for voluntary Family Medical Leave Insurance. More information on the RFI and its results may be found here: <https://governor.vermont.gov/press-release/governor-chris-sununu-and-governor-phil-scott-introduce-twin-state-voluntary-leave>

The RFI's purpose was to receive input and gather information from insurance carriers to use in developing and issuing Requests for Proposals (RFPs) to create and implement a bi-state Family Medical Leave Insurance (FMLI) program. A number of carriers responded favorably to the RFI.

In early 2020, the State of Vermont, solely, issued a formal Request for Proposal from established insurance carriers to implement a FMLI program for: (1) the State of Vermont; (2) for other private and public employers on a voluntary basis; and (3) individuals, including self-employed individuals, on a voluntary basis. The RFP was suspended due to the onset of COVID-19.

Subsequently, in early 2022, the State of Vermont issued an RFI to solicit comments and feedback from potential insurance carriers on potential programs. Based on feedback from prospective insurance carriers from that RFI, the State of Vermont is issuing a formal Request for Proposal (RFP) to create and implement a family and medical leave insurance (FMLI) program for eligible employers, employees, and individuals in the State of Vermont.

The goal of the program is to eventually have the program be available universally to all working-eligible Vermonters. To do so the State is proposing a phased approach to the program to gain experience and data to better predict cost and ensure a successful and sustainable program.

The universal FMLI program would:

- (1) cover the approximately 8,600 State of Vermont employees (Phase One); and
- (2) commit to expand the FMLI program on mutually agreeable terms to other private and public employers with 10 or more employees (Phase Two); and
- (3) expand to small employers with less than 10 employees, eligible individual employees, including self-employed individuals (Phase Three).

More detail on the potential employee populations, as well as eligibility, are described later in this RFP. The State of Vermont, Agency of Administration, Department of Human Resources (DHR), is the entity responsible for conducting this RFP.

B. PURPOSE

The purpose of this RFP is to identify, select and contract with an insurance carrier capable of underwriting, insuring and administering FMLI for the potential covered populations. Bidders to this RFP are asked to price the coverage on a fully insured basis, describe their claims adjudication and payment process and provide a solution for administrative services to the different covered populations. Note that different administrative solutions will be required for employers and individuals. The successful bidder will contract directly with the State of Vermont for its employees, and separately and individually with the other covered entities. Entity types are enumerated in Sections IV, V and VI

The goal of offering FMLI is to leverage the economy of scale provided by the State of Vermont's employee workforce to create a broad market for competitively priced FMLI that will be available for all Vermont employers and eligible employees.

C. CONTRACT PERIOD

The State of Vermont is seeking a July 1, 2023 FMLI effective date for the State of Vermont employee population with implementation dates for employers and individuals twelve and twenty-four months later, respectively. The State is requesting a three-year rate guarantee and contract for FMLI coverage. The initial contract will end on June 30, 2026 with an option for a one-year extension through June 30, 2027.

All proposals submitted must be in accordance with all of the provisions of this RFP. All carriers must meet the minimum criteria as set forth in this RFP. Bidders are asked to respond only to the specific questions asked in this RFP.

Bidder agrees that the final contract between bidder and the State of Vermont shall be the standard State of Vermont contract format, which is included in this RFP. **No changes may be made to Attachment C of this contract format.** The contract with the selected bidder will consist of the fully executed State of Vermont contract format and any written addenda to the RFP. Attachment C is included in the materials distributed in this RFP.

D. SELECTION CRITERIA

The State of Vermont will evaluate proposals using the following criteria (note that these are not in order of importance and should not be considered all inclusive):

1. Financial stability and ratings
2. Experience in offering and administering FMLI coverage
3. Pricing
4. Service structure and proven success metrics
5. Flexibility in insurance offerings, participation, eligibility and administration
6. Claims process
7. Use of technology for ease of administration and claims submission
8. Ideas and options to retain a third-party administrator (TPA) to provide administrative solutions including enrollment, premium payment and remittance for the Phase 3 populations

9. Coverage and contract language
10. Options for adverse selection mitigation
11. Implementation
12. Marketing capability
13. Adherence to State's Contracting Requirements, including Attachment C

E. RFP TIMELINE (May be amended at the sole discretion of the State)

Action	Due Date
RFP Released	July 1, 2022
Deadline for Questions	July 15, 2022
Question Responses Released	July 29, 2022
Proposal Due	August 12, 2022 2:00 PM
Bid Opening	August 12, 2022, 2:00 PM
Finalists Presentations	August 22-26, 2022
Carrier Selected	September 2, 2022
Contract Completion Target Date	December 31, 2022
Contract Effective Date for State of VT employees	July 1, 2023
Effective Date for Private/Public Employers	TBD, but no later than 7/1/2024
Effective Date for Individuals	TBD, but no later than 7/1/2025

F. CONTACT

One **(1)** electronic copy and One **(1)** electronic redacted copy (if necessary) of your proposal **must** be delivered directly to the following contact no later than 2:00 p.m. Friday, August 12, 2022 to:

Kathryn Guare
State of Vermont
Employee Benefits Unit
Administrative Services Division
120 State Street. 5th Floor
Montpelier, VT 05620-2505
kathryn.guare@vermont.gov

Additionally, please send an electronic copy of your proposal to the State’s consultant on this project, Tom Rugg of Hickok & Boardman HR Intelligence, at trugg@hbhriq.com. Upon approval from the State that your RFP response was submitted prior to the deadline for submission, Hickok & Boardman HR Intelligence will accept the e-mailed version for analysis. Your e-mail to Hickok & Boardman HR Intelligence should be sent no later than 2:00 Friday, August 12, 2022.

If further information is desired, we request that you **submit your questions in writing to the attention of Tom Rugg at trugg@hbhriq.com by Friday, July 15, 2022.**

SECTION II: GENERAL PROPOSAL CONDITIONS

Below are the general requirements for submitting proposals. These general requirements may be modified or waived at the State's request.

- 1. Award or Rejection:** Any award will be made to that carrier whose proposal is deemed to be in the best interest of the State. The State reserves the right to reject any or all proposals.
- 2. Costs for Proposal Preparation:** Any costs incurred by carriers in preparing or submitting proposals are the carriers' sole responsibility. Proposals will not be returned.
- 3. Oral Explanations:** The State will not be bound by oral explanations or instructions given at any time during the competitive process or after the award of the contract.
- 4. Time for Acceptance:** The carrier agrees to be bound by its proposal for a period of at least 90 days, during which time the State and/or Hickok & Boardman HR Intelligence may request clarification or correction of the proposal for the purpose of evaluation. Amendments or clarifications shall not affect the remainder of the proposal, but only the portion so amended or clarified. Late proposals will NOT be accepted.
- 5. Exceptions:** Any exceptions to terms, conditions, or other requirements in any part of these specifications must be clearly pointed out in the appropriate section of the proposal. Otherwise, it will be considered that all items offered are in strict compliance with the specifications.
- 6. Carrier's Representative:** The proposal must be signed by a legal representative of the proposing firm, who is authorized to bind the firm to a contract in the event of the award. All rates, fees, and terms presented will be considered legally binding.
- 7. General Compliance:** All carrier services must adhere to relevant federal and state laws and regulations.

It is assumed that all proposals submitted adhere to these conditions, unless otherwise noted in the proposal. Failure to meet any of these conditions may result in disqualification of proposals. We are fully expecting that a contract will be signed prior to July 1, 2023. Please note that your RFP response, along with any subsequent correspondence, will become part of the final contract with the State.

SECTION III: COVERAGE AND PROPOSED QUALIFICATION

1. Phase One Coverage (State of Vermont Employees):

- a. **Wage Replacement:** 60% of Base Weekly Wage (based on employee's regular work week), which excludes overtime and bonuses unless bonuses and overtime are part of an employee's regular base schedule. Benefits will only be paid for hours for which the individual is not being paid otherwise, whether by the employer or by any other entity. Wage replacement will be based on the employee's Base Weekly Wage at the time of claim.
- b. **Claim Payment Duration:** A maximum of six (6) weeks during a twelve (12) month period based on the anniversary of the most recent enrollment eligibility date. There is no minimum duration. However, an employee must be out one fully scheduled workday to be eligible for claim payment. Once insurance payment has been initiated, if the employee changes employment status but premium is continued to be paid, claim payment continues for the remainder of the defined six (6) week period. Otherwise, claim payment will be terminated.
- c. **Maximum Claim Payment for 2022:** \$1,696.15 per week. This is calculated using the federal Social Security Taxable Wage Maximum (\$147,000 for 2022). The maximum will be indexed based on increases to the Social Security Taxable Wage Maximum and the initial maximum claim payment will be based on the Social Security Taxable Wage Maximum in-force at the time of implementation.
- d. **Elimination Period:** For family leave, claims will be paid for the first fully scheduled workday of leave. For individual medical leave, whether due to accident or illness, there will be a seven (7) calendar day elimination period, whereby payments will start on the eighth (8th) day. The elimination period may be satisfied by being either partially or fully out on eligible medical leave or a combination thereof.
- e. **Adverse Selection Mitigation:** Note that claims will only be paid for FMLI claims incurred on or after the effective date(s).
- f. **Partial Payment:** Included for those employees who work an intermittent or reduced schedule basis during leave periods. An employee may work an intermittent or reduced schedule and receive claim payment, if eligible. However, the combined total of earned wages and claim payments shall not exceed 100% of pre-leave income.
- g. **Relationship with Paid Time Off.** An employee who is on an active FMLI claim and is not working an intermittent or reduced schedule basis must either choose to receive the FMLI payment or be compensated by accrued paid time off. An employee will not receive both FMLI and paid time off if for the same hours.
- h. **Integration:** Family Medical Leave Insurance will be the secondary insurance benefit for other non-work related disability insurance benefits, including any group short-term disability in place.

2. QUALIFYING CLAIMS – match the types (including employee injury or illness) of leave protected under Vermont’s Parental and Family Leave Law combined with the federal Family and Medical Leave Act (FMLA) of 1993 as amended including:

- a. The birth of a child and to care for the newborn child within one year of birth
- b. The placement with the employee of a newly adopted child under the age of 16 or foster care within the first year of initial placement
- c. Caring for the employee’s spouse*, child, step-child, foster child, ward who lives with the employee, parent or parent of the employee's spouse
- d. any qualifying exigency arising out of the fact that the employee’s spouse, son, daughter, or parent is a covered military member on “covered active duty,” or to care for a covered service-member with a serious injury or illness if the eligible employee is the service-member’s spouse, son, daughter, parent, or next of kin (military caregiver leave).
- e. a serious health condition that makes the employee unable to perform the essential functions of his or her job

*Under Vermont law, 15 VSA Section 1204(a), civil union partners have all of the same benefits, protections and responsibilities as are granted to spouses in a civil marriage.

SECTION IV: ELIGIBLE ENTITIES AND EFFECTIVE DATES

The State of Vermont is asking bidders to underwrite and cover different entities. Eligible Entities include Eligible Employers and Eligible Individuals (note the funding, financing and eligibility in regard to these entities is described in a further section of this RFP):

- 1. Eligible Employers (any employer domiciled and/or registered in Vermont, public or private, who has two or more employees).
 - A. State of Vermont, coverage for its eligible employees, effective 7/1/23.
 - B. Vermont private and public employers domiciled and/or registered in the State with ten (10) or more employees and that elect coverage for their employees, regardless of their state of residence, effective no later than 7/1/24.
 - C. Vermont private and public employers domiciled and/or registered in the State with two (2) to nine (9) employees, regardless of the employee’s state of residence, that elect coverage, effective no later than 7/1/25.
- 2. Eligible Individuals
 - A. Self-employed Vermont individuals (whose business is domiciled and registered in Vermont) who elect and pay for coverage, effective no later than 7/1/25.
 - B. Eligible employees who work for Eligible Employers that do not elect FMLI coverage, who elect to purchase FMLI on their own, effective no later than 7/1/25.

SECTION V: ELIGIBILITY AND CLAIM PAYMENT

Eligibility for the Voluntary Vermont FMLI program:

1. Eligibility: To be eligible for FMLI an employee must work for a Vermont employer or be self-employed with a business domiciled in Vermont.
2. Portability: The State is interested in making portability available to all covered populations and is asking bidding carriers to propose portability provisions.

SECTION VI: FUNDING AND FINANCING OF ELIGIBLE ENTITIES

The State of Vermont recognizes the potential for adverse selection in offering the FMLI to populations not typically covered by group insurance carriers and is amenable to working with bidders to mitigate the risk of adverse selection while still committed to offering a plan that is comprehensive and affordable.

Desired Underwriting and Funding of Entities

Phase One: The State of Vermont Base Rate: a desired rate developed based on general underwriting criteria of the State employee population and will be used to establish what will be known as the “base” rate. The State intends for this rate to be used to help leverage the rating of other populations by the insurance carrier who covers State employees when the FMLI program is expanded to Phase Two. The State of Vermont will pay 100% of the premium for its eligible employees and all eligible employees will be covered. The initial contract referred to in this RFP would be solely with the State of Vermont for the State employee population only.

Phase Two: It is the intent of the State of Vermont for the FMLI program to be offered to other eligible employers with ten (10) or more employees, defined as any employer domiciled and/or registered in Vermont, public or private, who has ten (10) or more employees. It would be expected that the carrier who wins the State of Vermont employee FMLI bid will offer coverage to Phase Two entities on mutually agreeable terms. The State will be open to proposals that provide the FMLI program to the Phase Two Covered Entities on substantially similar terms as Phase One while mitigating adverse selection and rates that are unattractive compared to the base rate. This includes underwriting that uses SIC code and demographic rating as well as employer contribution level. Please indicate if you would require a minimum employer contribution amount for this population and, if so, what that minimum is.

The State intends that insurance carriers will contract directly with Phase Two Covered Entities as well as have the employers administer the plans directly with the insurance carriers.

Phase Three: Small Employers and Self-Employed Individuals and Individual Eligible Employees Who Opt-In:

Eligible small employers and individuals are defined as:

- A. Small employers are those employers domiciled in Vermont with two (2) to nine (9) employees.

B. Self-employed Vermont individuals (whose business is domiciled and registered in Vermont) who elect and pay for coverage.

C. Eligible employees who work for Eligible Employers that do not elect FMLI coverage, who elect to purchase FMLI on their own.

The State of Vermont is asking bidders to propose a suggested approach to covering the Phase 3 population to mitigate adverse selection. The State is open to different options including, waiting periods, elimination periods, rate tables, pre-existing condition clauses, and delayed eligibility for benefits after premium payment.

RATE DEVELOPMENT AND METHODOLOGY

The State of Vermont desires the FMLI rates for Phase One to be developed based on payroll, similar to how short-term disability rates are developed and preferably with the same methodology so that it is equitable for all wage earners. For Phase One and Phase Two, it is the desire of the State to have composite rates.

For example:

Sample Weekly salary: \$1,666.67

Sample Weekly Claim Payment at 60%= \$1,000.00

Sample Rate: \$0.40 per \$10 of Coverage

Sample Monthly Premium: \$40.00 (\$1,000 / \$10 x \$0.40 = \$40.00)

If your proposal varies from this pricing methodology, please explain why and how it is calculated. In addition, the State wishes for a total annual premium to be developed on the State employee population to ensure an accurate comparison among bidders.

For Phase Two and Phase Three employers and individuals, the State is not requiring rates to be provided. However, the State is requiring the bidders to explain how they would use the base rate of the State employee population in underwriting these two populations.

TAXATION

It is expected that the chosen carrier will properly tax the leave claim payment an employee receives, whether the premium is paid by the employer on a non-contributory basis or partially or fully by the employee on a contributory basis. In your proposal, please indicate how the claim payment will be taxed in compliance with state and federal law and how employers should deduct payroll taxes, if applicable. It is also expected that the chosen carrier will provide tax reporting for both employees and the participating employers. Please explain your approach to reporting in your proposal.

SECTION VII: ADMINISTRATION OF VERMONT VOLUNTARY FMLI

The State anticipates that the administration of the plan for the different covered entities will be as follows:

1. Phase One Covered Entity

State of Vermont Employee Population: The State of Vermont Department of Human Resources staff will administer the State's enrollment changes, pay premiums directly to the carrier either through a self-billed arrangement or a list bill, and will verify employment and wages at time of claim. For the purpose of premium determination, the Department of Human Resources will provide employee salaries to the carrier on an annual basis.

2. Phase Two Covered Entities

Vermont Public and Private Employers with Ten (10) or More Employees: Employers with ten or more employees will administer enrollment changes, pay premiums directly to the carrier either through a self-billed arrangement or a list bill, and will verify employment and wages at time of claim. Employers will take employee payroll deductions, if applicable, and annually provide employee salaries to the carrier. Employers will offer an annual open enrollment period if the option is contributory.

3. Phase Three Covered Entities

Eligible Employers with Fewer than Ten (10) Employees and Eligible Individual Employees as Defined Previously: The State has also considered and is open to the following, which may alleviate any administrative burden in regard to the individual and self-employed participants, including:

1. An entity retaining a third-party administrator (TPA) to provide administrative services including enrollment, premium payment, and remittance for small employers and individuals opting in to FMLI;
2. An entity establishing an insurance trust or discretionary group to provide administrative services including enrollment, premium payment and remittance for small employers and individuals opting in to FMLI; or
3. Other administrative solutions to be mutually agreed upon between the State and the contractor, in writing.

SECTION VIII: MARKETING AND DISTRIBUTION

The State of Vermont is committed to making the FMLI available to any Eligible Employee or Eligible Individual to provide work-life balance in a time of need and recognizes the importance of communicating the availability of benefits. The State is open to using licensed commissioned employee benefit brokers as a distribution channel for Phase Two and Three entities. Note that there are no commissions included for Phase One, the State of Vermont employee population. In addition, the State is willing to partner with the chosen carrier to promote the availability of the benefit.

SECTION IX: STATE OF VERMONT GROUP INFORMATION AND VERMONT EMPLOYER DATA

PLEASE SEE APPENDIX A FOR THE FOLLOWING:

You must request the census and claims information through separate e-mail.

Email Tom Rugg at trugg@hbhriq.com to request claims and census information.

A. STATE OF VERMONT CENSUS DATA –

Please see the attached census data.

B. STATE OF VERMONT LEAVE DATA -

Please see the attached leave data.

C. STATE OF VERMONT EMPLOYEE COUNTS AND DEMOGRAPHIC DATA -

Please reference the following link for additional information on Vermont's employee count and workforce demographics.

<https://humanresources.vermont.gov/content/workforce-report-fy-2021>

D. STATE OF VERMONT EMPLOYER MARET DATA –

Please reference the following links for additional information on Vermont's employers:

<https://www.census.gov/quickfacts/fact/table/VT/PST045219>

<https://cdn.advocacy.sba.gov/wp-content/uploads/2021/08/30143727/Small-Business-Economic-Profile-VT.pdf>

SECTION X: BIDDER QUESTIONS AND INSTRUCTIONS

Please respond directly and as succinctly as possible to the questions. If you need any clarification on any of the information requested, please contact Tom Rugg of Hickok & Boardman HR Intelligence at trugg@hbhriq.com

Please minimize references to attachments unless necessitated by the question/request.

A. Company and Family Medical Leave Insurance Experience

1. Please provide an overview of your company – years in business, market share, market segments and financial rating(s). Please indicate why you think your company is uniquely qualified to partner with the State of Vermont and Vermont employers and Eligible Individuals to provide the FMLI.

2. Please describe your family medical leave insurance experience. Please speak to your presence and large employer experience and working with employers in Vermont and surrounding states. Please also speak to your work with State governments.
3. Please indicate your retention rate for groups over 5,000 lives. References of both current and former clients may be asked at a later date.

B. Administration/Implementation

1. Please provide a complete list of people who will be assigned to the account management team for the State of Vermont account. Please include a brief biography of each team member, their location and identify his, her or their role on the team.
2. Please indicate the location of staff that will support the State of Vermont:

Department	Location
Enrollment	
Claims Processing	
Customer Service	
Claims Management	
Account Manager	

3. Please provide a sample “Implementation Calendar” identifying tasks, timing and responsibility assignment for the State of Vermont account with an effective date of July 1, 2023.
4. Please provide a sample “Implementation Calendar” identifying tasks, timing and responsibility assignment for employers who opt in to FMLI coverage with an effective date of no later than July 1, 2024. If your organization feels it can provide an effective date sooner, please explain why and how you will go about it.
5. Please provide a sample “Implementation Calendar” identifying tasks, timing and responsibility assignment for self-employed individuals and eligible employees at employers who don’t offer FMLI who opt in to FMLI coverage with an effective date of no later than July 1, 2025. If your organization feels it can provide an effective date sooner, please explain why and how you will go about it.
6. Please propose a suggested approach to covering the Phase 3 population to mitigate adverse selection. The State is open to different options including, but not limited to, waiting periods,

elimination periods, rate tables, pre-existing condition clauses, and delayed eligibility for benefits after premium payment.

7. Please summarize the resources and support you can provide relating to marketing and promoting the FMLI offering to Vermont employers and individuals.
8. Please provide effective performance guarantees relating to Phase One account installation and account management, turnaround times for leave claims, and the like, that would result in financial penalties if mutually agreed to standards are not met with the State of Vermont. Please list the measurement criteria and the amount of premium you will put at risk.
9. Will you produce and distribute SPD's or member certificates? If yes, is there an additional cost for this service? Assume that electronic delivery is satisfactory.
10. Please indicate the metrics you use to measure customer satisfaction, both at the employer and employee level. Please share the results of the most recent two years metrics.
11. Please describe your claims process and claims analyst assignments from both the employer and employee perspective.
12. Please describe your claims management process for disability and leave claims to ensure accuracy, minimize fraud, and provide prompt payment.
13. Please describe your tax reporting options for both employees and employers.
14. Please indicate your claims turnaround time for leave claims.
15. Please describe any online administration systems you have to administer the proposed plan, including any enrollment options you may have for employers. Note that individuals who opt in will likely be administered through a TPA arrangement.
16. The State requires a hold harmless provision (see Attachment C, State's standard contract language) that indemnifies the State against liability that arises as the result of negligent acts, errors, omissions, fraud and other criminal acts committed by any network providers, officers, employees and agents of your organization. Confirm your agreement with this provision.
17. Because the policy will be issued in the State of Vermont, all insurance policies must be in full accord with the laws of Vermont. It will be the responsibility of the underwriting carrier to include all provisions required by the laws of the state in which the contract is issued.

18. Please indicate in your proposal whether your present programs of similar nature require any modification in order to meet the requirements of the State of Vermont. Do your plans meet the requirements of all states in which the Plan will have covered members?

19. The State currently has an administrative unit solely dedicated to family and medical leave administration for the State of Vermont employee population. Please describe your experience in coordination, interaction and collaboration in regard to an insurance similar to FMLI with such units, through administrative work flows, and indicate efficiencies, challenges, concerns, and the like.

C. Funding

1. The State is asking for bidders to provide a fully-insured composite rate for the Phase One population. As noted above, it is expected that carriers will use a rating methodology that is standard in the group short-term disability market. In addition to the composite rate for the State of Vermont employee population, please use a narrative to describe your underwriting methodology in using the State of Vermont base rate to underwrite FMLI for the Phase Two and Phase Three populations and how you feel you can create sustainable rates for all populations. Subsequently, please enter the leave rates, fees and premium into the chart below. If the rating methodology varies from what is described above, please note the differences.

State of Vermont Rate (Base Composite Rate)

Employees of the State of Vermont Expected Annual Premium

Employees of the State of Vermont Expected Benefit Volume

Rate per \$10 of Benefit
Expected Annual Premium
Volume

Please include a narrative on the underwriting approach you would take using the base rate for Phase Two and Phase Three populations as noted above. Please also indicate any minimum employer contribution amount for Phase Two employers, if any, and what that minimum employer contribution would be.

D. Coverage and Claim Payments

1. Please confirm you have reviewed the coverage section above carefully.
2. Please confirm your ability to replicate the requested plan design.
3. If you are unable to completely comply with the above specifications, please provide an exhibit that identifies any problem areas and propose an alternative. The exhibit should include (note that enhancements will be accepted):
 - a. Name of benefit provision
 - b. Identification of benefit item you can't replicate
 - c. Proposed alternative design
4. If there are any services you provide that are not included in the cost, please identify the added cost for that service/program. Please also include a sample contract and certificate.
5. Please confirm that your proposal, and plan design offered, is in compliance with all federal and state laws and regulations that pertain to employee benefit programs, relevant state insurance regulations and other related laws. If the plan design requested does not comply with any state or federal laws please indicate which provisions in the bid specifications are in conflict with specific laws and propose alternatives.
6. Please indicate how you will handle the actively at work provision for employees not at work on the effective date.

7. Please indicate the protections against adverse selection you are proposing.
8. Please propose a portability provision for the FMLI benefit.
9. The State additionally may be interested in a progressive benefit for lower wage earners which would provide a higher claim payment percentage for that population. If you feel you can accommodate this, please propose how it would work and how it would be priced.

E. Reporting

1. The State of Vermont requires timely reporting of financial information on a regular (generally quarterly) basis. Please confirm your ability to provide the following fields of information broken down at the coverage level.
 - a. Employees covered
 - b. Paid claims
 - c. Claims incurred but not reported
 - d. Credibility factors, loss ratio and loss ratio targets
 - e. Premiums paid
 - f. Class or Divisional reporting and billing
 - g. Any self-service the State of Vermont has to access claims reporting
2. Please list and describe the type and suggested delivery frequency of your standard utilization data you can provide to help the State of Vermont understand its costs.
3. Please indicate if you will be able to provide an aggregate report to the State which details the claims experience of all covered entities broken out by type - the State of Vermont and eventually other Vermont employers and individuals.
4. Are the costs for this reporting included in your quote for the State of Vermont and other covered entities? (If not please identify the cost)

F. Financial Quoting Requirements, Notes and Assumptions

1. For your quote for the State of Vermont employee population please use the enrollment and salary bands listed in the census for all of your calculations.
2. The State of Vermont reserves the right, at its sole discretion, to accept or reject any bid based on its own evaluation of the bidders based on the selection criteria. The State of Vermont intends to award or renew this contract on the basis of a combination of the evaluation of the offerors' products proposed, as well as the fee proposed. Assigning the contract will not be based upon cost alone, and this solicitation does not commit State of Vermont to award a

contract or to award to that company which has submitted the lowest cost. As noted above, carriers may submit a redacted proposal to protect trade secrets or intellectual property.