

Addendum No. 1

RFP #05-113-3162

VOLUNTARY SUPPLEMENTAL INSURANCE PRODUCTS

Following are the answers to questions submitted in response to the above referenced RFP as of 2:00 PM, Thursday June 30, 2005. All of the questions have been listed verbatim, as received by the Pennsylvania Turnpike Commission.

1. Will a census, be provided at the conference?

Yes. The census is provided on the CD in an excel format.

2. Will the census information provided include the following:

- Date of birth, gender and salary information

This information is included on the CD.

- Voluntary supplemental participants and benefit amounts

There are 161 participants in 2 current voluntary life insurance programs. Benefit amounts are not available.

1. In order to complete a more detailed analysis of claim incidence, is the PTC willing to provide the following information:

- Rate history, premium paid and claims paid for the last 3 years

The PTC will not release this information.

- A detailed description of the current Voluntary Supplemental benefit provisions

The PTC will not release this information.

2. The RFP document provided to us doesn't appear to show plan design or frequency of services. We would like to know exactly what you are looking for regarding plan design, etc., if possible.

The PTC is willing to look at any plan design and services as part of the evaluation process.

3. What are the enrollment conditions?

- Can we see 100% of employees?

We will provide the opportunity for on-site meetings. These meetings will not be mandatory.

- Can we be onsite?

Yes. At designated locations.

4. What kind of support do we have from the Commission?

Contractors must provide all services to complete the identified work. Human Resources will provide an administrative contact/liaison for reconciliation of billing and the input of payroll deductions into the payroll system. Contacts will also be provided at the employee locations.

5. Can we see employees on Commonwealth time?

Yes. Advanced notice scheduling is required.

6. Is there a new payroll slot available?

- Will the current Voluntary Life coverage be replaced?

No. However, employees may be given the option to convert.

- Will the current payroll slot be terminated?

No. New deduction codes will be created.

7. How does the PTC define a “supplemental employee”?

Employees not considered regular full-time, and not guaranteed 40 hours of work per week.

- Are ALL Union and Non-union employees eligible for the Voluntary Benefits?

Yes.

8. If the PTC will NOT provide mailings...

- Do PTC employees have email access?

The majority of PTC employees do not have email access.

- Are payroll stuffers an option?

Distribution options are open to consideration. Please detail distribution methods in your proposal.

9. Could we be provided with home address labels?

No. However, an excel spreadsheet of employees and addresses can be provided.

10. Is there an employee intranet?

Yes. But not all PTC employees have access to it.

11. Is the new Voluntary vendor required to administer the FSA program?

The PTC does not have a flexible spending account program.

- Is FSA administration required?

No.

- Are premiums required to be pre-tax contributions?

Yes.

12. In the finalist presentations...

- How are presentations rated?
- What is the process?
- What are the criteria?

All ratings will be based on criteria outlined in Part III of the Request for Proposal.

13. Is it possible to define employee access in greater detail? For instance, how many locations will provide a meeting for the employees?

Meetings will be held geographically across the Commonwealth.

14. What percentage of the total population will be provided an opportunity to participate in the meeting?
100% of PTC employees will be given the opportunity to participate.
15. Will some of the locations allow for a one-on-one meeting environment?
Yes.
16. Will the PTC include core benefits as part of the enrollments?
No. Core benefits will not be included.
17. Is the decision final on pre-tax contributions or will the PTC entertain proposals with post-tax contributions?
If the product cannot be offered pre-tax because of IRS or insurance regulations, we will consider post tax benefits.
18. Have employees expressed an interest in voluntary vision?
Union employees have, on occasion, expressed an interest.
19. What types of benefit enhancements have employees expressed an interest in?
Employees have expressed an interest in LASIK, more coverage, and higher benefit limits.
20. Do employees currently contribute to the in force vision benefit or is it 100% employer paid?
The current plan is 100% employer paid.
21. What additional dental benefits would the PTC like to include to employees?
The PTC is willing to look at any plan design and services as part of the evaluation process.
22. Do the employees currently contribute toward the cost of their union dental program or management dental program?
No, they do not.
23. What differences are there in plan design for management versus union employees for vision and dental benefits?
There are differences in annual limits and allowances.
24. Is the PTC interested in implementing a flexible spending account (FSA) program through a carrier offering voluntary products?
The PTC is not interested at the present time.
25. Can the PTC provide a map illustrating all locations matching the census breakdown provided?

Yes, a map can be provided.

26. November 1, 2005 is the planned date for implementation. Does the PTC have a desired effective date?

No later than January 1, 2006.

27. Permanent life insurance plans cannot be paid for on a pre tax basis. Will the PTC continue to offer any permanent life insurance plans on a post tax (after tax) basis as part of your new offering?

Yes. If the product cannot be offered pre-tax because of IRS or insurance regulations, we will consider post tax benefits.

28. Disability benefits received by an insured would be taxable if paid for on a pre-tax basis. Will you allow disability plan premiums to be paid on an after tax basis?

No.

Please be aware that the proposed implementation date for coverage is November 1, 2005. Please include this date as part of your implementation planning.

July 11, 2005

Dear Vendor;

Please make note of the enclosed Addendum No. 1 to **“VOLUNTARY SUPPLEMENTAL INSURANCE PRODUCTS” RFP # 05-113-3162.**

This letter must be signed and returned with your proposal to verify receipt of the Addendum.

If you have any questions, you may telephone Gail Reed at 717-939-9551, extension 4283.

Sincerely,

George M. Hatalowich
Manager, Contract Administration

This letter must be signed below by the Contractor and returned with your proposal. Failure to meet this requirement may result in rejection of your proposal.

Contractor's Signature