



State of Wisconsin
Department of Employee Trust Funds
801 W. Badger Road
P. O. Box 7931
Madison, WI 53707-7931

Contract by Authorized Board

Commodity or Service:

RFP No./Proposal No./Contract No.:

Services Administrator to the State of Wisconsin Group Insurance Board for the Income Continuation Insurance (ICI) and Long-Term Disability Insurance (LTDI) plans

ETH0002 Amendment #3 dated September 26, 2017

Authorized Board: Group Insurance Board

Contract Period: January 1, 2018 through December 31, 2018 with the option for renewal of one (1) one (1) year period

1. The Contract is entered into by and between the State of Wisconsin, Department of Employee Trust Funds (Department), the State of Wisconsin Group Insurance Board (Board) and the Contractor whose name, address, and principal officer appears on Section II, E, Page 2 of the Proposal. The Department is the sole point of contact for Board contracts.
2. Whereby the Department of Employee Trust Funds agrees to direct the purchase and the Contractor agrees to supply the contract requirements cited above in accordance with the terms and conditions of the request for proposal cited above, and in accordance with the Contractor's proposal dated March 12, 2008 hereby made a part of this Contract.
3. Contracts estimated to be over fifty thousand dollars (\$50,000) require the submission of a written affirmative action plan. Contractors with an annual work force of less than fifty (50) employees are exempted from this requirement. Within fifteen (15) working days after the award of the Contract, the plan shall be submitted for approval to the Department. Technical assistance regarding this clause is provided by the Department of Employee Trust Funds, PO Box 7931, Madison, WI 53707-7931, 608.266.2586.
4. This Contract Amendment #3 dated September 26, 2017 includes the following provisions related to the closure of the LTDI program.
 - a. Beginning January 1, 2018, Aetna will cease accepting new claims for the LTDI program;
 - b. No earlier than January 1, 2018 and at the direction of ETF, Aetna will discontinue the payment of claims for the LTDI program;
 - c. Aetna will continue processing all claims pending as of December 31, 2017, through final determination of approval, denial, or cancellation;
 - d. Aetna's responsibility for annual processes (RFP, Section C., Part 6.0) and including annual earnings statements remain unchanged by this Amendment;
 - e. Aetna will continue to provide ETF access to LTDI information in Workability until termination of Contract or until documents and data can be transferred to ETF;
 - f. Aetna will continue to perform the administrative functions of the LTDI program including, but not limited to, retirement letters, WRS offsets, claim closures and Over/Under Payment Account Receivables for active LTDI claims and work with ETF to develop a plan to transition these administrative functions to ETF staff before 12/31/2018.
 - g. If the necessary administrative authority to close the LTDI program is not obtained, provisions a-e of this Section are void.
5. This Contract Amendment #3 dated September 26, 2017 also includes:
 - a. RFP, Attachment A is amended to remove the monthly Pass Through reports, monthly Refund Checks reports, and the annual Special Services reporting requirements.
 - b. Amended local ICI plan language (effective 5/1/2017) is incorporated as part of this Contract Amendment.
 - c. RFP Section B Part 2.9 Contractor Turnover Requirements is amended as follows: Documents
 - "Three year" history of claim payments is changed to "Complete" history of claims payments.

- d. **CONTRACT DISPUTE RESOLUTION:** In the event of any dispute or disagreement between the parties under this Contract, whether with respect to the interpretation of any provision of this Contract, or with respect to the performance of either party hereto, except for breach of Contractor's intellectual property rights, each party shall appoint a representative to meet for the purpose of endeavoring to resolve such dispute or negotiate for an adjustment to such provision.

No legal action of any kind, except for the seeking of equitable relief in the case of the public's health, safety or welfare, may begin in regard to the dispute until this dispute resolution procedure has been elevated to the Contractor's highest executive authority for this service line, and the equivalent executive authority within the Department, and either of the representatives in good faith concludes, after a good faith attempt to resolve the dispute, that amicable resolution through continued negotiation of the matter at issue does not appear likely.

The party believing itself aggrieved (the "Invoking Party") shall call for progressive management involvement in the dispute negotiation by delivering written notice to the other party. Such notice shall be without prejudice to the Invoking Party's right to any other remedy permitted by this Contract. After such notice, the parties shall use all reasonable efforts to arrange personal meetings and/or telephone conferences as needed, at mutually convenient times and places, between authorized negotiators for the parties at the following successive management levels, each of which shall have a period of allotted time as specified below in which to attempt to resolve the dispute:

Level	Contractor	The Department	Allotted Time
First	Level 1 entity	Benefit Services Bureau Director	10 Business Days
Second	Level 2 entity	Retirement Services Division Administrator	20 Business Days
Third	Level 3 entity	Secretary	30 Business Days

The allotted time for the First Level negotiations shall begin on the date the Invoking Party's notice is received by the other party. Subsequent allotted time is days from the date that the Invoking Party's notice was originally received by the other party.

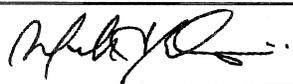
- 6. For purposes of administering the Contract (including contract attachments), the Order of Precedence is:
 - a. The Contract with Aetna Life Insurance Company;
 - b. This Contract Amendment #3 dated September 26, 2017;
 - c. Contract is extended for two (2) years and will run from 1/1/2016 through 12/31/17;
 - d. Amended Contract Attachment A is created to incorporate updated report requirements;
 - e. Amended ICI State and ICI Local Plan language is created as a part of the Contract and is effective January 1, 2014;
 - f. The Contract is extended for two (2) years from 1/1/2014 through 12/31/2015;
 - g. Contract Attachment D, shall be amended to include an updated exhibit entitled "Disaster Backup and Recovery (DBAR)."
 - h. Consistent with Contract Attachment D as it pertains to "Group Insurance National Accounts Deimplementation Best Practices," and "Part 2.0 Transition, Implementation, & Turnover" (Aetna's updated response to this section of the RFP), if this Contract is terminated, Aetna shall cooperate with ETF in the orderly transition and transfer of the files and records to ETF or ETF's designate service provider. Transfer of files in Aetna's standard format shall be provided at no additional cost. Processing of taxes (initial and adjustments) shall be provided by Aetna at no additional cost. ETF agrees to pay Aetna for other reasonable costs that are agreed to by ETF and Aetna for additional work by Aetna employees and cost for services as needed beyond the final termination date;
 - i. RFP, Part 12.0 Reports, Monthly Reports, Refund Report is replaced with: "Refund Checks Report – Provides a list of personal checks received by the vendor that should have been sent to ETF. Data elements: Report Period, Date Received, Check Date, Social Security Number, Claimant Name, Amount, Date Received, Date Sent, Check Number, Grand Total, Plan Type and Group;
 - j. RFP, Part 12.0 Reports, Monthly Reports, 2) Deduction Report – Grand Total data element is deleted;
 - k. Contract Attachment B, Overpayment Collection and Write-Off Procedures, is incorporated into the Contract. Effective January 1, 2014, the Contract Attachment B is removed from the Contract;
 - l. RFP, Part 8.0 Audit Requirement, Plan Audits, is amended to include: Third Party Contracted Audits will be performed every three (3) years for the prior three (3) year period. The size of the audit sample for each program audited may not exceed one-hundred fifty (150) claim transactions (for the three (3) year period). The Contractor will have the right to review the final Audit Report after delivery to the Board (Department). Auditors shall provide the Contractor with a copy of the final audit report delivered to the Board (Department). The Contractor shall have the right to provide to the Board (Department)

- a supplementary statement containing statements and materials that the Contractor considers pertinent to the audit within sixty (60) days of the final Audit Report delivery to the Board (Department);
- m. Administrative Services Fee for CY 2009 will be \$3,081,900. For contract years subsequent to CY 2009, the parties agree to adjust the administrative services fee annually as stated in Section 1.9 Contract Terms and Funding of the RFP;
 - n. RFP and RFP Appendices, any reference to "the Department of Administration" is replaced with "the Group Insurance Board or its designee the Department of Employee Trust Funds."
 - o. RFP, Part 13.0 Administrative Services, Section 13.1, sentence "If the error is the result of actions by the Contractor (determined by ETF), participants will be made whole at the Contractor's expense" is deleted;
 - p. RFP, Part 15.0 Performance Standards and Penalties, the chart titled "ICI and LTDI Performance Standards" is replaced the chart that is Contract Attachment A. Penalties listed in this chart are capped at \$150,000 per calendar year; and,
 - q. RFP ETH0002 dated March 12, 2008 (including all appendices and amendments).

Contract Number & Service: ETH0002 Services Administrator to the State of Wisconsin Employee Group Insurance Board for the Income Continuation Insurance and Long-Term Disability Insurance Plans

Amendment #3 dated September 26, 2017

State of Wisconsin Department of Employee Trust Funds
By Authorized Board (Name) Group Insurance Board
By (Name) Michael Farrell
Signature by: 
Title Chair, State Of Wisconsin Group Insurance Board
Phone 608.266.9854
Date (MM/DD/CCYY) 10/6/2017

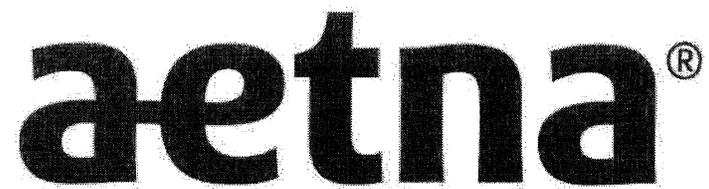
Contractor
Legal Company Name Aetna Life Insurance Company
Trade Name
Taxpayer Identification Number 06-6033492
Company Address (City, State, Zip) 151 Farmington Avenue, Hartford, CT 06156
By (Name) Mark Bertolini
Signature 
Title Chairman, CEO and President
Phone
Date (MM/DD/CCYY) 10/02/2017

CONTRACT ATTACHMENT A
(Revised 9/26/2017)

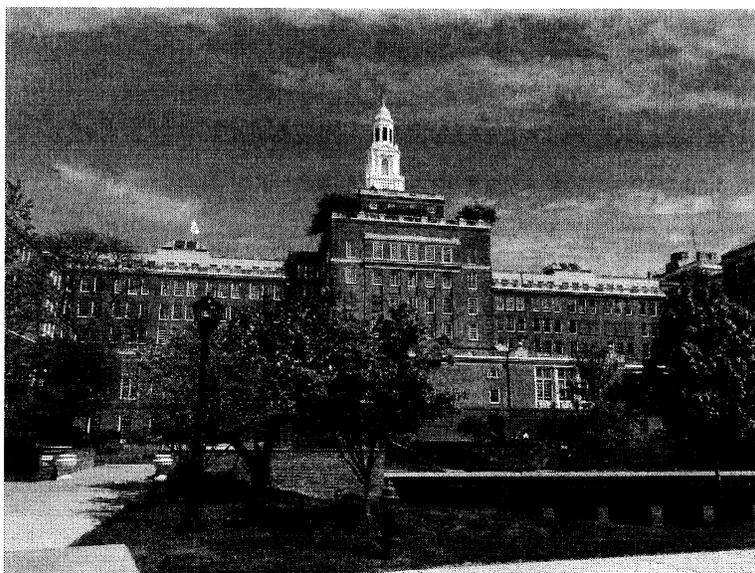
Requirement	Performance Standard	Due Date	Penalties
Monthly Reports			
Deduction Report(s)	Received by due date	Date of check	\$500.00 per day late
Claims Funding Report	Received by due date	4 workdays prior to each fund transfer from ETF to Contractor	\$500.00 per day late
Bank Reconciliation (consists of Check Reconciliation Summary Report [gives opening balance, month" activity summarized, and ending balance], Reconciliation of Outstanding Checks, a Listing of Staledated Checks)	Received by due date	10 th of the month following the month being reported	\$500.00 per day late
Quarterly Reports			
Claim Financial Statistics	Received by due date	May 1 , August 1, November 1, and February 1	\$500.00 per day late
Overpayment/ Underpayment Report	Written notice to recipient no later than 15 days from receipt of all information needed to make a determination	May 1, August 1, November 1, and February 1	\$500.00 per day late for report \$100.00 per incident per month not meeting performance standard
Claim Processing Report	Written notice to recipient no later than 15 days from receipt of all information needed to make a determination	May 1, August 1, November 1, and February 1	\$500.00 per day late for report \$100.00 per incident per month not meeting performance standard

Requirement	Performance Standard	Due Date	Penalties
Evidence of Insurability Application Processing	Written notice to recipient no later than 15 days from receipt of all information needed to make a determination	May 1, August 1, November 1, and February 1	\$500.00 per day late for report \$100.00 per incident per month not meeting performance standard
Reconsideration Report	Written notice to recipient no later than 90 days from receipt of all information needed to make a determination	May 1, August 1, November 1, and February 1	\$500.00 per day late for report \$100.00 per incident per month not meeting performance standard
Telephone Statistic Report	1) 90% calls answered within 60 seconds 2) 5% abandoned call rate	May 1, August 1, November 1, and February 1	\$500.00 per day late for report \$500.00 per incident per month not meeting performance standard
Annual Reports			
Claim Lag Report	Received by due date	February 1	\$500.00 per day late
New Claim Demographic Statistics	Received by due date	February 1	\$500.00 per day late
Medical Recertification Report	Received by due date	June 1	\$500.00 per day late
Earnings Statement Report	Received by due date	December 1	\$500.00 per day late
Statement of Auditing Standards	Received by due date	180 days from date requested by ETF	\$500.00 per day late
Open and Closed Claim Report	Received by due date	Draft - November 1 Final - January 20	\$5,000.00 per performance standard

Requirement	Performance Standard	Due Date	Penalties
Medical Recertification Suspensions	Received by due date	February 1	\$500.00 per day late
Annual Earnings Statement Suspensions	Received by due date	August 1	\$500.00 per day late
Long-Term Disability Insurance Supplemental Benefit Calculation	All forms (ET-5329) must be received by due date	February 28	\$100.00 per incident per day late
Long-Term Disability Insurance Benefit and Offset Adjustments	All benefits must be adjusted for May 1 st check; all forms (ET-5328) must be sent to ETF for imaging by due date	May 1	\$100.00 per incident per day late
Presentation to GIB	Received by due date	Draft - mid March Presentation – April (exact dates will be given each December)	\$500.00 per day late per performance standard
Other			
Written contingency plan for disaster recovery of data processing equipment, subject to ETF approval	Received by due date	Within 30 days of the signing of the contract	\$500.00 per day late
Check writing	1) 1 st of month for previous month 2) Issue out of cycle check 3) To Post Office (paper checks) or Financial Institution 2 days prior to date of check	1) 1 st of month for previous month 2) Issue out of cycle check 3) To Post Office (paper checks) or Financial Institution 2 days prior to date of check	\$100.00 per incident per day
Insurance Commissioner Complaints	Due date	Referred to ETF within 1 day of receipt	\$100.00 per day late
Legislators Contacts	Due Date	Referred to ETF within 1 day of receipt	\$100.00 per day late



DISASTER BACKUP AND RECOVERY (DBAR)



STRATEGIC OVERVIEW

Aetna's disaster backup and recovery (DBAR) strategy is to provide and maintain an internal disaster recovery capability. The strategy leverages Aetna's internal computer processing capacity of its large state of the art and hardened computer data centers, located in Middletown and Windsor, Connecticut (Core Aetna) and Phoenix, AZ and Cranberry, PA (Legacy Coventry). All facilities are equipped with fire suppression systems, dual incoming power feeds, UPS and backup diesel generators which provide 24x7x365 operations. Physical access is strictly controlled and monitored and access to vital areas is segregated by floor and business function where appropriate. The data centers house computer processing capabilities of major platforms including mainframe (Z/OS), mid-range, Unix, Linux, Citrix and Windows. The data centers are load-balanced and supplemented by quick ship in the event of a disaster. Contracts with national vendors are maintained to obtain replacement equipment and supplemental capacity as needed to ensure recovery time objectives (RTO) can be met.

INFRASTRUCTURE AND APPLICATION RECOVERY TIME OBJECTIVES

In the event of a Core Aetna data center disaster, the RTO to resume most production processing is 4 days from disaster declaration for all mainframe and mid-range systems, 5 days for LAN systems. Portfolios of highly available applications, such as Web and Pharmacy, have RTO's of 6 hours or less. These applications utilize mirroring and/or load balancing and Active/Active technologies between the data centers to ensure that the reduced RTO's can be met. Aetna's voice and data network backbones are fully redundant using SONET ring and MPLS technology and are recovered within 1 hour of a data center outage..

In the event of a Legacy Coventry data center disaster, the RTO to resume most production is as follows:

- Tier 1 applications have an RTO of less than 24 hours, RPO of 24 hours
- Tier 2 applications have an RTO of between 24 and 48 hours, RPO of 24 hours
- Tier 3 applications have an RTO of between 72 and 120 hours, RPO < 48 hours

In summary, Aetna's data center recovery strategy and its application RTO's are consistent with or better than industry standards.

DATA BACKUP

Infrastructure and application production data is secured and stored offsite on a daily basis. Backed-up data are cross vaulted between data centers and is stored primarily on disk media, or backed up to tape and stored in a secured environment. Data backup frequency is at minimum a full backup weekly, with nightly incremental backups or remote replication. Database Administrators also backup each application database separately as an additional step in redundancy. Additionally, all mainframe disk and tape data is mirrored to the alternate data center providing a simplified and timelier

recovery in that platform of the environment. Any customer data lost as a result of a data center catastrophe will be recovered through resubmittals by service providers and/or recovery reconciliation teams.

Legacy Coventry replicates to the Cranberry, PA data center on a nightly basis using virtual machine processing for the majority of databases. Physical servers have replication processes in place as well which are managed by infrastructure engineers.

DISASTER RECOVERY PLANS

Aetna's Infrastructure and Development Services (I&DS) Executive IT Disaster Recovery Plan (The Executive Plan) is the high level plan for recovery of a data center and its critical components. The plan is derived from over 100 detailed IT infrastructure plans which are maintained by each critical support area. The plans contain processes and procedures to recover all functions, services, and equipment which are needed to recover data centers.

Legacy Coventry's Phoenix Datacenter Executive Management Plan is a high-level plan for the recovery of the Phoenix Data Center and its critical components. This plan contains processes and procedures on how to recover all functions, services, and equipment which are needed to recover this data center.

Application DBAR plans document technical and management contacts, application recovery specifics, application dependencies, integrated system synchronization, and check-out procedures. The plans are maintained routinely and utilize automated recovery processes to insure appropriate data resilience. These DBAR Plans are validated semi-annually with the application owners and business users with periodic integrated exercises performed. Aetna has approximately 169 Application DBAR Plans across all recovery tiers.

All DBAR plans are centrally maintained by our disaster recovery group, stored both locally and offsite, and updated semi-annually or as needed by the respective infrastructure areas.

Escalation and notification procedures are contained within these Disaster Recovery plans to ensure recovery team members, affected partners and business unit owners are activated in a timely manner.

DISASTER RECOVERY TESTING

Aetna maintains and implements ongoing enhancements to the disaster recovery plans and procedures. Testing is performed across a variety of applications and infrastructure components on a regular basis to ensure ongoing disaster recovery readiness. Aetna routinely tests recovery elements of third-party relationships including technology components, critical processes and access points. These exercises can be initiated by either party and Aetna welcomes the opportunity to test these relationships as time and resources permit.

Legacy Coventry maintains and implements ongoing enhancements to the disaster recovery plans and procedures. Functional Exercises ensure both a thorough review of the documented application and infrastructure recovery plans, as well as validating the actual recovery of systems and the integrity of data backups. In addition, this type of exercise will validate interoperability between in scope applications and infrastructure components. The main Functional Exercises are held Q2, Q3 and Q4 of each year. These exercises are a year-over-year expansion of in scope applications.

I&DS's role during a disaster and during testing is to plan, lead, manage, and staff the various recovery teams which will also be augmented by additional vendor specialists under contract for certain supplemental or vendor-contracted recovery technologies which I&DS will coordinate.

BUSINESS CONTINUITY

Aetna maintains and implements a detailed business continuity program, with business continuity plans that address its critical business work group operations. In the event of an office outage processing is transferred to surviving offices within Aetna's network with little or no disruption to service levels. The detailed business continuity plans are maintained on a quarterly basis and in-depth tests are conducted periodically. Business Continuity Plans are also designed to mitigate the effects of an extended system and/or facility outage, loss of third-party business vendors, as well as to address severe staffing shortages.