

ADDENDUM NO. 2

DATE: March 21, 2018

TO: All Potential Proposers

FROM: Penny Owens, Assistant Purchasing Agent, City of Knoxville

SUBJECT: Addendum No. 2 to the RFP for Basic Life and AD&D, Basic Dependent Life, Supplemental Life, and Long-Term Disability Insurance

RFPS TO BE OPENED: April 11, 2018 at 11:00:00 a.m. (Eastern Time)

This addendum is being published to respond to questions asked by potential proposers regarding the above referenced RFP. This addendum becomes a part of the contract documents and modifies the original specifications as follows:

Question #1: Is the following information available so that we can begin the necessary review of this opportunity:

- o Census that includes
 - o Date of Birth
 - o Gender
 - o Salary
 - o Volume of Benefit
 - o Class Designation
- o In-force Booklets or Summary Plan Descriptions
- o Copy of Current Bill
- o Inforce/Requested Commissions
- o Occupations
- o Location by state
- o Supplemental/Voluntary Elections

If more than 500 eligible employees, the following information is also required:

- o Inforce rates and rate history, including effective dates
- o Plan changes with effective dates
- o 3-5 years of experience on carrier letterhead
 - o Paid claims by product broken out by month or year
 - o Paid premium and lives history by products broken out by month or year
 - o Waiver claims including DOB, date of disability, gender, volume
- o Pending claims and/or conversions

Response: Yes. Please see the posted RFP for details.

Question #2: Please confirm whether the group participates in Social Security.

Response: Per the RFP, the City is not requesting a pension contribution.

Question #3: Please identify which of the 6 Pension Plan each employee is participating in on the census?

Response: Per the RFP, the City is not requesting a pension contribution.

Question #4: Regarding the Pension Plans, what is the % times of years of service or flat benefit % for Plan A, Plan H, and Plan HU? (the others gave the benefit calculation, but these didn't).

Response: Per the RFP, the City is not requesting a pension contribution.

Question #5: Are you able to provide Additional Life experience starting at 1/1/2013 to 2015?

Response: We have the information for 2013. See Exhibit A to this addendum.

Question #6: Does the City participate in PERS/STERS?

Response: No. We have our own Pension Plan, as outlined in the RFP, and employees have the option to contribute to a 457B plan.

Question #7: Is the City paying for FICA taxes?

Response: Yes.

END OF ADDENDUM 2

FINANCIAL EXPERIENCE REPORT

City of Knoxville

January 1, 2013 through December 31, 2013

Policy Number: 33783

Submitted by

Minnesota Life Group Insurance

Experience by Coverage

For the Period January 1, 2013 through December 31, 2013

Coverage	Earned Premium	Incurred Claims	Incurred Loss Ratio
Basic Life	\$157,392	(\$9,874)	(6.3)%
Supplemental Life	145,166	91,880	63.3%
Basic Dependent Life	3,123	2,008	64.3%
Spouse Life	26,681	0	0.0%
Child Life	7,449	10,000	134.2%
Total Life Coverages	\$339,811	\$94,014	27.7%
Basic AD&D	\$27,452	\$50,206	182.9%
Total AD&D Coverages	\$27,452	\$50,206	182.9%

Notes: Incurred Claims = Paid Claims + Interest
 + Current Pending Claims - Prior Pending Claims
 + Current Reported Waiver Reserve - Prior Reported Waiver Reserve
 + Current Waiver IBNR Reserve - Prior Waiver IBNR Reserve
 + Conversion Charges

Basic Life Experience by Month

For the Period January 1, 2013 through December 31, 2013

Month	Paid Premium	Paid Claims
January 2013	\$13,098.66	\$0.00
February 2013	13,124.46	0.00
March 2013	13,158.86	0.00
April 2013	13,109.84	0.00
May 2013	13,001.05	50,272.22
June 2013	13,061.25	0.00
July 2013	12,995.46	50,066.67
August 2013	12,995.46	0.00
September 2013	13,211.75	0.00
October 2013	13,211.75	0.00
November 2013	13,211.75	100,266.67
December 2013	13,211.75	0.00
Total	\$157,392.04	\$200,605.56
Change in Pending Life Reserves	0.00	0.00
Change in Waiver Reserves	0.00	(216,401.00)
Change in Waiver IBNR Reserves	0.00	21.00
Conversion Charges	0.00	5,900.00
	Earned Premium	Incurred Claims
Total Basic Life	\$157,392.04	(\$9,874.44)

Supplemental Life Experience by Month

For the Period January 1, 2013 through December 31, 2013

Month	Paid Premium	Paid Claims
January 2013	\$11,919.19	\$0.00
February 2013	11,925.75	0.00
March 2013	11,925.75	0.00
April 2013	11,925.75	0.00
May 2013	11,929.60	40,217.78
June 2013	11,918.47	0.00
July 2013	11,918.47	0.00
August 2013	11,918.47	0.00
September 2013	12,446.23	0.00
October 2013	12,446.25	0.00
November 2013	12,446.24	130,315.55
December 2013	12,446.24	0.00
Total	\$145,166.41	\$170,533.33
Change in Pending Life Reserves	0.00	0.00
Change in Waiver Reserves	0.00	(76,973.00)
Change in Waiver IBNR Reserves	0.00	(1,680.00)
Conversion Charges	0.00	0.00
	Earned Premium	Incurred Claims
Total Supplemental Life	\$145,166.41	\$91,880.33

Basic Dependent Life Experience by Month

For the Period January 1, 2013 through December 31, 2013

Month	Paid Premium	Paid Claims
January 2013	\$287.32	\$0.00
February 2013	286.88	0.00
March 2013	285.56	0.00
April 2013	283.80	0.00
May 2013	282.04	0.00
June 2013	281.60	0.00
July 2013	281.60	0.00
August 2013	280.72	0.00
September 2013	213.40	1,007.56
October 2013	213.40	0.00
November 2013	213.40	0.00
December 2013	213.40	0.00
Total	\$3,123.12	\$1,007.56
Change in Pending Life Reserves	0.00	1,000.00
Conversion Charges	0.00	0.00
	Earned Premium	Incurred Claims
Total Basic Dependent Life	\$3,123.12	\$2,007.56

Spouse Life Experience by Month

For the Period January 1, 2013 through December 31, 2013

Month	Paid Premium	Paid Claims
January 2013	\$2,245.68	\$0.00
February 2013	2,253.54	0.00
March 2013	2,253.54	0.00
April 2013	2,253.54	0.00
May 2013	2,230.36	0.00
June 2013	2,252.32	0.00
July 2013	2,252.32	0.00
August 2013	2,252.32	0.00
September 2013	2,171.78	0.00
October 2013	2,171.78	0.00
November 2013	2,171.78	0.00
December 2013	2,171.78	0.00
Total	\$26,680.74	\$0.00
Change in Pending Life Reserves	0.00	0.00
Conversion Charges	0.00	0.00
	Earned Premium	Incurred Claims
Total Spouse Life	\$26,680.74	\$0.00

Child Life Experience by Month

For the Period January 1, 2013 through December 31, 2013

Month	Paid Premium	Paid Claims
January 2013	\$622.60	\$0.00
February 2013	622.60	0.00
March 2013	620.40	0.00
April 2013	616.00	0.00
May 2013	616.00	0.00
June 2013	620.40	0.00
July 2013	620.40	0.00
August 2013	620.40	0.00
September 2013	622.60	0.00
October 2013	622.60	0.00
November 2013	622.60	0.00
December 2013	622.60	0.00
Total	\$7,449.20	\$0.00
Change in Pending Life Reserves	0.00	10,000.00
Conversion Charges	0.00	0.00
	Earned Premium	Incurred Claims
Total Child Life	\$7,449.20	\$10,000.00

Basic AD&D Experience by Month

For the Period January 1, 2013 through December 31, 2013

Month	Paid Premium	Paid Claims
January 2013	\$2,284.65	\$0.00
February 2013	2,289.15	0.00
March 2013	2,295.15	0.00
April 2013	2,286.60	0.00
May 2013	2,267.63	0.00
June 2013	2,278.13	0.00
July 2013	2,266.65	0.00
August 2013	2,266.65	0.00
September 2013	2,304.38	0.00
October 2013	2,304.38	0.00
November 2013	2,304.38	0.00
December 2013	2,304.38	50,205.56
Total	\$27,452.13	\$50,205.56
Change in Pending Life Reserves	0.00	0.00
Conversion Charges	0.00	0.00
	Earned Premium	Incurred Claims
Total Basic AD&D	\$27,452.13	\$50,205.56

Claim Statistics by Coverage

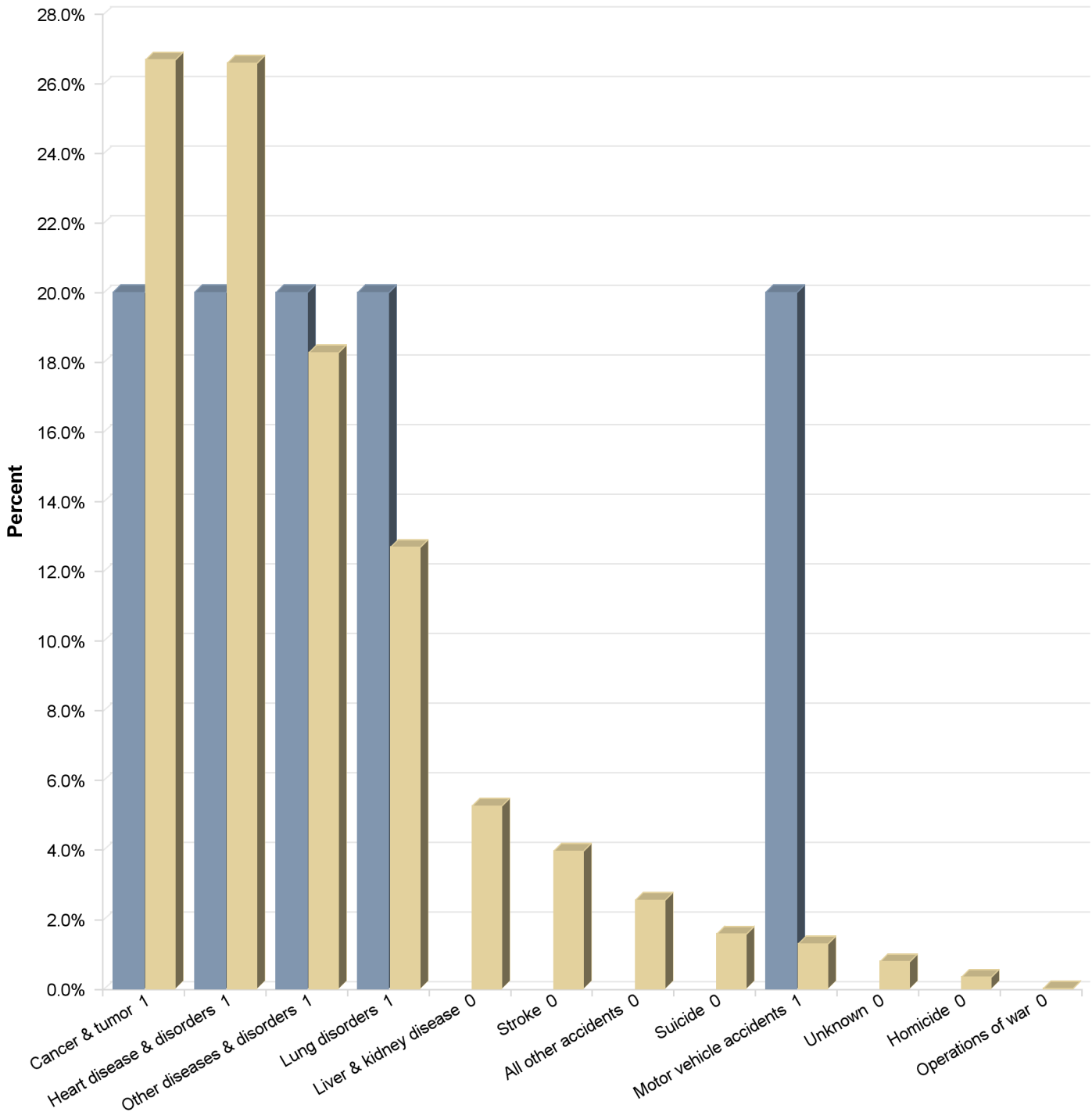
**For the Period January 1, 2013 through December 31, 2013
Based on the Number of Paid Claims in the Period**

Coverage	Average Paid Claim Amount *	Number of Paid Claims	Average Age at Claim
Basic Life	\$50,000	4	49
Supplemental Life	56,667	3	48
Basic Dependent Life	1,000	1	73
Basic AD&D	50,000	1	27

* The Average Paid Claim Amount is the average face amount of insurance for claims which had a final claim payment in the reporting period.

Cause of Death Report

For the Period January 1, 2013 through December 31, 2013
Based on the Number of Paid Claims in the Period



Total Count: 5

■ City of Knoxville
■ Minnesota Life

Cause of death is considered private, non-public information in many government jurisdictions. Please take steps to protect this information and prevent its disclosure. This confidential information may not be shared with your general employee population and should be carefully protected by you.

Cumulative Experience by Coverage

	Earned Premium	Incurred Claims	Incurred Loss Ratio
Basic Life			
01/01/13 - 12/31/13	\$157,392	(\$9,874)	(6.3%)
07/01/12 - 12/31/12	78,216	151,082	193.2%
07/01/11 - 06/30/12	145,315	219,272	150.9%
07/01/09 - 06/30/11	288,346	438,787	152.2%
Total	\$669,269	\$799,267	119.4%
Supplemental Life			
01/01/13 - 12/31/13	\$145,166	\$91,880	63.3%
07/01/12 - 12/31/12	117,197	54,718	46.7%
07/01/11 - 06/30/12	149,056	140,776	94.4%
07/01/09 - 06/30/11	256,825	49,177	19.1%
Total	\$668,244	\$336,551	50.4%
Basic Dependent Life			
01/01/13 - 12/31/13	\$3,123	\$2,008	64.3%
07/01/12 - 12/31/12	1,591	2,013	126.5%
07/01/11 - 06/30/12	3,668	3,011	82.1%
07/01/09 - 06/30/11	6,007	2,015	33.5%
Total	\$14,389	\$9,047	62.9%
Spouse Life			
01/01/13 - 12/31/13	\$26,681	\$0	0.0%
07/01/12 - 12/31/12	14,283	42,262	295.9%
07/01/11 - 06/30/12	30,870	0	0.0%
07/01/09 - 06/30/11	55,098	60,280	109.4%
Total	\$126,932	\$102,542	80.8%

Cumulative Experience by Coverage

	Earned Premium	Incurred Claims	Incurred Loss Ratio
Child Life			
01/01/13 - 12/31/13	\$7,449	\$10,000	134.2%
07/01/12 - 12/31/12	3,599	0	0.0%
07/01/11 - 06/30/12	6,934	0	0.0%
07/01/09 - 06/30/11	11,680	0	0.0%
Total	\$29,662	\$10,000	33.7%
Basic AD&D			
01/01/13 - 12/31/13	\$27,452	\$50,206	182.9%
07/01/12 - 12/31/12	13,655	0	0.0%
07/01/11 - 06/30/12	26,974	0	0.0%
07/01/09 - 06/30/11	54,405	0	0.0%
Total	\$122,486	\$50,206	41.0%

Appendix

DEFINITIONS

Unit Descriptions:

001	Police
002	Fire
003	Public Service
004	Retiree
005	Other

Summary of Incurred Claims

For the Period January 1, 2013 through December 31, 2013

Coverage	Life Claims				Waiver of Premium					Incurred Claims
	(+) Insurance Amount Paid	(+) Interest Paid	Reported Reserves		Reported Reserves		IBNR		(+) Conversion Charge	
			(+) Current Reserve	(-) Prior Reserve	(+) Current Reserve	(-) Prior Reserve	(+) Current Reserve	(-) Prior Reserve		
Basic Life	\$200,000.00	\$605.56	\$0.00	\$0.00	\$123,340	\$339,741	\$3,160	\$3,139	\$5,900	(\$9,874)
Supplemental Life	170,000.00	533.33	0.00	0.00	62,865	139,838	2,820	4,500	0	91,880
Basic Dependent Life	1,000.00	7.56	1,000.00	0.00	0	0	0	0	0	2,008
Child Life	0.00	0.00	10,000.00	0.00	0	0	0	0	0	10,000
Basic AD&D	50,000.00	205.56	0.00	0.00	0	0	0	0	0	50,206
Total	\$421,000.00	\$1,352.01	\$11,000.00	\$0.00	\$186,205	\$479,579	\$5,980	\$7,639	\$5,900	\$144,220

Basic Life Claims Experience

For the Period January 1, 2013 through December 31, 2013

Death Claims

Unit	Name	Age at Death	Gender	Date of Death	Date Notice Received	Date Paid	Insurance Amount Paid	Interest Paid	Current Reserve	Prior Reserve	Incurred Claims
003	ALEXANDER, DARREL T	52	M	06/30/2013	07/02/2013	07/12/2013	\$ 50,000.00	\$ 66.67	\$ 0.00	\$ 0.00	\$ 50,066.67
005	MILLER, JOSEPH P	56	M	11/01/2013	11/01/2013	11/21/2013	50,000.00	111.11	0.00	0.00	50,111.11
001	MUNSON, DAVID R	27	M	10/28/2013	10/30/2013	11/25/2013	50,000.00	155.56	0.00	0.00	50,155.56
003	WILLIS, ERNEST M SR	62	M	03/28/2013	04/01/2013	05/16/2013	50,000.00	272.22	0.00	0.00	50,272.22
				4	Total Claims		\$ 200,000.00	\$ 605.56	\$ 0.00	\$ 0.00	\$ 200,605.56

Basic Life Claims Experience

For the Period January 1, 2013 through December 31, 2013

Waiver of Premium Claims

Unit	Name	Age at Onset	Gender	Date of Onset	Amount of Insurance	Current Reserve	Prior Reserve	Incurred Claims
003	BAILEY, JOHN R	38	M	07/25/2012	\$ 50,000	\$ 0	\$ 23,018	\$ (23,018)
003	BUTLER, KAREN M	44	F	01/01/2012	50,000	0	18,480	(18,480)
003	CALDWELL, DANIEL S	62	M	03/16/2011	50,000	0	6,105	(6,105)
005	CARLSON, KEVIN K	51	M	07/02/2011	50,000	0	23,678	(23,678)
003	CARR, JOHN STEVEN	36	M	08/04/2010	50,000	0	20,625	(20,625)
003	CINNAMON, DARRIN L	35	M	05/07/2012	50,000	0	22,358	(22,358)
005	DAVIS, KENNETH L	52	M	08/15/2013	50,000	25,493	0	25,493
003	FIELDEN, STEPHEN G	52	M	05/23/2010	50,000	19,058	21,038	(1,980)
003	GENTRY, JOHN A	55	M	03/09/2011	50,000	0	19,388	(19,388)
003	HICKS, EDDIE L	63	M	11/03/2009	50,000	0	3,383	(3,383)
003	INMAN, BOBBY J	71	M	09/10/2013	50,000	6,270	0	6,270
005	JONES, CHRISTOPHE	49	M	01/03/2011	50,000	0	22,688	(22,688)
003	MASSENGILE, AMOS	51	M	07/09/2012	50,000	0	25,080	(25,080)
002	NICELY, JOHN A JR	46	M	01/12/2011	50,000	0	23,265	(23,265)
001	PAPPAS, KATHY L	51	F	09/19/2012	50,000	19,223	0	19,223
005	RUSH, FRANKIE L	45	M	07/12/2012	50,000	0	25,163	(25,163)
003	SMITH, RICKY E	47	M	05/10/2011	50,000	0	24,008	(24,008)
005	SMITH, WILLIAM H	42	M	06/21/2011	50,000	0	23,018	(23,018)
005	TRENTHAM, JAMES D	44	M	05/04/2012	50,000	0	25,163	(25,163)
003	WEBSTER, RAYMOND E	67	M	03/11/2013	50,000	6,270	0	6,270
003	WHALEY, JERRY L	49	M	08/16/2013	50,000	25,988	0	25,988
003	WILLIAMS, JOSEPH L	58	M	01/01/2013	50,000	21,038	0	21,038
003	WILLIS, ERNEST M	62	M	05/10/2012	50,000	0	13,283	(13,283)
					\$ 1,150,000	\$ 123,340	\$ 339,741	\$ (216,401)
					IBNR	\$ 3,160	\$ 3,139	\$ 21
23	Total Claims					\$ 126,500	\$ 342,880	\$ (216,380)

Basic Life Claims Experience

For the Period January 1, 2013 through December 31, 2013

Conversion Charges

<u>Name</u>	<u>Age at Conversion</u>	<u>Gender</u>	<u>Effective Date</u>	<u>Amount of Conversion</u>
DUNN, CYNTHIA H	62	F	03/31/2013	\$ <u>20,000</u>
1 Total Conversion				\$ 20,000
			Conversion Charge:	\$ 5,900

Supplemental Life Claims Experience

For the Period January 1, 2013 through December 31, 2013

Death Claims

Unit	Name	Age at Death	Gender	Date of Death	Date Notice Received	Date Paid	Insurance Amount Paid	Interest Paid	Current Reserve	Prior Reserve	Incurred Claims
005	MILLER, JOSEPH P	56	M	11/01/2013	11/01/2013	11/21/2013	\$ 100,000.00	\$ 222.22	\$ 0.00	\$ 0.00	\$ 100,222.22
001	MUNSON, DAVID R	27	M	10/28/2013	10/30/2013	11/25/2013	30,000.00	93.33	0.00	0.00	30,093.33
003	WILLIS, ERNEST M SR	62	M	03/28/2013	04/01/2013	05/16/2013	40,000.00	217.78	0.00	0.00	40,217.78
				3	Total Claims		\$ 170,000.00	\$ 533.33	\$ 0.00	\$ 0.00	\$ 170,533.33

Supplemental Life Claims Experience

For the Period January 1, 2013 through December 31, 2013

Waiver of Premium Claims

Unit	Name	Age at Onset	Gender	Date of Onset	Amount of Insurance	Current Reserve	Prior Reserve	Incurred Claims
003	BAILEY, JOHN R	38	M	10/31/2012	\$ 100,000	\$ 0	\$ 45,540	\$ (45,540)
003	BUTLER, KAREN M	44	F	01/01/2012	100,000	0	36,960	(36,960)
003	HICKS, EDDIE L	63	M	11/03/2009	10,000	0	677	(677)
005	SMITH, WILLIAM H	42	M	06/21/2011	100,000	0	46,035	(46,035)
003	WHALEY, JERRY L	49	M	08/16/2013	40,000	20,790	0	20,790
003	WILLIAMS, JOSEPH L	58	M	01/01/2013	100,000	42,075	0	42,075
003	WILLIS, ERNEST M	62	M	05/10/2012	40,000	0	10,626	(10,626)
					\$ 490,000	\$ 62,865	\$ 139,838	\$ (76,973)
					IBNR	\$ 2,820	\$ 4,500	\$ (1,680)
	7 Total Claims					\$ 65,685	\$ 144,338	\$ (78,653)

Basic Dependent Life Claims Experience

For the Period January 1, 2013 through December 31, 2013

Death Claims

Unit	Name	Age at Death	Gender	Date of Death	Date Notice Received	Date Paid	Insurance Amount Paid	Interest Paid	Current Reserve	Prior Reserve	Incurred Claims
005	BRANCH, JUDITH F	73	F	07/11/2013	09/12/2013	09/17/2013	\$ 1,000.00	\$ 7.56	\$ 0.00	\$ 0.00	\$ 1,007.56
001	TAYLOR, JEREMY O	17	M	10/07/2013	10/08/2013		0.00	0.00	1,000.00	0.00	1,000.00
				2	Total Claims		\$ 1,000.00	\$ 7.56	\$ 1,000.00	\$ 0.00	\$ 2,007.56

Child Life Claims Experience

For the Period January 1, 2013 through December 31, 2013

Death Claims

Unit	Name	Age at Death	Gender	Date of Death	Date Notice Received	Date Paid	Insurance Amount Paid	Interest Paid	Current Reserve	Prior Reserve	Incurred Claims
001	TAYLOR, JEREMY O	17	M	10/07/2013	10/08/2013		\$ 0.00	\$ 0.00	\$ 10,000.00	\$ 0.00	\$ 10,000.00
				1	Total Claim		\$ 0.00	\$ 0.00	\$ 10,000.00	\$ 0.00	\$ 10,000.00

Basic AD&D Claims Experience

For the Period January 1, 2013 through December 31, 2013

Accidental Death & Dismemberment Claims

Unit	Name	Age at Death	Gender	Date of Death	Date Notice Received	Date Paid	Insurance Amount Paid	Interest Paid	Current Reserve	Prior Reserve	Incurred Claims
001	MUNSON, DAVID R	27	M	10/28/2013	10/30/2013	12/04/2013	\$ 50,000.00	\$ 205.56	\$ 0.00	\$ 0.00	\$ 50,205.56
				1	Total Claim		\$ 50,000.00	\$ 205.56	\$ 0.00	\$ 0.00	\$ 50,205.56