



**STATE OF HAWAII**  
**HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND**  
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**BOARD OF TRUSTEES**  
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MARIA ZIELINSKI

**ADMINISTRATOR**  
SANDRA L. YAHIRO

April 23, 2014

ADDENDUM 1

TO

REQUEST FOR PROPOSALS

NO. 14-006

SEALED OFFERS FOR

LIFE INSURANCE BENEFITS

**The following are responses to written questions submitted:**

1. On the EUTF website, some forms list a rate of \$4.16 PEPM for insurance, and others list \$4.12 PEPM with a \$0.04 PEPM admin fee. The RFP states the current rate is \$4.12; to whom is the \$0.04 being paid?

***ANSWER: The \$0.04 is the EUTF administrative charge. The total premium that will be paid to the successful offeror is \$4.12 per employee/retiree per month.***

2. Please provide a full summary plan document/certificate of insurance.

***ANSWER: See Attachment 1 and Attachment 2.***

3. Please confirm the inclusion/exclusion of any waiver or continuation provisions.

***ANSWER: See Attachment 1 and Attachment 2.***

4. We've reviewed the certificate of coverage located on the current carrier website. In order to ensure that we are in complete compliance with the RFP, please forward a complete copy of the Life insurance policy/contract.

***ANSWER: See Attachment 1 and Attachment 2.***

5. RFP requests separate contracts for active and retired, yet it appears that coverage is combined currently. Please explain.

**ANSWER: EUTF issues separate contracts for actives and retirees. Coverage is not combined. Offerors should bid the amount of benefit they are willing to provide actives (currently \$38,361) for the \$4.12 per month premium separately from the benefit they will provide retirees (currently \$2,034) for the \$4.12 per month premium.**

6. Will you accept a proposal for active employees only?

**ANSWER: Yes, but offerors are encouraged to submit proposals for both populations (they can be different benefit amounts).**

7. Confirm that the Life insurance coverage is not offered to dependents (as per the certificate).

**ANSWER: Confirmed.**

8. Confirm that the rate was reduced from \$4.16 per employee to \$4.12 per employee on 7/1/2014 for both active and retired. If incorrect, please clarify.

**ANSWER: Incorrect. The premium was \$4.12 prior to 7/1/2014, and \$4.12 after 7/1/2014. The \$0.04 differential is the EUTF administrative charge. The total premium that will be paid to the successful offeror is \$4.12 per employee/retiree per month.**

9. Confirm that the Life coverage was moved from Standard to Royal State National on 1/1/2012 for active and retired employees.

**ANSWER: Confirmed.**

10. What was the effective date of the Standard contract?

**ANSWER: 7/1/2007.**

11. Confirm that the current contract is non-participating. Was the Standard's contract participating?

**ANSWER: Confirmed, the current contract is non-participating and the Standard's contract from 2007-2011 was participating.**

12. Please clarify the annual open enrollment activity as it pertains to the Life coverage. Since the State pays the cost of coverage, does the OE allow employer groups to join or terminate from the Trust plan? How does it work for retiree coverage?

**ANSWER: There is no contribution so all eligible employees and retirees receive the benefit.**

13. RFP indicates that Life contract is for four one year time periods. Is the state required to bid the Life coverage every year or once every four years?

**ANSWER: The contract resulting from this RFP will be for a one year period. Following this, at its sole discretion, the EUTF may exercise its option to renew the contract that was awarded for up to three one year periods. However, the EUTF also retains its right to re-solicit offerors for life insurance following the award of the contract.**

14. Please provide the average covered lives for the past four years for active and retired, separately.

**ANSWER: Not available. Information on the number of covered employees and retirees available are provided in the Claims Exhibit.**

15. We need the Life Insurance experience report split by active and retired for the most recent 4 years:

- a) Annual Paid Premium
- b) Annual Paid Claims
- c) Death Claim Listing

**ANSWER: Claims information shows revenue received from 7/1/10-12/31/13. Incurred claims broken down between Paid claims and IBNR claims are not available (as mentioned in Claims Exhibit). No death claim listing is available.**

16. Confirm that the schedule of benefits and the contract provisions have remained the same since 2010. If incorrect, please advise what was different with the effective date.

**ANSWER: The benefit provided by the State is \$4.12 per month toward the cost of the life insurance benefit. The amount of coverage (that \$4.12 per month buys) changed when EUTF switched to Royal State National. A change from a participating contract to a non-participating contract occurred on 1/1/2012.**

17. Under the statutes, when can the Life benefit schedule and contract provisions be changed? How often have changes been made in the past? Would the insurance carrier be able to change rates in the event that there is a mandated benefit change?

**ANSWER: See answer to number 16. Changes to the premium would require legislative action.**

18. Please be sure that the Life census is split out by active and retired.

**ANSWER: Yes, this has already been provided in the census.**

19. On the Royal State Claims Experience exhibit, do ICOS (in course of settlement) claims reflect reported and pending claims not paid during the month noted? If so, can the ICOS claim charges be broken out from the IBNR charges?

**ANSWER: Yes, and ICOS claim charges broken out from IBNR charges is not available.**

20. When was the claims report from the Standard provided (e.g. does it include run out claims received after 12/31/2011)?

**ANSWER: In January 2012.**

21. Can the July 2009 – June 2010 Standard claims and premium experience be provided?

**ANSWER: See Attachment 3. Only combined actives and retirees information is available.**

22. Please provide a copy of the current life insurance policy so that our proposal may match current provisions as closely as possible. We did find the certificate on the EUTF website, but it doesn't encompass all of the policy provisions we'd like to include in our proposal.

**ANSWER: See Attachment 1 and Attachment 2.**

23. If one carrier is awarded both the active and retiree plans, are the requested performance guarantee penalties \$60,000 on the active plan and \$60,000 on the retiree plan, or \$60,000 in total?

**ANSWER: \$60,000 in total.**

24. Can you provide more specific information on the carrier's attendance at the annual enrollment and informational sessions referenced on pages 26-27 of the RFP? Approximately how many meetings or sessions would the carrier be required to attend, and what is the timing of the meetings (e.g. the entire months of April and October, or just a few days each month)?

**ANSWER: Carriers are required to attend all open enrollment sessions for active and retired employees. Please refer to the schedule of open enrollment informational**

***sessions that are listed in the reference guides for active employees and in the reference guide for retirees. The reference guides can be found on our website (eutf.hawaii.gov).***

25. Page 27 of the RFP states that the quarterly financial reports must be reported by bargaining unit. How many bargaining units are there?

***ANSWER: 14 bargaining units.***

26. Will the absence of a customer service office in the State of Hawaii automatically disqualify an insurance carrier from consideration for plan award?

***ANSWER: No, that was an error. An onsite customer service office is not a requirement for the life insurance vendor.***

27. Will the group life insurance plan be self-administered/self-billed by the State/EUTF, or will the insurance carrier be responsible for maintaining individual member records and for generating monthly invoices?

***ANSWER: The contractor shall maintain the beneficiary designation forms and bill the EUTF the monthly premium.***

28. If the group life insurance plan is self-administered, will the carrier be liable to hold all enrollment forms, and be responsible for processing eligibility and enrollment changes?

***ANSWER: The contractor is responsible for processing all new enrollments and other enrollment changes as transmitted in the weekly 834 file and occasionally through paper forms which may need to be processed manually. Contractor is also responsible for the administration and maintenance of beneficiary designation forms.***

29. To fully comply with the no loss / no gain assumptions, will a copy of the current Group Life Insurance Policy be provided?

***ANSWER: See Attachment 1 and Attachment 2.***

30. Is a copy of the Group Life Portability Insurance Policy available?

***ANSWER: See Attachment 1 and Attachment 2.***

31. Is claims experience and participation data on the ported coverage available?

***ANSWER: Information not available.***

32. How many covered active and retirees are located outside of the U.S.?

**ANSWER: Information not available.**

33. Please provide workplace addresses (street, city, zip) and number of covered lives at the largest workplace locations and those locations with greater than 750 lives.

**ANSWER: Information not available.**

34. Please provide a detailed life claim listing with paid and incurred dates and coverage amounts and an active/retiree indicator.

**ANSWER: Information not available.**

35. The retiree benefit booklet for benefits effective 1/1/2013 (Reference-Guide-FINAL-Corrected.pdf, page 40) illustrates administration fees for various coverages; the booklet for active benefits effective 7/1/2013 illustrates similar fees. However, booklets for active benefits effective 7/1/2014 and retiree benefits effective 1/1/2014 do not. In order for us to understand costs of the plans better, please describe the services that the 2013 administrative fee covered, and whether the fee still applies in 2014, even though not illustrated in the booklet.

**ANSWER: The \$0.04 is the EUTF administrative charge. The total premium that will be paid to the successful offeror is \$4.12 per employee/retiree per month.**

36. The retiree booklet for benefits effective 1/1/2013 (Reference-Guide-FINAL-Corrected.pdf, page 40) also contains a footnote confirming that there is no cost to retiree for life insurance under current law. There is no such footnote in the retiree booklet for benefits effective 1/1/2014. Is retiree life coverage still fully paid for by State of Hawaii?

**ANSWER: Yes.**

37. The provided life census includes a table "Waived Life – Subscribers." Is there any benefit to the employees or retirees for waiving life coverage?

**ANSWER: No.**

38. Page 31 of the State of Hawaii Life.pdf refers to a Waiver of Premium. The booklets for active benefits effective 7/1/2014 (EE-RefGuide.pdf) and earlier booklets make no mention of this provision. Please confirm the Waiver of Premium provision is not currently offered. If it is offered, please describe this provision (maximum duration at each disability age, definition of disability, including length of own occupation period.)

**ANSWER: Confirmed, Waiver of Premium is not offered.**

39. If a Waiver of Premium provision is offered to Actives, please provide a listing of open Waiver of Premium claims, as well as historical reserve levels.

**ANSWER: Waiver of Premium is not offered.**

40. Please confirm if desired life benefit amounts to be quoted should reflect a Waiver of Premium provision or not.

**ANSWER: Waiver of Premium is not requested.**

41. For the requested items "Limits on Right to Convert if Group Policy terminates or is amended", "Leave of Absence Period", "Insurance Eligible for Portability", "Annual earnings based on", "Earnings period for commissions", please confirm what the current provision is. (These are listed on pages 31 and 32 of the State of Hawaii Life.pdf)

**ANSWER: We are asking how much benefit the offeror will allow the subscriber to convert to individual coverage given those events.**

42. Please confirm if 3 ring binders are acceptable for the requested Ten (10) hard copies of the proposal. Each copy shall be marked, "Copy \_\_\_ of 10." Copies may be bound and double sided. (This is listed on page 5 of the State of Hawaii Vision.pdf RFP)

**ANSWER: Yes.**

43. Please confirm that the questionnaire in Word is the only document to be included on the "Twelve (12) electronic copies (on 12 CDs) of the proposal. Electronic copies of the proposals shall be submitted in Word format for the completed proposal sheets and Word format for the questions." (This is listed on page 5 of the State of Hawaii Vision.pdf RFP)

**ANSWER: No. The offeror's full proposal should be included on the (12) electronic copies (PDF permitted). The fee quotation forms and questionnaires should also included on the CDs as a separate file in Word format.**

44. Please confirm the need to maintain auto insurance as described in the RFP as auto insurance does not traditionally factor into the administration of insurance and benefits. (This is listed on page 13 of the State of Hawaii Vision.pdf RFP)

**ANSWER: Auto insurance, at the coverage levels described, is required.**

45. We standardly use read/write protected CDs for our proposals. Are you requesting that the questionnaire is returned on CDs that can be modified based on this request "DO NOT PDF or otherwise protect the CD?" (This is listed on page 48 of the State of Hawaii Life.pdf RFP)

**ANSWER: No. We would like the proposal to be submitted on a CD in which we are able to able open and view the files. We do not need to be able to edit the files that you send us on CD.**

46. As it relates to the administration of the life insurance plan ( as described in section 4, pages 25 & 26 ), please indicate how the following services are provided:

- Beneficiary Services – how are the beneficiary designations maintained currently? How do covered individuals update their beneficiary designations when needed?
- Who notifies the carrier of a new claim? Is this done via paper forms or online?
- Once a claim notification is initiated, how does the beneficiary receive the claim kit to complete?
- How does a terminated employee (or anyone who loses coverage) notified of their conversion rights?

**ANSWER: Currently, the life insurance carrier maintains the beneficiary designation. To update beneficiary designations, the covered individuals contact the carrier directly. EUTF may notify the carrier of a new claim. This may be done by sending a copy of the death certificate to the carrier and by changing the employment status of the covered individual on the 834 file. The carrier works directly with the beneficiary and will provide the beneficiary any claim forms/documents. Anyone who loses their life insurance coverage is notified by the carrier via letter of their conversion rights.**

47. For any of these referenced services that are not currently being provided by the incumbent, will these additional services be considered as part of this RFP?

**ANSWER: All of the required services are contained in the RFP Section IV Scope of Work.**

**Changes are made to the following:**

- Section IV, Item 2, Customer Service Office
- Section IV, Item 7, Provision of Information/Telephone Access
- Section X, Exhibit C, Contract Form and General Conditions

**Section IV, Item 2, Customer Service Office, is REMOVED:**

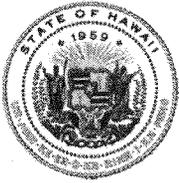
~~During the entire term of the contract, the contractor shall be required to maintain a walk in customer service office located in the State of Hawaii. Personnel, systems, and equipment at the customer service office shall be reasonably sufficient to provide all the customer services proposed by contractor and required under the contract.~~

**Section IV, Item 7, Provision of Information/Telephone Access, REPLACE with the following:**

Contractor shall have a knowledgeable staff available to answer inquiries from EUTF staff and EUTF employee and retiree beneficiaries and dependent beneficiaries regarding: (1) the benefits provided by contractor; (2) contractor's benefit plans, forms, and procedures; (3) enrollment status; (4) premium costs; (5) claims and claim procedures; and (6) other matters pertaining to the benefit plans provided under the contract. Contractor's staff answering questions from EUTF members shall be trained periodically on pronouncing the culturally diverse last names of the EUTF's members. A toll-free telephone line to answer such inquiries shall be open from **7:45 AM to 4:30 PM** Hawaii Standard Time, Monday through Friday, except State observed holidays.

At its own cost, contractor shall draft, print, and regularly update written information that describes its benefit plan in detail and a list of its providers. Upon request, the written information and list shall be provided to the EUTF's employee-beneficiaries and dependent-beneficiaries.

**Section X, Exhibit C, Contract Form and General Conditions, INSERT the following:**



STATE OF HAWAII
CONTRACT FOR GOODS OR SERVICES
BASED UPON
COMPETITIVE SEALED PROPOSALS

This Contract, executed on the respective dates indicated below, is effective as of
between
State of Hawaii ("STATE"), by its
(hereafter also referred to as the HEAD OF THE PURCHASING AGENCY or designee ("HOPA")),
whose address is
and
("CONTRACTOR"), a
under the laws of the State of
whose business address and federal
and state taxpayer identification numbers are as follows:

RECITALS

- A. The STATE desires to retain and engage the CONTRACTOR to provide the goods or services, or both, described in this Contract and its attachments, and the CONTRACTOR is agreeable to providing said goods or services or both.
B. The STATE has issued a request for competitive sealed proposals, and has received and reviewed proposals submitted in response to the request.
C. The solicitation for proposals and the selection of the CONTRACTOR were made in accordance with section 103D-303, Hawaii Revised Statutes ("HRS"), Hawaii Administrative Rules, Title 3, Department of Accounting and General Services, Subtitle 11 ("HAR"), Chapter 122, Subchapter 6, and applicable procedures established by the appropriate Chief Procurement Officer ("CPO").
D. The CONTRACTOR has been identified as the responsible and responsive offeror whose proposal is the most advantageous for the STATE, taking into consideration price and the evaluation factors set forth in the request.
E. Pursuant to
the STATE is authorized to enter into this Contract.
F. Money is available to fund this Contract pursuant to:

(1)
(Identify state sources)
or (2)
(Identify federal sources)
or both, in the following amounts: State \$
Federal \$

NOW, THEREFORE, in consideration of the promises contained in this Contract, the STATE and the CONTRACTOR agree as follows:
1. Scope of Services. The CONTRACTOR shall, in a proper and satisfactory manner as determined by the STATE, provide all the goods or services, or both, set forth in the request for competitive sealed proposals number ("RFP") and the CONTRACTOR'S accepted proposal ("Proposal"), both of which, even if not physically attached to this Contract, are made a part of this Contract.
2. Compensation. The CONTRACTOR shall be compensated for goods supplied

or services performed, or both, under this Contract in a total amount not to exceed

\_\_\_\_\_ DOLLARS

(\$ \_\_\_\_\_), including approved costs incurred and taxes, at the time and in the manner set forth in the RFP and CONTRACTOR'S Proposal.

3. Time of Performance. The services or goods required of the CONTRACTOR under this Contract shall be performed and completed in accordance with the Time of Performance set forth in Attachment-S3, which is made a part of this Contract.

4. Bonds. The CONTRACTOR  is required to provide or  is not required to provide:  a performance bond,  a payment bond,  a performance and payment bond in the amount of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_).

5. Standards of Conduct Declaration. The Standards of Conduct Declaration of the CONTRACTOR is attached to and made a part of this Contract.

6. Other Terms and Conditions. The General Conditions and any Special Conditions are attached to and made a part of this Contract. In the event of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control. In the event of a conflict among the documents, the order of precedence shall be as follows: (1) this Contract, including all attachments and addenda; (2) the RFP, including all attachments and addenda; and (3) the Proposal.

7. Liquidated Damages. Liquidated damages shall be assessed in the amount of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) per day, in accordance with the terms of paragraph 9 of the General Conditions.

8. Notices. Any written notice required to be given by a party to this Contract shall be (a) delivered personally, or (b) sent by United States first class mail, postage prepaid. Notice to the STATE shall be sent to the HOPA'S address indicated in the Contract. Notice to the CONTRACTOR shall be sent to the CONTRACTOR'S address indicated in the Contract. A notice shall be deemed to have been received three (3) days after mailing or at the time of actual receipt, whichever is earlier. The CONTRACTOR is responsible for notifying the STATE in writing of any change of address.

IN VIEW OF THE ABOVE, the parties execute this Contract by their signatures, on the dates below, to be effective as of the date first above written.

**STATE**

\_\_\_\_\_  
*(Signature)*

\_\_\_\_\_  
*(Print Name)*

\_\_\_\_\_  
*(Print Title)*

\_\_\_\_\_  
*(Date)*

**CONTRACTOR**

\_\_\_\_\_  
*(Name of Contractor)*

\_\_\_\_\_  
*(Signature)*

\_\_\_\_\_  
*(Print Name)*

\_\_\_\_\_  
*(Print Title)*

\_\_\_\_\_  
*(Date)*

**CORPORATE SEAL**

*(If available)*

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Deputy Attorney General

\* Evidence of authority of the CONTRACTOR'S representative to sign this Contract for the CONTRACTOR must be attached.



STATE OF HAWAII

CONTRACTOR'S ACKNOWLEDGMENT

STATE OF \_\_\_\_\_ )  
 ) SS.  
\_\_\_\_\_ COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ before me appeared \_\_\_\_\_ and \_\_\_\_\_, to me known, to be the person(s) described in and, who, being by me duly sworn, did say that he/she/they is/are \_\_\_\_\_ and \_\_\_\_\_ of \_\_\_\_\_, the CONTRACTOR named in the foregoing instrument, and that he/she/they is/are authorized to sign said instrument on behalf of the CONTRACTOR, and acknowledges that he/she/they executed said instrument as the free act and deed of the CONTRACTOR.

(Notary Stamp or Seal)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

Notary Public, State of \_\_\_\_\_

My commission expires: \_\_\_\_\_

Doc. Date: \_\_\_\_\_ # Pages: \_\_\_\_\_

Notary Name: \_\_\_\_\_ Circuit \_\_\_\_\_

Doc. Description: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Notary Stamp or Seal)

\_\_\_\_\_  
Notary Signature Date

NOTARY CERTIFICATION



**STATE OF HAWAII**  
**CONTRACTOR'S**  
**STANDARDS OF CONDUCT DECLARATION**

For the purposes of this declaration:

"Agency" means and includes the State, the legislature and its committees, all executive departments, boards, commissions, committees, bureaus, offices; and all independent commissions and other establishments of the state government but excluding the courts.

"Controlling interest" means an interest in a business or other undertaking which is sufficient in fact to control, whether the interest is greater or less than fifty per cent (50%).

"Employee" means any nominated, appointed, or elected officer or employee of the State, including members of boards, commissions, and committees, and employees under contract to the State or of the constitutional convention, but excluding legislators, delegates to the constitutional convention, justices, and judges. (Section 84-3, HRS).

On behalf of \_\_\_\_\_, CONTRACTOR, the undersigned does declare as follows:

1. CONTRACTOR  is\*  is not a legislator or an employee or a business in which a legislator or an employee has a controlling interest. (Section 84-15(a), HRS).
2. CONTRACTOR has not been represented or assisted personally in the matter by an individual who has been an employee of the agency awarding this Contract within the preceding two years and who participated while so employed in the matter with which the Contract is directly concerned. (Section 84-15(b), HRS).
3. CONTRACTOR has not been assisted or represented by a legislator or employee for a fee or other compensation to obtain this Contract and will not be assisted or represented by a legislator or employee for a fee or other compensation in the performance of this Contract, if the legislator or employee had been involved in the development or award of the Contract. (Section 84-14 (d), HRS).
4. CONTRACTOR has not been represented on matters related to this Contract, for a fee or other consideration by an individual who, within the past twelve (12) months, has been an agency employee, or in the case of the Legislature, a legislator, and participated while an employee or legislator on matters related to this Contract. (Sections 84-18(b) and (c), HRS).

CONTRACTOR understands that the Contract to which this document is attached is voidable on behalf of the STATE if this Contract was entered into in violation of any provision of chapter 84, Hawaii Revised Statutes, commonly referred to as the Code of Ethics, including the provisions which are the source of the declarations above. Additionally, any fee, compensation, gift, or profit received by any person as a result of a violation of the Code of Ethics may be recovered by the STATE.

\* Reminder to Agency: If the "is" block is checked and if the Contract involves goods or services of a value in excess of \$10,000, the Contract must be awarded by competitive sealed bidding under section 103D-302, HRS, or a competitive sealed proposal under section 103D-303, HRS. Otherwise, the Agency may not award the Contract unless it posts a notice of its intent to award it and files a copy of the notice with the State Ethics Commission. (Section 84-15(a), HRS).

**CONTRACTOR**

By \_\_\_\_\_  
(Signature)

Print Name \_\_\_\_\_

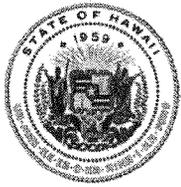
Print Title \_\_\_\_\_

Name of Contractor \_\_\_\_\_

Date \_\_\_\_\_



STATE OF HAWAII  
SCOPE OF SERVICES



**STATE OF HAWAII**  
**COMPENSATION AND PAYMENT SCHEDULE**



**STATE OF HAWAII**  
**TIME OF PERFORMANCE**



## STATE OF HAWAII

## CERTIFICATE OF EXEMPTION FROM CIVIL SERVICE

**1. By Heads of Departments Delegated by the Director of the Department of Human Resources Development (“DHRD”).\***

Pursuant to a delegation of the authority by the Director of DHRD, I certify that the services to be provided under this Contract, and the person(s) providing the services under this Contract are exempt from the civil service, pursuant to § 76-16, Hawaii Revised Statutes (HRS).

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Print Title)

\* This part of the form may be used by all department heads and the heads of attached agencies to whom the Director of DHRD expressly has delegated authority to certify § 76-16, HRS, civil service exemptions. The specific paragraph(s) of § 76-16, HRS, upon which an exemption is based should be noted in the contract file. If an exemption is based on § 76-16(b)(15), the contract must meet the following conditions:

- (1) It involves the delivery of completed work or product by or during a specific time;
- (2) There is no employee-employer relationship; and
- (3) The authorized funding for the service is from other than the "A" or personal services cost element.

**NOTE:** Not all attached agencies have received a delegation under § 76-16(b)(15). If in doubt, attached agencies should check with the Director of DHRD prior to certifying an exemption under § 76-16(b)(15). Authority to certify exemptions under §§76-16(b)(2), and 76-16(b)(12), HRS, has not been delegated; only the Director of DHRD may certify §§ 76-16(b)(2), and 76-16(b)(12) exemptions.

**2. By the Director of DHRD, State of Hawaii.**

I certify that the services to be provided under this Contract, and the person(s) providing the services under this Contract are exempt from the civil service, pursuant to §76-16, HRS.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Print Title, if designee of the Director of DHRD)

**List of Attachments:**

- Attachment 1, Royal State Summary of Benefits for Life Insurance
- Attachment 2, Royal State Certificate of Insurance
- Attachment 3, Standard Insurance Company Claims and Premium Experience
- Attachment 4, Summary of Pre Proposal Conference



## ACTIVE EMPLOYEE LIFE INSURANCE

This document summarizes the essential features of this Group Policy, herein called the Plan. Life insurance benefits are underwritten by Royal State National Insurance Company, Limited, herein called the Company. At all times the terms and conditions of the Plan are governed by the Group Policy between the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) and the Company. A copy of the Group Policy may be reviewed at the Company during regular business hours.

When you die, the Company will pay your beneficiary the applicable amount of life insurance benefits unless you previously exercised the Accelerated Benefit. The classification and schedule of life insurance benefits are as follows:

CLASSIFICATION Active Employees	Life Insurance Benefit
Under age 65	\$38,361
Age 65 through 69	\$24,935
Age 70 through 74	\$17,262
Age 75 through 79	\$11,508
Age 80 and over	\$ 7,672

### Classification Change Date

Any change in your insurance classification shall become effective on the date of:

1. Your 65th, 70th, 75th and 80th birthday; and
2. Your retirement from active employment.
  - Retired Employees life insurance benefit is **\$2,034**.

### Repatriation Benefit

We will pay a Repatriation Benefit if all of the following conditions are met:

1. A life insurance benefit is payable because of your death;
2. You die more than 200 miles from your primary place of residence; and
3. Expenses are incurred to transport your body to a mortuary near your primary place of residence.

The amount of the Repatriation Benefit is the expenses incurred to transport your body to a mortuary near your primary place of residence, but not to exceed 10% of the life insurance benefit. This Benefit will be paid to the person who incurs the expense.

### Accelerated Benefit

Seventy-five percent (75%) of your life insurance benefit may be paid to you during your lifetime provided you have met certain conditions. Your attending physician must certify that you suffer from a terminal illness and have a life expectancy of twelve (12) months or less. The benefit paid is according to the Classification and Schedule of Insurance Benefits, less a fee of \$100. Where benefit reduces due to age change or change from active to retired employee status, the benefit amount paid will be at the lower scheduled amount, less the \$100 fee.



### **Life Insurance Conversion**

You may convert to the Company's individual whole life policy without evidence of good health. You must file an application within 31 days of the following events:

1. Your insurance under this Plan ends because you are no longer eligible. You may convert in an amount equal to the amount you were insured at the time you became ineligible;
2. When you reach age 65, 70, 75, 80 and upon retirement. You may convert the benefit amount that is being reduced.

If you die during the 31-day application period, the Company will pay your beneficiary the amount of insurance that you would have been eligible to convert. The death benefit will be paid under this Group Policy and not the individual life insurance policy.

### **Portability of Insurance**

If your insurance under the Plan ends because you are no longer eligible, you may be eligible to buy portable group life insurance coverage without submitting evidence of good health. To be eligible you must satisfy the following requirements:

1. You must be able to perform the material duties of a gainful occupation for which you are reasonably fitted by education, training, and experience;
2. You are under age 65;
3. You were continuously insured under the Policy for at least 12 consecutive months; and
4. You must apply in writing and pay the first premium directly to the Company within 31 days after the date you are no longer eligible under the Policy.

(If one or more of the requirements are not met, see the "Life Insurance Conversion" provision for another option to continue life insurance coverage.)

### **Designation of Beneficiary**

Please download the form from the Company's website at [www.royalstate.com](http://www.royalstate.com). You may also call the Company at (808) 539-1621 or toll free at 1(888) 942-2447, to request a form be mailed to you.

### **Claims**

Written notice of a death claim and an original death certificate must be given to the Company located at: 819 South Beretania Street, Honolulu, Hawaii, 96813.

**ROYAL STATE NATIONAL INSURANCE COMPANY, LIMITED**

Honolulu, Hawaii

(Herein called We/Us/Our/Company)

Certificate of Insurance

Under

Group Policy Number GL-9000

Issued to

Hawaii Employer-Union Health Benefits Trust Fund

(Herein called the Policyholder or Fund)

insuring its members who are employees of the State of Hawaii or any of its Counties

(Herein called the Employer)

This certificate explains the essential features of this Group Policy (herein called the Plan or Policy). Subject to the Policyholder's records, certain participants are covered under this Plan. This Certificate replaces any prior Certificates, if any, that provide similar benefits. It is not and will not become the contract of insurance.

**This Certificate includes an Accelerated Benefit. Accelerated Benefit payments may be taxable in some circumstances. Receipt of accelerated benefits may affect Medicaid and Supplemental Security Income ("SSI") eligibility. Consult with your tax and/ or legal advisor before applying for Accelerated Benefits.**

**COVERAGE INFORMATION****Eligibility Requirements**

Eligibility and enrollment of employees under this Policy shall be in accordance with:

1. Chapter 87A, Hawaii Revised Statutes (HRS), the Hawaii Employer-Union Health Benefits Trust Fund Law, and its administrative rules; and
2. Chapter 431, HRS, the Hawaii Insurance Code.

Coverage for your spouse and dependent children is not provided.

**Monthly Contributions are not Required or Allowed from Employees**

The Policyholder pays the entire insurance premium.

**Effective Date of Insurance**

Insurance coverage is effective on the date you became actively employed or eligible for benefits under the administrative rules of the Policyholder, unless you reject insurance coverage in writing.

1. If you reject insurance coverage, you are not permitted to enroll until the next open enrollment.
2. If you cancel enrollment and wish to re-enroll, you must wait until the next open enrollment.
3. Open enrollment is declared by the Policyholder. If you enroll during the open enrollment period, the effective date is prescribed by the rules of the open enrollment.

**Termination of Insurance**

Your life insurance benefits under this Policy shall automatically terminate on the earliest of the following dates:

1. The date you are no longer eligible under the provisions governing this Policy pursuant to Chapter 87A, HRS;
2. The end of the last paid premium period made by the Policyholder on your account; and
3. The date this Policy ends.

**CLASSIFICATION AND SCHEDULE OF INSURANCE BENEFITS**

When you die, the Company will pay your beneficiary the applicable amount of life insurance benefits unless you are eligible and exercise the Accelerated Benefit. The classification and schedule of life insurance benefits are as follows:

<b>Classification</b>	<b>Life Insurance Benefits</b>
Active Employees	
Under age 65	\$38,361
Age 65 through 69	\$24,935
Age 70 through 74	\$17,262
Age 75 through 79	\$11,508
Age 80 and over	\$ 7,672
Retired Employees	\$ 2,034

**Classification Change Date**

Any change in your insurance classification shall become effective on the date of:

1. Your 65<sup>th</sup>, 70<sup>th</sup>, 75<sup>th</sup> and 80<sup>th</sup> birthday; and
2. Your retirement from active employment.

**Accelerated Benefit (Active Employees Only)**

Seventy five percent (75%) of your life insurance benefit payment may be paid to you during your lifetime for active employees. This is provided that you have met certain conditions. Your attending physician must certify that you suffer from a terminal illness and have a life expectancy of twelve (12) months or less. The benefit paid is according to the Classification and Schedule of Insurance Benefits, less a fee of \$100. Where benefit reduces due to an age change or change from active employee to retired employee status within the maximum 12-month life expectancy period, the benefit amount paid will be at the lower scheduled amount less a fee of \$100. The amount paid to you as an

Accelerated Benefit and applicable fee will be deducted from the Life Insurance Benefits paid to your beneficiary. If you have assigned all or part of your insurance, an Accelerated Benefit may not be paid unless you give us a signed written consent from the assignee.

### Repatriation Benefit

We will pay a Repatriation Benefit if all of the following requirements are met:

1. A life insurance benefit is payable because of your death;
2. You die 200 miles or more from your primary place of residence; and
3. Expenses are incurred to transport your body to a mortuary near your primary place of residence.

The amount of the Repatriation Benefit is the expenses incurred to transport your body to a mortuary near your primary place of residence, but not to exceed 10% of the life insurance benefit. The Repatriation Benefit will be paid to the person who incurs the expenses.

### Life Insurance Conversion

You may convert to the Company's individual whole life policy without evidence of good health. You must file an application within thirty-one (31) days of the following events:

1. Your insurance under this Policy ends because you are no longer eligible. You may convert in an amount equal to the amount you were insured at the time you became ineligible;
2. When you reach age 65, 70, 75, 80 and upon retirement. You may convert the benefit amount that is being reduced.

The premium for the individual whole life policy will be at Company's rates then in effect for:

1. The amount of insurance;
2. The class of risk to which you belong; and
3. Your attained age on the effective date of the individual whole life policy.

If this Policy terminates or the Fund benefit program is amended to terminate Life Insurance Benefits, and you have been continuously insured under this Policy for at least five (5) years prior to the termination of this Policy, you may convert to an individual whole life insurance policy. The type and premium will be as above. The amount of insurance may not exceed the lesser of the following:

1. The amount of the group term life insurance the individual has under this Policy minus any amount for which he or she becomes eligible under any group policy or plan which replaces this Policy within 31 days; or
2. \$10,000.

The individual whole life insurance policy will:

1. Only be issued if the application is made and the first premium is paid to us within 31 days after the date the group term life insurance under this Policy ends;
2. Take effect at the end of this 31 day application period; and
3. Be issued without disability or any other supplemental benefits.

If you die during the 31-day application period, the Company will pay your beneficiary the amount of insurance that you would have been eligible to convert. The death benefit will be paid under this group Policy and not the individual life insurance policy.

### Portability of Life Insurance (Active Employees Only)

If your insurance under the Policy ends because you are no longer eligible, you may be eligible to buy portable group life insurance coverage for yourself without submitting evidence of good health. To be eligible you must satisfy the following requirements:

1. On the date you are no longer eligible under the Policy, you must be able to perform the material duties of a gainful occupation for which you are reasonably fitted by education, training, and experience;
2. On the date you are no longer eligible under the Policy, you are under age 65;
3. On the date you are no longer eligible under the Policy, you must have been continuously insured under the Policy for at least twelve (12) consecutive months; and
4. You must apply in writing and pay the first premium directly to us at our Home Office within 31 days after the date you are no longer eligible under the Policy.

(If one or more of the requirements are not met, see the Life Insurance Conversion provision for another option to continue life insurance coverage.)

This portable group life insurance will be provided under a master Group Life Portability Insurance Policy we have issued to Mutual Benefit Association of Hawaii. If approved, the certificate you will receive will be governed under the terms of the Group Life Insurance Portability Policy issued to Mutual Benefit Association of Hawaii and will contain provisions that differ from your coverage under the Policy.

The maximum amount of insurance that you are eligible to buy under this Portability of Life Insurance provision is the amount of the group term life insurance you have under the Policy. The combined amounts of insurance purchased under this Portability of Life Insurance provision and the Life Insurance Conversion provision cannot exceed the amount in effect under the Policy on

the day before your employment terminates.

Portable group insurance will become effective the day after you are no longer eligible under the Policy, if you apply within 31 days after the date you are no longer eligible. If death occurs within the 31 days after the date insurance ends under this group Policy, life insurance benefits, if any, will be paid according to the terms of this group Policy and not the terms of the Group Life Portability Insurance Policy issued to Mutual Benefit Association of Hawaii.

## LIFE INSURANCE PROVISIONS

### Payment of Benefits

Upon receipt of your death claim statement and due proof that you died while insured under this Policy, the Company will pay your beneficiary the applicable amount of life insurance benefit shown in the Classification and Schedule of Insurance Benefits, minus any Accelerated Benefit amounts paid and applicable fee, if any.

### Beneficiary

If you die while insured under this Policy, the Company will pay in one lump sum to your beneficiary the amount of Life Insurance Benefits for which you are insured, minus any Accelerated Benefit amounts paid and applicable fee, if any.

If you name two or more beneficiaries and you do not state their respective share of the benefits, the benefits will be divided equally. If any beneficiary dies before you die, that beneficiary's share will pass to the surviving beneficiaries equally.

If you fail to name a beneficiary or if no beneficiary survives you, the Company may, at its option, pay Life Insurance Benefits in equal shares as follows:

1. To your surviving spouse, if any; or
2. If there is no surviving spouse, to your surviving children; or
3. If there is no surviving spouse or child, to your surviving parent(s); or
4. If there is no surviving spouse, child or parent, to your surviving brothers and sisters; or
5. If none of the above survives, to your estate.

The Company may rely on an affidavit or other written evidence deemed satisfactory to determine the identity or the nonexistence of beneficiaries not identified by name. If a benefit is to be paid to your estate or to a minor or other person that the Company consider legally incompetent, the Company will first review if a request for payment has been received from a duly appointed guardian or other legally appointed representative.

Any of these payments made in good faith will discharge the Company from any liability to the extent that these payments are made.

### Escheat to the State of Hawaii

If the Company is not able to locate a beneficiary or claimant within a period of a year from the death date, proceeds may be escheated to the State of Hawaii Unclaimed Property Program.

### Change of Beneficiary

You may change your beneficiary at any time by filing a beneficiary designation form approved by us.

### How to File a Death Claim

Written notice of a death claim must be given to the Company. Claimant must also send an original death certificate to the Company's Home Office.

### Proof of Claim

Proof of claim must be given to us within 90 days after the loss. If it is not reasonably possible to file claim within this time, the Company will allow more time. Proof of claim must then be filed as soon as possible, but not more than one year after date of death.

If notice of claim and proof of claim are not filed and received by the Company within one year after date of death, the Company under this Policy reserves the right not to pay for the loss. The Company may waive the one-year rule if the claimant is found not legally capable of filing earlier. The Company will pay all claims for up to one year after termination of this Policy.

## GENERAL INFORMATION

This certificate is a summary of the provisions of the Group Policy and is merely evidence of the insurance provided under the Group Policy.

The Group Policy is a contract between the Policyholder and the Company. The Group Policy terms may be changed or terminated by written agreement between those parties.

At all times, the terms and conditions of the Plan are governed by the Group Policy between the Policyholder and the Company. A copy of the Group Policy may be reviewed at the Royal State National Insurance Company, Limited during regular business hours.

All claims and questions concerning this Plan benefits and claim filing should be directed to:

Royal State National Insurance Co., Ltd.  
 Attention: Claims Department - EUTF  
 819 South Beretania Street  
 Honolulu, Hawaii 96813  
 (808) 539-1621 Toll Free 1-888-942-2447

STANDARD INSURANCE COMPANY

HAWAII EMPLOYER UNION

GROUP POLICY 645545

EXPERIENCE REPORT

TERM LIFE

	07/01/2009 THROUGH 06/30/2010	07/01/2007 THROUGH 06/30/2010
EARNED PREMIUMS	\$4,325,199	\$12,920,021
PAID CLAIMS	4,305,790	12,227,331
CHANGE IN REPORTED RESERVES	98,001	166,645
CHANGE IN IBNR RESERVES	-4,672	323,375
CONVERSION CHARGES	4,100	12,200
TOTAL INCURRED CLAIMS	----- 4,403,218	----- 12,729,551
EGILROY		
41		

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NEIL ABERCROMBIE  
GOVERNOR



**STATE OF HAWAII**  
**HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND**

P.O. BOX 2121  
HONOLULU, HAWAII 96805-2121  
Oahu (808) 586-7390  
Toll Free 1(800) 295-0089  
www.eutf.hawaii.gov

**BOARD OF TRUSTEES**  
LINDA CURRIVAN MUSTO, *CHAIRPERSON*  
JULIA ZEGHMI, *VICE-CHAIRPERSON*  
LUIS P. SALAVERIA, *SECRETARY-TREASURER*  
AUDREY HIDANO  
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KAROLYN MOSSMAN  
CELESTE Y.K. NIP  
CLIFFORD UWAINA  
MARIA ZIELINSKI

**ADMINISTRATOR**  
SANDRA L. YAHIRO

**PRE-PROPOSAL CONFERENCE**  
**FOR**  
**REQUEST FOR PROPOSALS**  
**NO. 14-006**  
**LIFE INSURANCE BENEFITS**

**HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND**

**TUESDAY, APRIL 8, 2014**  
**2:15 PM (HST)**

**CITY FINANCIAL TOWER**  
**201 MERCHANT STREET, SUITE 1520**

- I. Introduction and Welcome
- II. Overview of RFP Process
  - a. Contract period
  - b. Schedule of significant dates
  - c. Communications with the EUTF
  - d. Submission of proposals
- III. Review of Requested Plan Design and Funding Arrangements
- IV. Review of Evaluation Process and Criteria and Points
  - a. Mandatory requirements
  - b. Plan comparison summaries and fee proposal forms
- V. Review of Attachments
  - a. Attachment 4, Confidential Information
  - b. Attachment 5, Exceptions
  - c. Attachment 6, Reference Information Questionnaire
  - d. Exhibit E, Performance Guarantees
- VI. Questions and Answers