

# Addendum #4

## RFP02-722

### BASIC LIFE, ACCIDENTAL DEATH AND PERSONAL LOSS, DEPENDENT LIFE and SUPPLEMENTAL LIFE HUMAN RESOURCES DEPARTMENT

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**THIS ADDENDUM IS TO BE COMPLETED, SIGNED BY AN AUTHORIZED AGENT OF YOUR COMPANY, AND INCLUDED IN YOUR BID SUBMISSION. FAILURE TO DO SO MAY RESULT IN REJECTION OF YOUR BID.**

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1. Incurred claims is comprised of a) Recorded Claims, b) Claim Reserves and c) IBNR Reserves.

> The total Incurred Claims figure = \$1,492,755 per the report. However, the Recorded Claims figure shown (\$778,264) is double what it should be. Should be \$389,132. Incurred claims would then be \$1,103,623, or 94% of earned premium. According to the LTD experience analysis (page 49 & 50).

>

**RESPONSE: I concur with you findings. Thanks for bringing that to our attention.**

2. Regarding the Life/AD&D experience: Why are the premium and claims figures for 07/01/2000 - 06/30/2001 identical to 07/01/2001 - 06/30/2002? One of the two years has to be different. Which one is it? The bottom of the second page of Life experience (page 25 of 71) shows Total for Contrac Period. The totals include (07/99 - 06/00) + (07/00 - 06/01) +

> (07/02 - 09/02). Missing is the period (07/01 - 06/02). Will you be able to complete the picture with figures for (07/01 - 06/02)?

>

**RESPONSE: We have identified that the history for Jul 99 - Jun 00 is missing. I am in the process of securing that data now. Thereby making 7/99 - 6/00 = 7/1/00 - 6/30/01 and 7/1/2000 - 6/30/01 = 7/1/2001 - 6/30/2002.**

3. We will also need Life rate history.

**RESPONSE:**

1991/92 - Life .30/\$1,000 AD&D .05/\$1,000

1992/93 - N/C

1993/94 - Life .32/\$1,000 AD&D .05/\$1,000

1994/95 - Life .32/\$1,000 AD&D .04/\$1,000

1995/96 - Life .32/\$1,000 AD&D .04/\$1,000

1997/98 - Life .27/\$1,000 AD&D .04/\$1,000

1998/99 - Life .27/\$1,000 AD&D .04/\$1,000

1999/00 - Life .27/\$1,000 AD&D .04/\$1,000

2000/01 - Life .18/\$1,000 AD&D .025/\$1,000

2001/02 - Life .18/\$1,000 AD&D .025/\$1,000

2002/03 - Life .18/\$1,000 AD&D .025/\$1,000

4. What happened to the AD&D subsequent to 07/01/1999? Note no premiums for AD&D beginning 07/01/1999.....

**Response: Don't understand your question**

5. What are the Life and LTD renewal rates?

Response: Unknown at this time.



## INTER-OFFICE CORRESPONDENCE

**DATE:** January 17, 2003

**TO:** Patricia Cummings

**FROM:** Brenda Meyer  
Benefits Administrator

**SUBJECT:** Q&A Life RFP

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Patricia, below are my responses to questions received today far regarding the City of Tulsa's request for proposal for life coverage.

1. The current census provided shows a total of 2,280 employees who are eligible for basic coverage. Aetna's 7/02 statement which shows the employee, volume, and premium breakout by coverages shows 3,372 employees with basic coverage. The 7/02 statement volume is also much greater than the census basic volume. Page 8 of the RFP states that approximately 3,500 employees are eligible for basic coverage. Are there 1,000+ employees that are not included on the census that should be?

Response: I have reviewed the census information that was provided to support our RFP for Life coverage and found of the 4,222 line items, less a 2-line header there are 4,220 potential lives. I then removed the 701 firefighters not currently covered under our plan. That left 3,519 actual lives currently covered under the life contract.

2. Section 3 of Addendum 2 lists census information for 40 employees. Should these individuals be added to the original census?

Response: This document appears to be a sample of the Employee Census and nothing more.

3. The experience information for the period 7/00-6/01 shows \$1,070,625 in premium and \$610,000 in claims. The values for the period 7/01-6/02 are also \$1,070,625 in premium and \$610,000 in claims. If necessary, please provide the correct values for one or both of these periods.

Response: I have spoken to our current representative in relationship to the exhibit discussing incurred claims. It appears there is an error in the illustration and **we are missing information for July 1, 1999 through June 30, 2000**. The segment marked July 1, 1999 through June 30, 2000 is in actuality for the period July 1, 2000 through June 30, 2001. The segment marked July 1, 2000 through June 30, 2001 is for the period July 1, 2001 through June 30, 2002.

Should you need further clarification, please advise.

January 10, 2003

# Addendum #3

## RFP02-722

### BASIC LIFE, ACCIDENTAL DEATH AND PERSONAL LOSS, DEPENDENT LIFE and SUPPLEMENTAL LIFE HUMAN RESOURCES DEPARTMENT

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- 1) The opening/due date of this bid has been changed. Please make note that the bid is now due no later than 5:00 p.m. February 12, 2003. Bid opening will be at 8:30 a.m. Thursday, February 13, 2002.
- 2) A complete census is now available. In order to receive a copy of this document, please contact the buyer, Patricia Cummings, at 918-596-7561 with your request. A copy of the document may be e-mailed to your organization.
- 3) Note the following Question/Answer written session:



### INTER-OFFICE CORRESPONDENCE

**DATE:** January 21, 2003

**TO:** Patricia Cummings

**FROM:** Brenda Meyer  
Benefits Administrator

**SUBJECT:** Q&A Life RFP

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Patricia, below are my responses to questions received today far regarding the City of Tulsa's request for proposal for life coverage.

1. The current census provided shows a total of 2,280 employees who are eligible for basic coverage. Aetna's 7/02 statement which shows the employee, volume, and premium breakout by coverages shows 3,372 employees with basic coverage. The 7/02 statement volume is also much greater than the census basic volume. Page 8 of the RFP states that approximately 3,500

employees are eligible for basic coverage. Are there 1,000+ employees that are not included on the census that should be?

Response: I have reviewed the census information that was provided to support our RFP for Life coverage and found of the 4,222 line items, less a 2-line header there are 4,220 potential lives. I then removed the 701 firefighters not currently covered under our plan. That left 3,519 actual lives currently covered under the life contract.

2. Section 3 of Addendum 2 lists census information for 40 employees. Should these individuals be added to the original census?

Response: This document appears to be a sample of the Employee Census and nothing more.

3. The experience information for the period 7/00-6/01 shows \$1,070,625 in premium and \$610,000 in claims. The values for the period 7/01-6/02 are also \$1,070,625 in premium and \$610,000 in claims. If necessary, please provide the correct values for one or both of these periods.

Response: I have spoken to our current representative in relationship to the exhibit discussing incurred claims. It appears there is an error in the illustration and **we are missing information for July 1, 1999 through June 30, 2000**. The segment marked July 1, 1999 through June 30, 2000 is in actuality for the period July 1, 2000 through June 30, 2001. The segment marked July 1, 2000 through June 30, 2001 is for the period July 1, 2001 through June 30, 2002.

Should you need further clarification, please advise.

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**Signature of Authorized Agent**

**Date**

# Addendum #2

## RFP02-722

### BASIC LIFE, ACCIDENTAL DEATH AND PERSONAL LOSS, DEPENDENT LIFE and SUPPLEMENTAL LIFE HUMAN RESOURCES department

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(1) Note the following Question/Answer written session:



## INTER-OFFICE CORRESPONDENCE

**DATE:** January 21, 2003

**TO:** Patricia Cummings

**FROM:** Brenda Meyer  
Benefits Administrator

**SUBJECT:** Q&A Life RFP

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Patricia, below are my responses to questions received thus far regarding the City of Tulsa's request for proposal for life coverage.

Q. Please provide a basic census including the gender, date of birth, annual salary and work location zip code for each employee.

A. Provided on Census

Q. Please provide a supplemental census including the gender, date of birth, supplemental election amount and work location zip code for each employee.

A. Provided on Census

Q. The experience information for the periods 7/00-6/01 and 7/01-6/02 are identical to one another. Is this correct?

A. Data provided has been confirmed.

Q. Please separate the rate, volume, premium and claim history for the past three years for basic and supplemental coverage. The report which was provided combines the basic and supplemental coverage.

**A. The report only provides the employees Annual Earnings, values for life insurance relates only to supplemental life coverage. Basic and AD & PL are 2X's annual earnings rounded to the nearest 1,000.**

Q. Should the AD&D coverage match the basic and/or the supplemental life coverage, or is the AD&D coverage purely voluntary and independent from the life coverage? May an employee choose not to elect supplemental life coverage and still elect AD&D coverage?

**A. Basic Life and AD&PL coverage are equal.**

Both are mandatory and employer paid.

Supplemental life coverage is strictly voluntary and employee paid.

Q. Please confirm that the plan will be self-administered.

**A. The City of Tulsa will be responsible for the administration and record keeping of the plan.**

Q. Please confirm that all dependent coverage is paid for by the employee.

A. Yes, optional coverage is paid for by the employee.

Q. Would the City be interested in allowing employees to choose their spouse life benefit in \$10,000 increments? This would eliminate the need to use two separate spouse life schedules. Something similar could be done for children.

**A. The City is always interested in alternatives to the benefit package; however, our system currently supports the Supplemental Life program and we have established sufficient controls to restrict spouses from exceeding the limits of the contract. Coverage for the spouse is currently sold at the employee's age UNLESS we have documentation that the spouse is 10 years younger than the employee – at that point we sell the insurance based upon the spouse's age. Coverage for children is sold in \$2,500 increments currently.**

Q. If open enrollments are allowed, have they been allowed in the past and for how long? Are they open enrollments without evidence required?

**A. Each year employees are given an opportunity to make changes in their benefit package. The effective date of the requested change would be 7/1. Employees are allowed to increase their coverage 1 more increment without evidence if the increment does not exceed a limit. Employee, spouse or child would be required to submit evidence if previously eligible, but failed to enroll at the time first became eligible.**

Current benefit allows employees 1 – 5x's annual earnings up to \$350,000.

An employee would be required to submit evidence @ 4 & 5x's.

Current benefit allows spouses 50% of employees benefit up to \$100,000. If employee not enrolled we assume 1x's for the employee and would allow spouse 50% of employee annual earnings.

Spouse would be required to submit evidence to exceed \$50,000.

The City of Tulsa has had “true open enrollments” in the past, this normally occurs when there is a change in carriers.  
Supplemental Life Plan history:

ITT Hartford 7/1/1994 - 6/30/1997 guaranteed issue  
true open enrollment- annually  
Aetna US HealthCare 7/1/1997 – 6/30/2003 guaranteed issue  
participants grandfathered  
Increases allowed annually or insurability throughout the year for coverage

Q. Please provide the percent of police and fire employees.

A. Police 20%  
Fire 17.5%  
Let's 22%  
Non – Union 40.5%

Please let me know if I need to clarify any response./bm

**(2) Note the new opening date: January 30, 2003**

**(3) See attached census:**

L1L2	LVL3	Hire Date	Birthdate	SEX	Emp Age	6/30	Cur Annual Salary
						Annual Salary	
CITY	007	11/16/1998	09/29/1946	M	56	31880.64	31880.64
CITY	007	02/15/2000	02/17/1973	M	29	27566.40	27566.40
CITY	007	04/06/1981	05/05/1956	M	46	30843.36	30843.36
CITY	007	05/01/1999	04/03/1962	M	40	28669.20	28669.20
CITY	007	06/16/1976	07/28/1944	M	58	31180.56	31180.56
CITY	007	02/16/1999	07/05/1966	M	36	27566.40	27566.40
CITY	007	08/22/1994	11/15/1942	M	60	30251.28	30251.28
CITY	007	11/26/2001	07/17/1965	M	37	24944.40	24944.40
CITY	007	12/28/2000	01/03/1948	M	54	26316.48	26316.48
CITY	007	07/02/1984	07/03/1946	M	56	30034.32	30034.32
CITY	007	11/16/1998	11/09/1953	M	49	28669.20	28669.20
CITY	007	11/08/2000	12/08/1954	M	48	26316.48	26316.48
CITY	007	06/16/1976	03/18/1947	M	55	31180.56	31180.56
CITY	007	07/08/2002	03/30/1965	M	37	24944.40	24944.40
CITY	007	01/03/1972	11/10/1947	M	55	32564.88	32564.88
CITY	007	07/18/1994	02/01/1941	F	61	30034.32	30034.32
CITY	007	07/01/2001	02/05/1951	M	51	24944.40	24944.40
CITY	007	06/29/1978	06/02/1956	M	46	50280.48	31180.56
CITY	007	06/06/2002	08/16/1971	M	31	24944.40	24944.40
CITY	007	06/16/1971	07/04/1948	M	54	37416.72	37416.72
CITY	007	05/01/1999	11/30/1973	M	29	28669.20	28669.20
CITY	007	01/02/2001	10/05/1977	M	25	26316.48	26316.48
CITY	007	05/01/2001	08/19/1950	M	52	26316.48	26316.48
CITY	007	02/18/2002	09/16/1955	M	47	24944.40	24944.40
CITY	007	12/16/1968	10/08/1946	M	56	32100.72	32100.72
CITY	007	07/21/1994	10/19/1949	M	53	30034.32	30034.32
CITY	007	01/01/1976	04/22/1953	M	49	37756.08	37756.08
CITY	007	08/16/2002	01/07/1958	M	44	24320.88	24320.88
CITY	007	02/18/2002	07/19/1945	M	57	24944.40	24944.40
CITY	007	11/16/1998	07/02/1951	M	51	28669.20	28669.20
CITY	007	06/02/1969	12/30/1945	M	57	37427.04	37427.04
CITY	007	03/02/2001	04/30/1953	M	49	26316.48	26316.48
CITY	004	10/26/1992	01/04/1956	F	46	39553.44	38513.52
CITY	004	08/01/1999	12/29/1959	F	43	43262.88	42125.52
CITY	004	12/01/1992	11/27/1948	F	54	41760.48	40662.48
CITY	005	09/04/2001	08/15/1960	M	42	35937.12	34992.24
CITY	005	05/20/1997	12/24/1966	F	36	39849.12	38801.52
CITY	005	06/11/1993	09/14/1957	F	45	35942.40	32313.60
CITY	005	09/24/1987	04/16/1962	F	40	41443.20	40353.60
CITY	005	06/02/1976	08/06/1950	F	52	42126.72	41019.12



November 6, 2002

# **Addendum #1**

## **RFP02-722**

**BASIC LIFE, ACCIDENTAL DEATH AND PERSONAL LOSS,  
DEPENDENT LIFE and SUPPLEMENTAL LIFE  
HUMAN RESOURCES department**

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**See attached Summary of Current Coverage:**

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**Signature of Authorized Agent**

**Date**

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## Summary of Coverage

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**Employer:** City of Tulsa

**Group Policy:** GP-701360

**SOC:** 1A

**Issue Date:** February 15, 2002

**Effective Date:** January 1, 2002

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD OR DECEIVE ANY INSURANCE COMPANY FILES A STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY.

The benefits shown in this Summary of Coverage are available for you and your eligible dependents.

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## Eligibility

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### Employees

You are in an Eligible Class if you are a regular full-time employee of the City of Tulsa, or an approved associated agency or an elected official of the City of Tulsa, excluding firefighters.

Your Eligibility Date, if you are then in an Eligible Class, is the Effective Date of this Plan. Otherwise, it is the first day of the calendar month coinciding with or next following the date you complete 30 days of continuous service for your Employer or, if later, the date you enter the Eligible Class.

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### Dependents

You may cover your:

- wife or husband; and
- unmarried children at least 14 days old until the end of the month in which they reach age 19.

You may also cover a newborn child under 14 days of age if treated for disease, injury, congenital abnormality, or hereditary complication.

Any other unmarried child until the end of the month in which they reach age 25 who goes to school on a regular basis and depends solely on you for support will be covered as a dependent.

Your children include:

- Your biological children.
- Your adopted children.
- Any other child you support who lives with you in a parent-child relationship.

You may receive multiple coverage under this Plan. You may be covered both as an active employee and as a dependent spouse. A dependent child(ren) may be covered by more than one employee.

To figure benefits for a person who is covered as an employee and a dependent, or as a dependent of more than one employee, the terms of this Plan will apply separately.

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### **Enrollment Procedure**

You will get a form to fill out to elect your level of coverage and identify your beneficiary. This form will allow your Employer to deduct your contributions from your pay. Be sure to sign and return it within 31 days of your employment.

Your Employer pays 100% of the cost for your Basic Life and Accidental Death and Personal Loss Coverage. Your contributions toward the cost of Supplemental Life Insurance and Dependent Life Insurance will be deducted from your pay and are subject to change. The rate of any required contributions will be determined by your Employer. See your Employer for details. When any of your Life Insurance or Accidental Death and Personal Loss coverage is reduced because of age, the rate of contribution per \$ 1,000 of these coverages will not be increased thereafter.

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### **Effective Date of Coverage**

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#### **Employees**

Your Basic Life Insurance, Supplemental Life Insurance and Accidental Death and Personal Loss Coverage will take effect on your Eligibility Date.

If you don't sign and return your form within 31 days of your Eligibility Date, coverage for Supplemental Life Insurance and Dependent Life Insurance will not take effect until you submit evidence of good health which is acceptable to Aetna.

If you happen to be ill or injured and away from work on the date your coverage would take effect, the coverage will not take effect until you return to full-time work for one full day. This rule also applies to an increase in your coverage.

#### **Life Insurance**

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### **Schedule of Life Insurance**

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#### **Employees**

#### **Basic Schedule**

<b>Classification</b>	<b>Amount</b>
All Employees	200% of your basic annual earnings, as determined by your Employer, rounded to the nearest \$ 1,000 , if not an integral multiple of \$ 500. Maximum: \$ 150,000 Minimum: \$ 5,000

### **Supplemental Schedule**

<b>Classification</b>	<b>Amount</b>
All Employees	You may elect 100%, 200%, 300%, 400% or 500% of your basic annual earnings, as determined by your Employer, rounded to the nearest \$ 1,000, if not an integral multiple of \$ 500 Maximum: \$ 350,000 Minimum: \$ 5,000

The total amount of Basic and Supplemental Life Insurance shall not exceed a maximum of \$500,000.

Effective July 1, 2000, if you had not previously enrolled and became covered for Life Insurance, you may elect any of the following without submitting evidence of good health to Aetna. You may become covered:

- for an amount of Supplemental Life Insurance for yourself exceeding an amount equal to three times your basic annual earnings.
- with respect to your dependent spouse for an amount up to \$50,000.
- with respect to a dependent child(ren) up to the maximum amounts shown in Schedule A and Schedule B.

You can become insured for an amount of Supplemental Life Insurance in excess of 300% of your basic annual earnings only if you submit evidence of good health to Aetna and such evidence is approved by Aetna.

If, while insured:

- you first become eligible for an amount of Supplemental Life Insurance over 300% of your basic annual earnings, or
- you elect to increase your Supplemental Life Insurance by more than one level or multiple of your basic annual earnings, you can become insured for the new amount only if you submit evidence of good health to Aetna and such evidence is approved by Aetna. This applies even if Aetna has approved evidence of your good health in the past.

## Coverage For Your Dependents Only

### Dependents

#### Schedule A (Supplemental Life)

Classification	Amount*
Wife or husband	50% of the employee's Supplemental Life Insurance amount Maximum: \$100,000 Minimum: \$2,500
Unmarried child, age 14 days and children to the end of the birth month in which the child reaches age 19 or to the end of the birth month in which the child reaches age 25 if a full-time student	Maximum: \$10,000 (in \$2,500 increments) Minimum: \$2,500

\* But not more than 50% of the amount of your Supplemental Life Insurance under this Plan.

#### Schedule B (Dependent Life)

Classification	Amount**
Wife or husband	\$ 10,000
Unmarried child, age 14 days but less than 6 months	\$ 500
6 months but less than 2 years	\$ 1,000
2 years but less than 3 years	\$ 2,000
3 years but less than 5 years	\$ 3,000
5 years to the end of the birth month in which the child reaches age 19 or to the end of the birth month in which the child reaches age 25 if a full-time student	\$ 5,000

\*\*but not more than 50% of the amount of your Basic Life Insurance under this Plan.

You may request Dependent Life Insurance without electing Supplemental Life Insurance for yourself.

You may also select Schedule A, Schedule B or both for your dependent coverage.

The total amount of Life Insurance for a dependent spouse under Schedule A and Schedule B cannot exceed \$110,000.

## Evidence Requirements

If:

- you request Life Insurance coverage for a dependent within 31 days of the date you are eligible for coverage with respect to that dependent; and
- you are eligible for an amount of Life Insurance for that dependent over \$ 50,000;

you can become insured with respect to that dependent for an amount in excess of \$ 50,000 only if you submit evidence of that dependent's good health to Aetna and such evidence is approved by Aetna.

If you request Life Insurance coverage for a dependent more than 31 days after the date you are eligible for coverage with respect to that dependent, you can become insured with respect to that dependent only if you submit evidence of that dependent's good health to Aetna and such evidence is approved by Aetna.

If, while insured with respect to a dependent, you first become eligible for an amount of Life Insurance for that dependent over \$ 50,000, you can become insured with respect to that dependent for an amount in excess of \$ 50,000 only if you submit evidence of that dependent's good health to Aetna and such evidence is approved by Aetna.

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## Accelerated Death Benefit

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### Employees and Dependent Spouses

ADB Months:	12
ADB Percentage:	50%
ADB Minimum:	\$ 5,000 combined Basic and Supplemental Life Insurance
ADB Maximum:	\$ 300,000 combined Basic and Supplemental Life Insurance

## Accidental Death and Personal Loss Coverage

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### Schedule of Accidental Death and Personal Loss Coverage

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#### Employees

#### Schedule

<b>Classification</b>	<b>Amount</b>
All Employees	200% of your basic annual earnings, as determined by your Employer, rounded to the nearest \$ 1,000 , if not an integral multiple of \$ 500. Maximum: \$ 150,000 Minimum: \$ 5,000

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**Additional Accidental Death Benefit Maximums**

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*Explanations of the following additional benefits can be found on pages 19 to 21.*

**Employees**

Passenger Restraint Benefit Maximum	\$ 10,000
Airbag Benefit Maximum	One half of your Passenger Restraint Benefit
Education Benefit Maximum for each dependent child	5% of your Principal Sum not to exceed \$ 5,000
for your spouse	5% of your Principal Sum not to exceed \$ 5,000
Child Care Benefit Maximum for each child	3% of your Principal Sum not to exceed \$ 2,000 per year per child
Repatriation of Remains Benefit Maximum	\$ 5,000
Double Indemnity on a Common Carrier Benefit Maximum	An amount equal to your Principal Sum not to exceed \$ 250,000

### **Age Reduction Rule**

Your Life Insurance and Accidental Death and Personal Loss Coverage amounts in force on the day before the first day of the month in which you attain age 65 each will be reduced to 92% at age 65, 84% at age 66, 76% at age 67, 68% at age 68, 60% at age 69 and 52% at age 70. The reduction will take effect on the first day of the calendar month in which you attain the age specified.

If you become insured during or after the month in which you reach the above ages, your total amount of Life Insurance and Accidental Death and Personal Loss Principal Sum will be the applicable percentage of the amount shown for your classification.

The amount of any Life Insurance being extended for you under the Permanent and Total Disability feature of this Plan will be reduced at the ages specified and in accordance with the age Reduction Rule.

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### **Adjustment Rule**

If for any reason a person is entitled to a different amount of coverage, coverage will be adjusted as provided elsewhere in the group contract, except that an increase is subject to any active work rule or non-confinement requirement described in Effective Date of Coverage.

Benefits for claims incurred after the date the adjustment becomes effective are payable in accordance with the revised plan provisions. In other words, there are no vested rights to benefits based upon provisions of this Plan in effect prior to the date of any adjustment.

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### **General**

This Summary of Coverage replaces any Summary of Coverage previously in effect under the group contract. Requests for amounts of coverage other than those to which you are entitled in accordance with this Summary of Coverage cannot be accepted.

The insurance described in this Booklet-Certificate will be provided under Aetna Life Insurance Company policy form GR-29.

**KEEP THIS SUMMARY OF COVERAGE  
WITH YOUR BOOKLET-CERTIFICATE**

### **Your Group Coverage Plan**

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This Plan is underwritten by the Aetna Life Insurance Company, of Hartford, Connecticut (called Aetna). The benefits and main points of the group contract for persons covered under this Plan are set forth in this Booklet. They are effective only while you are covered under the group contract.

If you become covered, this Booklet will become your Certificate of Coverage. It replaces and supersedes all Certificates issued to you by Aetna under the group contract.

Chairman, President and Chief Executive Officer

Cert. Base: 1

Issue Date: February 15, 2002

Effective Date: January 1, 2002

### **Life Insurance**

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This Plan will pay as a Life Insurance benefit the amount of Life Insurance in force for you if you die from any cause while insured. You name your beneficiary. You may change your choice at any time.

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**A Permanent and Total Disability Feature** If you become permanently and totally disabled, your insurance may be extended. You will not have to make any further contribution. No premium payments will be required from your Employer.

You are permanently and totally disabled only if disease or injury stops you from working at:

- your own job; or
- any other job for pay or profit;

and it must continue to stop you from working at any reasonable job.

A "reasonable job" is any job for pay or profit which you are, or may reasonably become, fitted for by education, training, or experience.

You must meet all of the following to be eligible:

- Your Life Insurance must be in force when you become permanently and totally disabled.
- You must be under age 60 when you are first permanently and totally disabled.
- Your permanent and total disability must have lasted for at least 9 months.
- You must furnish all proof when requested. Aetna has the right to examine you, at its expense, before approving the proof.

Aetna must receive written notice of claim for this extension at its Home Office within 12 months after you stop active work. Proof of the permanent and total disability must be received no later than 12 months after premium payments stop.

This extended insurance will be the amount you were insured for on the date your total disability began. If a Reduction Rule for Life Insurance extended due to the Permanent and Total Disability is in effect on the date you become so disabled:

- This extended insurance will be reduced when you reach the age or ages set forth in the Rule.

This extension period will cease on the first to occur of:

- The date Aetna sends you a request at your last address shown on Aetna's records:

For an exam, if you do not go for the exam within 31 days of that date.

For proof that you are still permanently and totally disabled, if proof is not given within 31 days of that date.

- The date you are well enough to work in any reasonable job.
- The date you start to work in any job for pay or profit.

After insurance has been extended continuously for 2 years, Aetna will not request an exam or proof more often than once in a 12 month period.

When the extension period stops, you may be eligible to convert to an individual life insurance policy, as described in the "Conversion Privilege" section, as if your employment had ceased. However, if you become eligible for life insurance under any group policy within 31 days after the end of the extension period, the privilege is not allowed.

### **Extended Death Benefit**

If Aetna received proof, at its Home Office, that all of the following apply, it will pay your beneficiary the amount of Life Insurance which may be extended under the permanent and total disability provision:

- Premium payments for your Life Insurance cease while you are totally disabled by disease or injury which stops you from working in any reasonable job.
- You die during the uninterrupted continuance of the total disability.
- Death occurs no later than 12 months after premium payments from your Employer cease.
- You would have qualified for extended insurance except that:

your total disability had not lasted at least 9 months; or

the required proof has not yet been received or approved by Aetna.

Written notice of your death must be given to Aetna at its Home Office within 12 months of your death. If it is not given, Aetna will not have to pay this benefit.

When Aetna approves a claim for any benefit under this feature, the benefit will be in full settlement and satisfaction of Aetna's obligations.

If any individual policy has been issued to you under the Conversion Privilege, your rights under this section may be restored. In order to restore those rights, you must give up all such policies without claim, except for the return of the premiums you paid.

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### **Accelerated Death Benefit**

If, while covered under this Plan for Life Insurance:

- you become terminally ill; or
- your spouse becomes terminally ill;

you may request that Aetna pay an Accelerated Death Benefit (herein called ADB). Upon Aetna's approval of any such request, Aetna will pay to you the amount of ADB; subject to all of the following terms.

A person is terminally ill if the person:

- suffers from an incurable, progressive and medically recognized disease or condition; and

- to a reasonable medical probability and based on a generally accepted prognostic protocol, will not survive more than the ADB Months beyond the date of the request for an ADB.

**While Aetna cannot provide legal or tax advice to you or your Employer, you should carefully consider the tax consequences of requesting an ADB. The amount of ADB may be subject to income tax upon receipt. You should consult your counsel or tax advisor before you request an ADB.**

You may request an ADB on your own behalf or on behalf of your spouse at any time by completing an Aetna Request For Accelerated Death Benefit Form and submitting it to Aetna. The request must include the statement of a currently licensed United States physician that:

- you are terminally ill; or
- your spouse is terminally ill.

The physician's statement must include:

- all medical test results;
- laboratory reports; and
- any other information on which the statement is based, including the generally accepted prognostic protocol used by the physician to determine your expected remaining life span.

Your request for an ADB must state the amount of the benefit requested. You may request as an ADB up to the ADB Percentage of the amount of Life Insurance then in force for the person for whom you are making the request; but in no event may the requested amount of ADB be equal to:

- less than the ADB Minimum; or
- more than the ADB Maximum.

You may request an ADB under this Plan:

- only once on your own behalf; and
- only once on behalf of any one spouse.

If, by assignment or otherwise, someone other than you is the owner of your Life Insurance Coverage or the Life Insurance Coverage of your spouse, an ADB will not be available under this Plan for or on behalf of such person.

If during the ADB Months following the date of your request for an ADB the amount of your Life Insurance would reduce due to the attainment of a specified age or retirement, the ADB amount will be calculated by multiplying the percentage that you have requested by the amount of Life Insurance that would remain in effect after any reduction.

When your request for an ADB on your own behalf or on behalf of your spouse has been approved, the amount of Life Insurance then in force for such person will be reduced by the amount of ADB. Any person whose amount of Life Insurance has been so reduced, will not be entitled to the Conversion of Life Insurance for the amount of Life Insurance that ceases because of the reduction by the amount of the ADB.

In considering your request for an ADB, Aetna may require you, at Aetna's expense, to submit to an independent medical exam by a physician chosen by Aetna. Aetna may suspend its review of a request for an ADB until the exam has been completed and the results submitted to Aetna.

Aetna may refuse your request for an ADB if:

- prior to Aetna's receipt of approval of the request:  
the group contract terminates as to your Eligible Class (even though all or part of your Life Insurance Coverage or the Life Insurance Coverage of your spouse continues for any reason); or
- the entire amount of Life Insurance of the person for whom request is made ceases under the group contract for any reason; or  
prior to payment of the ADB, the person for whom request is made dies.

Upon approval by Aetna, the amount of ADB will be paid to you in a lump sum.

To the extent allowed by law:

- any ADB paid to you is exempt from any legal or equitable process for your debts or the debts of your spouse; and
- you will not be required to request an ADB in order to satisfy claims of creditors.

If:

- Aetna has extended your Life Insurance under the terms of the Permanent and Total Disability Feature;
- and you have not previously requested and received an ADB;

you may apply for an ADB. All of the preceding terms of the Accelerated Death Benefit section will apply to any ADB requested while your Life Insurance is being extended under the terms of the Permanent and Total Disability Feature.

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### **Life Insurance For Your Dependents**

An amount of life insurance is payable to you if one of your dependents dies from any cause while insured. If you are not living at the time of payment, it will be made to your executors or administrators. At Aetna's option, it may be paid to your wife or husband.

The following dependents are not eligible:

- Those in full-time active military service.
- Children less than 14 days of age.

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### **Life Insurance Portability**

The terms of this provision apply only to an amount of Life Insurance which is fully contributory (i.e., you pay the total cost) and which:

- for you, is at least \$5,000;
- for your spouse, is at least \$1,000; and
- for your dependent child, is at least \$1,000.

In no event, however, will the terms of this provision apply:

- to you if you are in an Eligible Class for which Life Insurance coverage under the group contract is terminated and replaced by like coverage under another policy;
- to you if you are in an Eligible Class for which coverage under the group contract is terminated because your Employer has gone out of business;
- to any amount of a person's Life Insurance that has been converted to an individual life policy in accordance with this Plan's Conversion of Life Insurance provision.

This Plan's Conversion of Life Insurance provision does not apply to any amount of a person's Life Insurance for which a person elects coverage under this provision, but may be available for:

- any amount of a person's Life Insurance to which the terms of this provision do not apply;
- any amount of a person's Life Insurance to which the terms of this provision apply, but for which you do not elect coverage under this provision; or
- any amount of a person's Life Insurance in force under this provision that ceases because of age.

### **Your Life Insurance**

If your Life Insurance coverage ceases because your employment ceases or you are no longer in a class eligible for Life Insurance coverage, you may elect coverage under this provision; provided however, that:

- the amount of your Life Insurance will be determined in accordance with the Amount of Insurance section of this provision;
- on the date of the change to portability status, your age will not exceed the Eligibility Age; and
- on the day your coverage ceases you are not ill or injured and away from work.

### **Life Insurance For Your Dependents**

If Life Insurance coverage for a dependent ceases because your employment ceases or you are no longer in a class eligible for Dependent Life Insurance, you may elect coverage under this provision for the amount of insurance that is subject to this provision, but only if:

- you elect coverage for yourself under this provision; and
- on the date of the change to portability status, the dependent's age will not exceed the applicable Eligibility Age.

### **Eligibility Age**

The Eligibility Age is:

- for you, 74;
- for your dependent spouse, 74; and
- for your dependent child, the age which is one year younger than the age at which he or she will cease to meet the Plan's definition of dependent.

### **General Information Concerning Portability**

In order to elect coverage for a person under this provision, written request must be made and the first premium contribution must be paid within 31 days after insurance ceases. Coverage will become effective at the end of the 31 day period during which election of coverage is possible. Such date is a person's "Portability Date".

All of the terms and conditions of this Plan that apply to Life Insurance coverage apply to coverage continued under this provision except as otherwise stated in this provision.

## **Amount of Insurance**

The amount of a person's Life Insurance will be limited to the lesser of: the amount of insurance that was in force for the person on the day before his or her eligibility for coverage under this provision; and the amounts shown below:

- \$300,000 as to you;
- \$25,000 as to your spouse; and
- \$5,000 as to your dependent child.

It will not increase; as to coverage for your spouse and dependent child, it will not decrease.

However, as to coverage for you only, you may elect an amount of Life Insurance under this provision that is less than the amount as determined above; provided that:

- the amount is an amount of Life Insurance available under this Plan for your classification;
- such decrease may take effect only on your Portability Date;
- such decreased amount may not be an amount that is less than the amount in force under this provision for your spouse or dependent child; and
- such decreased amount may not be an amount in relation to the amount for your spouse or dependent child that is not permitted by any applicable law.

On the first anniversary of your Portability Date next following the date you attain age 65, the amount of your Life Insurance then in force will be reduced to 92% at age 65, 84% at age 66, 76% at age 67, 68% at age 68, 60% at age 69 and 52% at age 70.

## **Accidental Death Benefit**

If you die while your Life Insurance is in force under this provision and before you reach age 70, in addition to the Life Insurance benefit payable under this Plan, an equal amount will be payable if due proof is submitted that:

- death was a direct result of a bodily injury suffered in an accident; and
- death occurs within 90 days after the accident and while this Plan is in force.

Benefits are paid for losses caused by accidents only. No benefits are payable for death caused or contributed to by:

- Bodily or mental infirmity.
- Disease, ptomaines, or bacterial infections.\*
- Medical or surgical treatment.\*
- Suicide or attempted suicide (sane or insane).
- Intentionally self-inflicted injury.
- War or any act of war (declared or undeclared).

\* These do not apply if the loss is caused by:

- An infection which results directly from the injury.
- Surgery needed because of the injury.

## **Permanent and Total Disability Feature**

For you only, insurance under this provision may be extended in accordance with the terms of this Plan's Permanent and Total Disability Feature. However:

- You are permanently and totally disabled only if disease or injury stops you from working at any reasonable job, as defined in the Permanent and Total Disability Feature.

## **Accelerated Death Benefit**

In no event will the terms of the Accelerated Death Benefit provision apply to Life Insurance in force under this provision.

## **Premium Contributions**

The rate of premium contribution will change for any insurance in force for a person under this provision on the person's Portability Date. The rate of premium contribution is subject to another change on the next January 1 and on each January 1 thereafter.

Premium contributions will be paid directly to Aetna and will be subject to a direct billing charge. The amount of the charge may be adjusted by Aetna, but not more than once a year.

## **Termination of Coverage**

A person's Life Insurance in force under the terms of this provision will cease on the first to occur of:

- The end of a 31 day period following the date the required premium contribution for the coverage is due and not made.
- The date of your death.
- The first anniversary of your Portability Date next following the date you reach age 75.
- As to coverage for your spouse, the first anniversary of his or her Portability Date next following the date your spouse reaches age 65.
- As to coverage for your dependent child, the first anniversary of his or her Portability Date next following the date such person reaches his or her Eligibility Age.
- As to coverage for your spouse or your dependent child, the date such person is no longer a defined dependent.

## **Accidental Death and Personal Loss Coverage**

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This Plan pays a benefit if, while insured, you suffer a bodily injury caused by an accident; and if, within 365 days after the accident and as a direct result of the injury, you lose:

- Your life.
- A hand, by actual severance at or above the wrist joint.
- A foot, by actual severance at or above the ankle joint.
- An eye, involving irrecoverable and complete loss of sight in the eye.
- Your speech or hearing; the loss must be total and deemed permanent.
- Your thumb and index finger of same hand, by actual severance of entire digit.

Loss of thumb and index finger means complete severance through or above the metacarpophalangeal joint of both digits.

A total loss of speech or hearing will be deemed permanent if the loss has been present for 12 consecutive months, unless an attending physician states otherwise.

Loss of life due to exposure to natural or chemical elements will be deemed to be accidental if the exposure was a direct result of an accident.

If:

- you disappear as a direct result of the accidental disappearance, wrecking, or sinking of the conveyance in which you were an occupant; and
  - there is no contrary evidence about the circumstances of your disappearance within one year of the accident;
- your disappearance will be deemed an accidental death.

This Plan also pays a benefit if, while insured, you suffer a bodily injury in an accident and if, within 30 days after the accident and as a direct result of the injury, you are stricken with one of the following forms of paralysis:

- Quadriplegia - the entire and irrecoverable paralysis of both upper and lower limbs.
- Paraplegia - the entire and irrecoverable paralysis of both lower limbs.
- Hemiplegia - the entire and irrecoverable paralysis of the upper and lower limbs on one side of the body.
- Uniplegia - the entire and irrecoverable paralysis of one limb.

A limb means the entire arm or leg.

## **Benefit**

The full Principal Sum is payable for loss of life.

The full Principal Sum is payable for loss of both hands, both feet, or both eyes.

The full Principal Sum is payable for loss of both hearing and speech.

The full Principal Sum is payable for quadriplegia.

Half the Principal Sum is payable for loss of either hearing or speech.

Half the Principal Sum is payable for loss of a hand, loss of a foot, or loss of an eye.

Half the Principal Sum is payable for paraplegia or for hemiplegia.

One quarter of the Principal Sum is payable for loss of the thumb and index finger of the same hand.

One quarter of the Principal Sum is payable for uniplegia.

No more than the full Principal Sum is payable for all losses listed above resulting from one accident.

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## **Total Disability Benefit**

If you become totally disabled as defined below because of an accident of the type covered by this benefit section and that disability is continuous from the date of the accident until your death, Aetna will pay your beneficiary the amount of your Principal Sum if all of the following are true:

- You are not able to work at your own job.
- You are not able to work at any other job for pay or profit.
- You are under age 60 at the time of the accident.
- You die while you are insured.

If a death benefit is payable, it will be reduced by any other benefit which is payable under this benefit section because of the same accident.

Written notice of your death must be given to Aetna at its Home Office within 12 months of your death. If it is not given, Aetna will not have to pay this benefit.

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## **Additional Accidental Death Benefits**

The following benefits will be payable if, while insured, a person suffers a bodily injury caused by an accident and if, within 365 days after the accident, he or she suffers a loss of life solely and as a direct result of the accident.

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## **Passenger Restraint and Airbag Benefit**

If a covered loss of life occurs solely and as a direct result of an accident involving a **motor vehicle** while the person:

- is an occupant of the **motor vehicle**; and
- at the time of the accident, is properly using a **passenger restraint**; and
- if the driver has, at the time of the accident, a valid driver's license;

a Passenger Restraint Benefit will be payable. If an **airbag** is also activated as a result of the same accident, an Airbag Benefit will be payable if the **motor vehicle's airbag** system is not effective in helping save the person's life it was designed to protect. Verification of the actual use of the **passenger restraint** and activation of the **airbag** system, if applicable, at the time of the loss must be part of an official report of the

accident or certified, in writing, by investigating officer(s).

No Airbag Benefit will be payable unless a Passenger Restraint Benefit is paid.

## **Education Benefit**

### ***Education Benefit for Your Dependent Child***

If you suffer a loss of life solely and as a direct result of an accident, an Education Benefit is payable on behalf of each Dependent Child as defined below.

The Education Benefit will be payable in annual installments until the earliest to occur of:

- four years from the date of your death; or
- the date no dependent qualifies as a Dependent Child, as defined below; or
- the date that satisfactory proof of dependent eligibility status is not provided to Aetna within 30 days of a request for it; or
- discontinuance of the group policy.

The first Education Benefit will be paid when:

- your Principal Sum becomes payable; and
- Aetna receives written proof that the Dependent Child is attending school on a regular basis.

Education Benefits will be paid on each anniversary of the first Education Benefit, provided Aetna receives written proof that the Dependent Child is attending school on a regular basis.

A Dependent Child means a child who is:

- your biological child; or
- your adopted child; or
- your stepchild; or
- any other child you support that lives with you in a parent-child relationship;

and, for the purposes of this benefit, is an unmarried, full-time student and

- is attending school, up to and including the 12th grade of high school; or
- is under the age of 23, and

attending college or trade school on a regular basis at the time of your death; or

enrolls in college or trade school within 365 days of your death.

The Education Benefit will be payable to the Dependent Child if that child has attained the age of majority. Otherwise, the Education Benefit will be payable to the guardian of the estate of the minor, or to the Custodian under the Uniform Transfer to Minors Act, or an adult caretaker, when permitted under applicable state law.

### ***Education Benefit for Your Spouse***

An Education Benefit will be paid to your surviving spouse for costs incurred, as a result of your death, towards employment training if your spouse has enrolled for the purpose of obtaining or supplementing an independent source of income. Written proof of your spouse's enrollment in an employment training program must be received within 365 days of your death.

The Education Benefit will be payable in annual installments until the earliest to occur of:

- four years from the date of your death; or
- the date that satisfactory proof of dependent eligibility status is not provided to Aetna within 30 days of a request for it; or
- discontinuance of the group policy.

The first Education Benefit will be paid when:

- your Principal Sum becomes payable; and
- Aetna receives written proof that your spouse is enrolled in an employment training program.

Education Benefits will be paid on each anniversary of the first Education Benefit provided Aetna receives written proof that your dependent spouse is enrolled in an employment training program.

The Education Benefit will be payable to your surviving spouse, regardless of beneficiary for your Life Insurance amount.

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### **Child Care Benefit**

If you suffer a loss of life solely and as a direct result of an accident, a Child Care Benefit may be payable with respect to any Dependent Child as defined below. If the Dependent Child is enrolled in a **legally licensed child care center**, the Child Care Benefit is payable in annual installments until the earliest to occur of:

- four years from the date of your death; or
- the date no dependent qualifies as a Dependent Child, as defined below; or
- the date that satisfactory proof of dependent eligibility status is not provided to Aetna within 30 days of a request for it; or
- discontinuance of the group policy.

The first Child Care Benefit will be paid when:

- your Principal Sum becomes payable; and
- Aetna receives written proof that the Dependent Child is enrolled in a **legally licensed child care center**.

Child Care Benefits will be paid on each anniversary of the first Child Care Benefit, provided Aetna receives written proof that the Dependent Child is attending a **legally licensed child care center**.

For purposes of this benefit, a Dependent Child means a child who is under age 13 and is enrolled in a **legally licensed child care center** on the date of the accident or subsequently enrolled in a **legally licensed child care center** within 90 calendar days from the date of the accident and is either:

- your biological child; or
- your adopted child; or
- your stepchild; or
- any other child you support who lives with you in a parent-child relationship.

The Child Care Benefit will be payable to the guardian of the estate of the minor, or to the Custodian under the Uniform Transfer to Minors Act, or an adult caretaker, when permitted under applicable state law.

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### **Repatriation of Remains Benefit**

This Plan pays a Repatriation of Remains Benefit for the preparation and transportation of a person's body to a mortuary if, as a direct result of an accident for which a benefit is payable under this section, he or she suffers loss of life while outside a 200 mile radius from his or her principal place of residence.

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### **Double Indemnity on a Common Carrier Benefit**

This Plan pays a Common Carrier Benefit if a person suffers a loss of life solely and as a direct result of an accident while boarding, alighting from, or traveling in a public conveyance which is licensed for the transportation of passengers by a governmental authority having jurisdiction over its registration and for the use of which a charge is made.

#### **Limitations**

This coverage is only for losses caused by accidents. No benefits are payable for a loss caused or contributed to by:

- A bodily or mental infirmity.

- A disease, ptomaine, or bacterial infection.\*
- Medical or surgical treatment.\*
- Suicide or attempted suicide (while sane or insane).
- An intentionally self-inflicted injury.
- A war or any act of war (declared or not declared).
- Voluntary inhalation of poisonous gases.
- Commission of or attempt to commit a criminal act.
- Use of alcohol, intoxicants, or drugs, except as prescribed by a physician. An accident in which the blood alcohol level of the operator of the **motor vehicle** meets or exceeds the level at which intoxication would be presumed under the law of the state where the accident occurred shall be deemed to be caused by the use of alcohol.
- Intended or accidental contact with nuclear or atomic energy by explosion and/or release.

\* These do not apply if the loss is caused by:

- An infection which results directly from the injury.
- Surgery needed because of the injury.

The injury must not be one which is excluded by the terms of this section.

### **Effect Of Benefits Under Other Plans**

### **Effect of Prior Coverage**

If the coverage of any person under any part of this Plan replaces any prior coverage of the person, the rules below apply to that part.

"Prior coverage" is any plan of group coverage that has been replaced by coverage under part or all of this Plan. It must have been sponsored by your Employer. The replacement can be complete or in part for the Eligible Class to which you belong. Any such plan is prior coverage if provided by another group contract or any benefit section of this Plan.

A person's Life Insurance under this Plan replaces and supersedes any prior life insurance. It will be in exchange for everything under the prior life insurance. If you or your beneficiary become entitled to claim under the prior life insurance, your Life Insurance under this Plan will be cancelled. This will be done as of its effective date. Any premiums paid for your Life Insurance under this Plan will be returned to your Employer.

The mode of settlement you chose and the beneficiary you named under a prior Aetna life insurance plan will apply to this Plan. This can be changed according to the terms of this Plan.

Coverage under any other section of this Plan will be in exchange for all privileges and benefits provided under any like prior coverage. Any benefits provided under such prior coverage may reduce benefits payable under this Plan.

The beneficiary you named under a prior Aetna accidental death and dismemberment coverage plan will apply to this Plan. This can be changed according to the terms of this Plan.

### **General Information About Your Coverage**

### **Termination of Coverage** Coverage under this Plan terminates at the first to occur of:

- When employment ceases.

- When the group contract terminates as to the coverage.
- When you are no longer in an Eligible Class. (This may apply to all or part of your coverage.)
- When you fail to make any required contribution.

Ceasing active work will be deemed to be cessation of employment. If you are not at work due to one of the following, employment may be deemed to continue up to the limits shown below.

If you are not at work due to disease or injury, your employment may be continued as long as your Employer continues premium payments or until stopped by your Employer.

If you are not at work due to temporary lay-off or leave of absence, your employment may continue as long as your Employer continues premium payments or until stopped by your Employer.

The Summary of Coverage may show an Eligible Class of retired employees. If you are in that class, your employment may be deemed to continue:

- for any coverage shown in the Retirement Eligibility section; and
- subject to any limits shown in that section.

If no Eligible Class of retired employees is shown, there is no coverage for retired employees.

In figuring when employment will stop for the purposes of termination of any coverage, Aetna will rely upon your Employer to notify Aetna. This can be done by telling Aetna or by stopping premium payments. Your employment may be deemed to continue beyond any limits shown above if Aetna and your Employer so agree in writing.

If you cease active work, ask your Employer if any coverage can be continued.

### **Dependents Coverage Only**

A dependent's coverage will terminate at the first to occur of:

- Termination of all dependents' coverage under the group contract.
- When a dependent becomes covered as an employee.
- When such person is no longer a defined dependent.
- When your coverage terminates.

## **Handicapped Dependent Children**

Life Insurance for your fully handicapped dependent child may be continued past the maximum age for a dependent child. However, coverage may not be continued if the child has been issued a personal life conversion policy.

Your child is fully handicapped if:

- he or she is not able to earn his or her own living because of mental retardation or a physical handicap which started prior to the date he or she reaches the maximum age for dependent children; and
- he or she depends chiefly on you for support and maintenance.

Proof that your child is fully handicapped must be submitted to Aetna no later than 31 days after the date your child reaches the maximum age.

Coverage will cease on the first to occur of:

- Cessation of the handicap.
- Failure to give proof that the handicap continues.
- Failure to have any required exam.
- Termination of Dependent Coverage as to your child for any reason other than reaching the maximum age.

Aetna will have the right to require proof of the continuation of the handicap. Aetna also has the right to examine your child as often as needed while the handicap continues at its own expense. An exam will not be required more often than once each year after 2 years from the date your child reached the maximum age.

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## **Special Continuation of Life Insurance**

The terms of this provision apply only to a person's Life Insurance which would cease because your employment is terminated involuntarily and without cause. Coverage which ceases under these conditions may be either converted to an individual policy in accordance with this Plan's Life Conversion privilege or continued in accordance with the terms below.

In no event will the terms of this provision apply:

- to any employee whose employment with the Employer terminates due to retirement or voluntary termination;
- to any employee who has been covered under the group policy for less than one year;
- to any employee or dependent whose Life Insurance coverage has been converted to an individual policy in accordance with this Plan's Life Conversion privilege.

### **Your Life Insurance**

If your Life Insurance would cease because your employment is terminated involuntarily and without cause, your Life Insurance may be continued under this provision; provided that:

- you have not reached age 60 on the date your employment terminated; and
- your Life Insurance has not been converted in accordance with this Plan's Life Conversion privilege.

### **Your Dependents' Life Insurance**

If your Dependents' Life Insurance would cease because your employment is terminated involuntarily and without cause, your Dependents' Life Insurance may be continued under this provision; provided that:

- on the date your employment terminated, your spouse or child meets the definition of a dependent; and
- the Dependent's Life Insurance has not been converted in accordance with this Plan's Life Conversion privilege.

## **Life Continuation Period**

Life Insurance coverage for you and any of your dependents will be continued, at no cost to you:

- for a Life Continuation Period equal to one month for each year that you have been covered under the group policy, not to exceed 3 months; and
- for the amount of Life Insurance that was in effect on the date your employment ceased.

Your Life Insurance will be subject to the Age Reduction Rules of this Plan.

Written certification that your employment terminated involuntarily and without cause may be required.

## **Termination of Coverage**

A person's Life Insurance continued under the terms of this provision will cease on the first to occur of:

For you:

- The date the group policy terminates as to Life Insurance coverage for the Eligible Class of which you were a member on the day before your employment terminated.
- The end of the Life Continuation Period.
- The date of your death.
- The date you reach age 60.

For your dependents:

- the date the group policy terminates as to Life Insurance coverage for dependents.
- As to coverage for your spouse, the date your spouse reaches age 60.
- the date your spouse or child no longer meets the definition of a dependent.
- The end of the Life Continuation Period.

A person's Life Insurance which ceases under the terms of this provision may be converted in accordance with this Plan's Life Conversion privilege.

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## **Conversion of Life Insurance** *Your Life Insurance*

If any of your Life Insurance ceases because your employment ceases or you are no longer in a class eligible for such insurance, or because of age, pension or retirement, the amount of insurance which ceases (or a lesser amount if desired) may be converted to an individual life insurance policy.

### *Your Dependents' Life Insurance*

If any of your Dependents' Life Insurance ceases because your employment terminates or you are no longer in a class eligible for such insurance, or a dependent ceases to meet the Plan's definition of dependent, the amount of insurance which ceases for each dependent (or lesser amounts, if desired) may be converted to individual life insurance policies.

### *General Information Concerning The Conversion Privilege*

The converted policy may be any kind of individual policy then customarily being issued by Aetna for the amount being converted and for the individual's age (nearest birthday) on the date it will be issued, except a term policy or one with disability or other supplementary benefits.

When Life Insurance ceases because that part of the group contract discontinues as to your employee class, and insurance on the life of the person has been in force under the group contract for at least 5 years in a row prior to such discontinuance, the amount that ceases less the amount of any group life insurance for which the person becomes eligible within 31 days of discontinuance may be converted to an individual policy. The maximum amount that can be converted by each person in any event is \$ 10,000.

In order to convert, written application must be made for an individual policy and the first premium must be paid on it within 31 days after cessation of insurance for any of the above reasons.

No evidence of insurability will be required.

The individual policy will become effective at the end of the 31 day period during which conversion is possible.

The premiums for the converted policy will be at Aetna's then customary rates for the same policy issued to any other person of the same class of risk and age at the time the converted policy is to become effective.

After an individual policy becomes effective for any person, that policy will be in exchange for all benefits and privileges under the group contract as regards the person involved and the amount that could have been converted.

However, for insurance on your life, if it is later determined that you were totally disabled at the time premium payments for your Life Insurance ceased, you may be entitled to certain rights described in the Life Insurance Benefits section.

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**Life Insurance After Termination** In most cases a person can apply for an individual policy under the Conversion Privilege within 31 days after his or her Life Insurance ceases. If a person dies during this 31 days and before the individual policy goes into effect, the amount payable under the group contract is limited to the maximum that could have been converted. This limit applies even if he or she has not applied for or paid the first premium on the individual policy.

## **Legal Action (Does not apply to Life Insurance)**

No legal action can be brought to recover under any benefit after 3 years from the deadline for filing claims.

Aetna will not try to reduce or deny a benefit payment on the grounds that a condition existed before a person's coverage went into effect, if the loss occurs more than 2 years from the date coverage commenced. This will not apply to conditions excluded from coverage on the date of the loss.

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## **Additional Provisions**

The following additional provisions apply to your coverage.

- You may receive multiple coverage under this Plan. You may be covered both as an active employee and as a dependent spouse. A dependent child(ern) may be covered by more than one employee.
- In the event of a misstatement of any fact affecting your coverage under this Plan, the true facts will be used to determine the coverage in force.

This document describes the main features of this Plan. Additional provisions are described elsewhere in the group contract. If you have any questions about the terms of this Plan or about the proper payment of benefits, you may obtain more information from your Employer or, if you prefer, from the Home Office of Aetna.

Your Employer hopes to continue this Plan indefinitely but, as with all group plans, this Plan may be changed or discontinued with respect to all or any class of employees.

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## **Assignments**

Life Insurance may not be assigned. Accidental Death and Personal Loss coverage may be assigned only with the written consent of Aetna.

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## **Claims of Creditors**

If allowed by law, Life Insurance and Accidental Death and Personal Loss Coverage benefits are exempt from legal or equitable process for your debts. This also applies to the debts of your beneficiary.

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## **Beneficiaries**

You may name or change your beneficiary by filing written request at your Employer's headquarters. Ask your Employer for the forms. The naming or any change will take effect as of the date you execute the request. Aetna will be fully discharged of its duties as to any payment made by it before your request is received at its Home Office.

Any amount payable to a beneficiary will be paid to those you name. Unless you state to the contrary, if more than one beneficiary is named, they will share on equal terms.

If a named beneficiary dies before you, his or her share will be payable in equal shares to any other named beneficiaries who survive you.

If no named beneficiary survives you or if no beneficiary has been named, payment will be made to your executors or administrators. However, Aetna may elect to make payment to one or more of the following who survives you: your spouse, your parents, your children, or your brothers or sisters.

## **Reporting of Claims**

A claim must be submitted to Aetna in writing. It must give proof of the nature and extent of the loss. Your Employer has claim forms.

All claims should be reported promptly to your Employer. The deadline for filing a claim for Accidental Death and Personal Loss coverage is 90 days after the date of the loss causing the claim. .

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## **Payment of Benefits**

Benefits will be paid as soon as the necessary written proof to support the claim is received. Any death benefit for your loss of life will be paid in accordance with the beneficiary designation. Payment will be made in one sum unless you have elected an installment method which has been agreed to by Aetna. If you do not do so prior to your death, your beneficiary has this right before any payment is made. The methods of settlement allowed will be those offered by Aetna under the individual life insurance policies Aetna is issuing when the election is made.

If you or your beneficiary is a minor or, in Aetna's opinion, legally unable to give a valid release for payment of any Life Insurance benefit, Aetna may elect to pay as follows:

Monthly payments of not over \$ 100 the first month and \$ 50 a month thereafter to the person who, in Aetna's opinion, is caring for and supporting you or your beneficiary.

## **Privacy Notice**

The information in this Notice is not a part of either the group contract, your Certificate of Coverage or the Booklet. It is important to you as a covered person under the group contract. We have bound it into this document only as an aid to you in keeping insurance related material together.

Aetna has adopted a comprehensive insurance privacy policy based on the recommendations of the Federal Privacy Protection Study Commission. This Notice describes certain aspects of that policy which apply to you as a covered person in a plan of group insurance insured by Aetna. The policy does not apply where a different approach is required by law.

### **Information Which May be Collected**

Aetna, in providing insurance services to you, relies mainly on the information you give on your group enrollment form and when you file claims.

Aetna may also collect information about you from other sources. This is information necessary for Aetna to perform its function with regard to the insurance transaction in question. For example, if the amount or type of coverage you are entitled to depends on your earnings or job class, Aetna would obtain that information from your Employer.

### **Disclosure of Information To Others**

All of this information will be treated as confidential. It will not be disclosed to others without your authorization, except in some instances where such disclosure is necessary for the conduct of Aetna's business. Disclosure cannot be contrary to any law which applies.

The following sets forth the types of disclosure that may be made:

- Information may be made available to your Employer or his or her representative in connection with the claim and financial administration of the Plan. This includes policyholder audits.
- Information may be disclosed to other insurers if there may be duplicate coverage or a need to preserve the continuity of your coverage.
- Information may be disclosed to Peer Review Organizations and other agencies to determine whether health services were necessary and reasonably priced.

In addition, information may be given to regulators of Aetna's business and to others as may be required by law. It may also be given to law enforcement authorities when needed to prevent or prosecute fraud or other illegal activities.

### **Your Right of Access and Correction**

In general, you have a right to learn the nature and substance of any information Aetna has in its files about you. You may also have a right of access to such files, except information which relates to a claim or a civil or criminal proceeding, and to ask for correction, amendment, or deletion of personal information. This can be done in states which provide such rights and which grant immunity to insurers providing such access. If you request any health information, Aetna may elect to disclose details of the information you request to your (attending) physician. If you wish to exercise this right or if you wish to have more detail on our information practices, please contact:

Aetna Life Insurance Company  
Quality Management, MC19  
151 Farmington Avenue  
Hartford, Connecticut 06156

## **Continuation of Coverage During an Approved Leave of Absence Granted to Comply With Federal Law**

This continuation of coverage section applies only for the period of any approved family or medical leave (approved FMLA leave) required by Family and Medical Leave Act of 1993 (FMLA). If your Employer grants you an approved FMLA leave for a period in excess of the period required by FMLA, any continuation of coverage during that excess period will be subject to prior written agreement between Aetna and your Employer.

If your Employer grants you an approved FMLA leave in accordance with FMLA, your Employer may allow you to continue coverage for which you are covered under the group contract on the day before the approved FMLA leave starts. This includes coverage for your eligible dependents.

At the time you request the leave, you must agree to make any contributions required by your Employer to continue coverage. Your Employer must continue to make premium payments.

If any coverage your Employer allows you to continue has reduction rules applicable by reason of age or retirement, the coverage will be subject to such rules while you are on FMLA leave.

Coverage will not be continued beyond the first to occur of:

- The date you are required to make any contribution and you fail to do so.
- The date your Employer determines your approved FMLA leave is terminated.
- The date the coverage involved discontinues as to your eligible class.

Any coverage being continued for a dependent will not be continued beyond the date it would otherwise terminate.

If the group contract provides continuation of coverage (for example, upon termination of employment), you (or your eligible dependents) may be eligible for such continuation on the date your Employer determines your approved FMLA leave is terminated or the date of the event for which the continuation is available.

If you acquire a new dependent while your coverage is continued during an approved FMLA leave, the dependent will be eligible for the continued coverage on the same terms as would be applicable if you were actively at work, not on an approved FMLA leave.

If you return to work for your Employer following the date your Employer determines the approved FMLA leave is terminated, your coverage under the group contract will be in force as though you had continued in active employment rather than going on an approved FMLA leave provided you make request for such coverage within 31 days of the date your Employer determines the approved FMLA leave to be terminated. If you do not make such request within 31 days, coverage will again be effective under the group contract only if and when Aetna gives its written consent.

If any coverage being continued terminates because your Employer determines the approved FMLA leave is terminated, any Conversion Privilege will be available on the same terms as though your employment had terminated on the date your Employer determines the approved FMLA leave is terminated.



## INVITATION FOR SEALED BID

**RFP 02-722**

**Description: BASIC LIFE, ACCIDENTAL DEATH AND PERSONAL LOSS,  
DEPENDENT LIFE and SUPPLEMENTAL LIFE**

**Department: Human Resources**

**NIGP Commodity Code(s): 958-61-00-000-0**

**Total pages including this page is 25**

**Note: Faxing of Bid Not Accepted**

**Important Instruction – Read Carefully:**

**If you have obtained these bid specifications from either of:  
City of Tulsa's Fax-on-Demand (918-596-1171) or  
City of Tulsa's Website : <http://www.cityoftulsapurchasing.org/>**

**you must notify the buyer Patricia Cummings of your intent to bid by  
e-mail at [pcummings@ci.tulsa.ok.us](mailto:pcummings@ci.tulsa.ok.us) in order to receive addenda. The buyer  
will always acknowledge your e-mail for your records. All addenda  
will be posted on fax-on-demand and the website.**

## TABLE OF CONTENTS

**Pay special attention to those pages with a reference to the following notes:**

**Note #1: Signature of authorized agent required**

**Note #2: Signature of an authorized agent and notarized required**

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**Your bid response should follow the same format listed above plus any additional format requested in the body of the bid invitation.**

**INVITATION FOR SEALED BIDS  
TO  
City of Tulsa**

200 CIVIC CENTER, ROOM 109, TULSA, OKLAHOMA 74103

Bid number and date of bid opening must appear on the lower  
left outside corner of bid envelopes and all related containers.

**DATE OF OPENING:**      **December 5, 2002**

**BID NUMBER:** **RFP 02-722**

**BID MUST BE IN THE CITY CLERK'S OFFICE AT THE ABOVE ADDRESS BY 5:00 P.M. THE DAY PRECEDING THE "DATE OF OPENING" SHOWN ABOVE.**

**BIDS WILL BE OPENED AT 8:30 A.M. IN THE CITY COUNCIL ROOM ON THE DAY SPECIFIED UNDER "DATE OF OPENING."**

**PUBLISHED IN THE TULSA DAILY COMMERCE AND LEGAL NEWS:**      **November 7, 2002**

Bid must be accompanied by bidder's bond, cashier's check or certified check in the amount of:      **NONE**

PLEASE READ TERMS AND CONDITIONS ON THE NEXT PAGE BEFORE COMPLETING BID DOCUMENTS

\*\*\*\*\*

**THE FOLLOWING SECTION MUST BE COMPLETED BY BIDDER**

\*\*\*\*\*

Delivery will be made in not more than \_\_\_\_\_ days after receipt of order.

Payment terms \_\_\_\_\_ % \_\_\_\_\_ days.

City of Tulsa may increase quantity of order at the unit price bid for \_\_\_\_\_ days. (Bidder to Specify Days) I have examined the terms and specifications and the instructions to bidders herein and agree, provided I am awarded a contract, to provide the above described items for the sum shown in accordance with the terms and specifications stated herein. All deviations are in writing and attached hereto.

Enclosed is a  BID BOND ;  CASHIER'S CHECK;  Certified Check in the amount of \$ \_\_\_\_\_, which I agree the City of Tulsa may retain as liquidated damages in the event of my failure to comply with the terms of this bid.

**MUST BE SIGNED BY AUTHORIZED AGENT TO BE VALID**

FIRM NAME \_\_\_\_\_ by \_\_\_\_\_  
SIGNATURE OF AUTHORIZED AGENT

STREET \_\_\_\_\_ TITLE \_\_\_\_\_

CITY STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_ PHONE NUMBER \_\_\_\_\_ DATE \_\_\_\_\_

## GENERAL TERMS AND CONDITIONS OF SEALED BIDS

THESE ITEMS APPLY TO AND BECOME A PART OF THE BID.

**NO EXCEPTIONS TO THESE TERMS & CONDITIONS WILL BE CONSIDERED.**

1. **BIDS MUST BE SUBMITTED ON THIS FORM ONLY INCLUDING A SIGNATURE OF AN AUTHORIZED AGENT.** Each bid shall be placed in a separate envelope. Be sure envelope is completely and properly identified and sealed, showing the bid number and date in the lower left hand corner. Bids must be time stamped in the office of the City Clerk by 5:00 P.M. on the day before date of opening.
2. No bidder may withdraw his proposal for a period of thirty (30) days after the date and hour set for the opening of bids.
3. All prices shall be quoted F.O.B. Tulsa, Oklahoma, and delivery to City of Tulsa location shall be without additional charge.
4. The bidder shall attach the manufacturer's name of the equipment or material to be furnished, type, model numbers, manufacturer's descriptive bulletins and specifications. All guarantees and warranties should be clearly stated. This data shall be in sufficient detail to describe accurately the equipment or material to be furnished. Manufacturer's specifications, in respect to the successful bidder, shall be considered as part of his contract with the City of Tulsa.
5. The bidder shall show in the proposal both the unit prices and total amount, where required, of each item listed. In the event of error or discrepancy in the mathematics, the unit prices shall prevail.
6. Any exceptions or deviations from written specifications shall be shown in writing and attached to the bid form.
7. Each bidder agrees to comply with the terms of Title 5, Chapter 1, of Tulsa, Oklahoma Charter and revised ordinances relating to equal employment opportunity.
8. **THE ENCLOSED FORMS REGARDING NON-COLLUSION AND FINANCIAL INTEREST MUST BE SIGNED, NOTARIZED, AND RETURNED WITH THE BID.**
9. The City of Tulsa reserves the right to reject any and all bids, to waive any technicalities in the bidding, and to award each item to different bidders or all items to a single bidder.
10. All bids must be accompanied by bidders bond, cash, certified or cashier's check in the amount shown on the face of the bid form. This amount shall be retained by the City of Tulsa as liquidated damages in the event the successful bidder (or bidders) fails to execute a contract, if required. The bidder agrees that said amount is presumed to be the damages sustained by the City due to the impracticability and extreme difficulty in fixing the actual damages. The office of the City Clerk will return the bid deposits to the unsuccessful bidders, after a contract has been awarded or all bids have been rejected.
11. In the event cash discounts are offered by the bidder, the discount date shall begin with the date of invoice, the date of receipt of all material covered by the purchase order, or the date of receipt by the City of Tulsa of the original copy of the purchase order with properly executed Affidavit of Claimant, whichever is the later date.
12. Direct purchase of certain items of equipment or material by the City of Tulsa are exempt from Federal Excise Tax and Oklahoma Sales Tax. In such cases the bidder shall quote prices which do not include Federal Excise Tax and Oklahoma Sales Tax. The City of Tulsa will furnish executed exemption certificates upon presentation by the bidder at the time of purchase.
13. Bid must show number of days required for delivery under normal conditions. Failure to state delivery time obligates bidder to complete delivery in fourteen (14) calendar days. Unrealistically short or long delivery promises may cause bid to be disregarded. Contractor must keep Purchasing Department advised at all times of status of order. Default in promised delivery or failure to meet specifications authorizes the Purchasing Agent to purchase supplies elsewhere and charge full increase of cost and handling to defaulting contractor. Consistent failure to meet delivery promises without valid reason may cause removal from bid list.
14. Bidder agrees to defend and save City of Tulsa from and against all demands, claims, suits, costs, expenses, damages and judgments based upon infringement of any patent relating to goods specified in this order or the ordinary use or operation of such goods by City or use or operation of such goods in accordance with bidders direction.
15. If the bid requires a written contract, the successful bidder shall execute a written contract with the City of Tulsa and return the required bonds and insurance certificates within ten (10) days after submission of contracts to said bidder by the City.



# BIDDER AFFIDAVIT - TITLE 74 O.S. (1974 SUPP.) 85.22-85.25

STATE OF \_\_\_\_\_ COUNTY OF \_\_\_\_\_

\_\_\_\_\_, of lawful age, being first duly sworn on oath says  
**Authorized Agent**

1. (s)he is the duly authorized agent of \_\_\_\_\_, the bidder submitting the competitive bid which is attached to this statement, for the purpose of certifying the facts pertaining to the existence of collusion among bidders and between bidders and municipal officials or employees, as well as facts pertaining to the giving or offering of things of value to government personnel in return for special consideration in the letting of any contract pursuant to the bid to which this statement is attached.
2. (s)he is fully aware of the facts and circumstances surrounding the making of the bid to which this statement is attached and has been personally and directly involved in the proceedings leading to the submission of such bid; and
3. neither the bidder nor anyone subject to the bidder's direction or control has been a party;
  - a. to any collusion among bidders in restraint of freedom of competition by agreement to bid at a fixed price or to refrain from bidding,
  - b. to any collusion with any municipal official or employee as to quantity, quality or price in the prospective contract, or as to any other terms of such prospective contract, nor
  - c. in any discussions between bidders and any municipal official concerning exchange of money or other thing of value for special consideration in the letting of a contract.

\_\_\_\_\_  
SIGNATURE OF AUTHORIZED AGENT

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Signature of Notary Public

\_\_\_\_\_  
MY COMMISSION EXPIRES

**The Bidder Affidavit must be completed, signed by an authorized agent, and notarized.**

# CONTRACTOR/BIDDER INFORMATION SHEET

To be completed by all Bidders  
For Contracts with the City of Tulsa  
(Please print or type)

Project No. or Description \_\_\_\_\_  
\_\_\_\_\_

Full Name of Bidder \_\_\_\_\_

Legal Identity  
(Corporation, Partnership,  
Individual, etc.) \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

Telephone No. \_\_\_\_\_

FAX No. \_\_\_\_\_

Taxpayer Identification Number \_\_\_\_\_

Contact Person \_\_\_\_\_

Phone No. \_\_\_\_\_

Fax No. \_\_\_\_\_

E-mail address \_\_\_\_\_

Webpage Address \_\_\_\_\_

**REQUEST FOR PROPOSAL 02-722**  
**BASIC LIFE, ACCIDENTAL DEATH AND PERSONAL LOSS,  
DEPENDENT LIFE and SUPPLEMENTAL LIFE**

The City is interested in specifically a three-year arrangement and would consider a five-year arrangement, subject to the availability of funds. This request contains Basic Life, Accidental Death and Personal Loss, and Dependent Life and Supplemental Life for Employees and their dependents.

There are approximately 3,500 employees who are eligible and participate in the City's Basic Life and AD&PL insurance plan. Dependent Life and Supplemental Life are employee paid, and participation is optional. You should be aware that the above numbers include on average 8 employees that are pilots and your submissions should include costs for their coverage.

Your response must include:

- a copy of your standard contract;
- a list of exclusions;
- the completed Interest Affidavit;
- the completed Bidder Affidavit;
- completed Questionnaire A
- pricing page Attachment II

All questions should be submitted in writing to:

**Patricia Cummings, City of Tulsa**

**200 Civic Center, Room 802F**

**Tulsa, OK 74103**

**PH: 918/596-7561**

**Fax 918/699-3021**

All responses to questions will be in writing to all potential bidders. Questions received later than five days prior to proposal submission date may not be answered.

### **ESTIMATED TIMETABLE FOR PROPOSALS**

<b>ACTIVITY</b>	<b>COMPLETION DATE</b>
Release of specifications	October 24, 2002
Submission of proposals	December 4, 2002, by 5 p.m. CST
Opening of Proposals	December 5, 2002, at 8:30 a.m. CST
Selection of Finalists	December 19, 2002
Finalists presentations	to be announced
Enrollment elections completed	May 24, 2003

### **SUBMISSION OF PROPOSALS**

Each proposal package must be sealed and include fifteen (15) copies of the completed proposal. All proposals must be received by 5 p.m. CST on December 4, 2002, and be addressed to:

**Deputy City Clerk  
Attn: Dana Towers  
City Hall, Room 109  
200 Civic Center Plaza  
Tulsa, OK 74103**

Proposals received after this time and date **will not** be accepted.

## **EFFECTIVE DATE OF PROPOSALS**

All terms and conditions within the proposal must remain in effect until at least August 1, 2003, to allow sufficient review, negotiation and approval time by the City of Tulsa.

## **EVALUATION OF PROPOSALS**

The City of Tulsa will evaluate proposals. Each proposal will be evaluated according to a number of criteria that will be grouped into seven (7) major categories:

1. General organization and experience of the administrator.
2. Financial arrangement, including guaranteed cost contract and performance guarantees.
3. Scope, responsiveness, and quality of administrative services, including data processing and management information reporting capabilities.
4. Claims processing organization and procedure.
5. Utilization management and quality assurance programs and services.
6. Customer service.
7. Providers and geographic locations of providers.

## **ORAL PRESENTATION**

Each finalist, not to exceed four (4), will be required to conduct a final oral presentation at the City's headquarters at a time selected by the City and agreeable to the administrator. Such presentations will be announced at a later date. The purpose of this presentation will be to:

- Substantiate proposal representations made by the finalists.
- Supplement information obtained through the proposal questionnaire.

- Provide a better understanding of the services and operations of the administrator.
- Meet the individuals who will have a significant role in providing services to the City.

## **FINAL EVALUATION AND SELECTION**

Each finalist will be evaluated based on the capabilities described in the written proposal and at the oral presentation and on-site network visits.

## **IMPORTANT**

Selection shall be based on the determination of the most attractive offer as evaluated by the City of Tulsa. Each finalist will be notified in writing of the City's final decision. The final approval of the selected administrator will be subject to the final determination of the City and will be contingent on the successful completion of a contract between the City and the successful bidder.

- Award of Contract
  1. Authority of the Mayor. The Mayor shall have the authority to award contracts within the purview of this chapter.
  2. The City of Tulsa reserves the right to refuse any and all proposals.

Additionally, the City shall evaluate proposals based on those criteria identified in the Mayor's Executive Order No. 90-08 as factors to be considered in the review of proposals including:

1. Professional qualifications, specialized experienced and technical competence of the firm with respect to the types of service required;
2. Capacity and capability of the firm with respect to such factors as cost control, quality of work and ability to meet schedules;
3. Record of past performance with the City and other jurisdiction;
4. Proximity to and familiarity with the area of service;

5. Qualifications and experience of the principals of the firm, managing professional and key staff professionals selected for the project;
6. Size and experience of the professional and technical staff with respect to the magnitude of the assignment;
7. Financial standing;
8. Estimated schedule for completion of the project.

Your proposal responses should be based on the following assumptions:

### **EFFECTIVE DATES**

July 1, 2003

July 1, 2004 (first renewal, with quoted rate)

July 1, 2005 (second renewal, with quoted rate)

July 1, 2006 (third renewal, rate negotiable)

July 1, 2007 (fourth renewal, rate negotiable)

### **CONTRACT**

The City reserves the right to renew the contract for up to four (4) additional one-year periods, renewable annually on consent of both parties involved, or to cancel the contract with a sixty (60) day written notice. The parties understand that rate guarantees for the initial three years shall be based on the vendor's response to this request for proposal. The additional two option years shall be based on mutual agreement of the parties at the appropriate time and subject to negotiations and/or contract cancellation.

### **CONTRACT RENEWAL RATES**

Price adjustments of any renewal contracts shall be approved prior to each renewal period. Any escalation or de-escalation of prices shall be based on the verifiable data approved by the City of Tulsa.

In the event a price adjustment is requested, the contract holder shall notify the City (in writing) by March 1 prior to expiration of each contract period of such price adjustments. Such notice

shall be delivered to Tina Fazendine, Insurance and Retirement Services Manager, City of Tulsa.

### **AUDITED FINANCIAL STATEMENT**

Each provider must include in his response to this Request for Proposal an audited financial statement covering the provider's most recent fiscal year of operation and any other financial data which will serve to support the financial strength of the company.

### **NEGOTIATION**

The City of Tulsa reserves the rights to negotiate any portion of the contract in order to clarify any areas of concern and to reach agreement on other factors.

### **PLAN OF BENEFITS TO BE QUOTED**

The Group Life Insurance, Accidental Death and Personal Loss, Dependent Life Insurance and Supplemental Life coverage should be quoted as outlined in *Attachment I*.

### **FUNDING**

All proposals should assume liability for claims **incurred** on or after the effective date (July 1, 2003). Proposals should assume liability for coverage in place prior to July 1, 2003 without evidence of insurability.

The Life Insurance Plan is currently offered on a participating, fully funded basis. The City is willing to consider alternative financial arrangements, which can offer cost savings to the City while retaining the tax-free nature of death benefits paid to beneficiaries. Basic Life, AD&D,

Dependent Life and Supplemental Life must have a minimum benefit level of *Attachment I - Outline of Benefits*.

### **ACCOUNT SERVICE**

- Routine account administration and service.
- Participation in employee enrollment meetings.
- The City desires the ability to provide a monthly eligibility tape to the administrator for enrollment and premium payment.
- Overall account responsibility is to be handled by one primary contact that is located in Tulsa.

### **ACTIVELY-AT-WORK REQUIREMENT**

- All participants currently enrolled in the City's option must continue to receive coverage; the quotes should reflect the cost of these participants.
- No disabled individuals shall lose coverage as a result of the change in carrier.

### **PREMIUM AND BILLING RATES**

- No commissions will be paid.
- The first plan year is to be from July 1, 2003, through June 30, 2004.
- Subsequently, changes in rates and fees must be provided by March 1, for rates to be effective on the subsequent July 1.

### **ADMINISTRATION MATERIALS**

Summary Plan Descriptions and/or Member Handbooks will be prepared and distributed by the carrier. Proposal should include printing and distribution costs. The Administrator will be required to use enrollment/change forms customized by the employer.

## **RISK SHARING**

It is vitally important that the City be able to accurately budget the future costs of its Basic Life, AD&D, Dependent Life and Supplemental Life plans; as well as minimize the volatility of such costs over an extended time period. Therefore, the City is looking for an aggressive risk sharing arrangement, which would include a minimum three-year rate guarantee or an optional five-year rate guarantee for Administrative Service Fees and claims. The City has not identified a single "preferred" methodology, and each provider is encouraged to submit the risk sharing formula it feels can most effectively attain the cost controls sought by the City of Tulsa.

**Plan of Insurance**

**Life Insurance/Employee Only**

**AMOUNT OF BASIC LIFE:** An amount equal to the lessor of (1) and (2):  
(1) 200% of your annual Earnings. If this amount is not a multiple of \$1,000, it will be rounded to the nearer multiple \$1,000 with \$500 rounded up.  
(2) \$200,000

**AMOUNT OF SUPPLEMENTAL LIFE INSURANCE:** An amount equal to 1, 2, 3, 4 or 5 times your annual rate of basic earnings, rounded to the nearest \$1,000, if not an even multiple thereof, and subject to a maximum of \$400,000 (without making special application).

In NO event shall the combined amount of Basic and Supplemental Life Insurance exceed \$600,000.

**Accidental Death, Dismemberment and Loss of Sight/Employee Only**

**MAXIMUM BENEFIT:** An amount equal to the lessor of (1) and (2):  
(1) 200% of your annual Earnings. If this amount is not a multiple of \$1,000, it will be rounded to the nearer multiple \$1,000 with \$500 rounded up.  
(2) \$150,000.

**REDUCTION IN AMOUNT OF LIFE INSURANCE AND MAXIMUM BENEFIT DUE TO AGE:**

The amount of Life Insurance and Maximum Benefit that applies to you on the Policy Anniversary Date which occurs on, or next follows, the date you attain one of the ages specified below, will be reduced according to the following table.

<u>Age</u>	<u>Percent Reduced to</u>
65	92%
66	84%
67	76%
68	68%
69	60%
70	52%

Once you attain age 65, if you become insured under this Plan or your Amount of Life Insurance or Maximum Benefit Increases due to:

- (1) a change in your class;
- (2) a change in your earnings; or
- (3) a change in this Plan of Insurance;

Your Amount of Life Insurance and Maximum Benefit will be subject to the reductions in the preceding paragraph, made for Insured Persons of the same age and class, or earnings.

### **WAIVER OF PREMIUM**

If you become disabled before age 60 and your disability lasts for at least 9 months, your coverage will stay in force as you remain totally disabled, and you won't have to pay premiums during this time.

### **Dependents Life Insurance/Dependents Only**

Spouse	\$10,000
Children	
\$5,000	

(Children coverage: the birth month in which the child reaches age 19 or the end of the birth month in which the child reaches age 25 if a full-time student and unmarried.)

**SUPPLEMENTAL DEPENDENT SPOUSE:** 50% of the Employee's supplemental life amount, up to a maximum of \$100,000 or if no Employee Supplemental Life is in effect, then 50% of the Employee's annual salary.

**SUPPLEMENTAL DEPENDENT CHILD(REN):** Increments of \$2,500 up to a maximum of \$10,000 per child.

### **ACCELERATED DEATH BENEFIT**

If, a covered person's amount of life insurance is at least \$10,000; is under 60 years of age; and, is terminally ill, that individual may request and receive one time a Accelerated Death Benefit not to exceed 50% of the Amount of Life insurance; subject to minimum of \$3,000 and maximum of \$175,000.

**QUALIFIED DEPENDENTS:** These are the persons for whom you may obtain Dependent Insurance:

- Your Spouse
- Your unmarried children 14 days old but less than 19 years old

Your children include your own adopted children, plus any other child (ren) who depends on you for support and lives with you in a regular parent-child relationship.

- The age 19 limit does not apply to a child who:
  - (a) wholly depends on you for support and maintenance;
  - (b) is enrolled as a full-time student in a school;
  - (c) is less than age 25; and
  - (d) is unmarried.
  
- Your spouse or child is not your Qualified Dependent while (a) on active duty in the armed forces of any country.

### **PORTABILITY**

Portability allows you to continue your Supplemental Life Insurance at group rates under a Group Life Insurance Continuation Policy. To be eligible to apply for Portability, you must be under retirement age, as defined by the 1983 amendments to the US Social Security Act.

### **CONVERSION PRIVILEGE**

The conversion allows you to convert up to the face amount of your Basic Life, and if you do not qualify for Portability of your supplemental life insurance you can convert your supplemental life insurance upon termination.

**Group Life Questionnaire**

**Administrative Questions**

1. What is your company's rating by A.M. Best?
2. In how many states are you admitted?
3. How long has this product been available with your company?
4. Who will have overall responsibility for our client's satisfaction?
5. Describe your service team.
6. Are any activities performed by outside administrators or advisors?
7. Provide a list of three (3) client references that have purchased your group life product.
8. Present an implementation schedule.
9. Provide samples of your standard enrollment materials and application.
10. To what extent will you subsidize preparation of enrollment materials?
11. Do you have a toll-free number for handling employee inquiries? Describe your client service center.
12. Provide a sample certificate of insurance.
13. Provide samples of periodic statements describing amounts of insurance, cash values, loans, withdrawals, expenses, etc.
14. When are certificates and statements available for distribution?
15. Would certificates and statements be sent to the employee addresses or distributed by the client?
16. Describe your suggested billing process.
17. Provide a sample trust document and joint agreement.
18. Do you issue a group policy or individual policies?

## **Portability**

1. Do former employees pay the same rates, charges and fees and are they subject to the same interest accumulations as active employees? If not, how does their treatment differ?
2. How do administrative procedures differ for former employees?

## **Contract Termination**

If the master contract terminates:

1. Will you forward side fund contributions to the new carrier? Is there a charge for this type of transfer? Will there be a market value discount?
2. If the premium waiver rider is in effect, do you retain the liability for death claims on disabled individuals when the master contract terminates?
3. Are there any market value adjustments to cash values?
4. Will you continue to make term insurance available to former employees?

## **Premium Payments**

1. Describe any required minimum employee premium payments.
2. Are you prepared to accept premium billings from clients on a semi-monthly or a monthly basis?
3. Are you prepared to accept direct payments from employees at anytime?
4. What procedures and plan design elements do you have to minimize overpayment and excess deductions?
5. How do you handle overpayments and excess deductions?
6. Does your product aim to require level premiums, to provide a level death benefit, or does it have some other benefit objective?
7. What is the minimum amount of term coverage that can be purchased?
8. What amount of term life will you guarantee issue?
9. At what of term life is full medical underwriting required? Describe the full underwriting process.
10. What is the specific simplified underwriting questions?
11. What is the maximum amount of term coverage that can be purchased?

12. What is the oldest entry age that you allow?
13. What is the oldest age for which term coverage is provided?
14. Does your product have a non-smoker clause? If so, describe it.
15. What are your minimum participation requirements?
16. Do term rates, guaranteed issue limits, or any other charges vary with participation?
17. How often may employees vary their amount of term coverage?
18. Are there any set-up fees charged to the employer?
19. For each appropriate age (1-90), identify the monthly term insurance cost per \$1,000 of death benefit.
20. Describe all administrative and expense charges levied on an annual or monthly basis to the trust and to the employees.
21. How long are term rates guaranteed?
22. How long are expense charges guaranteed?
23. Subsequent to the guaranteed period, are term rates experience rated? What credibility ratio will you assign to our client's experience? What is your company's average loss ratio that you would use if this product were renewing today for our client?

**Attachment II**  
**Proposed Rate Sheet**

	<b>Year One</b> <b>(2003/2004)</b>	<b>Year Two</b> <b>(2004/2005)</b>	<b>Year Three</b> <b>(2005/2006)</b>
Basic Life	_____	_____	_____
AD&PL	_____	_____	_____
Dependent Life	_____	_____	_____
Supplemental Life:	_____	_____	_____
Employee	_____	_____	_____
Spouse	_____	_____	_____
Child	_____	_____	_____

**City of Tulsa  
Pilot Information**

<b>Average Annual Flying Hrs.</b>	<b>Amount of Life Insurance</b>	<b>Estimated Percentage Distribution of Flying Hours **</b>							<b>Pilots Only</b>	
		<i>Regularly Scheduled Police Patrol</i>	<i>Student Instruction</i>	<i>Charter, Survey or Photography</i>	<i>Pleasure</i>	<i>Crop Dusting, ETC.</i>	<i>Other (Specify)</i>	<i>Age</i>	<i>Hours Exper.</i>	
200	105	100%	0%	0%	0%	0%	0%	55	2,214	
300	93	100%	0%	0%	0%	0%	0%	58	2,510	
500	93	95%	5%	0%	0%	0%	0%	48	7,310	
500	91	95%	5%	0%	0%	0%	0%	37	-	
500	90	100%	0%	0%	0%	0%	0%	37	1,217	
500	91	100%	0%	0%	0%	0%	0%	48	700	
500	79	95%	5%	0%	0%	0%	0%	37	150	
100	64	0%	0%	0%	0%	0%	Maintenance 100%	49	5,200	

City of Tulsa  
 POLICYHOLDER 701360

On this exhibit the "incurred claim" numbers include reserves and premium waiver reserves, so these loss ratios are the "true" loss ratios broken out by year from 7-1-97 to 1-18-2000.

**July 1, 1997 TO July 1, 1998**

<b>COVERAGE</b>	<b>PREMIUM</b>	<b>RECORDED CLAIMS</b>	<b>INCURRED CLAIMS</b>	<b>LOSS RATIO</b>
TERM LIFE	\$1,076,293	\$607,000	\$812,764	75.5%
AD&D	\$99,344	\$0	\$19,869	20.0%
TOTAL	\$1,175,637	\$607,000	\$832,633	70.8%

**July 1, 1998 TO July 1, 1999**

<b>COVERAGE</b>	<b>PREMIUM</b>	<b>RECORDED CLAIMS</b>	<b>INCURRED CLAIMS</b>	<b>LOSS RATIO</b>
TERM LIFE	\$1,169,645	\$683,000	\$873,926	74.7%
AD&D	\$102,493	\$65,500	\$66,130	64.5%
TOTAL	\$1,272,138	\$748,500	\$940,056	73.9%

**July 1, 1999 TO June 30, 2000**

<b>COVERAGE</b>	<b>PREMIUM</b>	<b>RECORDED CLAIMS</b>	<b>INCURRED CLAIMS</b>	<b>LOSS RATIO</b>
TERM LIFE	\$952,872	\$701,500	\$1,027,000	107.8%
TOTAL	\$952,872	\$701,500	\$1,027,000	107.8%

**July 1, 2000 TO June 30, 2001**

<b>COVERAGE</b>	<b>PREMIUM</b>	<b>RECORDED CLAIMS</b>	<b>INCURRED CLAIMS</b>	<b>LOSS RATIO</b>
TERM LIFE	\$1,070,625	\$610,000	\$918,551	85.8%
TOTAL	\$1,070,625	\$610,000	\$918,551	85.8%

**July 1, 2001 TO June 30, 2002**

<b><u>RECORDED COVERAGE</u></b>	<b><u>PREMIUM</u></b>	<b><u>CLAIMS</u></b>	<b><u>INCURRED CLAIMS</u></b>	<b><u>LOSS RATIO</u></b>
TERM LIFE	\$1,070,625	\$610,000	\$918,551	85.8%
TOTAL	\$1,070,625	\$610,000	\$918,551	85.8%

**July 1, 2002 TO September 30, 2002**

<b><u>COVERAGE</u></b>	<b><u>PREMIUM</u></b>	<b><u>RECORDED CLAIMS</u></b>	<b><u>INCURRED CLAIMS</u></b>	<b><u>LOSS RATIO</u></b>
TERM LIFE	\$ 272,647	\$208,000	\$138,000	50.7%
TOTAL	\$ 272,647	\$208,000	\$138,000	50.7%

**TOTAL FOR CONTRACT PERIOD**

<b><u>COVERAGE</u></b>	<b><u>PREMIUM</u></b>	<b><u>RECORDED CLAIMS</u></b>	<b><u>INCURRED CLAIMS</u></b>	<b><u>LOSS RATIO</u></b>
TOTAL	\$2,296,144	\$1,519,500	\$2,083,699	90.7%