1. **Question: Will a census be provided to proposing bidders?**

**Response:** Acensus is not readily available; Appendix E can be used for this information.

1. **Question: Will the State consider making exceptions to the Minimum Requirements for Proposing Insurers?**

**Response:** No.

1. **Question: The State and participating local governments have accumulated substantial assets to pre-fund and offset the post-retirement liability; would the state entertain a settlement or irrevocable transfer of the liability to an insurer via a Retiree Life Buy-out?**

**Response:** No.

1. **Question: Does the current Premium Deposit Fund represent a general account liability of MN Life? If yes, are there any credit/concentration risk issues associated with having that much money with a single counterparty? Would there be any interest in exploring insulated separate account funds to eliminate credit risk issues?**

**Response:** Yes the State would be interested in exploring such an arrangement.

1. **Question: Do the termination provisions (Appx D -Funding Arrangements) apply only if the Plan is terminated? That is, would the Premium Deposit Fund remain with MN Life for current retirees if the Plan continued but with a new insurer?**

**Response:** Yes, your understanding is correct.

1. **Question: Are the initial and annual premium contributions toward the cost of post-retirement insurance predetermined at the levels specified in RFP sections 6.2.4 and 6.3.4, or are these figures merely provided for consistency of RFP responses?**

**Response:** These are assumptions and provided for consistency of response.

1. **Question: Aside from funding for post-retirement insurance, is it anticipated that any additional funds (PSRs) will be transferred to the succeeding carrier?**

**Response:** Please see the Administrative Agreement Section 4.9 Financial Provisions in Event of Cancellation of the Policy under B. Distribution of Unallocated Reserves for details related to policy cancelation.

*B. Distribution of Unallocated Reserves*

*After allocation of the portion of the contingent liability reserve, stabilization reserve and premium deposit fund to be held by MINNESOTA LIFE upon cancellation of the policy as described in the preceding section, MINNESOTA LIFE shall pay the remaining unallocated contingent liability reserve, stabilization reserve and premium deposit fund to the STATE in 84 monthly payments plus a final payment after the end of the 84-month period. The first monthly payment shall be due one month after the date of cancellation.*

*Upon cancellation of the policy, MINNESOTA LIFE shall identify specific securities within its general account which shall be consistent in duration, quality and yield with the general account interest-crediting basis in effect for the PROGRAM at the time of cancellation. Each monthly payment during the 84-month payout period shall reflect the investment cash flow, including principal and interest payments, received during the month on the specified ASSETS, reduced by MINNESOTA LIFE's charge for investment expenses and risk charges.*

*After the end of the 84-month payout period, MINNESOTA LIFE shall liquidate the remaining ASSETS within a time period which MINNESOTA LIFE and the STATE agree is reasonable for an orderly liquidation and preservation of as much market value as reasonably possible. MINNESOTA LIFE shall then pay the STATE the market value received for the liquidated ASSETS less its expenses related to the liquidation.*

1. **Question: Is it possible to obtain a statistical table which provides the number of contracts, by age band, for the separate coverage types of the State and Local Government plan?**

**Response:** No.

1. **Question: The RFP provides a table of volumes in excess of the $500,000 pooling point for the State and Local plans. Is this an aggregate of all three plans (Basic, Supplemental and Additional)? Are these volumes also reflected in the volume analysis provided in the tables of the preceding sections?**

**Response:** Yes, the volumes are total basic, supplemental, and additional combined. Yes, the volumes are included in the total volume.

1. **Question: Are pooled amounts included in the premium and claims data provided? Is a distinct listing of pooled claim amounts for each type of coverage available?**

**Response:** The premium and claims provided are total premium and claims not reduced by pooled amounts. In the 2004 – 2008 experience period, the only pooled claims were $40,116 in 2004 for the State plan. Type of coverage is not available.

1. **Question: Is it possible to obtain the table of reserve factors used for disabled employees?**

**Response:** The table of disability reserve factors was provided in the financial agreement.

1. **Question: On average, how many local governmental groups exit and enter the plan every year?**

**Response:** About 10-12 are added and none exit.

1. **Question: Why is the plan currently out to bid? Is this marketing required by state statute? Would the state seriously consider a change in carriers?**

**Response:** The Group Insurance Board contracts for third party administrators typically go out to bud every 5-7 years. The State will consider a change in carriers based on the RFP requirements.

1. **Question: Is the state experiencing any administrative (or other) difficulties with the current carrier?**

**Response:** No.

1. **Question: Would the state consider a 1/1/12 effective date?**

**Response:** No.

1. **Question: Exactly how many billing groups are there? Does each remit their own premium?**

**Response:** There are approximately 150 State billing units and 1,010 local government units that MN Life reconciles premium for each month.

1. **Question: How many different payroll systems interact with MN Life?**

**Response:** There are approximately 750 payroll systems. Approximately 707 local employers participate and there are 5 payroll systems for the State of Wisconsin.

1. **Question: How many employees does MN currently dedicate to the State of Wisconsin account?**

**Response:** TheMadison branch office has 8 associates dedicated to the State as well as support from the MN Life home office of over 300 associates.

1. **Question: For ADD may we please obtain an individual claim listing or number of claims by applicable period? For ADD, may we please obtain a census with job occupations? It appears that ADD is only applicable to active employees but please confirm that ADD is not applicable to Retirees and Dependents as well?**

**Response:** Number of claims by period is provided below. A census with job occupation is not available. ADD is applicable to active employees as well as pre-age 65 retirees.

Number of ADD Claims:

|  |  |  |
| --- | --- | --- |
|  | State | Local |
| 2004 | 10 | 14 |
| 2005 | 11 | 11 |
| 2006 | 8 | 17 |
| 2007 | 7 | 13 |
| 2008 | 8 | 13 |