

THE UNIVERSITY OF TEXAS SYSTEM
REQUEST FOR PROPOSALS
FOR
GROUP TERM LIFE INSURANCE
AND
ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE
FOR THE
EMPLOYEES AND RETIRED EMPLOYEES
OF
THE UNIVERSITY OF TEXAS SYSTEM



TO BE EFFECTIVE SEPTEMBER 1, 2016

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APPENDICES

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1.0 INTRODUCTION AND OVERVIEW

1.1 DESCRIPTION OF THE UNIVERSITY OF TEXAS SYSTEM

The Texas Constitution of 1876 provided that “the Legislature shall, as soon as practical, establish, organize and provide for maintenance, support and direction of a university of the first class, to be located by vote of the people of this State, and styled ‘The University of Texas.’” In 1881, the 17th Texas Legislature passed an act to establish The University of Texas. Later that year, voters determined that the Main System was to be located in Austin and the Medical School was to be located in Galveston.

Today, The University of Texas System (System) includes academic institutions in Arlington, Austin, Dallas, El Paso, Odessa (Permian Basin), Rio Grande Valley (Brownsville and Edinburg), San Antonio and Tyler, plus health institutions in Austin, Dallas, Galveston, Harlingen, Houston (2), San Antonio and Tyler. In addition, the main System Administration office is located in Austin; however, many of the operations of System Administration are decentralized and therefore located in numerous areas of Texas as well as in Washington, D.C. Many of the UT institutions have their own payroll systems.

The System has approximately 93,000 benefits-eligible employees who are eligible for Group Term Life Insurance and Accidental Death and Dismemberment Insurance coverage. The System has approximately 23,500 benefits-eligible retired employees who are eligible for Group Term Life Insurance coverage.

The following table* shows the name, location and the approximate number of benefits-eligible employees and retirees associated with each institution in the System as of October 2015:

The University of Texas System			
October 2015			
Location	Institutions	Benefits-Eligible Employees	Benefits-Eligible Retired Employees
Austin	The University of Texas at Austin	17,352	5,126
	The University of Texas System Administration	751	288
Dallas	The University of Texas at Arlington	3,397	1,111
	The University of Texas at Dallas	3,394	592
	The University of Texas Southwestern Medical Center at Dallas	13,530	1,759
El Paso	The University of Texas at El Paso	2,426	836

Galveston	The University of Texas Medical Branch at Galveston	11,401	4,480
Houston	The University of Texas Health Science Center at Houston	7,008	1,573
	The University of Texas M.D. Anderson Cancer Center	19,932	3,654
Odessa	The University of Texas of the Permian Basin	461	111
Rio Grande Valley (Brownsville, Edinburg)	The University of Texas Rio Grande Valley	2,857	859
San Antonio	The University of Texas at San Antonio	3,312	839
	The University of Texas Health Science Center at San Antonio	5,165	1,714
Tyler	The University of Texas at Tyler	901	246
	The University of Texas Health Science Center at Tyler	1,143	612
TOTAL		93,030	23,800

1.2 OBJECTIVES OF THIS REQUEST FOR PROPOSAL (RFP)

Section 1601.054 of the Texas Insurance Code requires the System to submit for competitive bidding at least once every six years for each of its group insurance plan arrangements. As described in this Request for Proposal (RFP), the System is soliciting proposals from qualified and appropriately licensed vendors to offer a fully-insured Group Term Life (GTL) plan consisting of basic group term life (Basic GTL) and voluntary group term life (Voluntary GTL) and a fully-insured Accidental Death and Dismemberment (AD&D) plan consisting of basic accidental death and dismemberment (Basic AD&D) and voluntary accidental death and dismemberment (Voluntary AD&D) available under the System Group Employee Benefits Program.

The contract for the GTL and AD&D plans will be for the three-year period beginning September 1, 2016 through August 31, 2019, with the opportunity at System's sole option to renew for an additional three year period, subject to terms and conditions acceptable to the System.

All qualified vendors, including the current contracting vendor, are invited to submit a proposal. It is the System's intention to select one vendor to administer the GTL and AD&D plan(s) and to have a signed contract in place and begin implementation planning by **May 2, 2016**.

The vendor proposal must demonstrate a commitment to work closely with the System to ensure a seamless transition into the new plan year, particularly in the event the current plan provider is not selected for the new contract period.

Responding vendors should present their premium proposals for the GTL and AD&D plan(s), as described in this RFP, in Section 13 of this RFP.

1.3 CURRENT SYSTEM ENROLLMENT

Summaries of current plan enrollment are provided to illustrate the number of potential plan participants eligible for the UT System GTL and AD&D plans. These plan statistics including enrollment, demographic data, and plan utilization data are available in Appendix C of this RFP.

The System currently has about 116,500 employees and retired employees plus approximately 111,000 dependents participating in its Uniform Group Insurance Program (known as UT Benefits). In addition, there are approximately 1,000 COBRA participants continuing coverage in various health plans within the program. The System offers a self-funded preferred provider (PPO) health plan (UT SELECT) for all eligible program participants. Approximately 115,000 employees, retired employees, and COBRA subscribers along with more than 85,000 dependents were covered by UT SELECT during October 2015. UT SELECT medical benefits are currently administered by Blue Cross and Blue Shield of Texas, and prescription benefits are currently administered by Express Scripts. The System's "Living Well" program, administered in-house by OEB staff, is a comprehensive health and wellness initiative available to all UT SELECT participants and is integrated with both the medical and prescription plans and some voluntary plans such as the dental plan and vision plan.

In addition to the group term life and accidental death and dismemberment insurance coverage, which is currently issued by Dearborn National, the System also currently offers the following optional coverages as part of the UT System uniform group employee insurance program: two self-funded dental PPO plans (UT SELECT Dental) currently administered by Delta Dental, a dental health maintenance organization currently offered by Delta Dental, two vision care plans currently issued by Superior Vision, medical and dependent care flexible spending accounts currently administered by PayFlex; and, short and long term disability coverage currently issued by Dearborn National. Participation in all optional coverages is voluntary, and generally the premiums are paid solely by the participating employees and retired employees.

The System's Office of Employee Benefits (OEB), located in Austin, Texas, has oversight over all insurance plans provided by the System through its uniform group insurance program. A primary objective of the UT Benefits Program is to maximize the benefits and services that eligible System employees, retired employees and their covered dependents receive for each dollar spent on insurance benefits. The duties of OEB are described elsewhere in this RFP.

1.4 SUMMARY OF SERVICES TO BE PROVIDED

The System desires that the selected vendor will offer Basic GTL and VGTL and Basic AD&D and Voluntary AD&D insurance services on a fully-funded basis to System employees and retirees. It is the intent of the System to select one vendor to offer both coverages through a single contract for the three (3) year period

beginning September 1, 2016, with an option to renew for an additional three year period. Responding vendors should submit premium rates for each proposed Schedule of Benefits submitted (see Section 13 of this RFP).

The current GTL plan offered to eligible System employees and retirees is described in Appendix A-1 of this RFP. The current AD&D plan currently offered to eligible System employees (only) is described in Appendix A-2 of this RFP.

For this RFP, interested vendors should be aware that the GTL plan effective September 1, 2016, will include enhancements in coverage amounts to be determined by review of the RFP. The proposed changes are outlined in Section 6 and in the Rate Proposal sheets in Section 13.

System does not guarantee that any of the submitted proposals will be accepted.

2.0 GENERAL INFORMATION AND REQUIREMENTS

2.1 CONFLICT OF INTEREST

No member of the System Board of Regents or System employees (including the Chancellor, Executive Vice Chancellor for Business Affairs, Assistant Vice Chancellor for Employee Benefits and Services, and Office of Employee Benefits management) may have any direct interest in the awarding of the Contract or any indirect conflict of interest involving the vendor, including but not limited to any financial interest.

2.2 NON-RESPONSIVE PROPOSALS

The System will not accept for consideration any proposal that does not comply with the criteria set forth herein. Failure to address any of the RFP requirements may result in rejection of a proposal.

2.3 REPRESENTATIONS BINDING

Representations made within the proposal will be binding on the vendor. The System will not be bound to act by any other previous communication of any type or non-conforming proposals submitted by a vendor.

2.4 NONDISCRIMINATORY PRACTICE

A vendor shall not discriminate against eligible System employees by excluding, seeking to exclude, or otherwise imposing restrictions on services or benefits on the basis of gender, race, national origin, religion, age, sexual orientation, veteran status, disability, or pregnancy.

2.5 BINDING ARBITRATION CLAUSE EXCLUSION

Each proposal must specify that the vendor will not impose a binding arbitration requirement upon a plan participant. Any proposal containing a requirement that plan participants must agree to engage in binding arbitration will not be accepted by the System.

2.6 MODIFICATION PROHIBITED

No proposal may be changed, amended, or modified after submission to the System except to correct an inadvertent error.

2.7 EXEMPTION FROM STATE TAXES

Coverages provided by the System are exempt from state premium and maintenance taxes.

2.8 VENDOR INITIATED CHANGES

The vendor must notify the System in writing prior to making any significant changes in operating policies or business practices, including material changes to its key personnel on the designated System Account Team,

or in any other aspect of the vendor's operations that could affect the GTL and AD&D plan(s). The System reserves the exclusive right to determine if such potential changes may be applied to the System, and if so, when they shall be applied.

2.9 MEMBER IDENTIFICATION AND CONFIDENTIALITY OF SSNS

The primary reference ID used to identify plan subscribers and their dependents (collectively referred to herein as "participants") is a unique 8-character alphanumeric Benefits ID (BID) that is issued by the Office of Employee Benefits. The vendor must be able to identify a participant and/or the participant's coverage using the BID. The BID shall be the preferred identifier for any telephone communication, unencrypted electronic communication, and in printed reports when referencing specific participants.

Vendors must be able to comply with all federal and Texas state legislation, as well as System policy, applicable to the protection and use of Social Security numbers. The vendor must be able to coordinate with the System to fully comply with all applicable laws and System policies relating to the security, protection and use of plan participants' Social Security numbers. All sensitive System data, including Social Security numbers, must be encrypted when transmitted over the internet.

2.10 COMPLIANCE WITH LEGAL REQUIREMENTS AND FUTURE CHANGES

All proposals must comply with all currently applicable laws and regulations including rules promulgated by the Texas Department of Insurance.

The requirements of applicable laws and regulations, as well as future program appropriations made by the Texas Legislature, are subject to change and such changes may affect overall plan design and/or administrative responsibilities. The System requires a good faith effort on the part of the vendor to comply with any additional responsibilities imposed by changes in state or federal laws or regulations, or by future court or administrative rulings, without requiring mid-year premium rate increases.

Vendors must agree to collaborate with the System to effect necessary changes and to execute any agreements that may be required as a result. Should a mandated change materially affect the vendor's obligations under the Contract, the System reserves the right to negotiate with the vendor regarding any premium rate adjustment that may be appropriate under the circumstances, as provided in the Contract.

2.11 SYSTEM'S HISTORICALLY UNDERUTILIZED BUSINESS (HUB) PROGRAM

The System is committed to providing full and equal opportunity for all businesses to provide goods and services needed in support of the System's missions. The System's Historically Underutilized Business (HUB) Program formalizes the System's commitment to carry out this effort. The HUB program ensures compliance with state HUB laws and serves to educate both the university and business communities about the benefits of using HUB vendors. In all contracts entered into for professional services, contracting services, and/or commodities with an expected value of \$100,000 or more, the purchase solicitation must indicate whether the System has determined that subcontracting opportunities are probable in connection with the contract. If so, a HUB Subcontracting Plan is a required element of the vendor response to this RFP.

2.11.1 SUBCONTRACTING OPPORTUNITIES DETERMINATION

System has reviewed this RFP in accordance with Title 34, Texas Administrative Code, Section 20.13 (a), and has determined that subcontracting opportunities are probable under this RFP. As identified by the System Office of HUB Development, the HUB Goal for this RFP is 26 percent.

For specific questions regarding the HSP, please submit questions through the RFP website and questions will be directed to the UT System Office of HUB Development.

2.11.2 HUB SUBCONTRACTING PLAN (HSP) REQUIRED FOR CONSIDERATION

A HUB Subcontracting Plan (“HSP”) is required as part of vendor’s proposal. The HSP will be developed and administered in accordance with System’s Policy on Utilization of Historically Underutilized Businesses attached as Appendix H and incorporated for all purposes. The RFP No. for this HSP is 720-2015-UTGTL.

Each vendor must complete and return an HSP in accordance with the terms and conditions of this RFP for each proposal submitted, including System’s Policy on Utilization of Historically Underutilized Businesses. Vendors that fail to do so will have their proposals considered non-responsive to this RFP in accordance with Section 2161.252, Texas Government Code.

The Contractor will not be permitted to change its HSP unless: (1) the Contractor completes a newly modified version of the HSP in accordance with the terms of System’s Policy on Utilization of Historically Underutilized Businesses that sets forth all changes requested by the Contractor, (2) the Contractor provides System with such a modified version of the HSP, (3) System approves the modified HSP in writing, and (4) all agreements or contractual arrangements resulting from this RFP are amended in writing by System and the Contractor to conform to the modified HSP.

2.11.3 GOOD FAITH EFFORT REQUIRED

All agencies of the State of Texas are required to make a good faith effort to assist historically underutilized businesses (each a “HUB”) in receiving contract awards. The goal of the HUB program is to promote full and equal business opportunity for all businesses in contracting with state agencies. Pursuant to the HUB program, if under the terms of any agreement or contractual arrangement resulting from this RFP the Contractor subcontracts any of the services to be provided, then the Contractor must make a good faith effort to utilize HUBs certified by the Procurement and Support Services Division of the Texas Comptroller of Public Accounts. Proposals that fail to comply with the requirements contained in this section will constitute a material failure to comply with advertised specifications and will be rejected by System as non-responsive.

Additionally, compliance with good faith effort guidelines is a condition precedent to awarding any agreement or contractual arrangement resulting from this RFP. Proposing vendor acknowledges that, if selected by System, its obligation to make a good faith effort to utilize HUBs when subcontracting any of the Program will continue throughout the term of all agreements and contractual arrangements resulting from this RFP. Furthermore, any subcontracting of the Program by the vendor is subject to review by System to ensure compliance with the HUB program.

2.11.4 MANDATORY REQUIREMENTS FOR HSP SUBMISSION

For each proposal, the vendor must submit to the System three (3) original copies of the HSP along with, but packaged separately from, each complete proposal. In addition, a copy of the HSP should be included as an exhibit to the RFP. The three (3) originals of the HSP must be submitted under separate cover in a clearly marked envelope (the “HSP Envelope”) that is attached to the outside of the box containing the other proposal materials submitted by the vendor or must otherwise be provided contemporaneously with the other proposal materials. The top outside surface of the HSP Envelope when attached to the exterior of the packaging for the vendor’s other proposal materials must clearly show:

- 1) the RFP title (as noted on the cover page) and the Submittal Deadline, both marked in the lower left hand corner of the front of the envelope,
- 2) the name and return address of the proposing vendor, and
- 3) the phrase “HUB Subcontracting Plan.”

It is the vendor’s sole responsibility to ensure that the three HSP originals arrive concurrently with the other proposal materials as specified above. System will open a vendor’s HSP Envelope prior to opening the proposal submitted by the vendor, in order to ensure that the vendor has submitted the number of completed and signed originals of the vendor’s HUB Subcontracting Plan (“HSP”) that are required.

A vendor’s failure to submit the required number of completed and signed originals of the HSP will result in rejection of the proposal as non-responsive due to material failure to comply with advertised specifications; without exception, any such proposal will be returned to the vendor unopened.

Note: The requirements regarding submission of the HSP outlined above are separate from and do not affect a vendor’s obligation to provide the specified number of copies of the complete proposal as specified elsewhere within this RFP.

2.12 USE OF SUBCONTRACTORS

Any planned or proposed use of subcontractors by the vendor must be clearly disclosed and documented in the submitted proposal and agreed to by the System. The vendor shall be completely responsible for all services performed and for the fulfillment of its obligations under the Contract, even if such services are delegated to a subcontractor. Any proposal to utilize subcontracting must be addressed in the vendor’s Subcontracting HUB Plan, as described in a separate section.

2.13 PRIVACY AND SECURITY COMPLIANCE REQUIREMENTS

The System’s GTL and AD&D plans must comply with the System’s privacy and applicable information technology security policies. In response to the related interrogatories included in Section 12.0 of this RFP, the vendor must describe in detail its information security program.

2.14 TERM OF ACCEPTANCE

It is the intent of the System, at this time, to enter into a three-year contract for administration of the fully insured GTL and AD&D plans plan beginning September 1, 2016. At the System's option, this Contract may be renewed for an additional three-year period beginning September 1, 2019, subject to terms and conditions acceptable to the System.

2.15 RESERVATION OF RIGHTS

2.15.1 ADDITIONAL INFORMATION FROM RESPONDING VENDORS

System reserves the right to request additional documentation and responding vendor agrees to provide the information requested.

2.15.2 VALIDATION OF PROPOSAL MATERIALS

The System reserves the right to audit/validate all materials and responses submitted with the vendor's proposal.

2.15.3 REJECTION OF PROPOSALS

The System retains the right to reject any and/or all proposals submitted and/or to call for new proposals.

2.15.4 VENDOR NEGOTIATIONS

The System reserves the right to enter into discussions and negotiations with one or more vendors selected at its discretion to determine the best and final terms. The System is not under obligation to hold these discussions or negotiations with each vendor that submits a proposal.

2.15.5 REVISION OF PROVISIONS

The System specifically reserves the right to revise any or all RFP or Contract provisions set forth at any time prior to the System's execution of a Contract.

2.15.6 EXECUTION OF CONTRACT

The System is under no legal obligation to execute a Contract on the basis of this RFP or upon receipt of a proposal.

2.16 DISCLOSURE OF CONTROLLING INTEREST

Proposer must agree to comply with Section 2252.908, Texas Government Code ("Disclosure of Interested Parties Statute") and 1 Texas Administration Code Sections 46.1 through 46.3 ("Disclosure of Interested Parties Regulations") as implemented by the Texas Ethics Commission ("TEC"), including, among other things, providing the TEC and University with the information required by the Disclosure of Interested

Parties Statute and the Disclosure of Interested Parties Regulations on the form promulgated by the TEC and set forth in APPENDIX J. For more complete information, see the TECs webpage at:

https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm.

2.17 REFERENCES

Each vendor must provide a list of current major customers as requested in this RFP. These customers may be contacted by the System to provide information regarding the vendor's overall record of service in providing the program for their employees.

The provision of references by the vendor shall constitute verification that the System has the vendor's permission to contact these organizations and obtain any required information without obtaining further permission from the vendor.

2.18 MATERIALS

A copy of materials to be used by the vendor in administering the GTL and AD&D plan benefits must be provided as requested in the section of this RFP dealing with communications requirements. The System retains the right to review and approve all such materials prior to distribution. The vendor is required to submit proposed marketing and other informational materials in the specified format and according to deadlines set by the System. The cost for preparation of such materials for the term of the Contract should be accounted for in the proposed premium rates quoted by the responding vendor.

2.19 NO COMPENSATION FOR EXPENSES

Vendors shall submit proposals at their own expense. No compensation will be provided to vendors for expenses incurred for proposal preparation or demonstrations, unless otherwise expressly stated in writing by the System.

2.20 RETENTION OF PROPOSALS

Proposals and all materials submitted in response to this RFP become the sole property of the System and will not be returned to the vendors. During the evaluation process, the System shall make reasonable efforts as allowed by law to maintain proposals in confidence, and shall release proposals only to personnel involved with the evaluation of the proposals and implementation of the Contract unless otherwise required by law. Further information dealing with the confidential status and potential disclosure of proposal contents is addressed below in a separate section.

2.21 CONFIDENTIAL STATUS AND DISCLOSURE OF PROPOSAL CONTENTS

As a state institution of higher education, the System is subject to the Texas Public Information Act ("the Act"), Chapter 552 of the Texas Government Code, and has no authority to enter into a confidentiality agreement in contravention of the Act. In response to any public information requests under the Act that are submitted during the RFP process, the System shall deem and argue to the State Attorney General that

during the bidding process all proposals submitted in response to the RFP are confidential under the Act. However, once the RFP process has concluded, this exception will no longer apply.

Vendors should be aware that the Texas Attorney General may determine that full or partial disclosure is required for information deemed to be confidential or proprietary by a vendor. It is the sole obligation of a vendor to advocate for the confidential or proprietary nature of any information provided in or along with its proposal. The System shall not advocate for the confidentiality of the vendor's material to the Texas Attorney General or to any other person or entity. Upon receipt of any public information request involving a submitted proposal after the conclusion of the RFP process, the System shall, pursuant to the Act, make a good faith effort to notify the vendor of the request.

For any such request, the vendor will be responsible for submitting written justification to the State Attorney General detailing why particular information should be withheld, such as the exception applicable to certain commercial information. In order to ensure its ability to claim exemption from the release of information contained in a submitted proposal, a vendor should clearly designate within its proposal and accompanying materials any information that it believes to be exempt from disclosure and provide legal justification for each instance.

Additionally, vendors should be aware that, pursuant to the Act, upon request from a member of the Legislature and where needed for legislative purposes, the System may be required to release a vendor's entire proposal, including information designated by the vendor to be confidential or proprietary. By submitting a proposal, a vendor acknowledges its understanding and agreement that System shall have no liability to the vendor or to any other person or entity for any disclosure of information made in accordance with the Act.

This section applies regardless of whether a contract is awarded as the result of this RFP.

2.22 NEWS RELEASES

Written approval by the System will be required prior to the issuance of any news release or other public communication regarding any Contract awarded to a vendor.

2.23 USE OF SYSTEM INFORMATION FOR SOLICITATION IS PROHIBITED

The vendor must explicitly agree never to use any information received from any source about System employees for any marketing purpose or to solicit business of any other type. This agreement extends to all forms of discussions, advertisement, distribution, or other marketing by the vendor (or a parent or subsidiary) for coverage, products, or materials other than those explicitly relating to the vendor's participation in the System GTL and AD&D plans, including the provision of such items to lists of System employees and retirees obtained from other vendors contracting with System. This prohibition is also applicable to any use of the vendor's System-specific website. This prohibition continues subsequent to termination of the Contract.

2.24 AGENT OF RECORD

The System will not designate an Agent of Record or any other such company employee or commissioned representative to act on behalf of either the System or the vendor. Requests for the System to provide such designation shall be rejected. Vendors are specifically instructed to submit proposals directly to the System as specified herein in separate sections detailing HUB Subcontracting Plan submission requirements and overall proposal submission requirements. Proposals submitted through a third party agent will not be accepted.

2.25 DEFINITIONS

For purposes of this RFP and any responses provided, the terms “employee”, “dependent”, “optional coverage”, “retired employee”, and “The University of Texas System (“System”)), shall have the same meanings as defined by System in Appendix E. System reserves the right to define any other terms used in this RFP

2.26 RESPONSES, ORDERING OF CONTENTS, DEVIATIONS

Proposals must concisely describe the vendor’s ability to meet the requirements of the RFP. Emphasis should be on providing complete, clear responses that demonstrate an understanding of the requirements and of the System’s needs. The content of all responses submitted must be ordered to correspond with the specifications as they appear in this RFP.

Unless a deviation is specifically noted in a response, it will be assumed that the vendor agrees to meet all specifications exactly as set forth in this RFP. Proposals containing deviations, items not called for herein, or irregularities of any kind are subject to disqualification at the System’s option.

Information about proposed unique or value-added benefits and programs that would enhance or supplement the current benefit offering specified within this RFP are welcome when presented in conjunction with confirmation that the vendor agrees to the requirements as presented in this RFP.

Important: Responding vendors must Acknowledge and Confirm each enumerated section of this RFP and/or clearly state any deviations to the specific section(s). Your RFP responses will be incorporated into the Contract.

2.27 CERTIFICATION

By completing and submitting the signed Signature Page included in Section 14.0 of this RFP with the original copy of vendor’s complete proposal as specified, an authorized vendor officer certifies that the proposal complies with the RFP specifications and that the appropriate vendor staff have reviewed and confirmed their applicable sections based on their expertise.

2.28 SUBMISSION OF PROPOSALS

Only proposals submitted in compliance with the following requirements will be accepted by System:

- 1) This RFP is available on the System's RFP website in both PDF and Word format. Vendors must use the Word version of the RFP to complete and include the following items with your submission:
- 2) Detailed responses to each interrogatory;
 - a) Proposed premium rates; and
 - b) The signature page, verifying the vendor's ability to meet all requirements.
- 3) One (1) original proposal signed with blue ink and clearly marked "Original", and ten (10) identical copies of the proposal must be received by the System on or before **3:00 p.m. (Central) on Friday, February 19, 2016**. The original and copies of the proposal should be delivered to:

Laura C. Chambers, Director
Office of Employee Benefits
The University of Texas System
210 West 6th Street, Room B.140E
Austin, Texas 78701

- 4) Vendors must submit three (3) complete electronic versions of the proposal on separate discs or USB drives, using either Microsoft Office or PDF format for all included documents. The discs or drives must be clearly labeled with the vendor name and the title of this RFP. All materials included in the printed binders *must* be included with the electronic versions, including exhibits and the separate HUB Subcontracting Plan submission.
- 5) All materials, other than the HUB Subcontracting Plan ("HSP"), must be submitted in sealed envelope(s), box(es), or container(s). **The HSP must be affixed to the outside of the main proposal packaging so that it arrives along with the other proposal materials, but is separately accessible.** Proposals without a correctly completed HSP will be returned, unopened. Proposal packaging must clearly indicate the submittal deadline, the vendor's name, and the vendor's return address on the exterior.
- 6) Proposals must be valid for one hundred twenty (120) days following the proposal receipt date.
- 7) The proposed premium rate(s) must be firm and guaranteed for at least three (3) years beginning September 1, 2016 through August 31, 2019.
- 8) A Table of Contents with sufficient detail (including page numbers) to facilitate easy reference to all sections of the proposal, as well as to separate attachments, must be included. Any supplemental items not requested in the RFP should be clearly identified as such in the Table of Contents and must be provided in a separate section(s) of the proposal from required items.
- 9) Under no circumstances will proposals received after the submission deadline be considered. Properly marked late proposals will be returned unopened at the vendor's expense. Unmarked late proposals will be held at the System Office of Employee Benefits for 30 days and then discarded.
- 10) Proposals transmitted electronically, or by any means other than as specified in this section, will not be considered.

2.29 ADDENDA TO RFP, INQUIRIES REGARDING SPECIFICATIONS

Questions and comments regarding the RFP should be submitted as soon as possible and must be sent via email using the link on System's RFP website (<http://utdirect.utexas.edu/rfp/>) that has been established for this purpose.

Any response to an inquiry that alters an interpretation of, or requires a change to, this RFP will be posted as addenda on the RFP website. All vendors will be responsible for regularly checking this website for RFP addenda and other announcements. All addenda issued by the System prior to receipt of a proposal shall be considered part of the RFP. All vendors are required to acknowledge all of the addenda issued on the space provided on the Signature Page of this proposal.

To ensure that all replies can be provided to all prospective vendors prior to the deadline for submission of proposals, questions received after **5:00 p.m. Central Time on Thursday, January 28, 2016**, will not be considered or responded to by the System.

2.30 TELECONFERENCE FOR INTERESTED VENDORS

To provide representatives of interested vendors an opportunity to pose questions regarding the specifications and selection process, a teleconference for prospective respondents is scheduled to be held on **Friday, January 22, 2016, at 10:00 a.m. Central Time**. If you are interested in participating in this event, please register online at <http://utdirect.utexas.edu/rfp/>.

Questions and comments should be submitted via the RFP website as described above and should be sent as much in advance of the teleconference as possible to allow time for the System to gather information as needed and to prepare complete responses prior to the teleconference. Following the teleconference, any remaining questions and comments must also be submitted via the RFP website.

Details regarding the teleconference will be provided in advance to those vendors that register to participate.

2.31 FINALIST INTERVIEW

Following the System's initial review of the RFP Proposals, if a vendor is selected as a finalist in the vendor selection process, the System may, at its sole option, request that personnel from the vendor, at the vendor's expense, attend a meeting at a System-designated location to clarify responses and to answer questions regarding the vendor's Proposal. If the System deems necessary, a site visit to the vendor may be conducted during the RFP review period at the System's expense.

3.0 IMPLEMENTATION TIMELINE

The dates below apply to key milestones during the implementation phase for the GTL and AD&D plans. Vendors will be required to meet the deadline listed below for submission of proposals. The vendor will be required to meet all deadlines as shown throughout the implementation process.

Post RFP Notice on Texas Marketplace Site	10/30/2015
Request for Proposal (RFP) Issued	01/15/2016
Prospective Vendor Teleconference	01/22/2016 10:00 AM CT
Last date to submit written questions to the System	01/28/2016 5:00 PM CT
Vendor Proposals Due to the System	02/19/2016 by 3:00 PM CT
Office of Employee Benefits and Vendor Implementation Team conference call, planning meeting	03/09/2016
Drafts of Annual Enrollment materials due to the System	03/21/2016
Contracts Finalized and Signed	05/02/2016
Drafts of new employee communication materials to the System	05/05/2016
Testing of automated transmission of claims data processing system and electronic Fee Billing Invoice	06/01/2016
System-specific vendor website available for testing	06/01/2016
Benefits & Human Resource Conference(BHRC) in Austin, TX	06/08-10/2016
Distribution deadline of Annual Enrollment materials to institutions	06/15/2016
Setup of eligibility FTP procedures and authorizations	06/15/2016
System-specific vendor website ready for use	06/22/2015
Begin testing transmission of test eligibility data	07/06/2016
Annual Enrollment Period (employee meetings)	07/15-31/2016
New Employee materials due to the Institution Benefit Offices	08/03/2016
Begin Testing of Electronic Fee Billing Invoice	08/03/2016
Testing of eligibility error dataset transmission from vendor	08/08/2016
The first date for enrollment data to be transferred to the vendor	08/08/2016
Banking arrangements completed	09/01/2016
Plan Year 2016-2017 begins (Effective date of coverage)	09/01/2016
Production of automated transmission of claims data processing system and electronic Fee Billing Invoice	10/11/2016

4.0 THE CONTRACT AND OTHER LEGAL REQUIREMENTS

The Contract shall be in the format specified by the System. The Contract will incorporate this RFP, the vendor's proposal thereto, and any other information the responding vendor may be required to provide. Until a Contract has been executed and signed, the RFP and the vendor proposal will be binding. A Sample Contract is included as Appendix G to this RFP. Vendor responses containing proposed changes to the Sample Contract will not be considered.

Important: The vendor should not attempt to modify or sign the Sample Contract. The actual Contract will be prepared by the System Office of General Counsel and signed by the vendor prior to September 1, 2016.

4.1 INTRODUCTION

No Contract will be executed until the System has accepted a vendor's proposal and has notified the vendor of its approval. The Contract will be for a three-year term beginning on September 1, 2016 and will extend through August 31, 2019, to be renewed at the System's option for an additional three-year period unless terminated as provided herein or in the Contract. If the current vendor submits a proposal and is not selected, the current vendor shall continue to perform in good faith all obligations under its existing contract with the System.

The System and the contracting vendor shall agree and acknowledge, as applicable, that the benefits and coverage to be provided under the Contract will be provided from September 1, 2016 through August 31, 2019. However, the System and the contracting vendor shall also agree and acknowledge that there are duties and obligations specified by the RFP to be performed prior to September 1, 2016 and following August 31, 2019, and the Contract will specify that the parties agree to perform all such duties and obligations, and that all applicable damage provisions shall be in effect as to these duties and obligations.

The Contract shall comprise the complete and exclusive statement of each agreement between the System and the contracting vendor and supersede all prior or contemporaneous agreements, negotiations, course of prior dealings, and oral representations relating to the subject matter hereof.

The System has specific contracting requirements that cannot be waived or altered. All vendors should carefully review the Sample Contract included in Appendix G to this RFP, including but not limited to the provisions on Indemnification, Auditing, and the EIR Warranty. The vendor should include in their written submission all alternate requirements, terms, or conditions they wish to have considered. However, the vendor should not assume that an opportunity exists to add such matters through the contract negotiation as a part of the RFP process. Unacceptable terms and conditions added by the vendor may result in the rejection of the vendor's proposal, despite other factors to be evaluated. In addition, the vendor should not strike-through or otherwise alter anything in the Sample Contract. Submission of an altered Sample Contract as part of a response may result in rejection of the vendor's proposal, despite other factors to be evaluated.

In the event that a contracting vendor fails or refuses to perform any of its duties or obligations as provided by the Contract, the System, without limiting any other rights or remedies it may have by law, equity or

under contract, will have the right to terminate the Contract immediately. Notwithstanding such termination, certain obligations of the vendor shall survive the termination of the Contract.

At any time during the term of a Contract and for a period of four (4) years thereafter, the System or a duly authorized audit representative of the System, or the State of Texas, at its expense and at reasonable times, reserves the right to audit the contracting vendor's records and books relevant to all services provided under the Contract. In the event such an audit reveals any errors/overpayments by the System, the contracting vendor will be required to refund the full amount of such overpayments within thirty (30) days of such audit findings, or the System may, at its option, reserve the right to deduct such amounts from any payments due the vendor.

The contracting vendor must agree not to publicize the Contract or disclose, confirm or deny any details thereof to third parties or use any photographs or video recordings of the System's employees or retirees or use the System's name in connection with any sales promotion or publicity event without the prior express written approval of the System.

Duties assigned to the vendor under the Contract may not be assigned or delegated to a third party.

4.2 FAILURE TO COMPLY

Failure to comply with the procedures required by the RFP or any other applicable guidelines shall be cause for immediate suspension or cancellation of the Contract. A suspended or canceled vendor that provides coverage or services will not be permitted to accept new enrollees, but must continue to provide coverage for those employees whose effective date was prior to the date of suspension or cancellation. Any suspension will remain in effect until System is satisfied that circumstances resulting in suspension have been corrected. Upon the loss of the contracting vendor of any licensure or certification required by Texas law to provide a service required under the Contract, or the filing of a petition for bankruptcy, or upon judgment of bankruptcy or insolvency by or against the contracting vendor, the System may terminate the Contract for cause without notice.

4.3 NOT AN ERISA PLAN

As a governmental entity, the System is not subject to the provisions of the Employee Retirement and Income Security Act (ERISA).

4.4 COMPLIANCE WITH TEXAS DEPARTMENT OF INSURANCE RULES

Pursuant to Chapter 1601 of the Texas Insurance Code (Code), System is exempt from some of the provisions of the Code and regulations promulgated by the Texas Department of Insurance (TDI). However, nothing in any agreement between the System and a contracting vendor shall be construed to require or permit any action that is prohibited by, or in conflict with, an applicable provision of the Code or an applicable TDI rule or regulation.

4.5 VENDOR ID NUMBERS

A vendor must obtain a Vendor Identification Number issued by the Comptroller of Public Accounts of the State of Texas. The vendor will be required to complete and submit a Payee Identification Form in order to receive payment.

4.6 AUTHORIZED SIGNATURES

The Chief Executive Officer, General Counsel, or an authorized officer of the responding vendor must sign the Contract. The proposal must state the name and office of the individual who will sign the Contract on behalf of the vendor and include documentation verifying that the individual has the authority to do so.

4.7 RELATIONSHIP OF PROPOSAL TO CONTRACT

Any contract resulting from the selection of a vendor by the System shall incorporate by reference the applicable portions of the Policy to be issued by the vendor to System, the RFP including Appendices, the vendor's response thereto, and any other information the vendor may be required to provide.

5.0 FINANCIAL REQUIREMENTS

The following sections, the terms of which shall survive termination of the Contract, apply to both the GTL and AD&D plans, unless otherwise specified.

5.1 FINANCIAL ARRANGEMENT

The coverage(s) described herein are to be provided under the following policy basis:

5.1.1 GROUP TERM LIFE (GTL)

The GTL coverage(s) described herein are to be provided under a fully insured plan. The vendor will have full liability for all claims incurred during the period of the Contract including (a) future payments to be made in connection with claims that have been approved at the time of termination of the Contract and (b) payments related to those claims incurred prior to termination of the Contract but not submitted and/or approved until after termination of the Contract. The liability of the System and its employees will be limited to the premiums paid under the contract in accordance with the rates proposed by the vendor and adopted by the System. The System and its employees will have no contingent or retroactive liability. The plan is to be written on a participating basis with surplus, if any, accruing to the System:

- 1) The plan is to be fully experience rated and subject to a retention agreement under which retention for vendor expenses, risk charges and profit will be limited to contractual amounts.
- 2) Claims in excess of \$750,000 on any individual are to be pooled by the vendor and are not to be charged against the contract's experience. The vendor will be compensated for such pooling through a pooling charge assessed against the experience.
- 3) Each GTL plan is to be realistically rated, but all such plans will be combined in the determination of surplus and deficits.

5.1.2 ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D)

The AD&D coverage(s) described herein are to be provided under a fully insured plan. The liability of the System and its employees will be limited to the premiums paid under the contract in accordance with the rates proposed by the vendor and adopted by the System. The System and its employees will have no contingent or retroactive liability. The vendor will have full liability for all claims. The plan is to be nonparticipating with all surplus and/or deficits accruing to the vendor.

5.2 VENDOR FINANCIAL STRENGTH

To be eligible for consideration, the vendor must have a net worth of at least \$100 million, as demonstrated by an audited financial statement as of the close of the vendor's most recent fiscal year. To affirm financial capability, the vendor must submit all documentation as requested in the related interrogatories included in this RFP.

5.3 GROUP TERM LIFE PREMIUM RATES

The proposed monthly premiums for all GTL coverages must consist of the following two components:

5.3.1 CLAIMS

This portion of the premium is intended to provide for the payment of claims, conversion charges, pooling charges, and accumulation of reserves. It should be sufficient to meet all liabilities incurred during the period of the Contract. Any insufficiency will be the responsibility of the vendor. Any deficit existing upon termination of the Contract shall not be recoverable by the vendor.

5.3.2 RETENTION

This portion of the premium is intended to provide for vendor expenses, risk charges and profit margins. It should be adequate to cover all expenses incurred during the period of the Contract and during any runoff period following termination of the Contract, for all services associated with the coverages, including but not limited to:

- a) Communication
- b) Claim processing and adjudication
- c) General administration
- d) Underwriting of individual applications for coverage
- e) Actuarial, legal and other technical assistance
- f) Reporting

Section 1601.009, Chapter 1601 of the Texas Insurance Code, exempts the System from taxes on premiums. The retention portion of the premium should not include any provision for premium taxes.

5.4 PREMIUM RATE GUARANTEES AND ADJUSTMENTS

In rating the proposed plan, it is required that the rates contained in this proposal be guaranteed for the 36-month period from September 1, 2016 through August 31, 2019. Any future renewal rate adjustments are subject to approval of the System in accordance with information contained in these specifications.

5.5 DETERMINATION OF RENEWAL RATES

The vendor will be required to conduct good faith discussions with the System prior to February 1, 2019, to determine rates for the three-year period from September 1, 2019 through August 31, 2022. If there is no agreement reached by March 1, 2019, the System reserves the right to submit the GTL and AD&D plans to competitive bidding.

The renewal rating procedure to be used in the determination of premium rates for years following the original 36-month guarantee period is to be clearly detailed in the proposal. The System reserves the right to cancel the Contract at the end of any contract year beyond the first three-year term, if, in its judgment, such action would be in the best interests of the System. In developing renewal rates, the GTL and AD&D

plans may include the anticipated level of incurred claims, a reasonable provision for retention and a reasonable profit margin. With respect to the GTL coverage(s) the vendor will be required to take into account any known or anticipated surplus in developing the renewal rates. The vendor will not be allowed to include a deficit recovery provision in its renewal rates. Any deficit existing upon the termination of the Contract will not be recoverable.

In order to obtain the System's approval of the renewal rates, the vendor shall be required to provide full documentation of the renewal rate determination and shall demonstrate to the satisfaction of the System the appropriateness of the renewal rates.

5.6 PREMIUM PAYMENT

The premiums for Voluntary GTL and Voluntary AD&D insurance coverage are generally not eligible for the state Premium Sharing. Therefore, the enrolled UT employee is usually responsible for the full premium payment for VGTL and Voluntary AD&D plan coverage which is paid through payroll deduction (employee) on an after-tax basis only and via billing statement (retiree). See Section 6.8 for more information about premium sharing funds.

Each month, the total premium for each GTL and AD&D plan will be determined by multiplying the volume at the first of the month for each type of coverage by the rates applicable to that coverage. The System will collect the premiums paid by the employees and retired employees and will remit the premium to the vendor within 90 days of the due date of that premium along with a summary detailing the remittance by coverage category, number of lives covered, and rate.

5.7 PAYMENT OF CLAIMS

The vendor shall process, administer and pay all GTL and AD&D claims incurred during the term of the Contract, including administration and payments required following termination of the Contract in connection with claims incurred prior to termination of the Contract. Provision for administration of any runoff claims must be included in the vendor's proposed retention fee. No additional fees will be paid to the vendor after termination of the contract.

General requirements for claims processing include the following:

- 1) Using System's enrollment records, the vendor shall create and maintain participation records to be used for the processing of claims and other administrative functions for the GTL and AD&D plans. System's enrollment records, however, shall control in the event of a conflict. Vendors should verify that U.T. members' Evidence of Insurability (EOI) applications have been approved by the vendor before downloading their enrollment from OEB eligibility files and processing claims. This request is to prevent institutions from incorrectly adding a new member prior to the member's EOI being approved.
- 2) Eligibility that is accepted with premium paid for 90 days without notification to OEB is presumed to be correct. Any discrepancies must be reported by the vendor within 90 days or coverage is presumed correct and claims should be paid as such.

- 3) The vendor shall review claims for eligibility. Any ineligible claims inadvertently paid by the vendor shall be recovered and credited to the System.

5.8 ANNUAL EXPERIENCE ACCOUNTING

Within ninety (90) days after the end of each contract year, the vendor must provide the System with an accounting of the System GTL and AD&D plans' financial experience under the Contract, as required by Section 1601.060, Chapter 1601 of the Texas Insurance Code.

The accounting shall include but not be limited to the following:

- Premiums accrued during the year,
- Claims incurred for the year,
- The vendor's expenses and allowance for profit,
- The reserves established for the year, and
- Any resulting surplus or deficit.

Separate reports shall be provided for the GTL and AD&D plans.

The vendor shall provide the System with such other experience data and accounting information as the System shall reasonably request.

Any surplus existing as of the end of a given contract year shall be held by the vendor as a special contingency reserve in accordance with Chapter 1601.061 of the Texas Insurance Code and shall be available to pay claims in a subsequent contract year. Any deficit existing as of the end of the contract year will be carried forward for possible recovery from future years' surplus.

The vendor will credit interest on all positive cash flow generated under the GTL coverage, including special contingency reserves and claim reserves.

5.9 SETTLEMENT ON TERMINATION OF THE CONTRACT

In the event of termination of the GTL Contract, the System and the vendor will adhere to the procedure contained in this section with respect to financial settlement of the Contract.

5.9.1 ANNUAL EXPERIENCE ACCOUNTING

The vendor will complete the annual experience accounting as required in Section 5.8 above. Within 90 days of the termination date, the vendor will refund to the System the balance of the special contingency reserve (established in accordance with Section 5.8 above) which exists as of the termination date, together with interest thereon. The System will not be liable for any deficit which exists as of the termination date, although any such deficit may be considered in the determination of the refund described in 5.9.2 below.

5.9.2 DETERMINATION OF REFUND

Within 90 days, following the end of a 27-month runoff period commencing on the termination date, the vendor will refund to the System the excess, if any, of:

- a) claim reserves established as of the termination date, together with interest thereon, over
- b) the sum of
 - i. claim payments made during the runoff period, together with interest thereon,
 - ii. any deficit determined as of the termination date, together with interest thereon, and
 - iii. the present value of all waiver of premium claims which have been approved and are open at the end of the runoff period.

Such present value will be established on a mutually agreeable basis determined through good faith negotiation. In no event will the System be liable for any deficit that exists at the end of the runoff period.

5.10 ACTUARIAL/FINANCIAL CONTACT

Responding vendors must provide the name, mailing address, e-mail address, telephone number, and fax number of the actuarial/financial personnel responsible for the preparation of the GTL and AD&D plan vendor's rates. The named person should be capable of responding to inquiries concerning the rates and must cooperate with requests for information made by the System or its consulting actuaries.

5.11 FIDUCIARY LIABILITY

It is the intent of the System that the vendor assume, pursuant to the Contract, fiduciary duties and liability for all of its actions associated with the performance of its duties under the Contract.

6.0 BENEFITS AND PROGRAM REQUIREMENTS

6.1 INTRODUCTION

The System currently offers a GTL plan (consisting of two different amounts of coverage called Basic and Voluntary Group Term Life) and an AD&D plan (consisting of two different amounts of coverage called Basic and Voluntary Accidental Death and Dismemberment) to eligible Employees and Retired Employees as authorized by Chapter 1601 of the Texas Insurance Code. Both plans include coverage amounts that are provided by the System and optional coverage amounts from which the Employee or Retired Employee can choose. The optional benefits selected by the Employee or Retired Employee are fully funded by the plan participants' contributions.

Participants can enroll in the GTL and AD&D plans either as a new Employee, during Annual Enrollment periods with an effective date of September 1, or as a result of and in consistency with a qualified change in status.

This section presents the benefits and program requirements for the GTL and AD&D plans. Through the RFP process, the System intends to select one vendor to handle the two plans.

The vendor must submit a proposal to provide the benefits described in this RFP which include the following current and/or potential GTL enhancements and provisions:

1) Employee

- Enhanced Employee GTL maximum benefit of \$2.0 million;
- Enhanced Employee GTL maximum benefit of 10 times annual salary (with EOI) up to \$2.0 million
- Additional age bands up to the age of 90+ for employees
- Rating for Employee Basic GTL of \$30,000 and Retired Employee Basic GTL of \$6,000
- Rating for Employee Basic GTL of \$40,000 and Retired Employee Basic GTL of \$6,000

2) Retiree

- Rating options for retiree GTL maximum benefit of \$50,000 with rates blended for employees and retirees (as they are currently);
- Rate option for retiree GTL maximum benefit of \$100,000 with rates blended for employees and retirees (an increase of \$50,000 maximum benefit).

The benefits requiring proposed pricing are described in Section 13.2 of this RFP.

6.2 THE BENEFIT (OR PLAN) YEAR

The System's benefits are administered using a Plan Year that begins on September 1st and ends the following August 31st. This time period corresponds with the fiscal year of the System and the State of Texas.

6.3 SUMMARY OF CURRENT GROUP TERM LIFE BENEFITS

The current summary of benefits for the GTL plan is located in Appendix A-1. The current summary of benefits for the AD&D plan is located in Appendix A-2.

In addition to these summaries of benefits for the GTL and AD&D plans, vendors must provide a description of any additional benefits and definitions to be considered in evaluating its response to this RFP.

A complete description of the current GTL plan and the GTL guide for employees can be found online at <http://www.utsystem.edu/offices/employee-benefits/life-insurance>.

In response to this RFP, vendors must submit rates strictly in accordance with the financial structure described in Section 5.0 of this RFP and the aforementioned appendices. No deviation from these requirements will be allowed.

The System reserves the right to consider and negotiate an increase in the Basic GTL and Basic AD&D coverage amounts following selection of a vendor.

6.4 BASIC AND OPTIONAL COVERAGE

Basic group insurance coverage provided by the System must be comparable to the coverage commonly provided in private industry and in other institutions of higher education.

The basic package for full-time employees includes employee-only medical coverage, \$20,000 Basic GTL, and \$20,000 Basic AD&D. This basic coverage is provided automatically to each new full-time employee eligible for benefits. The effective date is determined by the decision of the System institution to pay (or not pay) the new employee premium during the initial waiting period.

The basic package for part-time employees includes employee-only medical coverage, \$20,000 Basic GTL, and \$20,000 Basic AD&D coverage. However, the System only pays for 50% of the premium associated with the part-time basic package for all non-graduate student part-time employees. The System institutions do not have the option to pay the remaining premium on the behalf of such part-time employees. Part-time employees who elect not to enroll and pay this premium cost are not automatically enrolled in coverage through the System. However, individual institutions have the option to pay the full premium for the basic coverage package for all of their eligible graduate student employees.

In addition to the basic coverage, all benefits-eligible employees may elect to enroll in Voluntary GTL, Voluntary AD&D, dependent GTL, and dependent AD&D insurance.

Basic coverage for retired employees includes medical and \$6,000 Basic GTL. Basic AD&D coverage is not available to System retired employees. Voluntary GTL is available to retired employees, as described in this RFP. See Appendix A-1 for more information.

6.5 CONTINUITY OF COVERAGE

Insured persons must not lose coverage solely by reason of a change in vendors. Employees who are not actively at work on the effective date must be assured continuity of coverage if their insurance would otherwise have been continuous except for the change in vendors. All provisions and exclusions met under the current plan must be credited under any new plan.

6.6 ENROLLMENT

Chapter 1601 of the Texas Insurance Code (see Appendix D) establishes the enrollment requirements for System's fully insured GTL and AD&D plans. The enrollment process is governed by System policies. Specific provisions include:

- 1) Annual Enrollment for all insurance plans is held during the month of July.
- 2) During the initial Annual Enrollment period (July 2016) in which the GTL and AD&D plans will be offered by the selected vendor, any eligible System employee may enroll for GTL without EOI for up to 3X annual salary, and AD&D plan coverage. Any eligible retired employee may enroll for GTL plan coverage. If an employee or retired employee elects enrollment changes during the July 2016 Annual Enrollment period, the changes will be effective September 1, 2016.
- 3) Subsequent Annual Enrollment periods may require that Evidence of Insurability (EOI) be completed and approved for GTL prior to coverage becoming effective.
- 4) An employee may elect the GTL plan without EOI for up to 3X annual salary during their initial period of eligibility. Additionally, following a qualified change in status, a previously eligible employee may elect the GTL plan without EOI for up to 3X annual salary. EOI will be required for electing GTL for amounts above 3X annual salary.
- 5) An employee may elect the AD&D plan without EOI during their initial period of eligibility. EOI will not be required for any previously eligible employee who chooses to enroll in or increase AD&D coverage during Annual Enrollment or after a qualified change in status.
- 6) An employee enrolled in either GTL and/or AD&D plan coverage as of August 31, 2016 will continue enrollment at the same level of coverage up to the maximum under the new Contract effective September 1, 2016, unless the employee elects to cancel the coverage during 2016 Annual Enrollment.
- 7) The first date for enrollment data to be transferred to the contracting vendor is projected to be August 8, 2016.
- 8) EOI is never required for the \$10,000 active employee's dependent GTL or dependent AD&D, but it may only be added during initial eligibility, Annual Enrollment, or within 31 days of a Change of Status event.

- 9) EOI is not required for Retired Employee or Retired Employee Spouse GTL if they had active GTL coverage in place on the last day of employment and there was no break in coverage between the Active Employee coverage and the Retired Employee coverage.

6.7 ELIGIBILITY

Eligibility Benefits-eligible dependents are defined at 1601.004 of the Texas Insurance Code. See Appendix E for Required Definitions.

6.7.1 EMPLOYEES

Section 1601.101 of the Texas Insurance Code states that an employee who is expected to work at least 20 hours per week and to continue in the employment (is expected to work) for a term of at least four and one-half months, or is appointed for at least 50% of a standard full-time appointment, is eligible for benefits. See Appendix E.

For newly benefits-eligible employees, state Premium Sharing is not available for payment of the employee's medical, Basic GTL (\$20,000) and Basic AD&D (\$20,000) coverages until the first of the calendar month that begins after the 60th day after the employee begins employment. Each institution has the option to supplement all of its employees' premium during this waiting period. However, if an institution does not supplement its employees' premium, the institution's employees will not be eligible for the Basic GTL and Basic AD&D until the end of the waiting period.

Employees who were previously eligible for Voluntary GTL coverage, but did not enroll during their initial 31 days of eligibility (the first 31 days of employment), will not be required to provide Evidence of Insurability (EOI) during the July 2016 annual enrollment period to obtain Voluntary GTL coverage for the 2016-2017 plan year. For each plan year thereafter, EOI will be required from any benefits-eligible employee enrolling for the voluntary group term life coverage during the annual enrollment period if they are not newly benefits-eligible employees.

All newly benefits-eligible employees have the option to enroll in the Voluntary GTL for coverage amounts up to three times their annual salary, but not to exceed up to \$2,000,000, without providing EOI. The eligible coverage amounts referenced above apply as long as the employee enrolls within their initial period of eligibility.

Benefits-eligible employees who experience a qualified change in status event may add or drop amounts of Voluntary GTL or AD&D coverage during the plan year only if the enrollment change is consistent with the change in status. Any Voluntary GTL coverage added above the guarantee issue amount due to a change in status will require EOI.

All newly benefits-eligible employees who elect to enroll in the Voluntary GTL for coverage amounts of 4, 5, 6, 7, 8, 9 and 10 times their annual salary must provide EOI.

6.7.2 RETIRED EMPLOYEES

In accordance with Section 1601.102 of the Texas Insurance Code, certain retired employees of the System are eligible for benefits.

For newly retired benefits-eligible employees, the state Premium Sharing is available to pay the retired employee's premium for medical coverage and Basic GTL coverage of \$6,000 if there is no break in service between active employment and the effective date of retirement. If there is a break in service, Premium Sharing is not available for payment of the retired employee's medical and Basic GTL until the first day of the calendar month that begins after the 90th day after the effective date of retirement. The System institution does not have the option to supplement the retired employee's premium during this waiting period. Retired employees are not eligible for AD&D coverage.

Retired employees who are receiving coverage as of August 31, 2016 are eligible to continue the coverage levels in effect on that date (up to the maximum). System employees who retire on or after September 1, 2016 are subject to the benefit options listed in this RFP. See Appendix A-1 and A-2 for more information.

6.7.3 DEPENDENTS

The benefits-eligible spouse and dependent children of an active employee are not eligible for Basic GTL or Basic AD&D coverage. They are eligible for the Voluntary GTL and Voluntary AD&D coverage as described in this RFP. See Appendix A-1 and A-2 for more information.

The benefits-eligible spouse and dependent children of a retired employee are currently not eligible for Basic GTL, or Voluntary AD&D. The benefits-eligible spouse of a retired employee is eligible for \$3,000 Voluntary GTL.

An individual may not be enrolled in any of the System plans as both an employee and a dependent.

6.8 USE OF PREMIUM SHARING FUNDS

The Texas Legislature on a biennial basis determines the amount of premium sharing available for employees, retired employees and any eligible dependents. Premium sharing is intended to fund the total cost of full-time and half the cost of part-time Employee Only medical coverage, \$20,000 Basic GTL coverage and \$20,000 Basic AD&D coverage. The State Appropriations Act also provides for funding of the total cost of Retired Employee Only medical coverage and \$6,000 Basic GTL coverage. A percentage of the medical plan cost for covered dependents of participating active and retired employees is paid through Premium Sharing; however, employees do not receive premium sharing dollars to pay the cost for dependent GTL or AD&D coverage.

Full-time employees with comparable coverage from another source may waive medical coverage and receive 50% of the State's Premium Sharing amount to pay premium(s) for certain optional coverage(s) which includes Voluntary AD&D, Dependent GTL and Dependent AD&D. See Section 6.9 below. In relation to this RFP, the 50% Premium Sharing amount can be used to pay the employee's AD&D coverage, and the employee's dependent GTL and AD&D coverage.

Part-time employees with comparable coverage from another source may waive medical coverage and receive 25% of the State's Premium Sharing amount to pay premiums for certain optional coverage(s) mentioned in Section 6.4. In relation to this RFP, the 25% Premium Sharing amount can be used to pay the premium associated with the part-time employee's AD&D coverage, and the part-time employee's dependent GTL and AD&D coverage.

6.9 OTHER FACTORS

There are a number of factors that should be taken into consideration when preparing a response to this RFP, including:

- 1) Some System employees have nine-month appointments of employment. The covered monthly earnings for an employee on a nine month contract are determined by dividing the total salary to be paid under the contract by nine and then by multiplying the answer by 12. This annualizes the monthly earnings of the nine month employees. This is necessary because it is sometimes not possible to determine if an employee will be teaching summer school and to include the additional earnings in the calculations of the covered monthly earnings.
- 2) Some System employees, such as faculty members, may take extended leaves of absence at which time they may have full benefits from another source. In such cases, employees may put their System coverage in abeyance (i.e. freeze benefit elections). During the abeyance period, the employee is not eligible for GTL or AD&D coverage and will not pay premium. Upon return to the System, such employees are immediately eligible to resume coverage without providing evidence of insurability.
- 3) There are two main retirement plans available to eligible System employees: the Teachers Retirement System of Texas (TRS), and the Optional Retirement Program (ORP). All employees in TRS eligible positions are eligible upon employment to join the TRS. Employees who participate in the TRS plan are eligible to apply for early retirement and waiver of premium for GTL if they become disabled. Certain TRS eligible employees may elect to enroll in ORP rather than TRS. Exception: Graduate student employees are not eligible for membership in TRS or ORP.
- 4) Currently, approximately 5,500 System physicians and administrators participate in medical practice plan life insurance coverage provided by individual UT health institutions in lieu of the System Voluntary GTL and AD&D plans. Effective 9/1/2016, these physicians and administrators will participate in the GTL and AD&D plan accepted under this RFP. The vendor must be able to provide a similar level of coverage for any employee who requests it and accept the current participants in the institutional coverage at their current level of GTL coverage (up to the \$2 million maximum provided under this contract) without EOI, or allow these participants to enroll in GTL up to 3X GTL without EOI (up to the maximum under this contract).
- 5) The System has identified 14 retired System employees who are currently insured through the System plan for coverage amounts greater than \$50,000. These retired employees are subject to a one-time retirement option, under which these individuals may retain coverage that exceeds

\$50,000, up to a \$1,500,000 maximum, until age 70. Once these retired employees reach 70 years of age, they will be required to reduce their coverage levels to those available to other retired employees. See Appendix C.

- 6) The System does not have a single payroll system. There are currently nine different payroll systems. Premiums are sent by the institutions based upon the deductions taken from the subscribers on those payroll systems. The System routinely will provide eligibility data which will coincide with the same data used to calculate the payment of premium. The vendor may need to interface with the institutions regarding eligibility or coordination for the payment of a claim.
- 7) Salary: Institutions send via eligibility dataset the expected September 1 compensation for employees enrolled in the GTL plan. The compensation for these employees typically does not change throughout the fiscal year, but may if changes in salary or employment status change. If the salary at the time of the claim is different than the 9/1 salary, the higher salary will be used to calculate the claim.
- 8) UT Medical Branch at Galveston (UTMB): Certain revenue generating physicians who participate in the OEB GTL policy earn compensation based on the revenue the institution expects them to generate. For administration of the GTL program, institutions with this type of compensation will report the expected annual compensation based on the base salary and the expected salary based on the revenue and compensation contract for that particular employee. This type of salary structure affects a minimal number of physicians at UTMB.

7.0 OPERATIONAL REQUIREMENTS

The vendor shall administer the GTL and AD&D plans in a manner consistent with all applicable laws and regulations, as well as with the requirements set forth in this RFP by the System. The vendor shall provide all services associated with the administration of the plan, including, but not limited to the items specified in the following sections. The vendor may recover the cost of the requirements described in this section only by making provision for such expenses in the proposed premium rates.

7.1 GENERAL REQUIREMENTS

- 1) The vendor shall provide general administrative support as required in the operation of the GTL and AD&D plans.
- 2) The vendor shall provide legal and technical assistance as it relates to the operation and administration of the GTL and AD&D plans.
- 3) The vendor shall provide appropriate materials and staffing for Annual Enrollment meetings and fairs.

7.2 IMPLEMENTATION AND ACCOUNT TEAMS

If selected, the vendor must notify the System in writing of the names and roles of all members of its complete Implementation Team by no later than **March 9, 2016**. In addition, the vendor will be required to establish an Account Management Team that is acceptable to System and agree to make staffing adjustments to this team as required by System throughout the contract period. The vendor must ensure that the Account Management Team is established by the same date, **March 9, 2016**, and that this team will be available to assist System as required every Monday through Friday from 8:00 a.m. until 5:00 p.m. Central Time (excluding national holidays).

The vendor's Implementation and Account Management Teams must each include a designated information technology contact with the technical knowledge and expertise to efficiently and effectively collaborate with System's information technology team regarding data transmission, data integrity, and timely processing of data. The designated information technology contact should be appropriately positioned within the vendor's organization to allow for direct management of and possible changes to all technical issues related to the contract.

7.3 CUSTOMER AND ACCOUNT SERVICE

- 1) The System strongly believes that the account service relationship is the critical link in developing and maintaining a strong partnership dedicated to the achievement of plan objectives. As such, the vendor must be committed to provide the System with service attention that is at the highest levels in the industry, and fully consistent with expectations.
- 2) The vendor's Account Management Team must provide a minimum of one face-to-face meeting with the System per year to review the utilization and performance of the GTL and AD&D plans, including

recommendations and updates regarding ongoing operational activities. The System may also require quarterly operational meetings (in-person or via telephone conference), as needed.

- 3) The vendor is required to notify the Director of the Office of Employee Benefits in writing prior to any anticipated major change to the organization that may likely impact the GTL and AD&D plans.
- 4) The vendor's customer service unit should be staffed and trained adequately to handle the plan's specific benefit questions, claims administration, resolution of complaints, and program clarification. The vendor's customer service hours must include, at a minimum, Monday through Friday from 8:00 a.m. to 5:00 p.m. Central Time.
- 5) The vendor shall designate vendor customer service representatives as contacts for System staff. The vendor warrants and represents that it will adequately train additional team members as needed to support the System's requirements. The vendor must accept verbal verification of a System participant's coverage by an authorized representative of the System or verify the participant's coverage through an online system and subsequently update coverage in the vendor's system prior to receipt of the System's weekly/monthly enrollment information.
- 6) The vendor shall dedicate additional staff members, as needed, to update System related records and accounts and to provide additional help for the vendor client service team during and following the System Annual Enrollment period including the 2016 Annual Enrollment period, which is prior to the September 1, 2016 contract effective date.
- 7) Customer Service call centers must be located within the United States, preferably within the state of Texas. The establishment of toll free lines (telephone and facsimile) is required and customer service staffing levels must be adequate at a minimum to maintain the following performance standards:
 - a) Average abandonment rate of 5% or less; and,
 - b) Average time to answer of 30 seconds or less.
- 8) The vendor must make available to System staff the ability to listen to and monitor calls to and from the vendor call center(s).

7.4 CLAIMS PROCESSING AND ADMINISTRATION

- 1) The vendor shall provide exceptional Evidence of Insurability (EOI) support and a strong collaborative effort must be made between the vendor underwriting team, account management team and System to ensure proper implementation of EOI policies, deadlines and corrections of late submission of EOI forms due to administrative error on the part of an institution Benefits Office.
- 2) The vendor shall process and administer all required GTL and AD&D plan claims incurred on or after September 1, 2016 and throughout the term of the Contract. General requirements for claims processing include the following:
 - a) Using System enrollment records, the vendor shall create and maintain participation records to be used for the processing of claims and other administrative functions for the fully insured GTL and AD&D plans. System enrollment records, however, shall control in the event of a conflict. Vendors should verify that UT members' Evidence of Insurability (EOI) applications have been approved by the vendor before downloading their enrollment from OEB eligibility files and

process claims. This request is to prevent institutions from incorrectly adding a new member prior to the member's EOI being approved.

- b) The vendor shall review claims for eligibility based on the coverage in effect on the date of death, accident, injury or loss. Any ineligible claims inadvertently paid by the vendor shall be the sole responsibility of the vendor to recapture.
 - c) The vendor shall process claims submitted by GTL and AD&D plan participants. Each claim payment must include an Explanation of Benefits (EOB) for all applicable claims. The vendor must submit all claim forms and sample EOBs as an attachment to the Proposal for the System's review and approval.
 - d) All System GTL and AD&D plan claims must be processed within an average of thirty (30) calendar days of submission to the vendor unless additional information and/or investigation is required.
- 3) In the event the vendor issues excess payments or payments for ineligible claims or participants, it will:
- a) Take all steps necessary to recover the overpayment, including in rare situations, the recoupment (offset) from participants' subsequent claim payments;
 - b) Assume 100% liability for incorrect payments which result from policy or System errors attributable to the vendor in whole or in part, including payments made for any covered services to a former GTL or AD&D plan participant reported by the System as no longer a plan participant, if the vendor receives such notification at least two (2) full business days prior to the date of such claim payment; and
 - c) Notify System of and seek System Office of General Counsel's input on any proposed litigation to recover such overpayment.
- 4) The vendor shall maintain a complete and accurate claims reporting system and provide for the retention, maintenance, and storage of all payment records with provision for appropriate reporting to the System. The vendor shall maintain all such records throughout the term of the Contract and for at least three (3) years following the end of the Contract, and shall make such records accessible and available to the System for inspection and audit upon the System's request. In the event the vendor is scheduled to destroy payment records, the vendor must contact the System for approval prior to the destruction of the payment records. If the System approves destruction, verification of the destroyed records shall be required at the System's direction.

7.5 COST CONTAINMENT INITIATIVES

The vendor shall maintain effective automated systems to detect fraud and misuse of the program, overpayments, wrongful or incorrect payments and verification of enrollment. The vendor shall also conduct thorough, diligent, and timely investigations with regard to fraudulent or suspicious claims and report quarterly all such claims to the System. The vendor must include a written description of its comprehensive fraud detection plan with its response.

The vendor understands that System may develop further policies in connection with the detection and prevention of fraud or abuse of the GTL and AD&D plans. The vendor shall comply with all applicable laws and regulations and shall also comply with all System policies, and the vendor is encouraged to develop additional safeguards as allowed by law.

7.6 REPORTING AND INFORMATION SHARING

Routine vendor reporting, including utilization and cost data, is required to support the System's ability to proactively monitor trends and to identify/address variances on targeted vendor performance guarantees and customer service standards. The timelines and formats for required reports shall be specified by the System. Additionally, the System may request customized reports on an ad hoc basis. Such reports must be provided in a timely manner at no additional cost to the System.

7.6.1 PERFORMANCE MONITORING

Some report formats shall include a column indicating a performance standard for the item being reported, which shall be utilized by the System as a benchmark to monitor compliance and to analyze the reported statistics. See the Administrative Performance Report template included in Appendix F of this RFP for examples of this type of reporting.

7.6.2 GTL AND AD&D PLAN STATISTICS

The vendor shall accumulate operations statistics and develop reports for the System GTL and AD&D plans, as is typically done in the normal course of business, on a semi-annual basis. The vendor shall provide copies of such reports upon request by the System along with results of any audits conducted in connection with the reports.

7.6.3 CONSULTING ACTUARY

The System retains an independent consulting actuary on insurance matters. The consulting actuary assists and advises System staff on benefit plan design, proposal review, premium rate analysis and administrative cost analysis. System staff or the consulting actuary may, from time to time, request that the vendor provide additional information specific to the GTL and AD&D plans. The vendor must cooperate with and act in good faith in working with the consulting actuary and must be prepared to respond to these requests promptly.

8.0 TECHNICAL AND DATA EXCHANGE AND SECURITY REQUIREMENTS

Each System institution self-administers its eligibility. For payroll purposes, the System's fourteen (14) institutions utilize approximately nine (9) different payroll systems. System institutions transmit eligibility data to System, and System in turn transmits the appropriate data to the plan vendor.

Datasets are transmitted by institutions directly to the System as often as desired. Institutions can also make real-time updates to the System eligibility database and can transmit either a full replacement file or a partial replacement file as needed. Some institutions update their payroll files only shortly before payroll is processed; therefore, they transmit eligibility data to System only twice per month. However, other institutions update their data more often.

Due to the nature of the processes involved, there can often be a delay between the effective date of coverage and notification of eligibility to the vendor. To accommodate the variation in institutional eligibility administration and payroll systems and to minimize delays and errors, the System has developed standardized methods for receiving and transmitting information between System, institutions, and vendors.

8.1 SECURE FILE TRANSFER PROTOCOL (SFTP) OVER THE INTERNET

System's security requirements mandate that SFTP be used to access all System servers. Eligibility data will be sent to the selected vendor at least two times each week and will be available to the vendor by 6:00 a.m. Central Time. A vendor's ability to use SFTP over the Internet and to work with ANSI X12 transaction sets will be important considerations in the System's evaluation of the proposals.

8.2 WEB AUTHENTICATION VIA SECURITY ASSERTION MARKUP LANGUAGE (SAML)

Security Assertion Markup Language (SAML) is an XML-based framework that forms the basis for the method of single sign-on user authentication that System strongly prefers for a vendor's System-specific website. An alternative method of user authentication must also be provided for those participants, including many retired employees, who cannot or who choose not to authenticate via single sign-on. Responses that indicate a vendor's willingness and ability to implement SAML-based authentication (v2.0) will be strongly preferred over those that do not.

When implementing SAML-based authentication for a vendor's System-specific website, each of the 14 System institutions plus System Administration will act as an Identity Provider (IdP) and determine whether the user has authenticated properly using local credentials. If the user authenticates correctly, System will redirect the user's browser and pass a SAML assertion to the vendor site in question. The vendor site will accept the SAML assertion in order to grant access.

The vendor must either agree to use System's SAML Discovery Service or to host an alternative solution for IDP discovery on the vendor's System-specific website and subsequently accept the IDP's assertion that

identifies the individual using the Benefits Identification (BID) number, which is included as an attribute in the SAML assertion. Each participant has a unique BID, and BIDs will be regularly communicated to the vendor via eligibility dataset.

Only user authentication will be handled via SAML. Authorization to access specific information, such as limiting the ability to view member-specific data to only the authenticated member, will still need to be handled by the vendor website.

It is System's strong preference that the vendor be capable of immediate implementation of SAML-based authentication (v2.0) at the start of the Contract period or that the vendor anticipates implementation within six months of the start of the Contract period. A vendor who is currently unable to implement SAML-based authentication (v2.0) should provide a statement of its ability to support authentication via proxy and should note in its response when it anticipates implementation of SAML-based authentication (v2.0).

8.3 ELIGIBILITY DATA

8.3.1 SYSTEM'S ELIGIBILITY DATABASE

Each institution's eligibility data is transmitted to the System and stored in an eligibility database maintained by the System. This database is the source used to generate eligibility (enrollment) datasets specific to the GTL and AD&D plans. The database maintained by the System is directly updated by enrollees during the Annual Enrollment period using the System's *My UT Benefits* online enrollment application. During the July 2015 Annual Enrollment, approximately 48% of all employees made election changes, and approximately 99% of those were made using the *My UT Benefits* online system on the Web. This enrollment process provides the advantage of having most new enrollment data available three weeks prior to the September 1 beginning of each new plan year.

8.3.2 ELIGIBILITY DATASET EXCHANGE

Currently, a partial replacement eligibility file is being transmitted by the System to the current GTL and AD&D vendor two (2) times per week. Each month the System sends the vendor a full eligibility file. The files are available to the vendor by 6:00 a.m. Central Time on the designated transmission days.

The vendor will be required to receive and process at least two eligibility (enrollment) datasets per week. The vendor may receive either full or partial eligibility datasets each week. A partial replacement dataset includes only records for individuals who are new employees or who have had changes in coverage since the last dataset was generated. If the vendor elects to receive partial datasets weekly, then once per month a full replacement dataset that includes all current participants will be sent to the vendor. Each year during the second half of August and the majority of September, larger than normal datasets can be expected due to updates related to Annual Enrollment and the start of the new plan year.

It is System's expectation that the vendor will immediately process eligibility datasets and that updated information will be loaded into the vendor's information system within 24 hours of receipt under normal circumstances. Within twenty-four hours, the vendor must positively confirm via email the receipt, processing, and successful load (or failure to load) of each eligibility dataset. Further, in the event that an

eligibility dataset fails to load, the vendor should provide an explanation for the failure to load either within or as immediate follow-up to the initial notification. The vendor must work directly with System as needed to ensure that dataset load issues are resolved as quickly as possible and updates are applied to the vendor's information system.

The required format for eligibility data being transferred to and from the System is the "Benefit Enrollment and Maintenance Transaction Set (ASC X12N 834)" format. Responses must confirm that the vendor agrees to use the ASC X12N 834 format, or, if unable to comply with the requirement, the response should include rationale for an alternate, applicable, dataset layout.

8.3.3 RETIRED EMPLOYEES

Each System institution keeps records on its retired employees' coverage. Currently, each institution (with OEB's UT Benefits Billing department handling the 6 UT Share institutions) collects premiums, if any are due, from the retired employees and their benefits-eligible dependents. The retired employees will be identifiable on eligibility transmissions.

8.3.4 RETROACTIVE ELIGIBILITY ADJUSTMENTS

The System requires contracting vendors to allow a retroactive window for eligibility changes to be made up to 90 days after the end of the coverage period affected. The adjustments that must be allowed include activation of eligibility, termination of eligibility, and other variations that may occur as a result of participant status changes. The System retroactively adjusts the payment of premium to ensure agreement with updated eligibility information.

8.3.5 EVIDENCE OF INSURABILITY (EOI) DATA TRANSMISSION

The System's required method of EOI status transmission is electronic dataset, using the OEB Evidence of Insurability Dataset Layout. The dataset will be transmitted using Secured File Transfer Protocol (FTP) on at least a weekly basis. The dataset must also be PGP encrypted. The dataset will be uploaded to the OEB eligibility system and transmitted to System institutions.

Individual EOI information should be transmitted for five months following the receipt of the EOI application by the vendor. During those five months, the dataset will contain cumulative information of all EOI updates with references to the full coverage amount (including family status changes) that the applicant will have if the EOI application is approved. At the end of the five-month period, the pending EOI application will be closed with a "closed" status and transmitted for one additional month as closed. Following one month as closed, the applicant's EOI information should be purged from the dataset by the vendor. All closed applications become ineligible for additional benefits through the System or vendor until the next annual enrollment period, unless the applicant experiences a qualified change in status. This closure will be communicated to the applicant by the vendor. The communication should inform the member that a new EOI application would need to be submitted for the next annual enrollment period.

A cumulative transmission of all change in status EOI applications will be sent continually on a weekly basis throughout the plan year. See Section 10.7 for more information about EOI requirements.

8.4 REQUIREMENTS TO FACILITATE EMERGENCY UPDATES

On occasion, System institutions may need to make emergency updates to the coverage of their plan participants. Emergency updates are updates to eligibility coverages on the vendor's eligibility system made through a means other than the eligibility dataset. The System has implemented a "controlled emergency update email process" through which an institution Benefits or Human Resources representative can submit an emergency update request when needed.

The institutions are required to update the System eligibility database prior to sending an emergency update request to the plan vendor. The eligibility system verifies the coverage prior to sending an emergency update email which is always sent from a single, controlled email account.

Social Security numbers will never be transmitted on emergency update email messages. The vendor will either need to be able to add a new member to its eligibility system prior to receiving the Social Security number or be able to connect to a secured System website to retrieve complete update information. The link to the secure website will be included in all emergency update email messages.

The emergency update system can be configured to send the email update request to designated vendor staff members for handling. The email can be formatted to include the vendor's preferences for coding, and its structure does include some free-form text. The vendor may choose up to five (5) email addresses to receive emergency update emails. Confirmation of a completed update to the vendor's database is required within four (4) business hours of receipt of an emergency update email.

Preference will be given to responses indicating the willingness and ability to accept and process emergency updates via email as specified above. However, if a vendor is unable to receive and process emergency update emails, the vendor may, as a less preferred option, provide an SSO-access-controlled, software interface through which the System can directly update the vendor's eligibility database. The preferred method for this option is an Internet interface accessible via Web browser such as Firefox, Microsoft Internet Explorer, Google Chrome, or Apple Safari.

8.5 DATA FORMAT FOR PREMIUM PAYMENTS

The System will produce a "self-bill" by the fourteenth (14th) day of the month for the premium due for the prior month (billing month). Self-bills currently are created in a System-specific premium billing dataset format; however, for the purpose of this contract, self-bills may be generated in either an administrative fee billing format or the "Payroll Deducted and Other Group Premium Payment for Insurance Products Transaction Set (ASC X12N 820)" format.

The dataset will be transmitted via SFTP over the Internet to a secure FTP server. Upon placement of the dataset on the server, an automated email will be sent to the appropriate vendor contacts with notification of the dataset transmission and self-billing total. Each self-bill will reflect remittance detail for the current month along with any necessary adjustments for the prior three months.

Based on an eligibility snapshot taken from the System eligibility database on the first Sunday of each month, the System will prepare a report detailing the premium remittance as support for the monthly

payment of the premium. The report will reference specific plan participants, their BIDs, affected coverage periods, and the amounts being remitted for each.

8.6 AD HOC REQUESTS AND ISSUE RESOLUTION

The vendor shall assign high priority to System ad hoc service requests and issues. Through the designation of an appropriate technical contact as required for the Implementation and Account Management Teams, the vendor shall ensure that all System information systems requests and issues are given priority positioning and are thoroughly analyzed to ensure speedy resolution. The vendor shall provide competent, focused attention to each request or issue presented by System.

It is the expectation that the vendor will make every effort to deliver a resolution within 30 days of receipt of the System's written notification of a request or issue related to the vendor's information systems. The System will be responsible for supplying detailed information reasonably necessary for the vendor to complete the requested services. If a 30-day resolution is not reasonable for a particular issue, the vendor must provide System with an implementation plan and timeline for resolution within five (5) days from receipt of notification.

An example of a requirement falling under this provision would include, but would not be limited to:

Modifications to benefits or eligibility processing -- requirements must be reviewed, responded to, and approved by the vendor within fifteen (15) days of such request by System. If the vendor requires adjustments prior to granting approval, the vendor shall immediately notify the System and set up weekly update meetings to be held until the System agrees that the modifications will meet the System's operating requirements. Once requested modifications have been agreed upon, the vendor shall complete the eligibility or benefits project, including required testing within forty-five (45) days of Systems' approval.

8.7 SYSTEM DATA SECURITY REQUIREMENTS

For the purpose of this RFP, System data is defined as any and all information maintained, created, or received by or on behalf of System.

Responding vendors must maintain a robust security program capable of protecting the integrity, confidentiality, appropriate accessibility, and security of System data. Questions included in Section 12 of this RFP are designed to elicit specific information about the vendor's security program and must be thoroughly and accurately completed.

9.0 COMMUNICATION REQUIREMENTS

The vendor will be required to communicate information regarding the GTL and AD&D plan design approved by System. All plan communications should be designed to educate both potential enrollees and current participants and must be approved by System prior to dissemination. Communications regarding the GTL and AD&D plans must be clear and concise, using terminology familiar to participants as specified by System.

The vendor will be required to develop GTL and AD&D plan communications for written, electronic, and verbal dissemination to accommodate the varying needs of potential participants. However, System prefers that electronic communication be used whenever reasonably possible. Printed materials must always be made available electronically. Communication materials must meet ADA requirements for accessibility.

The vendor may recover the costs of the services described in this section only by making provision for such costs in the calculation of the proposed premium rates.

9.1 GENERAL INFORMATION

Communication materials to be developed by the vendor may include, but are not limited to:

- 1) Participant brochures and information for inclusion in benefits books and newsletters;
- 2) A customized, System-specific GTL and AD&D plan website;
- 3) Presentations to UT institution Benefits Staff and participants;
- 4) Scripted responses to be used by customer service representatives;
- 5) Advertising materials in association with plan enrollment;
- 6) Claim forms;
- 7) News releases, including contract signing announcement;
- 8) Participant welcome letter; and
- 9) Token giveaways for enrollment fairs and events.

Communication materials designed for System GTL and AD&D plan participants cannot, and the vendor represents and warrants that it shall not, advertise or promote coverage, products, or materials, other than those relating to the vendor's administration of the System's plans.

9.2 SAMPLE COMMUNICATION MATERIALS REQUIRED

Electronic draft copies of proposed Plan Year 2016-2017 printed materials, plan participants' handbook, and advertising (newspaper ads, radio scripts, television ads, etc.) must be submitted as part of the proposal. Respondents to this RFP should also submit samples of other communication materials with their proposal, including consumer targeted educational materials (in both print and electronic format) and the format of the customized System-specific website.

Important: All materials relating to the plan must be approved by the System prior to distribution to institution employees and retirees.

9.3 ANNUAL ENROLLMENT

Annual Enrollment information must be promptly provided to all benefits-eligible employees and retirees. The requirements listed below apply to all Annual Enrollment materials, including information for benefits guides.

9.3.1 CUSTOMER SERVICE INFORMATION

All items must include the customer service phone number, hours of operation, and the vendor's website address.

9.3.2 DESCRIPTION OF BENEFITS

The vendor must provide a Schedule of Benefits that contains the benefits that are at least as good as those set forth in Appendix A-1 and A-2 to this RFP. The summary shall include any additions, limitations and exclusions approved by the System.

9.3.3 DUE DATES FOR ENROLLMENT MATERIALS

All educational and enrollment materials used for both Annual Enrollment and new employees must be distributed to all System institution benefit offices no later than June 1 of each plan year. **All materials must be approved by the System before distribution to System institutions and employees.**

9.3.4 VENDOR ATTENDANCE AT ANNUAL ENROLLMENT MEETINGS

The contracting vendor is required to attend key scheduled Annual Enrollment meetings at each System institution when requested by the institution Benefits Office at the vendor's own expense. Vendor participation at Annual Enrollment meetings will help educate employees about the GTL and AD&D plans. If the contracting vendor is unable to attend all Annual Enrollment meetings being offered at a particular System institution, the institution will have the discretion to designate a particular meeting or meetings as high-priority and request vendor attendance specifically for the designated priority meeting(s).

Note: Based on prior Annual Enrollment experience, the GTL and AD&D plan vendor is generally requested to attend approximately 30 Annual Enrollment events each year.

9.3.5 CUSTOMER SERVICE DURING ANNUAL ENROLLMENT

The vendor's dedicated Customer Service Team will be required to assist in answering questions regarding the GTL and AD&D plans each year during the System Annual Enrollment period, including during the July 2016 Annual Enrollment period. Education by the vendor Customer Service Team must be provided to all current and potential GTL and AD&D plan participants. Customer service should be made available via phone, email, in writing, or in person.

9.4 UT SYSTEM-SPECIFIC WEB SITE

The vendor must establish a customized, System-specific website with the primary goal of allowing participants to easily access plan information regarding customer service toll-free numbers, documentation and contacts for the GTL and AD&D plans. The website must meet all requirements as detailed in this section.

The vendor's System-specific website must be available to the System for testing no later than **June 1, 2016**. The final System-approved website for plan year 2016-2017 must be made available by **June 22, 2016**, and must include the System-approved enrollment materials. The System must approve new website additions or redesigns at least two weeks prior to any scheduled launch date. The vendor must update the website as often as needed with System-specific content (e.g., news) when requested by the System. The System's requests should be implemented within two weeks from the request date, or within a reasonable time as agreed by the System, depending on the complexity of the update requested.

9.4.1 CONTENT SPECIFICATIONS

The System-specific website should be kept regularly updated with timely, relevant information for the GTL and AD&D plans. All content for the System-specific website must be approved by the System before it is released. The site must include:

- 1) A link to the GTL and AD&D plan brochures and summaries, as approved by the System;
- 2) Customer service information, including phone numbers, mail and claim addresses, hours of operation, and guidelines for the complaint and appeals process;
- 3) Electronic forms or email addresses for customer complaints and questions. Responses to email complaints should have no more than a 48-hour turnaround time. A tracking system for complaints submitted online, similar to the tracking of telephone complaints, must be in place with the ability to provide data and details to the System upon request;
- 4) All necessary vendor forms (e.g. claims forms) for participants. If forms are made available in PDF format, an easily identifiable link must be provided to download Adobe Acrobat Reader to enable participant viewing and printing;
- 5) System's branding and a System-specific welcome message must be included to clearly indicate the site is specific to UT System and the GTL and AD&D plan;
- 6) A link to the System's UT Benefits website; and
- 7) If the vendor provides a Web page on which a participant may view specific individual information, the site must utilize secured protocol (<https://>) and require authentication. The site may not use the participant's social security number, in whole or part, as either the user identification or the password. The Benefits ID may be used as the user identification. Authentication via Single Sign-On is strongly preferred over requiring a unique user identification and password specific to the site. See the section of this RFP entitled "Technical and Data Requirements" for additional details.

9.4.2 TECHNICAL SPECIFICATIONS

The System-specific website must be accessible to as many participants as possible. Therefore, the following specifications must be met:

- 1) All website content must be clearly visible and functional in Internet Explorer, Safari, Google Chrome and Firefox browsers, and compatible with PCs, Apple Mac and mobile devices (smartphones and tablets);
- 2) Entering a Social Security number should not be required at any time to access information on the website;
- 3) The log-on page must not allow the browser to store the information entered in the cache. The auto-complete feature must be turned off for every form;
- 4) The font and text must be legible and easy to read; Refer to the Web Content Accessibility Guidelines (WCAG), including text size and color contrast to comply with a minimum of WCAG AA level: <http://www.w3.org/TR/WCAG20/>; and
- 5) All forms and Adobe Portable Document Format (PDF) files must be accessible. Refer to the W3C accessibility standards for PDFs: <http://www.w3.org/TR/WCAG20-TECHS/pdf.html>.

9.5 ELECTRONIC AND INFORMATION RESOURCES (EIR) WARRANTY

System is required to acquire all EIRs in compliance with the legal requirements governing access to such EIRs by individuals with disabilities (“EIR Accessibility Requirements”). The EIR Accessibility Requirements applicable to the University are set forth in Chapter 2054, Subchapter M of the *Texas Government Code*, Title 1, Section 206.70 of the *Texas Administrative Code*, and Title 1, Chapter 213, Subchapter C of the *Texas Administrative Code*. In order for System to ensure that the EIRs offered by each Proposer responding to this RFP are in compliance with the EIR Accessibility Requirements, Proposer must include all of the following in its proposal:

COMPLIANCE WITH THIS STATUTE AND THESE RULES IS NOT OPTIONAL AND THEIR APPLICABILITY CANNOT BE WAIVED.

- 1) The vendor must warrant that the website complies with the requirements set forth in Title 1, Rules §§ 206, 213.30 and 213.36 of the *Texas Administrative Code* (as authorized by Chapter 2054, Subchapter M of the *Texas Government Code*). The proposal must provide that to the extent vendor becomes aware that the website does not satisfy the EIR Category Warranty, vendor will, at no cost to System, perform all necessary remediation to make the website satisfy the EIR Category Warranty.
- 2) Vendor is required to submit a completed Electronic and Information Technology (EIR) Accessibility Checklist (included as Appendix I to this RFP) along with proposals. Proposals or bids without a completed checklist will be disqualified.

- 3) Vendor must provide a written explanation for each of its responses to the requirements in the Checklist with respect to the website:
 - a) If Proposer determines that the website **complies** with an applicable accessibility requirement in the Checklist, Proposer’s written response to that requirement must identify how Proposer made such a determination (merely responding with “Complies” or similar non-explanatory language is **not acceptable**).
 - b) If the vendor determines that the website **does not or will not comply** with an applicable accessibility requirement in the Checklist, Proposer’s written response to that requirement must identify the cause of such non-compliance and the **specific** efforts and costs that Proposer would need to assume in order to remedy such non-compliance (merely stating “Does not comply” or similar non-explanatory language is **not acceptable**).
 - c) If Proposer determines that an accessibility requirement in the Checklist **is not applicable** to the website, then Proposer’s written response to that requirement must identify the reason for such inapplicability (merely stating “N/A” or similar non-explanatory language is **not acceptable**).
- 4) All vendor Proposals must:
 - a) Agree to authorize UT System to engage in product accessibility conformance testing prior to and after completion of purchase.
 - b) Provide the name and contact information of the individual responsible for addressing accessibility questions and issues about the product.
 - c) Describe the vendor’s capacity to respond to and resolve any complaint regarding accessibility of products or services provided pursuant to this RFP.

9.6 PROHIBITIONS; NOTICE OF INQUIRIES FROM THIRD PARTIES

As the insurer for the GTL and AD&D plans, the vendor may receive numerous inquiries from interested third parties relating to the GTL and AD&D plans and their program administration. The vendor is strictly prohibited from disseminating any information about coverage, products, or materials on the vendor’s website other than those explicitly relating to the vendor’s plan offered or service provided to System participants, including the System-specific GTL and AD&D plan website.

The vendor must forward all inquiries from interested third parties relating to the GTL and AD&D plans and program administration to the System Office of Employee Benefits.

9.7 DISSEMINATION OF COMMUNICATION MATERIALS

Communication materials may be considered “published” when a final electronic copy is delivered to the System or is accessible on the vendor’s website. Materials that contain protected health information or other confidential information such as a participant’s Benefits ID number must be mailed in an envelope or packaging designed to secure confidential information from casual viewers.

9.8 PLAN BOOKLETS

Plan booklets (certificates), approved by the Texas Department of Insurance, must be provided each plan year. If corrections or amendments are made to a certificate during a plan year, the revisions will be announced via e-mail and by Web announcement. The updated certificate(s) will also be posted on the website. Each certificate must include the Summary of Benefits as approved by the System and shall include any additions, limitations and exclusions, and a description of the appeals process. The plan booklets should include a description of current eligibility requirements, as set forth in Chapter 1601 of the Texas Insurance Code.

The vendor is responsible for providing a draft of the certificate to the System each year. Final drafts of any required certificate must be submitted by the vendor to the System for review by **May 4, 2016**. The vendor must follow any Texas Department of Insurance requirements for the issuance and distribution of plan booklets.

9.9 TRAINING OF SYSTEM AND INSTITUTION STAFF

The vendor must provide training to System staff and institution HR and Benefits staff regarding the GTL and AD&D plans. Centralized training for institution HR and Benefits staff occurs on an annual basis during the Benefits and Human Resources Conference (BHRC) hosted in Austin by OEB. The 2016 BHRC is scheduled to be held from **Wednesday, June 8, through Friday, June 10, 2016**. In addition, specific training for institution HR and Benefits staff may be required at other times during the year based on changes to operations and the needs of the System.

10.0 PERFORMANCE STANDARDS AND PENALTIES

The vendor must comply with the System requirements listed below and report the specified information to the System on a quarterly basis in an Administrative Performance Report. Refer to the template for the required reporting format for the GTL and AD&D plan Administrative Performance Report (Appendix F to this RFP).

The vendor selected to administer the System GTL and AD&D plans must agree to pay the financial penalties as shown in this section if the associated performance standards are not met. Additionally, the vendor should be aware that compliance with these requirements will be a key consideration during any future contract renegotiations.

10.1 ANNUAL ENROLLMENT MATERIALS

System Requirement: The vendor must meet all due date requirements as specified in this RFP for materials related to Annual Enrollment.

Financial Penalty: A penalty of \$4,000 may be assessed for each violation of the due date requirements for: (1) preparation of the System-specific website; and (2) distribution of plan materials.

10.2 ADMINISTRATIVE REPORT TIMELINESS

System Requirement: Each Administrative Performance Report is due no later than the last day of the month that immediately follows the end of the System plan year quarter or by the first business day following the last day of the month.

Financial Penalty: A penalty of \$4,000 may be assessed for each quarter in which the vendor fails to submit the Administrative Performance Report by the required due date.

10.3 COMPLAINTS

System Requirement: The average time to resolve System participants' complaints should not exceed 30 calendar days, with at least 90% resolved in 15 days. The vendor must report the total number of complaints received from System participants (via mail or email), the average length of time to resolve complaints, and the percentage resolved within 15 days of receipt. System-specific data is required.

Financial Penalty: A penalty of \$4,000 may be assessed for each quarter in which the average time to resolve complaints received from System participants exceeds 30 days or when fewer than 90% are resolved within 15 days.

10.4 CUSTOMER SERVICE CALL HANDLING

System Requirement: When contacting the toll-free GTL and AD&D plan customer service number, the average time a caller waits before speaking to a vendor customer service representative should be 30 seconds or less. The average abandonment rate should not exceed 5%. System-specific data is strongly

preferred; however, if System-specific data is not available due to technical limitations, these two customer service statistics for the complete book of business may be reported instead.

Financial Penalty: A penalty of \$4,000 may be assessed for each quarter in which the ASA exceeds 30 seconds and \$4,000 for each quarter in which the ABR exceeds 5%.

10.5 CALL CENTER AND WEBSITE OUTAGES

System Requirement: Outages of customer service access points, including telephone and IVR services at the Customer Service call center as well as with the System-specific website, should be kept to a minimum. If an outage does occur (or is expected to occur), the vendor must report the outage to System as soon as possible and service should generally be restored within one (1) hour of the outage, dependent upon specific circumstances.

Financial Penalty: A penalty of \$1,000 may be assessed for each outage longer than one (1) hour but less than eight (8) hours. If an outage is greater than 8 hours but less than 24 hours, a penalty of \$2,000 may be assessed. If an outage lasts longer than 24 hours, a penalty of \$4,000 per 24-hour period may be assessed for each occurrence, up to a maximum penalty of \$12,000 for each quarter. OEB may waive this penalty based on extenuating circumstances, including down time due to unusually severe weather, a natural disaster, or an act of terrorism.

10.6 CLAIMS PROCESSING

System Requirement: Once complete information is received, the vendor should average processing System participants' claims as follows:

- 1) 85% of claims to be processed within fifteen (15) calendar days following date of receipt, and
- 2) 98% of claims to be processed within thirty (30) days of receipt.

The vendor must report its total number of System claims received from System participants, the total dollar amounts paid and denied, the average processing time (in days) for these claims, and the percentage processed within 15 days and 30 days, respectively, from date of receipt.

Financial Penalty: A penalty of \$5,000 may be assessed for each quarter and for each timeliness standard regarding claims processing that the vendor fails to meet.

10.7 EVIDENCE OF INSURABILITY (EOI) APPLICATION PROCESS

Under the current plan, previously eligible and late entering active employees are required to provide satisfactory EOI in order to enroll in or increase Voluntary GTL coverage. This is applied to those who have declined coverage at initial eligibility.

The vendor shall provide the underwriting support and appropriate staff, including qualified and duly licensed medical doctors in good standing with the state of Texas, to service the EOI function.

System Requirement: Once complete information is received, the vendor should average processing System EOI applications for System participants as follows:

- a) 85% of EOI applications to be processed within fifteen (15) days following date of receipt.
- b) 98% of EOI applications to be processed within thirty (30) days following date of receipt.

The vendor must report the status of EOI applications, weekly via SFTP (secure FTP), to OEB using the dataset layout format found in Appendix B.

The vendor should provide OEB with an “unlocked” PDF copy of their EOI form. OEB will use this form to create online EOI application screens where U.T. System employees can provide complete medical history in response to the vendor’s EOI form questions. Member will complete and electronically sign OEB’s EOI electronic form. Vendor will be required to retrieve and load electronic EOI forms on a daily basis. EOI electronic form data will also populate a PDF version of the vendor’s EOI form available for member record keeping.

The data captured will be put into a dataset and transmitted, via SFTP, to the vendor. The vendor should receive these EOI application form datasets, which will be created nightly by OEB during the annual enrollment period from July 15 through July 31. The dataset layout for the EOI applications can be found in Appendix B. OEB would like the vendor to accept an electronic signature that will be included in the datasets.

The vendor must report the total number of EOI applications received, approved, denied, closed, and pending by System participants; plus the average time (in days) to process the applications, and the percentage processed within 15 and 30 days.

Financial Penalty: A penalty of \$5,000 may be assessed for each quarter and for each standard for timeliness regarding EOI processing that the vendor fails to meet.

10.8 APPEALS

System Requirement: The vendor’s appeals procedure must be in compliance with all applicable statutes and regulations including, but not limited to, the rules and regulations of the Texas Department of Insurance. The vendor must have all levels of appeals required by law. The vendor must provide performance in total number of appeals received, upheld and denied plus the average time (in days) to reach a decision, as well as the percentage processed within 30 days of receipt.

Financial Penalty: A penalty of \$4,000 may be assessed for each quarter in which the average time to resolve complaints received from System participants exceeds 30 days.

10.9 ELIGIBILITY DATASET PROCESSING

System Requirement: Maintenance eligibility datasets received from the System by 11:00 a.m. (central) on any business day will be processed within 24 hours of receipt and System notified of the status once processed. If problems with a dataset or with the vendor’s information system prevent processing of any file

within 24 hours of receipt, the vendor shall immediately notify System of the issue and begin resolving the issue(s).

Financial Penalty: A penalty of \$2,000 may be assessed for each successfully transmitted dataset not processed by the vendor within the specified time frame or failure to notify System of a transmitted dataset's status within the specified time frame, up to a maximum penalty of \$20,000 per Contract Year.

10.10 EMERGENCY UPDATE PROCESSING

System Requirement: Valid emergency update requests from System institution staff must be processed and confirmation sent to the submitter within four (4) hours of receipt when received by 1:00 p.m. (central) on a business day. Requests received after 1:00 p.m. (central) on a business day or anytime on a non-business day must be processed no later than noon (central) on the following business day.

Financial Penalty: A penalty of \$1,000 may be assessed for each occurrence in which a valid update request was not processed and confirmation sent within the required time frame.

11.0 PROPOSAL EVALUATION

Proposals submitted in response to this RFP will be evaluated on the basis of criteria described below. The criteria, which should not be assumed to be listed in order of importance, are intended to provide the basis for an objective evaluation of each proposal.

The evaluation process will focus on the selection of a vendor who, in the judgment of the System, demonstrates the ability to consistently and effectively partner with System to provide the best administration of the fully insured GTL and AD&D plans during the contract period for the amount of premium paid.

11.1 VENDOR LICENSURE

To be considered for selection, vendors must have a certificate of authority in good standing from the Texas Department of Insurance to provide the proposed plan that has been filed and approved by TDI.

11.2 COMPLIANCE WITH AND ADHERENCE TO THE RFP

Proposals containing deviations are strongly discouraged. If included, deviations must be specifically identified and described in detail to be considered. While a proposal with minor deviations from the RFP specifications will not be disqualified, preference will be given to prospective vendors whose proposals contain the fewest and least significant deviations from the requirements presented herein. Information about proposed unique or value-added benefits and programs that would enhance or supplement the current benefit offering specified within this RFP are welcome when presented in conjunction with confirmation that the vendor agrees to the requirements as presented in this RFP.

The System will interpret all responses to be indicating agreement with the specifications contained herein except in cases where deviations are specifically noted and described as required. Deviations will not be included in the final contract unless expressly accepted and agreed to by the System in writing and accepted by the System. In all cases, this RFP, the vendor's RFP response, and the contract terms shall be binding.

11.3 IMPLEMENTATION TIMELINE AND CRITICAL DEADLINES

The vendor's ability to meet the required dates for critical implementation tasks as specified in the section of this RFP entitled "Implementation Timeline," will be an important consideration in the evaluation of vendor proposals.

11.4 THE CONTRACT

All proposals must include an affirmation of the vendor's willingness to accept the provisions set forth in the System's Sample Contract, included as Appendix G to this RFP. Proposals indicating that a vendor is unwilling to sign a contract in the format prescribed by System and containing the essential terms set forth in the Sample Contract, without deviations, will not be considered.

11.5 FINANCIAL STRENGTH

The System has specified a minimum net worth of \$100 million that is applicable for consideration as a prospective vendor under this RFP. A net worth substantially in excess of the minimum will not be considered to indicate a superior proposal. However, a net worth below the specified minimum will result in disqualification of the proposal.

11.6 ADMINISTRATIVE CAPABILITY

Vendors will be evaluated on the basis of their demonstrated ability to provide high-quality services to the System in the management and administration of the GTL and AD&D plans. All aspects of the services described herein are considered important to this evaluation, including customer service, claims processing, data processing and reporting capabilities.

11.7 OPERATIONAL EXPERIENCE

Demonstrated experience with administering and managing GTL and AD&D plans and on behalf of large employers (with more than 10,000 members), and particularly experience with large public employer plans, will be an important consideration in the overall proposal evaluation process.

11.8 ACCOUNT MANAGEMENT TEAM

A vendor's commitment to a strong and consistent Account Management Team will be an important consideration in the evaluation process.

The System considers the account service relationship to be a critical link in developing and maintaining a strong partnership dedicated towards the achievement of plan objectives. Vendors must be prepared to provide the System with account service that is at the highest levels in the industry and that is fully consistent with the System's expectations. The vendor and the System will mutually define the criteria to be used for measurement and evaluation of account service performance.

11.9 DATA MANAGEMENT

The vendor's ability to consistently and accurately provide data transmission and processing, as specified in this RFP, will be an important consideration in the selection process. Some of the key factors to be evaluated include:

- 1) A management information system that will support the database maintenance and management reporting requirements specified herein;
- 2) The vendor's ability to accept eligibility datasets as specified herein, to update eligibility records in a timely manner, and to promptly notify System upon the success or failure of the attempt to load each eligibility dataset received;

- 3) The vendor's ability to accept emergency eligibility updates via email and confirm processing of requested changes within the timeframes specified herein; and
- 4) The availability of a secure website through which System staff can view enrollment status for participants and make updates if necessary.

11.10 CUSTOMER SERVICE

Evaluation of the vendor's ability and willingness to provide customer service according to the standards specified in this RFP will include consideration of the vendor's:

- 1) Customer service and data reporting capabilities;
- 2) Ability to provide general administrative services;
- 3) Willingness to commit to specified service and quality performance levels;
- 4) Willingness to provide communications materials and personnel for attendance at the annual Benefits and Human Resources Conference for HR and Benefits Office staff from all System institutions (usually held in Austin for 2-3 days during June of each year) and for attendance at Annual Enrollment meetings for employees and retirees (generally approximately 25 – 30 meetings beginning in late June and continuing through the entire month of July) held at locations throughout the state;
- 5) Ability to meet the Electronic Information and Resources (EIR) Warranty requirements described in the "Communications Requirements" section of this RFP;
- 6) Ability to develop and maintain a System-specific website; and
- 7) Provision of a dedicated toll-free phone number.

11.11 PREMIUM RATES AND ADMINISTRATIVE COST

The System expects to receive proposals from several qualified vendors, all of which can provide high-quality, cost-effective service. Although cost is a key consideration, the System is not required to select the proposal with the lowest premium rates. A distinguishing factor will be the organization's proposed premium rate schedule and the percentage of the premium designated for administrative costs.

11.12 SECURITY OF SYSTEM DATA

System will require the selected vendor to demonstrate its ability to safeguard the privacy and security of System data collected and/or maintained by the vendor on behalf of System in compliance with System's own privacy and security requirements.

11.13 EIR ACCESSIBILITY RULES

The System is required to ensure that the vendor is able to comply with the EIR Accessibility Rules and provide the required EIR Accessibility Warranty as described in Appendix I of this RFP.

11.14 DISCLOSURE OF CONTROLLING INTEREST

System is required to ensure that the vendor will comply with Section 2252.908, Texas Government Code (“Disclosure of Interested Parties Statute”) and 1 Texas Administration Code Sections 46.1 through 46.3 (“Disclosure of Interested Parties Regulations”) as implemented by the Texas Ethics Commission (“TEC”), including, among other things, providing the TEC and University with the information required by the Disclosure of Interested Parties Statute and the Disclosure of Interested Parties Regulations on the form promulgated by the TEC.

11.15 OTHER FACTORS

- 1) Based on responses provided, other factors will be considered during the evaluation process, including the following:
 - a) The vendor’s overall financial stability;
 - b) An organizational structure and a delivery mechanism that have demonstrated the ability to deliver high-quality, cost-effective management and administration of the Disability plans; and
 - c) Information obtained from the vendor’s list of references.
- 2) System reserves the right to request that representatives from vendors determined to be finalists meet with System representatives (at a location to be determined by System) to clarify responses and answer questions related to this RFP. System may also choose to conduct site visits with selected finalists. System will utilize information gained during any such meetings and site visits with selected finalists during the evaluation process.
- 3) The System reserves the right to reject any and/or all proposals and/or call for new proposals if the System deems it to be in the best interests of the GTL and AD&D plans and its participants. The System also reserves the right to reject any proposal submitted that does not fully comply with the RFP’s instructions and criteria. The System is under no legal requirement to execute a Contract on the basis of this notice or upon issuance of the RFP or receipt of a Proposal.

12.0 INTERROGATORIES

The vendor must provide responses to all of the items in this section. Responses must be detailed enough to satisfactorily explain the vendor's position on each particular issue. It is the vendor's responsibility to respond to each item in such a way that the System has a full and complete understanding of the vendor's intent. It is important that the vendor carefully defines any key words or phrases used in this section. Each response must be preceded by the question to which the response pertains.

Indicate clearly if each answer is in response to the GTL plan or the AD&D plan or both plans.

For example: 1) Question

 GTL Answer:

 AD&D Answer:

12.1 DEVIATIONS FROM THE RFP

- 1) Identify any provision in your response that does not conform to the standards described in the RFP. For each deviation, provide the specific location in the response and a detailed explanation as to how the provision differs from the RFP standards and why. Deviations, which are strongly discouraged, must be specifically identified in order to be considered. The System will interpret your proposal to match the specifications of this document except for deviations specifically noted and described in response to this item. If the System enters into a contract with your organization, deviations shall not become a part of the final Contract unless expressly agreed to by the System in writing and accepted by the System.

12.2 ORGANIZATIONAL INFORMATION

Please provide the following details:

- 2) The vendor's full legal name, address, telephone number, and the URL for the corporate website.
- 3) The name, title, mailing address, telephone number, fax number, and email address for the following individuals:
 - a) The vendor's contact person for this RFP;
 - b) The person authorized to execute any contract(s) that may be awarded;
 - c) The person who will serve as the vendor's legal counsel;
 - d) The actuarial/financial expert(s) responsible for preparation of items in this response, who must be available to respond to inquiries made by System or its consulting actuary and provide any requested information concerning such items.

- 4) If applicable, a description of the parent company of the vendor as well as any subsidiaries and/or affiliates, including whether each is publicly or privately owned.
- 5) Type of incorporation (for-profit, not-for-profit, or nonprofit); publicly or privately owned.
- 6) State of incorporation.
- 7) Date(s) that GTL and AD&D services were first provided in the state of Texas by the vendor.
- 8) A copy of the vendor's current certificate of authority, issued by the Texas Department of Insurance, to provide the type of GTL and AD&D services described in the proposal in the state of Texas.
- 9) Is the vendor required to maintain any other license(s)? If so, please describe and confirm the validity of any required license(s).
- 10) Provide a copy of the vendor's current State of Texas Vendor ID number (14-digit number).
- 11) Copies of recent ratings and reports regarding the vendor issued by independent rating organizations or similar entities (e.g., Best's, Moody's, Standard & Poor's, etc.).
- 12) A copy of the vendor's most recent audited financial statement.

12.3 FINANCIAL INTERESTS AND REQUIREMENTS

- 13) Provide a statement regarding your organization's capacity to enroll new participants and the likelihood of any future limitations on enrollment.
- 14) Describe your organization's risk retention process including the use of a reinsurer. If a reinsurer is employed, provide the name and amount of risk assumed and any involvement the reinsurer has in the claims approval process.
- 15) Provide the names and addresses of all parties who would receive compensation as a result of the vendor's selection under this RFP, including, but not limited to, consulting fees, finder's fees, and service fees.
- 16) State the name and address of any sponsoring, parent, or other entity that provides financial support to the vendor. Include an indication of the type of support (i.e., guarantees, letters of credit, etc.) provided as well as the maximum limits of additional financial support from other entities. If applicable, provide a copy of the sponsoring organization's most current audited financial statement.
- 17) Is the vendor presently actively considering or subject to any mergers with and/or acquisitions of or by other organizations? If so, provide specifics. Affirm that the vendor agrees to notify the System immediately upon reaching any form of binding agreement in connection with any merger, acquisition or reorganization of the vendor's management.
- 18) Please disclose any contractual relationships with affiliates that could present a conflict of interest with the vendor's role as insurer of the GTL and AD&D plans.

- 19) Identify by name and address all persons or entities that hold a 20% or greater ownership interest in the vendor.
- 20) Does the vendor agree to submit and receive all payments made to and from System through ACH or other electronic fund transfer methods? Confirm that the vendor will provide written notice to System at least 30 days in advance of the effective date of any changes to the banking information associated with electronic fund transfers to and from System.
- 21) Does the vendor agree to assume responsibility for the escheatment process in accordance with Texas law for any payments disbursed on behalf of the GTL and AD&D plans?

12.4 REFERENCES

- 22) List as references five major employers for whom you provide GTL and AD&D services for their employees. The System is particularly interested in employers located in Texas and in public entities, but is also interested in seeing references outside of Texas as well. For each employer, include:
 - a) The name and telephone number of a representative of the employer who is familiar with the services you provide;
 - b) The nature of your relationship with the employer, i.e., insurer, administrator, reinsurer; and,
 - c) The number of employees, retirees and dependents for whom GTL and AD&D coverages are provided.

Note: Your response to this request officially authorizes the System to contact these employers to discuss the services that you have provided for their employees and authorizes the employers to provide such information to the System.

12.5 LEGAL AND REGULATORY HISTORY

- 23) Describe any litigation, regulatory proceedings, and/or investigations completed, pending or threatened against the vendor and/or any of its related affiliates, officers, directors, and any person or subcontractor performing any part of the services being requested in connection with the Contract during the past five (5) years. Identify the full style of each suit, proceeding or investigation, including county and state, regulatory body and/or federal district, and provide a brief summary of the matters in dispute, current status and resolution, if any.
- 24) Describe any investigations, proceedings, or disciplinary actions by any state regulatory agency against the vendor and/or any of its related affiliates, officers, directors and any person or subcontractor performing any part of the services being requested in connection with the Contract during the past five (5) years. Identify the full style of each suit, proceeding or investigation including county and state, regulatory body and/or federal district, and provide a brief summary of the matters in dispute, current status and resolution, if any.

- 25) System is authorized to offer fully funded insurance coverage only if the policy or evidence of coverage, as applicable, has been approved by the Texas Department of Insurance (TDI). Please confirm that TDI has or will approve the proposed coverage prior to the contracting period.

12.6 PRIVACY PRACTICES AND COMPLIANCE

- 26) Please provide a detailed description of the vendor's Security Compliance programs as these would apply to System data in the vendor's capacity as a Covered Entity. Include information on workforce training and monitoring. Describe all policies and practices implemented to ensure the privacy of all confidential information as defined in the Contract, including but not limited to protected health information, employee/participant information, or other confidential information about the System and its participants. Include a link to the vendor's Notice of Privacy Practices as well as a brief description of any violations alleged against the vendor by consumers or the Department of Health and Human Services, including the outcomes.
- 27) List any entities with whom the vendor anticipates sharing or disclosing any PHI (Protected Health Information) that the vendor has created or received from (or on behalf of) the System. State the general purpose for which the PHI will be shared or disclosed, and confirm that each entity will comply with requirements for business associates with regard to this PHI.

12.7 HUB POLICY COMPLIANCE

- 28) Confirm that three original versions of the HUB Subcontracting Plan (HSP), based on details included within this RFP and requirements included in Appendix H to this RFP, have been completed and submitted with this proposal. Provide the name, mailing address, telephone number, fax number, and email address of the person in the vendor who can answer questions from System regarding the submitted HUB documents.
- 29) Indicate whether the Texas General Services Commission certifies the organization as a Historically Underutilized Business (HUB) and provide any information about past participation in a HUB program. See Appendix H of this RFP.
- 30) Indicate whether any of the services to be provided to the System will be subcontracted by the vendor.

12.8 CONFIRMATION AND ACKNOWLEDGEMENTS

- 31) Confirm that the vendor understands, has the ability to, and will comply with all of the requirements included within each of the following sections of this RFP:
- a) General Requirements (Section 2.0);
 - b) Implementation Timeline (Section 3.0);
 - c) Contract and Other Legal Requirements (Section 4.0);
 - d) Financial Requirements (Section 5.0);
 - e) Benefits and Program Requirements (Section 6.0)
 - f) Operational Requirements (Section 7.0);

- g) Technical and Data Exchange Requirements (Section 8.0);
 - h) Communication Requirements, including the Electronic Resources Warranty (Section 9.0); and,
 - i) Performance Standards and Penalties (Section 10.0)
- 32) Confirm that all active and retired employees and their dependents enrolled in Voluntary GTL coverage and/or Voluntary AD&D coverage on August 31, 2016 will continue enrollment at the same level(s) of coverage up to the maximum under the new contract effective September 1, 2016 unless the employee elects to reduce, increase or cancel the coverage.
- 33) Confirm that your company retains the liability for incurred waiver-of-premium claims on covered individuals in the event of the termination of your contract.

12.9 GENERAL ADMINISTRATION

- 34) Are all administrative services performed internally? If the vendor contracts with a management company for some or all of its administrative services, please specify the name of the company, the services provided and the method of reimbursement. Be aware that this would require compliance with the HUB requirements in this RFP.
- 35) Where is the primary administrative facility located?
- 36) Provide the names and titles of the vendor's administrative support staff that will administer the GTL and AD&D plans, including the total number of full-time equivalent employees and which employees are located in Texas. What is the turnover rate among this staff for the past two (2) years? Describe the vendor's ability to provide a support staff dedicated to the administration of the System account.
- 37) Confirm that the System will be given a specific contact person responsible for administering the System-specific website. State where this contact person is located and their typical hours of availability.
- 38) What are the vendor's contingency plans and procedures for providing back-up service in the event of strike, natural disaster, backlog, or other event that might interrupt, delay, or disrupt service? Provide a copy of the vendor's disaster recovery plan and/or business resumption plan, including results of the vendor's most recent test of the plan.

12.10 BENEFITS ADMINISTRATION

- 39) How long has the vendor been providing GTL and AD&D insurance?
- 40) Explain your previous experience in providing GTL and AD&D benefits, as applicable, to groups of 10,000 or more.
- 41) Confirm that the vendor has the ability to administer the benefits specified in Appendix A-1 (Group Term Life), Appendix A-2 (Accidental Death and Dismemberment) as well as any prescribed and required enhancements to this RFP.

12.11 BENEFITS PLAN DESIGN

- 42) Indicate the overall percentage of covered individuals filing claims during the last year.
- 43) Explain the process followed when Evidence of Insurability (EOI) is required. What is the average decision time on an EOI application form? What factors determine the need for a medical report? If a medical report is required, does your organization decide which medical professional completes the form? If so, who pays for the medical report and what is the average cost? How is approval or declination reported to the individual applicant?
- 44) Describe the services you will provide in compliance with this RFP as described in Section 6, as well as the specific services you will render in connection with the installation of the plan, education of benefit staffs, printing of booklets, forms, etc.
- 45) Describe all plan limitations, exclusions, and pre-existing condition clauses included in your organization's proposal.
- 46) In addition to the GTL and AD&D summaries found in Appendix A, provide the System with a description of any additional benefits and definitions to be considered in evaluating the product(s) your organization is proposing in response to this RFP.
- 47) Confirm your organization understands that a limited number of employees, mostly physicians, are enrolled in a separate Medical Practice Plan benefit and that in the event of loss of this coverage, your organization will treat this group of employees as newly eligible in regards to EOI requirements for the System's GTL plan.
- 48) The System's abeyance policy permits faculty and staff to hold coverage in abeyance (freeze coverage) prior to a leave or sabbatical commencing. Upon return to active employment, the staff or faculty member is eligible to pick up coverage without Evidence of Insurability. Is your company willing to accept the System's abeyance provision?

12.12 ACCOUNT AND IMPLEMENTATION TEAMS

- 49) Where would the primary person responsible for account and client management associated with System's contract be located? Will any Account Management Team members be located in Texas? If so, where in Texas?
- 50) Confirm that the System will be notified of any change in the dedicated Account Management Team. Describe the efforts the vendor makes to discourage turnover of Account Management Team personnel responsible for oversight of major group accounts.
- 51) Briefly outline the vendor's account management philosophy. Please include information about how the team members are compensated by the vendor.

- 52) Describe the overall organization, location, and structure of the account service team that will provide ongoing program support for the GTL and AD&D plans. Please provide a résumé for each team member, including current professional responsibilities and length of employment with the vendor.
- 53) How many other contracting customer organizations is the assigned account manager currently servicing and how many total members are represented by those organizations?
- 54) What is the vendor's account manager/executive turnover rate for the last twenty-four (24) months?
- 55) Provide a list of individuals who will comprise the vendor's implementation team along with a résumé and complete contact information for each team member. Identify the individuals who will be primarily responsible for handling details related to each of the following categories:
 - a) Enrollment reporting;
 - b) Customer service;
 - c) Communication materials;
 - d) EOI processing
 - e) Claims processing;
 - f) Grievance processing;
 - g) Financial functions, including payments and reconciliation; and
 - h) Information systems and technology, including specifically benefits programming, claims processing, and eligibility data processing.

12.13 CUSTOMER SERVICE

- 56) Describe the vendor's customer service unit, including the manner in which it is accessed, days and hours of call center operation, and the location of the customer service call center(s) that will provide service to GTL and AD&D plan participants.
- 57) Are any major changes currently planned or anticipated for the customer service organization or facilities (e.g., moving to a different location, reorganizing or merging units)? If so, please describe.
- 58) Will the vendor provide a separate toll-free telephone number for System participants and potential participants?
- 59) How many telephone lines and support staff will be dedicated to customer service and claims processing for the GTL and AD&D plans?
- 60) Indicate the average number of telephone calls received by the vendor customer service unit over the past six (6) months on a weekly basis.
- 61) How are after-hours calls to customer service handled?
- 62) Does the vendor's customer service system support TTY, also known as TDD (Telecommunications Device for the Deaf) technologies?

- 63) How does the vendor's customer service system support Spanish-speaking participants? What other languages can the vendor's customer service system support?
- 64) How will the customer service unit be staffed? What is the turnover rate for vendor's non-management call center staff?
- 65) Briefly describe the training that each employee or representative receives to provide customer service. Include the length of time it takes to advance from training to a qualified Customer Service Representative (CSR).
- 66) How does the vendor ensure that its CSRs are providing timely and accurate information?
- 67) How does the vendor monitor first-call resolution and member inquiries that do not get resolved?
- 68) Does the vendor's customer service inquiry system allow CSRs to enter information and provide the ability for CSRs to review previous notes to better assist members?
- 69) Can CSRs view historical call and claims information online to assist participants?
- 70) Does the vendor record all phone calls and notify all parties that their conversations are being electronically recorded and stored? If not, how many calls are recorded, and what criteria are used in their selection?
- 71) Will System have the ability to listen to customer service calls in Austin?
- 72) Describe how the vendor handles written inquiries. Are they always responded to in writing? How will correspondence (including complaints) received by the System from participants be handled by the vendor?
- 73) What is the vendor's current standard for response time with respect to questions requiring written communication?
- 74) Describe the vendor's procedures for handling and escalation of customer service complaints.
- 75) Confirm that the vendor's proposal contains no provision for "binding arbitration" in a complaint procedure and that no such provision shall be utilized with regard to System GTL and AD&D plan participants.
- 76) Describe the customer complaint tracking system that the vendor utilizes. How long has this system been in place?
- 77) Describe any changes that are planned or scheduled within the next 36 months for the vendor's computer systems, including Customer Support changes, and provide timelines for when the changes will be implemented to the existing computer system.

12.14 CLAIMS ADMINISTRATION

- 78) Describe in detail the claims processing facilities and procedures you will use if you are selected to administer the System GTL and AD&D plans. This response should include the following:

- a) Where will your organization process claims? What are your hours of operation?
 - b) Describe the size and composition of the staff that you will assign to the processing of System GTL and AD&D claims.
 - c) Describe your hiring and training practices with respect to claims examiners, processors and data entry operators.
 - d) Describe the claims processing system that you would utilize in processing claims. How long has this system been operational?
 - e) If applicable, are GTL or AD&D claims filed telephonically or by paper? If telephonic, describe the experience of the staff handling these calls.
 - f) Describe any other aspect of the claims processing that you believe would be beneficial in the review of this proposal.
- 79) For the claims office that would be processing claims for System participants, please provide the following statistics for all claims processed and paid by your organization during the most recent 12-month period:

	Company Standard	Actual
Claims Payment Accuracy		
Claims Processing Accuracy		
Financial Accuracy		
Average Turnaround Time		

- 80) Describe your organization's process regarding the evidence of insurability applications for underwriting, tracking and notification of approval or denial to the applicant. In addition, describe the process for notifying the System and its respective locations of evidence of insurability application results.
- 81) Confirm your organization's ability to provide the System with a process for evidence of insurability application review that will guarantee efficiency and accountability for applications that are submitted. Once confirmed, please explain what this process will be.
- 82) Confirm that the System will be provided with a specific contact regarding evidence of insurability applications. State where this contact person will be located.
- 83) How do your claims processing system interact with enrollment information?
- 84) Does your organization have the ability to match the System enrollment against EOI/underwriting files to determine if the person 1) entered the program during their initial period of eligibility (first 31 days of benefits eligible employment), or 2) through an EOI approval? If no, describe how your organization handles a claim from an employee who has been covered and has paid premium and then presents a

claim? Does the length of time covered and number of premium payments play a part in the decision to approve or decline the claim?

- 85) Describe the nature and extent of claims processing quality assurance review procedures, including review work performed to ensure that data is accurate and complete. Is the quality review conducted on a prospective or retrospective basis? What is the frequency of such reviews?
- 86) Will you have a dedicated team to process claims for System GTL and AD&D plan participants? If so, describe their location, number and experience of dedicated staff.
- 87) Can a claims processor or customer service representative view historical claims information and beneficiary designation information online? Can a participant view their claims and designated beneficiary or beneficiaries online? Can OEB have access to an online claims and beneficiary designation information system in the event we need to review claims or request reports? Can a participant change their beneficiary designation online?
- 88) Confirm that your proposal has no provision for “binding arbitration” in a complaint procedure and that no such provision shall be utilized with regard to System employees.
- 89) Explain the process for obtaining medical records required to pay a claim. If records are needed, state who is responsible for the cost of the records.
- 90) Provide the average time involved in approving or denying a GTL, AD&D and waiver of premium claim.
- 91) After a GTL or AD&D claim has been approved for payment of benefits, state the time period in which your organization will release payment of funds.
- 92) Describe the payment of fund options available for the beneficiary of GTL and AD&D claims, once your organization has notified them a claim will be eligible for payment. State the time period in which these payment options will be made available to the beneficiary.
- 93) With regard to GTL and AD&D claims, state the time period in which a beneficiary must submit a claim following the death of the participant.
- 94) With regard to GTL and AD&D claims, state how long claim records will be maintained.
- 95) Describe your organization’s GTL, AD&D and waiver of premium claims filing process.
- 96) After a waiver of premium claim has been approved, state when a waiver of premium becomes effective following an approval by your claims department.
- 97) With regard to waiver of premium claims, describe any programs designed to assist a disabled employee to return to work.
- 98) Please confirm a person returning from waiver of premium back to active employment or transitioning to regular retirement will be permitted to enroll in coverage in the amount of coverage as an active employee prior to waiver of premium, or the retiree maximum without EOI (if previously covered up to the maximum).
- 99) Do you have a process to expedite the life insurance premium waiver? If so, please describe.

- 100) Provide the System with a sample GTL and AD&D Claim form, Evidence of Insurability (EOI) application, Waiver of Premium application, Beneficiary Designation form, and Conversion application. In addition, please provide a copy of any additional forms necessary to complete a transaction involving any additional benefit or definition being proposed.

12.15 CLAIMS APPEAL PROCEDURES

- 101) Provide a detailed description of the grievance and appeals process for benefits provided by your organization.

12.16 COST CONTAINMENT

- 102) Provide a detailed description of the procedures and systems that the vendor uses to prevent, deter, detect and investigate fraud or related issues, and explain how such processes shall be utilized in connection with the System's GTL and AD&D plans.

12.17 QUALITY ASSURANCE

- 103) Does the vendor currently perform overall participant satisfaction surveys? If so, does an outside organization perform the surveys? Please provide a copy of the latest survey and its results, including the percentage of participants who indicated that they were "satisfied" or "very satisfied" with the overall program.

12.18 INFORMATION SECURITY

- 104) Provide a detailed description of the vendor's information technology security program that would be applicable to System data collected and/or maintained by the vendor. Include, at a minimum, the following details:
- a) Does the vendor have an information security plan in place, supported by security policies and procedures, to ensure the protection of information and information resources? If so, provide an outline of the plan and note how often it is updated. If not, describe what alternative methodology the vendor uses to ensure the protection of information and information resources.
 - b) Describe the procedures and tools used for monitoring the integrity and availability of the information systems interacting with the service proposed, detecting security incidents, and ensuring timely remediation.
 - c) Describe the physical access controls used to limit access to the vendor's data center and network components.
 - d) Does the vendor provide the capability to use local credentials (i.e., federated authentication) for user authentication and login? If yes, describe how the vendor provides that capability.

- e) Does the vendor allow for multiple security levels of access based on affiliation (e.g., staff, faculty, and student) and roles (e.g., system administrators, analysts, and information consumers), and organizational unit (e.g., college, school, or department)? If yes, describe how the vendor provides for multiple security levels of access.
- f) Does the vendor provide the capability to limit user activity based on user affiliation, role, and/or organizational unit (i.e., who can create records, delete records, create and save reports, run reports only, etc.)? If yes, describe how the vendor provides that capability. If no, describe what alternative functionality is provided to ensure that users have need-to-know based access to System data.
- g) What administrative safeguards and best practices does the vendor have in place to vet vendor's and third-parties' staff members that would have access to the environment hosting System data to ensure need-to-know-based access?
- h) What procedures and best practices does Proposer have in place to ensure that user credentials are updated and terminated as required by changes in role and employment status?
- i) What procedures and best practices does the vendor follow to harden all information systems that would interact with the service proposed, including any systems that would hold, process, or from which System data might be accessed?
- j) If the vendor were selected, would the vendor agree to a vulnerability scan by System of all information systems that would interact with the service proposed, including any systems that would hold, process, or from which System data might be accessed? If the vendor objects to a vulnerability scan, describe in detail the reasons for objection.
- k) Does the vendor have a data backup and recovery plan, supported by policies and procedures, in place for the hosted environment? If so, provide an outline of the plan and note how often it is updated. If not, describe what alternative methodology the vendor uses to ensure the restoration and availability of System data.
- l) Does the vendor encrypt data backups? If so, describe the methods used to encrypt backup data. If not, what alternative safeguards will the vendor use to protect System data backups against unauthorized access?
- m) Does the vendor encrypt data in transit and at rest? If so, describe how that security is provided. If not, what alternative methods are used to safeguard data in transit and at rest?
- n) What technical security measures does the vendor propose to detect and prevent unintentional (accidental) and intentional corruption or loss of System data?
- o) What safeguards does the vendor have in place to segregate System and other customers' data to prevent accidental or unauthorized access to System data?

- p) What safeguards does the vendor have in place to prevent the unauthorized use, reuse, distribution, transmission, manipulation, copying, modification, access, or disclosure of System data?
- q) What administrative safeguards and best practices does the vendor employ with respect to staff members (vendor and third-party) who would have access to the environment hosting all information systems that would interact with the service proposed, including any information systems that would hold, process, or from which System data may be accessed, to ensure that System data and resources will not be accessed or used in an unauthorized manner.
- r) What procedures and safeguards does the vendor have in place for sanitizing and disposing of System data according to prescribed retention schedules or following the conclusion of a project or termination of a contract to render System data unrecoverable and prevent accidental and unauthorized access to System data? Describe the degree to which sanitizing and disposal processes addresses System data that may be contained within backup systems. If System data contained in backup systems is not fully sanitized, describe processes in place that would prevent subsequent restoration of backed-up System data.
- s) Describe the procedures and methodology in place to detect information security breaches and notify customers in a manner that meets the requirements of Texas breach notification laws.
- t) Describe the procedures the vendor has in place to isolate or disable all information systems that would interact with the service proposed, including systems that would hold, process, or from which Institution data might be accessed, when a security breach is identified?
- u) Describe the procedures and methodology the vendor has in place to detect information security breaches, including unauthorized access by vendor's and subcontractor's own employees and agents and provide required notifications in a manner that meets the requirements of the state breach notification law.
- v) Describe the safeguards in place to ensure that all information systems that would interact with the service proposed, including any systems that would hold, process, or from which System data might be accessed, reside within the United States.
- w) What additional administrative, technical, and physical security controls does the vendor have in place or plan to put in place?
- x) List and describe any regulatory or legal actions taken against the vendor for security or privacy violations or security breaches or incidents, including the final outcome.

12.19 DATA EXCHANGE AND PROCESSING

- 105) Confirm that the vendor can accept and properly manage eligibility and other key GTL and AD&D plan data using the dataset layouts as described in this RFP, including the Benefit Enrollment and Maintenance Transaction Set (ASC X12N 834).
- 106) Confirm that the vendor has the capability to accept enrollment data via SFTP on a real-time basis.
- 107) Confirm that the vendor will comply with the requirement to provide to System a monthly dataset that includes details as specified in this RFP.
- 108) Confirm that the vendor has the ability to comply with the user-authentication requirements for the System-specific GTL and AD&D plan website as described in this RFP, including the use of SAML-based authentication (v2.0).
- 109) Describe the vendor's ability to provide automated notification upon receipt of eligibility data as well as automated, timely notifications confirming either successful load or failure to load for each eligibility dataset received from System.
- 110) Explain how the vendor plans to ensure that it meets all requirements regarding protecting the confidentiality of Social Security numbers as outlined in this RFP, including the requirements of the Texas Business and Commerce Code, CONFIDENTIALITY OF SOCIAL SECURITY NUMBER.
- 111) Describe the vendor's experience with automated enrollment systems, including any specific automated systems that the organization has worked with.
- 112) Explain how data is entered into the vendor's eligibility system. Provide a data flow diagram of the process to receive, audit, and load eligibility datasets, including an indication of whether the diagram refers to a current or proposed system. If documenting a proposed system, the anticipated implementation date should be included.
- 113) What is the location of the computer system that maintains and hosts the vendor's eligibility system and data? Is a third-party application used for entering data into the vendor's eligibility system or was proprietary software developed in-house?
- 114) Upon receipt of eligibility datasets from System, can the vendor's eligibility system produce a detailed error report indicating which records have been accepted for loading and which have been rejected? Will such reports be provided following each eligibility transmission?
- 115) Discuss the staffing and capabilities of the vendor's team that would be responsible for managing information systems and data for the GTL and AD&D plans.
- 116) How soon after receiving eligibility data from the System would updates be reflected in the vendor's eligibility system?
- 117) Describe the vendor's process for implementing changes to the benefit plan design. How much advance notice is required for a change to be made in the vendor's information system?

- 118) What quality assurance processes are integrated into the vendor's information systems to ensure accurate programming of the initial benefit plan design and to improve the accuracy of programming related to plan design changes during the contract period?
- 119) Confirm the vendor's ability to accept emergency updates to GTL and AD&D plan eligibility, as specified in this RFP.

12.20 COMMUNICATIONS

- 120) Provide a copy of all written materials to be used in administering the System GTL and AD&D plan coverage. As a minimum, your response should include the following:
 - a) Annual Enrollment/Marketing Packets: Include copies of proposed marketing materials. Include all plan exclusions or limitations. Also include all proposed newspaper, billboard, television, and radio advertisements for Annual Enrollment.
 - b) Post enrollment member packets: Include a copy of the proposed benefits books, including a complete description of benefits provided, limitations, and exclusions. Note that the benefits provided must be those presented in this RFP. No deviations from these required benefits shall be allowed, with the exception of any additional optional benefits specifically stated in this RFP.
- 121) Provide a complete description of the resources and procedures that you intend to apply to the program in connection with the communication of the plan as described in this RFP.
- 122) Explain in detail the services that will be available at no additional cost to System regarding communications and participation of the vendor's personnel at employee/retiree meetings during Annual Enrollment periods.
- 123) Confirm that the vendor will provide personnel to attend the annual Benefits and HR Conference and employee/retiree meetings during Annual Enrollment on a statewide basis? Would the vendor be willing to provide personnel for meetings held outside of regular business hours in order to accommodate System institutions that have 24-hour facilities? How many meetings will the vendor attend?
- 124) Confirm that the vendor will assist the System in developing necessary materials for disseminating Annual Enrollment information to employees during the System Annual Enrollment period.
- 125) Confirm that the vendor will provide the System with a preview of all communications designed to notify participants of features or issues regarding the GTL and AD&D plans prior to disseminating any communications directly to participants.
- 126) Confirm a copy of all written materials to be used in administering the System GTL and AD&D plans have been included in response to this RFP. Note that the benefits provided must be those presented in this RFP.
- 127) Confirm a complete description of the resources and procedures that you intend to apply to the program in connection with those services required in the communication of the plan as described in this RFP has been provided.

- 128) Confirm that the vendor understands and will comply with the required technical specifications for the System-specific website as specified in this RFP and that the Electronic and Information Resources (EIR) Accessibility Checklist, included in Appendix I to this RFP, has been completed and included with this response.
- 129) Confirm the vendor's ability to conform to the Web Accessibility Initiative at www.w3.org/WAI to ensure that website content can be read by the majority of viewers, and to meet the requirements of the Americans with Disabilities Act.

12.21 PERFORMANCE STANDARDS AND REPORTING

- 130) Describe the vendor's current reporting capability. Provide samples of utilization and administrative performance reports currently available to contracting plans. How often are reports prepared? Describe the method that the vendor would use to determine the cost of any special reports that might be requested by System.
- 131) Confirm that the vendor is able to provide all of the detailed information required in the quarterly Administrative Performance Report template, included in Appendix F to this RFP. Please provide copies of sample administrative performance reports meeting the requirements.
- 132) If the vendor is unable to provide all of the information requested in the Administrative Performance Requirements Report template included as Appendix F to this RFP, please describe in detail the information that cannot be provided and explain why it cannot be provided.
- 133) Confirm that the vendor understands that the failure to meet specific performance standards may result in the assessment of associated performance penalties, as described in Section 10 of this RFP.

12.22 PREMIUM RATES FOR THE GTL AND AD&D PLANS

- 134) Confirm that the vendor's proposed premium rates are guaranteed for a minimum of three years, beginning September 1, 2016 through August 31, 2019.
- 135) State whether the vendor will guarantee the proposed premium rates for a period longer than the initial three-year period.
- 136) State whether the vendor will offer any guarantee of maximum increases for future years. If so, state these guarantees.
- 137) Confirm that the vendor's proposed rates include all required services as specified in this RFP, and that the required services will have no extra fees.
- 138) Confirm that the vendor's proposed rates do not include a provision for state taxes.
- 139) Confirm that the vendor does not have minimum participation requirements for the premium rates quoted in Section 13 of this RFP.
- 140) Describe any services contained in your proposal that will not be covered by the premium rates quoted in your response. Does your organization have special start-up fees?

- 141) Provide the vendor's conversion of coverage options and the associated rates for an individual whose coverage ends or decreases due to loss of eligibility.
- 142) As described in this RFP, the System will remit payment of the premiums to the vendor within 90 days from the beginning of the coverage period. Section 51.012, Texas Education Code, authorizes the System to make any payment through electronic funds transfer methods (ACH or Wire). Vendor agrees to provide banking information in writing on company letterhead signed by an authorized individual. Any changes to bank information must be communicated to the System in writing at least thirty (30) days in advance of the effective date of the change and include a copy of a signed IRS Form W-9. Confirm that the vendor understands and agrees to this provision.

12.23 INTEREST RATE

- 143) Indicate the interest rate or the basis for determining the interest rate that will be used for annual accounting purposes for the GTL coverage(s).

12.24 DISCLOSURE OF CONTROLLING INTEREST

- 144) Confirm agreement to comply with Parties Statute and 1 Texas Administration Code Sections 46.1 through 46.3 ("Disclosure of Interested Parties Regulations") as implemented by the Texas Ethics Commission ("TEC"), including, among other things, providing the TEC and University with the information required by the Disclosure of Interested Parties Statute and the Disclosure of Interested Parties Regulations on the form promulgated by the TEC and set forth in Appendix J.

13.0 PROPOSAL RESPONSE FORMAT

This section includes the formats a vendor must use in presenting the proposed monthly premium rates for each plan of coverage.

13.1 GENERAL INFORMATION

13.1.1 ENROLLMENT

The enrollment assumptions shown in Appendix C will be utilized by the System in comparing and analyzing the proposed premium rates. While these enrollment numbers are the System's best estimate of plan year 2015-2016 enrollment and will be utilized to facilitate proposal analysis, the vendor must recognize that a variety of factors will influence actual enrollment. These factors include, but are not limited to, increases in employee salary, changes in other payroll deduction amounts, etc. In addition, the System will not guarantee a minimum participation rate for these plans.

13.1.2 PREMIUM TAXES

In accordance with the Texas Insurance Code, no premium, maintenance or administrative service taxes will be levied on the vendor selected to underwrite and administer the coverages described herein.

13.1.3 PREMIUM RATE GUARANTEES AND ADJUSTMENTS

In rating the proposed program, it is required that the rates contained in your response be guaranteed for a three-year period commencing on September 1, 2016 through August 31, 2019.

13.1.4 RESPONSES REQUIRED FOR ALL PLANS

To be eligible for consideration, a vendor must submit a proposal for both the GTL and AD&D plans. A response that excludes one of the coverages will not be considered.

13.1.5 NO LOSS / NO GAIN

The vendor must certify that no person currently covered by the System plan will experience a loss of benefits or a loss of coverage as a result of a change of vendor. An employee or retired employee must be able to maintain all coverage(s) in effect as of August 31, 2016 during the 2016-2017 plan year without being required to fulfill any evidence of insurability, active service, or preexisting condition requirements.

13.1.6 LEGISLATIVE MANDATE

If, subsequent to the submission of a response prepared in accordance with these specifications, Federal or State legislation or regulation is enacted or interpreted in a manner which materially impacts the coverages which are the subject of this RFP, the System shall enter into good faith negotiations with the vendor selected to underwrite and administer the program to arrive at mutually agreeable adjustments to

the rates submitted in response to these specifications so as to appropriately reflect the anticipated impact of such legislation.

13.1.7 PREMIUM RATE FORMAT

All proposed monthly premium rates in the charts in Sections 13 of this RFP must be submitted with three (3) digits to the right of the decimal point.

13.1.8 SPECIAL CONTINGENCY RESERVE

It is the System's intent that no special contingency reserve will transfer to the new contract. Each vendor's proposal should assume that the reserve has a balance of \$0 effective September 1, 2016.

13.2 PROPOSED MONTHLY PREMIUM RATES FOR CURRENT BENEFITS (AS DESCRIBED IN APPENDICES A-1 AND A-2)

13.2.1 BASIC GROUP TERM LIFE PREMIUM RATES

FOR ACTIVE EMPLOYEES AND RETIRED EMPLOYEES

BASIC GROUP TERM LIFE effective September 1, 2016 through August 31, 2019 Active Employee: \$20,000 Basic GTL Retired Employee: \$6,000 Basic GTL			
Category	Claims	Vendor Retention	Proposed Monthly Rate (to 3 decimal places)
Active Employee			
Retired Employee			

BASIC GROUP TERM LIFE effective September 1, 2016 through August 31, 2019 Active Employee: \$30,000 Basic GTL Retired Employee: \$6,000 Basic GTL			
Category	Claims	Vendor Retention	Proposed Monthly Rate (to 3 decimal places)
Active Employee			
Retired Employee			

BASIC GROUP TERM LIFE effective September 1, 2016 through August 31, 2019 Active Employee: \$40,000 Basic GTL Retired Employee: \$6,000 Basic GTL			
Category	Claims	Vendor Retention	Proposed Monthly Rate (to 3 decimal places)
Active Employee			
Retired Employee			

Continued on next page

Company Name

Authorized Signature

Date

Title of Signer

Continued on next page

13.2.2 VOLUNTARY GROUP TERM LIFE PREMIUM RATES

FOR ACTIVE EMPLOYEES AND RETIRED EMPLOYEES

VOLUNTARY GROUP TERM LIFE (Blended Rates)* effective September 1, 2016 through August 31, 2019 Active Employee: 1 to 10 times annual earnings to maximum of \$2.0 million Retired Employee: \$7,000; \$10,000; \$50,000			
Employee Age	Claims**	Vendor Retention	Total Proposed Monthly Rate Per \$1,000 of Coverage (to 3 decimal places)
15-19			
20-24			
25-29			
30-34			
35-39			
40-44			
45-49			
50-54			
55-59			
60-64			
65-69			
70-74			
75-79			
80-84			
85-90			
90 & Over			

*The claims rate will serve as the pooling charge applicable to coverage amounts in excess of \$750,000 per individual.

Company Name

Authorized Signature

Date

Title of Signer

Continued on next page

13.2.3 VOLUNTARY GROUP TERM LIFE PREMIUM RATES

FOR ACTIVE EMPLOYEES AND RETIRED EMPLOYEES

VOLUNTARY GROUP TERM LIFE (Blended Rates)* effective September 1, 2016 through August 31, 2019 Active Employee: 1 to 10 times annual earnings to maximum of \$2.0 million Retired Employee: \$7,000; \$10,000; \$50,000; or \$100,000			
Employee Age	Claims**	Vendor Retention	Total Proposed Monthly Rate Per \$1,000 of Coverage (to 3 decimal places)
15-19			
20-24			
25-29			
30-34			
35-39			
40-44			
45-49			
50-54			
55-59			
60-64			
65-69			
70-74			
75-79			
80-84			
85-90			
90 & Over			

*The claims rate will serve as the pooling charge applicable to coverage amounts in excess of \$750,000 per individual.

Company Name

Authorized Signature

Date

Title of Signer

Continued on next page

13.2.4 VOLUNTARY GROUP TERM LIFE PREMIUM RATES

FOR SPOUSES OF ACTIVE EMPLOYEES

SPOUSE VOLUNTARY GROUP TERM LIFE effective September 1, 2016 through August 31, 2019 Spouse of Employee: Coverage Equal to Either \$15,000 or \$40,000			
Spouse Age	Claims	Vendor Retention	Total Proposed Monthly Rate Per \$1,000 of Coverage (to 3 decimal places)
15-19			
20-24			
25-29			
30-34			
35-39			
40-44			
45-49			
50-54			
55-59			
60-64			
65-69			
70-74			
75-79			
80-84			
85-90			
90 & Over			

Company Name

Authorized Signature

Date

Title of Signer

Continued on next page

13.2.5 VOLUNTARY GROUP TERM LIFE DEPENDENT RIDER

FOR SPOUSES AND DEPENDENT CHILDREN OF ACTIVE EMPLOYEES

DEPENDENT RIDER effective September 1, 2016 through August 31, 2019 For Spouse and Dependent Children of Active Employee Spouse Coverage: \$10,000 Each Dependent Child Coverage: \$10,000		
Claims	Vendor Retention	Total Proposed Monthly Rate (to 3 decimal places)

Company Name

Authorized Signature

Date

Title of Signer

Continued on next page

13.2.6 VOLUNTARY GROUP TERM LIFE DEPENDENT RIDER

FOR SPOUSES OF RETIRED EMPLOYEES

DEPENDENT RIDER effective September 1, 2016 through August 31, 2019 For Spouses of Retired Employees Spouse Coverage: \$3,000		
Claims	Vendor Retention	Total Proposed Monthly Rate (to 3 decimal places)

* EOI is required for enrollment. Exception: EOI is not required if when an Employee retires, the Retired Employee may reduce the spouse Voluntary GTL coverage to \$3,000 if at least that amount of coverage was in effect on the day immediately prior to the effective date of retirement.

Company Name

Authorized Signature

Date

Title of Signer

Continued on next page

13.2.7 AD&D MONTHLY PREMIUM RATES

FOR ACTIVE EMPLOYEES AND THEIR DEPENDENTS

AD&D Monthly Premium Rates effective September 1, 2016 through August 31, 2019	
	Total Proposed Monthly Rate Per \$1,000 of Coverage (to 3 decimal places)
Basic and Voluntary AD&D	
Spouse and Dependent Child(ren) AD&D	

Company Name

Authorized Signature

Date

Title of Signer

14.0 SIGNATURE PAGE FOR GROUP TERM LIFE AND ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE PROPOSAL

In accordance with the attached proposal(s), _____

(Print Name of Organization)

hereby agrees, if selected by The University of Texas System, to enter into negotiations for a Contract to provide GTL and AD&D insurance for at least the three year period beginning September 1, 2016. I have read the RFP from which this page is taken and verify that the above named organization can meet the requirements outlined.

The Number of Addenda to this RFP reviewed is _____

.....
The Primary Contact Person regarding this proposal is:

Name _____

Title _____

Mailing Address _____

Telephone # _____ Fax # _____

Email Address _____

.....
Printed Name of Individual Signing this Form _____

Title _____

Mailing Address _____

City _____ State _____ Zip _____

I hereby certify that I have the authority to bind the above named organization.

Signature of Individual Signing this Form

Date

15.0 APPENDICES

APPENDIX A: Current Schedule of Benefits

A-1: GROUP TERM LIFE

A-2: ACCIDENTAL DEATH AND DISMEMBERMENT

APPENDIX B: Dataset Requirements

APPENDIX C: Enrollment and Plan Experience Data

APPENDIX D: Chapter 1601, Texas Insurance Code

APPENDIX E: Required Definitions

APPENDIX F: Administrative Performance Report Template

APPENDIX G: Sample Contract

APPENDIX H: Historically Underutilized Business (HUB) Program

APPENDIX I: Electronic and Information Resources (EIR) Accessibility Requirements

APPENDIX J: Required Texas Ethics Commission Controlling Interest Disclosure Form

Term Life Insurance

Employee Benefit Booklet



THE UNIVERSITY OF TEXAS SYSTEM

Group Number: GFZ71778-0001

Class 1-01

Products and services marketed under the Dearborn National® brand and the star logo are underwritten and/or provided by Dearborn National® Life Insurance Company (Downers Grove, IL) in all states (excluding New York), the District of Columbia, the United States Virgin Islands, the British Virgin Islands, Guam and Puerto Rico.

11/09/2012
Appendix IA



Underwritten by Dearborn National® Life Insurance Company

(A stock life insurance company, herein called “We” “Us” or “Our”)

Administrative Office:
1020 31st Street
Downers Grove, IL 60515-5591

CERTIFICATE OF COVERAGE

We agree to pay benefits subject to the provisions, definitions, limitations, and conditions of the master policy. The master policy (herein called the Policy) is a contract issued by Dearborn National® Life Insurance Company (Dearborn National) to Your Employer (herein called the Policyholder). The Policy may be changed at any time by a written agreement between Dearborn National and the Policyholder.

This is Your certificate of coverage as long as You are eligible for insurance. It is not a contract or a part of one. Your benefits are described in plain English, but a few terms and provisions are written as required by insurance law.

PLEASE READ CAREFULLY

If You have any questions, please contact the Benefits Administrator at Your place of employment or write to us. We will assist You in any way we can to help You understand Your benefits.

Handwritten signature of William R. Barnes in black ink.

Secretary

Handwritten signature of Craig K. Hardyke in black ink.

President

Death Benefits will be reduced if an accelerated death benefit is paid.

DISCLOSURE: The Accelerated Death Benefit offered under this Policy is intended to qualify for favorable tax treatment under the Internal Revenue Code of 1986. If the Accelerated Death Benefit qualifies for such favorable tax treatment, the benefits will be excluded from the insured Employee’s income and not subject to federal taxation. Tax laws relating to Accelerated Death Benefits are complex. The insured Employee is advised to consult with a qualified tax advisor about circumstances under which he or she could receive the Accelerated Death Benefit excludable from income under federal law.

Receipt of the Accelerated Death Benefit payment may affect the insured Employee, his or her spouse, or his or her family’s eligibility for public assistance such as medical assistance (Medicaid), Aid to Families with Dependent Children (AFDC), Supplementary Social Security Income (SSI), and drug assistance programs. The insured Employee is advised to consult with a qualified tax advisor and with social service agencies concerning how receipt of such payment will affect the insured Employee, his or her spouse, or his or her family’s eligibility for public assistance.

READ YOUR CERTIFICATE CAREFULLY

<p style="text-align: center;">Group Insurance Certificate Term Life Insurance with Accelerated Death Benefit, and Dependent Life Insurance</p>
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Products and services marketed under the Dearborn National® brand and the star logo are underwritten and/or provided by Dearborn National® Life Insurance Company (Downers Grove, IL) in all states (excluding New York), the District of Columbia, the United States Virgin Islands, the British Virgin Islands, Guam and Puerto Rico.

***IMPORTANT INFORMATION ABOUT COVERAGE UNDER THE
TEXAS LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION
(For insurers declared insolvent or impaired on or after September 1, 2011)***

Texas law establishes a system to protect Texas policyholders if their life or health insurance company fails. The Texas Life and Health Insurance Guaranty Association (“the Association”) administers this protection system. Only the policyholders of insurance companies that are members of the Association are eligible for this protection which is subject to the terms, limitations, and conditions of the Association law. (The law is found in the *Texas Insurance Code*, Chapter 463.)

It is possible that the Association may not protect all or part of your policy because of statutory limitations.

Eligibility for Protection by the Association

When a member insurance company is found to be insolvent and placed under an order of liquidation by a court or designated as impaired by the Texas Commissioner of Insurance, the Association provides coverage to policyholders who are:

- Residents of Texas (**regardless of where the policyholder lived when the policy was issued**)
- Residents of other states, ONLY if the following conditions are met:
 1. The policyholder has a policy with a company domiciled in Texas;
 2. The policyholder’s state of residence has a similar guaranty association; and
 3. The policyholder is *not eligible* for coverage by the guaranty association of the policyholder’s state of residence.

Limits of Protection by the Association

Accident, Accident and Health, or Health Insurance:

- For each individual covered under one or more policies: up to a total of \$500,000 for basic hospital, medical-surgical, and major medical insurance, \$300,000 for disability or long term care insurance, or \$200,000 for other types of health insurance.

Life Insurance:

- Net cash surrender value or net cash withdrawal value up to a total of \$100,000 under one or more policies on a single life; or
- Death benefits up to a total of \$300,000 under one or more policies on a single life; or
- Total benefits up to a total of \$5,000,000 to any owner of multiple non-group life policies.

Individual Annuities:

- Present value of benefits up to a total of \$250,000 under one or more contracts on any one life.

Group Annuities:

- Present value of allocated benefits up to a total of \$250,000 on any one life; or
- Present value of unallocated benefits up to a total of \$5,000,000 for one contractholder regardless of the number of contracts.

Aggregate Limit:

- \$300,000 on any one life with the exception of the \$500,000 health insurance limit, the \$5,000,000 multiple owner life insurance limit, and the \$5,000,000 unallocated group annuity limit.

These limits are applied for each insolvent insurance company.

Insurance companies and agents are prohibited by law from using the existence of the Association for the purpose of sales, solicitation, or inducement to purchase any form of insurance. When you are selecting an insurance company, you should not rely on Association coverage. For additional questions on Association protection or general information about an insurance company, please use the following contact information.

Texas Life and Health Insurance Guaranty
Association
515 Congress Avenue, Suite 1875
Austin, Texas 78701
800-982-6362 or www.txlifega.org

Texas Department of Insurance
P.O. Box 149104
Austin, Texas 789714-9104
800-252-3439 or www.tdi.state.tx.us

IMPORTANT NOTICE

To obtain information or make a complaint:

You may call Dearborn National[®] Life Insurance Company's toll-free telephone number for information or to make a complaint at

1-800-633-3696

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at

1-800-252-3439

You may write the Texas Department of Insurance

P. O. Box 149104
Austin, TX 78714-9104

Fax: (512) 475-1771

Web: <http://www.tdi.state.tx.us>

E-mail: ConsumerProtection@tdi.state.tx.us

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim, you should contact the company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY: This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORTANTE

Para informacion o para someter una queja:

Usted puede llamar al numero de telefono gratis de Dearborn National[®] Life Insurance Company para informacion o para someter una queja al

1-800-633-3696

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al

1-800-252-3439

Puede escribir al Departamento de Seguros de Texas

P. O. Box 149104
Austin, TX 78714-9104

Fax: (512) 475-1771

Web: <http://www.tdi.state.tx.us>

E-mail: ConsumerProtection@tdi.state.tx.us

DISPUTAS SOBRE PRIMAS O

RECLAMOS: Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con la compania primero. Si no se resuelve la disputa, puede entonces comunicarse con al Departamento (TDI).

UNA ESTE AVISO A SU POLIZA:

Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.

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<p>SCHEDULE OF BENEFITS</p> <p>Active Employees and Retired Employees of the System</p>

Effective September 1, 2012

BASIC GROUP TERM LIFE INSURANCE
(Basic GTL)

BENEFIT DESCRIPTION	EMPLOYEE ⁽¹⁾	RETIRED EMPLOYEE
Benefit Amount	\$20,000	\$6,000
Guarantee Issue	Total amount	The amount of Basic GTL in force under the Prior Plan on the last day before benefits under this plan were effective.
Paid for by	The System ⁽²⁾	The System
<p>⁽¹⁾ Employee is defined in the Eligibility provision and includes Active Employees who participate in a System sponsored medical plan, as well as Active Employees who participate in an alternative UT System health institution life plan provided by individual health institutions.</p> <p>⁽²⁾ For part-time employees, the System will only provide ½ of the premium sharing. The remaining ½ of the premium payment is the part-time employee's responsibility.</p>		

VOLUNTARY GROUP TERM LIFE INSURANCE
(Employee/Retired Employee Voluntary GTL – Available with or without Basic GTL)

BENEFIT DESCRIPTION	EMPLOYEE ⁽¹⁾⁽²⁾	RETIRED EMPLOYEE
Benefit Amount	Annual Compensation rounded to the next higher \$1,000 multiplied by choice of 1 to 6 times	\$7,000, \$10,000 \$25,000 or \$50,000
Guarantee Issue	Annual Compensation rounded to the next higher \$1,000 multiplied by choice of 1 to 3 times	The amount of Voluntary GTL in force under the Prior Plan on the last day before benefits under this plan were effective.
Maximum Voluntary GTL Benefit	\$1,500,000	\$50,000
Paid for by	Employee ⁽¹⁾⁽²⁾	Retired Employee
<p>⁽¹⁾ Employee, for the purposes of Voluntary GTL, is defined in the Eligibility provision and includes any benefits eligible Active Employee who participates in a System medical plan, as well as Employees who waive participation in the System medical plan. It does not include Active Employees who participate in an alternative UT System health institution life plan.</p> <p>⁽²⁾ Employees with medical coverage from another source may waive medical coverage and receive 50% (full-time) or 25% (part-time) of the state's premium sharing amount to pay premium(s) for Voluntary GTL (up to first \$50,000), Dependent VGTL or Voluntary Spouse GTL.</p>		

<p>SCHEDULE OF BENEFITS (Continued)</p> <p>Active Employees and Retired Employees of the System</p>

VOLUNTARY GROUP TERM LIFE INSURANCE
(Dependent GTL – Spouse and Children)

BENEFIT DESCRIPTION	EMPLOYEE	RETIRED EMPLOYEE
Dependent Voluntary GTL Benefit Amount (Spouse and Children)	\$10,000**	Not available
Guarantee Issue	\$10,000 (spouse and each benefits eligible child)	Not applicable
Paid for by	Employee	Not applicable
Voluntary Spouse GTL Benefit Amount *	\$15,000 or \$40,000	\$3,000
Guarantee Issue	No Guarantee Issue (EOI required for both \$15,000 and \$40,000)	<p>Retired prior to September 1, 2010: No Guarantee Issue (EOI required)</p> <p>Retired on or after September 1, 2010:</p> <ul style="list-style-type: none"> • Active Employee with Voluntary Spouse GTL retires with no break in coverage between last day of employment and first day of retirement: Guarantee Issue (No EOI required) • Active Employee without Voluntary Spouse GTL or has break between last day of employment and first day of retirement: No Guarantee Issue (EOI required to enroll Voluntary Spouse GTL)
Paid for by	Employee	Retired Employee
<p>* Employee must have Voluntary GTL of at least 1 times Annual Compensation and Dependent Voluntary GTL coverage to purchase the Voluntary Spouse GTL coverage. Retired Employee must have Voluntary GTL coverage to purchase the Voluntary Spouse GTL coverage.</p> <p>** Employee must be enrolled in Employee Voluntary GTL in order to purchase Dependent Voluntary GTL coverage.</p>		

<p>SCHEDULE OF BENEFITS (Continued) Active Employees and Retired Employees of the System</p>

**Grandfathered Benefits for
 Certain Employees Who Retired prior to September 1, 2004**

RETIRED EMPLOYEE DESCRIPTION	GTL ⁽¹⁾
All Retired Employees of the System who retired prior to September 1, 2004 and were covered for amounts other than the current Retired Employee schedule allowed for Basic and Voluntary GTL	\$6,000
<p>⁽¹⁾ The premiums for the Retired Employee GTL will be funded by the System and the covered Retired Employee as they were prior to September 1, 2004.</p>	

DEFINITIONS

This section tells You the meaning of special words and phrases used in the Policy. To help You recognize these special words and phrases, the first letter of each word, or each word in the phrase, is capitalized wherever it appears.

Accident or **Accidental** means a sudden, unexpected event that was not reasonably foreseeable.

Active Service means that an Employee is:

1. performing the normal duties of his occupation; and
2. working the number of hours set forth in the Eligibility Provision.

Application means the document which sets forth the eligible classes, the amounts of insurance, and other relevant information pertaining to the plan of insurance for which the Policyholder applied.

Annual Compensation means the greater of:

1. Your last reported gross annual income from Your Employer; or
2. Your gross annual income from Your Employer in effect on the September 1 immediately preceding the date of loss.

It includes:

1. hazardous duty pay;
2. longevity pay;
3. employee contributions made through a salary reduction agreement with Your Employer to an IRC Section 401(k), 403(b), 501(c)(3), 457 deferred compensation plan, or any other qualified or non-qualified employee Retirement Plan or deferred compensation arrangement; and
4. amounts contributed to Your fringe benefits according to a salary reduction arrangement under an IRC Section 125 plan.

It does not include:

1. commissions;
2. bonuses;
3. overtime pay;
4. Your Employer's contribution on Your behalf to a retirement plan or deferred compensation arrangement; or
5. any other extra compensation.

Basic GTL means Basic Group Term Life insurance.

Change in Status means an event which qualifies You to make changes in benefit selections at a time other than an annual enrollment period. A Change in Status includes, but is not limited to:

1. marriage; or
2. divorce, annulment or legal separation; or
3. Birth or adoption of a dependent child; or
4. Death of Your spouse; or
5. Termination of Your spouse's employment; or

6. A change in the benefit plan available to Your spouse; or
7. A change in employment status for You or Your spouse that affects Your eligibility for benefits.

To apply for a Change in Status, You must contact Your institution HR/Benefits Office within 31 days of the date of the qualifying event. The requested change must be consistent with the qualifying event. Your institution HR/Benefits Office will review the request and make a final decision as to whether or not the requested change qualifies.

Child means:

1. a natural child;
2. an adopted child;
3. a stepchild who has a regular parent/child relationship with the Employee;
4. a foster child under a legally supervised foster care program; or
5. other child who is in a parent-child relationship with the Employee.

You may be required to provide legal papers to show Your relationship to a child who is not Your natural child.

Contributory means the Insureds pay all or a portion of the premium for this insurance coverage.

Dependent Voluntary GTL or Dependent VGTL means Dependent Voluntary Group Term Life insurance.

Employee means an employee in Active Service with the Policyholder, at the Policyholder's usual place of business or such place(s) that the Policyholder's normal course of business may require and is reported on the Employer's records for Social Security and tax withholding purposes.

Evidence of Insurability (EOI) means such evidence, provided at no expense to Us, including medical records and a possibly a physical examination, as may be required by Us to determine that an Employee, Retired Employee or Dependent is an acceptable risk for changes in existing insurance or issuance of new insurance. Evidence of Insurability information must be reviewed by and coverage approved by Dearborn National before such coverage becomes effective

Injury means bodily harm resulting directly from an Accident and independently of all other causes.

Insured means an Employee or a Retired Employee covered under the Policy.

Male Pronoun whenever used includes the female.

Noncontributory means the Policyholder pays 100% of the premium for this insurance.

Policy means the group contract between the Policyholder and Us which provides group insurance benefits.

Policyholder means The University of Texas System or System.

Prior Plan means the plan of insurance providing similar benefits to Employees, sponsored by the Employer and in effect immediately prior to the Policy Effective Date.

Retirement Program means Teacher Retirement System of Texas (TRS), the Employee Retirement System of Texas, the Optional Retirement Program established by Chapter 830, Texas Government code, or any other federal or state statutory retirement program to which the System has made employer contributions.

System means The University of Texas System.

Total Disability or Totally Disabled provision means that You are unable to perform all of the material duties of any occupation for which You are or may reasonably become qualified by reason of education, training or experience.

Us means Dearborn National Life Insurance Company or Dearborn National. For purposes of this Policy, any notice or other form that is required pursuant to this Policy is considered to have been submitted to Us by an Employee/Retired Employee upon delivery of the Form to the institution HR/Benefits Office at the Employee/Retired Employee's institution for delivery to Us.

Voluntary GTL or VGTL means Voluntary Group Term Life insurance.

Voluntary Spouse GTL or VSGTL means Voluntary Spouse Group Term Life insurance.

You or Your means the Employee or Retired Employee covered under the Policy to whom this Certificate was delivered.

ELIGIBILITY PROVISIONS

The eligibility requirements are set forth below; however, eligibility for this plan is subject to change by the System or the Texas Legislature.

EMPLOYEE ELIGIBILITY

Employees and their dependents are eligible to participate in the Basic GTL, Voluntary GTL, Dependent Voluntary GTL and Voluntary Spouse GTL life insurance plans under this Policy, if they receive compensation for services performed for the System and:

1. are eligible to be a member of the Teacher Retirement System of Texas (TRS); and either:
 - a. work at least 20 hours per week and are expected to continue in the employment for a term of at least 4 ½ months; or
 - b. are appointed for at least 50 percent of a standard full-time appointment; or
2. are graduate student Employees who:
 - a. are employed at least 20 hours a week; and
 - b. who are not members of TRS solely because a condition of their employment requires enrollment in the System in graduate level classes.

Employees who are Physicians participating in an alternative UT System Health Component Life Plan sponsored by a UT System Health Component are only eligible to participate in the Basic GTL insurance plan under the Policy. However, if the alternative UT System Health Component Life Plan is no longer available to these Physicians, they will become eligible to participate in the Voluntary GTL and Dependent GTL benefits offered through this contract; and Evidence of Insurability will not be required:

1. for amounts that do not exceed the Voluntary GTL amount previously enrolled under the alternative UT System Health Component Life Plan; and
2. if no break in UT System service occurred prior to the event.

In addition, individuals serving a Post-Doctoral Fellowship with a System institution who are not appointed as employees are eligible to participate only in the Basic GTL insurance plan.

RETIRED EMPLOYEE ELIGIBILITY

A Retired Employee is eligible for Basic GTL, Voluntary GTL and Voluntary Spouse GTL if the individual retires under the jurisdiction of a retirement program as required by Texas Insurance Code §1601.102(b); and

1. was a Retired Employee as of 8-31-03 who was participating in the System uniform benefit program on 8-31-03; or
2. was an Employee of the System as of 8-31-03 and subsequently becomes a Retired Employee after 8-31-03, and has at least three (3) years of service with the System, and
 - a. whose last state employment was with the System; and
 - b. who has at least five (5) years of service credit under a Retirement Program and is at least age 55 or has at least five (5) years of service credit with a Retirement Program and has a combination of age and service totaling 80; or
3. becomes an Employee of the System after 8-31-03 and subsequently becomes a Retired Employee and has at least ten (10) years of service with the System, and
 - a. whose last state employment was with the System; and
 - b. who has at least ten (10) years of service credit under a Retirement Program; and
 - c. is at least age 65 or has a combination of age and service totaling 80; or

4. is a former Employee returning to retire after 8-31-03 and is a member of a retirement plan referenced in Texas Insurance Code §1601.102(b) and met the University of Texas System retirement requirements as they existed on 8-31-03, and has at least three (3) years of service with the System, and
 - a. whose last state employment was with the System, and
 - b. who has at least five (5) years of service credit under a Retirement Program; and
 - c. is at least age 55 or has a combination of age and service totaling 80; or
5. is a former Employee who was not employed with the System nor eligible to retire on 8-31-03, and is returning to retire after 8-31-03, and is a member of a retirement plan referenced in Texas Insurance Code §1601.102(b), and has at least ten (10) years of service with the System, and
 - a. whose last state employment was with the System; and
 - b. who has at least ten (10) years of service credit under a Retirement Program; and
 - c. is at least age 65 or has a combination of age and service totaling 80 years.

DEPENDENT ELIGIBILITY

Eligible Dependents include:

1. the Employee's spouse (spouse as defined by the Texas Family Code);
2. the Employee's unmarried, dependent Child(ren) from live birth to age 25. A stillborn child is not eligible for coverage or benefits; and/or
3. the Retired Employee's spouse (spouse as defined by the Texas Family Code).

Coverage for a child may continue beyond age 25 only if the child is mentally or physically unable to earn a living and is dependent on the Employee for support. The Employee must notify their institution HR/Benefits Office of the child's disability before the child's 25th birthday. Periodically, the Employee may be required to provide evidence of the child's continuing disability and proof of support, but not more frequently than once every twelve months.

A person cannot be insured as an Employee/Retiree and also a Dependent under the Policy. If both the husband and the wife are Employees/Retirees of the System, both must be covered as individual Insureds under the Policy, and only one may enroll dependent child(ren) for Dependent Voluntary GTL coverage.

ELIGIBILITY AFTER TERMINATION OF EMPLOYMENT

If an Employee's coverage ends due to termination of employment and he does not elect continued coverage under Portability, he must meet all the requirements of a new Employee if he is rehired at a later date.

EMPLOYEE ENROLLMENT and EFFECTIVE DATE OF COVERAGE

EMPLOYEE ENROLLMENT

A newly eligible Employee who enrolls for employee-only medical coverage when he first becomes eligible is automatically enrolled for Basic GTL coverage, and he may also enroll for Voluntary GTL, Dependent Voluntary GTL and/or Voluntary Spouse GTL insurance according to the benefit requirements. Amounts of coverage that are guarantee issue are set forth in the Schedule of Benefits and will become effective as follows:

Day of Enrollment	Insurance effective date if Employer supplements the benefits waiting period⁽¹⁾	Insurance effective date if Employer does not supplement the benefits waiting period⁽¹⁾
On or before the Employee's first day at work, provided the Employee submits an application and requests payroll deduction of the applicable premium for Contributory coverages, if any	Basic GTL – the date the Employee becomes eligible. VGTL – the date the Employee becomes eligible. ⁽²⁾ Dependent GTL – the date the Employee becomes eligible. ⁽³⁾ VSGTL – the date the Employee becomes eligible. ⁽⁴⁾	Basic GTL – the first of the month following the end of the required waiting period. VGTL – the date the Employee becomes eligible. ⁽²⁾ Dependent GTL – the date the Employee becomes eligible. ⁽³⁾ VSGTL – the date the Employee becomes eligible. ⁽⁴⁾
Provided the Employee's application and request for payroll deduction of the applicable premium for Contributory coverages, if any, are received in the institution HR/Benefits Office within 31 days of the Employee's first day at work.	Basic GTL – the date the Employee becomes eligible. VGTL – the first of the month following the date the enrollment form is received. ⁽²⁾ Dependent VGTL – the first of the month following the date the enrollment form is received. ⁽³⁾ VSGTL – the first of the month following the date the enrollment form is received. ⁽⁴⁾	Basic GTL – the first of the month following the end of the required waiting period. VGTL – the first of the month following the date the enrollment form is received. ⁽²⁾ Dependent VGTL – the first of the month following the date the enrollment form is received. ⁽³⁾ VSGTL – the first of the month following the date the enrollment form is received. ⁽⁴⁾
After 31 or more days of the Employee's first day at work	Basic GTL – the date the Employee becomes eligible. VGTL – must wait to enroll at the next annual enrollment or in conjunction with a qualified Change in Status. Dependent VGTL – must wait to enroll at the next annual enrollment or in conjunction with a qualified Change in Status. ⁽³⁾ VSGTL – must wait to enroll at the next annual enrollment or in conjunction with a qualified Change in Status. ⁽⁴⁾	Basic GTL – the date the Employee becomes eligible. VGTL – must wait to enroll at the next annual enrollment or in conjunction with a qualified Change in Status. Dependent VGTL – must wait to enroll at the next annual enrollment or in conjunction with a qualified Change in Status. ⁽³⁾ VSGTL – must wait to enroll at the next annual enrollment or in conjunction with a qualified Change in Status. ⁽⁴⁾
⁽¹⁾	Insurance effective date is reliant upon the Employee having met the Active Service definition of this Policy.	
⁽²⁾	Satisfactory Evidence of Insurability will be required on applications for Voluntary GTL in excess of the guarantee issue amount.	
⁽³⁾	Employee must be enrolled in Employee Voluntary GTL in order to purchase Dependent Voluntary GTL coverage.	
⁽⁴⁾	Employee must have Employee Voluntary GTL of at least 1 times Annual Compensation and Dependent Voluntary GTL coverage to purchase the Voluntary Spouse GTL benefit.	

If an Employee does not enroll for himself within the first 31 days he is eligible or if he waives all or a portion of his Noncontributory coverage and chooses to enroll at a later date, the Employee is considered a late applicant. Late applicants must furnish Evidence of Insurability.

For plan year(s) beginning on and occurring after September 1, 2010, if an Employee does not enroll for his dependents within the first 31 days he is eligible and chooses to enroll at a later date, the Employee is considered a late applicant and must furnish Evidence of Insurability for each eligible Dependent.

RETIRED EMPLOYEE ENROLLMENT

If there is no break in service between active employment and the effective date of retirement, newly Retired Employees are eligible for the following Basic GTL and Voluntary GTL coverages:

1. Basic GTL in an amount set forth on the Schedule of Benefits, and the state premium sharing is available to pay the Retired Employee's premium for the Basic GTL;
2. Voluntary GTL in amounts set forth on the Schedule of Benefits, and all Voluntary GTL coverage is Contributory; and
3. Voluntary Spouse GTL in an amount set forth on the Schedule of Benefits, and all Voluntary Spouse GTL coverage is Contributory.

If there is a break in service between active employment and the effective date of retirement,

1. Premium sharing is not available for payment of the Retired Employee's Basic GTL until the first day of the calendar month that begins after the 90th day after the effective date of retirement; and
2. Evidence of Insurability will be required for amounts of Voluntary GTL and Voluntary Spouse GTL elected, and Voluntary GTL and Voluntary Spouse GTL coverage will become effective according to the Change in Coverage provision below.

DEFERRED EFFECTIVE DATE

An Employee must be in Active Service on the date his initial coverage or any increases in coverage are scheduled to begin. If he is not in Active Service on the date coverage would otherwise become effective; and his absence is caused by an injury, illness or layoff, the effective date of any initial coverage or increased coverage will be deferred until the first day he returns to Active Service. An Employee will be considered in Active Service if he was actually at work on the day immediately preceding:

1. a weekend (except for one or both of these days if they are scheduled work days);
2. a holiday (except when such holiday is a scheduled work day);
3. a paid vacation;
4. any nonscheduled work day.

An Employee will be considered in Active Service if he is insured under the Prior Plan and is on an Employer approved leave of absence on the date immediately preceding the Policy Effective Date.

CHANGE IN STATUS

If an Employee experiences a qualified Change in Status, he may add or drop Voluntary GTL amounts, provided the benefit change is consistent with the Change in Status. He must submit the appropriate enrollment form(s) to his institution HR/Benefits Office within 31 days of the Change in Status. He may enroll in Voluntary GTL or he may enroll a new spouse or dependent child in Voluntary Spouse GTL or Dependent Voluntary GTL. We will require Evidence of Insurability for any additional Voluntary GTL coverage elected due to a Change in Status.

CHANGE IN COVERAGE

Employees may increase or enroll in Voluntary GTL benefits in accordance with the Change in Status provision or during an annual enrollment period. Evidence of Insurability will be required for the following coverage changes:

1. for the plan year(s) beginning on and occurring after September 1, 2010, for any Employee enrolling in, or increasing Voluntary GTL if he is not a new Employee;
2. when enrolling in or increasing Voluntary GTL for the Employee and/or spouse following a qualified Change in Status event;
3. for new benefits-eligible Employees electing Voluntary GTL of greater than 3 times Annual Compensation;
4. for Voluntary Spouse GTL benefits of \$15,000 or \$40,000 (in addition to the \$10,000 Dependent GTL benefit);
5. for Retired Employees requesting to increase coverage;
6. for individuals returning to the System following a break from Active Service to obtain retirement status, on amounts of Voluntary GTL (in excess of the guarantee issue Basic GTL); or
7. for Spouses of Retired Employees enrolling in Voluntary Spouse GTL, unless the Spouse was enrolled for Voluntary Spouse GTL on the last day the Employee was an active Employee on or after September 1, 2010.

For Employees on Active Status, changes in coverage become effective on the first of the month that falls on or after the date we receive the Employee's enrollment form for any guarantee issue amounts or the first of the month that falls on or after the date we approve Employee's Evidence of Insurability for coverage with such a requirement. Employees must be in Active Service on the day any increased coverage becomes effective, regardless of the reason for the increase. Changes made by an Employee who is not in Active Service do not become effective until the later of the date the Employee goes onto Active Service or, for guaranteed issue coverage, the first day of the month that falls on or after the date we receive the Employee's enrollment form, or, for coverage requiring Evidence of Insurability, the date Dearborn National approves such evidence of insurability.

If an Insured is eligible under one class of Eligible Employees and later becomes eligible under a different class of Eligible Employees, any change in insurance due to the class change will be effective on the first of the month following the change in class.

BENEFICIARY PROVISIONS

THE BENEFICIARY

You are automatically the beneficiary for life insurance proceeds for a Covered Dependent. You must designate a beneficiary or beneficiaries to receive the proceeds from Your Basic and/or Voluntary GTL. This designation must be made on a form provided or approved by Us. If two or more beneficiaries are named, payment of proceeds will be apportioned equally unless You have specified otherwise. The Policyholder may not be named as beneficiary.

Unless You provide otherwise, if a beneficiary dies before You, We will divide that beneficiary's share equally between any remaining named beneficiaries. If no named beneficiary survives You or if You fail to designate a beneficiary, We will pay the amount of life insurance:

1. to Your spouse, if living; if not,
2. in equal shares to Your then living natural or adopted children, if any; if none,
3. in equal shares to Your father and mother, if living; if not,
4. to Your estate.

If a beneficiary is a minor, or is not able to give a valid release for any payment of benefits made, We will pay the life proceeds to the legally appointed guardian or to another adult who has assumed the custody and principal support of the minor. This provision does not prevent Us from making payment to or for the benefit of a minor beneficiary in accordance with the applicable state law.

If any benefits under this provision are to be paid to Your estate, We may pay an amount not greater than \$250 to any person We consider to be equitably entitled by reason of having incurred funeral or other expenses in connection with Your death. Any and all payments made by Us shall fully discharge Us in the amount of such payment.

CHANGE OF BENEFICIARY

You may change Your beneficiary at any time by completing the appropriate change request form, and submitting it to Us. Your written request for change of beneficiary will not be effective until it is recorded by Us or by the Policyholder. After it has been so recorded, it will take effect on the date You signed the change request form or another date if You specifically request it. If You die before the change has been recorded, We will not alter any payment that We have already made. Any prior payment shall fully discharge Us from further liability in that amount.

GROUP TERM LIFE INSURANCE BENEFIT

BENEFIT

We will pay Your beneficiary the amount of life insurance in force on the date of Your death provided:

1. You are insured under the Policy on the date of death, and
2. We receive proof of death.

Basic GTL insurance will be payable in accordance with all Policy provisions and the amount will be determined according to the Schedule of Benefits. Voluntary GTL insurance will be payable in accordance with all Policy provisions and the amount will be determined according to the Schedule of Benefits and the amount You selected and for which You were approved.

**SUICIDE EXCLUSION
(Not applicable to Basic GTL)**

No life insurance benefits, including Waiver of Premium, will be payable for a death which is caused by suicide or attempted suicide, while sane or insane, within two years from the effective date of Your Voluntary GTL coverage. In the event of death by suicide, Voluntary GTL benefits will be limited to a refund of the premiums paid. The suicide exclusion also applies from the effective date of any additional benefits or increases in Voluntary GTL coverage.

This suicide exclusion does not apply to:

1. Basic GTL coverage;
2. Voluntary GTL for insured persons covered under the Prior Plan for more than two years, except for any benefit amounts in excess of the Prior Plan's benefits. If You were covered under the Prior Plan for less than two years, credit will be given for the time You were insured under the Prior Plan.

SEAT BELT BENEFIT

We will pay an additional benefit, the Seat Belt Benefit, of the lesser of 10% of Your Life Insurance Benefit on the date of an Accident or \$10,000 if You die as the result of an Accident that occurs while You are covered under the Policy, and the following conditions are met:

1. You were driving or riding in an automobile driven by a licensed driver who was neither:
 - a. intoxicated or driving while impaired. Intoxication and impairment shall be determined by the law of the jurisdiction in which the Accident occurs, with or without conviction; nor
 - b. under the influence of any narcotic, hallucinogen, barbiturate, amphetamine, gas or fumes, poison or any other controlled substance as defined in Title II of the Comprehensive Drug Abuse prevention and Control Act of 1970, as now or hereafter amended, unless as prescribed by a licensed physician and used in the manner prescribed. Conviction is not necessary for a determination of being under the influence.
2. the automobile is equipped with Seat Belts;
3. the Seat Belt was in actual use and properly fastened at the time of the Accident; and
4. the position of the Seat Belt is certified in the official report of the Accident or by the investigating officer. A copy of the police Accident report must be submitted with the claim.

If such certification is not available and if it is unclear whether the Insured was properly wearing a Seat Belt, then We will pay an additional benefit of \$1,000.

Seat Belt means those belts that form an occupant restraint system.

Automobile means a self-propelled private passenger motor vehicle with four or more wheels which is of a type both designed and required to be licensed for use on the highways of any state or country. Automobile includes, but is not limited to a sedan, station wagon, jeep-type vehicle, or a motor vehicle of the pickup, panel, van, camper or motor home type. Automobile does not include a mobile home or any motor vehicle which is used in mass or public transit.

CONVERSION OF LIFE INSURANCE

Conversion if Eligibility Terminates:

You may convert to an individual policy of life insurance without evidence of insurability if Your life insurance, or a portion of it, ceases because:

1. You are no longer employed by the Policyholder; or
2. You are no longer eligible for life insurance; or
3. You retire and experience a decrease in coverage.

In any of these situations, You may convert all or any portion of Your life insurance which was in force at the date of termination.

Conversion if Policy is Terminated or Amended:

You may also convert to an individual policy of life insurance without evidence of insurability if Your life insurance ceases because:

1. the Policy terminates; or
2. the Policy is amended making You ineligible for life insurance.

However, in either of these situations, You must have been insured under the Policy or any policy it replaced for at least five (5) years. The amount of insurance converted in either of these situations will be the lesser of:

1. the amount of life insurance in force, less any amount for which You become eligible under this or any other group policy within 31 days after the date Your life insurance ceased; or
2. \$10,000.

Conditions for Conversion:

We must receive written application and the first premium for the individual life insurance policy within 31 days after insurance under the Policy ceases.

The individual policy will be a policy of whole life insurance. It will not contain accidental death and dismemberment benefits or any other supplemental benefits.

The premium for the individual policy will be based on:

1. Our current rates based upon the applicant's class of risk and his attained age on his last birthday; and
2. on the amount of the individual policy.

If application is made for an individual policy, the coverage under the individual policy will be effective on the day following the 31-day period during which the applicant could apply for conversion. If You die during a period when You would have been entitled to have an individual policy issued to You and if You die before such an individual

policy became effective, We will pay Your beneficiary the greatest amount of group term life insurance for which an individual policy could have been issued, provided:

1. death occurred during the 31-day period within which You could have made application; and
2. We receive proof of death.

If life insurance benefits are paid under the Policy, payment will not be made under the converted policy, and premiums paid for the converted policy will be refunded.

If an Employee has elected to exercise Portability, conversion is not available unless coverage under Portability terminates. Conversion from Portability will be specified under Portability.

WAIVER OF PREMIUM

This provision does not apply to the Basic GTL or any Retired Employee coverage.

We will continue Your life insurance benefits under the Policy without the further payment of life insurance premium if You are an Active Employee and become Totally Disabled, provided:

1. You are insured under the Policy and are in Active Service on or after the effective date of the Policy; and
2. You are under the age of 60; and
3. Your effective date of Total Disability occurs prior to Your date of retirement, if applicable; and
4. You provide Us with satisfactory written proof of Total Disability within 9 months after the date Your Active Service ended due to Total Disability; and
5. Your Total Disability has continued without interruption for at least 6 months; and
6. You are still Totally Disabled when You submit the proof of disability; and
7. all required premium has been paid.

The premium will be waived from the date We receive satisfactory written proof of Total Disability. Premium will continue to be waived provided You:

1. remain Totally Disabled; and
2. provide satisfactory written proof of continuing Total Disability upon request, but not more frequently than once every 3 months.

You are responsible for obtaining initial and continuing proof of Total Disability.

You will be covered for the amount of life insurance in force as of the date Total Disability commenced. This life insurance coverage will continue without the payment of premium until You are no longer Totally Disabled or You reach age 65, whichever occurs first.

We may have You examined at reasonable intervals during the period of claimed Total Disability. Continuation of life insurance under the Waiver of Premium provision shall end immediately and without notice if You refuse to be examined as and when required.

We will pay the amount of life insurance in force to Your beneficiary if You die before furnishing satisfactory proof of Total Disability, provided:

1. You die within one year from the date You became Totally Disabled; and
2. We receive proof that You were continuously Totally Disabled until the date of death; and
3. We receive proof of death.

If continuation of life insurance under the Waiver of Premium provision ceases, and You are employed by the Policyholder, Your life insurance will continue provided premium payments begin on the next premium due date.

If continuation of life insurance under the Waiver of Premium provision ceases, and You are no longer employed by the Policyholder, You may elect Portability or apply for an individual life insurance policy in accordance with the Conversion of Life Insurance provision of the Policy.

PORTABILITY

(Available to Active Employees only)

THE BENEFIT

If Voluntary GTL Insurance terminates, you and/or your insured Spouse may elect to continue Voluntary Group Life Insurance under the terms of the Policy by paying premiums quarterly, semiannually, or annually direct to Dearborn National. If you or your Spouse elect Portability, you may also elect to continue Dependent Child(ren)'s coverage. You may not apply for Spouse or Dependent Child(ren)'s benefits at the time you elect Portability.

The maximum amount of Voluntary Term Life Insurance which may be continued under Portability is the amount of Voluntary GTL Insurance in force at the time the Portability Benefit is elected plus any life insurance to which you are entitled under the Additional Purchase Option below.

A beneficiary designation on the Portability election form, if different from the beneficiary designated in effect under the Policy, shall constitute a change of beneficiary.

The Waiver of Premium Benefit is not available if your Total Disability begins after coverage under Portability becomes effective. The Accelerated Death Benefit is not available if your Terminal Illness begins after coverage under Portability becomes effective.

ADDITIONAL PURCHASE OPTION

Each Employee who elects portable coverage may be entitled to purchase an additional amount of term life insurance without evidence of insurability, provided he has not converted under the basic group policy the amount of group life insurance he elects under the Additional Purchase Option. The amount available under this Additional Purchase Option may not exceed \$50,000. We will bill this additional coverage at the same rate and in the same quarterly, semiannual or annual premium mode as coverage continued under Portability. The Additional Purchase Option does not apply to Spouse or Dependent Child coverage.

ELIGIBILITY FOR PORTABILITY

To be eligible for Portability, you must meet the following conditions:

1. you must have been insured under the Policy for at least one year prior to electing Portability; and
2. your Voluntary GTL Insurance must have terminated; and
3. you must submit an application for Portability and the first premium within 31 days after the date your Voluntary GTL Insurance terminated; and
4. you must not have exercised the right to convert under the Conversion of Life Insurance provision the amount of Voluntary Term Life Insurance you elect under the Portability Benefit. If you elect the Portability Benefit, any amounts of Voluntary GTL Insurance which are not ported may be converted in accordance with the terms of the Conversion of Life Insurance provision; and
5. your loss of coverage is not the result of retirement and you are not eligible for retiree life coverage as described in the Retired Employee Eligibility section of this certificate.

To be eligible for Portability, your Spouse must meet the following conditions:

1. he must have been insured under the Policy for at least one year prior to electing Portability; and
2. his Voluntary GTL Insurance must have terminated; and
3. he must submit an application for Portability and the first premium within 31 days of the date his coverage terminated; and
4. your Spouse must not have exercised the right to convert under the Conversion of Life Insurance provision the amount of Voluntary Term Life Insurance he elects under the Portability Benefit. If your Spouse elects the Portability benefit, any amounts of Voluntary GTL Insurance which are not ported may be converted in accordance with the terms of the Conversion of Life Insurance provision; and
5. your Spouse's loss of coverage is not the result of your retirement and you are not eligible for retiree life coverage as described in the Retired Employee Eligibility section of this certificate.

TERMINATION OF PORTABLE COVERAGE

Insurance under the Portability provisions of the Policy will terminate at the earliest of the following:

1. upon your return to work with the same Policyholder while the Policy is still in force; or
2. the date you become eligible for Voluntary Life as a Retired Employee under this policy; or
3. upon your failure to pay the required premiums when due; or
4. the date the covered Employee or covered Spouse reaches age 65; or
5. the Premium Due Date following the date a Spouse or Dependent Child ceases to be a Spouse or Dependent Child as defined herein.

CONVERSION

Upon termination of coverage under Portability, as set forth in item (3) or (4) above, the covered person may convert coverage to an individual policy subject to the Conversion of Life Insurance provision of this Policy. No Evidence of Insurability will be required. The amount of the conversion policy may not exceed the amount of life insurance which terminated as set forth in (3) or (4) above.

ACCELERATED DEATH - TERMINAL ILLNESS BENEFIT

ELIGIBILITY

Insureds, as defined below, are eligible to receive an Accelerated Death Benefit according to the following benefit provisions. Coverage under the Accelerated Death - Terminal Illness Benefit is subject to the Deferred Effective Date provision.

DEFINITIONS

Accelerated Death Benefit means 50% of the Terminally Ill Insured's group term life insurance amount in force on the date that We receive due proof of loss as described in this provision.

Insured, for the purpose of this Accelerated Death – Terminal Illness benefit, means an Employee, a Retired Employee or a spouse covered under the Policy.

Physician means a licensed practitioner, practicing within the scope of his license. A Physician must be someone other than the Insured or his family member.

Physician's Statement means a written medical opinion of a Physician currently licensed to practice medicine in the United States which:

1. is made at the Insured's expense; and
2. indicates that the Insured has a terminal condition; and
3. includes all medical test results, laboratory reports, and any other information on which the medical opinion is based; and
4. indicates the Insured's expected remaining life span; and
5. is acceptable to Us.

Terminally Ill Insured means an Insured who has a non-correctable health condition that, with reasonable medical certainty, will result in death of the Terminally Ill Insured within 24 months from the date of the Physician's Statement.

BENEFIT PAYMENT

We will pay an Accelerated Death Benefit in accordance with the Beneficiary provisions during the lifetime of a Terminally Ill Insured if he or his legal representative elects an Accelerated Death Benefit and provides due proof of loss as described in this provision. The Accelerated Death Benefit is payable only once to any one Terminally Ill Insured. There is no cost for an Accelerated Death Benefit.

At the time of the payment of the Accelerated Death Benefit, We will send a statement to the certificate holder specifying the amount of benefits paid, the effect of the Accelerated Death Benefit payment on the death benefit face amount; and the amount of benefits remaining available for acceleration.

EXCEPTIONS

The benefit will not be payable:

1. if the Terminal Illness is a result of:
 - a. attempted suicide, while sane or insane; or
 - b. self-inflicted injury; or

2. if the Terminally Ill Insured's life insurance benefit has been assigned; or
3. if the Insured's life insurance benefit is payable to an irrevocable beneficiary, including notification to Us that such benefit or a portion of such benefit is to be paid to a former spouse as part of a divorce or separation agreement.

NOTICE AND PROOF OF CLAIM

The Terminally Ill Insured must elect the benefit in writing on a form that is acceptable to Us. He must provide proof of his Terminal Illness, including a Physician's Statement, within 91 days of the notice of claim. If proof is not given within 91 days, the claim will not be reduced or denied if proof is given as soon as reasonably possible.

EFFECT ON INSURANCE

When the Accelerated Death Benefit is paid:

1. the amount of life insurance otherwise payable upon the Terminally Ill Insured's death, is reduced by the amount of the Accelerated Death Benefit. Any portion of the death benefit remaining after the reduction of the death benefit due to payment of an Accelerated Death Benefit shall be paid upon the death of the Terminally Ill Insured;
2. the amount of life insurance which could otherwise have been converted to an individual contract will be reduced by the amount of Accelerated Death Benefit; and
3. the premium due for the Terminally Ill Insured's life insurance will be calculated on the amount of such insurance remaining in force after deducting the amount of the Accelerated Death Benefit.

The payment of an Accelerated Death Benefit and the balance of the death benefit under the Policy shall constitute full settlement of the face amount of the Policy.

DEPENDENT VOLUNTARY GROUP TERM LIFE INSURANCE

This provision only applies to You if You have elected this coverage and You have paid or agreed to pay the applicable premium.

BENEFIT

We will pay You the amount of insurance on the life of Your Dependent Child and/or Spouse while coverage on Your Dependents is in force. Payment will be in one lump sum in accordance with all Policy provisions and the amount will be determined according to the Schedule of Benefits and Your enrollment form.

If You are not living at the time Dependent GTL benefits become payable, We will pay the benefit:

1. to Your spouse, if living; if not,
2. to the executor or administrator of Your estate.

SUICIDE EXCLUSION

No Dependent VGTL insurance benefits will be payable for a death which is caused by suicide or attempted suicide, while sane or insane, within two years from the effective date of a spouse or Dependent Child's coverage under this provision. In the event of death by suicide, Dependent VGTL benefits will be limited to a refund of the premiums paid for this coverage. The suicide exclusion also applies from the effective date of any additional benefits or increases in Dependent VGTL coverage.

If a Dependent Child commits suicide and is survived by other Dependent Children covered under Your certificate, no refund of premiums will be paid.

This suicide exclusion does not apply to Dependent VGTL coverage for spouse or Dependent Child(ren) covered under the Prior Plan for more than two years, except for any benefit amounts in excess of the Prior Plan's benefits. If spouse or Dependent Child(ren) were covered under the Prior Plan for less than two years, credit will be given for the time they were insured under the Prior Plan.

DEFERRED EFFECTIVE DATE

If a Dependent is hospital confined on the date his coverage would otherwise become effective, insurance will not become effective until the date the Dependent is no longer hospital confined. For the purposes of this provision, *no longer hospital confined* means the dependent has been discharged from a hospital, nursing home or other medical facility which provides skilled medical care.

DEPENDENT LIFE CONVERSION PRIVILEGE

Conversion if Eligibility Terminates:

A Dependent may convert to an individual policy of life insurance if his life insurance, or any portion of it, ceases because:

1. You are no longer employed by the Policyholder; or
2. You are no longer in a class which is eligible for Dependent GTL insurance; or
3. the Dependent no longer meets the definition of an eligible dependent; or
4. You die.

In any of these situations, the Dependent may convert up to the amount which was in force on the date insurance was terminated.

Conversion if Policy is Terminated or Amended:

A Dependent may also convert to an individual policy of life insurance if his life insurance ceases because:

1. the Policy terminates; or
2. the Policy is amended to exclude the Dependent Life benefit; or
3. the Policy is amended making You ineligible for Dependent GTL; however,

In these situations, the Dependent must have been insured under the Policy or any policy it replaced for at least five (5) years. The amount of insurance converted in either of these situations will be the lesser of:

1. the amount of life insurance in force, less any amount for which the Dependent becomes eligible under this or any other group policy within 31 days after the date his life insurance ceased; or
2. \$10,000.

Conditions for Conversion:

We must receive written application and the first premium for the individual life insurance policy within 31 days after the insurance under the Policy ceases. No evidence of insurability will be required.

The individual policy will be a policy of whole life insurance.

The premium for the individual policy will be based on:

1. Our current rates based upon the applicant's class of risk and his attained age on his last birthday; and
2. on the amount of the individual policy.

If the Dependent applies for an individual policy, the coverage under the individual policy will be effective on the day following the 31-day period during which he could apply for conversion. If the Dependent dies during a period when he would have been entitled to have an individual policy issued to him and if he dies before such an individual policy became effective, We will pay the greatest amount of group term life insurance for which an individual policy could have been issued, provided:

1. the death occurred during the 31-day period during which he could have made application; and
2. We receive proof of death.

If life insurance benefits are paid under the group Policy, payment will not be made under the converted policy, and We will refund any premiums paid for the converted policy.

If a Spouse has elected to exercise Portability, conversion is not available unless coverage under Portability terminates. Conversion from Portability will be specified under Portability.

TERMINATION PROVISIONS

TERMINATION OF EMPLOYEE OR RETIRED EMPLOYEE COVERAGE

Your Noncontributory Basic GTL insurance coverage will end on the earliest of:

1. the date the Policy is canceled; or
2. the last day of the plan year if You cancel health coverage during annual enrollment;
3. the last day of the month in which You request that Your health coverage be canceled;
4. the last day of the month in which Your employment ends or You become ineligible for coverage; or
5. the day the System terminates the Policy.

Unless life insurance is continued under Portability, Contributory Voluntary GTL insurance coverage will end on the earliest of the following dates:

1. the date the Policy is canceled;
2. the end of the last month for which You paid the required premium;
3. the last day of the plan year if You cancel Voluntary GTL coverage during annual enrollment;
4. the last day of the month in which You request through the System that We cancel Your Voluntary GTL coverage due to a qualified Change in Status;
5. the last day of the month in which Your employment ends or You become ineligible for coverage; or
6. the day the System terminates the Policy.

Unless life insurance is continued under Portability, Dependent Voluntary GTL coverage will end on the earliest of the following dates:

1. the date the Policy is canceled;
2. the end of the last month for which You paid the required premium;
3. the last day of the plan year if You cancel coverage during annual enrollment;
4. the last day of the month in which You request through the System that We cancel Your Dependent Voluntary GTL coverage due to a qualified Change in Status;
5. the last day of the month in which a Dependent no longer meets the Policy definition of an eligible dependent;
6. the last day of the month in which You die;
7. the last day of the month in which Your employment ends or You become ineligible for coverage; or
8. the day the System stops offering Dependent GTL coverage.

Unless life insurance is continued under Portability, Voluntary Spouse GTL coverage will end on the earliest of the following dates:

1. the date the Policy is canceled;
2. the end of the last month for which You paid the required premium;
3. the last day of the plan year if You cancel coverage during annual enrollment;

4. the last day of the month in which You request through the System that We cancel Your Voluntary Spouse GTL coverage due to a qualified Change in Status;
5. the last day of the month in which a Spouse no longer meets the Policy definition of an eligible dependent;
6. the last day of the month in which You die;
7. the last day of the month in which Your employment ends or You become ineligible for coverage; or
8. the day the System stops offering Voluntary Spouse GTL coverage.

ELIGIBILITY AFTER TERMINATION OF EMPLOYMENT

If You are an Active Employee and Your coverage ends due to termination of employment and you do not elect continued coverage under Portability, You must meet all the requirements of a new Employee if You are rehired at a later date.

LAYOFF AND LEAVE OF ABSENCE (Not applicable to Retired Employees)

If You are laid off or take a leave of absence, Your coverage may continue as follows:

Layoff: Until the end of the month following the month during which the layoff began, provided all premiums from the last month of active service are remitted by the System when due.

Approved Leave of Absence: If You elect to continue coverage, we will continue coverage up to three (3) years, provided all premiums are paid when due.

You may elect to put Your System coverage in abeyance. During the abeyance period, You are not eligible for GTL coverage, and no premium payment will be required. Upon return to the System, You would be immediately eligible to resume the same coverage without providing Evidence of Insurability.

DISABILITY

If You are no longer in Active Service as a result of a disability, You may continue to be eligible for life insurance coverage, until the end of the twelfth month following the month in which the disability began, provided all premiums are paid when due.

GENERAL PROVISIONS

ENTIRE CONTRACT

The Policy, the Application of the Policyholder, any attached papers, agreements and/or endorsements and the enrollment forms of the Insureds are considered to be the entire contract.

STATEMENTS

We consider any statements made by the Policyholder or any Insured, in the absence of fraud, to be representations and not warranties. No such statement shall be used in defense to a claim under the Policy unless it is contained in a written application signed by the Insured and a copy of such application is or has been given to him or to his beneficiary or personal representative.

INCONTESTABILITY

We will not contest the validity of the Policy, except for nonpayment of premium, after it has been in force for two (2) years from its effective date. We will not contest the validity of an Insured's insurance after his insurance has been in force before the contest for a period of two years from its date of issue during the insured's lifetime and unless the statement is contained in a written instrument signed by the insured making the statement.

MISSTATEMENT OF AGE

If You misstated Your age or the age of a Dependent, the true age will be used to determine:

1. the effective date or termination date of insurance; and
2. the amount of insurance; and
3. any other rights or benefits.

Premiums will be adjusted to reflect the premiums that would have been paid if the true age had been known.

CONFORMITY WITH STATE LAW

If any part of the Policy does not conform to a state statute in the state in which it is issued or delivered, it is amended to conform to the minimum requirements of the statutes of that state.

TIME FOR SETTLEMENT OF CLAIM

Settlement will be made no later than two months after We receive satisfactory proof of death.

ASSIGNMENT

You may assign the life insurance benefits provided under the Policy, and You may assign to anyone other than the Policyholder any incident of ownership You may possess. We are not responsible for the validity or legal effect of any assignment. Collateral assignments, by whatever name called, are not permitted.

PREMIUM PAYMENTS

The System has agreed to deduct from Your pay, or for Retired Employees collect, any premiums payable for Your Contributory insurance coverage(s) and to remit such premiums for the entire time Your Contributory coverage(s) is in effect.

Premium charges will begin on the premium due date which coincides with or follows the addition of Voluntary GTL or Dependent GTL coverage. Premium charges for decreases in insurance amounts or termination of Dependent GTL or Voluntary GTL coverage will end on the premium due date which coincides with or follows the termination or the change in amount. Premium charges based on age will be calculated as of Your age as of September 1 of the current plan year.

This method of charging premium will not change the effective date or termination date of any coverage as defined in the Eligibility or Termination Provisions of the Policy.

If Your Annual Compensation increases during the plan year (any time other than September 1), Your salary-based coverage amount will increase immediately and premiums will increase the following September 1.

CLAIMS PROVISIONS

APPLYING FOR BENEFITS

You or Your, for the purpose of this provision may mean You, Your beneficiary or Your personal representative, as applicable.

If You have a claim for benefits under the Policy, You should contact Your institution Benefits Office within 20 days or as soon as reasonably possible after the date of the covered loss. That office will give You the forms You need to apply for any of the following benefits:

- Basic Term Life
- Voluntary Term Life
- Seat Belt Benefit for Accidental Death
- Dependent Term Life
- Accelerated Death Benefits
- Waiver of Premium

You must submit the claim to Your institution HR/Benefits Office, together with all necessary attachments, to be forwarded to Us.

Dearborn National will pay the cost of any examination it requires. Disagreements about benefits are rare, but should You and Dearborn National disagree about Your eligibility for a benefit or the amount of a benefit, You or your beneficiary may follow an appeal process.

HOW TO APPEAL A CLAIM

If Your claim for benefits is denied in whole or in part, Dearborn National will notify You in writing. The written notice will give specific reasons for the denial and reference the specific plan provisions on which the denial is based. It will also describe any additional material You must submit and explain the claim review procedures.

You or Your authorized representative may submit a written request for reconsideration to Dearborn National within 90 days of receiving the denial. Be sure to state why You believe the claim should not have been denied and submit any data, questions or comments You think are appropriate. You may also review any pertinent plan documents. Your appeal will be reviewed by the claims administrator.

Dearborn National's decision on Your appeal will be sent to You in writing and will include the specific reasons for the decision as well as specific references to the appropriate plan provisions on which the decision is based.

CLAIM PAYMENTS

You are automatically the beneficiary of life insurance proceeds for a covered Dependent. The proceeds from Your Basic and/or Voluntary GTL insurance will be paid to your designated beneficiary. Unless you had specified otherwise, if two or more beneficiaries are named, we will divide proceeds equally. Accelerated Death and Terminal Illness benefits will be paid to you in one lump sum.

Unless You provide otherwise, if a beneficiary dies before You, We will divide that beneficiary's share equally between any remaining named beneficiaries. If no named beneficiary survives You or if You fail to designate a beneficiary, We will pay the life insurance proceeds in the following order of survival: Spouse, natural or adopted child(ren), parents or Your estate. (See Beneficiary Provisions for additional details)

DEARBORN NATIONAL® LIFE INSURANCE COMPANY
Chicago, Illinois

RIDER

This Rider is made a part of the Policy or Certificate (hereafter “the Policy”) to which it is attached. It takes effect and ends at the same time as the Policy. All provisions of the Policy, including any other Riders or Amendatory Endorsements will apply to this Rider, except that in the event of a conflict, the specific provisions of this Rider will govern.

Beneficiary Resource Services

What is the Beneficiary Resource Services?

The *Beneficiary Resource Services* is a noninsurance benefit made available to **You** or **Your** beneficiaries which provides access at no additional cost to the following services.

- Unlimited telephone access to grief counselors, legal advisors and financial advisors for up to one year from the date of loss; and,
- Five (5) face-to-face sessions, or equivalent professional time, with a grief counselor, legal advisor and/or a financial advisor for up to one year from the date of loss.

How the Beneficiary Resource Services are accessed

You or **Your** beneficiaries may access these services by contacting Bensinger, DuPont & Associates at 1- 800-769-9187, the program administrator for *Beneficiary Resource Services*. Additional contact information will be provided at the time a claim for a loss covered under the Policy is made. Dearborn National® Life Insurance Company does not underwrite or administer the *Beneficiary Resource Services* program.

When do the Beneficiary Resource Services Terminate?

The services available under this Rider will end as follows:

- On the date **Your** coverage is terminated under the section *When Does Your coverage under the Policy end?* found in the Termination Provision of the Policy; or
- One year from the date of loss if the loss occurs while the Policy is in effect.

Important Terms

For purposes of this Rider, “date of loss” means the date of death of the named insured or the date the named insured became eligible for benefits under the Accelerated Death Benefit provision of the Policy to which this Rider is attached. If the named insured becomes eligible for and receives benefits under the Accelerated Death Benefits provision of the Policy, and subsequently dies, the date of loss remains the date the named insured became eligible for benefits under the Accelerated Death Benefit provision of the Policy to which this Rider is attached.



President

Nothing contained in this Rider shall be held to alter or affect any provision or condition of the Policy other than as stated above.

NOTICE
to
the Policyholder and Certificateholder Insured under
the Group Term Life Insurance Policy
Provided by Dearborn National® Life Insurance Company
Regarding the Beneficiary Resource Services Noninsurance Benefit

This notice is to advise you that Your Group Term Life Insurance program also provides a noninsurance benefit: *Beneficiary Resource Services*.

Noninsurance Benefit Description

Beneficiary Resource Services is a service that provides unlimited telephone access to grief counselors, legal advisors and financial advisors, as well as five (5) face-to-face sessions for up to one year following the date of loss. (Date of loss is defined in the Beneficiary Resource Services Rider attached to the Policy.)

This noninsurance benefit is available at the option of the Policyholder without any action required on the part of an insured person to either accept or decline the service.

There is no charge for this service.

The service is currently administered by Bensinger, DuPont & Associates.

Dearborn National® Life Insurance Company (sometimes referred to as “We” or “Our”) makes this program available, but it does not underwrite or administer the Beneficiary Resource Services program.

Why This Service is Being Made Available

We are making this service available to provide support and assistance to persons who have suffered a loss that is covered by the group term life insurance policy. The death or terminal illness of a loved one has a significant impact and support services help deal with the grief legal or financial issues experienced during the critical months following a loss.

Accessing Beneficiary Resource Services

Services may be accessed by contacting the program administrator named in the Rider at 1-800-769-9187.

Termination of the Noninsurance Benefit

This noninsurance benefit is provided free of charge. It is subject to termination at our option or at the option of the program administrator.

If We discontinue this service We will notify the Policyholder not less than thirty (30) days in advance of the discontinuance of this service.

If the current program administrator discontinues the program and we are unable to find a replacement, we will notify the Policyholder as soon as is reasonable under the circumstances. If discontinued, the services available under this noninsurance benefit will no longer be available.

Unless terminated by Us or by the Program administrator, the Beneficiary Resource Services noninsurance benefit is available following a covered loss for as long as you remain covered under the group term life insurance policy and such policy remains in effect, subject to the time periods stated above.

DEARBORN NATIONAL[®] LIFE INSURANCE COMPANY
Chicago, Illinois

RIDER

This Rider is made a part of the Policy or Certificate (hereafter “the Policy”) to which it is attached. It takes effect and ends at the same time as the Policy. All provisions of the Policy, including any other Riders or Amendatory Endorsements will apply to this Rider, except that in the event of a conflict, the specific provisions of this Rider will govern.

On-Line Will Preparation Service

What is the On-Line Will Preparation Service?

On-line Will Preparation Service is a noninsurance benefit made available to **You** which provides access at no additional cost to the following service:

- Access to on-line tools and resources to help **You** create **Your** will.

How is the On-line Will Preparation Service Accessed?

Your employer will give you a promotional code to access the EstateGuidance[®] web service at EstateGuidance.com. This code will give you access to the will preparation services.

The On-line Will Preparation Service program is administered and provided by ComPsych[®] Corporation. Dearborn National[®] Life Insurance Company does not underwrite or administer this program.

When does the On-Line Will Preparation Service Terminate?

The On-Line Will Preparation Service terminates if **Your** coverage is terminated under the section on *When does Your coverage under the Policy end?* found in the Termination Provision of the Policy.



President

Nothing contained in this Rider shall be held to alter or affect any provision or condition of the Policy other than as stated above.

NOTICE
to
the Policyholder and Certificateholder under
the Group Term Life Insurance Policy
Provided by Dearborn National[®] Life Insurance Company
Regarding the On-Line Will Preparation Noninsurance Benefit

This notice is to advise you that Your Group Term Life Insurance program also provides a noninsurance benefit: *On-Line Will Preparation Service*.

Noninsurance Benefit Description

On-Line Will Preparation Service is a service that provides access to a website to help in the preparation of a Last Will and Testament.

This noninsurance benefit is available at the option of the Policyholder without any action required on the part of an insured person to either accept or decline the service.

There is no charge for this noninsurance benefit.

The service is currently administered by ComPsych[®] Corporation.

Dearborn National[®] Life Insurance Company (sometimes referred to as “We” or “Our”) makes this program available, but it does not underwrite or administer the program.

Why This Service is Being Made Available

By using the EstateGuidance[®] web service at EstateGuidance.com, You will have access to on-line tools and resources to create Your will, utilizing the services provided by ComPsych Corporation. In addition to acquiring group term life insurance, preparing a will is another important way to protect your loved ones.

Accessing On-Line Will Preparation Service

Your employer will distribute promotional material, website information, and a promotional code for you to use. This promotional code will provide will preparation services free of charge on the website.

When Does the On-Line Will Preparation Service Terminate?

This noninsurance benefit is provided free of charge as a courtesy. It is subject to termination at our option or at the option of the program administrator.

If We discontinue this service We will notify the Policyholder not less than thirty (30) days in advance of the discontinuance of this service.

If the current program administrator discontinues the program and we are unable to find a replacement, we will notify the Policyholder as soon as is reasonable under the circumstances.

Unless terminated by Us or by the Program administrator, the On-Line Will Preparation Service noninsurance benefit is available for as long as you remain covered under the group term life insurance policy and such policy remains in effect.

If discontinued, the services available under this noninsurance benefit will no longer be available.

EstateGuidance [®] is offered by ComPsych [®] Corporation. EstateGuidance [®] is administered by ComPsych [®] Corporation. Dearborn National [®] Life Insurance Company does not underwrite or administer the EstateGuidance [®] program.

DEARBORN NATIONAL[®] LIFE INSURANCE COMPANY
Chicago, Illinois

RIDER

This Rider is made a part of the Policy or Certificate (hereafter “the Policy”) to which it is attached. It takes effect and ends at the same time as the Policy. All provisions of the Policy, including any other Riders or Amendatory Endorsements will apply to this Rider, except that in the event of a conflict, the specific provisions of this Rider will govern.

Travel Resource Services

What is the Travel Resource Services?

Travel Resource Services is a noninsurance benefit made available to **You** which provides access at no additional cost to the following services:

- Access to a toll free number in the event **You** encounter an emergency while traveling more than 100 miles from **Your** principal residence.
- Access to on-line tools and resources for any pre-trip assistance **You** may need.

How is Travel Resource Services accessed?

Your employer will provide **You** with an identification card to be used whenever services are needed. This card will give **You** access to the toll-free number used to initiate the services.

The Travel Resource Services program is administered and provided by Europ Assistance USA, Inc. Dearborn National[®] Life Insurance Company does not underwrite or administer this program.

When do the Travel Resource Services terminate?

The Travel Resource Services terminate if **Your** coverage is terminated under the section on *When does Your coverage under the Policy end?* found in the Termination Provision of the Policy.



President

Nothing contained in this Rider shall be held to alter or affect any provision or condition of the Policy other than as stated above.

NOTICE
to
the Policyholder and Certificateholder under
the Group Term Life Insurance Policy
Provided by Dearborn National[®] Life Insurance Company
Regarding the Travel Resource Services Noninsurance Benefit

This notice is to advise you that Your Group Term Life Insurance program also provides a noninsurance benefit: *Travel Resource Services*.

Noninsurance Benefit Description

Travel Resource Services is a service that provides telephonic access to emergency assistance while traveling more than one hundred (100) miles from **Your** home and access to on-line travel tools and resources when preparing a trip.

This noninsurance benefit is available at the option of the Policyholder without any action required on the part of an insured person to either accept or decline the service.

There is no charge for this noninsurance benefit.

The service is currently administered by Europ Assistance USA, Inc.

Dearborn National[®] Life Insurance Company (sometimes referred to as “We” or “Our”) makes this program available, but it does not underwrite or administer the Travel Resource Services program.

Why This Service is Being Made Available

We are making this service available to provide support and assistance to persons who are traveling or preparing to travel, in addition to the group life and accidental death benefits available under this Policy. If an emergency occurs on a trip, counselors are available to assist in locating nearby hospitals, assist in recovering lost passports, medical evacuations, and other emergencies. Advice at the planning stage of a trip is available.

Accessing Travel Resource Services

Services may be accessed by contacting the program administrator at 1-877-715-2593.,

Termination of the Noninsurance Benefit

This noninsurance benefit is provided free of charge as a courtesy. It is subject to termination at our option or at the option of the program administrator.

If We discontinue this service We will notify the Policyholder not less than thirty (30) days in advance of the discontinuance of this service.

If the current program administrator discontinues the program and we are unable to find a replacement, we will notify the Policyholder as soon as is reasonable under the circumstances. If discontinued, the services available under this noninsurance benefit will no longer be available.

Unless terminated by Us or by the Program administrator, the Travel Resource Services noninsurance benefit is available following a covered loss for as long as you remain covered under the group term life insurance policy and such policy remains in effect.



Administrative Office:
1020 31st Street • Downers Grove, Illinois 60515-5591

Products and services marketed under the Dearborn National® brand and the star logo are underwritten and/or provided by Dearborn National® Life Insurance Company (Downers Grove, IL) in all states (excluding New York), the District of Columbia, the United States Virgin Islands, the British Virgin Islands, Guam and Puerto Rico.

Term Accidental Death and Dismemberment Insurance

Employee Benefit Booklet

Dearborn  National[®]

THE UNIVERSITY OF TEXAS SYSTEM

Group Number: GFZ71778-0001

Class 1-01

Products and services marketed under the Dearborn National[®] brand and the star logo are underwritten and/or provided by Dearborn National[®] Life Insurance Company (Downers Grove, IL) in all states (excluding New York), the District of Columbia, the United States Virgin Islands, the British Virgin Islands, Guam and Puerto Rico.

09/07/2012



Underwritten by Dearborn National[®] Life Insurance Company

(A stock life insurance company, herein called "We" "Us" or "Our")

Administrative Office:
1020 31st Street
Downers Grove, IL 60515-5591

CERTIFICATE OF COVERAGE

We agree to pay benefits subject to the provisions, definitions, limitations, and conditions of the master policy. The master policy (herein called the Policy) is a contract issued by Dearborn National[®] Life Insurance Company (herein called Dearborn National) to Your Employer (herein called the Policyholder). The Policy may be changed at any time by a written agreement between Dearborn National Life Insurance Company and the Policyholder.

This is Your certificate of coverage as long as You are eligible for insurance. It is not a contract or a part of one. Your benefits are described in plain English, but a few terms and provisions are written as required by insurance law.

READ YOUR CERTIFICATE CAREFULLY

If You have any questions, please contact the Benefits Administrator at Your place of employment or write to us. We will assist You in any way we can to help You understand Your benefits.

William R. Barnes
Secretary

Craig K. Hoedye
President

THE INSURANCE POLICY UNDER WHICH THIS CERTIFICATE IS ISSUED IS NOT A POLICY OF WORKERS' COMPENSATION INSURANCE. YOU SHOULD CONSULT YOUR EMPLOYER TO DETERMINE WHETHER YOUR EMPLOYER IS A SUBSCRIBER TO THE WORKERS' COMPENSATION SYSTEM.

THIS IS LIMITED BENEFIT COVERAGE

THE POLICY PAYS BENEFITS FOR ACCIDENTS ONLY

READ YOUR CERTIFICATE CAREFULLY

Group Insurance Certificate
Accidental Death & Dismemberment & Loss of Sight Insurance

Products and services marketed under the Dearborn National[®] brand and the star logo are underwritten and/or provided by Dearborn National[®] Life Insurance Company (Downers Grove, IL) in all states (excluding New York), the District of Columbia, the United States Virgin Islands, the British Virgin Islands, Guam and Puerto Rico.

***IMPORTANT INFORMATION ABOUT COVERAGE UNDER THE
TEXAS LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION
(For insurers declared insolvent or impaired on or after September 1, 2011)***

Texas law establishes a system to protect Texas policyholders if their life or health insurance company fails. The Texas Life and Health Insurance Guaranty Association (“the Association”) administers this protection system. Only the policyholders of insurance companies that are members of the Association are eligible for this protection which is subject to the terms, limitations, and conditions of the Association law. (The law is found in the *Texas Insurance Code*, Chapter 463.)

It is possible that the Association may not protect all or part of your policy because of statutory limitations.

Eligibility for Protection by the Association

When a member insurance company is found to be insolvent and placed under an order of liquidation by a court or designated as impaired by the Texas Commissioner of Insurance, the Association provides coverage to policyholders who are:

- Residents of Texas (**regardless of where the policyholder lived when the policy was issued**)
- Residents of other states, **ONLY** if the following conditions are met:
 1. The policyholder has a policy with a company domiciled in Texas;
 2. The policyholder’s state of residence has a similar guaranty association; and
 3. The policyholder is *not eligible* for coverage by the guaranty association of the policyholder’s state of residence.

Limits of Protection by the Association

Accident, Accident and Health, or Health Insurance:

- For each individual covered under one or more policies: up to a total of \$500,000 for basic hospital, medical-surgical, and major medical insurance, \$300,000 for disability or long term care insurance, or \$200,000 for other types of health insurance.

Life Insurance:

- Net cash surrender value or net cash withdrawal value up to a total of \$100,000 under one or more policies on a single life; or
 - Death benefits up to a total of \$300,000 under one or more policies on a single life; or
 - Total benefits up to a total of \$5,000,000 to any owner of multiple non-group life policies.

Individual Annuities:

- Present value of benefits up to a total of \$250,000 under one or more contracts on any one life.

Group Annuities:

- Present value of allocated benefits up to a total of \$250,000 on any one life; or
- Present value of unallocated benefits up to a total of \$5,000,000 for one contractholder regardless of the number of contracts.

Aggregate Limit:

- \$300,000 on any one life with the exception of the \$500,000 health insurance limit, the \$5,000,000 multiple owner life insurance limit, and the \$5,000,000 unallocated group annuity limit.

These limits are applied for each insolvent insurance company.

Insurance companies and agents are prohibited by law from using the existence of the Association for the purpose of sales, solicitation, or inducement to purchase any form of insurance. When you are selecting an insurance company, you should not rely on Association coverage. For additional questions on Association protection or general information about an insurance company, please use the following contact information.

Texas Life and Health Insurance Guaranty
Association
515 Congress Avenue, Suite 1875
Austin, Texas 78701
800-982-6362 or www.txlifega.org

Texas Department of Insurance
P.O. Box 149104
Austin, Texas 789714-9104
800-252-3439 or www.tdi.state.tx.us

IMPORTANT NOTICE

To obtain information or make a complaint:

You may call Dearborn National® Life Insurance Company's toll-free telephone number for information or to make a complaint at

1-800-633-3696

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at

1-800-252-3439

You may write the Texas Department of Insurance

P. O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: <http://www.tdi.state.tx.us>
E-mail: ConsumerProtection@tdi.state.tx.us

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim, you should contact the company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY: This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORTANTE

Para informacion o para someter una queja:

Usted puede llamar al numero de telefono gratis de Dearborn National® Life Insurance Company para informacion o para someter una queja al

1-800-633-3696

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al

1-800-252-3439

Puede escribir al Departamento de Seguros de Texas

P. O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: <http://www.tdi.state.tx.us>
E-mail: ConsumerProtection@tdi.state.tx.us

DISPUTAS SOBRE PRIMAS O

RECLAMOS: Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con la compania primero. Si no se resuelve la disputa, puede entonces comunicarse con al Departamento (TDI).

UNA ESTE AVISO A SU POLIZA:

Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.

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SCHEDULE OF BENEFITS

Effective September 1, 2012

**BASIC ACCIDENTAL DEATH, DISMEMBERMENT
& LOSS OF SIGHT INSURANCE
(BASIC AD&D)**

BENEFIT DESCRIPTION	ACTIVE EMPLOYEE ⁽¹⁾	SPOUSE	CHILD(REN)
Basic AD&D Benefit Amount (Principal Sum)	\$20,000	Not Available	Not Available
Paid for by	The System ⁽²⁾	Not Applicable	Not Applicable
<p>⁽¹⁾ Employee is defined in the Eligibility provision and includes Active Employees who are participants in a System sponsored medical plan, as well as Active Employees who participate in an alternative UT System health institution AD&D plan provided by individual health institutions.</p> <p>⁽²⁾ For part-time employees, the System will only provide ½ of the premium sharing. The remaining ½ of the premium payment is the part-time employee's responsibility.</p>			

**VOLUNTARY ACCIDENTAL DEATH, DISMEMBERMENT
& LOSS OF SIGHT INSURANCE
(VOLUNTARY AD&D – Available with or without Basic AD&D)**

BENEFIT DESCRIPTION	ACTIVE EMPLOYEE ⁽¹⁾	SPOUSE	CHILD(REN)
Voluntary AD&D Benefit Amount (Principal Sum)	Maximum of 10 times Annual Compensation or \$1,000,000, whichever is less (multiples of \$10,000)	Up to one-half of the Employee's Voluntary AD&D benefit in force or up to \$500,000, whichever is less (multiples of \$10,000) ⁽³⁾	\$10,000 ⁽³⁾ (per eligible child)
Maximum Voluntary AD&D Amount	\$1,000,000	\$500,000	\$10,000 (per eligible dependent child)
Paid for by	Employee ⁽²⁾	Employee ⁽²⁾	Employee
<p>⁽¹⁾ Employee, for the purposes of Voluntary AD&D, is defined in the Eligibility provision and includes Active Employees who participate in a System medical plan as well as Employees who waive participation in the System medical plan. It does not include Active Employees who participate in an alternative UT System health institution AD&D plan.</p> <p>⁽²⁾ Employees with medical coverage from another source may waive medical coverage and receive 50% (full-time) or 25% (part-time) of the state's premium sharing amount to pay premium(s) for Voluntary AD&D or Dependent AD&D.</p> <p>⁽³⁾ Employee must be covered for at least \$20,000 in Employee Voluntary AD&D coverage to be eligible to elect spouse coverage or children coverage.</p>			

DEFINITIONS

This section tells You the meaning of special words and phrases used in this Certificate. To help You recognize these special words and phrases, the first letter of each word, or each word in the phrase, is capitalized wherever it appears.

Accident or Accidental means a sudden, unexpected event that was not reasonably foreseeable.

Active Service means that an Employee is:

1. performing the normal duties of his occupation; and
2. working the number of hours set forth in the Eligibility provision.

Application means the document which sets forth the eligible classes, the amounts of insurance, and other relevant information pertaining to the plan of insurance for which the Policyholder applied.

Annual Compensation means the greater of:

1. Your last reported gross annual income from Your Employer; or
2. Your gross annual income from Your Employer in effect on the September 1 immediately preceding the date of loss.

It includes:

1. hazardous duty pay;
2. longevity pay;
3. employee contributions made through a salary reduction agreement with Your Employer to an IRC Section 401(k), 403(b), 501(c)(3), 457 deferred compensation plan, or any other qualified or non-qualified employee Retirement Plan or deferred compensation arrangement; and
4. amounts contributed to Your fringe benefits according to a salary reduction arrangement under an IRC Section 125 plan.

It does not include:

1. commissions;
2. bonuses;
3. overtime pay;
4. Your Employer's contribution on Your behalf to a retirement plan or deferred compensation arrangement; or
5. any other extra compensation.

Basic AD&D means Basic Accidental Death and Dismemberment insurance.

Change in Status means an event which qualifies You to make changes in benefit selections at a time other than an Annual Enrollment period. A Change in Status includes, but is not limited to:

1. Marriage; or
2. Divorce, annulment or legal separation; or
3. Birth or adoption of a dependent child; or
4. Death of Your spouse; or
5. Termination of Your spouse's employment; or
6. A change in the benefit plan available to Your spouse; or

7. A change in employment status for You or Your spouse that affects Your eligibility for benefits.

To apply for a Change in Status, You must contact your institution HR/Benefits Office within 31 days of the date of the qualifying event. The requested change must be consistent with the qualifying event. Your institution HR/Benefits Office will review the request and make a final decision as to whether or not the requested change qualifies.

Child means:

1. a natural child;
2. an adopted child;
3. a stepchild who has a regular parent/child relationship with the Employee;
4. a foster child under a legally supervised foster care program; or
5. other child who is in a parent-child relationship with the Employee.

You may be required to provide legal papers to show Your relationship to a child who is not Your natural child.

Contributory means You pay all or a portion of the premium for this insurance coverage.

Dependent Voluntary AD&D or Dependent VAD&D means Dependent Voluntary Accidental Death and Dismemberment insurance.

Employee means a benefits-eligible employee in Active Service with the Policyholder, at the Policyholder's usual place of business or such place(s) that the Policyholder's normal course of business may require and is reported on the Employer's records for Social Security and tax withholding purposes.

Injury means bodily harm resulting directly from an Accident and independently of all other causes.

Insured means an Employee covered under the Policy, unless otherwise specifically defined for purposes of a covered benefit.

Male Pronoun whenever used includes the female.

Noncontributory means the Policyholder pays 100% of the premium for this insurance.

Policy means the group contract between the Policyholder and Us which provides group insurance benefits.

Policyholder means The University of Texas System or System.

Prior Plan means the plan of insurance providing similar benefits to Employees, sponsored by the Employer and in effect immediately prior to the Policy Effective Date.

System means The University of Texas System.

Voluntary AD&D or VAD&D means Voluntary Accidental Death and Dismemberment insurance.

Voluntary Spouse AD&D means Voluntary Spouse Accidental Death and Dismemberment insurance.

Us means Dearborn Life Insurance Company or Dearborn National. For the purposes of the Policy, any notice or other form that is required pursuant to the Policy is considered to have been submitted to Us by an Employee upon delivery of the Form to the institution HR/Benefits Office at the Employee's institution for delivery to Us.

You or Your means the Employee covered under the Policy and the person to whom this Certificate was delivered.

ELIGIBILITY PROVISIONS

The eligibility requirements are set forth below; however, eligibility for this plan is subject to change by the System or the Texas Legislature.

EMPLOYEE ELIGIBILITY

Employees and their dependents are eligible to participate in the Basic AD&D, Voluntary AD&D, Dependent Voluntary AD&D and Voluntary Spouse AD&D insurance plans under the Policy, if they receive compensation for services performed for the System and:

1. are eligible to be a member of the Teacher Retirement System of Texas (TRS); and either:
 - a. work at least 20 hours per week and are expected to continue in the employment for a term of at least 4 ½ months; or
 - b. are appointed for at least 50 percent of a standard full-time appointment; or
2. are graduate student Employees who:
 - a. are employed at least 20 hours a week; and
 - b. who are not members of TRS solely because a condition of their employment requires enrollment in the System in graduate level classes.

Employees who are physicians participating in an alternative UT System health AD&D plan sponsored by an individual health institution are only eligible to participate in the Basic AD&D insurance plan under the Policy. However, if the alternative UT System health AD&D plan is no longer available to these physicians, they will become eligible to participate in the Voluntary AD&D and Dependent AD&D benefits offered through this contract.

In addition, individuals serving a Post-Doctoral Fellowship with a System institution who are not Employees are eligible to participate only in the Basic AD&D insurance plan.

DEPENDENT ELIGIBILITY

If Dependent Voluntary AD&D coverage is elected, the family members described below are covered. The Principal Sum for which Dependents are covered is set forth in the Schedule of Benefits and/or the Employee enrollment form.

Eligible Dependents include:

1. the spouse of an Employee; and/or
2. the Employee's unmarried, dependent Child(ren) from live birth to age 25.

Coverage for a child may continue beyond age 25 only if the child is mentally or physically unable to earn a living and is dependent on the Employee for support. The Employee must notify their institution HR/Benefits Office of the child's disability before the child's 25th birthday. Periodically, the Employee may be required to provide evidence of the child's continuing disability and proof of support to the System, but not more frequently than once every twelve months.

A person cannot be insured as an Employee and also a Dependent under the Policy. If both the husband and the wife are Employees of the System, both must be covered as individual Insureds under the Policy, and only one may enroll dependent child(ren) for Dependent Voluntary AD&D coverage.

ELIGIBILITY AFTER TERMINATION OF EMPLOYMENT

If an Employee's coverage ends due to termination of employment, he must meet all the requirements of a new Employee if he is rehired at a later date.

EMPLOYEE ENROLLMENT and EFFECTIVE DATE OF COVERAGE

EMPLOYEE ENROLLMENT

A newly eligible Employee who enrolls for employee-only medical coverage when he first becomes eligible is automatically enrolled for Basic AD&D coverage, and he may also enroll for Voluntary AD&D, Voluntary Spouse AD&D and/or Dependent Voluntary AD&D insurance according to the benefit requirements. Amounts of coverage are set forth in the Schedule of Benefits and will become effective as follows:

Day of Enrollment	Insurance effective date if Employer supplements the benefits waiting period *	Insurance effective date if Employer does not supplement the benefits waiting period
On or before first day at work, provided the Employee submits an application and requests payroll deduction of the applicable premium for Contributory coverages, if any	Basic AD&D – the date the Employee becomes eligible. VAD&D – the date the Employee becomes eligible. Voluntary Spouse AD&D- the date the Employee becomes eligible. Dependent VAD&D– the date the Employee becomes eligible.	Basic AD&D – the first of the month following the end of the required waiting period. VAD&D – the date the Employee becomes eligible. Voluntary Spouse AD&D – the date the Employee becomes eligible. Dependent VAD&D - the date the Employee becomes eligible.
Provided the Employee's application and request for payroll deduction of the applicable premium for Contributory coverages, if any, are received in the institution HR/Benefits Office within 31 days of the Employee's first day at work.	Basic AD&D – the date the Employee becomes eligible. VAD&D – the first of the month following the date the enrollment form is received. Voluntary Spouse AD&D – the first of the month following the date the enrollment form is received. Dependent VAD&D– the first of the month following the date the enrollment form is received.	Basic GTL – the first of the month following end of the required waiting period. VAD&D – the first of the month following the date the enrollment form is received. Voluntary Spouse AD&D – the first of the month following the date the enrollment form is received. Dependent VAD&D – the first of the month following the date the enrollment form is received.
After 31 or more days of the Employee's first day at work	Basic AD&D – the date the Employee becomes eligible. VAD&D – must wait to enroll at the next annual enrollment or in conjunction with a qualified Change of Status. Voluntary Spouse AD&D – must wait to enroll at the next annual enrollment or in conjunction with a qualified Change in Status. Dependent VAD&D - must wait to enroll at the next annual enrollment or in conjunction with a qualified Change in Status.	Basic AD&D – the date the Employee becomes eligible. VAD&D – must wait to enroll at the next annual enrollment or in conjunction with a qualified Change of Status. Voluntary Spouse AD&D – must wait to enroll at the next annual enrollment or in conjunction with a qualified Change in Status. Dependent VAD&D- must wait to enroll at the next annual enrollment or in conjunction with a qualified Change in Status.
* Insurance effective date is reliant upon the Employee having met the Active Service definition of this Policy.		

DEFERRED EFFECTIVE DATE

An Employee must be in Active Service on the date his initial coverage or any increases in coverage are scheduled to begin. If he is not in Active Service on the date coverage would otherwise become effective and his absence is caused

by an Injury, illness or layoff, the effective date of any initial coverage or increased coverage will be deferred until the first day he returns to Active Service. An Employee will be considered in Active Service if he was actually at work on the day immediately preceding:

1. a weekend (except for one or both of these days if they are scheduled work days);
2. a holiday (except when such holiday is a scheduled work day);
3. a paid vacation;
4. any nonscheduled work day.

An Employee will be considered in Active Service if he is insured under the Prior Plan and is on an Employer approved leave of absence on the date immediately preceding the Policy Effective Date.

If a Dependent is hospital confined on the date his coverage would otherwise become effective, insurance will not become effective until the date the Dependent is no longer hospital confined. For the purposes of this provision, *no longer hospital confined* means the dependent has been discharged from a hospital, nursing home or other medical facility which provides skilled medical care.

CHANGE IN STATUS

An Employee who experiences a qualified Change in Status, may add or drop Voluntary AD&D amounts without providing Evidence of Insurability, provided the benefit change is consistent with the Change in Status. The Employee must submit the appropriate enrollment form(s) to his institution HR/Benefits Office within 31 days of the Change in Status.

CHANGE IN COVERAGE

Increases in coverage amounts may be made in accordance with the Change in Status provision or during a regularly scheduled Annual Enrollment period. No Evidence of Insurability will be required for changes in Voluntary AD&D or Dependent AD&D coverage changes.

BENEFICIARY PROVISIONS

THE BENEFICIARY

Employee Coverage: You are automatically the beneficiary for dismemberment benefits on Yourself. Accidental Death benefits will be paid to Your designated beneficiary(ies). Other AD&D benefits will be payable as specifically set forth in the benefit provision. You must designate a beneficiary(ies) on a form provided or approved by Us. If You name two or more beneficiaries, We will pay the proceeds equally unless You specify otherwise. The Policyholder may not be named as beneficiary.

Unless You provide otherwise, if a beneficiary dies before You, We will divide that beneficiary's share equally between any remaining named beneficiaries. If no named beneficiary survives You or if You do not name a beneficiary, We will pay the amount of insurance:

1. to Your spouse, if living; if not,
2. in equal shares to Your then living natural or adopted children, if any; if none,
3. in equal shares to Your father and mother, if living; if not,
4. to Your estate.

If a beneficiary is a minor, or is not able to give a valid release for any payment of benefits made, We will pay the life proceeds to the legally appointed guardian or to another adult who has assumed the custody and principal support of the minor. This provision does not prevent Us from making payment to or for the benefit of a minor beneficiary in accordance with the applicable state law.

If any benefits under this provision are to be paid to Your estate, We may pay an amount not greater than \$250 to any person We consider to be equitably entitled by reason of having incurred funeral or other expenses incident to Your death. Any and all payments made by Us shall fully discharge Us in the amount of such payment.

Dependent(s) Coverage: You are the primary beneficiary for death & dismemberment benefits payable for a covered Spouse or Dependent Child . Other benefits will be payable as specifically set forth in the benefit provision.

CHANGE OF BENEFICIARY

You may change Your beneficiary designation at any time by completing the appropriate change request form, and submitting it to Us. Your written request for change of beneficiary will not be effective until it is recorded by Us or by the Policyholder. After it has been so recorded, it will take effect on the later of the date You signed the change request form or the date You specifically requested. If You die before a change has been recorded, We will not alter any payment that We have already made. Any prior payment shall fully discharge Us from further liability in that amount.

ACCIDENTAL DEATH, DISMEMBERMENT, AND LOSS OF SIGHT BENEFIT
DESCRIPTION OF COVERAGE

If, while insured under the Policy, an Insured or a covered Dependent suffers an Injury in an Accident, We will pay for those Losses set forth in the Table of Losses below. The amount paid will be as stated in the Table of Losses but not more than the Principal Sum set forth in the Schedule of Benefits or Employee enrollment form. The Loss must:

1. occur within 365 days of the Accident; and
2. be the direct and sole result of the Accident; and
3. be independent of all other causes.

Dependent Voluntary AD&D: You may enroll in Dependent Voluntary AD&D and/or Voluntary Spouse AD&D. The Principal Sum for a covered spouse is the amount You elect on Your enrollment form, but it may not exceed 50% of Your Principal Sum. The Principal Sum for a covered Dependent Child is \$10,000. You must be covered for at least \$20,000 in Employee Voluntary AD&D coverage to be eligible to elect Dependent Voluntary AD&D or Voluntary Spouse AD&D coverage.

TABLE OF LOSSES
AMOUNT PAYABLE

Loss of Life	The Principal Sum
Loss of Both Hands	The Principal Sum
Loss of Both Feet	The Principal Sum
Loss of Entire Sight of Both Eyes	The Principal Sum
Loss of One Hand and One Foot	The Principal Sum
Loss of One Hand and Entire Sight of One Eye	The Principal Sum
Loss of One Foot and Entire Sight of One Eye	The Principal Sum
Loss of Speech and Hearing (both ears)	The Principal Sum
Quadriplegia (total paralysis of both upper and lower limbs)	The Principal Sum
Paraplegia (total paralysis of both lower limbs)	One-Half the Principal Sum
Loss of One Hand	One-Half the Principal Sum
Loss of One Foot	One-Half the Principal Sum
Loss of Entire Sight of One Eye	One-Half the Principal Sum
Loss of Speech	One-Half the Principal Sum
Loss of Hearing (both ears)	One-Half the Principal Sum
Hemiplegia (total paralysis of upper and lower limbs on one side of the body)	One-Half the Principal Sum
Loss of Thumb and Index Finger (on same hand)	One-Half the Principal Sum

Loss shall have the meaning(s) set forth below:

1. With respect to hand or foot, Loss means actual and permanent severance from the body at or above the wrist or ankle joint, as applicable.
2. With respect to eyes, speech and hearing, Loss means entire and irrecoverable loss of sight, speech or hearing.
3. With respect to thumb and index finger, Loss means complete severance of entire digit at or above joints.
4. Paralysis means loss of use, without severance of a limb. Loss of use must be determined by a physician to be complete and not reversible.
5. With respect to limb, loss of an arm or leg means complete severance through or above the elbow or knee joint, as applicable.

Severance means the complete separation and dismemberment of the limb or digit from the body.

The total amount of benefits payable for all losses to any one person resulting from any one Accident will not be greater than the Principal Sum.

EXCLUSIONS

We will not pay any benefit for any Loss that, directly or indirectly, results in any way from or is contributed to by:

1. Suicide or intentionally self-inflicted injuries, or any attempt thereat, while sane or insane.
2. Declared or undeclared war or act of war.
3. Accident which occurs while the covered person is serving on full time active duty for more than 30 days in any armed forces. (Send us proof of service. We will refund any premium paid for this time.) (Reserve or National Guard active duty for training is not excluded.)
4. The commission of a felony by the covered person.
5. Sickness, disease, bodily or mental infirmity, or medical or surgical treatment thereof or bacterial or viral infection, regardless of how contracted. This does not include bacterial infection that is the natural and foreseeable result of an accidental external cut or wound, or accidental food poisoning.
6. The insured individual being intoxicated by reason of alcohol or drug use, or a combination thereof. "Intoxication" shall have the meaning assigned in Section 49.01, Texas Penal Code, as may be amended. Conviction of a crime related to intoxication is not necessary for a determination of a loss resulting from intoxication. This exclusion is applicable whether or not the loss is related to the operation of a motor vehicle.

NOTICE OF CLAIM

If You or a covered Dependent incurs a Loss that may result in a claim for benefits under the Policy, written notice must be given to Us at Our administrative office. This should be done within 90 days after the covered loss occurs. If notice cannot be given within that time, it must be given as soon as reasonably possible. This notice must contain enough information to identify the claimant.

CLAIM FORMS

When We receive written notice of a claim, We will send the claimant forms with which to file proof of loss. If these forms are not given to the claimant within 15 days, he will be excused from filing the forms provided he sends Us written proof of loss detailing the occurrence, the character and extent of the loss for which claim is made.

PROOF OF LOSS

We must receive written proof of loss within 91 days after the date of the Loss for which claim was made. If it can be shown that it was not reasonably possible to furnish such proof and that such proof was furnished as soon as reasonably possible, failure to furnish proof of loss within 91 days will not invalidate or reduce any claim. However, except in the absence of legal capacity, proof of loss must be furnished no later than one (1) year from the date such proof is required.

TIME OF PAYMENT OF CLAIMS

Benefits for a Loss covered under the Policy will be paid as soon as We receive proper written Proof of Loss.

PHYSICAL EXAMINATION

We have the right and opportunity to examine You or a covered Dependent when and so often as it may be reasonably necessary during the pendency of a claim under the Policy, but not more frequently than once every 3 months.

LEGAL ACTION

No action at law or in equity may begin prior to 60 days after We receive valid written proof of loss. No such action may begin after 3 years from the day written proof of loss was required.

BENEFIT PROVISIONS
(Applicable to Basic and Voluntary AD&D)

SEAT BELT BENEFIT

We will pay an additional benefit, the Seat Belt Benefit, of the lesser 10% of Your Principal Sum or \$50,000 to Your designated beneficiary if the Principal Sum under the AD&D Benefit is payable for Loss of life as the result of an Accident which occurs while You are driving or riding in an automobile, if:

1. the automobile is equipped with Seat Belts;
2. the Seat Belt was in actual use and properly fastened at the time of the Accident;
3. the position of the Seat Belt is certified in the official report of the Accident or by the investigating officer. A copy of the police Accident report must be submitted with the claim; and
4. You were driving or riding in an Automobile driven by a licensed driver who was neither:
 - a. intoxicated or driving while impaired. Intoxication and impairment shall be determined by the law of the jurisdiction in which the Accident occurs, with or without conviction; nor
 - b. under the influence of any narcotic, hallucinogen, barbiturate, amphetamine, gas or fumes, poison or any other controlled substance as defined in Title II of the Comprehensive Drug Abuse prevention and Control Act of 1970, as now or hereafter amended, unless as prescribed by a licensed physician and used in the manner prescribed. Conviction is not necessary for a determination of being under the influence.

If the certification required in item (3) above is not available and if it is unclear whether You were properly wearing a Seat Belt, then We will pay an additional benefit of \$1,000.

Seat Belt means those belts that form an occupant restraint system.

Automobile, for the purpose of the Seat Belt and the Air Bag Benefits, means a self-propelled private passenger motor vehicle with four or more wheels which is of a type both designed and required to be licensed for use on the highways of any state or country. Automobile includes, but is not limited to a sedan, station wagon, jeep-type vehicle, or a motor vehicle of the pickup, panel, van, camper or motor home type. Automobile does not include a mobile home or any motor vehicle which is used in mass or public transit.

AIR BAG BENEFIT

We will pay an additional benefit, the Air Bag Benefit, equal to 5% of the Principal Sum of the AD&D Benefit to Your designated beneficiary if the Principal Sum under the AD&D Benefit is payable for Loss of life as the result of an Accident which occurs while You are driving or riding in an Automobile provided that:

1. You were positioned in a seat that was equipped with an Air Bag;
2. You were properly strapped in the Seat Belt when the Air Bag inflated; and
3. the police report establishes that the Air Bag inflated properly upon impact.

The maximum Air Bag Benefit payable is \$25,000. If it is unclear whether You were properly wearing Seat Belt(s) or if it is unclear whether the Air Bag inflated properly, then the Air Bag Benefit will be \$1,000.

Air Bag means an inflatable supplemental passive restraint system installed by the manufacturer of the Automobile, or proper replacement parts as required by the Automobile manufacturer's specifications, that inflates upon collision to protect an individual from Injury and death. An Air Bag is not considered a Seat Belt.

COMA BENEFIT

If, as a result of a covered Accident, an Insured is injured, We will pay an additional benefit if the Insured becomes Comatose within 31 days of the Accident and remains Comatose beyond the Waiting Period.

We will pay this benefit at the rate of 1% of the Insured's Principal Sum per month from the end of the Waiting Period. We will cease payment on the earliest of:

1. the end of the month in which the Insured dies;
2. the end of the 11th month for which this benefit is payable; or
3. the end of the month in which the Insured recovers from the Coma.

If the Insured:

1. dies from any cause or as a result of the covered Accident while this Coma Benefit is payable; or
2. remains Comatose after this Coma Benefit is payable for 11 consecutive months, we will pay a lump sum benefit equal to the Principal Sum payable under the Policy for Accidental Death, reduced by the amount of any Accidental Dismemberment, loss of sight, speech, hearing or paralysis benefits paid to the Insured for the Loss caused by the covered Accident.

Insured, for the purposes of this Coma Benefit, includes the insured Employee's spouse and Dependent Children if the Employee is covered for Dependent Voluntary AD&D coverage.

Comatose or Coma means that a person is in a profound stupor or state of complete and total unconsciousness, as the result of a covered Accident.

Waiting Period means the 31-day period from the date the Insured becomes Comatose.

Exclusions: In addition to the Exclusions set forth in the Policy, the following exclusion applies to this Coma Benefit: Benefits will not be paid for loss covered by or resulting from sickness, disease, bodily infirmity or medical or surgical treatment thereof, or bacterial or viral infection, regardless of how contracted. Except, bacterial infection that is the natural and foreseeable result of an Accidental Injury or Accidental food poisoning is not excluded.

EXPOSURE AND DISAPPEARANCE BENEFIT

In the event You are unavoidably exposed to the elements as a result of an Accident, and because of exposure suffer a Loss for which a benefit is otherwise payable under the Policy, such Loss will be covered in accordance with the provisions of the Policy.

If You are not found within 365 days from the date of the disappearance, wrecking or sinking of the conveyance in which You were riding, in the course of a trip which would be covered under the Policy, it will be presumed You sustained Loss of Life as a result of Injury.

PUBLIC CONVEYANCE BENEFIT

We will pay an additional benefit, the Public Conveyance Benefit, of the lesser of Your Principal Sum or \$150,000 if an AD&D benefit is payable for Your loss of life as the result of an Accident which occurs while You are a Fare-Paying passenger in a Public Conveyance that:

1. is run by a common carrier regulated by the government; and
2. transports passengers for hire; and
3. is not a chartered or other privately arranged conveyance.

Fare-Paying means the Public Conveyance has been paid for services by either You or as part of a contract with The University of Texas System.

Public Conveyance means

1. Any land or water conveyance licensed for the transportation of passengers for hire; or
2. Any aircraft operated by a business organized to operate an aircraft service and licensed for the transportation of passengers for hire.

BRAIN DAMAGE BENEFIT

We will pay an additional benefit, the Brain Damage Benefit, of the lesser of Your Principal Sum or \$25,000 to You if You sustain Brain Damage caused by an Injury.

The benefit is payable if the following conditions are met:

1. Brain Damage begins within 30 days of the date of a covered Accident;
2. You are hospitalized for at least 7 days within the first 30 days following the Accident;
3. Brain Damage continues for 12 consecutive months; and
4. Competent medical authority, acceptable to Us, determines the Brain Damage is permanent, complete and irreversible at the end of the 12 consecutive month period.

The total amount of benefit payable under this provision, in addition to any other benefits payable under the Policy, cannot exceed Your Principal Sum. The most We will pay under the Policy for all Losses resulting from any one Accident is Your AD&D Coverage Amount.

Brain Damage means the physical damage to the brain that subsequently renders the Insured unable to perform without human assistance or regular supervision from another person at least two of the Activities of Daily Living as defined below.

Activities of Daily Living means:

1. Eating – Feeding oneself by getting food into the body from a receptacle (such as a plate, cup or table) or by a feeding tube or intravenously.
2. Toileting – Getting to and from the toilet, getting on and off the toilet and performing associated personal hygiene.
3. Transferring – Moving into or out of a bed, chair or wheelchair.
4. Bathing – Washing oneself by sponge bath; or in either a tub or shower, including the task of getting into or out of the tub or shower.
5. Dressing – Putting on and taking off all items of clothing and any necessary braces, fasteners or artificial limbs.
6. Continence – Ability to maintain control of bowel and bladder function; or when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag).

BENEFIT PROVISIONS
(Applicable Only to Voluntary AD&D)

CHILD CARE CENTER BENEFIT

We will pay this benefit if You:

1. have elected Dependent Voluntary AD&D coverage; and
2. die as the result of a covered Accident; and
3. are survived by a Dependent Child who:
 - a. on the date of the covered Accident was enrolled in a legally licensed Child Care Center; or
 - b. is enrolled in a legally licensed Child Care Center within 365 continuous days from the date of the covered Accident; and
 - c. is under 13 years of age.

The Child Care Center Benefit is payable for each child who qualifies:

1. in an amount up to 3% of Your Principal Sum, but not more than \$5,000 per year; and
2. only while the Dependent Child continues to be enrolled in a legally licensed Child Care Center.

We will pay this benefit once a year, at the end of a 12-month period in which there are documented Child Care Center expenses, for not more than five (5) consecutive years, or until the Dependent Child's 13th birthday, whichever happens first.

This benefit will be payable to the surviving spouse, if the spouse has custody of the Child. If there is no surviving spouse, or the child does not live with the spouse, then the benefit will be paid to the Child's legally appointed guardian.

If at the time of the Accident, coverage for a Dependent Child is in force, but there is no Dependent Child who qualifies, we will pay an additional benefit of \$1,500 to Your designated beneficiary.

Child Care Center means a facility which is run according to law, including laws and regulations applicable to child care facilities, and which provides care and supervision for children in a group setting on a regular, daily basis.

A Child Care Center does not include: a hospital, the child's home or care provided during normal school hours while a child is attending grades one through twelve.

COMMON DISASTER BENEFIT

If You elected Voluntary Spouse AD&D coverage and, as the result of a Common Accident, You and spouse die within 365 days of the covered Accident, Your spouse's Loss of Life benefits will be increased to 100% of Your Principal Sum, provided:

1. You and Your spouse are survived by one or more Dependent Children; and
2. the combined benefits of You and Your spouse shall not be more than \$1,000,000.

Common Accident means the same Accident or separate Accidents that occur within the same 24-hour period.

EDUCATION BENEFIT

We will pay an additional benefit, the Education Benefit, to Your Dependent Student if the Principal Sum under the AD&D Benefit is payable for Loss of Your life.

Definitions which apply to the Education Benefit:

Student means a Dependent Child who, on the date of Your death, is:

1. A full-time post-high school student in a school of higher education; or
2. A student in the 12th grade but who becomes a full-time post-high school student in a school of higher education within 365 days after Your death.

School of higher education means an institution which:

1. is legally authorized by the State in which it is located; and
2. provides either a program for:
 - a. Bachelor's degrees or not less than a two year program with full credit towards a Bachelor's degree; or
 - b. Gainful employment as long as such program is at least one year of training; and
3. is accredited by an Agency or association recognized by the U.S. Department of Education under the Higher Education Assistance Act as may be amended from time to time.

Amount of Benefit: The maximum Dependent Education Benefit for each dependent Student shall equal 5% of Your Principal sum to an annual maximum of \$7,500.

Payment of Benefit: We will pay the Dependent Education Benefit once a year for not more than four consecutive years. We will only pay one Dependent Education Benefit to any one dependent Student during any one school year. If the dependent Student is a minor, We will pay the benefit to the legal representative of the minor.

When Benefit Ends: A dependent Student will no longer be eligible to receive the Dependent Education Benefit upon the earlier of the following:

1. Our payment of the fourth annual benefit of the Dependent Education Benefit on behalf of or to the dependent Student; or
2. At the end of the period during which Due Proof must be submitted if no Due Proof is submitted.

Special Child Education Benefit: If Your Eligible Dependent Child does not qualify as a Student, but is enrolled in an elementary or high school, We will pay a Child Education Benefit in the amount of \$1,000. This benefit is payable once upon proof that You died as a result of an Accident for which the Accidental Death & Dismemberment benefit is payable and that, within 12 months after Your death, Your Eligible Dependent Child is a full-time student in an elementary or high school.

FELONIOUS ASSAULT BENEFIT

We will pay an additional benefit, the Felonious Assault Benefit, equal to 25% of the Principal Sum, to You or, in the event of Your death, to Your designated beneficiary if:

1. Injury or Loss of Life takes place while You are on the business of the Policyholder or are on any premises of the Policyholder; and
 - a. Injury or Loss of Life is the direct result of any of the following:
 - b. Robbery, holdup or attempt thereat;
 - c. Kidnapping while attempting a holdup;
 - d. Felonious assault inflicted by persons other than fellow Employees or members of Your family or household.

INCREASED DEPENDENT CHILD BENEFIT

Increased Dependent Child benefit for Accidental loss of limb, sight, speech and hearing:

If Dependent Voluntary AD&D coverage is elected, the benefit amount for a Dependent Child who receives bodily Injuries which result in a Covered Loss, shall be increased to 50% of Your Principal Sum, subject to a maximum of \$20,000.

If the Dependent Child sustains more than one Covered Loss from a single covered Accident, then we will pay the increased benefit amount only for the one largest amount to which the Dependent Child is entitled.

Covered Loss, for the purposes of this benefit, means Loss of limb, sight, speech and hearing. Limb, sight, speech and hearing shall have the meaning assigned in the Policy.

Death Benefit Limitation: The maximum Principal Sum payable under the Policy as a result of the Accidental Death of a Dependent Child is \$10,000.

REHABILITATION BENEFIT

If You suffer an Accidental Loss for which benefits are payable under the Policy, We will reimburse You for Covered Rehabilitative Expenses that are incurred due to the Injury causing the Loss. The Covered Rehabilitative Expenses must be incurred within two years after the date of the Accident causing the Loss and will be payable up to a maximum of \$10,000 for all Injuries caused by the same Accident.

Hospital means a facility that:

1. is operated according to law for the care and treatment of injured people;
2. has organized facilities for diagnosis and surgery on its premises or in facilities available to it on a prearranged basis;
3. has 24 hour nursing service by registered nurses (R.N.); and
4. is supervised by one or more Physicians.

A Hospital does not include:

1. a nursing, convalescent or geriatric unit of a hospital when a patient is confined mainly to receive nursing care;
2. a facility that is, other than incidentally, a rest home, nursing home, convalescent home or home for the aged; nor does it include any ward, room, wing, or other section of the hospital that is used for such purposes; or
3. any military or veterans hospital or soldiers home or any hospital contracted for or operated by any national government or government agency for the treatment of members or ex-members of the armed forces.

Medically Necessary Rehabilitative Training Service, as used in this provision, means any medical service, medical supply, medical treatment or Hospital confinement (or part of a Hospital confinement) that:

1. is essential for physical rehabilitative training due to the Injury for which it is prescribed or performed;
2. meets generally accepted standard of medical practice; and
3. is ordered by a Physician.

Covered Rehabilitative Expense means an expense that:

1. is charged for a Medically Necessary Rehabilitative Training Service for You performed under the care, supervision or order of a Physician;
2. does not exceed the usual level of charges for similar treatment, supplies or services in the locality where the expense is incurred (for a Hospital room and board charge, does not exceed the most common charge for Hospital semi-private room and board in the Hospital where the expense is incurred); and
3. does not include charges that would not have been made if no insurance existed.

Exclusions: In addition to the Exclusions provision of the Policy, the following exclusion applies to this Rehabilitation Benefit: Covered Rehabilitative Expense does not include any expense for or resulting from any condition for which You are entitled to benefits under any Workers' Compensation Act or similar law.

MEDICAL CONTINUATION PREMIUM REIMBURSEMENT BENEFIT

If Dependent Voluntary AD&D coverage is elected, We will pay an additional benefit if:

1. You die as a result of a covered Accident;
2. benefits are payable under the Policy because of Your Accidental death;
3. You are survived by a spouse or Dependent Child covered under the Policy;
4. the Survivor is covered under the Employer's medical plan at the time of Your death; and
5. the Survivor elects to continue medical plan coverage under the Employer's medical plan as permitted by COBRA or state continuation law.

The Medical Continuation Premium Reimbursement Benefit is payable for each Survivor who qualifies:

1. in an amount up to 3% of Your Principal Sum, but not more than \$4,500 per year; and
2. only while the Survivor continues to pay the premium for the continued medical coverage.

We will pay this benefit once a year for not more than 3 years, provided:

1. We are notified in writing of the Survivor's eligibility for the benefit within 60 days of Your death; and
2. The request for reimbursement and valid proof of claim are received within 60 days after a 12-month period of continued coverage.

A 12-month period starts when the Survivor elects to continue coverage under the Employer's medical plan or the first of the month following the expiration of the previous 12 month period if benefits are exhausted prior to the end of any 12-month period.

Benefits are payable to the Survivor, or the person who actually paid the premium on the Survivor's behalf, if other than the Survivor.

Survivor means a spouse or Dependent Child who is covered under the Policy at the time of Your death and is eligible to continue coverage under the Employer's medical plan at the time of Your death.

SPOUSE TRAINING BENEFIT

We will pay this benefit if You:

1. have elected Voluntary Spouse AD&D coverage prior to the time of the Accident; and
2. die within 365 days of and as a result of a covered Accident; and
3. are survived by a spouse covered under the Policy.

The benefit will be payable for Your surviving spouse who:

1. enrolls within one year after Your death in any accredited school for the purpose of retraining or refreshing skills needed for employment; and
2. incurs expenses payable directly to or approved and certified by such school.

We will pay the cost of such incurred expense for the lesser of:

1. one year after the first retraining/refresher course begins; or
2. \$5,000.

<p style="text-align: center;">BENEFIT PROVISIONS (Applicable Only to Basic AD&D)</p>

REPATRIATION BENEFIT

We will pay an additional benefit, the Repatriation Benefit, of the lesser of the actual costs or \$5,000 for the preparation and transportation of Your body to a mortuary if:

1. the AD&D Benefit is payable for Your loss of life; and
2. Your death occurs at least 75 miles away from Your principal residence.

TERMINATION PROVISIONS

TERMINATION OF EMPLOYEE COVERAGE

Your Noncontributory Basic AD&D insurance coverage will end on the earliest of:

1. the date the Policy is canceled; or
2. the last day of the month in which Your employment ends or You become ineligible for coverage; or
3. the day the System terminates the Policy.

Contributory Voluntary AD&D insurance coverage will end on the earliest of the following dates:

1. the date the Policy is canceled;
2. the end of the last month for which premiums were paid;
3. the last day of the plan year if You drop Voluntary AD&D coverage during annual enrollment;
4. the last day of the month in which You request through the System that We cancel Your Voluntary AD&D coverage due to a qualified Change in Status;
5. the last day of the month in which Your employment ends or You becomes ineligible for coverage; or
6. the day the System terminates the Policy.

Voluntary Spouse AD&D coverage will end on the earliest of the following dates:

- a. the date the Policy is canceled;
- b. the end of the last month for which You paid the required premium;
- c. the last day of the plan year if You cancel coverage during annual enrollment;
- d. the last day of the month in which You request through the System that We cancel Your Voluntary Spouse AD&D coverage due to a qualified Change in Status;
- e. the last day of the month in which a Spouse no longer meets the Policy definition of an eligible dependent;
- f. the last day of the month in which You die;
- g. the last day of the month in which Your employment ends or You become ineligible for coverage; or
- h. the day the System stops offering Voluntary Spouse AD&D coverage.

Dependent AD&D coverage will end on the earliest of the following dates:

1. the date the Policy is canceled;
2. the end of the last month for which premiums were paid;
3. the last day of the plan year if You drop coverage during annual enrollment;
4. the last day of the month in which the Insured requests through the System that Dependent AD&D coverage be canceled due to a qualified Change in Status;
5. the last day of the month in which the Dependent no longer meets the definition of an eligible dependent;
6. the last day of the month in which You die;
7. the last day of the month in which Your employment ends or You becomes ineligible for coverage; or
8. the day the System stops offering Dependent AD&D coverage.

ELIGIBILITY AFTER TERMINATION OF EMPLOYMENT

If Your coverage ends due to termination of employment, You must meet all the requirements of a new Employee if You are rehired at a later date.

LAYOFF AND LEAVE OF ABSENCE

If You are laid off or take a leave of absence, Your coverage may continue as follows:

- Layoff:** Until the end of the month following the month during which the layoff began, provided all premiums from the last month of Active Service are remitted by the System when due.
- Approved Leave of Absence:** If You elect to continue coverage, we will continue coverage up to three (3) years, provided all premiums are paid when due.
- You may elect to put Your System coverage in abeyance. During the abeyance period, You are not eligible for AD&D coverage, and no premium payment will be required. Upon return to the System, You would be immediately eligible to resume the same coverage. Evidence of Insurability is not required for enrollment in AD&D coverage.

GENERAL PROVISIONS

ENTIRE CONTRACT

The Policy, the Application, any attached papers, agreements and/or endorsements and the enrollment forms of the Insureds are considered to be the entire contract.

STATEMENTS

We consider any statements made by the Policyholder or any Insured, in the absence of fraud, to be representations and not warranties. No such statement shall be used in defense to a claim under the Policy unless it is contained in a written application signed by the Insured and a copy of such application is or has been given to him or to his beneficiary or personal representative.

INCONTESTABILITY

We will not contest the validity of the Policy, except for nonpayment of premium, after it has been in force for two (2) years from its effective date. We will not contest the validity of an Insured's insurance after his insurance has been in force before the contest for a period of two years from its date of issue during the insured's lifetime and unless the statement is contained in a written instrument signed by the insured making the statement.

MISSTATEMENT OF AGE

If You have misstated Your age or the age of a Dependent, the true age will be used to determine:

1. the effective date or termination date of insurance; and
2. the amount of insurance; and
3. any other rights or benefits.

Premiums will be adjusted to reflect the premiums that would have been paid if the true age had been known.

CONFORMITY WITH STATE LAW

If any part of the Policy does not conform to a state statute in the state in which it is issued or delivered, it is amended to conform to the minimum requirements of the statutes of that state.

WAIVER OF PREMIUM

If Dependent Voluntary AD&D coverage is elected, We will waive, for surviving spouse and Dependent Children, payment of all premiums coming due during a period of 24 months following the Employee's Accidental death for which benefits are payable.

PREMIUM PAYMENTS

The System has agreed to deduct from Your pay any premiums payable for Your Contributory insurance coverage(s) and to remit such premiums for the entire time Your Contributory coverage(s) is in effect.

Premium charges will begin on the premium due date which coincides with or next follows the addition of Voluntary AD&D or Dependent AD&D coverage. Premium charges for decreases in insurance amounts or termination of Dependent AD&D or Voluntary AD&D coverage will end on the premium due date which coincides with or next follows the termination or the change in amount.

This method of charging premium will not change the effective date or termination date of any coverage as defined in the Eligibility or Termination Provisions of the Policy.

If Your Annual Compensation increases during the plan year (any time other than Sept. 1), Your salary-based coverage amount will increase immediately and premiums will increase the following September 1.

APPLYING FOR BENEFITS

You or Your, for the purpose of this provision may mean You, Your beneficiary or Your personal representative, as applicable.

If You have a claim for benefits under the Policy, You should contact Your institution HR/Benefits Office within 20 days or as soon as reasonably possible after the date of the covered loss. That office will give You the forms You need to apply for any of the following benefits:

- Accidental Death
- Accidental Dismemberment
- Seat Belt Benefit for Accidental Death (Employee Only)
- Air Bag Benefit for Accidental Death (Employee Only)
- Coma Benefit
- Exposure (Employee only)
- Public Conveyance Benefit (Employee only)
- Brain Damage Benefit (Employee only)
- Waiver of Premium (Dependent only)
- Child Care Center Benefit (Voluntary AD&D Only)
- Common Disaster Benefit (Voluntary AD&D Only)
- Education Benefit (Voluntary AD&D Only)
- Felonious Assault Benefit (Employee Only) (Voluntary AD&D Only)
- Increased Dependent Child Benefit (Voluntary AD&D Only)
- Rehabilitation Benefit (Employee Only) (Voluntary AD&D Only)
- Medical Continuation Premium Reimbursement Benefit (Voluntary AD&D Only)
- Spouse Training Benefit (Voluntary AD&D Only)
- Repatriation (Basic AD&D Only)

You must submit the claim to Your institution HR/Benefits Office, together with all necessary attachments, to be forwarded to Us.

Dearborn National will pay the cost of any examination it requires. Disagreements about benefits are rare, but should You and Dearborn National disagree about Your eligibility for a benefit or the amount of a benefit, You or Your beneficiary may follow an appeal process.

HOW TO APPEAL A CLAIM

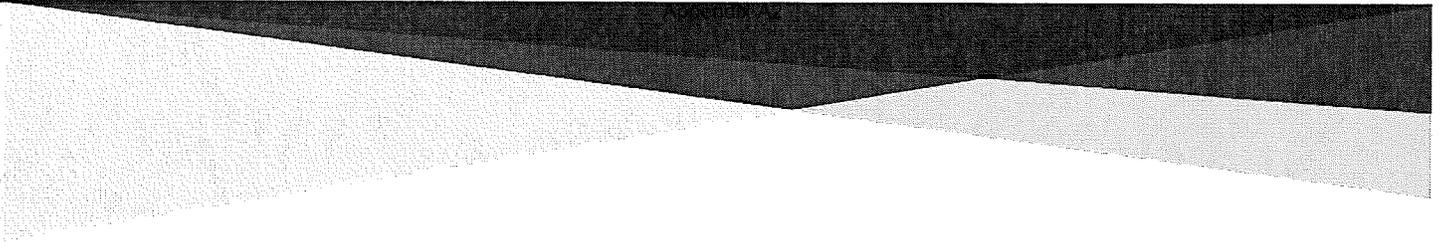
If Your claim for benefits is denied in whole or in part, Dearborn National will notify You in writing. The written notice will give specific reasons for the denial and reference the specific plan provisions on which the denial is based. It will also describe any additional material You must submit and explain the claim review procedures.

You or Your authorized representative may submit a written request for reconsideration to Dearborn National within 90 days of receiving the denial. Be sure to state why You believe the claim should not have been denied and submit any data, questions or comments You think are appropriate. You may also review any pertinent plan documents. Your appeal will be reviewed by the claims administrator.

Dearborn National's decision on Your appeal will be sent to You in writing and will include the specific reasons for the decision as well as specific references to the appropriate plan provisions on which the decision is based.

CLAIM PAYMENTS

All benefits will be paid in accordance with the Beneficiary Provisions of the Policy.



Dearborn  National[®]

Administrative Office:
1020 31st Street • Downers Grove, Illinois 60515-5591

Products and services marketed under the Dearborn National[®] brand and the star logo are underwritten and/or provided by Dearborn National[®] Life Insurance Company (Downers Grove, IL) in all states (excluding New York), the District of Columbia, the United States Virgin Islands, the British Virgin Islands, Guam and Puerto Rico.

APPENDIX B

Dataset Layouts

Benefit Enrollment and Maintenance Transaction Set (ASC X12N 834) can be found at:

<https://www.utsystem.edu/sites/utsfiles/offices/employee-benefits/docs/X095.pdf>,

with addenda at:

<https://www.utsystem.edu/sites/utsfiles/offices/employee-benefits/docs/X095A1.pdf>.

Payroll Deducted and Other Group Premium Payment for Insurance Products Transaction Set (ASC X12N 820) can be found at:

<https://www.utsystem.edu/sites/utsfiles/offices/employee-benefits/docs/X061.pdf>,

with addenda at:

<https://www.utsystem.edu/sites/utsfiles/offices/employee-benefits/docs/X061A1.pdf>.

LAYOUT: INBOUND Vendor --> OEB EVIDENCE OF INSURABILITY DATASET LAYOUT**GROUP: EOI FIELDS**

FIELD	DESCRIPTION	SIG/REQ	TYPE & LENGTH	FORMAT	BEG	END	SUB/DEP
EV_TR_CYMD	DATASET RUN / EFFECTIVE DATE	REQ	A0008	YYYYMMDD	1	8	SUB/DEP
EV_AG_FROM	DATA BEING SENT FROM AGENCY	REQ	A0003		9	11	SUB/DEP
EV_CREATED	RECORD CREATION DATE		A0008	YYYYMMDD	12	19	SUB/DEP
EV_SUB_AGN	AGENCY OF THE SUBSCRIBER	SIG/REQ	A0003		20	22	SUB/DEP
EV_SUB_NBR	SUBSCRIBER SSN / REFERENCE NUMBER	SIG/REQ	A0009		23	31	SUB/DEP
EV_RELATE	RELATIONSHIP TO SUBSCRIBER	SIG/REQ	A0002		32	33	SUB/DEP
EV_DEP_NBR	DEPENDENT SSN / REFERENCE NUMBER	SIG/REQ	A0009		34	42	DEP
EV_CO_TYPE	COVERAGE TYPE	SIG/REQ	A0002		43	44	SUB/DEP
EV_CO_ACOD	COVERAGE ACTION CODE	SIG/REQ	A0002		45	46	SUB/DEP
EV_CO_AREQ	COVERAGE ACTION REQUIRED	REQ	A0001		47	47	SUB/DEP
EV_CO_AREA	COVERAGE ACTION REASON	REQ	A0002		48	49	SUB/DEP
EV_CO_BEGD	COVERAGE EFFECTIVE DATE	SIG/REQ	A0008	YYYYMMDD	50	57	SUB/DEP
EV_CO_PLAN	COVERAGE PLAN	SIG/REQ	A0002		58	59	SUB/DEP
EV_CO_LEVL	COVERAGE LEVEL	SIG/REQ	A0003		60	62	SUB/DEP
EV_CO_SIGD	COVERAGE SIGNATURE DATE	REQ	A0008	YYYYMMDD	63	70	SUB/DEP
EV_CO_EOIC	COVERAGE EOI DATE CODE	REQ	A0001		71	71	SUB/DEP
EV_CO_EOID	COVERAGE EOI DATE	REQ	A0008	YYYYMMDD	72	79	SUB/DEP
EV_CO_CAMT	COVERAGE AMOUNT	REQ	N0009		80	88	SUB/DEP
EV_ER_CODE	ERROR FIELD / CODES		A0010		89	98	SUB/DEP
EV_SUB_OEB	SUBSCRIBER UT SYSTEM OEB ID	SIG/REQ	A0008		99	106	SUB/DEP
EV_TRK_SEQ	RECORD SEQUENCE NUMBER	SIG/REQ	N0004		107	110	SUB/DEP
EV_ELIGSEQ	ELIGIBILITY SEQUENCE NUMBER		N0004		111	114	
EV_FILLER	FILLER		A0021		115	135	

Appendix C

University of Texas System
Enrollment for the GTL and AD&D Plans
October, 2015

Plan	Number of Subscribers	Total Volume (in \$1,000's)	Basic Volume (in \$1,000's)	Voluntary Volume (in \$1,000's)
Term Life - Active Employees				
Basic Only (\$20,000)	47,599	\$951,980	\$951,980	\$0
1 x annual earnings ¹	7,345	\$628,713	\$146,900	\$481,813
2 x annual earnings ¹	6,586	\$1,025,342	\$131,720	\$893,622
3 x annual earnings ¹	17,337	\$3,801,609	\$346,740	\$3,454,869
4 x annual earnings ¹	2,918	\$950,420	\$58,360	\$892,060
5 x annual earnings ¹	1,327	\$530,035	\$26,540	\$503,495
6 x annual earnings ¹	8,553	\$3,928,008	\$171,060	\$3,756,948
\$1.5 million ¹	69	\$104,880	\$1,380	\$103,500
	91,734	\$11,920,987	\$1,834,680	\$10,086,307
Term Life - Retired Employees				
Basic Only (\$6,000)	11,248	\$67,488	\$67,488	\$0
Voluntary \$7K ³	4,292	\$55,796	\$25,752	\$30,044
Voluntary \$10K ³	840	\$13,440	\$5,040	\$8,400
Voluntary \$25K ³	1,216	\$37,696	\$7,296	\$30,400
Voluntary \$50K ³	6,027	\$337,512	\$36,162	\$301,350
Voluntary over \$50K ³	14	\$2,443	\$84	\$2,359
	23,637	\$514,375	\$141,822	\$372,553
				Total Coverage Volume (in \$1,000's)
	Number of Subscribers	Billable Volume (in \$1,000's)	Additional Dependents	
Term Life - Active Employees with Dependents²				
\$10,000 dependent coverage	15,808	\$158,080	18,547	\$343,550
\$15,000 spousal + \$10,000 dependent coverage	1,420	\$35,500	1,791	\$53,410
\$40,000 spousal + \$10,000 dependent coverage	3,999	\$199,950	5,968	\$259,630
	21,227	\$393,530	26,306	\$656,590
Accidental Death and Dismemberment				
Basic Only (\$20,000) (Active Employees Only)	49,479	\$989,580		
Basic and Voluntary (Active Employees Only)	37,075	\$16,340,670		
Employees with Voluntary Dependent Coverage ⁴	18,446	\$3,090,230	22,807	\$3,318,300

¹Includes Basic coverage of \$20,000. Voluntary coverage is the amount above \$20,000.

²Premium for Dependent Coverage covers 1 or more dependents.

Total Volume includes 26,306 additional dependents covered under Voluntary Life.

³Includes Basic coverage of \$6,000. Voluntary coverage is the amount above \$6,000.

⁴Premium for Voluntary AD&D Dependent coverage covers 1 or more dependents.

Total Volume includes 22,807 additional dependents covered under Voluntary AD&D.

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<p>Office of Employee Benefits</p> <p>Administrative Manual</p> 	<p>UNIFORM INSURANCE BENEFITS ACT</p>	<p>111</p>
	<p>INITIAL EFFECTIVE DATE: JUNE 1, 2003</p>	
	<p>LATEST REVISION DATE: AUGUST 1, 2013</p>	
	<p>PURPOSE: Recodification of Texas Insurance Code, Article 3.50-3 and Section 1, 3.51-14</p>	
	<p>SCOPE: Group insurance benefits for eligible Employees and Retired Employees of The University of Texas System</p>	
	<p>STATUTORY AND ADMINISTRATIVE REFERENCES: Texas Insurance Code, Chapter 1601; Acts 2001, 77th Texas Legislature; Acts 2003, 78th Texas Legislature; Acts 2011, 82nd Texas Legislature</p>	

Chapter 1601.

Uniform Insurance Benefits Act for Employees of The University of Texas System and The Texas A&M University System

SUBCHAPTER A. GENERAL PROVISIONS

§ 1601.001. Short Title

This chapter may be cited as the State University Employees Uniform Insurance Benefits Act.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.002. Purposes

The purposes of this chapter are to:

- (1) provide uniformity in the basic group life, accident, and health benefit coverages for all system employees;
- (2) enable the systems to attract and retain competent and able employees by providing employees with basic life, accident, and health benefit coverages comparable to those commonly provided in private industry and to employees of a state agency other than a system, including a public college or university whose employees are covered under Chapter 1551;
- (3) foster, promote, and encourage employment by and service to the systems as a career profession for individuals of high standards of competence and ability;
- (4) recognize and protect the investment of the systems in each employee by promoting and preserving economic security and good health among employees;
- (5) foster and develop high standards of employer-employee relationships between the systems and their employees; and
- (6) recognize the long and faithful service and dedication of employees and encourage them to remain in service until eligible for retirement by providing health benefits and other group benefits for them.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.003. General Definitions

In this chapter:

- (1) "Administering carrier" means a carrier or organization that is:
 - (A) qualified to engage in business in this state; and
 - (B) designated by a system to administer services, benefits, insurance coverages, or requirements in accordance with this chapter.
- (2) "Basic coverage" means coverage, including health benefit coverage, that meets the basic coverage standards required under Section 1601.053(a)(1).
- (3) "Cafeteria plan" means a plan defined and authorized by Section 125, Internal Revenue Code of 1986.
- (4) "Group life, accident, or health benefit plan" means a group agreement, policy, contract, or arrangement provided by an administering carrier, including:
 - (A) a group insurance policy or contract;

- (B) a life, accident, medical, dental, or hospital service agreement;
 - (C) a membership or subscription contract; or
 - (D) any other similar group arrangement.
- (5) "Optional coverage" means group coverage other than the basic coverage.
- (6) "Service" means personal service to a system for which an employee is credited in accordance with rules adopted by the system.
- (7) "System" means The University of Texas System or The Texas A&M University System.
- (8) "The Texas A&M University System" means the entities governed under Chapters 85 through 88, Education Code, including the Texas Veterinary Diagnostic Laboratory.
- (9) "The University of Texas System" means the entities listed or described by Section 65.02, Education Code.
- (10) "Uniform program" means an employees uniform insurance benefits program provided under this chapter.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.004. Definition of Dependent

(a) In this chapter, "dependent," with respect to an individual eligible to participate in the uniform program under Section 1601.101 or 1601.102, means the individual's:

- (1) spouse;
 - (2) unmarried child younger than 25 years of age; and
 - (3) child of any age who lives with or has the child's care provided by the individual on a regular basis if the child is mentally retarded or physically incapacitated to the extent that the child is dependent on the individual for care or support, as determined by the system.
- (b) In this section:
- (1) "Child" includes:
 - (A) an adopted child; and
 - (B) a stepchild, foster child, or other child who is in a parent-child relationship with an individual who is eligible to participate in the uniform program under Section 1601.101 or 1601.102.

(2) "Spouse" has the meaning assigned by the Family Code.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.005. Definition of Carrier

In this chapter, "carrier" means:

(1) an insurance company that is authorized by the department to provide under this code any of the types of insurance coverages, benefits, or services provided for in this chapter, and that:

(A) has an adequate surplus;

(B) has a successful operating history; and

(C) has had successful experience, as determined by the department, in providing and servicing any of the types of group coverage provided for in this chapter;

(2) a corporation operating under Chapter 842 that provides any of the types of coverage, benefits, or services provided for in this chapter and that:

(A) has a successful operating history; and

(B) has had successful experience, as determined by the department, in providing and servicing any of the types of group coverage provided for in this chapter; or

(3) any combination of carriers described by Subdivisions (1) and (2) on terms the system prescribes.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.006. Applicability of Definitions

The definition of a term defined by this subchapter and the use of the terms "employee" and "retired employee" as described by Sections 1601.101 and 1601.102 apply to this chapter unless a different meaning is plainly required by the context in which the term appears.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.007. System May Define Other Words

A system may define by rule a word or term necessary in the administration of this chapter.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.008. Exemption From Execution

All insurance benefits and other payments and transactions made under this chapter to a participant under this chapter are exempt from execution, attachment, garnishment, or any other process.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.009. Exemption from Taxation and Fees

Premiums on a policy, an insurance contract, or an agreement established under this chapter with a health maintenance organization are not subject to any state tax, regulatory fee, or surcharge, including a premium or maintenance tax or fee.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.010. Certain Combining of Carriers Not Restraint of Trade

Carriers combining to bid, underwrite, or both bid and underwrite, a group life, accident, or health benefit plan for the uniform program are not in violation of Chapter 15, Business & Commerce Code.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.011. Participation of The Texas A&M University System

Notwithstanding any other provision of this chapter, if The Texas A&M University System elects to participate in the group benefits program under Section 1551.006(c), that system, including the Texas Veterinary Medical Diagnostic Laboratory, does not participate in a uniform program established under this chapter, effective on the date participation in the group benefits program under Chapter 1551 begins.

Added by Acts 2003, 78th Leg., ch. 366, Sec. 4.01, eff. Sept. 1, 2003.

SUBCHAPTER B. ADMINISTRATION AND IMPLEMENTATION

§ 1601.051. Administration and Implementation

A system shall:

- (1) implement a uniform program for the benefit of its employees and retired employees; and
- (2) determine basic procedural and administrative practices for insurance coverage provided under this chapter.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.052. Rulemaking Authority

A system shall adopt rules consistent with this chapter as it considers necessary to implement this chapter and its purposes.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.053. General Duties Relating to Coverage

(a) A system shall:

(1) determine basic coverage standards that must be comparable to those commonly provided:

(A) in private industry; and

(B) to employees of another agency or an institution of higher education in this state under Chapter 1551; and

(2) establish procedures to allow each covered employee and retired employee to obtain prompt action regarding claims pertaining to coverages provided under this chapter.

(b) In designing a coverage plan, a system may consider existing local conditions.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.054. Competitive Bidding Required

A system shall submit the uniform program, including any agreement under which a carrier is engaged to administer a self-insured program, for competitive bidding at least every six years.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.055. Identification of Administrative Costs in Bids

A system shall include in its respective bid documents for the various coverages a provision calling for each bidder to identify the system's administrative costs as a distinguishable figure and to enumerate the services the bidder will render in exchange for the administrative costs.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.056. Information on Bidders and Bidding Contracts

(a) The department shall, on request by a system, provide a list of all carriers:

(1) authorized to engage in business in this state; and

(2) eligible to bid on insurance coverage provided under this chapter.

(b) The department shall, on request by a system, examine and evaluate a bidding contract and certify the contract's actuarial soundness to the system not later than the 15th day after the date of the request.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.057. Selection of Bids

(a) A system is not required to select the lowest bid under Section 1601.054 but shall take into consideration other relevant criteria, such as ability to service contracts, past experience, and financial stability.

(b) If a system selects a carrier whose bid differs from that advertised, the governing board of the system shall fully justify and record the reasons for the deviation in the minutes of the next meeting of the governing board.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.058. Selection of Health Maintenance Organizations

A system shall select and contract for services performed by health maintenance organizations that are approved by this state to offer health care services in specific areas of the state to eligible employees and retired employees.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.059. Certificate of Coverage

A system shall ensure that each employee and retired employee participating under this chapter is issued a certificate of coverage that states:

- (1) the benefits to which the participant is entitled;
- (2) to whom the benefits are payable;
- (3) to whom a claim must be submitted; and
- (4) the provisions of the plan document, in summary form, that principally affect the participant.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.060. Accounting by Carrier Providing Purchased Coverage

(a) A carrier providing coverage purchased under this chapter to a system shall provide an accounting for each line of coverage to the system not later than the 120th day after the end of each plan year.

(b) The accounting must be in a form acceptable to the system.

(c) The accounting for each line of coverage must state:

- (1) the cumulative amount of contributions remitted to the carrier under the coverage;
- (2) the total of all mortality and other claims, charges, losses, costs, contingency reserve for pending and unreported claims, and expenses incurred; and
- (3) the amounts of the allowance for a reasonable profit, contingency reserve, and all other administrative charges.

(d) Information provided under Subsection (c) must be provided:

- (1) for the period from the coverage's date of issue to the end of the plan year; and
- (2) for the plan year covered by the report.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.061. Special Reserve

(a) A carrier issuing a group coverage plan under this chapter may hold as a special reserve for a system an amount that equals the amount by which the total amount described by Section 1601.060(c)(1) exceeds the sum of the corresponding amounts described by Sections 1601.060(c)(2) and (3).

(b) The system may use money in the special reserve at its discretion, including for:

- (1) providing additional coverage for participating employees or retired employees;
- (2) offsetting necessary rate increases; or
- (3) reducing contributions to the coverage by participating employees or retired employees.

(c) A special reserve held by a carrier for a system earns interest at a rate determined each plan year by the carrier and approved by the system as consistent with the rate generally used by the carrier for similar funds held under other group coverages.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.062. Reports and Records by Administering Carrier

Each contract entered into under this chapter between a system and an administering carrier must:

- (1) require the administering carrier to provide reasonable reports that the system determines are necessary for the system to perform its functions under this chapter; and

(2) permit the system and representatives of the state auditor to examine records of the administering carrier as necessary to accomplish the purposes of this chapter.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.063. Assistance in Requesting Money

The Legislative Budget Board and the Governor's Budget and Planning Office shall:

(1) establish procedures to ensure that each system requests appropriate money to support its uniform program; and

(2) present appropriate budget recommendations to the legislature.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

SUBCHAPTER C. COVERAGE AND PARTICIPATION

§ 1601.101. Participation Eligibility: Employees

(a) An individual who is employed by the governing board of a system, who performs service, other than as an independent contractor, for the system, and who is described by this section, is eligible to participate as an employee in the uniform program on the date specified by Section 1601.1045.

(b) An individual is eligible to participate in the uniform program as provided by Subsection (a) if the individual receives compensation for services performed for the system, is eligible to be a member of the Teacher Retirement System of Texas, and either:

(1) is expected to work at least 20 hours per week and to continue in the employment for a term of at least 4-1/2 months; or

(2) is appointed for at least 50 percent of a standard full-time appointment.

(c) An individual is eligible to participate in the uniform program as provided by Subsection (a) if the individual:

(1) receives compensation for services performed for the system;

(2) is employed at least 20 hours a week only; and

(3) is not permitted to be a member of the Teacher Retirement System of Texas because the individual is solely employed by the system in a position that as a condition of employment requires the individual to be enrolled as a student in the system in graduate-level courses.

(d) Repealed by Acts 2011, 82nd Leg., R.S., Ch. 1198, Sec. 5, eff. January 1, 2012.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003. Amended by Acts 2003, 78th Leg., ch. 366, Sec. 4.02, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1266, Sec. 2.11, eff. Sept. 1, 2003. Amended by Acts 2011, 82nd Leg., R.S., Ch. 91, Sec. 14.002, eff. September 1, 2011 and Acts 2011, 82nd Leg., R.S., Ch. 1198, Sec. 5, eff. January 1, 2012.

§ 1601.102. Participation Eligibility: Retirees

(a) An individual who retires in a manner described by this section and who meets the requirements of Subsection (f) is eligible to participate, subject to Section 1601.1045, as a retired employee in the uniform program.

(b) An individual is eligible to participate in the uniform program as provided by Subsection (a) if:

(1) the individual has at least 10 years of service with a system for which the individual was eligible to participate in the uniform program under Section 1601.101;

(2) the individual's last state employment before retirement was with that system; and

(3) the individual retires under the jurisdiction of:

(A) the Teachers Retirement System of Texas under Subtitle C, Title 8, Government Code;

(B) the Employees Retirement System of Texas; or

(C) subject to Subsection (c):

(i) the optional retirement program established by Chapter 830, Government Code; or

(ii) any other federal or state statutory retirement program to which the system has made employer contributions.

(c) An individual retiring in the manner described by Subsection (b)(3)(C) is a retired employee only if the individual meets all applicable requirements for retirement, including service and age requirements, adopted by the system comparable to the requirements for retirement under the Teachers Retirement System of Texas.

(d) An individual is eligible to participate in the uniform program as provided by Subsection (a) if the individual:

(1) meets the minimum requirements under Subsection (b) except that the last state employment before retirement is not at the employing system; and

(2) does not meet the requirements for an annuitant under Section 1551.102.

(e) An individual is eligible to participate in the uniform program as provided by Subsection (a) if the individual retired under Subtitle C, Title 8, Government Code, before September 1, 1991, with at least five and less than 10 years of service.

Text of subsec. (f) as added by Acts 2003, 78th Leg., ch. 366, Sec. 4.03

(f) Notwithstanding Subsections (b)-(d), an individual is eligible to participate in the uniform program only if the individual:

(1) has at least 10 years of service credit and the sum of the person's age and amount of service credit, including months of age and credit, equals or exceeds the number 80; or

(2) is at least 65 years old and has at least 10 years of service credit.

Text of subsec. (f) as added by Acts 2003, 78th Leg., ch. 1266, Sec. 2.08

(f) Notwithstanding Subsection (b), an individual to whom this subsection applies is eligible to participate in the uniform program as provided by Subsection (a) if:

(1) the individual has at least three years of service with a system for which the individual was eligible to participate in the uniform program under Section 1601.101;

(2) the individual's last state employment before retirement was with that system; and

(3) the individual retires under the jurisdiction of:

(A) the Teacher Retirement System of Texas under Subtitle C, Title 8, Government Code;

(B) the Employees Retirement System of Texas; or

(C) subject to Subsection (c):

(i) the optional retirement program established by Chapter 830, Government Code; or

(ii) any other federal or state statutory retirement program to which the system has made employer contributions.

Text of subsec. (g) as added by Acts 2003, 78th Leg., ch. 366, Sec. 4.03

(g) A person eligible to participate and participating in the uniform program as an annuitant on September 1, 2003, may continue to participate in the program as an annuitant if a lapse in coverage has not occurred.

Text of subsec. (g) as added by Acts 2003, 78th Leg., ch. 1266, Sec. 2.08

(g) Subsection (f) applies only to a person who, on August 31, 2003:

(1) was eligible to participate in the uniform program as an employee under Section 1601.101; or

(2) was eligible to participate in the uniform program as a retired employee under this section as this section existed on January 1, 2003.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003. Amended by Acts 2003, 78th Leg., ch. 366, Sec. 4.03, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1266, Sec. 2.08, eff. June 20, 2003.

§ 1601.1021. Participation Eligibility: Certain Postdoctoral Fellows and Graduate Students

(a) An individual who is not eligible to participate in the uniform program under Section 1601.101 is eligible to participate in the uniform program under this section if the individual, at an institution in a system:

(1) holds:

(A) a postdoctoral fellowship; or

(B) one or more graduate student fellowships awarded to the individual on a competitive basis that, either singly or in combination, are valued at not less than \$10,000 per year; and

(2) is currently receiving a stipend from an applicable fellowship.

(b) An individual who is eligible to participate in the uniform program under this section shall pay all contributions required under this chapter for the coverage selected by the individual, except that an institution of higher education may make contributions for the individual from available funds other than money appropriated to the institution from the general revenue fund.

(c) An institution of higher education shall determine which individuals are eligible to participate in the uniform program under this section and, at the time of initial eligibility, shall notify each individual of the individual's eligibility to participate in the program.

(d) An individual who participates in the uniform program under this section is not considered an employee of an institution of higher education solely as a result of the individual's participation in the program.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1198, Sec. 3, eff. September 1, 2011.

§ 1601.103. Right to Coverage

An individual eligible to participate in the uniform program under Section 1601.101 or 1601.102 may not be denied enrollment in any coverage provided under this chapter.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.104. Automatic Coverage

(a) A system shall automatically provide the basic coverage to each full-time employee unless the employee has:

- (1) waived participation in the basic coverage; or
- (2) selected an optional coverage plan.

(b) An employee or retired employee who is automatically covered under this section may subsequently:

- (1) retain the basic coverage or waive participation in the basic coverage; and
- (2) apply for any other coverage provided under this chapter within applicable standards.

(c) Automatic coverage as described under this section begins on the first date of employment.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Sec. 1601.1045. Date Eligibility Begins; Waiting Period

(a) Except as provided by Subsection (c) or (d), eligibility under Section 1601.101 begins on the first day of the calendar month that begins after the 90th day after the date the employee performs services for a system.

(b) Except as provided by Subsection (c), eligibility under Section 1601.102, for an individual who does not retire at the end of the last month for which the individual is on the payroll of a system before retirement, begins on the first day of the calendar month that begins after the 90th day after the date the individual retires.

(c) The waiting period established by Subsections (a) and (b) applies only to the determination of initial eligibility to participate in the group health benefits program and does not apply to the determination of initial eligibility to participate in optional coverages under the uniform program.

(d) Notwithstanding Subsection (a), eligibility under Section 1601.101 may not begin earlier than the first day that an employee performs services for a system if any amount paid for premium incurred before the date specified under Subsection (a) for the employee and any dependents of the employee is paid from money not appropriated from the general revenue fund, in accordance with policies and procedures established by the system.

Added by Acts 2003, 78th Leg., ch. 366, Sec. 4.05, eff. Sept. 1, 2003.

§ 1601.105. Waiver

An employee or retired employee may waive in writing any coverage provided under this chapter.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.106. Optional Coverage

A system shall provide optional coverage in accordance with Section 1601.201.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.107. Coverage for Dependents

An individual who is eligible to participate in the uniform program under Section 1601.101, ~~or~~ 1601.102, or 1601.1021 is entitled to secure for a dependent of the individual any group coverages provided under this chapter for dependents under rules adopted by the applicable system.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2011, 82nd Leg., R.S., Ch. [1198](#), Sec. 4, eff. September 1, 2011.

§ 1601.108. Coverage Options for Certain Surviving Spouses

(a) This section applies only to the surviving spouse of:

- (1) an individual eligible to participate in the uniform program under Section 1601.101 who had at least five years of service on the date of the individual's death, including at least three years of service as an eligible employee with the employing system; or
- (2) an individual eligible to participate in the uniform program under Section 1601.102.

(b) A surviving spouse to whom this section applies may elect to retain any of the following coverages in effect on the date of the participant's death:

- (1) the surviving spouse's authorized coverages; and
- (2) authorized coverages for any eligible dependent of the deceased participant.

(c) The coverage is at the group rate for other participants.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.109. Coverage for AIDS, HIV, or Serious Mental Illness

(a) In this section, "serious mental illness" has the meaning assigned by Section 1, Article 3.51-14.

(b) A system may not contract for or provide for group insurance or HMO coverage or provide self-insured coverage, that:

- (1) excludes or limits coverage or services for acquired immune deficiency syndrome, as defined by the Centers for Disease Control and Prevention of the United States Public Health Service, or human immunodeficiency virus infection; or
- (2) provides coverage for serious mental illness that is less extensive than the coverage provided for any other physical illness.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.110. Disease Management Services

(a) In this section, "disease management services" means services to assist an individual manage a disease or other chronic health condition, such as heart disease, diabetes, respiratory illness, end-stage renal disease, HIV infection, or AIDS, and with respect to which the governing board of a system identifies populations requiring disease management.

(b) A health benefit plan provided under this chapter must provide disease management services or coverage for disease management services in the manner required by the governing board of a system, including:

- (1) patient self-management education;
- (2) provider education;
- (3) evidence-based models and minimum standards of care;
- (4) standardized protocols and participation criteria; and
- (5) physician-directed or physician-supervised care.

(c) The governing board of each system shall conduct a study that evaluates the savings to the state as a result of implementation of comprehensive disease management programs as described by Subsections (a) and (b). The governing board of a system shall evaluate the clinical outcomes of participants enrolled in a disease management program. The governing board of a system shall report the progress of the study to the governor, lieutenant governor, and speaker of the house of representatives not later than December 1, 2004, and the final results of the study not later than December 1, 2005.

(d) The governing board of a system may conduct the study under Subsection (c) in conjunction with an academic center.

(e) Subsections (c) and (d) and this subsection expire January 1, 2006.

Added by Acts 2003, 78th Leg., ch. 589, Sec. 5, eff. June 20, 2003.

§ 1601.111. Programs Promoting Disease Prevention, Wellness, and Health

A system may establish premium discounts, surcharges, rebates, or a revision in otherwise applicable copayments, coinsurance, or deductibles, or any combination of those incentives, for

an individual who participates in system-approved programs promoting disease prevention, wellness, and health.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1049, Sec. 3.02, eff. June 17, 2011.

SUBCHAPTER D. GROUP COVERAGES

§ 1601.151. Authority to Self-insure; Exemption from Other Insurance Laws

(a) Notwithstanding any other provisions of this chapter, the governing board of a system may:

- (1) self-insure a plan provided under this chapter; and
- (2) hire a carrier to administer the system's uniform program.

(b) A plan for which a system provides coverage on a self-insured basis is exempt from any other insurance law of this state that does not expressly apply to that plan or this chapter.

(c) Expenses for the administration of a self-insured plan may come from the contributions of employees and the state after payments for any coverage provided under this chapter have been made.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.152. Cafeteria Plan

(a) The governing board of a system may develop, implement, and administer a cafeteria plan.

(b) The governing board may include in the cafeteria plan any benefit that may be included in a cafeteria plan under federal law.

(c) The governing board may cooperate and work with and enter into a necessary contract or agreement with an independent and qualified agency, person, or entity to:

- (1) develop, implement, or administer a cafeteria plan; or
- (2) assist in those activities.

(d) The governing board may adopt an order terminating the cafeteria plan and providing a procedure for the orderly withdrawal of the system and its employees from the cafeteria plan if the governing board determines that a cafeteria plan adopted under this section is no longer advantageous to the system and its employees.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.153. Systems May Join in Procuring Insurance

The systems may join together to procure one or more group contracts with an insurance company authorized to engage in business in this state to insure the employees and retired employees of each participating system.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.154. Long-term Care Coverage

(a) A system may join with a board of trustees that administers the uniform program established under Chapter 1551 or the group program established under Chapter 1575 to provide long-term care insurance coverage.

(b) Each participating board of trustees and the governing board of the system must mutually agree to join together for this purpose, subject to terms that are beneficial to all participants.

(c) A system may not participate in an agreement under this section unless any cost or administrative burden associated with the development or implementation of or communications about the long-term care coverage plan is incidental.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.155. Reinsurance

A system may arrange with an administering carrier issuing a policy under this chapter for the reinsurance of portions of the total amount of insurance under the policy with other carriers that elect to participate in the reinsurance.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

SUBCHAPTER E. PAYMENTS, CONTRIBUTIONS, AND COSTS

§ 1601.201. Payment for Coverage

(a) A system may not contribute more than the amounts specified by this section for coverages provided under the uniform program.

(b) For an employee designated by the system as working 40 or more hours a week, the system may contribute:

- (1) the full cost of basic coverage for the employee; and
- (2) not more than 50 percent of the cost of dependent coverage.

(c) For an employee designated by the system as working less than 40 hours a week, including an individual employed by the system in a position that as a condition of employment requires the individual to be enrolled as a student in the system in graduate-level courses, the system, from money appropriated from the general revenue fund, may contribute:

- (1) not more than 50 percent of the cost of basic coverage for the employee; and
- (2) not more than 25 percent of the cost of dependent coverage.

(d) Subsection (c) does not prohibit a system from contributing, from money not appropriated from the general revenue fund, amounts in excess of the amount specified by that subsection for:

- (1) an individual employed by the system in a position that as a condition of employment requires the individual to be enrolled as a student in the system in graduate level courses; or
- (2) an individual who is a tenured faculty member with whom the system has entered into a phased retirement agreement under which the individual will work less than 40 hours a week for a specified period of time at the end of which the individual will retire.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003. Amended by Acts 2003, 78th Leg., ch. 366, Sec. 4.06, eff. Sept. 1, 2003. Amended by Acts 2011, 82nd Leg., R.S., Ch. 1049, Sec. 3.03, eff. June 17, 2011.

§ 1601.202. Fees for Cafeteria Plan

(a) The governing board of a system may establish a monthly fee in an amount set by the board to be paid by each employee who elects to participate in a cafeteria plan for the purpose of paying the expenses of administering the cafeteria plan.

(b) If the governing board establishes a monthly fee, each employee who participates in the cafeteria plan must authorize payment of the fee by executing a separate payroll deduction agreement or as part of a salary reduction agreement, as determined by the governing board.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.203. Payment for Coverage for Dependents

Contributions for coverages for a dependent of an individual eligible to participate in the uniform program under Section 1601.101 or 1601.102 required of the participant that exceed the amount of system contributions shall be paid:

- (1) by a deduction from the monthly compensation of the participant;
- (2) by a reduction of the monthly compensation of the participant in the appropriate amount; or

(3) in the form and manner the system determines.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.204. Authorization of Employee Deduction

(a) Except for a participant who participates in a cafeteria plan, each individual eligible to participate in the uniform program under Section 1601.101 must authorize a deduction from the participant's monthly compensation in an amount equal to the difference between:

- (1) the total cost for coverages for which the participant applies; and
- (2) the amount contributed by the system.

(b) The authorization must be:

- (1) in writing or performed electronically; and
- (2) in a form satisfactory to the system.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.2041. Employee Deduction For Automatic Coverage

Each individual automatically enrolled in a uniform program under Section 1601.104 is considered to have authorized a deduction from the participant's monthly compensation in an amount equal to the difference between:

- (1) the total cost of the employee's basic coverage; and
- (2) the amount contributed by the system for the employee's basic coverage.

Added by Acts 2011, 82nd Leg., R.S., Ch. [1049](#), Sec. 3.04, eff. June 17, 2011.

§ 1601.205. Employee Payments for Participation in Cafeteria Plan

(a) If an employee elects to participate in a cafeteria plan, the employee must execute a salary reduction agreement under which the employee's monthly compensation will be reduced in an amount equal to the difference between:

- (1) the amount appropriated for that purpose in the General Appropriations Act or the system's budget; and
- (2) the cost of the employee's selected coverages for which the employee is eligible to pay under the cafeteria plan.

(b) The employee must execute a salary reduction agreement for any portion of the cost that is not covered by state or system appropriations and cafeteria plan contributions.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.206. Payment by Retired Employee

An individual eligible to participate in the uniform program under Section 1601.102 must execute an agreement and make appropriate contributions in a manner analogous to the requirements adopted under Sections 1601.204 and 1601.205 for an individual eligible to participate in the uniform program under Section 1601.101.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.207. System Contributions

A system shall contribute monthly to the cost of each participant's coverage provided under this chapter an amount:

- (1) if the participants are compensated from amounts appropriated in the General Appropriations Act, equal to or greater than the amount appropriated for that purpose in the Act; or
- (2) if the participants are compensated from amounts appropriated by the governing board of the system in its official operating budget, an amount equal to the amount appropriated for a participant under the General Appropriations Act.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.208. Amount of System Contribution

Not later than November 1 preceding each regular session of the legislature, each system shall certify to the Legislative Budget Board and the budget division of the Governor's Budget and Planning Office the amount necessary to pay the contributions of the system for the coverages provided under this chapter to each employee and retired employee of the system.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.209. Order of Precedence of Payment To Survivors

(a) The amount of group life coverages and group accidental death and dismemberment coverages in force for a participant on the date the participant dies shall be paid, on the establishment of a valid claim, to a person surviving the death in the following order of precedence:

- (1) to the beneficiary designated by the participant in a signed and witnessed writing received before death by the appropriate office of the applicable system; or
- (2) if a beneficiary is not designated under Subdivision (1), in accordance with the death benefit provisions of Subtitle C, Title 8, Government Code.

(b) For purposes of Subsection (a)(1), a designation, change, or cancellation of a beneficiary in a document, including a will, that is not executed and filed in the manner described by that subsection is not valid.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.210. Provision of Necessary Information

The Teacher Retirement System of Texas, Optional Retirement Program carriers, and Employees Retirement System of Texas shall provide to each system information the system considers necessary to provide retired employees with the coverages and system contributions provided under this chapter.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

SUBCHAPTER F. CAFETERIA PLAN FUND

§ 1601.251. System Cafeteria Plan Fund

(a) The governing board of each system may establish and administer a cafeteria plan fund.

(b) The following shall be credited to the cafeteria plan fund of a system:

- (1) salary reduction payments for benefits included in a cafeteria plan adopted under this chapter, other than group coverage plans under the uniform program;
- (2) appropriations by the state for the administration of a cafeteria plan; and
- (3) a monthly fee established under Section 1601.202.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.252. Use of Fund

The cafeteria plan fund of a system is available without fiscal year limitation:

- (1) for all payments for any benefits included in a cafeteria plan adopted by the system under this chapter other than group coverage plans under the uniform program; and
- (2) for payment of expenses of administering the cafeteria plan.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.253. Investment of Money in Fund

(a) The governing board of a system may invest the money in the system's cafeteria plan fund.

(b) The earnings, including interest, and the proceeds from the sale of the investments become a part of the fund.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

SUBCHAPTER G. ADVISORY COMMITTEE

§ 1601.301. Advisory Committee

An advisory committee for each system shall be selected, serve, and perform duties as provided by this subchapter.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.302. Election of Members

One member of the advisory committee shall be elected from each of the components, units, or agencies of the system:

- (1) at times designated by the system; and
- (2) in accordance with general guidelines for the election provided by the system.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.303. Qualifications of Members

- (a) A member of a system's advisory committee must be an employee of the system.
- (b) A member must:
 - (1) demonstrate mature judgment, special abilities, and sincere interest in employee coverage plans; and
 - (2) be able to represent the needs of all employees of the component, unit, or agency the member represents with respect to an action of the advisory committee.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.304. Terms

A member of the advisory committee is elected for a two-year term, subject to reelection.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.305. Officers

Annually, the members of a system's advisory committee shall elect a presiding officer and other necessary officers.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.306. Vacancy

The chief executive officer of a component, unit, or agency of a system shall appoint to the system's advisory committee an employee of the component, unit, or agency to fill the remainder of a vacated term of a member who is an employee of the component, unit, or agency.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.307. Duties of Committee

(a) The advisory committee of a system shall cooperate and work with the governing board of the system in coordinating and correlating the administration of the uniform program among the various components, units, and agencies of the system.

(b) Members of the advisory committee shall cooperate and work with the governing board of the system as advisors in the development, implementation, coordination, and administration of the uniform program among the various components, units, and agencies of the system.

(c) The advisory committee shall provide a channel for open communication of ideas and suggestions regarding coverages, eligibility, claims, procedures, bidding, administration, and any other aspect of employee plan benefits.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

§ 1601.308. Expenses; Payment by Employees

(a) A member's service on the advisory committee of a system is in addition to the duties of the member's state office or employment.

(b) An expense incurred by an advisory committee member in performing a duty as a member of the committee shall be paid from money made available for that purpose to the system of which the member is an employee or officer.

(c) Employees shall pay the expenses of an advisory committee established under this subchapter from:

(1) the amount of employer contributions due the employees; or

(2) the amount of additional contributions due for selected coverages under this chapter.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

APPENDIX E

DEFINITIONS

“Child” means an adopted child; and a stepchild, foster child, or other child who is in a parent–child relationship with an individual

“Dependent” means an individual's spouse; unmarried child younger than 25 years of age; and child of any age who lives with or has the child's care provided by the individual on a regular basis if the child is mentally retarded or physically incapacitated to the extent that the child is dependent on the individual for care or support, as determined by the system.

“Employee” means an individual who is employed by the governing board of a system, who performs service, other than as an independent contractor, for the system, and who is eligible to participate as an employee in the uniform program on the date specified by Texas Insurance Code Section 1601.1045. An individual is eligible to participate in the uniform program if:

(a) if the individual receives compensation for services performed for the system, is eligible to be a member of the Teacher Retirement System of Texas, and either:

(1) is expected to work at least 20 hours per week and to continue in the employment for a term of at least 4-1/2 months; or

(2) is appointed for at least 50 percent of a standard full-time appointment; or.

(b) the individual:

(1) receives compensation for services performed for System system;

(2) is employed at least 20 hours a week; and

(3) is not permitted to be a member of the Teacher Retirement System of Texas because the individual is solely employed by the system in a position that as a condition of employment requires the individual to be enrolled as a student in the system in graduate-level courses.

“Optional coverage” means coverage available under the System uniform group insurance program other than basic coverage required by Chapter 1601 of the Texas Insurance Code.

“Spouse” means an individual married to a person of the same sex or opposite sex if they were lawfully married in this state, or any state whose laws authorize the marriage of two individuals of the opposite or same sex.

“Retired employee” means an individual who retires in a manner described by Texas Insurance Code Chapter 1601.102 and who meets the requirements of that section as a retired employee in the System uniform program insurance program.

“The University of Texas System” or “System” means the entities listed or described by Section 65.02 of the Texas Education Code.

**The University of Texas System
Employee Group Insurance
Life Administrative Performance Report
FY2015 - 2016 Summary Report
th Quarter**

Life and AD&D (Dearborn National)

Category		Std	1st Qtr (9/15-11/16)	2nd Qtr (12/15-2/16)	3rd Qtr (3/16-5/16)	4th Qtr (6/16-8/16)	Total (9/15-8/16)
Administrative Report Timeline:							
Date Report Due	20th aft qtr		12/22/2015	3/20/2016	6/22/2016	9/21/2016	
Date Report Received							
Customer Service Calls:							
Total Received	N/A						
Abandonment Rate	5%						
Avg. Time in Queue	30 sec						
Written Complaints:							
Total Received	N/A						
Avg. Time to Resolve	30 days						
% Resolved w/i 15 Day	90%						
Claims Processing:							
Total Claims Received	N/A						
Amount Paid	N/A						
Amount Denied	N/A						
Avg. Days to Pay	N/A						
% Processed in 15 Day	85%						
% Processed in 30 Day	98%						
EOI Application Processing:							
Total Received	N/A						
Number Approved	N/A						
Number Denied	N/A						
Number Inc/Withdraw	N/A						
Avg. Days to Process	N/A						
% Processed in 15 Day	85%						
% Processed in 30 Day	98%						
Waiver of Premium:							
Total Requests Rec'd	N/A						
Number Approved	N/A						
Number Closed	N/A						
Avg. Days to Process	N/A						
% Processed in 15 Day	N/A						
% Processed in 30 Day	N/A						
Fraud		N/A					

APPENDIX G

AGREEMENT BETWEEN SYSTEM AND CONTRACTOR FOR GROUP TERM LIFE INSURANCE AND ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE

This Agreement between System and Contractor ("**Agreement**") is made and entered into effective as of September 1, 2016 (the "**Effective Date**"), by and between The System of Texas System Administration an agency established under the laws of the State of Texas ("**System**"), and [] ("**Contractor**"), TX Comptroller Vendor Identification Number []. System and Contractor hereby agree as follows:

1. **Incorporation of the Request for Proposal and Contractor's Response into the Agreement; Interpretation**

1.1 System issued a Request for Proposals for Group Term Life Insurance and Accidental Death and Dismemberment Insurance for the Employees and Retired Employees of The University of Texas System ("the RFP") to which Contractor submitted a response ("the Response"). The RFP, which shall remain on file as **Exhibit A**, and the Response, which shall remain on file as **Exhibit B**, are both incorporated herein by reference for all purposes as if both are restated in full.

1.2 Pursuant to the RFP and Response, Contractor will issue policies of insurance to System to provide the coverage to be provided as requested in the RFP, the terms of which policies are attached as **Exhibit C** and incorporated herein for all purposes.

1.3 To the extent that the terms of this Agreement or **Exhibit A** or the relevant portions of **Exhibit B** conflict **with Exhibit C, Exhibit C** shall prevail. To the extent that this Agreement conflicts with **Exhibit A** or **Exhibit B**, the terms of this Agreement shall prevail. To the extent that the terms of **Exhibit A** conflicts with **Exhibit B, Exhibit A** shall prevail.

2. **Scope of Work.**

The Coverages and Services to be provided by Contractor shall be the coverages described in **Exhibit C**, and all other related, necessary and appropriate services ("the Services") described in **Exhibits A** and **B**.

3. **Time for Commencement and Completion.**

The term of this Agreement will begin on the Effective Date and expire on August 31, 2019. System will have the option to renew this Agreement, at its sole discretion, for one (1) additional three (3) year term.

4. **Contractor's Obligations, Performance Guarantees.**

- 4.1 Contractor will provide the Coverages and Services in compliance with all applicable federal, state and local, laws, regulations, and ordinances. Contractor represents and warrants that neither Contractor nor any firm, corporation or institution represented by Contractor, or anyone acting for the firm, corporation or institution, (1) has violated the antitrust laws of the State of Texas, Chapter 15, *Texas Business and Commerce Code*, or federal antitrust laws, or (2) has communicated directly or indirectly the content of Contractor's response to System's procurement solicitation to any competitor or any other person engaged in a similar line of business during the procurement process for this Agreement.
- 4.2 Contractor will maintain a staff of properly trained and experienced personnel to ensure satisfactory performance under this Agreement. Contractor will cause all persons connected with Contractor who are providing the Coverages and/or Services to be duly registered and/or licensed under all applicable federal, state and local, laws, regulations, and ordinances.
- 4.3 Contractor represents that it is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas, or a foreign corporation or limited liability company duly authorized and in good standing to conduct business in the State of Texas, that it has all necessary corporate power and has received all necessary corporate approvals to execute and deliver this Agreement, and the individual executing this Agreement on behalf of Contractor has been duly authorized to act for and bind Contractor.
- 4.4 Contractor will comply with the Performance Guarantees under the terms described in **Exhibit D**, Performance Guarantees, which is attached and incorporated for all purposes.

5. Premium and Contract Costs

- 5.1 Contractor's premium rates for the Coverages to be provided are set forth in **EXHIBIT E** which is attached hereto and incorporated herein for all purposes.
- 5.2 System will pay no additional fees or costs for out of pocket cost to Contractor incurred in the performance of services under this contract not reflected within this agreement.
- 5.3 The Contract Amount includes all applicable federal, state or local sales or use taxes payable as a result of the execution or performance of this Agreement.

6. Payment Terms.

The Payment Methodology is described in **Exhibit A**.

7. Default and Termination.

- 7.1 In the event of a material failure by a party to this Agreement to perform in accordance with the terms of this Agreement (“**default**”), the other party may terminate this Agreement upon fifteen (15) days’ written notice of termination setting forth the nature of the material failure; provided, that, the material failure is through no fault of the terminating party. The termination will not be effective if the material failure is fully cured prior to the end of the fifteen-day period.
- 7.2 System may, without cause, terminate this Agreement at any time upon giving sixty (60) days’ advance written notice to Contractor. Upon termination pursuant to this Section, Contractor will be entitled to payment of an amount that will compensate Contractor for the Work satisfactorily performed from the time of the last payment date to the termination date in accordance with this Agreement. Notwithstanding any provision in this Agreement to the contrary, System will not be required to pay or reimburse Contractor for any services performed or for expenses incurred by Contractor after the date of the termination notice that could have been avoided or mitigated by Contractor.
- 7.3 Termination under **Sections 7.1** or **7.2** will not relieve Contractor from liability for any default or breach under this Agreement or any other act or omission of Contractor.
- 7.4 If Contractor fails to cure any default within fifteen (15) days after receiving written notice of the default, System will be entitled (but will not be obligated) to cure the default and will have the right to offset against all amounts due to Contractor under this Agreement, any and all reasonable expenses incurred in connection with System’s curative actions.

8. Indemnification

8.1 TO THE FULLEST EXTENT PERMITTED BY LAW, CONTRACTOR WILL AND DOES HEREBY AGREE TO INDEMNIFY, PROTECT, DEFEND WITH COUNSEL APPROVED BY SYSTEM, AND HOLD HARMLESS SYSTEM AND THE SYSTEM OF TEXAS SYSTEM, AND THEIR RESPECTIVE AFFILIATED ENTERPRISES, REGENTS, OFFICERS, DIRECTORS, ATTORNEYS, EMPLOYEES, REPRESENTATIVES AND AGENTS (COLLECTIVELY “INDEMNITEES”) FROM AND AGAINST ALL DAMAGES, LOSSES, LIENS, CAUSES OF ACTION, SUITS, JUDGMENTS, EXPENSES, AND OTHER CLAIMS OF ANY NATURE, KIND, OR DESCRIPTION, INCLUDING REASONABLE ATTORNEYS’ FEES INCURRED IN INVESTIGATING, DEFENDING OR SETTLING ANY OF THE FOREGOING (COLLECTIVELY “CLAIMS”) BY ANY PERSON OR ENTITY, ARISING OUT OF, CAUSED BY, OR RESULTING FROM CONTRACTOR’S PERFORMANCE UNDER OR BREACH OF THIS AGREEMENT AND THAT ARE CAUSED IN WHOLE OR IN PART BY ANY NEGLIGENT ACT, NEGLIGENT OMISSION OR WILLFUL MISCONDUCT OF CONTRACTOR, ANYONE DIRECTLY EMPLOYED BY CONTRACTOR OR ANYONE FOR WHOSE ACTS CONTRACTOR MAY BE LIABLE. THE PROVISIONS OF THIS SECTION WILL NOT BE CONSTRUED TO ELIMINATE OR REDUCE ANY OTHER INDEMNIFICATION OR RIGHT WHICH ANY INDEMNITEE HAS BY LAW OR EQUITY. ALL PARTIES WILL BE ENTITLED TO BE REPRESENTED BY COUNSEL AT THEIR OWN EXPENSE.

8.2 IN ADDITION, CONTRACTOR WILL AND DOES HEREBY AGREE TO INDEMNIFY, PROTECT, DEFEND WITH COUNSEL APPROVED BY SYSTEM, AND HOLD HARMLESS INDEMNITEES FROM AND AGAINST ALL CLAIMS ARISING FROM INFRINGEMENT OR ALLEGED INFRINGEMENT OF ANY PATENT, COPYRIGHT, TRADEMARK OR OTHER PROPRIETARY INTEREST ARISING BY OR OUT OF THE PERFORMANCE OF SERVICES BY CONTRACTOR, OR THE USE BY INDEMNITEES, AT THE DIRECTION OF CONTRACTOR, OF ANY ARTICLE OR MATERIAL; PROVIDED, THAT, UPON BECOMING AWARE OF A SUIT OR THREAT OF SUIT FOR INFRINGEMENT, SYSTEM WILL PROMPTLY NOTIFY CONTRACTOR AND CONTRACTOR WILL BE GIVEN THE OPPORTUNITY TO NEGOTIATE A SETTLEMENT. IN THE EVENT OF LITIGATION, SYSTEM AGREES TO REASONABLY COOPERATE WITH CONTRACTOR. ALL PARTIES WILL BE ENTITLED TO BE REPRESENTED BY COUNSEL AT THEIR OWN EXPENSE.

9. Relationship of the Parties.

For all purposes of this Agreement and notwithstanding any provision of this Agreement to the contrary, Contractor is an independent contractor and is not a state employee, partner, joint venturer, or agent of System. Contractor will not bind nor attempt to bind System to any agreement or contract. As an independent contractor, Contractor is solely responsible for all taxes, withholdings, and other statutory or contractual obligations of any sort, including workers’ compensation insurance.

10. Miscellaneous.

10.1 **Assignment and Subcontracting.** Drafting Note If vendor will not be subcontracting, the following clause will be included: The parties understand and

agree in good faith that none of the services to be provided by Carrier to System under this Agreement shall be subcontracted by Carrier to any other entity or person, assigned, delegated, or otherwise transferred to a third party, in whole or in part, and any attempt to do so will (a) not be binding on System; and (b) be a breach of this Agreement for which Contractor will be subject to all remedial actions provided by Texas law, including Chapter 2161, Texas Government Code, and 34 TAC Chapter 20, §§20.101 – 20.108.

Drafting Note: If vendor will be subcontracting, the following clause will be included: Except as specifically provided in **Exhibit F**, Historically Underutilized Business Subcontracting Plan, attached and incorporated for all purposes, Contractor's interest in this Agreement (including Contractor's duties and obligations under this Agreement, and the fees due to Contractor under this Agreement) may not be subcontracted, assigned, delegated, or otherwise transferred to a third party, in whole or in part, and any attempt to do so will (a) not be binding on System; and (b) be a breach of this Agreement for which Contractor will be subject to all remedial actions provided by Texas law, including Chapter 2161, *Texas Government Code*, and 34 TAC Chapter 20, §§20.101 – 20.108.

- 10.2 **Texas Family Code Child Support Certification.** Pursuant to Section 231.006, *Texas Family Code*, Contractor certifies that it is not ineligible to receive the award of or payments under this Agreement and acknowledges that this Agreement may be terminated and payment may be withheld if this certification is inaccurate.
- 10.3 **Tax Certification.** If Contractor is a taxable entity as defined by Chapter 171, Texas Tax Code (“**Chapter 171**”), then Contractor certifies that it is not currently delinquent in the payment of any taxes due under Chapter 171, or that Contractor is exempt from the payment of those taxes, or that Contractor is an out-of-state taxable entity that is not subject to those taxes, whichever is applicable.
- 10.4 **Payment of Debt or Delinquency to the State.** Pursuant to Sections 2107.008 and 2252.903, *Texas Government Code*, Contractor agrees that any payments owing to Contractor under this Agreement may be applied directly toward any debt or delinquency that Contractor owes the State of Texas or any agency of the State of Texas regardless of when it arises, until the debt or delinquency is paid in full.
- 10.5 **Loss of Funding.** System performance of its duties and obligations under this Agreement may be dependent upon the appropriation and allotment of funds by the Texas State Legislature (the “**Legislature**”) and/or allocation of funds by the Board of Regents of The University of Texas System (the “**Board**”). If the Legislature fails to appropriate or allot the necessary funds, or the Board fails to allocate the necessary funds, then System will issue written notice to Contractor and System may terminate this Agreement without further duty or obligation hereunder. Contractor acknowledges that appropriation, allotment, and allocation of funds are beyond the control of System.

- 10.6 **Entire Agreement; Modifications.** This Agreement supersedes all prior agreements, written or oral, between Contractor and System and will constitute the entire agreement and understanding between the parties with respect to the subject matter of this Agreement. This Agreement and each of its provisions will be binding upon the parties and may not be waived, modified, amended or altered except by a writing signed by both System and Contractor.
- 10.7 **Force Majeure.** Neither party hereto will be liable or responsible to the other for any loss or damage or for any delays or failure to perform due to causes beyond its reasonable control including acts of God, strikes, epidemics, war, riots, flood, fire, sabotage, or any other circumstances of like character (“**force majeure occurrence**”).
- 10.8 **Captions.** The captions of sections and subsections in this Agreement are for convenience only and will not be considered or referred to in resolving questions of interpretation or construction.
- 10.9 **Governing Law.** Travis County, Texas, will be the proper place of venue for suit on or in respect of this Agreement. This Agreement and all of the rights and obligations of the parties to this Agreement and all of the terms and conditions of this Agreement will be construed, interpreted and applied in accordance with and governed by and enforced under the laws of the State of Texas.
- 10.10 **Waivers.** No delay or omission in exercising any right accruing upon a default in performance of this Agreement will impair any right or be construed to be a waiver of any right. A waiver of any default under this Agreement will not be construed to be a waiver of any subsequent default under this Agreement.
- 10.11 **Confidentiality and Safeguarding of System Records; Public Information.** Under this Agreement, Contractor may (1) create, (2) receive from or on behalf of System, or (3) have access to, records or record systems (collectively, “**System Records**”). Among other things, System Records may contain “Sensitive Personal Information” as that term is defined by the Business & Commerce Code § 512.002, which applies to confidential medical records and, social security numbers. It may also contain other data protected or made confidential or sensitive by applicable federal, state and local, laws, regulations, and ordinances. Contractor represents, warrants, and agrees that it will: (1) hold System Records in strict confidence and will not use or disclose System Records except as (a) permitted or required by this Agreement, (b) required by law, or (c) otherwise authorized by System in writing; (2) safeguard System Records according to reasonable administrative, physical and technical standards as described in its Proposal and that at no time shall be less rigorous than the standards by which Contractor protects its own confidential information; (3) continually monitor its operations and take any action necessary to assure that System Records are safeguarded and the confidentiality of System Records is maintained in accordance with all applicable federal, state and local, laws, regulations, and ordinances, and the terms of this Agreement; and (4) comply

with the System's rules, policies, and procedures regarding access to and use of System's computer systems.

- 10.10.1 **Notice of Impermissible Use.** If an impermissible use or disclosure of any System Records occurs, Contractor will provide written notice to System within one (1) business day after Contractor's discovery of that use or disclosure. Contractor will promptly provide System with all information requested by System regarding the impermissible use or disclosure to ensure compliance with applicable law, including the breach reporting responsibilities imposed by Business & Commerce Code Chapter 512.002,
- 10.10.2 **Return of System Records.** Contractor agrees that within thirty (30) days after the expiration or termination of this Agreement, for any reason, all System Records created or received from or on behalf of System will be (1) returned to System, with no copies retained by Contractor; or (2) if return is not feasible, destroyed. Twenty (20) days before destruction of any System Records, Contractor will provide System with written notice of Contractor's intent to destroy System Records. Within five (5) days after destruction, Contractor will confirm to System in writing the destruction of System Records.
- 10.10.3 **Disclosure.** If Contractor discloses any System Records to a subcontractor or agent, Contractor will require the subcontractor or agent to comply with the same restrictions and obligations as are imposed on Contractor by this Section.
- 10.10.4 **Public Information.** System strictly adheres to all statutes, court decisions and the opinions of the Texas Attorney General with respect to disclosure of public information under the *Texas Public Information Act*, Chapter 552, *Texas Government Code*. Any disclosures of information maintained, collected, or assembled by Contractor in connection with the transaction of official business of System must be authorized by System. Contractor will instruct its employees that any release of records may be authorized only by System, and will be in accordance with the laws of the State of Texas. If Contractor receives such a request for information, Contractor shall send a copy of same to System by facsimile no later than one business day after receipt of the request, so that System can determine if a disclosure is required under the Act. Contractor shall maintain all information and materials submitted to it by virtue of the Contract, except as is necessary to perform its duties under this Contract. Contractor shall not use or permit to be used or transmitted to others any information obtained as a result of its duties under this Contract without the written consent of System, except as is necessary for Contractor to perform its duties under this Contract.

- 10.10.5 **Termination.** In addition to any other termination rights set forth in this Agreement and any other rights at law or equity, if System reasonably determines that Contractor has breached any of the restrictions or obligations set forth in this Section, System may immediately terminate this Agreement without notice or opportunity to cure.
- 10.10.6 **Duration.** The restrictions and obligations under this Section will survive expiration or termination of this Agreement for any reason.
- 10.12 **Binding Effect.** This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective permitted assigns and successors.
- 10.13 **Records.** Records of Contractor's costs, reimbursable expenses pertaining to the Project and payments will be available to System or its authorized representative during business hours and will be retained for four (4) years after final Payment or abandonment of the Project, unless System otherwise instructs Contractor in writing.
- 10.14 **Notices.** Except as otherwise provided by this Section, all notices, consents, approvals, demands, requests or other communications provided for or permitted to be given under any of the provisions of this Agreement will be in writing and will be sent via certified mail, hand delivery, overnight courier, facsimile transmission, or email, as provided below, and notice will be deemed given (i) if delivered by certified mail, when deposited, postage prepaid, in the United States mail, or (ii) if delivered by hand, overnight courier, facsimile, or email when received:

Scott C. Kelley, Executive Vice Chancellor
for Business Affairs
The University of Texas System
701 Colorado Street
Austin, Texas 78701-3043
Fax: 512/499-4289

with copy to: Laura C. Chambers, Director
Office of Employee Benefits
The University of Texas System
210 West 6th Street, Room B.140E
Austin, Texas 78701
Fax: 512/499-4620

If to Contractor: []

or other person or address as may be given in writing by either party to the other in accordance with this Section.

Notwithstanding any other requirements for notices given by a party under this Agreement, if Contractor intends to deliver written notice to System pursuant to Section 2251.054, *Texas Government Code*, then Contractor will send that notice to System as follows:

Scott C. Kelley, Executive Vice Chancellor
for Business Affairs
The University of Texas System
701 Colorado Street
Austin, Texas 78701-3043
Email: LegalNotices@utsystem.edu

or other person or address as may be given in writing by System to Contractor in accordance with this Section.

- 10.15 **Severability.** In case any provision of this Agreement will, for any reason, be held invalid or unenforceable in any respect, the invalidity or unenforceability will not affect any other provision of this Agreement, and this Agreement will be construed as if the invalid or unenforceable provision had not been included.
- 10.16 **State Auditor's Office.** Contractor understands that acceptance of funds under this Agreement constitutes acceptance of the authority of the Texas State Auditor's Office, or any successor agency (collectively, "**Auditor**"), to conduct an audit or investigation in connection with those funds pursuant to Sections 51.9335(c), 73.115(c) and 74.008(c), *Texas Education Code*. Contractor agrees to cooperate with the Auditor in the conduct of the audit or investigation, including providing all records requested. Contractor will include this provision in all contracts with subcontractors.
- 10.17 **Limitation of Liability.** EXCEPT FOR SYSTEM'S OBLIGATION (IF ANY) TO PAY CONTRACTOR CERTAIN FEES AND EXPENSES SYSTEM WILL HAVE NO LIABILITY TO CONTRACTOR OR TO ANYONE CLAIMING THROUGH OR UNDER CONTRACTOR BY REASON OF THE EXECUTION OR PERFORMANCE OF THIS AGREEMENT. NOTWITHSTANDING ANY DUTY OR OBLIGATION OF SYSTEM TO CONTRACTOR OR TO ANYONE CLAIMING THROUGH OR UNDER CONTRACTOR, NO PRESENT OR FUTURE AFFILIATED ENTERPRISE, SUBCONTRACTOR, AGENT, OFFICER, DIRECTOR, EMPLOYEE, REPRESENTATIVE, ATTORNEY OR REGENT OF THE UNIVERSITY OF TEXAS SYSTEM, OR ANYONE CLAIMING UNDER SYSTEM HAS OR WILL HAVE ANY PERSONAL LIABILITY TO CONTRACTOR OR TO ANYONE CLAIMING THROUGH OR UNDER CONTRACTOR BY REASON OF THE EXECUTION OR PERFORMANCE OF THIS AGREEMENT.
- 10.18 **Survival of Provisions.** No expiration or termination of this Agreement will relieve either party of any obligations under this Agreement that by their nature survive expiration or termination, including **Sections 6.7, 9, 11.5, 11.9, 11.10, 11.11, 11.13, 11.16, 11.17, 11.19 and 11.21.**

10.19 Breach of Contract Claims.

10.19.1 To the extent that Chapter 2260, *Texas Government Code*, as it may be amended from time to time ("**Chapter 2260**"), is applicable to this Agreement and is not preempted by other applicable law, the dispute resolution process provided for in Chapter 2260 will be used, as further described herein, by System and Contractor to attempt to resolve any claim for breach of contract made by Contractor:

10.19.1.1 Contractor's claims for breach of this Agreement that the parties cannot resolve pursuant to other provisions of this Agreement or in the ordinary course of business will be submitted to the negotiation process provided in subchapter B of Chapter 2260. To initiate the process, Contractor will submit written notice, as required by subchapter B of Chapter 2260, to System in accordance with the notice provisions in this Agreement. Contractor's notice will specifically state that the provisions of subchapter B of Chapter 2260 are being invoked, the date and nature of the event giving rise to the claim, the specific contract provision that System allegedly breached, the amount of damages Contractor seeks, and the method used to calculate the damages. Compliance by Contractor with subchapter B of Chapter 2260 is a required prerequisite to Contractor's filing of a contested case proceeding under subchapter C of Chapter 2260. The chief business officer of System, or another officer of System as may be designated from time to time by System by written notice to Contractor in accordance with the notice provisions in this Agreement, will examine Contractor's claim and any counterclaim and negotiate with Contractor in an effort to resolve the claims.

10.19.1.2 If the parties are unable to resolve their disputes under **Section 10.19.1.1**, the contested case process provided in subchapter C of Chapter 2260 is Contractor's sole and exclusive process for seeking a remedy for any and all of Contractor's claims for breach of this Agreement by System.

10.19.1.3 Compliance with the contested case process provided in subchapter C of Chapter 2260 is a required prerequisite to seeking consent to sue from the Legislature under Chapter 107, *Texas Civil Practices and Remedies Code*. The parties hereto specifically agree that (i) neither the execution of this Agreement by System nor any other conduct, action or inaction of any representative of System

relating to this Agreement constitutes or is intended to constitute a waiver of System's or the state's sovereign immunity to suit and (ii) System has not waived its right to seek redress in the courts.

10.19.2 The submission, processing and resolution of Contractor's claim is governed by the published rules adopted by the Texas Attorney General pursuant to Chapter 2260, as currently effective, thereafter enacted or subsequently amended.

10.19.3 System and Contractor agree that any periods set forth in this Agreement for notice and cure of defaults are not waived.

10.20 **Undocumented Workers.** The *Immigration and Nationality Act* (8 *United States Code* 1324a) ("**Immigration Act**") makes it unlawful for an employer to hire or continue employment of undocumented workers. The United States Immigration and Customs Enforcement Service has established the Form I-9 Employment Eligibility Verification Form ("**I-9 Form**") as the document to be used for employment eligibility verification (8 *Code of Federal Regulations* 274a). Among other things, Contractor is required to: (1) have all employees complete and sign the I-9 Form certifying that they are eligible for employment; (2) examine verification documents required by the I-9 Form to be presented by the employee and ensure the documents appear to be genuine and related to the individual; (3) record information about the documents on the I-9 Form, and complete the certification portion of the I-9 Form; and (4) retain the I-9 Form as required by law. It is illegal to discriminate against any individual (other than a citizen of another country who is not authorized to work in the United States) in hiring, discharging, or recruiting because of that individual's national origin or citizenship status. If Contractor employs unauthorized workers during performance of this Agreement in violation of the Immigration Act then, in addition to other remedies or penalties prescribed by law, System may terminate this Agreement in accordance with **Section 7**. Contractor represents and warrants that it is in compliance with and agrees that it will remain in compliance with the provisions of the Immigration Act.

10.21 **Limitations.** THE PARTIES ARE AWARE THAT THERE ARE CONSTITUTIONAL AND STATUTORY LIMITATIONS ON THE AUTHORITY OF SYSTEM (A STATE AGENCY) TO ENTER INTO CERTAIN TERMS AND CONDITIONS THAT MAY BE A PART OF THIS AGREEMENT, INCLUDING THOSE TERMS AND CONDITIONS RELATING TO LIENS ON SYSTEM'S PROPERTY; DISCLAIMERS AND LIMITATIONS OF WARRANTIES; DISCLAIMERS AND LIMITATIONS OF LIABILITY FOR DAMAGES; WAIVERS, DISCLAIMERS AND LIMITATIONS OF LEGAL RIGHTS, REMEDIES, REQUIREMENTS AND PROCESSES; LIMITATIONS OF PERIODS TO BRING LEGAL ACTION; GRANTING CONTROL OF LITIGATION OR SETTLEMENT TO ANOTHER PARTY; LIABILITY FOR ACTS OR OMISSIONS OF THIRD PARTIES; PAYMENT OF ATTORNEYS' FEES; DISPUTE RESOLUTION; INDEMNITIES; AND CONFIDENTIALITY (COLLECTIVELY, THE "**LIMITATIONS**"), AND TERMS AND CONDITIONS RELATED TO THE LIMITATIONS WILL NOT BE BINDING ON SYSTEM EXCEPT TO THE EXTENT AUTHORIZED BY THE LAWS AND CONSTITUTION OF THE STATE OF TEXAS.

- 10.22 **Ethics Matters; No Financial Interest.** Contractor and its employees, agents, representatives and subcontractors have read and understand System's Conflicts of Interest Policy available at <http://www.utsystem.edu/policy/policies/int160.html> System's Standards of Conduct Guide available at <http://www.utsystem.edu/systemcompliance/SOCcombined.pdf>, and applicable state ethics laws and rules available at www.utsystem.edu/ogc/ethics. Neither Contractor nor its employees, agents, representatives or subcontractors will assist or cause System employees to violate System's Conflicts of Interest Policy, provisions described by System's Standards of Conduct Guide, or applicable state ethics laws or rules. Contractor represents and warrants that no member of the Board has a direct or indirect financial interest in the transaction that is the subject of this Agreement.
- 10.23 **Historically Underutilized Business Subcontracting Plan. Drafting Note: If vendor will be subcontracting, the following clause will be included:** Carrier agrees to use good faith efforts to subcontract the Work in accordance with the Historically Underutilized Business Subcontracting Plan ("HSP") submitted by Contractor and attached as **Exhibit F**, which is incorporated into this Agreement for all purposes . Carrier agrees to maintain business records documenting its compliance with the HSP and to submit a monthly compliance report to System in the format required by Texas Procurement and Support Services Division of the Texas Comptroller of Public Accounts or any successor agency (collectively, "TPSS"). Submission of compliance reports will be required as a condition for payment under this Agreement. If System determines that Carrier has failed to subcontract as set out in the HSP, System will notify Carrier of any deficiencies and give Carrier an opportunity to submit documentation and explain why the failure to comply with the HSP should not be attributed to a lack of good faith effort by Carrier. If System determines that Carrier failed to implement the HSP in good faith, System, in addition to any other remedies, may report nonperformance to the TPSS in accordance with 34 TAC Chapter 20, §§20.101 – 20.108. System may also revoke this Agreement for breach and make a claim against the Carrier.
- 10.23.1. Changes to the HSP. If at any time during the term of this Agreement, Carrier desires to change the HSP, before the proposed changes become effective (a) Carrier must comply with 34 TAC Section 20.14; (b) the changes must be reviewed and approved by System; and (c) if System approves changes to the HSP, this Agreement must be amended in accordance with Section 12.8 to replace the HSP with the revised subcontracting plan.
- 10.23.2. Expansion of the Work. If System expands the scope of the Work through a change order or any other amendment, System will determine if the additional Work contains probable subcontracting opportunities *not* identified in the initial solicitation for the Work. If System determines additional probable subcontracting opportunities exist, Carrier will submit

an amended subcontracting plan covering those opportunities. The amended subcontracting plan must comply with the provisions of 34 TAC Section 20.14 before (a) this Agreement may be amended to include the additional Work; or (b) Carrier may perform the additional Work. If Carrier subcontracts any of the additional subcontracting opportunities identified by System without prior authorization and without complying with 34 TAC Section 20.14, Carrier will be deemed to be in breach of this Agreement under Section 8 and will be subject to any remedial actions provided by Texas law including Chapter 2161, *Texas Government Code* and 34 TAC Section 20.14. System may report nonperformance under this Agreement to the TPSS in accordance with 34 TAC Chapter 20, §§20.101 – 20.108.]

[If vendor will not be subcontracting the following clause will be included: The parties understand and agree in good faith that none of the services to be provided by Carrier to System under this Agreement shall be subcontracted by Carrier to any other entity or person. If, despite this agreement, it should become necessary to subcontract any part of the contract, Carrier agrees to seek authorization from System and comply with all applicable provisions of System's HUB requirements and 1 TAC, Section 111.14, prior to any modifications or performance in the awarded contract involving subcontracting.]

10.24 Access by Individuals with Disabilities. Contractor represents and warrants ("EIR Accessibility Warranty") that the electronic and information resources and all associated information, documentation, and support that it provides to System under this Agreement (collectively, the "EIRs") comply with the applicable requirements set forth in Title 1 TAC Chapter 213 and Title 1 TAC Section 206.70 (as authorized by Chapter 2054, Subchapter M, Texas Government Code). To the extent Contractor becomes aware that the EIRs, or any portion of the EIRs, do not comply with the EIR Accessibility Warranty, then Contractor represents and warrants that it will, at no cost to System, either (1) perform all necessary remediation to make the EIRs satisfy the EIR Accessibility Warranty or (2) replace the EIRs with new EIRs that satisfy the EIR Accessibility Warranty. In the event that Contractor is unable to do so, then System may terminate this Agreement and Contractor will refund to System all amounts System has paid under this Agreement within thirty (30) days after the termination date.

System and Contractor have executed and delivered this Agreement to be effective as of the Effective Date.

SYSTEM:

CONTRACTOR:

By: _____

By: _____

Name: Scott C. Kelley
Title: Executive Vice Chancellor
For Business Affairs

Name:
Title:

Date: _____

Date: _____

Exhibits:

EXHIBIT A
EXHIBIT B
EXHIBIT C
EXHIBIT D
EXHIBIT E
EXHIBIT F

RFP (On File with System)
Response (On File with System)
[Policies]
Performance Guarantees
[Fee Schedule]
[HUB Subcontracting Plan]

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION

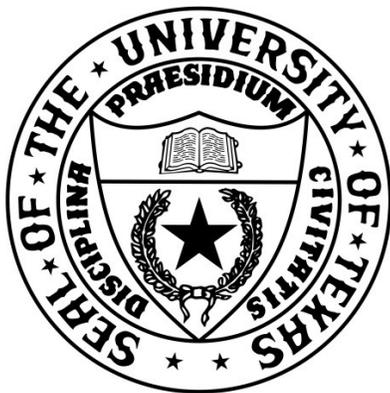
OCTOBER 2015

APPENDIX III

POLICY ON UTILIZATION

HISTORICALLY UNDERUTILIZED BUSINESSES

VENDOR/COMMODITIES



**The University of Texas System
Office of HUB Development
Policy on Utilization of Historically Underutilized Businesses (HUBs)**

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**The University of Texas System
Office of HUB Development**

POLICY ON UTILIZATION OF HISTORICALLY UNDERUTILIZED BUSINESSES (HUBS)

Introduction

In accordance with the Texas Government Code, Sections 2161.181-182 and Title 34, Section 20.13 of the Texas Administrative Code (TAC), the Board of Regents of The University of Texas System, acting through the Office of HUB Development shall make a good faith effort to utilize Historically Underutilized Businesses (HUBs) in contracts for construction services, including professional and consulting services; and commodities contracts. The HUB Rules promulgated by the Texas Comptroller of Public Accounts (the "Texas Comptroller"), set forth in 34 TAC Sections 20.10-20.28, encourage the use of HUBs by implementing these policies through race, ethnic and gender-neutral means.

The purpose of the HUB Program is to promote full and equal business opportunities for all business in State contracting in accordance with the following goals as specified in the State of Texas Disparity Study:

- 11.2% for heavy construction other than building contracts;
- 21.1% for all building construction, including general contractors and operative builders contracts;
- 32.9% for all special trade construction contracts;
- 23.7% for professional services contracts;
- 26% for all other services contracts, and
- 21.1% for commodities contracts.

The University of Texas System shall make a good faith effort to meet or exceed the above stated goals to assist HUBs in receiving a portion of the total contract value of all contracts that UT System expects to award in a fiscal year. The University of Texas System may achieve the annual program goals by contracting directly with HUBs or indirectly through subcontracting opportunities in accordance with the Texas Government Code, chapter 2161, Subchapter F.

NOTE: The goals above are the State of Texas HUB goals. For purposes of this procurement, The University of Texas System goals listed in the Special Instructions on page 11 will apply.

SUMMARY OF REQUIREMENTS
Historically Underutilized Business (HUBs) Subcontracting Plan (HSP)

It is the policy of The University of Texas System and each of its component institutions, to promote and encourage contracting and subcontracting opportunities for Historically Underutilized Businesses (HUBs) in all contracts. Accordingly, UT System has adopted “**EXHIBIT H, Policy on Utilization of Historically Underutilized Businesses**”. The policy applies to all contracts with an expected value of \$100,000 or more. The Board of Regents of The University of Texas System is the contracting authority.

1. In all contracts for professional services, contracting services, and/or commodities with an expected value of \$100,000 or more, The University of Texas System, “UT System” or the “University” will indicate in the purchase solicitation (e.g. RFQ, RFP, or CSP) whether or not subcontracting opportunities are probable in connection with the contract. A HUB Subcontracting Plan is a required element of the architect, contractor or vendor Response to the purchase solicitation. The HUB Subcontracting Plan shall be developed and administered in accordance with the Policy. **Failure to submit a required HUB Subcontracting Plan (HSP) will result in rejection of the Response.**
2. If subcontracting opportunities are probable UT System will declare such probability in its invitations for bids, requests for proposals, or other purchase solicitation documents, and shall require submission of the appropriate HUB Subcontracting Plan with the Response.
 - a. When subcontracting opportunities are probable, and the Respondent proposes to subcontract any part of the work, the Respondent shall submit a **HUB Subcontracting Plan as prescribed by the Texas Comptroller** identifying subcontractors **[34 TAC §20.14 (d) (1)(A)(B)(C)(D) (2) (3)(A)(B)(C)(D)(E)(F) (4)(A)(B)]**.
 - b. When subcontracting opportunities are probable, but the Respondent can perform such opportunities with its employees and resources, the Respondent’s HUB Subcontracting Plan shall include **Section 3 –Self Performance [34 TAC §20.14 (d) (5) (A) (B) (C) (D)]**.
3. If subcontracting opportunities are not probable UT System will declare such probability in its invitations or bids, requests for proposals, or other purchase solicitation documents and shall require submission of the appropriate HUB Subcontracting Plan with the Response.
 - a. When subcontracting opportunities are not probable, and the Respondent proposes to perform all the work with its employees and resources, the Respondent shall submit a HUB Subcontracting Plan that includes **Section 3 – Self Performance Justification**.
 - b. When subcontracting opportunities are not probable, but the Respondent proposes to subcontract any part of the work, the Respondent shall submit a **HUB Subcontracting Plan as prescribed by the Texas Comptroller** identifying subcontractors.
4. Respondents shall follow, but are not limited to, procedures listed in the Policy when developing a HUB Subcontracting Plan.
5. **Competitive Sealed Proposals (CSP):** Respondents shall submit a HUB Subcontracting Plan (packaged separately) twenty-four (24) hours following the Response submission date and time or as prescribed by the project manager.
6. In making a determination whether a good faith effort has been made in the development of the required HUB Subcontracting Plan, UT System shall follow the procedures listed in the Policy. If accepted by the

University, the HUB Subcontracting Plan shall become a provision of the Respondent's contract with UT System. **Revisions necessary to clarify and enhance information submitted in the original HUB subcontracting plan may be made in an effort to determine good faith effort.** Any revisions after the submission of the HSP shall be approved by the HUB Coordinator.

7. **Design Build (DB) and Construction Manager @ Risk (CM@R) responses:** Respondents to a "design build" or "construction manager-at-risk" purchase solicitation shall include the Letter of HUB Commitment in their Response attesting that the Respondent has read and understands the Policy on Historically Underutilized Businesses (HUBs), and a HUB Subcontracting Plan for all preconstruction and construction services including a HUB Subcontracting Plan as prescribed by the Texas Comptroller specific to construction services identifying first, second and third tier subcontractors. Respondents proposing to perform Part 1 preconstruction services with their own resources and employees shall submit, as part of their HSP, the Self Performance Justification.
8. **DB and CM@R HUB Contract Requirements:** Contractors engaged under design-build and construction manager-at-risk contracts shall submit a HUB Subcontracting Plan for all preconstruction and construction Phase Services, and, must further comply with the requirements of this Policy by developing and submitting a HUB Subcontracting Plan for each bid package issued in buying out the guaranteed maximum or lump sum price of the project. The HSP shall identify first, second and third tier subcontractors.
9. The University of Texas System shall reject any Response that does not include a fully completed HSP as required. **An incomplete HUB Subcontracting Plan is considered a material failure to comply with the solicitation for proposals.**
10. **Changes to the HUB Subcontracting Plan:** Once a Respondent's HSP is accepted by UT System and becomes a provision of the contract between Respondent and UT System, the Respondent can only change that HSP if (a) the Respondent complies with 34 TAC Section 20.14; (b) the Respondent provides its proposed changes to UT System for review; (c) UT System (including UT System's HUB Coordinator) approves Respondent's proposed changes to its HSP; and (d) UT System and the Respondent amend their contract (in writing signed by authorized officials of both parties) in order to replace the contract's existing HSP with a revised HSP containing the changes approved by UT System.
11. **Expansion of Work:** If, after entering into a contract with a Respondent as a result of a purchase solicitation subject to the Policy, UT System wishes to expand the scope of work that the Respondent will perform under that contract through a change order or any other contract amendment (the "additional work"), UT System will determine if the additional work contains probable subcontracting opportunities not identified in the initial purchase solicitation for that contract. If UT System determines that probable subcontracting opportunities exist for the additional work, then the Respondent must submit to UT System an amended HUB Subcontracting Plan covering those opportunities that complies with the provisions of 34 TAC Section 20.14. Such an amended HSP must be approved by UT System and the Respondent (including UT System's HUB Coordinator) before (a) the contract may be amended by UT System and the Respondent to include the additional work and the amended HSP and (b) the Respondent performs the additional work. If a Respondent subcontracts any of the additional subcontracting opportunities identified by UT System for any additional work (i) without complying with 34 TAC Section 20.14 or (ii) before UT System and that Respondent amend their contract to include a revised HSP that authorizes such subcontracting, then the Respondent will be deemed to be in breach of its contract with UT System. As a result of such breach, UT System will be entitled to terminate its contract with the Respondent, and the Respondent will be subject to any remedial actions provided by Texas law, including those set forth in Chapter 2161, Texas Government Code, and 34 TAC Section 20.14. The University may report a Respondent's nonperformance under a

contract between that Respondent and UT System to the Texas Comptroller in accordance with 34 TAC Sections 20.10 through 20.18.

12. A Response may state that the Respondent intends to perform all the subcontracting opportunities with its own employees and resources in accordance with the Policy. However, if such a Respondent enters into a contract with UT System as a result of such a Response but later desires to subcontract any part of the work set forth in that contract, before the Respondent subcontracts such work it must first change its HUB Subcontracting Plan in accordance with the provisions of Section 10 above.
13. The University of Texas System shall require a professional services firm, contractor or vendor to whom a contract has been awarded to report the identity and the amount paid to its subcontractors on a monthly basis using a **HUB Subcontracting Plan (HSP) Prime Contractor Progress Assessment Report (PAR)** as a condition for payment.
14. If the University of Texas System determines that the successful Respondent failed to implement an approved HUB Subcontracting Plan in good faith, UT System, in addition to any other remedies, may report nonperformance to the Texas Comptroller in accordance with 34 TAC Section 20.14, (g) (1) related remedies of nonperformance to professional services firms, contractor and vendor implementation of the HSP.
15. In the event of any conflict between this "Summary of Requirements" and the remainder of the HUB Policy, the remainder of the HUB Policy will control.
16. These requirements, including the attachments referred to above, may be downloaded over the Internet from <http://utsystem.edu/offices/historically-underutilized-business/hub-forms>. For additional information contact:
The Office of HUB Programs
The University of Texas System
210 West 6th Street
Suite B.140E
Austin, Texas 78701
512/499/4530

**Other Services/Vendor/Commodities HSP
Summary of Attachments Required from Respondents**

	Letter of Transmittal Page 8	Letter of HUB Commitment Page 9	HUB Subcontracting Plan (HSP) Pages 11-18	Progress Assessment Report (PAR) Page 19
1. UT SYSTEM DETERMINES THAT SUBCONTRACTING OPPORTUNITIES ARE PROBABLE.				
1. A. Respondent Proposes Subcontractors: Attachments required from the Respondent for the HUB Subcontracting Plan if the solicitation states that <u>subcontracting opportunities are probable</u> .	X		X	
1.B. Respondent Proposes Self-Performance: Attachments required from the Respondent for the HUB Subcontracting Plan if the solicitation states that <u>subcontracting opportunities are probable</u> , but the Respondent can perform such opportunities with its employees and resources.	X		X	
2. UT SYSTEM DETERMINES THAT SUBCONTRACTING OPPORTUNITIES ARE NOT PROBABLE.				
2.A. Respondent Proposes Self-Performance: Attachments required from the Respondent for the HUB Subcontracting Plan if the solicitation states that <u>subcontracting opportunities are not probable</u> , but the Respondent can perform such opportunities with its employees and resources.	X		X	
2. B. Respondent Proposes Subcontractors: Attachments required from the Respondent for the HUB Subcontracting Plan if the solicitation states that <u>subcontracting opportunities are not probable</u> , but the Respondent proposes to subcontract any part of the work.	X		X	
3. INDEFINITE DURATION/INDEFINITE QUANTITY CONTRACTS: Submit with initial qualifications. Attachments required from the Respondent prior to contract execution for each contract associated with a solicitation for miscellaneous services.		X	X	
4. CHANGES IN THE HUB SUBCONTRACTING PLAN AFTER AWARD: Attachments required from the Respondent to whom a contract has been awarded if it desires to make changes to the approved HUB Subcontracting Plan.			X	
5. REPORTING: Progress Assessment Report (PAR) required with all payment requests. The submittal of this attachment is a condition of payment.				X

(RESPONDENT’S BUSINESS LETTERHEAD)

Date

Regional HUB Coordinator
The Office of HUB Programs
The University of Texas System
201 W. 6th St., Room B.140E
Austin, Texas 78701

RE: Historically Underutilized Business Plan for (Project Title): _____
Project Number: _____ - _____

Dear ,

In accordance with the requirements outlined in the specification section “HUB Participation Program,” I am pleased to forward this HUB Subcontracting Plan as an integral part of our response in connection with your invitation for Request for Proposals referencing the above project.

I have read and understand The University of Texas System Policy on Utilization of Historically Underutilized Businesses (HUBs). I also understand the State of Texas Annual Procurement Goal according to 34 Texas Administrative Code Section §20.13, and the goal as stated in the Agency Special Instructions section of the HUB Subcontracting Plan, page 11.

Select one of the following:

- _____ 32.9% for all special trade construction contracts
- _____ 26% for all other services contracts
- _____ 31.04% for commodities contracts

Subcontractors	No. of Subcontractors	Total Subcontract \$ Value	Total Estimated HUB %	% Minority Owned	% Woman Owned	% Service Disabled Veteran
HUB						
NON-HUB						
TOTAL						

I understand the above HUB percentages must represent Texas Comptroller HUB certification standards. For each of the listed HUB firms, I have attached a Texas Comptroller HUB Certification document.

Should we discover additional subcontractors claiming Historically Underutilized Business status during the course of this contract we will notify you of the same. In addition, if for some reason a HUB is unable to fulfill its contract with us, we will notify you immediately in order to take the appropriate steps to amend this contractual obligation.

Sincerely,

(Project Executive)

cc: Contract Administrator

(RESPONDENT’S BUSINESS LETTERHEAD)

Date

Regional HUB Coordinator
The Office of HUB Programs
The University of Texas System
201 W. 6th St., Room B.140E
Austin, TX 78701

RE: Historically Underutilized Business Plan for (Project Title): _____
Project Number: _____ - _____

Dear ,

In accordance with the requirements outlined in the specification section “HUB Participation Program”, I am pleased to forward this HUB Subcontracting Plan as an integral part of our proposal in connection with your invitation for request for proposals, referencing Project Number _____.

I have read and understand The University of Texas System Policy on Utilization of Historically Underutilized Businesses (HUBs). I also understand the State of Texas Annual Procurement Goal according to 34 Texas Administrative Code Section § 20.13, and the goal as stated in the Agency Special Instructions section of the HUB Subcontracting Plan, page 11.

Good Faith Effort will be documented by a two part HUB Subcontracting Plan (HSP) process. Part one (1) of the HSP submission will reflect self-performance with the appropriate sections completed per the instructions in Option One of the HSP Quick Checklist located on page 10 of The University of Texas Exhibit H Policy on Utilization of Historically Underutilized Businesses (HUBs).

As the scope of work/project is defined under this ID/IQ contract, part two (2) of the process will require a revised HUB Subcontracting Plan (HSP) and the Good Faith Effort will be documented per instructions in Attachment B (page 16-17) and Option Three of the HSP Quick Check List. The revised HUB Subcontracting Plan will be submitted to the HUB Coordinator prior to execution of each contract process. Documentation of subcontracted work will be provided with each pay request.

Sincerely,

(Project Executive)

cc: Contract Administrator



HUB Subcontracting Plan (HSP)

QUICK CHECKLIST

While this HSP Quick Checklist is being provided to merely assist you in readily identifying the sections of the HSP form that you will need to complete, it is very important that you adhere to the instructions in the HSP form and instructions provided by the contracting agency.

Option One -If you will be awarding all of the subcontracting work you have to offer under the contract to only Texas certified HUB vendors, complete:

- Section 1 - Respondent and Requisition Information
- Section 2a. - Yes, I will be subcontracting portions of the contract
- Section 2b. - List all the portions of work you will subcontract, and indicate the percentage of the contract you expect to award to Texas certified HUB vendors
- Section 2c. - Yes
- Section 4 - Affirmation
- GFE Method A (Attachment A) - Complete an Attachment A for each of the subcontracting opportunities you listed in Section 2b.
- Letter of Transmittal

Option Two - If you will be subcontracting any portion of the contract to Texas certified HUB vendors and Non-HUB vendors, and the aggregate percentage of all the subcontracting work you will be awarding to the Texas certified HUB vendors with which you have a continuous contract in place for five (5) years or less meets or exceeds the HUB Goal the contracting agency identified in the "Agency Special Instructions/Additional Requirements", complete:

- Section 1 - Respondent and Requisition Information
- Section 2a. - Yes, I will be subcontracting portions of the contract
- Section 2b. - List all the portions of work you will subcontract, and indicate the percentage of the contract you expect to award to Texas certified HUB vendors and Non-HUB vendors
- Section 2c. - No
- Section 2d. - Yes
- Section 4 - Affirmation
- GFE Method A (Attachment A) - Complete an Attachment A for each of the subcontracting opportunities you listed in Section 2b.
- Letter of Transmittal

Option Three - If you will be subcontracting any portion of the contract to Texas certified HUB vendors and Non-HUB vendors or only to Non-HUB vendors, and the aggregate percentage of all the subcontracting work you will be awarding to the Texas certified HUB vendors with which you have a continuous contract in place for five (5) years or less does not meet or exceed the HUB Goal the contracting agency identified in the "Agency Special Instructions/Additional Requirements", complete:

- Section 1 - Respondent and Requisition Information
- Section 2a. - Yes, I will be subcontracting portions of the contract
- Section 2b. - List all the portions of work you will subcontract, and indicated the percentage of the contract you expect to award to Texas certified HUB vendors and Non-HUB vendors
- Section 2c. - No
- Section 2d. - No
- Section 4 - Affirmation
- GFE Method B (Attachment B) - Complete an Attachment B for each of the subcontracting opportunities you listed in Section 2b.
- Letter of Transmittal

Option Four - If you will not be subcontracting any portion of the contract and will be fulfilling the entire contract with your own resources, complete:

- Section 1 - Respondent and Requisition Information
- Section 2a. - No, I will not be subcontracting any portion of the contract, and I will be fulfilling the entire contract with my own resources
- Section 3 - Self Performing Justification
- Section 4 - Affirmation
- Letter of HUB Commitment

***Continuous Contract:** Any existing written agreement (including any renewals that are exercised) between a prime contractor and a HUB vendor, where the HUB vendor provides the prime contractor with goods or service under the same contract for a specified period of time. The frequency the HUB vendor is utilized or paid during the term of the contract is not relevant to whether the contract is considered continuous. Two or more contracts that run concurrently or overlap one another for different periods of time are considered by CPA to be individual contracts rather than renewals or extensions to the original contract. In such situations the prime contractor and HUB vendor are entering (have entered) into "new" contracts.



HUB Subcontracting Plan (HSP)

In accordance with Texas Gov't Code §2161.252, the contracting agency has determined that subcontracting opportunities are probable under this contract. Therefore, all respondents, including State of Texas certified Historically Underutilized Businesses (HUBs) must complete and submit this State of Texas HUB Subcontracting Plan (HSP) with their response to the bid requisition (solicitation).

NOTE: Responses that do not include a completed HSP shall be rejected pursuant to Texas Gov't Code §2161.252(b).

The HUB Program promotes equal business opportunities for economically disadvantaged persons to contract with the State of Texas in accordance with the goals specified in the 2009 State of Texas Disparity Study. The statewide HUB goals defined in 34 Texas Administrative Code (TAC) §20.13 are:

- **11.2 percent for heavy construction other than building contracts,**
- **21.1 percent for all building construction, including general contractors and operative builders' contracts,**
- **32.9 percent for all special trade construction contracts,**
- **23.7 percent for professional services contracts,**
- **26.0 percent for all other services contracts, and**
- **21.1 percent for commodities contracts.**

- - Agency Special Instructions/Additional Requirements - -

In accordance with 34 TAC §20.14(d)(1)(D)(iii), a respondent (prime contractor) may demonstrate good faith effort to utilize Texas certified HUBs for its subcontracting opportunities if the total value of the respondent's subcontracts with Texas certified HUBs meets or exceeds the statewide HUB goal or the agency specific HUB goal, whichever is higher. When a respondent uses this method to demonstrate good faith effort, the respondent must identify the HUBs with which it will subcontract. If using existing contracts with Texas certified HUBs to satisfy this requirement, only aggregate percentage of the contract expected to be subcontracted to HUBs with which the respondent does not have a continuous contract* in place for more than five (5) years shall qualify for meeting the HUB goal. This limitation is designed to encourage vendor rotation as recommended by the 2009 Texas Disparity Study.

In accordance with 34 TAC §20.13 (d)(1)9D)(iii), the goals stated below are the applicable goals for The University of Texas System Administration only.

Commodities HUB Goal – 31.04%

Other Services HUB Goal – 26%

Special Trades HUB Goal – 32.9%

- Responses shall submit a completed HUB Subcontracting Plan (HSP) to be considered responsive. Failure to submit a completed HSP shall result in the bid, proposal or other expression of interest to be considered NON-responsive.
- Respondents who intend to Self-Perform all of their work shall submit an HSP for Self-Performance (pages 11-14).
- HUB Subcontracting Plan (HSP) Prime Contractor Assessment Report (PAR) shall be submitted with each request for payment and is a condition of payment.
- Only fax, email and certified letter are acceptable documentation of the Good Faith Effort.

SECTION-1: RESPONDENT AND REQUISITION INFORM

- a. Respondent (Company) Name: _____ State of Texas VID #: _____
 Point of Contact: _____ Phone #: _____
 E-mail Address: _____ Fax #: _____
- b. Is your company a State of Texas certified HUB? - Yes - No
- c. Requisition #: _____ Bid Open Date: _____

Appendix H

Enter your company's name here: _____ Requisition #: _____

SECTION 2: SUBCONTRACTING INTENTIONS RESPONDENT

After dividing the contract work into reasonable lots or portions to the extent consistent with prudent industry practices, and taking into consideration the scope of work to be performed under the proposed contract, including all potential subcontracting opportunities, the respondent must determine what portions of work, including goods and services, will be subcontracted. Note: In accordance with 34 TAC §20.11., an "Subcontractor" means a person who contracts with a prime contractor to work, to supply commodities, or to contribute toward completing work for a governmental entity.

a. Check the appropriate box (Yes or No) that identifies your subcontracting intentions:

- **Yes**, I will be subcontracting portions of the contract. (If **Yes**, complete Item b, of this SECTION and continue to Item c of this SECTION.)
- **No**, I will not be subcontracting any portion of the contract, and I will be fulfilling the entire contract with my own resources. (If **No**, continue to SECTION 3 and SECTION 4.)

b. List all the portions of work (subcontracting opportunities) you will subcontract. Also, based on the total value of the contract, identify the percentages of the contract you expect to award to Texas certified HUBs, and the percentage of the contract you expect to award to vendors that are not a Texas certified HUB (i.e., Non-HUB).

	Subcontracting Opportunity Description	HUBs		Non-HUBs
		Percentage of the contract expected to be subcontracted to HUBs with which you have a <u>continuous contract*</u> in place for five (5) years or less.	Percentage of the contract expected to be subcontracted to HUBs with which you have a <u>continuous contract*</u> in place for more than five (5) years.	Percentage of the contract expected to be subcontracted to non-HUBs.
1		%	%	%
2		%	%	%
3		%	%	%
4		%	%	%
5		%	%	%
6		%	%	%
7		%	%	%
8		%	%	%
9		%	%	%
10		%	%	%
11		%	%	%
12		%	%	%
13		%	%	%
14		%	%	%

(Note: If you have more than fifteen subcontracting opportunities, a continuation sheet is available online at <http://window.state.tx.us/procurement/prog/hub/hub-subcontracting-plan/>.)

c. Check the appropriate box (Yes or No) that indicates whether you will be using only Texas certified HUBs to perform all of the subcontracting opportunities you listed in SECTION 2, Item b.

- **Yes** (If **Yes**, continue to SECTION 4 and complete an "HSP Good Faith Effort - Method A (Attachment A)" for each of the subcontracting opportunities you listed.)
- **No** (If **No**, continue to Item d, of this SECTION.)

d. Check the appropriate box (Yes or No) that indicates whether the aggregate expected percentage of the contract you will subcontract with Texas certified HUBs with which you have a continuous contract* in place with for five (5) years or less meets or exceeds the HUB goal the contracting agency identified on page 1 in the "Agency Special Instructions/Additional Requirements".

- **Yes** (If **Yes**, continue to SECTION 4 and complete an "HSP Good Faith Effort - Method A (Attachment A)" for each of the subcontracting opportunities you listed.)
- **No** (If **No**, continue to SECTION 4 and complete an "HSP Good Faith Effort - Method B (Attachment B)" for each of the subcontracting opportunities you listed.)

**Continuous Contract: Any existing written agreement (including any renewals that are exercised) between a prime contractor and a HUB vendor, where the HUB vendor provides the prime contractor with goods or service under the same contract for a specified period of time. The frequency the HUB vendor is utilized or paid during the term of the contract is not relevant to whether the contract is considered continuous. Two or more contracts that run concurrently or overlap one another for different periods of time are considered by CPA to be individual contracts rather than renewals or extensions to the original contract. In such situations the prime contractor and HUB vendor are entering (have entered) into "new" contracts.*

Appendix H

Enter your company's name here: _____ Requisition #: _____

SECTION-2: SUBCONTRACTING INTENTIONS RESPONDENT (CONTINUATION SHEET)

a. This page can be used as a continuation sheet to the HSP Form's page 2, Section 2, Item b. Continue listing the portions of work (subcontracting opportunities) you will subcontract. Also, based on the total value of the contract, identify the percentages of the contract you expect to award to Texas certified HUBs, and the percentage of the contract you expect to award to vendors that are not a Texas certified HUB (i.e., Non-HUB).

	Subcontracting Opportunity Description	HUBs		Non-HUBs
		Percentage of the contract expected to be subcontracted to HUBs with which you have a <u>continuous contract*</u> in place for five (5) years or less.	Percentage of the contract expected to be subcontracted to HUBs with which you have a <u>continuous contract*</u> in place for <u>more than five (5) years.</u>	Percentage of the contract expected to be subcontracted to non-HUBs.
16		%	%	%
17		%	%	%
18		%	%	%
19		%	%	%
20		%	%	%
21		%	%	%
22		%	%	%
23		%	%	%
24		%	%	%
25		%	%	%
26		%	%	%
27		%	%	%
28		%	%	%
29		%	%	%
30		%	%	%
31		%	%	%
32		%	%	%
33		%	%	%
34		%	%	%
35		%	%	%
36		%	%	%
37		%	%	%
38		%	%	%
39		%	%	%
40		%	%	%
41		%	%	%
42		%	%	%

**Continuous Contract: Any existing written agreement (including any renewals that are exercised) between a prime contractor and a HUB vendor, where the HUB vendor provides the prime contractor with goods or service under the same contract for a specified period of time. The frequency the HUB vendor is utilized or paid during the term of the contract is not relevant to whether the contract is considered continuous. Two or more contracts that run concurrently or overlap one another for different periods of time are considered by CPA to be individual contracts rather than renewals or extensions to the original contract. In such situations the prime contractor and HUB vendor are entering (have entered) into "new" contracts.*

Enter your company's name here: _____ Requisition #: _____

SECTION-3: SELF PERFORMING JUSTIFICATION (If you responded "No" to SECTION 2, Item a, you must complete this SECTION and continue to SECTION 4)

Check the appropriate box (Yes or No) that indicates whether your response/proposal contains an explanation demonstrating how your company will fulfill the entire contract with its own resources.

- Yes (If *Yes*, in the space provided below list the specific page(s)/section(s) of your proposal which explains how your company will perform the entire contract with its own equipment, supplies, materials and/or employees.)
- No (If *No*, in the space provided below explain how your company will perform the entire contract with its own equipment, supplies, materials and/or employees.)

SECTION-4: AFFIRMATION

As evidenced by my signature below, I affirm that I am an authorized representative of the respondent listed in SECTION 1, and that the information and supporting documentation submitted with the HSP is true and correct. Respondent understands and agrees that, if awarded any portion of the requisition:

- The respondent will provide notice as soon as practical to all the subcontractors (HUBs and Non-HUBs) of their selection as a subcontractor for the awarded contract. The notice must specify at a minimum the contracting agency's name and its point of contact for the contract, the contract award number, the subcontracting opportunity they (the subcontractor) will perform, the approximate dollar value of the subcontracting opportunity and the expected percentage of the total contract that the subcontracting opportunity represents. A copy of the notice required by this section must also be provided to the contracting agency's point of contact for the contract no later than ten (10) working days after the contract is awarded.
- The respondent must submit monthly compliance reports (Prime Contractor Progress Assessment Report – PAR) to the contracting agency, verifying its compliance with the HSP, including the use of and expenditures made to its subcontractors (HUBs and Non-HUBs). (The PAR is available at <http://www.window.state.tx.us/procurement/prog/hub/hub-forms/progressassessmentrpt.xls>).
- The respondent must seek approval from the contracting agency prior to making any modifications to its HSP, including the hiring of additional or different subcontractors and the termination of a subcontractor the respondent identified in its HSP. If the HSP is modified without the contracting agency's prior approval, respondent may be subject to any and all enforcement remedies available under the contract or otherwise available by law, up to and including debarment from all state contracting.
- The respondent must, upon request, allow the contracting agency to perform on-site reviews of the company's headquarters and/or work-site where services are being performed and must provide documentation regarding staffing and other resources.

Signature	Printed Name	Title	Date <small>(mm/dd/yyyy)</small>
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Reminder:

- If you responded "Yes" to SECTION 2, Items c or d, you must complete an "HSP Good Faith Effort - Method A (Attachment A)" for each of the subcontracting opportunities you listed in SECTION 2, Item b.
- If you responded "No" SECTION 2, Items c and d, you must complete an "HSP Good Faith Effort - Method B (Attachment B)" for each of the subcontracting opportunities you listed in SECTION 2, Item b.

HSP Good Faith Effort Method B (Attachment B)

Enter your company's name here: _____ Requisition #: _____

IMPORTANT: If you responded "Yes" to SECTION 2, Items c or d of the completed HSP form, you must submit a completed "HSP Good Faith Effort - Method B (Attachment B)" for **each** of the subcontracting opportunities you listed in SECTION 2, Item b of the completed HSP form. You may photo-copy this page or download the form at <http://window.state.tx.us/procurement/prog/hub/hub-forms/hub-sbcont-plan-gfe-achm-b.pdf>.

SECTION B-1: SUBCONTRACTING OPPORTUNITY

Enter the item number and description of the subcontracting opportunity you listed in SECTION 2, Item b, of the completed HSP form for which you are completing the attachment.

Item Number: _____ Description: _____

SECTION B-2: MENTOR PROTÉGÉ PROGRAM

If respondent is participating as a Mentor in a State of Texas Mentor Protégé Program, submitting its Protégé (Protégé must be a State of Texas certified HUB) as a subcontractor to perform the subcontracting opportunity listed in SECTION B-1, constitutes a good faith effort to subcontract with a Texas certified HUB towards that specific portion of work.

Check the appropriate box (Yes or No) that indicates whether you will be subcontracting the portion of work you listed in SECTION B-1 to your Protégé.

- Yes (If *Yes*, to continue to SECTION B-4.)
- No / Not Applicable (If *No* or *Not Applicable*, continue to SECTION B-3 and SECTION B-4.)

SECTION B-3: NOTIFICATION OF SUBCONTRACTING OPPORTUNITY

When completing this section you **MUST** comply with items **a, b, c and d**, thereby demonstrating your Good Faith Effort of having notified Texas certified HUBs and trade organizations or development centers about the subcontracting opportunity you listed in SECTION B-1. Your notice should include the scope of work, information regarding the location to review plans and specifications, bonding and insurance requirements, required qualifications, and identify a contact person. When sending notice of your subcontracting opportunity, you are encouraged to use the attached HUB Subcontracting Opportunity Notice form, which is also available online at <http://www.window.state.tx.us/procurement/prog/hub/hub-subcontracting-plan>.

Retain supporting documentation (i.e., certified letter, fax, e-mail) demonstrating evidence of your good faith effort to notify the Texas certified HUBs and trade organizations or development centers. Also, be mindful that a working day is considered a normal business day of a state agency, not including weekends, federal or state holidays, or days the agency is declared closed by its executive officer. The initial day the subcontracting opportunity notice is sent/provided to the HUBs and to the trade organizations or development centers is considered to be "day zero" and does not count as one of the seven (7) working days.

- a. Provide written notification of the subcontracting opportunity you listed in SECTION B-1, to three (3) or more Texas certified HUBs. Unless the contracting agency specified a different time period, you must allow the HUBs at least seven (7) working days to respond to the notice prior to your submitting your bid response to the contracting agency. When searching for Texas certified HUBs, ensure that you use the State of Texas' Centralized Master Bidders List (CMBL) and Historically Underutilized Business (HUB) Search directory located at <http://mycpa.state.tx.us/tpasscmblsearch/index.jsp>. HUB Status code "A" signifies that the company is a Texas certified HUB.
- b. List the three (3) Texas certified HUBs you notified regarding the subcontracting opportunity you listed in SECTION B-1. Include the company's Vendor ID (VID) number, the date you sent notice to that company, and indicate whether it was responsive or non-responsive to your subcontracting opportunity notice.

Company Name	VID Number	Date Notice Sent (mm/dd/yyyy)	Did the HUB Respond?
			<input type="checkbox"/> - Yes <input type="checkbox"/> - No
			<input type="checkbox"/> - Yes <input type="checkbox"/> - No
			<input type="checkbox"/> - Yes <input type="checkbox"/> - No

- c. Provide written notification of the subcontracting opportunity you listed in SECTION B-1 to two (2) or more trade organizations or development centers in Texas to assist in identifying potential HUBs by disseminating the subcontracting opportunity to their members/participants. Unless the contracting agency specified a different time period, you must provide your subcontracting opportunity notice to trade organizations or development centers at least seven (7) working days prior to submitting your bid response to the contracting agency. A list of trade organizations and development centers that have expressed an interest in receiving notices of subcontracting opportunities is available on the Statewide HUB Program's webpage at <http://www.window.state.tx.us/procurement/prog/hub/mwb-links-1/>.
- d. List two (2) trade organizations or development centers you notified regarding the subcontracting opportunity you listed in SECTION B-1. Include the date when you sent notice to it and indicate if it accepted or rejected your notice.

Trade Organizations or Development Centers	Date Notice Sent (mm/dd/yyyy)	Was the Notice Accepted?
		<input type="checkbox"/> - Yes <input type="checkbox"/> - No
		<input type="checkbox"/> - Yes <input type="checkbox"/> - No

Appendix H

(Attachment B)

HSP Good Faith Effort - Method B (Attachment B) Cont.

Enter your company's name here: _____ Requisition #: _____

SECTION B-4: SUBCONTRACTOR SELECTION

Enter the item number and description of the subcontracting opportunity you listed in SECTION 2, Item b, of the completed HSP form for which you are completing the attachment.

a. Enter the item number and description of the subcontracting opportunity for which you are completing this Attachment B continuation page.

Item Number: _____ Description: _____

b. List the subcontractor(s) you selected to perform the subcontracting opportunity you listed in SECTION B-1. Also identify whether they are a Texas certified HUB and their VID number, the approximate dollar value of the work to be subcontracted, the expected percentage of work to be subcontracted, and indicate whether the company is a Texas certified HUB.

CompanyName	Texas certified HUB	VID Number <small>(Required if Texas certified HUB)</small>	Approximate Dollar Amount	Expected Percentage of Contract
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%

c. If any of the subcontractors you have selected to perform the subcontracting opportunity you listed in SECTION B-1 is not a Texas certified HUB, provide written justification for your selection process (attach additional page if necessary):

REMINDER: As specified in SECTION 4 of the completed HSP form, if you (respondent) are awarded any portion of the requisition, you are required to provide notice as soon as practical to all the subcontractors (HUBs and Non-HUBs) of their selection as a subcontractor. The notice must specify at a minimum the contracting agency's name and its point of contact for the contract, the contract award number, the subcontracting opportunity it (the subcontractor) will perform, the approximate dollar value of the subcontracting opportunity and the expected percentage of the total contract that the subcontracting opportunity represents. A copy of the notice required by this section must also be provided to the contracting agency's point of contact for the contract no later than ten (10) working days after the contract is awarded.

**The University of Texas System
Office of Employee Benefits
RFP for Fully Insured Group Term Life Insurance beginning
September 1, 2016**

Appendix I1 – EIR Accessibility Warranty

ACCESS BY INDIVIDUALS WITH DISABILITIES

Access by Individuals with Disabilities. Contractor represents and warrants (“EIR Accessibility Warranty”) that the electronic and information resources and all associated information, documentation, and support that it provides to University under this Agreement (collectively, the “EIRs”) comply with the applicable requirements set forth in Title 1, Chapter 213, *Texas Administrative Code*, and Title 1, Chapter 206, Rule §206.70 of the *Texas Administrative Code* (as authorized by Chapter 2054, Subchapter M, *Government Code*.) To the extent Contractor becomes aware that the EIRs, or any portion thereof, do not comply with the EIR Accessibility Warranty, then Contractor represents and warrants that it will, at no cost to University, either (1) perform all necessary remediation to make the EIRs satisfy the EIR Accessibility Warranty or (2) replace the EIRs with new EIRs that satisfy the EIR Accessibility Warranty. In the event that Contractor fails or is unable to do so, then University may terminate this Agreement and Contractor will refund to University all amounts University has paid under this Agreement within thirty (30) days after the termination date.

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Voluntary Product Accessibility Template®

Version 1.3

The purpose of the **Voluntary Product Accessibility Template**, or **VPAT™**, is to assist Federal contracting officials and other buyers in making preliminary assessments regarding the availability of commercial “Electronic and Information Technology” products and services with features that support accessibility. It is assumed and recommended that offerers will provide additional contact information to facilitate more detailed inquiries.

The first table of the Template provides a summary view of the Section 508 Standards. The subsequent tables provide more detailed views of each subsection. There are three columns in each table. Column one of the Summary Table describes the subsections of subparts B and C of the Standards. The second column describes the supporting features of the product or refers you to the corresponding detailed table, e.g., “equivalent facilitation.” The third column contains any additional remarks and explanations regarding the product. In the subsequent tables, the first column contains the lettered paragraphs of the subsections. The second column describes the supporting features of the product with regard to that paragraph. The third column contains any additional remarks and explanations regarding the product.

Date:

Name of Product:

Contact for more Information (name/phone/email):

Summary Table VPAT™ Voluntary Product Accessibility Template®		
<i>Criteria</i>	Supporting Features	Remarks and explanations
Section 1194.21 Software Applications and Operating Systems		

Section 1194.22 Web-based Internet Information and Applications		
Section 1194.23 Telecommunications Products		
Section 1194.24 Video and Multi-media Products		
Section 1194.25 Self-Contained, Closed Products		
Section 1194.26 Desktop and Portable Computers		
Section 1194.31 Functional Performance Criteria		
Section 1194.41 Information, Documentation and Support		

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Section 1194.21 Software Applications and Operating Systems – Detail

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<i>Criteria</i>	Supporting Features	Remarks and explanations
(a) When software is designed to run on a system that has a keyboard, product functions shall be executable from a keyboard where the function itself or the result of performing a function can be discerned textually.		
(b) Applications shall not disrupt or disable activated features of other products that are identified as accessibility features, where those		

<p>features are developed and documented according to industry standards. Applications also shall not disrupt or disable activated features of any operating system that are identified as accessibility features where the application programming interface for those accessibility features has been documented by the manufacturer of the operating system and is available to the product developer.</p>		
<p>(c) A well-defined on-screen indication of the current focus shall be provided that moves among interactive interface elements as the input focus changes. The focus shall be programmatically exposed so that Assistive Technology can track focus and focus changes.</p>		
<p>(d) Sufficient information about a user interface element including the identity, operation and state of the element shall be available to Assistive Technology. When an image represents a program element, the information conveyed by the image must also be available in text.</p>		
<p>(e) When bitmap images are used to identify controls, status indicators, or other programmatic elements, the meaning assigned to those images shall be consistent throughout an application's performance.</p>		
<p>(f) Textual information shall be provided through operating system functions for displaying text. The minimum information that shall be made available is text content, text input caret location, and text attributes.</p>		
<p>(g) Applications shall not override user selected contrast and color</p>		

selections and other individual display attributes.		
(h) When animation is displayed, the information shall be displayable in at least one non-animated presentation mode at the option of the user.		
(i) Color coding shall not be used as the only means of conveying information, indicating an action, prompting a response, or distinguishing a visual element.		
(j) When a product permits a user to adjust color and contrast settings, a variety of color selections capable of producing a range of contrast levels shall be provided.		
(k) Software shall not use flashing or blinking text, objects, or other elements having a flash or blink frequency greater than 2 Hz and lower than 55 Hz.		
(l) When electronic forms are used, the form shall allow people using Assistive Technology to access the information, field elements, and functionality required for completion and submission of the form, including all directions and cues.		

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Section 1194.22 Web-based Internet information and applications – Detail

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Criteria	Supporting Features	Remarks and explanations
(a) A text equivalent for every non-text element shall be provided (e.g., via "alt", "longdesc", or in element content).		
(b) Equivalent alternatives for any multimedia presentation shall be synchronized with the presentation.		
(c) Web pages shall be designed so that all information conveyed with color is also available without color, for example from context or markup.		
(d) Documents shall be organized so they are readable without requiring an associated style sheet.		
(e) Redundant text links shall be provided for each active region of a server-side image map.		
(f) Client-side image maps shall be provided instead of server-side image maps except where the regions cannot be defined with an available geometric shape.		
(g) Row and column headers shall be identified for data tables.		
(h) Markup shall be used to associate data cells and header cells for data tables that have two or more logical levels of row or column headers.		
(i) Frames shall be titled with text that facilitates frame identification and navigation		
(j) Pages shall be designed to avoid causing the screen to flicker with a frequency greater than 2 Hz and lower than 55 Hz.		
(k) A text-only page, with equivalent information or functionality, shall be provided to make a web site comply		

with the provisions of this part, when compliance cannot be accomplished in any other way. The content of the text-only page shall be updated whenever the primary page changes.		
(l) When pages utilize scripting languages to display content, or to create interface elements, the information provided by the script shall be identified with functional text that can be read by Assistive Technology.		
(m) When a web page requires that an applet, plug-in or other application be present on the client system to interpret page content, the page must provide a link to a plug-in or applet that complies with §1194.21(a) through (l).		
(n) When electronic forms are designed to be completed on-line, the form shall allow people using Assistive Technology to access the information, field elements, and functionality required for completion and submission of the form, including all directions and cues.		
(o) A method shall be provided that permits users to skip repetitive navigation links.		
(p) When a timed response is required, the user shall be alerted and given sufficient time to indicate more time is required.		

Note to 1194.22: The Board interprets paragraphs (a) through (k) of this section as consistent with the following priority 1 Checkpoints of the Web Content Accessibility Guidelines 1.0 (WCAG 1.0) (May 5 1999) published by the Web Accessibility Initiative of the World Wide Web Consortium: Paragraph (a) - 1.1, (b) - 1.4, (c) - 2.1, (d) - 6.1, (e) - 1.2, (f) - 9.1, (g) - 5.1, (h) - 5.2, (i) - 12.1, (j) - 7.1, (k) - 11.4.

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Section 1194.23 Telecommunications Products

– Detail

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Criteria	Supporting Features	Remarks and explanations
(a) Telecommunications products or systems which provide a function allowing voice communication and which do not themselves provide a TTY functionality shall provide a standard non-acoustic connection point for TTYs. Microphones shall be capable of being turned on and off to allow the user to intermix speech with TTY use.		
(b) Telecommunications products which include voice communication functionality shall support all commonly used cross-manufacturer non-proprietary standard TTY signal protocols.		
(c) Voice mail, auto-attendant, and interactive voice response telecommunications systems shall be usable by TTY users with their TTYs.		
(d) Voice mail, messaging, auto-attendant, and interactive voice response telecommunications systems that require a response from a user within a time interval, shall give an alert when the time interval is about to run out, and shall		

provide sufficient time for the user to indicate more time is required.		
(e) Where provided, caller identification and similar telecommunications functions shall also be available for users of TTYs, and for users who cannot see displays.		
(f) For transmitted voice signals, telecommunications products shall provide a gain adjustable up to a minimum of 20 dB. For incremental volume control, at least one intermediate step of 12 dB of gain shall be provided.		
(g) If the telecommunications product allows a user to adjust the receive volume, a function shall be provided to automatically reset the volume to the default level after every use.		
(h) Where a telecommunications product delivers output by an audio transducer which is normally held up to the ear, a means for effective magnetic wireless coupling to hearing technologies shall be provided.		
(i) Interference to hearing technologies (including hearing aids, cochlear implants, and assistive listening devices) shall be reduced to the lowest possible level that allows a user of hearing technologies to utilize the telecommunications product.		
(j) Products that transmit or conduct information or communication, shall pass through cross-manufacturer, non-proprietary, industry-standard codes, translation protocols, formats or other information necessary to provide the information or communication in a usable format.		

Technologies which use encoding, signal compression, format transformation, or similar techniques shall not remove information needed for access or shall restore it upon delivery.		
(k)(1) Products which have mechanically operated controls or keys shall comply with the following: Controls and Keys shall be tactilely discernible without activating the controls or keys.		
(k)(2) Products which have mechanically operated controls or keys shall comply with the following: Controls and Keys shall be operable with one hand and shall not require tight grasping, pinching, twisting of the wrist. The force required to activate controls and keys shall be 5 lbs. (22.2N) maximum.		
(k)(3) Products which have mechanically operated controls or keys shall comply with the following: If key repeat is supported, the delay before repeat shall be adjustable to at least 2 seconds. Key repeat rate shall be adjustable to 2 seconds per character.		
(k)(4) Products which have mechanically operated controls or keys shall comply with the following: The status of all locking or toggle controls or keys shall be visually discernible, and discernible either through touch or sound.		

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Section 1194.24 Video and Multi-media

Products – Detail

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<i>Criteria</i>	Supporting Features	Remarks and explanations
<p>a) All analog television displays 13 inches and larger, and computer equipment that includes analog television receiver or display circuitry, shall be equipped with caption decoder circuitry which appropriately receives, decodes, and displays closed captions from broadcast, cable, videotape, and DVD signals. As soon as practicable, but not later than July 1, 2002, widescreen digital television (DTV) displays measuring at least 7.8 inches vertically, DTV sets with conventional displays measuring at least 13 inches vertically, and stand-alone DTV tuners, whether or not they are marketed with display screens, and computer equipment that includes DTV receiver or display circuitry, shall be equipped with caption decoder circuitry which appropriately receives, decodes, and displays closed captions from broadcast, cable,</p>		

videotape, and DVD signals.		
(b) Television tuners, including tuner cards for use in computers, shall be equipped with secondary audio program playback circuitry.		
(c) All training and informational video and multimedia productions which support the agency's mission, regardless of format, that contain speech or other audio information necessary for the comprehension of the content, shall be open or closed captioned.		
(d) All training and informational video and multimedia productions which support the agency's mission, regardless of format, that contain visual information necessary for the comprehension of the content, shall be audio described.		
(e) Display or presentation of alternate text presentation or audio descriptions shall be user-selectable unless permanent.		

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Section 1194.25 Self-Contained, Closed

Products – Detail

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Criteria	Supporting Features	Remarks and explanations
(a) Self contained products shall be usable by people with disabilities without requiring an end-user to attach Assistive Technology to the product. Personal headsets for private listening are not Assistive Technology.		
(b) When a timed response is required, the user shall be alerted and given sufficient time to indicate more time is required.		
(c) Where a product utilizes touchscreens or contact-sensitive controls, an input method shall be provided that complies with §1194.23 (k) (1) through (4).		
(d) When biometric forms of user identification or control are used, an alternative form of identification or activation, which does not require the user to possess particular biological characteristics, shall also be provided.		
(e) When products		

<p>provide auditory output, the audio signal shall be provided at a standard signal level through an industry standard connector that will allow for private listening. The product must provide the ability to interrupt, pause, and restart the audio at anytime.</p>		
<p>(f) When products deliver voice output in a public area, incremental volume control shall be provided with output amplification up to a level of at least 65 dB. Where the ambient noise level of the environment is above 45 dB, a volume gain of at least 20 dB above the ambient level shall be user selectable. A function shall be provided to automatically reset the volume to the default level after every use.</p>		
<p>(g) Color coding shall not be used as the only means of conveying information, indicating an action, prompting a response, or distinguishing a visual element.</p>		
<p>(h) When a product permits a user to adjust color and contrast settings, a range of color selections capable of producing a variety of contrast levels shall be provided.</p>		
<p>(i) Products shall be</p>		

<p>designed to avoid causing the screen to flicker with a frequency greater than 2 Hz and lower than 55 Hz.</p>		
<p>(j) (1) Products which are freestanding, non-portable, and intended to be used in one location and which have operable controls shall comply with the following: The position of any operable control shall be determined with respect to a vertical plane, which is 48 inches in length, centered on the operable control, and at the maximum protrusion of the product within the 48 inch length on products which are freestanding, non-portable, and intended to be used in one location and which have operable controls.</p>		
<p>(j)(2) Products which are freestanding, non-portable, and intended to be used in one location and which have operable controls shall comply with the following: Where any operable control is 10 inches or less behind the reference plane, the height shall be 54 inches maximum and 15 inches minimum above the floor.</p>		
<p>(j)(3) Products which are freestanding, non-portable, and intended to be used in one location and which have operable</p>		

<p>controls shall comply with the following: Where any operable control is more than 10 inches and not more than 24 inches behind the reference plane, the height shall be 46 inches maximum and 15 inches minimum above the floor.</p>		
<p>(j)(4) Products which are freestanding, non-portable, and intended to be used in one location and which have operable controls shall comply with the following: Operable controls shall not be more than 24 inches behind the reference plane.</p>		

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**Section 1194.26 Desktop and Portable
Computers – Detail**

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Criteria	Supporting Features	Remarks and explanations
<p>(a) All mechanically operated controls and keys shall comply with §1194.23 (k) (1) through (4).</p>		
<p>(b) If a product utilizes touchscreens or touch-</p>		

<p>operated controls, an input method shall be provided that complies with §1194.23 (k) (1) through (4).</p>		
<p>(c) When biometric forms of user identification or control are used, an alternative form of identification or activation, which does not require the user to possess particular biological characteristics, shall also be provided.</p>		
<p>(d) Where provided, at least one of each type of expansion slots, ports and connectors shall comply with publicly available industry standards</p>		

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<p>Section 1194.31 Functional Performance</p> <p>Criteria – Detail</p> <p>VPAT™</p> <p>Voluntary Product Accessibility Template®</p>		
<p>Criteria</p>	<p>Supporting Features</p>	<p>Remarks and explanations</p>
<p>(a) At least one mode of operation and information retrieval that does not require user vision shall be provided, or support for Assistive Technology</p>		

used by people who are blind or visually impaired shall be provided.		
(b) At least one mode of operation and information retrieval that does not require visual acuity greater than 20/70 shall be provided in audio and enlarged print output working together or independently, or support for Assistive Technology used by people who are visually impaired shall be provided.		
(c) At least one mode of operation and information retrieval that does not require user hearing shall be provided, or support for Assistive Technology used by people who are deaf or hard of hearing shall be provided		
(d) Where audio information is important for the use of a product, at least one mode of operation and information retrieval shall be provided in an enhanced auditory fashion, or support for assistive hearing devices shall be provided.		
(e) At least one mode of operation and information retrieval that does not require user speech shall be provided, or support for Assistive Technology used by people with disabilities shall be provided.		

<p>(f) At least one mode of operation and information retrieval that does not require fine motor control or simultaneous actions and that is operable with limited reach and strength shall be provided.</p>		
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**Section 1194.41 Information, Documentation
and Support – Detail**

VPAT™

Voluntary Product Accessibility Template®

Criteria	Supporting Features	Remarks and explanations
<p>(a) Product support documentation provided to end-users shall be made available in alternate formats upon request, at no additional charge</p>		
<p>(b) End-users shall have access to a description of the accessibility and compatibility features of products in alternate formats or alternate methods upon request, at no additional charge.</p>		
<p>(c) Support services for products shall accommodate the communication needs of</p>		

end-users with disabilities.		
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CERTIFICATE OF INTERESTED PARTIES

FORM 1295

OFFICE USE ONLY

Complete Nos. 1 - 4 and 6 if there are interested parties.
 Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the goods or services to be provided under the contract.

4 Name of Interested Party	City, State, Country (place of business)	Nature of Interest (check applicable)	
		Controlling	Intermediary

5 Check only if there is NO Interested Party.

6 AFFIDAVIT I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

 Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said _____, this the _____ day of _____, 20 _____, to certify which, witness my hand and seal of office.

 Signature of officer administering oath Printed name of officer administering oath Title of officer administering oath

ADD ADDITIONAL PAGES AS NECESSARY