Kansas Public Employees Retirement System

Group Life Request for Proposals

Questions and Responses

March 27, 2024

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| 1. Please provide a recent premium/invoice statement that includes, by Product (by Age Band, as applies):  enrolled lives, volume, paid premium, and rate.
 |
| **Please see the newly provided Appendices L-1 and L-2.** |
| 1. Please confirm employees from KP&F are eligible for Basic AD&D coverage ONLY if they are participating in the Optional Life.
 |
| **Confirmed.**  |
| 1. What is the total eligible population for Supplemental Life? Meaning, of employers opting into the program? RFP indicated 923 school and local employers are participating, but how many eligible employees does that encompass?
 |
| **Approximately 132,000 employees.** |
| 1. The census saw 991 Salaries on the KPERS + JUDGES tab and 360 Salaries on the REGENTS tab that are less than $7,540. Please clarify.
 |
| **KPERS is investigating, but please use the provided salaries as the basis for your quote.**  |
| 1. The census included the Spouse Date of Birth. Do Spouse Rates change at Spouse Age?
 |
| **The spouse rates vary by age as seen on the Premiums Tab of Appendix A.** |
| 1. The census was missing Dependent elections for the REGENTS tab. Can counts lives and volumes by SP and CH be provided?
 |
| **Spouse: Covered Spouses = 629 Total Coverage = $20,400,000****Child: Covered Members = 662 Total Coverage = $12,100,000** |
| 1. The certificate indicates no Dependent coverage without the companion Employee Optional Life coverage. Yet the KPERS + JUDGES census has 401 with Spouse coverage, 497 with Child coverage, and no Employee (SP/CH counts are independent and will have cross-over). This is contrary to terms, and I did not see that Spouse and Child coverage could be obtained as long the Employee has Basic Life.
 |
| **KPERS, Judges and Board of Regents members (covered by Basic Life Insurance) do not need member coverage to add dependent coverage.** |
| 1. Was AD&D coverage added effective 1/1/2022? If not, can the experience be updated to include back to 2019, like the other products?
 |
| **AD&D coverage was only added effective 1/1/2022.** |
| 1. Can AD&D be added into the Bid Form if requesting a quote?
 |
| **Please see Row 15 of the Proposed Rates tab of Appendix C.** |
| 1. Can you please confirm if the ADD is included in Account 1 of the Participating agreement? The CFR details seem to include it, but the RFP doesn’t mention ADD.
 |
| **Prior to 2024, KPERS paid the premium for AD&D from the positive balance of the Claim Fluctuation Reserve, but AD&D experience was not included in Par Accounting. Beginning in 2024, AD&D is entirely outside the Par arrangement.** |
| 1. Can you please provide Prior Accounting for each account – multiple years if possible but at least the most recent?
 |
| **Please see the Experience tabs and the CFR Details tab of Appendix A for historical performance of the plans and the par account.** |

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| 1. Can you please provide a written copy of the PAR agreement if possible?
 |
| **We will not be providing a copy of the current par agreement.** |
| 1. Can you confirm if the group fund the CFR/PSR at implementation?
 |
| **KPERS wishes the basic and optional premiums for this participating plan to be priced without the additional cost of building up a required minimum CFR balance, and if necessary is willing to provide some initial funding for a starting CFR even though the plan is currently running at a small deficit. In your proposals, please specify any minimum initial CFR funding that is required at 1/1/25, and please prepare your premium quotes accordingly. (The revised bid template has a place to specify the initial required CFR funding, if any.) Your proposals should also indicate that future plan deficits will be rolled forward and will not require retrospective premiums or contributions from KPERS to fund deficits.** |
| 1. Can you please confirm if there is any minimum funding for the PSR. Looks like KPERS withdrew almost the entire balance in 2022.
 |
| **There is not a minimum funding requirement for the claim fluctuation reserve. Negative balances are rolled forward. There is a minimum balance that must be satisfied before KPERS is eligible to receive a dividend.** |
| 1. Can you please confirm what the current retention agreement is?
 |
| **We will not be providing a copy of the current par agreement.** |
| 1. Please confirm if the final proposal response should be in one (1) complete word or pdf document or if we can submit multiple documents in word or pdf format (with the exception of the excel templates).
 |
| **You may submit multiple documents if necessary.** |
| 1. Regarding #4 within the “Mandatory Requirements of the KPERS Life Insurance Program” section, please confirm if this is 7 calendar days or 7 business days.
 |
| **The reference was to 7 calendar days.** |
| 1. Regarding the experience in the RFP, please provide the same report for the years 2016-2018.
 |
| **This information is included in the revised Appendix A.** |
| 1. Please provide average lives and volume by year and coverage.
 |
| **This information is included in the revised Appendix A where available.** |
| 1. Is a recent bill available?
 |
| **Please see response to Question 1.** |
| 1. The current age banded rates for optional and dependent life spouse extend to 75+ but the bid template only goes to 70+, is that how you’d like the proposed rates, or can we keep the 75+ age band?
 |
| **You may keep the 75+ age band, and we have revised the bid template in Appendix C accordingly.** |
| 1. Please provide annual financials for 2016-2023.
 |
| **This information is included in the revised Appendix A.** |
| 1. Is KPERS required to carry a minimum PSR with the current carrier?
 |
| **Please see response to Question 14.** |
| 1. If KPERS were to terminate the policy with the current carrier while the plan is in a deficit position, will KPERS be obligated to remit any retrospective premium to the current carrier? If so, what are the terms of that arrangement?
 |
| **KPERS would not be required to pay a retrospective premium to fund any plan deficits. Please also see the response to Question 13.** |

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| 1. Would you consider a non-par alternative quote for some or all coverages?
 |
| **KPERS prefers to keep the current funding structure and bids should be prepared accordingly, but KPERS would consider a non-par alternative quote for the optional and dependent life programs.** |
| 1. Is AD&D currently par and will it remain par?
 |
| **Please see response to Question 10.** |
| 1. Please confirm that no liability for basic life benefits remains under the life plan once a disabled employee completes the 180-waiting period for LTD.
 |
| **Basic life benefits would only be paid after 180 days of disability if an employee remained on payroll (e.g., due to a large volume of available sick pay). In that case, basic life insurance premiums would continue to be paid for that employee.** |
| 1. What are the roles and responsibilities expected with the dedicated resource onsite? Do you expect them to handle financial questions or just plan administration questions?
 |
| **Onsite specialists 1) assist KPERS staff, its employers, insured members and beneficiaries with understanding coverage and benefits, claim filing requirements (including collecting documents required to process claims), 2) process some life insurance claims, 3) review enrollment applications for accuracy, enter new hire/family status change paper enrollments and track enrollments requiring EOI, 4) process all portability and conversion applications, and 5) troubleshoot and escalate unique issues to the Insurer or KPERS and assist in resolution of escalated issues. The onsite staff handle customer service, including coverage questions, with limited access to the KPERS system.** |
| 1. Is the dedicated resource a requirement? Is the onsite resource a requirement (the RFP says and/or onsite resource in one place and then indicates they would expect the onsite resource to be in place by 7/1/2025 in another)?
 |
| **KPERS requires some level of dedicated resources with specific resources to be proposed by Offerors and finalized during negotiations. Before July 1, 2025, KPERS strongly prefers these resources located in or near Topeka, KS. Beginning on or after July 1, 2025 (exact date TBD), KPERS strongly prefers these resources to be located at the KPERS office building in Topeka with specific staffing, scheduling, and leasing arrangements to be mutually agreed upon by KPERS and the Insurer under separate agreement.**  |
| 1. The RFP mentions a direct pay option allowed for employees off on disability for the OPTL/DEPL. Does KPERS expect the carrier to handle that billing or will KPERS handle it?
 |
| **The carrier handles that billing currently, KPERS does not expect to handle it.** |
| 1. Do you expect the carrier to handle the enrollment? It was not clear in the RFP.
 |
| **Yes. New hire and family status change enrollments currently are handled with paper enrollment forms. KPERS employers commonly upload these forms to KPERS for transfer to the Insurer or members submit the forms directly to the Insurer. The Insurer performs the data entry of the enrollment forms into KPERS system (when applicable, members must be enrolled in the Retirement Plan before enrollment in the life insurance program).** **During the annual open enrollment, most enrollments are made through the KPERS Member Web Portal with a secure transfer to the Insurer’s electronic portal when EOI is required. Approximately 15% are paper enrollments.** |

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| 1. You mention a reverse feed will be needed. Can you expand on what information will be needed on that reverse feed?
 |
| **The current carrier provides a weekly claim decision file (approved, declined, closed) that feeds into KPERS system. This file is a changes only file.**  |
| 1. You mention feeds on OPTL premiums. Can you expand on what type of information will be needed on that feed?
 |
| **We will share this information with finalists later in the RFP process.** |
| 1. Please provide the file specs for the interfaces between your system and the current carrier in place today so we may determine if we can replicate them.
 |
| **We will share this information with finalists later in the RFP process.** |
| 1. Please provide a copy of your current claim packet.
 |
| **Please see the newly provided Appendix G-12.** |
| 1. If the process could be streamlined to include bene management, we would need to know how the current beneficiary information is stored. If on paper or images, please provide an approximate count.
 |
| **KPERS will continue to manage, maintain, and store beneficiary information.** |
| 1. Are there any value adds that are highly utilized by your employees?
 |
| **We do not have readily available data on the utilization of the value-added features.** |
| 1. Are you able to provide a breakdown of online EOI vs. Paper submissions on an annual basis?
 |
| **During the Fall 2023 open enrollment, approximately 1,250 EOI applications were submitted electronically vs. 250 applications submitted using paper applications.**  |
| 1. Are you willing to waive the ink request on all required RFP forms/documents? In the last few years, we began standardly asking if e-signatures are acceptable. Our Authorized signers are located across the country; therefore, this has evolved into a best business practice. Please let us know if e-signatures will suffice.
 |
| **Yes, e-signatures are acceptable.** |
| 1. Confirm your expectation is to have the complete par annual accounting done 90 days following the end of the policy period.
 |
| **Confirmed.**  |
| 1. With respect to the Basic Life coverage, will you be submitting the bills quarterly or will you be submitting bills monthly but paying quarterly?
 |
| **KPERS will submit the basic life bills and payments on a quarterly basis.**  |
| 1. Please confirm the group has no commissions.
 |
| **Confirmed.** |
| 1. Please advise if the group currently has any beneficiary services in place today.
 |
| **Please see response to Question 36.** |
| 1. Please advise if the group currently has travel assistance included for Basic AD&D.
 |
| **Basic AD&D does not include travel assistance. See Amendment 16 in Appendix E-2. Travel assistance is provided as part of the Optional Life plan. See page 6 of Appendix H.** |
| 1. Please confirm the cost currently built into rates for an on-site representative.
 |
| **Yes, the cost is currently built into rates for all administrative costs including the on-sites.**  |

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| 1. Please confirm the group is requesting two credits ($100K for implementation and $50K for a post-implementation audit).
 |
| **Yes, this is correct.**  |
| 1. Please confirm that the $0.020 admin fee for Optional Life should not be included. Please advise if they plan to include later.
 |
| **The monthly administrative fee of $0.20 on optional member, spouse, and child coverage should not be included in the rates shown in the completed bid template (Appendix C) in order to simplify comparisons (since the rate is per thousand but the fee is per coverage). The fee will be added when the amount due is computed.** |
| 1. Please confirm regarding connectivity requirement. Please advise if they are willing to move away from that type of system.
 |
| **KPERS does not wish to move off of its current system but can be flexible on the timing of implementing the connectivity.** |
| 1. The questionnaire mentions price differences for onshoring of all services and to discuss any off-shoring arrangements that your organization is proposing to utilize for this account. Please advise if they currently have any arrangements in place.
 |
| **KPERS will evaluate this as part of the RFP process.** |
| 1. Please confirm if a TPA/Platform will be used, if so, please advise which one.
 |
| **The KPERS Pension Administration system is the system of record and is based on Sagitec’s NeospinTM pension administration software.** |
| 1. The census notes that the Regents group does not have Spouse and Child data available, but that they do have coverage. Please provide designations (Y/N) for which employees have dependent coverage. If not, can we get a total lives/volume count (possibly through their reporting)?
 |
| **Please see response to Question 6.** |
| 1. Please confirm accuracy of the salary provided on the census. There are 6,040 (KPERS + JUDGES), 7 (KP&F), and 477 (Regents) employees with salaries below $15K. There are even some with amounts below $1,000. All of these are under various departments (school, state, local), so it does not appear that this applies to only one set of employees. We did not see anything specific to part-time employees in the RFP or certificate.
 |
| **Please see response to Question 4. With respect to part-time employees, please see page 2 of the group life certificate in Appendix E-3.** |
| 1. Please confirm how Basic Life coverage was calculated on the census. Does it pull from a system, or were these amounts manually calculated using salaries provided?
 |
| **The basic life amounts shown on the census were computed as 150% of the salary provided and should be used in the development of the quoted premiums. They are as close an estimate as we could provide of actual basic life coverage, since full data on 2023 compensation as defined in the life policy was not yet available.**  |
| 1. There are 115 employees with zero listed for salary and Basic Life coverage on the KPERS + JUDGES tab. One of these employees has Optional Life and Dependent Life coverage, but their salary and Basic Life amount are listed as zero. Please confirm if these 115 employees are eligible for Basic Life coverage. If so, please provide coverage amounts.
 |
| **Please see response to Question 4.** |

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| 1. Please advise if all the employees listed on the KP&F tab are considered eligible for Optional and Dependent Life coverage. There are 6,121 employees with zero listed for coverage on the KP&F tab. Because this group is not eligible for Basic Life, we are unable to determine if these employees are eligible for Optional Life but have chosen not to enroll.
 |
| **They are eligible but have chosen not to enroll.** |
| 1. Please confirm if Spouse ages are determined based on Employee or Spouse DOB for Spouse coverage. Spouse DOB was provided in the census, but there were some blanks for those with Spouse coverage.
 |
| **Spouse ages are determined on the spouse DOB. We have provided all the data that was available.** |
| 1. Please confirm that all employees with Basic Life coverage are also eligible for Basic AD&D. Basic AD&D coverage amounts were not provided on the census file. Based on the experience, total lives are not the same as Basic Life. Please provide a census with Basic AD&D coverage amounts.
 |
| **All employees with Basic Life have AD&D coverage of $15,000. KP&F members who participate in the Optional Life plan also have AD&D coverage of $15,000.**  |
| 1. Please provide a detailed premium report (including lives, volume, premium) by product and year. The experience report included in the RFP does not provide volumes.
 |
| **Please see the revised Appendix A which provided volume where available.** |
| 1. Please confirm if all three groups are included in the experience provided. The census lives for Basic Life equals to ~162K, while 2023 has ~159K lives listed.
 |
| **All three groups are included in the experience provided.**  |
| 1. Please confirm that all groups pay the same set of rates.
 |
| **All groups pay the same rates.** |
| 1. Will any existing reserves (Claim Fluctuation Reserve) remaining at the end of the current contract period be transferred to a new life carrier and be applied to the new basic and supplemental life participating contracts?
 |
| **Yes, if those reserves are positive.** |
| 1. If existing reserves will transfer, can you provide the existing balances to be used for the estimates that would transfer?
 |
| **Please see the CFR Details tab of Exhibit A.** |
| 1. The basic life premium increased by 7.7% in 2020, decreased by 12.5% in 2021, increased by 8.5% in 2022 and increased by 6.9% in 2023. Is it correct that these reported earned premiums are arrived at by multiplying the monthly volumes by the $0.124 basic life rate? If not, please explain who the premium was arrived at.
 |
| **Yes, that is correct.** |
| 1. The basic life earned premium decreased by 12.5% in 2021, but the optional life and dependent life plans show premium increases in 2021. Please explain the reason for the 12.5% decrease in basic life earned premium.
 |
| **There was a reduction in volume likely due to many employees being paid less during the pandemic.**  |
| 1. Please provide the average annual volume for each year from 2019 to 2023 by line of coverage.
 |
| **Please see the revised Appendix A which provided volume where available.** |

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| 1. Please confirm that the rates displayed in the “Premiums” tab of Appendix A are the rates that have been effective from 2019 through 2024. If this is not the case, please provide the complete rate history along with the effective date of any changes.
 |
| **Confirmed.** |
| 1. Please provide copies of recent monthly basic and optional life billing statements/premium remittance statements so that we can compare census volumes to reported volumes. This is also important for our volume and premium estimates since the Regents spouse and child census data is unavailable.
 |
| **Please see response to Question 1.** |
| 1. Is claims and premium experience data available from 2016 to 2018? If so, please provide.
 |
| **Please see the revised Appendix A.** |
| 1. Please provide a detailed listing of all death claims incurred between 2016 and 2018.
 |
| **We are unable to provide this information.** |
| 1. Please provide the historical dependent life premium split out separately for spouse and child.
 |
| **Please see the revised Appendix A.** |
| 1. Appendix C is requesting illustrative composite rates for optional and spouse life coverage. Are you able to provide the volume by age for the optional and spouse plans so that bidders are using the same volume slope to estimate the composite rates? Otherwise, bidders will be using different aging methodologies and volume projections which will result in composite rates that are not on the same basis.
 |
| **In comparing rate quotes, we will perform an independent calculation using identical volumes for each set of quoted rates. The illustrative composite rates in Appendix C are a means for us to identify any material differences in understanding or interpretation of the census data among the bidders.** |
| 1. Does the life insurance carrier receive the monthly admin fee, or does KPERS keep/use the funds attributable to the fee?
 |
| **KPERS keeps and uses the fee to fund its own administrative work related to these plans.** |
| 1. Do the historical optional and dependent life premiums provided in Appendix A include premium that is attributable to the $0.20 admin fee?
 |
| **No, they do not.** |
| 1. Does the $0.20 / month admin fee apply separately to employees, spouses, and children? So, if an employee has a spouse and children, they would pay $0.60 / month?
 |
| **Yes, the fee applies separately to employees, spouses, and children.** |
| 1. Page 8 of the RFP says that the Basic AD&D premiums have historically been charged to the claim fluctuation reserve but beginning in 2024 will be paid directly by KPERS. Will the basic AD&D and basic life premium and claims be combined into a single par experience calculation? Or will the basic AD&D be kept separate under a non-participating funding arrangement?
 |
| **Prior to 2024, KPERS paid the premium for AD&D from the positive balance of the Claim Fluctuation Reserve, but AD&D experience was not included in Par Accounting. Beginning in 2024, AD&D is entirely outside the Par arrangement.** |
| 1. Please confirm that all current ported liability will remain the responsibility of the incumbent life carrier if a carrier change is made.
 |
| **Confirmed.** |

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| 1. Page 4 of the RFP notes that “This RFP is requesting proposals for life insurance services only.” Per other requests throughout the RFP, please confirm that AD&D proposals are being requested as well.
 |
| **Confirmed. The statement was intended to clarify that no proposals were being requested for disability benefits or waiver of premium. AD&D is included, however.** |
| 1. Have there been any significant plan design changes in the last several years?
 |
| **Please see Amendment 16 in Appendix E-2 which added the AD&D benefit, a line of duty benefit, and some other small items.** |
| 1. Have there been any open or special enrollments during, or just prior to, the experience period? If so, please provide details.
 |
| **No. The last true open enrollment was in 2016.**  |
| 1. Do you currently use a TPA or software vendor for your benefits enrollment and eligibility? If so, can the name of the vendor be released?
 |
| No, we do not use a TPA or software vendor for benefits enrollment and eligibility.  |
| 1. Please provide the RFP document in Word. It is currently a locked PDF file, and we are unable to respond to the requirements within it.
 |
| We have posted a Word version of the RFP document to facilitate the preparation of proposals. The content should not be modified in any way. |
| 1. The RFP states that our proposal will be subject to the Kansas Open Records Act. How should we identify confidential data in our responses? Is a redacted copy required?
 |
| KPERS will confirm whether information marked “Confidential” is considered closed under KORA. Unless a record is specifically closed by law, all public records are open for inspection. Redacted copies are not required but may be submitted when appropriate. |
| 1. Please provide a census with zip codes and work locations.
 |
| We are unable to provide this information. |
| 1. Please provide current Participating Agreement with current carrier.
 |
| **Discuss.** |
| 1. Please provide annual accountings for last 5 years.
 |
| **Please see Appendix A on the Experience tab and the CFR Details tab.** |
| 1. Confirm any rate and/or plan changes over the last 5 years.
 |
| **Please see Amendment 16 in Appendix E-2 which added the AD&D benefit, a line of duty benefit, and some other small items.** |
| 1. On the claim detail report there are entries with paid amounts but nothing in the “term date” column, please explain what these claims correspond to.
 |
| **The presence of a term date means a claim has been paid and closed. If there is a paid amount but a blank in the term date column, then the benefit has been approved but not yet paid to the beneficiary.** |
| 1. Do the premiums shown in the experience report include the premium collected from the $0.20 admin fee?
 |
| **No, they do not.**  |
| 1. Please provide a recent bill.
 |
| **Please see response to Question 1.** |
| 1. Please confirm when the group last held a true Open Enrollment for Supplemental Life. Please provide any details surrounding EOI rules and the enrollment process.
 |
| **Please see Question 79 with respect to the last open enrollment. Details on the annual enrollment process and EOI rules are provided in the RFP document and appendices.**  |
| 1. Please confirm if there is an HCM/HRIS/Benefits Administration platform that KPERS uses currently
 |
| See responses to Questions 50 and 80. |