

**Rutherford County Government
And
Board of Education**

**Group Occupational
Long Term Disability**

Request for Proposal

Prepared by

Rutherford County Insurance Department
303 N. Church St., Ste 201
Murfreesboro, TN 37130

Insurance Bid Specifications

Rutherford County (the County) invites any and all interested, qualified parties, as defined below to offer bids on the captioned insurance coverage as described in these bid specifications. Sealed bids must be received at:

Rutherford County Mayor's Office
Attention: Vickie Taylor
Suite 101
Historic Courthouse
Murfreesboro, TN 37130

The bids must be received on or before Monday, June 13, 2011 at 4:00 PM Central Standard Time. No bid will be accepted after that time. All materials submitted will become public record. All sealed bids must be marked outside the envelope "Occupational LTD Bids – DO NOT OPEN". Please submit four (4) paper copies, and one (1) electronic copy. All bids submitted by the deadline will be opened by the Purchasing Committee at 4:30 PM on June 13, 2011 in room 205 of the Historic Courthouse. Coverage is to be effective 12:01 AM January 1, 2012.

The County reserves the right to reject any or all bids. Any formality may be waived if deemed to be in the best interests of the County. The low bid may not necessarily be considered the best proposal. The County has provided all available information, but will consider individual requests for additional information. All such requests will be given equal consideration and treatment. A separate attachment will be sent that contains census data, experience and the current benefit plan after a letter of Intent to Bid has been returned.

All inquiries as to procedure, supplemental information, and other requests should be referred to the person designated below:

Melissa Stinson
Rutherford County Insurance Director
303 N. Church St., Ste. 201
Murfreesboro, TN 37130

All requests should be submitted in writing in order to avoid misinterpretation as to the information needed. It should be considered that contracts will be written on a one (1) year term and will be reviewed by the County each year to determine if they should release a bid. However, the normal bid cycle is every three (3) years.

The County currently has Long Term Disability (LTD) in place at the group employer-funded level. The purpose of this RFP is to obtain LTD coverage on a 24 hour basis for all County employees, both full-time and part-time working at least 15 hours per week.

The County intends to continue to fully fund the LTD with no employee contribution. Benefits included in your proposal should, at a minimum, meet the following criteria:

Eligible class: All full-time active and all part-time active Rutherford County Government and Board of Education employees

Elimination Period: 180 day(s)

Waiting Period for Coverage: 0 days

Maximum Monthly Benefit: \$6,000

Minimum Monthly Benefit: the greater of

- 1) \$100; or
- 2) 10% of the benefit based on Monthly Income Loss before the deduction of other income benefits

Benefit Percentage: 66 2/3%

There should be the standard 24 month own occupation definition of disability and thereafter the insured must be disabled from performing duties of any job for which he or she is reasonably qualified by education and training in order for benefits to continue.

Full time employees will be covered for both occupational and non-occupational disability, part time employees will only be covered for occupational disability. All employees are eligible as of their date of hire.

All proposals should be fully insured. Please include a sample copy of your contracts and submit answers to the LTD questionnaire. In addition, outline the following provisions in your contract for LTD:

- Premium Waiver
- Portability
- Guarantee Issue
- Conversion

The County requires 90 days notice of any renewal action. The carrier to whom this policy is awarded must acknowledge acceptance of this requirement.

This RFP is being released to both carriers and insurance agents. If an offer comes in from a single company from more than one source, the County reserves the right to select that proposal that is best-suited to its needs.

All proposals must guarantee that no employees will lose benefits due to the change of insurance companies. Specifically, please include a letter detailing your response to this question.

All pre-existing condition restrictions should be waived for the current insured's to the extent of the current plan.

The actively-at-work (AAW) needs to be waived on all plans to cover any claims not covered under the insured extension of benefits and waiver-of-premium provisions. Those who are out on disability and are over age 60 must be covered under the new insurance plans to the extent they would have been covered under the prior plan. Also, those who are currently receiving partial disability benefits must also be covered.

General

1. Provide a brief history of your company.
 - Provide Best ratings for your company including most recent and previous year.
 - Provide at least three organizations of similar size and complexity to the County for which LTD has been provided within the past two years. Include name and telephone number of contact who can provide references.
2. Why should we select your company as our carrier of choice?
3. If proposing the services of a broker, what value-added services will the broker bring to the process?
4. How many years have you offered the following products?

Product Line	Implementation Date
Short Term Disability	
Long Term Disability	
Integrated STD and LTD	

Disability

Intake

1. Briefly describe your claim submission process, including details about the intake/notification process. Do you offer telephonic intake with ability to verify eligibility online? What are the hours for this service?

2. **Describe your recommended approach to claim intake (paper, fax, telephone, Internet).**
3. **Do you provide a toll-free customer service number?**
4. **Do the claim processors pay all coverages or do they specialize?**

Claim Management

1. **What differentiates your company's LTD product from that of your competitors?**
2. **How is a claimant/client notified of a claim decision?**
3. **Describe the claim management process from initial notification through claim payment. Please describe each step in the review, the roles and responsibilities, and points of contact.**
4. **How are functional job demands (physical and cognitive) gathered, stored, and used to determine appropriate lengths of absence?**
5. **What information is requested from the employee to make a disability determination, including by means of a three-point contact (employee, employer and provider)?**
6. **How quickly is a claim processed once it is approved? How soon after approval can the employee expect to receive payments?**
7. **How do you notify the employer and claimant of claim receipt? Can we access claim status electronically?**
8. **Describe the nature of communications with the claimants' supervisor.**
9. **Describe your customer service capabilities within your claims organization.**
10. **Do we have the ability to access claims data?**
11. **What guidelines does your organization's claims team use to determine duration?**
12. **Describe the vocational and/or occupational rehabilitation services provided to assist disabled employees in becoming self-sufficient and gainfully employed.**
13. **Do you have the capability to electronically transfer the benefit payment to the recipient's bank account?**

Ongoing Claim Management and Cost Containment

1. **What cost containment features are offered in your standard LTD contract?**
2. **How do you define recurrent disability?**
3. **In what circumstances, if any, will an employee who receives benefits and recovers be denied benefits for a successive disability?**
4. **How do you manage mental/nervous claims or other subjective conditions? What is your process when a claimant has co-morbidity claim?**
5. **Do you assist claimants in applying for and securing SSDI benefits?**
6. **Describe your appeals process under fully-insured arrangements.**
7. **How many open claims does your staff handle at any one time?**

Reporting

1. **Please provide a list of all standard reports, including report function, data elements and distribution frequency.**
2. **Please describe your data analysis and customized reporting capabilities? Is there an additional cost for these reports?**

Implementation & Enrollment

1. **Describe your implementation process for a new customer.**
2. **What type of enrollment support can you provide to a new customer?**

Administration

Account Service

1. **How will account service be provided?**
2. **Will we have a local account manager to contact for issues?**

Billing

1. **Rutherford County utilizes an online eligibility system, will you accept an eligibility feed from that system for billing purposes?**

Call Center

1. **Do providers and claimants have direct access to their claims payer?**
2. **What hours do your call center/member services work?**
3. **How do you monitor the quality of your customer service staff?**

Customer Satisfaction and Quality

1. **Do you conduct claimant and/or customer satisfaction studies? If yes, how frequently?**
2. **What precautions are taken to assure claimant confidentiality is maintained?**
3. **Are you willing to represent and warrant that you are in compliance with all federal and state laws?**

Financial

1. **Please confirm coverage will be provided on a true group, guaranteed issue basis without individual underwriting requirements.**
2. **How does your company determine reserves?**
3. **Do your underwriters use an incurred but not reported reserve in the renewal process? How is the amount determined?**
4. **Will your company provide specific reserve data each year on a per claimant basis? On a total case basis?**
5. **What is your desired incurred loss ratio? (What figures are used to determine your incurred loss ratio?)**
6. **How long will your quotation rate be guaranteed? (Three years preferred) Will your company guarantee maximum increase rates for future renewals after the initial rate guarantee? If so, please specify.**
7. **Are produce commissions included in your quote? If yes, to whom will they be paid and at what percentage of premium?**
8. **What frequency of claims would be normative for a group of similar size? Claims opened per 1,000 participants?**

**Quotation Exhibit
Rutherford County**

LTD Benefits

1) Name of Entity submitting bid (Brokerage or Carrier Name):

2) Name of Carrier being proposed (if not a direct bid):

Rate Guarantee Period	
Average Annual Covered Payroll	
Insured Funding Quote: Per \$100 covered payroll	
Percentage Commission Included	
Commission Paid To	

Currently Rutherford County Government and Board of Education has 5,166 employees who are eligible for the employer-paid LTD plan. Based on this number, please provide the annual cost being proposed.

Annual Cost: _____

**Rutherford County Government and Board of Education
Occupational Long Term Disability Insurance
Intent to Bid**

Name of Company_____

Name of Authorized Person: _____

Signature of Authorize Person: _____

Title_____

Phone Number_____

Email_____

Please return this form immediately upon review of these bid specifications. Following receipt of this form, the County will release the census, experience, and current benefit plan information to the authorized person listed.