



**The Texas A&M University System
Office of Risk Management and Benefits Administration**

REQUEST FOR PROPOSAL

**Group Life and
Group Accidental Death and Dismemberment Insurance**

RFP NUMBER: RFP01 RSK-09-004

**PROPOSAL MUST BE RECEIVED BEFORE:
2:00 p.m. CST on February 3, 2009**

MAIL, HAND DELIVER OR EXPRESS MAIL PROPOSAL TO:

**The Texas A&M University System
Office of HUB & Procurement Programs
200 Technology Way, Ste 1273
College Station, TX 77845-3424
Attn: Don Barwick**

Show RFP Number, Opening Date and Time on Response Envelope

NOTE: PROPOSAL must be time stamped at The Texas A&M University System Office of HUB & Procurement Programs before the hour and date specified for receipt of proposal.

Pursuant to the Provisions of Texas Government Code Title 10, Chapter 2156.121-2156.127, sealed proposals will be received until the date and time established for receipt. After receipt, only the names of Respondents will be made public. Prices and other proposal details will only be divulged after the award, if one is made.

REFER INQUIRIES TO:

**Don Barwick, Manager
The Texas A&M University System
Office of HUB & Procurement Programs
979-458-6410
Email: dbarwick@tamu.edu**

All proposals shall become the property of the State of Texas upon receipt. Proposals may be subject to public review after contracts have been awarded. VENDORS responding to this proposal are cautioned not to include any proprietary information as part of their proposal unless such proprietary information is carefully identified as such in writing, and the SYSTEM accepts, in writing, the information as proprietary. Notwithstanding the foregoing, the SYSTEM is subject to the Texas Public Information Act.

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SECTION 1 – DEFINITIONS

1.1 Definitions

The following provides a definition of acronyms and abbreviated phrases used throughout this document.

AD&D – Group Accidental Death and Dismemberment Insurance

A&M System – The Texas A&M University System

E of I – Evidence of Insurability

HIPAA – Health Insurance Portability and Accountability Act

HSP – Historically Underutilized Business Subcontracting Plan

HUB – Historically Underutilized Business

IBNR – Incurred but not Reported

Proposer – the individual, partnership, corporation, or other entity responding to this RFP

RFP – Request for Proposal

SEBAC – System Employee Benefits Advisory Committee – An advisory committee made up of representatives from each System Member, retired employee representatives, and ex-officio members. Open meetings are held several times per plan year between September and May to update participants on new developments and provide a forum for public comment. The conclusions of the committee are forwarded as recommendations to the Director of Risk Management and Benefits Administration for consideration.

SMM – Summary of Material Modifications

SPD – Summary Plan Description

System Members - The A&M System is composed of nine academic institutions, seven state agencies, and a comprehensive health science center located throughout the State of Texas. The System Offices (headquarters) for the A&M System are located in College Station.

TDI – The Texas Department of Insurance

TPIA – Texas Public Information Act

SECTION 2 – INTRODUCTION

2.1 Scope of Proposal Overview

The A&M System is interested in receiving responses to its request for proposals from qualified vendors licensed to operate in the state of Texas to provide claims and network administration services for its fully-insured group life and group accidental death and dismemberment insurance plans for a three-year period beginning September 1, 2009. The A&M System desires proposals that represent the best combination of quality and cost efficiency. Carriers are requested to submit proposals on both the group life and group accidental death and dismemberment insurance plans. It is the A&M System's intent to have the same vendor for both plans. However, the A&M System may, at its discretion, select a different vendor for each plan.

The A&M System currently contracts with Fort Dearborn Life to provide fully-insured AD&D and Life plans. This vendor is in the sixth year of providing these services for Life, and the second year for providing AD&D services. The A&M System is required by law to rebid contracts at least every six years.

Proposers may link to the System Benefits Administration website at <http://tamus.edu/benefits> to review the details of the current Life and AD&D plans offered by the A&M System.

This RFP provides detailed information about the A&M System and its benefit needs and provides the required format for the vendor's response. Deviations from the specifications outlined are not anticipated, however the A&M System will consider any such deviations that it deems to be in its best interest.

2.2 The Texas A&M University System

The A&M System is one of the largest systems of higher education in the nation, with System Administrative and General Offices located in College Station, a statewide network of nine universities (located in College Station, Prairie View, Stephenville, Kingsville, Commerce, Corpus Christi, Laredo, Texarkana, and Canyon), seven state agencies (located statewide) and a comprehensive health science center (located in College Station). The A&M System educates more than 105,000 students and reaches another 15 million people through service each year. The A&M System has a physical presence in 248 of the state's 254 counties and a programmatic presence in every Texas county. With approximately 33,800 benefit-eligible active and retired employees located throughout the State, the A&M System provides leadership in academics, research and public service directed toward serving Texas and Texans. The A&M System is governed by a Board of Regents appointed by the Governor. Currently serving on the board are:

Bill Jones, Chairman	Austin	term expires 2009
John D. White, Chairman	Houston	term expires 2009
Anthony Cullins, Student Regent	Dallas	term expires 2009
Morris E. Foster	Houston	term expires 2013
Lupe Fraga	Houston	term expires 2011
Richard Box	Austin	term expires 2013
Erle Nye	Dallas	term expires 2009
Gene Stallings	Powderly	term expires 2011
Ida Clement Steen	San Antonio	term expires 2011
James P. Wilson	Sugar Land	term expires 2013

The programs addressed by this request for proposal are available to all System Members. The authority to plan, implement and control the A&M System's benefit programs has been assigned to the Director of Risk Management and Benefits Administration. The Employee Benefits Manager, reporting to the Director, has the responsibility for the design and development of System-wide benefit plans, and for the operation and administration of existing benefit programs.

Benefits Administration staff monitors plan experience, negotiates carrier contracts, maintains official records, and ensures quality, efficiency, and statutory compliance in the programs through regular review and audits. It is the responsibility of each System Member to inform employees and retirees of their benefit eligibility, advise them about options and perform enrollment and counseling functions. These activities are usually performed in the Human Resource and/or Payroll departments of each System Member.

2.3 Benefit Philosophy

The A&M System is committed to providing eligible employees, retired employees and their dependents access to group benefit plans of the highest quality at the lowest possible cost to the A&M System and to its employees. The manner in which the programs are funded demands strict containment of costs in order to maximize benefits for the beneficiaries. Funding for the Basic Life and Basic AD&D plan is derived from the statutory contribution of the State of Texas. The Optional Life and Dependent Life plans, as well as the supplemental AD&D plan, are paid in full by the participants on a payroll deduction or accounts receivable basis.

The A&M System currently maintains its benefit plans on a fully-insured, non-participating basis.

The A&M System's benefit programs are viewed as an important part of the total compensation package. It is expected that the benefits offered will attract new employees, promote the retention of career employees and reward retired employees for their service. Therefore, superior quality and responsiveness to participants' needs are essential. The A&M System is seeking a vendor who offers services with the best combination of excellence, flexibility and low cost.

One tool to provide the A&M System administration with a continuous evaluation of benefit plans is SEBAC. SEBAC consists of representatives of each System Member, retired employee representatives, and ex-officio members. Meetings are held several times per plan year between September and May to update participants on new developments and provide a forum for public comment. The conclusions of the committee are forwarded as recommendations to the Director of Risk Management and Benefits Administration for consideration or action.

SECTION 3 – INSTRUCTIONS TO PROPOSORS

3.1 Schedule of Proposal Process

December 22, 2008	RFP available for download
December 23 – January 4	A&M System Offices closed
January 9, 2009 – 5:00 p.m.	Last day the A&M System will accept questions
January 16, 2009	A&M System will provide a response to questions

February 3, 2009 Proposals must be received by 2:00 p.m., CST.
Hard copy – One original, two copies
CD – Three copies

Mail, hand deliver, or express mail to:

Attn: Don Barwick
The Texas A&M University System
Office of HUB & Procurement Programs
200 Technology Way, Suite 1273
College Station, TX 77845-3424

February 27, 2009 Finalist Notifications

March 10, 2009 Oral presentations by selected finalists

March 24, 2009 Notification to selected proposer

3.2 Schedule of Implementation

March 24, 2009 Notification to selected proposer

April 14, 2009 First draft of the group policies, riders, group certificates, administrative agreement, and any other legal documentation required provided to Benefits Administration staff in electronic format for review and edits.

June 2009 Summary Plan Descriptions written and edited by the A&M System and submitted to carriers with format and printing specifications

June 1, 2009 Enrollment information materials finalized and mailed

July 1 – July 31, 2009 Annual Enrollment period for all A&M System employees and retirees for September 1, 2009 effective date

July 31, 2009 All documents necessary for claim processing and Summary Plan Descriptions available to Benefits Administration staff

August 1, 2009 Administrative agreement, business associate agreement, group policy, riders, HIPAA agreement and any other required legal documentation completed and signed by both parties

August 25, 2009 Plan documents mailed by carrier

September 1, 2009 Effective date of plans

3.3 Period of Performance

An initial three-year Period of Performance under a contract pursuant to this RFP will commence on September 1, 2009. Benefit schedules, administrative fees, and management arrangements must be guaranteed under the contract for a period of three years. A renewal extension may be made pending

successful rate and fee negotiations. The maximum period of performance pursuant to this RFP ends August 31, 2015.

3.4 Qualifications of Proposers

All entities responding to this RFP must certify (see Section 3.6 h.) of the response that they are licensed to do business in the State of Texas and permitted to contract with the State or any of its subdivisions. In addition, all entities must be able to demonstrate sufficient financial stature and operational capacity to accommodate the needs of the A&M System.

The organization must also certify in that it is in good stead with the Texas Department of Insurance (TDI) and disclose any actions that are pending or in process with TDI.

3.5 Non-Discrimination

All entities responding to this RFP must certify against discriminatory organizational practices and must agree to indemnify and hold the A&M System harmless in the event of any claims, demands, or judgments relating thereto (see Section 3.6 h.).

3.6 Structure of Proposal

The A&M System will not consider a proposal unless one original and two copies of the proposal are received no later than 2:00 p.m. CST, February 3, 2009. The package containing the proposal must be clearly marked "RFP01 RSK-09-004 GROUP ACCIDENTAL DEATH AND DISMEMBERMENT, GROUP LIFE". In addition, three copies of the proposal response saved in Microsoft Word must be provided on CD. Late proposals properly identified will be returned to Proposer unopened. Telephone and/or facsimile proposals are not acceptable under any circumstances.

All proposals must be submitted according to the following guidelines:

- Proposals should be contained in a loose-leaf, three-ring notebook with the name of the proposing organization on the front and spine of the notebook cover.
- All proposals must include Sections a. through o. as described below. Each of these divisions of the notebook must be separated by index tabs titled to match each of the underlined titles in a. through o. below i.e. "a. Contact Information."
- Information or exhibits provided that are not specifically requested in Sections a. through n. below should be included at the end of the proposal behind an index tab entitled "o. Supplemental Information."
- Sections a. through o. should only be provided once. However, if the information being provided in Sections a. through o. varies between the Supplemental AD&D and Life plans being bid, provide the requested information for each plan.
- The CD copies should be placed in a sealed envelope with the name of the proposing organization and RFP01 RSK-09-004 written across the front and attached or affixed inside the front cover of each binder.

Proposers are instructed to respond using the proposal format included in this RFP in order to expedite analysis and comparison of proposals received. Failure to use the stated format or failure to provide complete responses, may, at the A&M System's option, disqualify the proposer.

A complete proposal will consist of the following:

- a. Contact Information – Provide a contact name for this RFP response, including title, address, telephone number, facsimile, and email address.
- b. Execution of Offer – The Execution of Offer provided in Exhibit A must be signed by the Proposer’s company official duly authorized and having the authority to legally bind and commit the proposing organization.
- c. Company Profile – Complete the Company Profile provided in Exhibit B by providing your answer following each question.
- d. Organizational Chart – Provide an organizational chart identifying the chain of authority through the company’s CEO for this account. Include names, addresses, titles, email addresses, and telephone numbers for each individual.
- e. Staffing – Describe the staff involved in the management of this group account. If staffing differs between Supplemental AD&D and Life, please provide the requested information for each type of each. Include names, titles, addresses, email addresses, and brief biographies of the following individuals or their organizational equivalents who will be assigned to the A&M System account(s):
 - Chief account executive for major group accounts
 - Regional executive
 - Service representative, if different from above
 - Account underwriter
 - Senior claim executive (level above claim manager)
 - Contract consultant
 - Communications manager
- f. Installation Team Staffing – Describe the installation team and provide the names, titles, addresses, email addresses, and brief biographies of any individuals who are not included in e above.
- g. References – For both Supplemental AD&D and Life:
 - Provide the name, address, email address, and telephone number of the primary contact at three public entities or corporations and three major universities of similar size and with decentralized administration that are current clients of your company.
 - Provide two references, including name, address, telephone number, and email address for the individual who will have primary responsibility for this account.
 - Provide the name, address, email address, and telephone number of the primary contact at two large accounts that have cancelled their coverage with your organization within the past year.

The Proposer’s response to this requirement officially authorizes the A&M System to contact these organizations to discuss the services and other considerations which the Proposer has provided to such organizations and authorizes the organizations to provide such information to the A&M System, and Proposer shall and hereby does release and hold harmless the A&M System, the state of Texas, and the organization of any and all liability whatsoever, in connection with providing and receiving all such information.

- h. Certification

- Certify that the proposing organization is licensed to offer the group insurance contracts in the State of Texas for which it is submitting proposals and is legally able to contract with the State or any of its subdivisions.
- Certify that the organization is in good stead with the TDI and disclose any actions that are pending or in process with TDI.
- Certify that no commissions, broker or finders fees are included in the quoted fees/premiums or will be paid to any individual, agency or company, if your company is selected to provide coverage for the A&M System.
- Certify that enrollment of any employee, retired employee, or dependent of the A&M System will not be limited or discouraged by “quota” or other restriction.
- Certify against discriminatory selection or segregation of the total group of eligible employees, retired employees, and dependents of the A&M System by excluding, or seeking to exclude, or otherwise discriminating against any of the following classes:
 - Women: Title VII of the Civil Rights Act of 1964, as amended; Executive Order 11246 of 1965, as amended
 - Pregnant Women: Pregnancy Discrimination Act of 1978, PL95-555
 - Racial Minorities: Title VII of the Civil Rights Act of 1964, as amended
 - Aged and Retired: Age Discrimination in Employment Act of 1967, as amended; Tax Equity and Fiscal Responsibility Act of 1983 (TEFRA); Deficit Reduction Act of 1984 (DEFRA); Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA)
 - Disabled Individuals and those with catastrophic and terminal diseases: Sections 503 and 504 of the Rehabilitation Act of 1973, Americans with Disabilities Act of 1990

- i. Subcontractors – Identify any subcontractors who will be used on the project, stating the specific service they will provide and their qualifications.

It is the policy of the State of Texas, the Texas Building and Procurement Commission, and the A&M System to encourage the use of Historically Underutilized Businesses (HUBs) in our prime contracts, subcontractors, and purchasing transactions. The goal of the HUB program is to promote equal access and equal opportunity in A&M System contracting and purchasing.

Subcontracting opportunities are not anticipated for this RFP and therefore a HUB Subcontracting Plan (HSP) is NOT required.

However, if a subcontractor will be used to provide any services, the Proposer WILL BE required to make a good faith effort and complete the State of Texas HSP. In the event that you determine you will be using a subcontractor, please contact Mr. Don Barwick from the A&M System’s HUB Office at (979) 458-6410 or dbarwick@tamu.edu for assistance in determining available HUB subcontractors and proper completion of the HSP. The HSP, if applicable, should be included in Section i.

- j. Supplemental AD&D Coverage – Section j. should include the following tabs.
1. Questionnaire – Complete the Questionnaire found in Exhibit C.
 2. Supporting Documentation – Information or exhibits provided as supporting documentation for the Questionnaire, if applicable.
 3. Alternate Plan Design – If you would like to propose changes in the plan design, please provide that information and pricing, along with your rationale for doing so.
 4. Samples – Please provide samples of the following:
 - a. Claim form or kit

- b. Standard communications produced in the processing of claims (such as Requests for Additional Information, etc.)
- c. Standard (no additional cost) management reports
- d. Optional (additional cost) management reports
- e. Ongoing client communications
- f. Other standard (no additional cost) communication materials directed to participants
- g. Optional (additional cost) communication materials directed to participants
- h. Insured contract

k. Life Coverage – Section k. should include the following tabs.

- 1. Questionnaire – Complete the Questionnaire found in Exhibit D.
- 2. Supporting Documentation – Information or exhibits provided as supporting documentation for the Questionnaire, if applicable.
- 3. Proposed Premiums – The proposal and your pricing must offer a plan for group term life insurance benefits that is at least equivalent to the program currently in place. Based on the Life Experience Reports provided in Exhibit L, it is anticipated that some plan design changes may be needed in order to keep the plans at an appropriate loss ratio. Therefore, we have identified a number of potential plan design changes and asked for your pricing of those also. However, coverage amounts of current participants will be grandfathered.

Along with the RFP, there was an additional supplemental Excel file that you should have downloaded named Life Rate Sheet. If you failed to download this file, you can do so by returning to the Electronic State Business Daily. The Life Rate Sheet should be completed and saved as an Excel file. Provide the Life Rate Sheet on CD in Section k.3. of your response.

Provide detailed information regarding the pricing process, including margin, reserve adjustments, retention, internal pooling levels, and other components.

In addition to the potential plan design changes that were stated on the Life Rate Sheet, you are welcome to make other recommendations with regard to plan design changes. If you desire to recommend other changes, provide detailed information and pricing, with your rationale for the recommendations.

- 4. Samples – Provide samples of the following:
 - a. Claim form or kit
 - b. Standard communications produced in the processing of claims (such as Requests for Additional Information, etc.)
 - c. Standard (no additional cost) management reports
 - d. Optional (additional cost) management reports
 - e. Ongoing client communications
 - f. Other standard (no additional cost) communication materials directed to participants, including a summary plan description
 - g. Optional (additional cost) communication materials directed to participants
 - h. Insured contract
 - i. Standard conversion form and policy
 - j. Absolute assignment form
 - k. Evidence of Insurability form

l. Confidential and Proprietary Information –In order to protect and prevent inadvertent access to confidential information submitted in support of its proposal, the Proposer is to provide a

schedule of all pages that the Proposer in good faith, and with legally sufficient due diligence, considers to contain any confidential and/or proprietary information.

Information in any tangible form which is submitted by Proposers will be treated as confidential until such time as a contract is executed. After that time, the A&M System is required to provide access to certain records in accordance with the provisions of Chapter 552, Tex. Gov't Code, and the Texas Public Information Act (TPIA), formerly known as the Open Records Act. By submitting a Proposal, the Proposer acknowledges and agrees that the A&M System shall have no liability to the Proposer or to any other person or entity for disclosing information in accordance with the TPIA. The A&M System shall not have any obligation or duty to advocate the confidentiality of the Proposer's material to the Texas Attorney General or to any other person or entity. The Proposer further understands and agrees that upon the A&M System's receipt of a TPIA request for a copy of the Proposer contract, including the proposal and any exhibits to the contract and proposal, the only documents that the A&M System shall treat as the Proposer's confidential and proprietary information shall be the documents the Proposer identifies as required above. It is the Proposer's sole obligation to advocate in good faith the confidential or proprietary nature of any information it provides in its proposal, and the Proposer understands that the Texas Attorney General may nonetheless determine that all or part of the claimed confidential or proprietary information shall be publicly disclosed.

In addition, the Proposer specifically agrees that the A&M System may release the Proposer's entire Proposal, including alleged confidential or proprietary information, upon request from individual members, agencies or committees of the Texas Legislature where needed for legislative purposes, as provided for in the TPIA or to any other person or entity as otherwise required by law.

- m. IBNR and Reserve Calculations – Provide detailed information regarding your organization's methodology for calculating IBNR and pending claim reserves.
- n. Deviations – Although deviations to the RFP are strongly discouraged, the Proposer shall enumerate and provide a detailed description of any deviations to provisions contained in the RFP. The A&M System shall interpret any lack of deviation as the Proposer's full agreement to the provisions of the RFP requirements unless specifically noted. Deviations will not become a part of the final contract unless expressly agreed to by the A&M System.
- o. Supplemental Information – Information or exhibits provided that are not specifically requested in Sections a. through n. above should be included at the end of the proposal behind an index tab entitled "o. Supplemental Information".

3.7 General Instructions

- 1. Each proposal shall be prepared simply and economically, providing a straightforward and concise description of the Proposer's ability to meet the requirements of this RFP. Emphasis shall be on completeness, clarity of content and responsiveness to the offer requirements.
- 2. Proposals must be valid for a minimum of 180 days from the submittal deadline date to allow time for evaluation, selection, and any unforeseen delays.
- 3. The Proposer agrees to protect the State from claims involving infringement of patents or copyrights.

4. Any agreement resulting from this RFP shall be construed and governed by the laws of the State of Texas.
5. Written approval by the A&M System will be required for any news releases or the use of the A&M System name as a reference regarding a contract awarded to a Proposer.
6. Questions about the A&M System and this RFP should be submitted by email or fax no later than 5:00 p.m. on January 9, 2009 and directed to:
Mr. Don Barwick
Office of HUB & Procurement Programs
Email: dbarwick@tamu.edu
FAX (979) 458-6250

The A&M System offices will be closed December 23, 2008 through January 4, 2009.

7. Responses to inquiries which directly affect an interpretation or change to this RFP will be issued in writing by amendment/addendum and posted to the Electronic State Business Daily (ESBD). All such amendments/addendums shall be considered part of the RFP, and the Proposer shall be required to consider such in his proposal. Only those inquiries replied to by formal written amendment/addendum shall be binding. Oral and other interpretations or clarification will be without legal effect.
8. No reimbursement will be made by the A&M System for any expenses incurred in the preparation or presentation of proposals.
9. Except for an interest in the retirement funds, officers and employees of the A&M System may not have a direct interest in the gains or profits of any contract pursuant to this RFP, and may not receive pay or emolument for any service performed for the contractor(s).
10. The A&M System will not designate an Agent of Record or any other such commissioned representative. All requests for these systems to provide such a designation will be rejected. The A&M System will communicate and negotiate only with principals of the applicant organization. The A&M System will not pay commissions in the event that the applicant organization chooses to name an agent of record and such an agent will not be recognized by the A&M System. In addition, no commission, broker or finders' fees may be paid by the A&M System. You must certify in Section h of your proposal that you will abide by these stipulations.
11. Any planned or proposed use of subcontractors must be clearly documented in the proposal as discussed in Section 3.6 i. The Proposer shall be and remain solely responsible for all contract services. All agreements between the Proposer and its subcontractors shall include a provision agreeing to hold harmless and indemnify the A&M System.
12. The execution of a contract pursuant to this RFP is dependent upon the negotiation of a contract with the selected Proposer and approval by the appropriate officials in accordance with the policies and regulations of the A&M System.
13. The A&M System reserves the right to reject all offers and re-solicit or cancel this bid if it is deemed to be in the best interest of the A&M System.
14. The A&M System reserves the right to select none, one or more applicant organizations.

15. The A&M System is not required to select the lowest priced proposal, but will take into consideration other factors such as ability to service contracts, past experience, financial stability, flexibility, and other relevant criteria.
16. The A&M System reserves the right to alter the specifications of its benefit programs and subsequently negotiate with the selected Proposer as needed to comply with any required changes.
17. In the event the selected Proposer fails to perform any of its duties or obligations as provided by the contract which will include the RFP and the Proposer's response to the RFP, the A&M System without limiting any other rights or remedies it may have by law, equity or under contract, shall have the right to terminate the contract immediately. The Proposer understands and acknowledges that, notwithstanding any termination of the contract, certain obligations of the Proposer shall survive the termination of the contract.

In addition to and without restricting or waiving any other legal, contractual, or equitable remedies otherwise available to the A&M System, the A&M System may terminate the contract without cause by giving the selected Proposer ninety (90) days written notice.

In the event of a change in condition which may affect the programs for which proposals are solicited, the A&M System will expect a good-faith effort from any Proposer selected to absorb additional liabilities during the term of the contract without requiring rate increases until the next following renewal date. Such changes in condition include, but are not limited to, the following:

- Rules of the Texas Department of Insurance
 - Opinions of the Attorney General of the State of Texas
 - Federal and State statutes, court decisions and regulations from agencies and departments that may affect employment and benefits programs.
18. Information provided to the Proposer, including lists of covered employees or other employee data may not be used to solicit any other insurance coverage, annuity product, or any other product, unless specifically approved in advance by the A&M System.
 19. The A&M System is exempt from the payment of premium taxes under Chapter 1601, Texas Insurance Code. No provision for the payment of premium taxes will be included in the calculation of premium rates.
 20. Selected Proposers will be required to be ready to pay claims on an incurred basis effective September 1, 2009.
 21. Your proposal may be rejected if:
 - it is not received by 2:00p.m., (CST), on February 3, 2009,
 - it is not completed in accordance with RFP instructions,
 - it contains significantly inaccurate information, or
 - the A&M System believes that rejection of the application is in the best interest of the State and its employees and retirees.
 22. Proposer agrees that Proposer and Proposer's employees and agents are independent vendors and have no employer-employee relationship with the A&M System. The A&M System shall not be responsible for the Federal Insurance Contribution Act payments, federal or state unemployment taxes, income tax withholding, Workers' Compensation Insurance payments, or

any other insurance payments, nor will the A&M System furnish any medical or retirement benefits or any paid vacation or sick leave.

3.8 Contract Documents

In addition to standard terms and conditions, the contract document between the A&M System and the selected Proposer must include the following items:

- Alternative Dispute Resolution

Unless an applicable state statute or applicable federal law establishes another procedure for the resolution of disputes, the dispute resolution process provided for in Chapter 2260 of the Government Code shall be used, as further described herein, by the A&M System and contractor to resolve any claim for breach of contract made by the contractor:

A contractor's claim for breach of this contract that the parties cannot resolve in the ordinary course of business shall be submitted to the negotiation process provided in Chapter 2260, subchapter B, of the Government Code. To initiate the process, the contractor shall submit written notice, as required by subchapter B, to the Associate Vice Chancellor for Budgets and Accounting. Said notice shall specifically state that the provisions of Chapter 2260, subchapter B, are being invoked. A copy of the notice shall also be given to all other representatives of the A&M System and the contractor otherwise entitled to notice under the parties' contract. Compliance by the contractor with subchapter B is a condition precedent to the filing of a contested case proceeding under Chapter 2260, subchapter C, of the Government Code.

The contested case process provided in Chapter 2260, subchapter C, of the Government Code is the contractor's sole and exclusive process for seeking a remedy for any and all alleged breaches of contract by the A&M System if the parties are unable to resolve their dispute. Compliance with the contested case process provided in subchapter C is a condition precedent to seeking consent to sue from the Legislature under Chapter 107 of the Civil Practices and Remedies Code. Neither the execution of this contract by the A&M System nor any other conduct of any representative of the A&M System relating to the contract shall be considered a waiver of sovereign immunity to suit.

The submission, processing and resolution of the contractor's claim are governed by the published rules adopted by the Office of the Attorney General, pursuant to Chapter 2260, as currently effective, hereafter enacted or subsequently amended. These rules are found at ITAC Ch. 68.

Neither the occurrence of an event nor the pendency of a claim constitutes grounds for the suspension of performance by the contractor, in whole or in part.

The designated individual responsible on behalf of the A&M System for examining any claim or counterclaim and conducting any negotiations related thereto as required under 2260.052 of House Bill 826 of the 76th Legislature shall be the Associate Vice Chancellor for Budgets and Accounting.

- General Release and Indemnification – Language should be included that will release, hold harmless, and unconditionally indemnify the A&M System, each and all of its System Members, its officers and employees, and the State of Texas from:

- Any liability that might result from discriminatory organizational practices; and

- Any liability that arises from the acts or omissions of any officer, employee, agent, or representative of the contractor or individual or organization under contract to the contractor for specific services related to the administration of the A&M System's benefit plans.
- HIPAA Business Associate Agreement – In the interest of safeguarding our employees' and retirees' protected health information, the A&M System will require the execution of a HIPAA Business Associate Agreement documenting the selected Proposer's compliance with both the privacy and security rules as set forth by the Health Insurance Portability and Accountability Act. A sample Business Associate Agreement is attached as Exhibit E.
- Ability to Audit – Language should be included that will allow for audits to be performed by either the A&M System internal audit staff or a third party auditor contracted with the A&M System. The vendor shall be responsible for all audit expenses related to the audit findings of vendor non-compliance or error.

3.9 Historical Plan Data

To assist you in the development of your RFP response, participation, coverage, and experience reports are provided in Exhibits G – L.

3.10 Eligibility

Newly-eligible A&M System employees have a 60-day initial enrollment eligibility period for Life and AD&D coverage.

The A&M System will, in all cases, determine eligibility for coverage and effective dates of coverage in accordance with its rules and procedures. If these rules and procedures differ from those normally utilized by the proposing organization, it is understood that the A&M System's determination will prevail. In addition, the A&M System will maintain employee/retiree eligibility records.

The eligibility conditions listed below apply for all benefit plans offered by the A&M System. An employee and his/her dependents are eligible for benefits if he/she meets one of the following criteria:

- eligible to participate in the Teacher Retirement System of Texas (TRS) or Optional Retirement Program (ORP), and the employee works at least 50% time for at least 4 ½ months or for a semester of more than 4 months
- a graduate student employee who works at least 50% time for at least 4 ½ months
- a retired employee who has met the eligibility requirements for retirement under TRS, whether or not he/she was a member of TRS

Dependents eligible for coverage include:

- the employee's spouse
- the employee's unmarried children younger than age 25, regardless of where they live or whether they are enrolled in school; or disabled dependent children over the age of 25
- grandchildren residing with the employee

3.11 Communications and Enrollment

The A&M System will conduct an annual enrollment period for its eligible employees during the month of July, for the plan year beginning the following September 1. Approximately forty voluntary annual enrollment meetings are held across the state and the selected Proposer will be required to have personnel to make presentations available at some meetings. Benefits Administration will produce a booklet summarizing the benefit plans, and employees will make benefit selections using the A&M System's enrollment process. Over 70% of annual enrollment benefit selections are done online by employees. During this enrollment period, the successful bidder for the Life and AD&D programs may wish to send promotional material, **approved in advance** by Benefits Administration staff, to employees via U.S. Mail. The **approved in advance** requirement includes general material as well as any solicitation material developed specifically for A&M System employees.

As new communication materials are developed during the plan year, a request to send these materials to the employees must be submitted in writing to Benefits Administration staff along with copies of the proposed materials.

While for the most part, employees and retirees have access to SPD booklets and/or SMM letters and informational brochures online, the System will require minimal amounts of these materials to be available in print. The proposing organization is responsible for this cost.

The A&M System will make personnel available during normal business hours to respond to inquiries regarding the status or eligibility of a participant.

SECTION 4 – FUNDING

4.1 Current Funding

Funding for the Basic Life and Basic AD&D plan is derived from the statutory contribution of the State of Texas. The Optional Life and Dependent Life plans, as well as the Supplemental AD&D plan, are paid in full by the participants on a payroll deduction or accounts receivable basis. The Life and AD&D plans are all fully insured. The A&M System is committed to providing the highest value of coverage, while minimizing the risk to the individual plans.

The plan year, for all coverages, corresponds to the State and the A&M System fiscal year which begins on September 1, and ends on August 31.

4.2 Reserve Arrangements

Detailed information regarding the proposing organization's methodology for calculating IBNR and pending claim reserves should be provided in Section m. of your response (see Section 3.6 m.). Reserve calculation formulas are subject to negotiation with the A&M System prior to signing a contract.

SECTION 5 – GENERAL ADMINISTRATION

5.1 Required Services

Notwithstanding other sections of this RFP which describe administrative interactions between the A&M System and its group insurance carriers, proposing organizations are advised of the administrative

requirements listed in this section of the RFP. Proposing organizations will become responsible for these items and services to the A&M System upon the award of a contract. **Any cost associated with these items and services must be included in your proposal.**

1. Benefit contracts, affirmed by the A&M System as to form and content and approved by the State Board of Insurance in accordance with state and federal statutes, and technical and legal assistance in the administration thereof.
2. Administrative agreements, in addition to any benefit contracts, which formalize the A&M System's relationship with any carrier.
3. Communication materials necessary for the proper administration of the plans (including but not limited to SPDs and SMMs, claim forms, Explanation of Benefits forms) subject to editing of format, content and final approval by the A&M System.
4. Claim management and processing.
5. Monthly, quarterly, and annual management reports, including but not limited to, claims, utilization, and case management information as agreed to by the A&M System and the Proposer.
6. Ad hoc claim/utilization reports or analyses as requested by the A&M System and which do not represent extraordinary data processing effort by the claim administrator.
7. Actuarial analysis and reports demonstrating the appropriate premium rates and reserve levels.
8. Assessments of eligibility for Waiver of Premium life insurance cases.
9. Professional underwriting services for the evaluation of late applications which are subject to approval based on medical history.
10. Annual accounting of all financial transactions involving the A&M System including, but not limited to all premiums, claims, reserve changes, interest earnings and retention.
11. Quarterly accounting of interest earnings, and estimated experience gains/losses for the policy year.

5.2 Premium Remittance Process

The A&M System is a self-bill group. We require a 50-55 day premium lag due to the limitations of our payroll system. Premium deductions for a given month do not occur until the first working day of the following month and are then remitted by ACH to the carrier on the 20th or the next business day following the 20th. For example, the premium for the month of September is not deducted from an employee's pay until October 1, and is remitted in total to the carrier on October 20. Payment to the carrier is made as a lump sum and a detailed remittance advice indicating the participants for whom payment is being made is not available. However, we are able to supply summary participation reports each month from which the carrier can estimate premiums and compare to the amount received for reasonableness. (See Exhibits G - J)

SECTION 6 – GROUP ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE

6.1 Plan Background

A&M System benefit-eligible employees and retirees have the opportunity to elect health plan coverage offered by the A&M System. Upon electing coverage through an A&M System health plan, employees and retirees become automatically covered by a Basic AD&D benefit of \$5,000, provided through the A&M System's Group Term Life Insurance plan. The cost for this benefit is paid for by the A&M System.

In addition, the A&M System offers supplemental AD&D coverage to all benefit-eligible employees, retired employees, and dependents on a voluntary, contributory basis. This is the plan that is being bid.

6.2 Current Enrollment

The A&M System has approximately 33,800 benefit-eligible employees and retirees, with just over 16,000 located in the Bryan/College Station area. Current enrollment in the AD&D plan is 17,813, with approximately 4,800 of them being retirees. A report summarizing the current enrollment is available in EXHIBIT G.

Along with the RFP, there was an additional supplemental file that you should have downloaded. The file named *All Benefit Eligible Employees & Retirees Demographics* provides demographic information for all those who are benefit-eligible. Exhibit F provides further information about the data found on the file.

6.3 Plan Design

All benefit-eligible employees have the option to enroll in employee-only or family coverage, with coverage amounts based on annual pay as of September 1. Any pay increases during the year will be reflected in the coverage amount the following September 1. All employees can choose up to \$250,000 of coverage in multiples of \$10,000. Employees with an annual salary of more than \$25,000 can buy up to 10 times their salary with a maximum coverage of \$800,000.

Retired employees may choose between retiree-only or family coverage. Retired employees may choose coverage in a multiple of \$10,000 up to \$200,000 if younger than 70 or \$60,000 if 70 or older.

Dismemberment benefits, which include loss of limb, eyesight, speech or hearing, are determined using a percentage of the full coverage amount. The percentage is set according to the type and extent of loss.

For employees who choose employee-only coverage, the accidental death benefit paid is the coverage amount purchased. For family coverage, the amount paid for the accidental death of a dependent is based on a percentage of the purchased amount.

With family coverage, the spouse is covered for 50% of the employee's coverage amount and each eligible child is covered for 10% of the employee's coverage amount. If the employee does not have a spouse, each eligible child is covered for 15% of the employee's coverage amount. If the employee has no eligible children, the spouse is covered for 60% of the employee's coverage amount. The maximum coverage for each child is \$25,000.

The AD&D plan SPD can be found at http://tamus.edu/benefits/publications/booklets/2008/add_spd.PDF. A report of AD&D insurance plan experience is provided in Exhibit K.

6.4 Claims Administration

Benefits Administration staff receives notice of claims from participants or beneficiaries, usually through the employees' local Human Resources Office. The local Human Resources Office then provides the form for the participant or beneficiary to complete. The claimant is advised of required documentation and submits a complete packet of paperwork to the carrier. In addition, Benefits Administration staff submits proof of enrollment and beneficiary designation(s) to the carrier. Any additional information needed by the carrier should be requested directly from the participant or beneficiary.

Once all the necessary documents have been received, the carrier conducts any necessary investigation and processes payment of benefits and sends the check directly to the beneficiary, and a copy of the payment statement to Benefits Administration staff.

The A&M System expects timely processing of claim payments, and requests that the claim administrator honor assignment of benefits by the beneficiary for the payment of funeral expenses. Other assignments, irrevocable or collateral, should not be allowed by the terms of this policy.

SECTION 7 – LIFE INSURANCE

The proposal and your pricing as requested in the Life Rate Sheet (see Section 3.6 k.3. of the RFP) must offer a plan for group term life insurance benefits that is at least equivalent to the program currently in place. While highlights of the current plan are provided below, you can view the plan details by linking to the SPD at http://tamus.edu/benefits/publications/booklets/2008/life_SPD.PDF.

Based on the Life Experience Reports provided in Exhibit L, it is anticipated that some plan design changes may be needed in order to keep the plans at an appropriate loss ratio. Therefore, we have identified a number of potential plan design changes and asked for your pricing of those on the Life Rate Sheet also. In addition to the potential plan design changes that were stated on the Life Rate Sheet, you are welcome to make other recommendations with regard to plan design changes. If you desire to recommend other changes, provide detailed information and pricing, with your rationale for the recommendations in Section k.3 of your response.

Coverage for the A&M System's life plans must be structured so that no plan participants incur imputed income in accordance with IRC Section 79. For this reason, the Basic Life plan must be a separate policy and the financial accounting for the plan must be separate from the Optional and Dependent Life plans. In addition, our intent is to keep the Optional Life rates below the applicable IRC group term life insurance premium tables.

7.1 Basic Life/Alternate Basic Life and Basic AD&D Insurance

If a participant has A&M System health coverage: He/she is automatically covered by \$5,000 in Basic Life insurance and \$5,000 in AD&D coverage. Each eligible dependent child is covered by \$2,000 in life insurance (enrollment of dependents for this portion of the coverage is not required). This coverage is paid for with the state contribution.

If a participant does not have A&M System health coverage but certifies to other health coverage: He/she may purchase \$50,000 or seven times salary, if less, in Alternate Basic Life and \$5,000 in Basic AD&D coverage. Each eligible dependent child is covered by \$2,000 in life insurance. The state contribution may be used to pay for this coverage. However, he/she may not purchase Optional Life coverage if this option is chosen.

If a participant does not have A&M System health coverage and does not certify to other health coverage: He/she may purchase \$5,000 of Basic Life and \$5,000 AD&D coverage. Each eligible dependent child is covered by \$2,000 in life insurance. The state contribution may not be used in this case. (There are currently 15 individuals paying for this coverage.)

7.2 Optional Life Insurance

The A&M System also offers voluntary, contributory Optional Life coverage to all benefit-eligible employees and retired employees. Coverage amounts are as follows:

- Active Employees
Coverage equal to ½, 1, 2, 3, 4, 5, or 6 times annual salary, up to a maximum of \$1,000,000
- Retired Employees
If younger than age 70 and retired on or after 5/31/1998, any multiple of \$1,000 up to \$100,000 or the amount of coverage in place at time of retirement, whichever is less. Coverage is automatically reduced to \$60,000 at age 70 if an amount greater than \$60,000 was retained at retirement.

If age 70 or older, any multiple of \$1,000 up to \$60,000 or the amount of coverage in place at retirement, whichever is less.

Premiums are discounted for non-tobacco users, defined as those who have not used any tobacco product within one year of enrolling in coverage. Employees cannot elect Optional Life Insurance and also be considered a dependent of an A&M System-employed spouse for Dependent Life coverage.

7.3 Dependent Life Insurance

An additional voluntary, contributory coverage is offered to pay benefits to employees and retired employees upon the death of their dependents. The A&M System offers three plan options:

- Dependent Life Plan A
Benefit – Spouse – 50% of employee's Optional Life coverage
Benefit – Child – 10% of employee's Optional Life coverage
Premium – 50% of employee's Optional Life premium, regardless of the number of dependents;
10% of employee's Optional Life premium if no spouse is covered
- Dependent Life Plan B
Benefit – Spouse and Child – \$5,000 or 50% of employee's Basic and Optional Life benefits combined, whichever is less
Premium – Flat rate amount

Dependents covered under Plan B also have Accidental Death and Dismemberment coverage in the same amounts as listed above, except that dependents of retired employees must be enrolled in Plan B at the time of the employee's retirement to be eligible for this benefit.

- Dependent Life Plan C
Benefit – Spouse – 50% of employee's Alternate Basic Life
Benefit – Child – 10% of employee's Alternate Basic Life

Premium – 50% of employee’s Alternate Basic Life premium; 10% of employee’s Alternate Basic Life premium if no spouse is covered

7.4 Evidence of Insurability

All covered persons must be assured continuation of their current level of coverage without needing to prove insurability.

No E of I is required for an employee enrolling in Optional Life or Dependent Life coverage at time of employment or within 60 days of initial eligibility with the exception of employees applying for Optional Life coverage of 5 or 6 times salary. E of I is generally required when employees enroll in additional coverage for themselves or dependents beyond the 60th day of initial eligibility. E of I is required when the employee changes from Dependent Life Plan B to Plans A or C. **However**, during annual enrollment, Optional Life coverage for active employees can be increased by one increment (up to 4 times salary) without proving insurability. In addition, active employees who have a qualified change in status may enroll in Optional Life coverage of ½ or one times their salary or Alternate Basic Life and enroll dependents in Dependent Life without providing E of I.

Retirees must always provide evidence of insurability to increase coverage. Retirees can provide E of I to increase to an amount greater than the amount of coverage held just prior to retirement, with a maximum coverage amount of \$60,000.

7.5 Waiver of Premium Benefit

An employee who becomes totally and permanently disabled is entitled to apply for Waiver of Premium. The selected carrier will be responsible for assessment and determination of eligibility for Waiver of Premium applicants and payment of claims. If approved, the premium is waived for Basic Life coverage and for Optional and Dependent Life coverage if the employee is enrolled in these plans. This benefit may be extended for successive periods of one year each, providing the employee can prove the disability continues to be total and permanent. Life insurance under Waiver of Premium will terminate when the employee can no longer prove total and permanent disability or the date the employee attains age 65. Those reaching age 65 are allowed to revert to retiree coverage levels, if they are eligible retirees of the A&M System.

The selected carrier will be responsible for assessment and determination of eligibility for Waiver of Premium applicants and payment of claims. In addition, the carrier will be responsible for coordinating the annual submission of documentation by all employees to prove the disability continues to be total and permanent. If a new carrier is selected, they will be responsible for coordination of the transfer of existing Waiver of Premium claimant information from the current carrier. There are currently about 120 individuals on Waiver of Premium.

An employee applies for Waiver of Premium by requesting forms from their Human Resources Office. The employee forwards the completed paperwork to the carrier, and Benefits Administration staff verifies enrollment and coverage amount with the carrier. There is no elimination period and an “any occupation” definition is used to establish disability for these plans.

The carrier notifies the employee and the appropriate System Member Human Resources Office of the eligibility determination and contacts the System Member Human Resources Office if Waiver of Premium status is being terminated for any reason other than death or reaching age 65.

The A&M System self-funds the waiver of premium program by paying the annual premiums for individuals who qualify. The A&M System will self-bill and provide premium payment along with detailed backup to the carrier after the close of each plan year. Along with that premium payment, the A&M System will provide detailed backup supporting the payment amount. Approximately 25 waiver of premium applications are received annually. The A&M System will pay Waiver premiums from a premium stabilization fund maintained by Benefits Administration for those approved for Waiver of Premium, rather than having the carrier establish a premium waiver reserve. Claims paid on waiver of premium participants are applied to the experience of the A&M System group life plan.

7.6 Coverage Costs

Generally, the Basic Life and Basic AD&D coverage premiums are paid by the state. The cost of the Optional Life premium is determined by the employee's age, amount of coverage, and status as a tobacco or non-tobacco user. If the employee's birthday falls between September 1 and the following February 28 and the employee will move to a higher cost category, the employee must pay the higher premiums for the entire plan year (September 1 through August 31). Conversely, if an employee will not move to a higher cost category until after February 28, he/she will be charged the lower premium for the full year. Coverage amounts and premiums are automatically adjusted each September 1 to reflect age and salary changes.

7.7 Living Access Benefit

The current plan has a Living Access Benefit (Accelerated Benefit Option). If a doctor certifies that a covered individual has less than 24 months to live, they may apply for immediate payment of 25% to 50% of their total life amount. The beneficiary will receive the remaining benefit after the individual's death. For those with life coverage of less than \$50,000, a Living Access Benefit of up to \$25,000, not to exceed the total life benefit may be paid.

7.8 Mid-Year Salary Increases

Most salary increases are effective on September 1. However, due to promotions or other circumstances that may occur, an employee may receive a salary increase at some time other than September 1. Premiums are set using the annual salary as of September 1. If an employee receives an increase at a time other than September 1, their premium remains unchanged until the next September 1, but the coverage amount increases upon the effective date of the increase in annual salary.

7.9 Portability

When Optional and/or Dependent Life coverage ends, participants may elect portability of coverage. A spouse and/or dependent children, if covered, may elect portability if they no longer meet the definition of an eligible dependent. Waiver of Premium and the Living Access Benefit are not available once portability becomes effective. Portability coverage may be purchased in any amount up to the amount of coverage lost and is available until age 70.

7.10 Conversion Plan

When coverage ends, participants are also allowed to convert the lost coverage to an individual policy.

7.11 Counseling Services

Grief, financial planning and legal counseling are available to beneficiaries. Beneficiaries have access to a 24/7 toll-free number, answered by a counselor, who will assess the caller's needs and coordinate referrals. Five face-to-face sessions with a grief counselor, financial planner and/or legal advisor are available for up to one year from the date of the initial contact.

7.12 Additional Considerations

The plan includes coverage for self-inflicted deaths (suicide). In addition, a dependent death benefit is available as long as a live birth has occurred.

7.13 Claim Administration

The carrier is expected to work directly with beneficiaries, The Benefits Administration Office and/or the Human Resources Office of each System Member when processing claims. In addition, the carrier must provide claims processing packets with instructions and forms that can be given to beneficiaries so they can obtain assistance directly from the carrier when filing claims.

Benefit Administration staff usually receives notice of claims from participants or beneficiaries through the Human Resources Office of the System Member. The claimant is responsible for providing a beneficiary's statement and certification of death directly to the carrier. Benefits Administration staff provides an employer's statement, along with proof of enrollment, verification of current premiums, and beneficiary designation directly to the carrier. Once all the necessary documents have been received, the carrier processes payment of benefits and sends the check or benefit-account information directly to the beneficiary, with a copy of the payment statement to Benefits Administration staff.

The A&M System expects processing of claim payments within five working days of the receipt of all documentation required by the carrier, provided the beneficiary designation is uncontested. The A&M System requests that the claim administrator honor assignment of benefits by the beneficiary for the payment of funeral expenses. Other assignments, irrevocable or collateral, should not be allowed by the terms of the policy. The carrier will notify Benefits Administration staff if extraordinary problems or situations arise while processing a claim.

SECTION 8 – EVALUATION OF PROPOSALS

8.1 Evaluation Information

Proposals submitted in response to this RFP shall be evaluated on the basis of the criteria listed below. The criteria are not listed in order of importance. While the criteria shall provide the basis for an objective evaluation of each proposal, the experience and judgment of the Benefits Administration staff, the evaluation committee, and their advisors shall also be important in the selection process.

- Compliance with the requirements listed in the RFP
- Ability to service contracts
- Administrative capability
- Past experience
- The organizations financial strength and stability
- Customer/Member services
- Organizational flexibility
- References
- Finalist presentations

- Site visits
- Other factors

The A&M System is not required to select the lowest priced proposal, but will take into consideration other factors such as those enumerated above.

The A&M System may cancel this RFP or reject proposals at any time prior to an award, and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous. The selection of the successful proposal may be made by the A&M System on the basis of the proposals initially submitted, without discussion, clarification, or modification. In the alternative, selection of the successful proposal may be made by the A&M System on the basis of negotiation with any of the Proposers. The A&M System shall not disclose any information derived from the proposals submitted by competing Proposers in conducting such discussions.

All proposals must be complete and convey all the information requested to be considered responsive. If the proposal fails to conform to the essential requirements of the RFP, the A&M System alone will determine whether the variance is significant enough to consider the proposal susceptible to being made acceptable and therefore a candidate for further consideration, or not susceptible to being made acceptable and therefore not considered for award.

The A&M System reserves the right to check references prior to award. Any negative responses received may be grounds for disqualification of the proposal.

EXHIBIT A – EXECUTION OF OFFER

RFP01 RSK-09-004
DATE: December 22, 2008

In compliance with this RFP, and subject to all the conditions herein, the undersigned offers and agrees to furnish any or all commodities or services at the prices quoted.

A.1 Proposer Affirmation

Signing this proposal with a false statement is a material breach of contract and shall void the submitted proposal or any resulting contracts, and the proposer may be removed from all proposal lists. By signature hereon affixed, the proposer hereby certifies that:

- A.1.A. The proposer has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted proposal.
- A.1.B. The proposer is not currently delinquent in the payment of any franchise tax owed the State of Texas.
- A.1.C. Pursuant to Section 2155.004 Government Code, relating to collection of state and local sales and use taxes, the proposer certifies that the individual or business entity named in this proposal is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and/or payment withheld if this certification is inaccurate.
- A.1.D. Neither the proposer nor the firm, corporation, partnership or institution represented by the proposer, or anyone acting for such firm, corporation or institution has violated the antitrust laws of this State, codified in Section 15.01, et seq., Texas Business and Commerce Code, or the Federal Antitrust Laws, nor communicated directly or indirectly the proposal made to any competitor or any other person engaged in such line of business.
- A.1.E. The proposer has not received compensation for participation in the preparation of the specifications for this Invitation for Proposal.
- A.1.F. The proposer shall defend, indemnify, and hold harmless the State of Texas, all of its officers, agents and employees from and against all claims, actions, suits, demands, proceedings costs, damages, and liabilities, from any acts or omissions of proposer or any agent, employee, subcontractor, or proposer of proposer in the execution or performance of this purchase order.
- A.1.G. Proposer agrees that any payments due under this contract will be applied towards any debt, including but not limited to delinquent taxes and child support that is owed to the State of Texas.
- A.1.H. Proposer certifies that they are in compliance with section 669.003 of the Government Code, relating to contracting with executive head of a State agency. If section 669.003 applies, proposer will complete the following information in order for the proposal to be evaluated:

Name of Former Executive: _____
Name of State Agency: _____
Date of Separation from State Agency: _____
Position with Proposer: _____
Date of Employment with Proposer: _____

- A.1.I. Proposer agrees to comply with Government Code 2155.4441, pertaining to service contract use of products produced in the State of Texas.

A.2 Texas Family Code Section 231.006

Ineligibility to Receive State Grants or Loans, or Receive Proposals or Payments on State Contracts.

- A.2.A. A child support obligor who is more than 30 days delinquent in paying child support and a business entity in which the obligor is a sole proprietor, partner, shareholder, or owner with an ownership interest of at least 25 percent is not eligible to:
 - 8.2.A.1. receive payments from state funds under a contract to provide property, materials, or services: or
 - 8.2.A.2. receive a state-funded grant or loan.
- A.2.B. A child support obligor or business entity ineligible to receive payments under Subsection (a) remains ineligible until:
 - 8.2.B.1. all arrearages have been paid; or
 - 8.2.B.2. the obligor is in compliance with a written repayment agreement or court order as to any existing delinquency.
- A.2.C. Pursuant to Section 231.006 (c), Family Code, proposal should include name and Social Security number of each person with at least 25% ownership of the business entity submitting the proposal. Proposers that have pre-registered this information on the TPASS Centralized Master Proposers List have satisfied this requirement. If not pre-registered, attach name & social security number for each person. Otherwise this information must be provided prior to contract award.
- A.2.D. "Pursuant to Section 231.006, Family Code, re: child support, the proposer certifies that the individual or business entity named in this proposal is not ineligible to receive the specified payment and acknowledges that this contract may be terminated and payment may be withheld if this certification is inaccurate."
- A.2.E. If a state agency determines that an individual or business entity holding a state contract is ineligible to receive payment under Section (a) the contract may be terminated.
- A.2.F. If the certificate required under Subsection (d) is shown to be false, the vendor is liable to the state for attorney's fees, the costs necessary to complete the contract, including the cost of advertising and awarding a second contract, and any other damages provided by law or contract.

Added by Acts 1995, 74th Leg., ch. 20, Sec. 1, eff. April 20, 1995. Amended by Acts 1995, 74th Leg., ch. 751, Sec. 82, eff. Sept. 1, 1995.

A.3 Signature

Submittal should give Payee Identification Number (PIN) (Formerly Vendor ID), full firm name and address of Vendor (enter in block provided if not shown). Failure to manually sign submittal will disqualify it. The person signing the submittal should show title or authority to bind his/her firm in contract. The Payee Identification Number is the taxpayer number assigned and used by the Comptroller of Public Accounts of Texas. Enter this number in the spaces provided on the Execution of Offer.

Payee Identification Number (PIN): _____

Sole Owner should also enter Social Security Number: _____

Vendor/Company: _____

Signature (INK): _____

Name: _____

Title: _____

Street: _____

City/State/Zip: _____

Telephone No.: _____

Fax No.: _____

E-mail: _____

Check below if preference claimed under Rule 1 T.A.C. 113.8

☐ Supplies, materials or equipment produced in Texas/offered by Texas proposer*

☐ Agriculture products produced or grown in Texas

☐ Agriculture products and services offered by Texas proposer

☐ U.S.A. produced supplies, materials or equipment

☐ Products of persons with mental or physical disabilities

☐ Products made of recycled, remanufactured, or environmentally sensitive materials

☐ Energy efficient products

☐ Rubberized asphalt paving material

☐ Recycled motor oil and lubricants

☐ Energy efficient products

☐ Products produced at facilities located on formerly contaminated property

☐ Products and services from economically depressed or blighted areas

* By signing this offer, respondent certifies that if a Texas address is shown as the address of the respondent, respondent qualifies as a Texas Resident Proposer as defined in Rule 1 TAC 113.8.

THIS SHEET MUST BE COMPLETED, SIGNED, AND RETURNED WITH RESPONDENT'S PROPOSAL. FAILURE TO SIGN AND RETURN THIS SHEET WILL RESULT IN THE REJECTION OF YOUR SUBMISSION.

EXHIBIT B – COMPANY PROFILE

- a. Please provide the following:

Legal Name
DBA Name
Number of Years in Business
Type of Operation (i.e., Individual, Partnership, Corporation)
Number of Employees
Annual Revenues
Tax ID Number

A Tax ID Number is required in order for the A&M System to accomplish financial transactions with any organization. If the carrier does not provide a Tax ID Number, the A&M System will be unable to process any payments to the carrier.

- b. Provide a general overview of the company, including where the company is headquartered, if it has a major base of operation in Texas, and if it has operated under other names.
- c. Include a narrative history of the firm and its background in providing employee group benefits. Explain the added value or service that your organization provides that distinguishes it from all others.
- d. Please provide a copy of your company's current certificate of authority with the Texas Department of Insurance.
- e. Have you ever been sanctioned by the Texas Department of Insurance? If so, please indicate the action taken and the current status.
- f. Provide a copy of your company's audited financial statements for the past two (2) years.
- g. Please indicate the date of your company's last annual audit by your domicile's Department of Insurance. Were there any adverse findings and, if so, what was the resolution of those findings?
- h. Provide a financial rating of your company and any documentation (such as a Dunn and Bradstreet Analysis) which indicates the financial stability of your company.
- i. Provide a copy of your company's most recent SAS 70, Type II report.
- j. Describe your company's disaster recovery and contingency plans. Have you ever tested or actually implemented these plans?
- k. Is your company currently for sale or involved in any transaction to expand or to become acquired by another business entity? If yes, please explain the impact both in organizational and directional terms.
- l. Provide any details of all past or pending litigation or claims filed against your company that would negatively impact your company's performance under an agreement with the A&M System.

- m. Is your company currently in default on any loan agreement or financing agreement with any bank, financial institution, or other entity. If yes, specify date(s), details, circumstances, and prospects for resolution.

EXHIBIT C – AD&D QUESTIONNAIRE

General Instructions

1. When responding, please restate the question and provide your answer immediately thereafter.
2. Do not change the format or numbering system within the Questionnaire.
3. Exhibits requested in the Questionnaire should be provided under Section j.2. of your response (see Section 3.6 j.2.).
4. Please base quantitative responses on the 12 months ending August 31, 2008, or the most recent 12-month period available, unless otherwise specified.
5. The A&M System operates on a fiscal year beginning September 1 and ending August 31.

Background Information

6. Where will the account representative be located? Will this individual have responsibility for other clients? If yes, how many?
7. Please provide the URL for your web site.
8. Would your employees use a secure e-mail system to communicate with us and, if so, what system do you use?

Administration

9. Please provide the location of the office where the following functions are performed and note how long the office has been in operation.
 - a. Account Manager/Account Representative
 - b. Claims processing
 - c. Customer service
10. During the month of July, the A&M System holds approximately 40 enrollment meetings throughout the state of Texas. These meetings are voluntary for employees and retirees, however should you be awarded this contract, a representative from your organization may be asked to attend some meetings. Please indicate your willingness to meet this requirement.

Claims Processing

11. For the office that would process A&M System claims, please provide:
 - a. the number of clients for whom you process claims
 - b. the number of covered employees for whom you process claims
 - c. the number of claims processors
12. What are your organization's nationwide goals for AD&D insurance claim payment turnaround? What was the average length of time to pay AD&D claims in the past twelve months in the office that will process A&M System claims?

Business Days	Percentage
0 – 5	_____
6 – 10	_____
11 – 15	_____
16 – 20	_____

13. Please describe your internal dispute or appeal process available to plan participants.
14. Will you process AD&D claims based on verbal or electronic notification by the A&M System?
How quickly can AD&D claims be processed under these circumstances?
15. Do you have a provision for catastrophic life claim experience? (For example, are multiple deaths from one occurrence combined for pooling purposes?)
16. Describe the cost of processing one AD&D claim.
17. Discuss your paralysis benefit and how it is paid.

Customer Service

18. How would you monitor and control the level of service provided to A&M System employees?
19. How are patterns of customer service inquiries monitored and used to improve claims processing activities?
20. Do you have bilingual customer service personnel? Please identify the languages spoken.

Eligibility

21. Benefits Administration staff currently provides coverage volumes monthly by facsimile (See Exhibits G - J).
22. Please indicate your willingness to assure continuity of coverage from the current plan including your willingness to accept the enrollment forms and beneficiary designations (both paper and electronic) currently on file with the A&M System.

Performance Guarantees

23. Are you willing to put some amount of fees at risk and, if so, how much for:
 - Claim processing accuracy,
 - Claim financial accuracy,
 - Average speed to answer participant telephone inquiries
 - Other

What methodology and standards would you propose for calculating and reporting this information?

Management Reporting

24. Describe your data analysis and reporting capabilities. Do you have customized reporting capabilities? Is there an additional cost involved with customized reporting?
25. Provide a list and brief explanation of your standard reports including frequency of production and availability following the close of the reporting period. Are reports available electronically? (The A&M System expects the standard report package to be provided at no additional cost.)
26. What additional ad hoc reports are available and at what cost?

Implementation

27. Provide a detailed timetable for implementation based on a September 1, 2009 start date.
28. Describe the services you will furnish with respect to installation of the plan, and for maintenance, i.e., staff, printing, booklets, forms, etc.

Policy Options

29. What types of conversion policies does your company offer and what are the associated costs to the employee and the A&M System?
30. Does your plan have the following options available? If so, please provide a brief explanation.
 - a. Speech and Hearing
 - b. Seat Belt Benefit
 - c. Education Benefit/Spouse Retraining
 - d. Disappearance
 - e. Child Double Dismemberment
 - f. Common Disaster
 - g. Continuation of Benefits
 - h. Rehabilitation
 - i. Felonious Assault
 - j. Beneficiary Assistance
 - k. Kidnapping and Ransom
31. We currently have a broad Travel Assistance program through our AD&D plan (see the brochure at: <http://www.tamus.edu/benefits/programs/worldwide.pdf>). Please discuss what you could provide in this area with particular emphasis on medical evacuation and repatriation coverage.
32. Grief, financial planning and legal counseling are available to beneficiaries. Beneficiaries have access to a 24/7 toll-free number, answered by a counselor, who will assess the caller's needs and coordinate referrals. Five face-to-face sessions with a grief counselor, financial planner and/or legal advisor are available for up to one year from the date of the initial contact. Are these services offered under your plan?
33. Please provide a list of additional options available to the A&M System.

Premiums

34. Base your premium quote on the same benefit design that is currently in place. Rates must be for a fully insured plan and guaranteed for the first three-year term. If you would like to propose

changes in the plan design, please provide that information and pricing, along with your rationale for doing so in Section j.3 of your response (see Section 3.6 j. 3).

AD&D Employee Only – Rate per employee per month for each \$10,000 multiple of AD&D as described in these specifications.

All Active Employees

\$_____ per month, per \$10,000

All Retired Employees

\$_____ per month, per \$10,000

Combined Employee and Retiree Rate

\$_____ per month, per \$10,000

AD&D Family Coverage – Rate per employee per month for each \$10,000 multiple of AD&D provided for employee, spouse, and dependent children.

All Active Employees

\$_____ per month, per \$10,000

All Retired Employees

\$_____ per month, per \$10,000

Combined Employee and Retiree Rate

\$_____ per month, per \$10,000

Subcontracting

35. If any activities are subcontracted, i.e. travel assistance, printing, etc., please provide the subcontractor's name, services performed and detailed information describing under what circumstances subcontractors are used. In addition, if you are using a subcontractor you must comply with Section 3.6 i. of this RFP.

EXHIBIT D – LIFE QUESTIONNAIRE

1. Please indicate the location of the office(s) that will process the A&M System's life claims.
2. What are your organization's nationwide objectives for life insurance claim payment turnaround?

What was the average length of time taken to pay life insurance claims in the office listed above during 2007? What percentage of claims was paid within the following time frames?

<u>Business Days</u>	<u>Percentage</u>
0-5	
6-10	
11-15	
16-20	
21 or more	

3. Please provide information regarding your standard conversion policy, including the associated costs to the employee and the A&M System.
4. Do you have a provision for catastrophic life claim experience?
5. Please describe the cost of processing one life insurance claim.
6. Are you willing to work directly with employees in the determination of evidence of insurability?
7. Will you work directly with beneficiaries on claim payments? What is the threshold at which the beneficiary receives a passbook account rather than a check? Can the A&M System determine this level?
8. Will you agree to an open enrollment at 3 to 5 year intervals? Provide the details of any costs, if applicable, associated with you agreeing to have these periodic open enrollments.
9. Please describe your process for employees that want to file for an absolute assignment.
10. Are all forms that you may require an employee or the A&M System to complete available on line? If not, please list which are and which are not. Provide the web address where these forms may be viewed.
11. Typically, the beneficiary for dependent life coverage is the employee. Under what circumstances could this designation change? Is it possible to designate a secondary beneficiary for dependent life?
12. The A&M System does not maintain paper copies of enrollment or beneficiary designation forms. These forms are imaged and stored electronically. Upon death of an employee or retiree, will you accept the imaged enrollment and beneficiary designation forms? Will you accept these documents electronically as an attachment to an email if they have been encrypted for security?

EXHIBIT E – HIPAA BUSINESS ASSOCIATE AGREEMENT

This agreement is between **THE TEXAS A&M UNIVERSITY SYSTEM**, and _____ In consideration of the mutual benefits to be derived by both parties and in accordance with applicable state and federal laws, the parties hereto agree as follows.

I) Definitions: Terms used, but not otherwise defined, in this Agreement shall have the same meanings as those terms in the Privacy Rule.

- A) Business Associate. “Business Associate” shall mean _____.
- B) Covered Entity. “Covered Entity” shall mean **THE TEXAS A&M UNIVERSITY SYSTEM**.
- C) Individual. “Individual” shall have the same meaning as the term “individual” in 45 CFR §164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR §164.502(g).
- D) Privacy Rule. “Privacy Rule” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E.
- E) Protected Health Information. “Protected Health Information” shall have the same meaning as the term “protected health information” in 45 CFR §164.501, limited to information created or received by Business Associate from or on behalf of Covered Entity.
- F) Required by Law. “Required by Law” shall have the same meaning as the term “required by law” in 45 CFR §164.501.
- G) Secretary. “Secretary” shall mean the Secretary of the Department of Health and Human Services or his designee.

II) Obligations and Activities of Business Associate

- A) Business Associate agrees not to use or disclose Protected Health Information other than as permitted or required by the Agreement or as Required By Law.
- B) Business Associate agrees to use appropriate safeguards to prevent use or disclosure of Protected Health Information other than as provided by this Agreement.
- C) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.
- D) Business Associate agrees to report to Covered Entity any use or disclosure of the Protected Health Information not provided for by this Agreement of which it becomes aware.
- E) Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by Business Associate on behalf of Covered Entity agrees to the same restrictions and conditions that apply

through this Agreement to Business Associate with respect to such information.

- F) Business Associate agrees to provide access, at the request of Covered Entity and in a time and manner to be mutually agreed upon by the parties, to Protected Health Information in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 CFR §164.524.
- G) Business Associate agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 CFR §164.526 at the request of Covered Entity or an Individual in the time and manner mutually agreed to by the parties. When Covered Entity grants an individual's request for amendment, Covered Entity shall provide the granted amendment to Business Associate's Privacy Office.
- H) Business Associate agrees to make internal practices, books, and records, including policies and procedures and Protected Health Information, relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of, Covered Entity available to Covered Entity, or to the Secretary, in the time and manner mutually agreed to by the parties for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.
- I) Business Associate agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR §164.528.
- J) Business Associate agrees to provide to Covered Entity or an Individual in the time and manner mutually agreed to by the parties information collected in accordance with this Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR §164.528.
- K) When Business Associate conducts Standard Transactions on behalf of Covered Entity, Business Associate will comply with the HIPAA requirements for Standard Transactions and Data Code Sets.

III) Permitted Uses and Disclosures by Business Associate

A) General Use and Disclosure Conditions

Except as otherwise limited in this Agreement, Business Associate may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in agreements or arrangements between the parties, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity, or Business Associate's independent duties under the Privacy Rule.

B) Specific Use and Disclosure Provisions

- 1) Except as otherwise limited in this Agreement, Business Associate may use Protected Health Information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.

- 2) Except as otherwise limited in this Agreement, Business Associate may disclose Protected Health Information for the proper management and administration of the Business Associate, provided that disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
- 3) Except as otherwise limited in this Agreement, Business Associate may use Protected Health Information to provide Data Aggregation services to Covered Entity as permitted by 45 CFR §164.504(e)(2)(i)(B).
- 4) Business Associate may use Protected Health Information to report violations of law to appropriate Federal and State authorities, consistent with §164.502(j)(1).

IV) Obligations of Covered Entity

- A) Covered Entity shall notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 CFR §164.520, to the extent that such limitation may affect Business Associate's use or disclosure of Protected Health Information.
- B) Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, to the extent that such changes may affect Business Associate's use or disclosure of Protected Health Information.
- C) Covered Entity shall notify Business Associate of any restriction to the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 CFR §164.522, to the extent that such restriction may affect Business Associate's use or disclosure of Protected Health Information.
- D) Covered Entity acknowledges that an Individual may request a restriction on the Use or Disclosure of Protected Health Information in accordance with 45 CFR §164.522 and agrees that if such restriction would affect Business Associate's Use or Disclosure of Protected Health Information, Covered Entity will exercise its discretion and shall deny the Individual's request. Prior to responding to an Individual's request Covered Entity shall ask Business Associate if the proposed restriction will affect its functions, activities, or services under the Agreement.
- E) If Covered Entity or Business Associate receives a request from an Individual for confidential communication of Protected Health Information by alternative means or at alternative locations in accordance with 45 CFR §164.522(b), Covered Entity prior to responding to such a request shall ask Business Associate for information on the feasibility of implementing or accommodating the request and on whether there may be an additional cost. Covered Entity shall promptly notify Business Administrator of its decision on the request for confidential communication of Protected Health Information.
- F) If or when Covered Entity transmits information electronically to Business Associate or Covered Entity's Business Associates, Covered Entity shall comply with HIPAA requirements for Standard Transactions and Data Code sets.

V) Permissible Requests by Covered Entity

Covered Entity shall not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by Covered Entity.

VI) Term and Termination

A) Term. This Agreement shall be effective as of _____ and shall terminate when all of the Protected Health Information provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy Protected Health Information, protections are extended to such information, in accordance with the termination provisions in this Section.

B) Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

- 1) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;
- 2) Immediately terminate this Agreement if Business Associate had breached a material term of this Agreement and cure is not possible; or
- 3) If neither termination nor cure are feasible, Covered Entity shall report the violation to the Secretary.

C) Effect of Termination

- 1) Except as provided in paragraph (2) of this section, upon termination of this Agreement, for any reason, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.
- 2) In the event it is determined by Business Associate that returning or destroying the Protected Health Information is not feasible, Business Associate shall provide to Covered Entity written notification of the conditions that make return or destruction infeasible, and Business Associate shall extend the protections of this Agreement to such Protected Health Information, limiting further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information. The parties further agree that the Business Associate may retain copies of documents that may contain Protected Health Information which are necessary for the conduct and proper record keeping of Business Associate's business in accordance with standard operating procedures and applicable law, including, the Privacy Rule.

VII) Miscellaneous

- A) Regulatory References. A reference in this Agreement to a section in the Privacy Rule means the section as in effect or as amended.
- B) Amendment. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.
- C) Survival. The respective rights and obligations of Business Associate under Section VI.C of this Agreement shall survive the termination of this Agreement.
- D) Interpretation. Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule.
- E) Execution and modification. This Agreement is binding only when signed by both parties. Any modifications or amendment must be in writing and signed by both parties.
- F) Assignment. This Agreement, with the rights and privileges it creates, is assignable only with the written consent of both parties.
- G) Force majeure. Each party shall be excused from any breach of this Agreement which is proximately caused by government regulation, war, strike, act of God, or other similar circumstance normally deemed outside the control of well-managed businesses.
- H) Entire Agreement. This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes all other written and oral agreements between the parties with respect to such. It is acknowledged that other contracts may be executed. Such other agreements are not intended to change or alter this Agreement unless expressly stated in writing.
- I) Governing Law. This Agreement is construed under the laws of Texas. Venue is in Brazos County, Texas.
- J) Independent Business Associate Status. This Agreement will not be construed as creating an employer/employee relationship between Covered Entity and Business Associate.
- K) Headings. Headings appear solely for convenience of reference. Such headings are not part of this Agreement and shall not be used to construe it.
- L) Provisions. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
- M) Notice. Any notices required by this Agreement shall be delivered to the following addresses:

Covered Entity

Ms. Ellen Gerescher
Employee Benefits Manager
A&M System Building, Suite 1120
200 Technology Way
College Station, TX 77845-3424

Business Associate

VIII) Mandatory Dispute Resolution

- A) To the extent 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 of the Government Code shall be used, as further described herein, by Covered Entity and Business Associate in attempts to resolve any claim for breach of contract made by Business Associate:
- 1) Business Associate’s claim for breach of this Agreement that the parties cannot resolve pursuant to other provisions of this Agreement or in the ordinary course of business shall be submitted to the negotiation process provided in subchapter B of Chapter 2260. To initiate the process, Business Associate must submit written notice as required by subchapter B of Chapter 2260, to Covered Entity in accordance with the notice provisions in this Agreement. Business Associate’s notice shall 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 Covered Entity allegedly breached, the amount of damages Business Associate seeks, and the method used to calculate the damages. Compliance by Business Associate with subchapter B of Chapter 2260 is a required prerequisite to Business Associate’s filing of a contested case proceeding under subchapter C of Chapter 2260. The Associate Vice Chancellor for Budgets and Accounting (A&M System Building, 200 Technology Way, College Station, Texas 77845-3424), or such other officer of Covered Entity as may be designated from time to time by Covered Entity by written notice thereof to Business Associate in accordance with the notice provisions in this Agreement, shall examine Business Associate’s claim and any counterclaim and negotiate with Business Associate in an effort to resolve such claims.
 - 2) If the parties are unable to resolve their disputes under subparagraph (1) of this Section, the contested case process provided in subchapter C of Chapter 2260 is Business Associate’s sole and exclusive process for seeking a remedy for any and all of Business Associate’s claims for breach of this Agreement by Covered Entity.
- B) 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 of the Civil Practices and Remedies Code. The parties specifically agree (i) neither the execution of this Agreement by Covered Entity nor any other conduct, action or inaction or any representative of Covered Entity relating to this Agreement constitutes or is intended to constitute a waiver of Covered Entity’s or the State of Texas’ sovereign immunity to suit, and (ii) Covered Entity has not waived its right to seek redress in the courts.
- C) The submission, processing and resolution of Business Associate’s claim is governed by the published rules adopted by the Texas Attorney General pursuant to Chapter 2260, as currently effective, hereafter enacted or subsequently amended.
- D) Neither the occurrence of an event giving rise to a breach of contract claim nor the pendency of a claim constitutes grounds for the suspension of performance by Business Associate in whole or in part. Covered Entity and Business Associate agree that any period set forth in this Agreement for notice and cure of defaults are not waived.

- E) The designated individual responsible on behalf of Covered Entity for examining any claim or counterclaim and conducting any negotiations related thereto as required under §2260.052 shall be the Associate Vice Chancellor for Budgets and Accounting (A&M System Building, Suite 1120, 200 Technology Way, College Station, TX 77845-3424).

By: _____
Dr. Michael D. McKinney
Chancellor
The Texas A&M University System

By: _____
Printed Name
Title
Company Name

Date: _____

Date: _____

The Texas A&M University System
HIPAA Business Associate Agreement

Security Rule

ADDENDUM

In addition to the Privacy Rule that safeguards protected health information (PHI), the Health Insurance Portability and Accountability Act of 1996 also established the Security Rule which focuses specifically on electronic information. The Security Rule, effective April 20, 2005, requires that covered entities and their business associates develop and implement administrative, technical, and physical safeguards to protect participants' health information when it is maintained or transmitted electronically.

By signing below, the Covered Entity and its Business Associate agree to:

- Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the Electronic PHI that it creates, receives, maintains or transmits on behalf of the covered entity as required by the Security Rule;
- Ensure that its agents (including subcontractors) who receive Electronic PHI agree to implement reasonable and appropriate safeguards to protect such information; and
- Report any security incident involving our data of which it becomes aware to Ms. Ellen Gerescher, Employee Benefits Manager.

If the Covered Entity determines that the Business Associate has violated a material term of the Agreement, the Covered Entity may terminate the Agreement.

By: _____
Don Barwick
Manager, HUB and Procurement Programs
The Texas A&M University System

By: _____
Printed Name
Title
Company Name

Date: _____

Date: _____

EXHIBIT F – SUPPLEMENTAL FILES

You should have downloaded the following files along with the RFP. If you failed to download this file, you can do so by returning to the Electronic State Business Daily.

1. *All Benefit Eligible Employees & Retirees Demographics* This file is a zipped Excel file containing demographic information for ALL benefit-eligible employees and retirees, regardless of enrollment. The file provides demographic information based on the zip code and employee/retiree age. The file represents a snapshot of enrollment as of December 12, 2008.

An explanation of valid values appears below.

Field	Valid Values
Zip Code	Participant's Zip Code
Age	Participant's Age
Employee Status	A – Active, C – COBRA (employees), I – Incapacitated (disability retiree), K – COBRA (dependents), L – Leave of Absence, R – Retired, S – Survivor, T – Terminated, W – Working Retiree
Tier	E – Employee Only, S – Employee & Spouse, C – Employee & Children, F – Employee & Family
FT/PT	FT – Full-time, PT – Part-time
Medical Plan Enrollment	PPO, HMO, GS – Graduate Student Plan
Male Participants	Numerical Count
Female Participants	Numerical Count
Male Spouses	Numerical Count
Female Spouses	Numerical Count
Male Children	Numerical Count
Female Children	Numerical Count

IMPORTANT:

In order to arrive at the number of participants (employees and retirees), you will need to sum the “Male Participants” and the “Female Participants” columns and add them together. You cannot just count the number of lines in the file since many lines include multiple individuals. Similarly, you must sum the “Male Spouses,” “Female Spouses,” “Male Children,” and “Female Children” columns and add them together to arrive at a total dependent count.

2. *Life Rate Sheet* This file is an Excel file to be completed and provided on CD in Section k.3. of your response (see Section 3.6 k.3. of the RFP).

EXHIBIT G – AD&D PARTICIPATION REPORT

THE TEXAS A & M UNIVERSITY SYSTEM - GROL 17891										PAGE 713 2
BUDGET/PAYROLL/PERSONNEL SYSTEM										DATE 11/21/2008
MASTER LIST OF INSURANCE COVERAGES FOR MONTH ENDING 11/30/2008										
SYSTEM TOTALS										
ACCIDENTAL DEATH AND DISMEMBERMENT										
CATEGORY	# POLICIES		TOTAL	AMT IN FORCE		MALE	TOTAL	RATES	EST. PREM	
	FEMALE	MALE		FEMALE	MALE					
EMPLOYEE ONLY	2,659	3,135	5,794	474,040,000	644,180,000	1,118,220,000	.14	15,655.08		
EMPLOYEE + FAMILY	3,595	3,647	7,242	795,550,000	1,108,990,000	1,904,540,000	.24	45,708.96		
RET ONLY UNDER 70	596	487	1,083	82,490,000	70,700,000	153,190,000	.28	4,289.32		
RET + FAM UNDER 70	547	769	1,316	78,110,000	125,760,000	203,870,000	.46	9,378.02		
RET ONLY 70 - 74	237	223	460	13,200,000	13,010,000	26,210,000	.28	733.88		
RET + FAM 70 - 74	113	318	431	6,620,000	18,590,000	25,210,000	.46	1,159.66		
RET ONLY 75 AND OVER	435	418	853	20,900,000	21,050,000	41,950,000	.28	1,174.60		
RET + FAM 75 AND OVER	123	511	634	6,550,000	28,270,000	34,820,000	.46	1,601.72		
SUBTOTAL	8,305	9,508		1,477,460,000	2,030,550,000					
GRAND TOTAL			17,813			3,508,010,000			79,701.24	

EXHIBIT H – BASIC LIFE PARTICIPATION REPORTS

PAGE 1 2
DATE 11/21/2008

THE TEXAS A & M UNIVERSITY SYSTEM
BUDGET/PAYROLL/PERSONNEL SYSTEM
MASTER LIST OF INSURANCE COVERAGES FOR MONTH ENDING 11/30/2008

MONINS06 BPOJ35

SYSTEM TOTALS		BASIC LIFE AND AD&D INSURANCE		ACTIVE EMPLOYEES		RETIRED EMPLOYEES		WAIVED PREMIUM		
AGE		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
<35		3246	3702					1	1	6948
35-39		1219	1366							2587
40-44		1231	1213			1	4		1	2450
45-49		1410	1271			5	7	7		2700
50-54		1469	1362			40	59	11	8	2949
55-59		1174	1239			304	283	17	11	3028
60-64		674	882			592	514	25	18	2705
65-69		171	438			712	812	4	2	2139
70-74		28	123			516	730			1397
75-79		5	34			403	568			1010
80-84		5	6			265	381			657
85-89			2			149	197			348
>90						69	62			131
SUBTOTAL		10632	11638			3056	3617	65	41	
GRAND TOTAL			22270				6673	106		29049

REQUIRED LIFE IN FORCE: \$5,000 PER ACTIVE EMPLOYEE
\$5,000 PER RETIRED EMPLOYEE

REQUIRED AD&D IN FORCE: \$5,000 PER ACTIVE EMPLOYEE
\$5,000 PER RETIRED EMPLOYEE

THE TEXAS A & M UNIVERSITY SYSTEM
BUDGET/PAYROLL/PERSONNEL SYSTEM
MASTER LIST OF INSURANCE COVERAGES FOR MONTH ENDING 11/30/2008

SYSTEM TOTALS
BASIC LIFE WITH CERTIFIED OTHER MEDICAL

AGE	ACTIVE EMPLOYEES		RETIRED EMPLOYEES		WAIVED PREMIUM		TOTALS
	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
<35	98	50	4,192,000	1,950,000			148 6,142,000
35-39	48	14	2,265,000	565,000			62 2,830,000
40-44	51	9	2,325,000	450,000			60 2,775,000
45-49	62	37	2,720,000	1,805,000			99 4,525,000
50-54	54	33	2,520,000	1,515,000			88 4,040,000
55-59	50	40	2,401,000	1,955,000			101 4,356,000
60-64	31	38	1,415,000	1,630,000			104 4,735,000
65-69	11	32	505,000	1,375,000			94 3,900,000
70-74	6	7	300,000	350,000			67 2,984,500
75-79	1	3	50,000	150,000			78 2,911,500
80-84							37 1,074,500
85-89							23 727,500
>90							4 67,500
SUBTOTAL 412	263	18,693,000	11,745,000	90 200 3,334,500	7,801,000		
GRAND TOTAL 675		30,438,000	290 11,135,500				965 41,573,500

REQUIRED ADD IN FORCE: \$5,000 PER ACTIVE EMPLOYEE
\$5,000 PER RETIRED EMPLOYEE

EXHIBIT I – OPTIONAL LIFE PARTICIPATION REPORTS

MONINS06 035

THE TEXAS A & M UNIVERSITY SYSTEM
BUDGET/PAYROLL/PERSONNEL SYSTEM
MASTER LIST OF INSURANCE COVERAGES FOR MONTH ENDING 11/30/2008

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SYSTEM TOTALS
OPTIONAL LIFE INSURANCE
ACTIVE EMPLOYEES 1/2 Sal.

1XSal 2XSal 3XSal 4XSal

		PLAN 0		PLAN 1		PLAN 2		PLAN 3		PLAN 4	
AGE	SMK	#POL	AMT_IN_FORCE	#POL	AMT_IN_FORCE	#POL	AMT_IN_FORCE	#POL	AMT_IN_FORCE	#POL	AMT_IN_FORCE
<20	S										
	N	2	18,000							2	163,000
20-24	S			10	222,000	2	104,000	5	444,000	10	1,006,000
	N	16	241,000	32	770,000	28	1,529,000	17	1,403,000	51	5,759,000
25-29	S	5	62,000	10	332,000	15	975,000	8	866,000	33	3,691,000
	N	37	582,000	110	3,780,000	103	7,244,000	115	12,717,000	172	23,553,000
30-34	S	7	150,000	8	345,000	9	767,000	13	1,544,000	35	4,674,000
	N	21	533,000	94	4,447,000	144	15,049,000	132	20,057,000	254	49,087,000
35-39	S	5	122,000	12	464,000	17	1,656,000	13	1,597,000	45	8,323,000
	N	27	672,000	90	5,575,000	142	17,969,000	144	26,942,000	334	77,813,000
40-44	S	2	19,000	7	418,000	13	1,269,000	14	1,866,000	52	9,999,000
	N	29	759,000	76	4,879,000	113	14,170,000	147	29,565,000	321	70,184,000
45-49	S	3	58,000	18	743,000	25	2,101,000	26	4,146,000	63	9,839,000
	N	29	679,000	78	5,204,000	141	19,688,000	152	28,595,000	410	92,028,000
50-54	S	6	152,000	19	835,000	34	4,006,000	23	3,218,000	79	14,014,000
	N	41	1,423,000	118	7,989,000	166	22,694,000	197	44,664,000	412	97,121,000
55-59	S	6	152,000	19	997,000	27	2,993,000	23	3,228,000	43	9,207,000
	N	30	999,000	136	9,461,000	228	36,402,000	179	40,520,000	361	101,274,000
60-64	S	2	74,000	9	578,000	15	2,343,000	13	1,813,000	18	4,704,000
	N	33	1,386,000	125	12,084,000	178	30,273,000	143	36,803,000	189	61,391,000
65-69	S	1	44,000	6	483,000	5	650,000	3	679,000	4	445,000
	N	11	610,000	56	5,664,000	108	22,129,000	62	18,470,000	50	21,887,000
70-74	S			1	139,000			2	794,000	1	139,000
	N	5	195,000	29	3,316,000	30	6,280,000	9	3,107,000	9	4,291,000
75-79	S										
	N	3	168,000	8	969,000	11	2,495,000	1	79,000	1	488,000
80-84	S										
	N	1	33,000	2	85,000	4	539,000				
85-89	S										
	N										
>90	S										
	N										
TOTAL	S	37	833,000	119	5,556,000	162	16,864,000	143	20,195,000	383	66,041,000
	N	285	8,298,000	954	64,223,000	1396	196,461,000	1298	262,922,000	2566	605,039,000
TOTAL		322	9,131,000	1073	69,779,000	1558	213,325,000	1441	283,117,000	2949	671,080,000

SYSTEM TOTALS
OPTIONAL LIFE INSURANCE
ACTIVE EMPLOYEES

Sxsa1

LXsa1

AGE	SMK	PLAN 5 #POL	PLAN 5 AMT_IN_FORCE	PLAN 6 #POL	PLAN 6 AMT_IN_FORCE	PLAN 7 #POL	PLAN 7 AMT_IN_FORCE	PLAN 8 #POL	PLAN 8 AMT_IN_FORCE	PLAN 9 #POL	PLAN 9 AMT_IN_FORCE	TOTAL #POL	TOTAL AMT_IN_FORCE
<20	S												
	N												
20-24	S	1	101,000									4	181,000
	N	6	671,000	7	1,091,000							28	1,877,000
25-29	S	15	1,916,000	5	986,000							157	11,464,000
	N	95	16,493,000	61	12,055,000							91	8,828,000
30-34	S	20	3,572,000	9	2,474,000							693	76,424,000
	N	236	52,442,000	144	41,445,000							101	13,526,000
35-39	S	50	11,550,000	18	5,308,000							1025	183,060,000
	N	428	119,164,000	230	78,954,000							160	29,020,000
40-44	S	80	19,806,000	23	6,412,000							1395	327,089,000
	N	539	158,713,000	285	100,475,000							191	39,789,000
45-49	S	97	20,207,000	42	11,214,000							1510	378,745,000
	N	609	181,887,000	263	99,142,000							274	48,308,000
50-54	S	99	23,171,000	26	6,861,000							1682	427,223,000
	N	671	213,694,000	243	87,323,000							286	52,257,000
55-59	S	66	17,092,000	8	2,644,000							1848	474,908,000
	N	419	144,759,000	117	52,288,000							192	36,313,000
60-64	S	23	7,610,000	1	331,000							1470	385,703,000
	N	216	80,133,000	48	22,037,000							81	17,453,000
65-69	S	2	502,000									932	244,107,000
	N	62	28,568,000	7	4,169,000							21	2,803,000
70-74	S	1	109,000									356	101,497,000
	N	6	3,115,000	2	1,637,000							5	1,181,000
75-79	S											90	21,941,000
	N	3	1,468,000									27	5,667,000
80-84	S												
	N												
85-89	S											7	657,000
	N												
>90	S												
	N												
TOTAL	S	454	105,636,000	132	36,230,000								
	N	3290	1,001,107,000	1407	500,616,000								
TOTAL		3744	1,106,743,000	1539	536,846,000								

ACTIVE TOTAL POLICIES: 12,626

ACTIVE TOTAL COVERAGE: 2,890,021,000

THE TEXAS A & M UNIVERSITY SYSTEM
BUDGET/PAYROLL/PERSONNEL SYSTEM
MASTER LIST OF INSURANCE COVERAGES FOR MONTH ENDING 11/30/2008

SYSTEM TOTALS
OPTIONAL LIFE INSURANCE
RETIRED EMPLOYEES IN 10,000 INCREMENTS

AGE	SMK	0 - 10K	10 - 20K	20 - 30K	30 - 40K	40 - 50K					
		#POL__AMT_IN_FORCE	#POL__AMT_IN_FORCE	#POL__AMT_IN_FORCE	#POL__AMT_IN_FORCE	#POL__AMT_IN_FORCE					
<20	S										
	N										
20-24	S										
	N										
25-29	S										
	N										
30-34	S										
	N										
35-39	S										
	N										
40-44	S										
	N										
45-49	S										
	N										
50-54	S		1	15,000							
	N										
55-59	S			1	23,000	1	34,000	2	91,000		
	N		2	35,000	6	162,000	7	265,000	17	50,000	
60-64	S	1	10,000	2	37,000	6	153,000	5	185,000	7	828,000
	N	3	25,000	6	109,000	26	695,500	11	399,000	45	331,000
65-69	S	2	17,500	8	129,000	8	225,000	2	72,000	7	2,145,000
	N	18	152,000	33	581,000	57	1,570,000	19	705,000	80	331,000
70-74	S	5	39,000	7	110,000	11	330,000	7	266,500	5	3,840,000
	N	28	222,000	41	675,000	145	4,073,500	20	741,000	52	241,000
75-79	S	6	45,000	4	60,000	12	347,500				2,453,000
	N	57	435,000	55	854,500	200	5,740,000	17	645,000	15	
80-84	S	13	85,000	1	15,000	6	172,500				696,000
	N	94	682,500	50	765,000	142	4,061,000	8	298,500	13	
85-89	S	7	50,000	3	45,000						590,000
	N	93	659,500	14	212,500	54	1,519,000	2	70,000	5	
>90	S	7	45,000								231,000
	N	32	220,000	12	180,000	8	232,500	1	34,000	1	
TOTAL	S	41	291,500	26	411,000	44	1,251,000	14	523,500	20	953,000
	N	325	2,396,000	213	3,412,000	638	18,053,500	86	3,191,500	230	10,919,000
TOTAL		366	2,687,500	239	3,823,000	682	19,304,500	100	3,715,000	250	11,872,000

THE TEXAS A & M UNIVERSITY SYS
BUDGET/PAYROLL/PERSONNEL SYSTEM
MASTER LIST OF INSURANCE COVERAGES FOR MONTH ENDING 11/30/2008

SYSTEM TOTALS
OPTIONAL LIFE INSURANCE
RETIRED EMPLOYEES IN 10,000 INCREMENTS

AGE	SMK	50 - 60K		60 - 70K		70 - 80K		80 - 90K		90 - 100K		TOTAL	
		#POL	AMT_IN_FORCE	#POL	AMT_IN_FORCE	#POL	AMT_IN_FORCE	#POL	AMT_IN_FORCE	#POL	AMT_IN_FORCE	#POL	AMT_IN_FORCE
<20	S												
	N												
20-24	S												
	N												
25-29	S												
	N												
30-34	S												
	N												
35-39	S												
	N												
40-44	S												
	N												
45-49	S									2	200,000	2	200,000
	N			1	64,000							1	64,000
50-54	S	1	60,000					1	85,000	5	500,000	7	645,000
	N	2	118,000			1	76,000	1	84,000	9	894,000	14	1,187,000
55-59	S	6	351,000	2	123,000	4	306,000	4	352,000	45	4,489,000	64	5,746,000
	N	3	173,000			3	225,000	2	171,000	46	4,597,000	56	5,239,000
60-64	S	13	755,000	10	664,000	8	593,000	9	771,000	274	27,320,000	346	31,393,000
	N	9	508,000	2	137,000	6	459,000	2	165,000	56	5,586,000	96	7,571,000
65-69	S	61	3,587,500	11	727,000	21	1,590,000	20	1,718,000	384	38,296,000	588	49,292,000
	N	23	1,348,000	5	321,000	2	151,000	3	251,000	36	3,594,000	96	6,439,500
70-74	S	181	10,672,000	21	1,377,000	21	1,565,000	25	2,144,000	370	36,864,000	825	59,470,000
	N	41	2,432,500									76	3,419,000
75-79	S	407	24,244,000									693	32,408,500
	N	10	586,500									32	1,039,000
80-84	S	203	12,092,500									547	20,463,000
	N	3	180,000									23	452,500
85-89	S	59	3,499,000									366	9,896,000
	N	17	997,000									10	95,000
>90	S											185	3,689,000
	N	2	120,000									7	45,000
												56	831,500
TOTAL	S	91	5,346,000	8	522,000	12	911,000	8	671,000	149	14,871,000	56	831,500
	N	950	56,378,000	44	2,891,000	54	4,054,000	59	5,070,000	1078	107,469,000	56	831,500
TOTAL		1041	61,724,000	52	3,413,000	66	4,965,000	67	5,741,000	1227	122,340,000	56	831,500

RETIREE TOTAL POLICIES: 4,090

RETIREE TOTAL COVERAGE: 239,585,000

THE TEXAS A & M UNIVERSITY SYSTEM
BUDGET/PAYROLL/PERSONNEL SYSTEM
MASTER LIST OF INSURANCE COVERAGES FOR MONTH ENDING 11/30/2008

SYSTEM TOTALS
OPTIONAL LIFE INSURANCE
EMPLOYEES W/ WAIVED PREMIUMS

AGE	SMK	0 - 50K		50 - 100K		100 - 200K		200 - 300K	
		#POL	AMT_IN_FORCE	#POL	AMT_IN_FORCE	#POL	AMT_IN_FORCE	#POL	AMT_IN_FORCE
<20	S								
	N								
20-24	S								
	N								
25-29	S								
	N								
30-34	S								
	N								
35-39	S			1	78,000				
	N			1	68,000				
40-44	S								
	N								
45-49	S			1	68,000				
	N	1	45,000	1	58,000	1	122,000	2	499,000
50-54	S	1	37,000	5	403,000				
	N	2	69,000	1	87,000	5	674,500	2	490,000
55-59	S			2	149,000				
	N	4	121,000	7	548,000	6	780,000	4	987,000
60-64	S	1	23,000	3	215,000	2	258,000	1	202,000
	N	6	219,000	13	1,004,000	5	627,000	4	1,025,000
65-69	S			1	89,000				
	N	1	43,000	1	99,000	2	281,000		
70-74	S								
	N								
75-79	S								
	N								
80-84	S								
	N								
85-89	S								
	N								
>90	S								
	N								
TOTAL	S	2	60,000	13	1,002,000	2	258,000	1	202,000
	N	14	497,000	24	1,864,000	19	2,484,500	12	3,001,000
TOTAL		16	557,000	37	2,866,000	21	2,742,500	13	3,203,000

THE TEXAS A & M UNIVERSITY SYSTEM
 BUDGET/PAYROLL/PERSONNEL SYSTEM
 MASTER LIST OF INSURANCE COVERAGES FOR MONTH ENDING 11/30/2008

SYSTEM TOTALS
 OPTIONAL LIFE INSURANCE
 EMPLOYEES W/ WAIVED PREMIUMS

AGE	SMK	300 - 400K		400 - 500K		OVER 500K		TOTAL	
		#POL	AMT_IN_FORCE	#POL	AMT_IN_FORCE	#POL	AMT_IN_FORCE	#POL	AMT_IN_FORCE
<20	S								
	N								
20-24	S								
	N								
25-29	S								
	N								
30-34	S								
	N								
35-39	S							1	78,000
	N							1	68,000
40-44	S								
	N								
45-49	S								
	N	1	313,000					1	68,000
50-54	S							6	1,037,000
	N	1	324,000	1	405,000			6	440,000
55-59	S							12	2,049,500
	N	1	347,000			1	875,000	2	149,000
60-64	S	1	321,000					23	3,658,000
	N			1	494,000			8	1,019,000
65-69	S							29	3,369,000
	N							1	89,000
70-74	S							4	423,000
	N								
75-79	S								
	N								
80-84	S								
	N								
85-89	S								
	N								
>90	S								
	N								
TOTAL	S	1	321,000						
	N	3	984,000	2	899,000	1	875,000		
TOTAL		4	1,305,000	2	899,000	1	875,000		

WAIVED PREMIUM TOTAL POLICIES: 94

WAIVED PREMIUM TOTAL COVERAGE: 12,447,500

SYSTEM TOTAL POLICIES: 16,810
 SYSTEM TOTAL COVERAGE: 3,142,053,500

EXHIBIT J – DEPENDENT LIFE PARTICIPATION REPORTS

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THE TEXAS A & M UNIVERSITY SYSTEM
BUDGET/PAYROLL/PERSONNEL SYSTEM
MASTER LIST OF INSURANCE COVERAGES FOR MONTH ENDING 11/30/2008

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SYSTEM TOTALS
DEPENDENT LIFE INSURANCE - ACTIVE EMPLOYEES

AGE	SEX	SMK/ #POL	PLAN A		CHILDREN #POL	CHILDREN AMT IN FORCE	PLAN B		FAMILY/SPOUSE #POL	PLAN C		CHILDREN #POL	CHILDREN AMT IN FORCE
			SMK/ #POL	FAMILY/SPOUSE AMT IN FORCE			ALL #POL	AMT IN FORCE		AMT IN FORCE	AMT IN FORCE		
<35	SF	19	1,523,100	20	420,800								
	SM	36	3,960,800	10	174,500								
	NF	256	25,536,300	136	3,078,300		46	470,000	1	35,000	1	5,000	
	NM	225	28,479,500	46	1,300,400		35	385,000	1	35,000			
35-39	SF	29	3,233,400	11	336,200								
	SM	33	5,953,500	8	307,100								
	NF	267	39,066,600	133	5,175,000		34	450,000	5	185,000			
	NM	321	63,716,300	56	2,684,600		26	295,000	1	45,000			
40-44	SF	37	4,947,400	20	520,500								
	SM	58	10,277,100	14	546,700								
	NF	330	51,026,600	171	6,303,100		52	585,000	2	70,000	3	30,000	
	NM	300	73,313,500	80	4,219,800		24	300,000	1	35,000			
45-49	SF	32	3,580,500	31	1,009,100								
	SM	56	7,658,900	21	825,000								
	NF	345	49,174,300	176	6,459,600		43	435,000	5	160,000			
	NM	365	87,857,600	65	3,056,600		40	490,000	3	90,000			
50-54	SF	40	3,853,000	9	226,200								
	SM	65	9,733,200	19	681,600								
	NF	384	49,210,900	112	3,993,700		46	375,000	3	85,000	2	10,000	
	NM	382	88,843,600	76	4,830,300		40	480,000	5	150,000			
55-59	SF	26	2,496,900	2	51,600								
	SM	38	4,748,200	7	277,600								
	NF	228	25,029,700	39	1,267,500		38	230,000	3	75,000			
	NM	316	69,919,700	42	2,358,700		76	650,000	2	60,000			
60-64	SF	7	451,300										
	SM	21	2,867,000										
	NF	120	11,014,400	9	176,900		21	115,000	1	25,000			
	NM	227	42,290,200	14	684,200		75	475,000	3	75,000			
65-69	SF	1	44,500										
	SM	1	80,000										
	NF	24	2,052,600				6	35,000					
	NM	89	15,162,600	2	102,300		45	260,000	3	75,000			
70-74	SF												
	SM	2	124,000										
	NF	4	145,000										
	NM	13	1,607,000	1	91,600		16	100,000					
75-79	SF												
	SM	1	39,500				1	5,000					
	NF						7	35,000					
	NM	6	677,500										

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THE TEXAS A & M UNIVERSITY SYSTEM
BUDGET/PAYROLL/PERSONNEL SYSTEM
MASTER LIST OF INSURANCE COVERAGES FOR MONTH ENDING 11/30/2008

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SYSTEM TOTALS
DEPENDENT LIFE INSURANCE - ACTIVE EMPLOYEES

AGE	SMK/ SEX	PLAN A		CHILDREN #POL AMT IN FORCE	PLAN B		PLAN C		CHILDREN #POL AMT IN FORCE	
		FAMILY/SPOUSE #POL AMT IN FORCE	ALL #POL AMT IN FORCE		FAMILY/SPOUSE #POL AMT IN FORCE	ALL #POL AMT IN FORCE				
80-84	SF									
	SM				3	7,500				
	NF				1	5,000				
	NM									
85-89	SF									
	SM				1	5,000				
	NF				1	5,000				
	NM									
>90	SF									
	SM									
	NF									
	NM									
SUBTO	SF	191	20,130,100	93			1	25,000		
	SM	310	45,402,700	79			4	88,000		
	NF	1959	252,295,900	776	291	2,712,500	20	635,000	6	45,000
	NM	2244	471,867,500	382	386	3,480,000	19	565,000		
TOTAL		4704	789,696,200	1330	677	6,192,500	44	1,313,000	6	45,000

ACTIVE TOTAL POLICIES: 6,761
ACTIVE TOTAL CVRG AMT: 848,406,200

THE TEXAS A & M UNIVERSITY SYSTEM
BUDGET/PAYROLL/PERSONNEL SYSTEM
MASTER LIST OF INSURANCE COVERAGES FOR MONTH ENDING 11/30/2008

MONINS06 E00035

SYSTEM TOTALS
DEPENDENT LIFE INSURANCE - RETIRED EMPLOYEES

AGE	SMK/ SEX	#POL	PLAN A		CHILDREN #POL	CHILDREN AMT IN FORCE	PLAN B		FAMILY/SPOUSE #POL	PLAN C																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
			FAMILY/SPOUSE AMT IN FORCE	CHILDREN AMT IN FORCE			ALL AMT IN FORCE	ALL AMT IN FORCE		FAMILY/SPOUSE AMT IN FORCE	CHILDREN AMT IN FORCE																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
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	SM	1	70,000	1	20,000																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
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	SM	3	190,000	1	10,000																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
	NF	9	468,300	4	39,700	1	5,000																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
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	SM	8	357,000	1	20,000																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
	SM	12	634,000	2	22,300																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
	NF	55	2,764,000	11	178,500	10	60,000																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
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	SM	20	932,700	2	28,000																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
	NF	103	4,400,650	4	39,700	17	85,000	2	50,000																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
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	SM	113	5,363,050	4	59,000	30	185,000	3	75,000																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
	SF	5	190,000	1	10,000																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
	SM	10	379,500	1	16,000																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
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	SM	19	475,500																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
	NF	67	1,531,750	1	9,000	17	85,000	1	25,000																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
	NM	135	3,534,500	2	12,000	95	475,000	6	135,000																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
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	SM	11	240,000																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
	NF	37	738,500																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
	NM	82	1,932,250	1	2,250	103	60,000	2	35,000																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
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THE TEXAS A & M UNIVERSITY SYSTEM
BUDGET/PAYROLL/PERSONNEL SYSTEM
MASTER LIST OF INSURANCE COVERAGES FOR MONTH ENDING 11/30/2008

MONINS06 BPOJ35

SYSTEM TOTALS
DEPENDENT LIFE INSURANCE - RETIRED EMPLOYEES

AGE	SEX	SMK/ #POL	PLAN A		CHILDREN #POL	PLAN B		FAMILY/SPOUSE		PLAN C		CHILDREN #POL
			SMK/ #POL	AMT IN FORCE		ALL #POL	AMT IN FORCE	#POL	AMT IN FORCE	#POL	AMT IN FORCE	
80-84	SF											
	SM	2	33,750									
	NF	18	308,000			7	35,000					
	NM	53	718,750	1	6,000	54	275,000	6	101,250			
85-89	SF											
	SM	1	7,500									
	NF	1	3,750			2	10,000	1	15,000			
	NM	32	320,000			28	140,000	4	78,750			
>90	SF											
	SM											
	NF	2	7,500									
	NM	5	60,000			6	30,000	1	3,750			
SUBTO	SF	24	986,500	2	30,000							
	SM	80	2,994,950	7	96,300			4	82,500			
	NF	405	14,397,900	23	301,500	84	440,000	11	240,000	1	5,000	
	NM	680	23,542,650	20	249,950	423	2,285,000	39	833,750			
TOTAL		1189	41,922,000	52	677,750	507	2,725,000	54	1,156,250	1	5,000	
RETIREE TOTAL POLICIES:												1,803
RETIREE TOTAL CVRG AMT:												46,486,000

THE TEXAS A & M UNIVERSITY SYSTEM
BUDGET/PAYROLL/PERSONNEL SYSTEM
MASTER LIST OF INSURANCE COVERAGES FOR MONTH ENDING 11/30/2008

SYSTEM TOTALS

DEPENDENT LIFE INSURANCE - ALL EMPLOYEES

AGE	SMK/ SEX	PLAN A		CHILDREN #POL AMT IN FORCE	PLAN B		FAMILY/SPOUSE #POL AMT IN FORCE	PLAN C		CHILDREN #POL AMT IN FORCE
		#POL	AMT IN FORCE		ALL #POL	AMT IN FORCE		AMT IN FORCE	AMT IN FORCE	
80-84	SF									
	SM	2	33,750							
	NF	18	308,000		10	42,500				
	NM	53	718,750	1	55	280,000	6	101,250		
85-89	SF									
	SM	1	7,500							
	NF	1	3,750		3	15,000	1	15,000		
	NM	32	320,000		29	145,000	4	78,750		
>90	SF									
	SM									
	NF	2	7,500							
	NM	5	60,000		6	30,000	1	3,750		
SUBTO	SF	215	21,116,600	95						
	SM	390	48,397,650	86			1	25,000		
	NF	2364	266,693,800	799	375	3,152,500	8	170,500		
	NM	2924	495,410,150	402	809	5,765,000	31	875,000	7	50,000
TOTAL		5893	831,618,200	1382	1184	8,917,500	58	1,398,750	7	50,000
ALL TOTAL POLICIES:							98	2,469,250		
ALL TOTAL CVRG AMT:										

EXHIBIT K – AD&D EXPERIENCE REPORT

AD&D Experience

Policy Year	Premium	Paid Claims Incurred Basis	Number of Claims	Pending Claims
11/95 - 11/96	\$839,916	\$332,500	6	
11/96 - 09/97	\$741,373	\$128,000	3	
09/97 - 09/98	\$919,820	\$615,750	9	
09/98 - 09/99	\$912,713	\$528,500	6	
09/99 - 09/00	\$982,838	\$781,075	14	
09/00 - 09/01	\$802,697	\$1,161,250	9	
09/01 - 09/02	\$857,893	\$440,000	5	
09/02 - 09/03	\$917,241	\$830,000	9	
09/03 - 09/04	\$959,904	\$409,669	4	
09/04 - 09/05	\$970,810	*	*	
09/05 - 09/06	\$996,853	*	*	
09/06 - 09/07	\$872,952	\$532,116	9	
09/07 - 09/08	\$909,207	\$187,788	5	\$427,000

* Not available

Pended claims as of
8/31/08:

\$15,000
\$60,000
\$100,000
\$252,000

EXHIBIT L – LIFE EXPERIENCE REPORTS

The Texas A&M University System 2007 - 2008 Life Insurance P&L Report Life Insurance Enrollment Counts and Premiums Ft. Dearborn

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	AVG/TOTALS
Basic Life & Basic AD&D													
No. Enrolled	28,798	28,888	29,033	30,015	29,913	29,853	29,929	29,982	30,187	28,785	29,604	29,406	29,533
Total Coverage	\$176,120,000	\$176,120,000	\$176,120,000	\$1,495,380,000	\$186,875,000	\$186,508,500	\$187,383,500	\$187,553,500	\$189,023,500	\$185,523,500	\$184,853,500	\$183,908,500	293,420,375
Total Premium	\$100,150	\$101,551	\$101,726	\$106,165	\$106,165	\$106,646	\$106,846	\$106,818	\$106,542	\$105,541	\$105,552	\$105,131	1,257,833
Basic Life Paid Claims	\$27,500	\$75,000	\$105,250	\$94,500	\$182,500	\$102,500	\$114,833	\$143,614	\$93,890	\$81,500	\$71,667	\$169,792	1,292,546
AD&D Paid Claims	\$5,000	\$5,000	\$5,000	\$5,000	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	\$30,000
Total Paid Claims	\$32,500	\$80,000	\$110,250	\$99,500	\$192,500	\$102,500	\$114,833	\$143,614	\$93,890	\$81,500	\$71,667	\$209,792	\$1,322,546
Profit & Loss	\$67,650	\$26,551	(\$8,524)	\$11,665	(\$88,335)	\$4,146	(\$7,987)	(\$36,796)	\$11,652	\$24,041	\$33,885	(\$104,661)	(\$84,713)
Pending Claims													
Dependent Life Insurance (Employee-Pay-All):													
No. Enrolled	8,461	8,507	8,526	8,563	8,558	8,544	8,569	8,570	8,546	8,527	8,513	8,503	8,532
Total Coverage	\$668,760,950	\$873,300,000	\$878,980,850	\$878,910,200	\$878,654,750	\$831,702,900	\$875,632,250	\$874,481,200	\$867,434,750	\$846,557,900	\$860,563,250	\$855,089,900	865,672,408
Total Premium	\$174,138	\$174,079	\$173,641	\$172,743	\$172,743	\$170,296	\$170,296	\$172,743	\$146,514	\$146,514	\$146,696	\$145,932	1,966,335
Total Paid Claims	\$161,500	\$163,250	\$302,000	\$62,000	\$48,750	\$111,327	\$261,640	\$144,500	\$12,527	\$1,456,723	\$53,250	\$138,750	\$2,916,217
Profit / (Loss)	\$12,638	\$10,829	(\$128,359)	\$110,743	\$123,903	\$58,969	(\$91,344)	\$28,243	\$133,987	(\$1,310,209)	\$93,446	\$7,182	(\$949,882)
Optional Life Insurance (Employee-Pay-All):													
No. Enrolled	16,328	16,405	16,473	16,576	16,584	16,596	16,645	16,669	16,676	16,632	16,594	16,554	16,561
Total Coverage	\$3,002,946,000	\$3,014,971,500	\$3,024,821,500	\$3,030,764,500	\$3,028,439,500	\$3,022,083,500	\$3,023,953,500	\$3,022,396,500	\$3,011,052,500	\$2,997,313,500	\$2,988,124,500	\$2,977,443,000	3,012,025,792
Total Premium	\$866,419	\$868,329	\$864,394	\$862,364	\$862,364	\$854,964	\$853,357	\$851,779	\$713,908	\$713,908	\$716,084	\$711,406	\$97,39,275
Total Paid Claims	\$127,500	\$727,970	\$1,031,750	\$566,500	\$1,765,000	\$692,323	\$1,381,010	\$1,435,724	\$566,250	\$365,950	\$1,439,000	\$706,500	\$10,804,377
Profit & Loss	\$738,919	\$140,359	(\$167,356)	\$295,864	(\$902,636)	\$162,641	(\$527,653)	(\$583,945)	\$148,658	\$348,058	(\$722,916)	\$4,906	(\$1,085,102)
Dependent and Optional Totals													
Total Premium	\$1,042,408	\$1,042,408	\$1,038,035	\$1,035,107	\$1,035,107	\$1,025,280	\$1,023,652	\$1,024,522	\$960,422	\$860,422	\$862,780	\$857,338	\$11,705,610
Total Paid Claims	\$289,000	\$891,220	\$1,333,750	\$628,500	\$1,813,750	\$803,650	\$1,642,650	\$1,580,224	\$577,777	\$1,822,673	\$1,482,250	\$945,250	\$13,720,594
Profit & Loss	\$751,556	\$151,188	(\$295,715)	\$406,607	(\$778,643)	\$221,610	(\$618,998)	(\$555,702)	\$382,645	(\$962,151)	(\$862,780)	\$12,088	(\$2,248,294)
Pending Claims	\$2,283,983					\$3,166,583	\$3,274,000	\$2,861,261.00	\$3,910,846.00	\$3,458,272.67	\$3,178,356.00	\$2,293,914.34	

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	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	AVG/TOTALS
Basic Life Insurance (Non-contributors):													
No. Enrolled	28,535	28,571	28,677	29,573	29,558	29,458	29,435	29,458	28,654	29,026	28,951	28,655	29,046
Total Coverage	\$173,453,000	\$175,893,000	\$176,394,000	\$183,749,000	\$183,944,000	\$182,589,000	\$182,609,000	\$182,409,000	\$183,119,000	\$179,979,000	\$178,974,000	\$176,819,000	\$179,993,417
Total Premium	\$98,659	\$100,260	\$100,343	\$104,968	\$104,460	\$104,220	\$103,974	\$103,869	\$104,664	\$102,287	\$102,007	\$101,782	\$102,007
Paid Claims	\$72,167	\$117,250	\$72,500	\$88,749	\$46,917	\$106,383	\$129,200	\$92,500	\$92,500	\$75,500	\$57,500	\$129,167	\$123,563
Profit / (Loss)	\$26,492	(\$16,960)	\$27,843	\$16,219	\$57,543	(\$1,163)	(\$25,226)	\$11,409	\$12,164	\$27,287	\$44,507	(\$27,385)	\$162,730
AD&D Insurance													
Paid Claims	\$0	\$10,000	\$0	\$10,000	\$15,000	\$10,000	\$10,000	\$0	\$5,000	\$5,000	\$0	\$0	\$65,000
Basic Life/AD&D T: Total													
	\$72,167	\$127,250	\$72,500	\$98,749	\$61,917	\$115,383	\$139,200	\$92,500	\$97,500	\$80,000	\$57,500	\$129,167	\$1,143,933
Total Profit/(Loss)	\$26,492	(\$26,960)	\$27,843	\$6,219	\$42,543	(\$1,163)	(\$35,226)	\$11,409	\$7,164	\$22,287	\$44,507	(\$27,385)	\$87,730
Dependent Life Insurance (Employee-Pre-401k):													
No. Enrolled	8,587	8,616	8,628	8,677	8,669	8,648	8,628	8,633	8,620	8,574	8,555	8,506	8,612
Total Coverage	\$853,803,700	\$857,859,700	\$860,161,900	\$832,581,850	\$859,640,250	\$856,154,850	\$853,737,350	\$852,084,500	\$850,816,800	\$846,269,950	\$843,586,550	\$839,347,550	\$850,545,329
Total Premium	\$164,067	\$166,803	\$165,363	\$165,369	\$164,984	\$163,985	\$163,498	\$163,227	\$220,177	\$142,887	\$140,338	\$139,776	\$140,603
Paid Claims	15,000	\$140,400	\$16,250	\$45,000	\$0	\$52,500	\$136,750	\$7,500	\$12,500	\$506,250	\$197,500	\$43,500	\$1,173,150
Profit / (Loss)	\$149,067	\$26,403	\$149,113	\$110,589	\$164,984	\$11,485	\$26,748	\$155,727	\$207,677	(\$363,363)	(\$57,162)	\$96,276	\$787,543
Optional Life Insurance (Employee-Pre-401k):													
No. Enrolled	16,379	16,419	16,444	16,567	16,550	16,539	16,536	16,509	16,505	16,425	16,417	16,338	16,459
Total Coverage	\$2,932,906,500	\$2,939,259,000	\$2,947,166,000	\$2,957,288,000	\$2,961,236,000	\$2,942,220,000	\$2,939,029,500	\$2,929,260,500	\$2,927,477,500	\$2,910,310,000	\$2,908,202,000	\$2,888,610,500	\$2,931,095,458
Total Premium	\$815,639	\$824,901	\$820,954	\$820,524	\$816,659	\$811,560	\$809,604	\$806,912	\$1,161,431	\$678,970	\$675,151	\$672,745	\$871,049
Paid Claims	\$401,083	\$492,250	\$1,139,200	\$402,000	\$776,500	\$308,708	\$995,209	\$710,000	\$332,000	\$385,750	\$945,515	\$1,039,785	\$7,965,000
Profit / (Loss)	\$414,556	\$332,651	(\$318,246)	\$418,524	\$40,159	\$502,852	(\$185,605)	\$96,912	\$829,431	\$293,220	(\$270,364)	(\$397,040)	\$1,757,049
Dependent and Optional Totals													
Total Coverage	\$3,785,710,200	\$3,797,118,700	\$3,807,327,900	\$3,789,849,850	\$3,810,876,250	\$3,798,374,850	\$3,792,766,850	\$3,781,345,000	\$3,778,294,000	\$3,758,779,950	\$3,751,787,550	\$3,728,458,050	\$3,793,629,322
Total Premium	\$979,706	\$991,703	\$986,316	\$986,113	\$991,643	\$973,545	\$973,102	\$970,139	\$1,361,609	\$821,857	\$815,489	\$812,520	\$1,167,572
Total Paid Claims	\$416,083	\$632,650	\$1,155,450	\$447,000	\$776,500	\$361,208	\$1,131,959	\$717,500	\$344,500	\$892,000	\$1,143,015	\$1,113,285	\$9,131,150
Total Profit/(Loss)	\$563,623	\$359,053	(\$169,134)	\$539,113	\$205,143	\$614,337	(\$158,857)	\$252,639	\$1,037,109	(\$70,143)	(\$327,526)	(\$300,765)	\$2,544,592

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	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	AVE/TOTALS
Basic Life Insurance (Non-contributors):													
No. Enrolled	28,167	28,122	28,229	29,155	29,150	29,130	29,032	29,033	29,046	28,871	28,699	28,343	344,977
Total Coverage	\$172,112,500	\$171,752,500	\$172,982,500	\$180,087,500	\$176,457,500	\$180,294,500	\$179,534,500	\$179,584,500	\$179,964,500	\$178,566,500	\$177,287,000	\$174,896,000	2,123,520,000
Total Premium	\$96,327	\$97,754	\$98,150	\$102,226	\$102,153	\$102,602	\$102,174	\$101,865	\$103,314	\$100,962	\$100,980	\$100,201	1,203,008
Paid Claims	\$122,335	\$51,067	\$69,500	\$57,500	\$98,000	\$81,000	\$138,000	\$97,000	\$232,500	\$96,167	\$102,000	\$102,667	1,240,336
Profit / (Loss)	(\$26,008)	\$46,087	\$28,650	\$37,226	\$4,153	\$21,602	(\$35,260)	\$4,865	(\$129,186)	\$4,495	(\$1,420)	(\$2,466)	(\$47,828)
AD&D Insurance													
Paid Claims	\$0	\$10,000	\$5,000	\$0	\$10,000	\$0	\$0	\$5,000	\$0	\$5,000	\$15,000	\$0	\$50,000
Basic Total Paid Claims													
	\$122,335	\$61,667	\$74,500	\$57,500	\$108,000	\$81,000	\$138,000	\$102,000	\$232,500	\$101,167	\$117,000	\$102,667	\$1,298,336
Total Profit/(Loss)	(\$26,008)	\$36,087	\$23,650	\$44,726	(\$5,847)	\$21,602	(\$35,826)	(\$135)	(\$129,186)	(\$525)	(\$16,420)	(\$2,466)	(\$90,328)
Dependent Life Insurance (Employee Pay-At-Risk):													
No. Enrolled	8,546	8,572	8,601	8,638	8,662	8,667	8,667	8,678	8,662	8,670	8,674	8,615	103,652
Total Coverage	\$829,234,150	\$832,581,850	\$836,761,250	\$837,506,150	\$839,556,750	\$838,756,650	\$838,756,650	\$839,835,350	\$837,176,550	\$836,648,650	\$835,728,750	\$827,516,800	\$10,030,002,450
Total Premium	\$130,986	\$133,530	\$132,772	\$132,816	\$132,452	\$132,535	\$131,692	\$132,447	\$132,274	\$131,340	\$112,384	\$112,622	\$1,590,949
Paid Claims	\$563,250	\$103,400	\$103,400	\$20,000	\$255,500	\$67,000	\$103,000	\$5,000	\$41,750	\$233,000	\$12,500	\$361,800	\$1,925,300
Profit / (Loss)	(\$23,014)	(\$429,720)	\$29,372	\$112,816	(\$123,048)	\$65,635	\$23,662	\$127,447	\$140,524	(\$118,660)	\$99,884	(\$249,178)	(\$344,251)
Optional Life Insurance (Employee Pay-At-Risk):													
No. Enrolled	16,208	16,274	16,346	16,475	16,511	16,530	16,499	16,519	16,488	16,485	16,492	16,368	197,205
Total Coverage	\$2,832,113,000	\$2,840,294,500	\$2,850,025,500	\$2,864,420,500	\$2,870,596,000	\$2,866,735,500	\$2,862,042,000	\$2,863,895,350	\$2,855,347,800	\$2,856,302,500	\$2,855,344,000	\$2,833,118,500	\$34,250,226,000
Total Premium	\$645,496	\$654,424	\$651,760	\$651,451	\$650,305	\$648,265	\$646,108	\$648,628	\$649,888	\$650,827	\$653,410	\$659,487	\$7,752,148
Paid Claims	\$853,464	\$1,070,500	\$293,500	\$687,833	\$378,750	\$449,992	\$627,018	\$1,481,833	\$949,371	\$795,119	\$1,171,414	\$625,833	\$9,564,617
Profit / (Loss)	(\$207,968)	(\$416,076)	\$358,260	(\$36,382)	\$271,555	\$198,283	\$19,090	(\$835,205)	(\$9,483)	(\$225,192)	(\$633,004)	(\$386,346)	(\$1,902,499)
Dependent and Optional Totals													
Total Coverage	\$3,661,347,150	\$3,672,876,350	\$3,696,786,750	\$3,701,326,650	\$3,710,152,750	\$3,705,434,050	\$3,700,800,650	\$3,703,720,850	\$3,692,524,050	\$3,692,951,150	\$3,691,072,750	\$3,660,635,300	\$44,280,228,450
Total Premium	\$776,482	\$787,955	\$784,531	\$784,267	\$782,757	\$780,900	\$777,900	\$779,075	\$780,266	\$780,954	\$783,184	\$785,108	\$9,333,097
Total Paid Claims	\$1,007,464	\$1,633,750	\$396,900	\$1,077,833	\$634,250	\$516,982	\$735,018	\$1,486,833	\$991,121	\$998,119	\$1,183,914	\$1,287,633	\$11,579,817
Total Profit/(Loss)	(\$230,962)	(\$845,795)	\$387,631	\$76,434	\$148,507	\$263,918	\$42,782	(\$707,758)	(\$131,041)	(\$343,853)	(\$533,120)	(\$636,525)	(\$2,446,720)

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	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	AVG/TOTALS
Basic Life Insurance (Non-contributors):													
No. Enrolled	27,882	27,995	28,016	28,932	28,811	28,777	28,793	28,772	28,923	28,478	28,253	27,917	341,559
Total Coverage	\$171,088,500	\$171,121,500	\$171,121,500	\$179,796,500	\$178,951,500	\$178,691,500	\$178,751,500	\$178,691,500	\$180,481,500	\$176,666,500	\$174,601,500	\$172,384,000	2,111,209,500
Total Premium	\$94,850	\$97,109	\$97,056	\$101,866	\$101,895	\$100,962	\$101,336	\$101,316	\$103,007	\$99,505	\$99,135	\$98,168	1,196,295
Paid Claims	\$91,167	\$102,333	\$53,299	\$97,701	\$83,333	\$113,687	\$117,000	\$111,500	\$95,333	\$71,167	\$107,835	\$108,167	1,152,502
Profit / (Loss)	\$3,783	(\$5,224)	\$43,757	\$4,165	\$18,562	(\$12,715)	(\$15,664)	(\$10,184)	\$7,674	\$28,338	(\$8,700)	(\$9,999)	\$43,793
AD&D Insurance													
Paid Claims	\$0	\$10,000	\$5,000	\$0	\$0	\$15,000	\$5,000	\$0	\$10,000	\$0	\$5,000	\$5,000	\$55,000

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	AVG/TOTALS
Basic Total Paid Claims	\$91,167	\$112,333	\$58,299	\$97,701	\$83,333	\$126,687	\$122,000	\$111,500	\$105,333	\$71,167	\$112,835	\$113,167	\$1,207,502
Total Profit/(Loss)	\$3,783	(\$15,224)	\$38,757	\$4,165	\$18,562	(\$27,715)	(\$20,664)	(\$10,184)	(\$2,326)	\$28,338	(\$13,700)	(\$14,999)	(\$11,207)

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	AVG/TOTALS
Dependent Life Insurance (Employee Payroll):													
No. Enrolled	8,507	8,540	8,538	8,600	8,614	8,611	8,616	8,604	8,592	8,598	8,577	8,530	102,927
Total Coverage	\$785,196,100	\$785,207,600	\$785,345,150	\$793,762,650	\$795,699,350	\$794,928,350	\$796,080,650	\$794,206,400	\$794,649,800	\$794,371,500	\$793,226,250	\$789,214,900	\$9,509,887,000
Total Premium	\$121,287	\$125,408	\$123,976	\$123,426	\$122,796	\$123,310	\$122,726	\$122,521	\$120,229	\$107,450	\$104,007	\$104,566	\$1,471,692
Paid Claims	\$73,600	\$703,000	\$119,500	\$61,500	\$5,000	\$100,500	\$120,000	\$80,200	\$88,750	\$253,500	\$40,000	\$317,100	\$1,463,550
Profit / (Loss)	\$47,687	(\$77,592)	\$4,476	\$61,926	\$117,796	\$22,810	\$1,826	\$42,321	\$81,479	(\$146,050)	\$64,007	(\$212,544)	\$8,142

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	AVG/TOTALS
Optional Life Insurance (Employee Payroll):													
No. Enrolled	16,096	16,156	16,188	16,262	16,280	16,293	16,298	16,300	16,314	16,284	16,235	16,159	194,895
Total Coverage	\$2,687,557,000	\$2,693,003,500	\$2,697,095,500	\$2,707,574,500	\$2,706,270,500	\$2,706,088,000	\$2,708,816,500	\$2,706,170,500	\$2,708,181,500	\$2,703,104,500	\$2,698,989,500	\$2,683,015,000	\$32,403,869,500
Total Premium	\$588,004	\$610,473	\$604,952	\$603,239	\$599,035	\$601,788	\$598,378	\$599,113	\$598,366	\$598,203	\$598,342	\$596,745	\$7,187,258
Paid Claims	\$583,271	\$605,729	\$1,066,500	\$614,881	\$424,693	\$1,657,926	\$817,740	\$624,000	\$411,760	\$682,500	\$431,135	\$2,009,984	\$10,110,119
Profit / (Loss)	\$14,733	(\$195,256)	(\$461,548)	(\$11,642)	\$174,342	(\$1,056,138)	(\$219,372)	(\$24,887)	\$466,536	(\$164,297)	\$67,807	(\$1,513,239)	(\$2,922,861)

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTALS
Dependent and Optional Total:													
Total Coverage	\$3,472,753,100	\$3,488,211,100	\$3,488,440,650	\$3,501,337,150	\$3,501,969,850	\$3,501,014,350	\$3,504,900,450	\$3,500,376,900	\$3,502,831,300	\$3,497,476,000	\$3,490,215,750	\$3,472,229,900	\$41,913,756,500
Total Premium	\$719,291	\$735,881	\$728,928	\$726,665	\$721,831	\$725,098	\$721,104	\$721,634	\$720,615	\$705,653	\$702,949	\$691,301	\$8,658,950
Total Paid Claims	\$656,871	\$1,008,729	\$1,186,000	\$676,381	\$229,693	\$1,755,426	\$938,650	\$704,200	\$500,000	\$916,000	\$471,135	\$2,327,084	\$11,573,669
Total Profit/(Loss)	\$62,420	(\$272,648)	(\$457,072)	\$50,284	\$292,138	(\$1,033,328)	(\$217,546)	\$17,434	\$548,115	(\$310,347)	\$131,814	(\$1,725,783)	(\$2,914,719)

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	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	AVE/TOTALS
Basic Life Insurance (Non-contributory):													
No. Enrolled	28,715	28,403	28,630	28,342	28,362	28,347	28,348	28,560	27,085	26,823	26,578	26,578	336,728
Total Coverage	\$173,359,500	\$172,914,500	\$173,303,000	\$174,994,000	\$175,274,000	\$175,074,000	\$175,031,500	\$177,849,000	\$169,506,000	\$164,491,000	\$162,961,000	\$162,961,000	2,071,296,500
Total Premium	\$97,151	\$100,500	\$98,526	\$100,343	\$99,115	\$99,076	\$99,143	\$100,749	\$98,127	\$98,587	\$98,086	\$98,086	1,188,806
Paid Claims	\$0	\$97,500	\$100,000	\$102,500	\$107,500	\$80,000	\$65,000	\$89,486	\$62,000	\$77,500	\$165,000	\$165,000	974,500
Profit / (Loss)	\$97,151	\$33,000	(\$1,474)	(\$2,157)	(\$8,107)	\$19,115	\$14,076	(\$9,871)	\$2,253	\$16,127	\$21,087	(\$6,904)	\$214,306
AD&D Insurance:													
Paid Claims	\$0	\$0	\$5,000	\$0	\$0	\$0	\$5,000	\$0	\$0	\$5,000	\$5,000	\$5,000	\$20,000

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	AVE/TOTALS
Basic Total Paid Claims	\$0	\$97,500	\$105,000	\$102,500	\$107,500	\$80,000	\$65,000	\$114,014	\$89,486	\$62,000	\$72,500	\$110,000	\$994,500
Total Profit/(Loss)	\$97,151	\$33,000	(\$6,474)	(\$2,157)	(\$8,107)	\$19,115	\$34,076	(\$14,871)	\$2,253	\$16,127	\$16,087	(\$11,904)	\$194,306

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	AVE/TOTALS
Dependent Life Insurance (Employee Pay-Off):													
No. Enrolled	8,574	8,563	8,567	8,592	8,535	8,556	8,565	8,572	8,555	8,351	8,286	8,268	101,974
Total Coverage	\$756,911,850	\$758,194,200	\$758,744,300	\$759,551,050	\$756,914,650	\$756,234,250	\$760,964,650	\$761,440,450	\$760,957,300	\$737,229,050	\$732,586,350	\$729,818,150	\$9,030,646,250
Total Premium	\$111,841	\$113,490	\$112,008	\$112,643	\$112,453	\$112,202	\$112,559	\$112,844	\$159,099	\$98,461	\$96,004	\$96,360	\$1,349,594
Paid Claims	0	\$93,500	\$5,000	\$19,184	\$60,316	\$44,500	\$105,700	\$436,000	\$0	\$192,800	\$262,500	\$229,400	\$1,424,900
Profit / (Loss)	\$111,841	\$40,990	\$107,408	\$93,759	\$46,137	\$67,702	\$8,859	(\$123,156)	\$159,099	(\$86,339)	(\$165,596)	(\$133,010)	(\$75,306)

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	AVE/TOTALS
Optional Life Insurance (Employee Pay-Off):													
No. Enrolled	16,224	16,185	16,201	16,236	16,177	16,217	16,250	16,262	16,250	15,831	15,721	15,645	183,189
Total Coverage	\$2,582,842,000	\$2,581,840,200	\$2,587,116,000	\$2,592,359,000	\$2,581,216,000	\$2,584,144,500	\$2,592,976,500	\$2,596,163,000	\$2,591,925,000	\$2,515,093,000	\$2,497,960,000	\$2,490,650,000	\$30,794,885,500
Total Premium	\$548,928	\$558,599	\$554,121	\$554,440	\$552,186	\$552,079	\$551,898	\$553,905	\$810,023	\$459,167	\$463,708	\$460,497	\$6,819,352
Paid Claims	\$0	\$123,500	\$422,000	\$301,489	\$1,294,511	\$72,500	\$127,000	\$776,890	\$679,600	\$271,120	\$302,500	\$276,500	\$4,647,500
Profit / (Loss)	\$548,928	\$435,099	\$132,121	\$252,951	(\$742,325)	\$479,579	\$424,898	(\$222,975)	\$130,523	\$188,047	\$161,209	\$183,997	\$1,971,852

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTALS
Dependent and Optional Totals:													
Total Coverage	\$3,338,753,850	\$3,340,034,700	\$3,345,860,300	\$3,351,910,050	\$3,338,730,650	\$3,342,378,750	\$3,353,941,150	\$3,357,603,450	\$3,352,882,300	\$3,252,422,050	\$3,230,546,350	\$3,220,468,150	\$39,825,531,750
Total Premium	\$660,769	\$672,089	\$666,529	\$667,383	\$664,639	\$664,257	\$666,749	\$668,749	\$669,122	\$555,228	\$560,613	\$556,887	\$7,968,946
Total Paid Claims	\$0	\$197,000	\$427,000	\$320,673	\$1,390,827	\$117,000	\$232,700	\$1,212,880	\$679,500	\$463,220	\$565,000	\$565,900	\$6,072,400
Total Profit/(Loss)	\$660,769	\$445,089	\$239,529	\$346,710	(\$696,188)	\$647,281	\$431,557	(\$546,131)	\$289,622	\$91,708	(\$4,397)	\$50,087	\$1,896,546

The Texas A&M University System
2002 - 2003 Life Insurance P&L Report
Life Insurance Enrollment Counts and Premiums

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	AVGTOTALS
Basic Life Insurance (Non-contributory):													
No. Enrolled	30,754	30,030	30,078	30,101	30,171	30,220	30,094	30,019	29,911	29,201	29,076	28,921	35,816
Total Coverage	\$175,847,500	\$178,272,500	\$178,900,000	\$178,970,000	\$179,507,500	\$179,407,500	\$178,050,000	\$178,945,000	\$178,585,000	\$173,505,000	\$172,705,000	\$171,995,000	2,126,150,000
Total Premiums	\$106,062	\$112,548	\$111,636	\$111,070	\$111,866	\$111,852	\$110,660	\$111,052	\$110,468	\$106,753	\$106,827	\$106,083	1,317,037
Paid Claims	\$70,000	\$102,000	\$74,500	\$111,070	\$130,000	\$88,333	\$123,666	\$103,664	\$100,000	\$135,000	\$102,000	\$121,000	1,262,163
Profit / (Loss)	\$36,062	\$10,548	\$37,136	(\$20,930)	(\$18,134)	\$23,545	(\$12,706)	\$7,418	\$10,468	(\$28,247)	\$4,627	(\$14,917)	\$34,874
AD&D Insurance													
Paid Claims	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	\$5,000	\$10,000	\$5,000	\$15,000	\$40,000

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	AVGTOTALS
Basic Total Paid Claims	\$70,000	\$102,000	\$74,500	\$132,000	\$130,000	\$88,333	\$123,666	\$108,664	\$105,000	\$145,000	\$107,000	\$136,000	\$1,322,163
Total Profit/(Loss)	\$36,062	\$10,548	\$37,136	(\$20,930)	(\$18,134)	\$23,545	(\$12,706)	\$2,418	\$5,468	(\$38,247)	(\$173)	(\$29,917)	(\$5,126)

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	AVGTOTALS
Dependent Life Insurance (Employee Pay-All):													
No. Enrolled	8,735	8,782	8,770	8,797	8,798	8,807	8,780	8,765	8,738	8,662	8,649	8,608	104,871
Total Coverage	\$735,563,300	\$742,027,150	\$742,871,000	\$744,581,450	\$746,462,750	\$744,556,350	\$743,401,200	\$741,891,850	\$735,118,800	\$734,574,300	\$733,407,600	\$732,161,400	\$8,882,007,150
Total Premiums	\$124,455	\$125,576	\$125,761	\$125,188	\$125,216	\$124,108	\$123,807	\$123,519	\$121,455	\$105,325	\$106,061	\$105,654	\$1,486,225
Paid Claims	\$8,500	\$147,500	\$475,150	\$241,850	\$379,324	\$86,500	\$244,700	\$118,000	\$0	\$152,876	\$205,200	\$230,500	\$2,439,900
Profit / (Loss)	\$165,365	(\$21,924)	(\$349,389)	(\$116,652)	(\$254,108)	\$37,608	(\$120,893)	\$5,619	\$171,455	(\$47,351)	(\$100,149)	(\$214,846)	(\$844,875)

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	AVGTOTALS
Optional Life Insurance (Employee Pay-All):													
No. Enrolled	16,557	16,621	16,652	16,676	16,675	16,691	16,651	16,616	16,557	16,423	16,388	16,326	198,833
Total Coverage	\$2,550,258,500	\$2,525,911,500	\$2,529,913,500	\$2,531,224,000	\$2,539,505,000	\$2,536,682,000	\$2,532,716,500	\$2,527,094,000	\$2,520,607,500	\$2,506,205,000	\$2,502,275,500	\$2,495,208,000	\$30,288,094,000
Total Premiums	\$610,686	\$621,306	\$616,626	\$615,243	\$616,000	\$613,193	\$611,631	\$610,004	\$605,333	\$510,432	\$511,256	\$511,364	\$7,333,074
Paid Claims	\$156,000	\$297,418	\$976,500	\$631,000	\$607,667	\$499,500	\$267,500	\$658,501	\$379,500	\$897,000	\$880,000	\$838,000	\$6,853,566
Profit / (Loss)	\$454,686	\$323,888	(\$357,874)	(\$15,757)	\$6,333	\$113,693	\$344,131	(\$42,497)	\$226,833	(\$396,568)	(\$176,744)	(\$326,636)	\$419,468

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTALS
Dependent and Optional Totals													
Total Coverage	\$3,285,821,800	\$3,247,938,650	\$3,259,824,500	\$3,271,205,450	\$3,285,967,750	\$3,281,638,350	\$3,276,117,700	\$3,268,985,850	\$3,259,726,300	\$3,240,809,300	\$3,236,686,100	\$3,227,419,400	\$39,150,161,150
Total Premiums	\$725,141	\$746,862	\$744,387	\$740,441	\$741,216	\$737,301	\$735,438	\$733,623	\$710,544	\$615,517	\$617,307	\$617,018	\$8,816,299
Total Paid Claims	\$214,500	\$444,918	\$1,451,650	\$872,850	\$866,991	\$586,000	\$512,200	\$776,501	\$379,500	\$1,046,676	\$890,200	\$1,158,500	\$8,324,486
Total Profit/(Loss)	\$50,641	\$301,944	(\$707,263)	(\$132,409)	(\$245,775)	\$151,301	\$223,238	(\$42,878)	\$267,288	(\$433,919)	(\$276,893)	(\$841,432)	(\$505,187)