



## RFP No. 720-1907 Fully Insured Group Long Term Care Insurance Plan

**Status:** Posted

**Solicitation ID:** 720-1907

**Response Due Date:** 12/14/2018

**Response Due Time:** 2:30 PM

**Agency Number:** 720

**Days Solicited:** 21+ Days for Solicitation Notice

**Solicitation Posting Date:** 11/15/2018

**Last Modified:** 11/15/2018 1:07 pm

**Solicitation Description:** Fully Insured Group Long Term Care Insurance Plan

**Class/Item Code:** 95337-Disability  
95348-Health/Hospitalization (Including Dental And Visual Insurance)  
95352-Insurance And Insurance Services (Not Otherwise Classified)

### Attachments

#	Name	Description
1	ESBD_File_148651_RFP 720-1907 Fully Insured Group Long Term Care Insurance Plan.docx	RFP document
2	ESBD_File_148651_APPENDIX TWO - RFP 720-1907 sample agreement.docx	APPENDIX TWO - Sample agreement
3	ESBD_File_148651_APPENDIX FIVE CNA-Schedule-of-Benefits-June2013.pdf	APPENDIX FIVE
4	ESBD_File_148651_APPENDIX SIX CNA-Plan-Brochure-July2012.pdf	APPENDIX SIX
5	ESBD_File_148651_APPENDIX SEVEN CNA-Plan-Brochure-July2013.pdf	APPENDIX SEVEN
6	ESBD_File_148651_APPENDIX EIGHT Administrative-Performance-Report-Template.xls	APPENDIX EIGHT
7	ESBD_File_148651_APPENDIX NINE Highlights June 2011 & 2013.pdf	APPENDIX NINE
8	ESBD_File_148651_APPENDIX TEN Introduction June 2011 & 2013.pdf	APPENDIX TEN
9	ESBD_File_148651_APPENDIX ELEVEN - Dataset Layout.docx	APPENDIX ELEVEN



Texas Comptroller of Public Accounts  
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- Home (<http://comptroller.texas.gov>)
- Contact Us (<http://comptroller.texas.gov/about/contact/>)

### POLICIES

- Privacy and Security Policy (<https://comptroller.texas.gov/about/policies/privacy.php>)
- Accessibility Policy (<https://comptroller.texas.gov/about/policies/accessibility.php>)
- Link Policy (<https://comptroller.texas.gov/about/policies/links.php>)
- Texas.gov (<http://texas.gov>)
- Search from the Texas State Library (<https://www.tsl.texas.gov/trail/index.html>)
- Texas Homeland Security (<http://www.dhs.gov/geography/texas>)
- Texas Veterans Portal (<https://veterans.portal.texas.gov/>)
- Public Information Act (<https://comptroller.texas.gov/about/policies/public-information-act.php>)
- Texas Secretary of State (<http://www.sos.state.tx.us/>)
- HB855 Browser Statement

### OTHER STATE SITES

- [texas.gov](https://www.texas.gov/) (https://www.texas.gov/)
- Texas Records and Information Locator (TRAIL) (<http://www.tsl.state.tx.us/trail/>)
- State Link Policy  
(<http://publishingext.dir.texas.gov/portal/internal/resources/DocumentLibrary/State%20Website%20Linking%20and%20Privacy%20Policy.pdf>)
- Texas Veterans Portal (<http://veterans.portal.texas.gov>)



## REQUEST FOR PROPOSAL

**RFP No. 720-1907 Fully Insured Group Long Term Care Insurance Plan**

**Proposal Submittal Deadline: Friday, December 14th, 2018 at 2:30 PM CST**

**The University of Texas System**  
Office of Employee Benefits

Prepared By:  
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November 15<sup>th</sup>, 2018

# REQUEST FOR PROPOSAL

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### Attachments:

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## SECTION 1

### INTRODUCTION

#### 1.1 Description of The University of Texas System

For more than 130 years, The University of Texas System has been committed to improving the lives of Texans and people all over the world through education, research and health care.

The University of Texas System is one of the nation's largest systems of higher education, with [14 institutions](#) that educate more than 230,000 students. Each year, UT institutions award more than one-third of all undergraduate degrees in Texas and almost two-thirds of all health professional degrees. With about 20,000 faculty – including Nobel laureates – and more than 80,000 health care professionals, researchers, student advisors and support staff, the UT System is one of the largest employers in the state.

Life-changing research and invention of new technologies at UT institutions places the UT System among the [top 10 “World’s Most Innovative Universities.”](#) according to Reuters. The UT System [ranks eighth in the nation in patent applications](#), and because of the high caliber of scientific research conducted at UT institutions, the UT System is ranked No. 1 in Texas and No. 3 in the nation in federal research expenditures.

In addition, the UT System is home to three of the nation's National Cancer Institute Cancer Centers – UT MD Anderson, UT Southwestern and UT Health Science Center-San Antonio – which must meet rigorous criteria for world-class programs in cancer research. And the UT System is the only System in the country to have four Clinical and Translational Science Awards (CTSA) from the National Institutes of Health.

Transformational initiatives implemented over the past several years have cemented UT as a national leader in higher education, including the expansion of educational opportunities in South Texas with the opening of The University of Texas Rio Grande Valley in 2015. And UT was the only system of higher education in the nation that established not one, but two new medical schools in 2016 at The University of Texas at Austin and UT Rio Grande Valley.

University of Texas institutions are setting the standard for excellence in higher education and will continue to do so thanks to our generous donors and the leadership of the [Chancellor](#), [Board of Regents](#) and [UT presidents](#).

#### 1.2 Background and Special Circumstances

The System has approximately 98,000 benefits-eligible employees and 26,000 benefits-eligible retired employees. The following *Table 1* shows the location and the approximate number of benefits-eligible employees and retired employees associated with each institution in the System as of December 2017.

<b>THE UNIVERSITY OF TEXAS SYSTEM</b>			
<b>Location</b>	<b>The University of Texas System Institutions</b>	<b>Benefits-Eligible Employees December 2017</b>	<b>Benefits-Eligible Retired Employees December 2017</b>
Austin	The University of Texas at Austin	17,904	5,403
	The University of Texas System Administration	665	315
Dallas	The University of Texas at Arlington	3,591	1,168
	The University of Texas at Dallas	4,007	635
	The University of Texas Southwestern Medical Center at Dallas	14,933	2,035
El Paso	The University of Texas at El Paso	2,590	842
Galveston	The University of Texas Medical Branch at Galveston	12,222	4,788
Houston	The University of Texas Health Science Center at Houston	7,866	1,661
	The University of Texas M.D. Anderson Cancer Center	19,094	4,257
Odessa	The University of Texas of the Permian Basin	471	122
Rio Grande Valley	The University of Texas Rio Grande Valley	3,296	906
San Antonio	The University of Texas at San Antonio	3,366	957
	The University of Texas Health Science Center at San Antonio	5,387	1,848
Tyler	The University of Texas at Tyler	944	260
	The University of Texas Health Science Center at Tyler	1,401	617
<b>TOTAL</b>		<b>97,373</b>	<b>25,813</b>

Table 1. Benefits Eligible Employees by Location

Although the majority of employees of The University of Texas Medical Branch (UTMB) are in the Galveston area, UTMB also has employees in the central and eastern parts of Texas who are involved with providing medical care to prisoners at state prisons located in those areas. The University of Texas at Austin also has staff members at a marine biology center in Port Aransas and at an astronomical observatory in Fort Davis. A small number of employees from

various institutions also either reside or work outside of Texas. Additionally, although most retired System employees reside in Texas, there are a number of retired employees who live in other states or countries.

### 1.3 Summary of Current Benefit Plans

There are approximately 126,000 employees and retired employees plus approximately 116,000 dependents participating in benefit plans through the System's Uniform Group Insurance Program, a key component of the UT Benefits package which includes insurance, retirement, and wellness programs. In addition, there are approximately 1,200 COBRA participants continuing coverage in various plans within the program. The System offers a self-funded, preferred provider (PPO) health plan (UT SELECT) for eligible participants. UT SELECT medical benefits are currently administered by Blue Cross and Blue Shield of Texas, and prescription benefits are currently administered by Express Scripts, Inc. (Express Scripts).

The System's "Living Well" program, a comprehensive health and wellness initiative available to all UT SELECT participants, is integrated with both the medical and prescription plans. As part of the UT Benefits program, the System also currently offers the following optional benefit plans: a self-funded dental PPO plan (UT SELECT Dental) currently administered by Delta Dental, a fully insured PPO supplemental plan (UT SELECT Dental Plus) issued by Delta Dental, a fully insured dental health maintenance organization (DeltaCare) currently operated by Delta Dental, voluntary group term life and accidental death and dismemberment insurance currently issued by Dearborn National, dependent group term life and accidental death and dismemberment insurance currently issued by Dearborn National, short- and long-term disability coverage currently issued by Dearborn National, vision care coverage consisting of both a standard and an enhanced benefits plan currently issued by Superior Vision, flexible spending accounts for both health and dependent day care expenses currently administered by Maestro, and until August 31, 2016, UT System offered **group long term care insurance issued by CNA**. Participation in these optional benefit plans is voluntary, and the premiums are generally paid solely by the participating employees and retired employees.

Premiums for the Group Long Term Care (GLTC) insurance plan were fully paid by enrollees. The approximate enrollment in the GLTC plan as of August 31, 2016 was as follows:

- 4,418 employees; 2,162 retirees and 1,476 dependents and family members

*The System's Office of Employee Benefits (OEB) is located at the System's headquarters in Austin, Texas, and has responsibility for the oversight of all fully-insured and self-funded benefit plans provided as part of the UT Benefits program. Maximizing the benefits and services that eligible System employees, retired employees, and their covered dependents receive for each dollar spent on benefits is a primary objective for OEB. OEB is considered a "Covered Entity" under Title 2 of the Health Insurance Portability and Accountability Act (HIPAA) of 1996, Public Law 104-191, 1996. As such, OEB must comply with all provisions of HIPAA and the Health Information Technology for Economic and Clinical Health Act (HITECH), 45 CFR §§ 160 and 164 (hereinafter collectively, "HIPAA") regarding all privacy and security measures relevant to the operations of the programs within OEB when operating in a capacity subject to HIPAA.*

*Additionally, any person or entity who performs functions or activities on behalf of, or provides certain services to a covered entity that involve access to protected health information are considered business associates under HIPAA. OEB requires appropriate Business Associate Agreements with such Proposers.*

#### **1.4 Objective of Request for Proposal**

The University of Texas System is soliciting proposals in response to this Request for Proposal No.720-1907 (this “**RFP**”), from qualified and appropriately licensed vendors to provide a fully insured GLTC plan, for the three-year period beginning April 1st (or May 1st – beginning date is contingent upon the agreement signature), 2019, through August 31, 2022, with the opportunity at System’s sole option to renew for an additional three-year period, subject to terms and conditions acceptable to the System. After the initial enrolment period, all subsequent enrollment periods will take place during Annual Enrollment each July.

**It is the System’s intention to select a vendor and begin implementation planning as soon as the agreement is signed.**

#### **1.5 Group Purchase Authority**

Texas law authorizes institutions of higher education (defined by [§61.003, Education Code](#)) to use the group purchasing procurement method (ref. §§[51.9335](#), [73.115](#), and [74.008](#), *Education Code*). Additional Texas institutions of higher education may therefore elect to enter into a contract with the successful Proposer under this RFP. In particular, Proposer should note that University is part of The University of Texas System (**UT System**), which is comprised of fourteen institutions described at <http://www.utsystem.edu/institutions>. UT System institutions routinely evaluate whether a contract resulting from a procurement conducted by one of the institutions might be suitable for use by another, and if so, this RFP could give rise to additional purchase volumes. As a result, in submitting its proposal, Proposer should consider proposing a pricing model and other commercial terms that take into account the higher volumes and other expanded opportunities that could result from the eventual inclusion of other institutions in the purchase contemplated by this RFP. Any purchases made by other institutions based on this RFP will be the sole responsibility of those institutions.



## SECTION 2

### NOTICE TO PROPOSER

#### 2.1 Submittal Deadline

University will accept proposals submitted in response to this RFP until 2:30 p.m., Central Standard Time (“CST”) on Friday, December 14<sup>th</sup>, 2018 (the “**Submittal Deadline**”).

#### 2.2 University Contact Person

Proposers will direct all questions or concerns regarding this RFP to the following University contact (“**University Contact**”):

**Darya Vienne**  
**Email: [dvienne@utsystem.edu](mailto:dvienne@utsystem.edu)**

University specifically instructs all interested parties to restrict all contact and questions regarding this RFP to written communications delivered to (i) University Contact, or (ii) if questions relate to Historically Underutilized Businesses, to HUB Coordinator (ref. **Section 2.5** of this RFP). *University Contact must receive all questions or concerns no later than 2:30 p.m. on Monday, December 3rd, 2018.* University will have a reasonable amount of time to respond to questions or concerns. It is University’s intent to respond to all appropriate questions and concerns; however, University reserves the right to decline to respond to any question or concern.

#### 2.3 Criteria for Selection

The successful Proposer, if any, selected by University through this RFP will be the Proposer that submits a proposal on or before the Submittal Deadline that is the most advantageous to University. The successful Proposer is referred to as “**Contractor**.”

Proposer is encouraged to propose terms and conditions offering the maximum benefit to University in terms of (1) service, (2) total overall cost, and (3) project management expertise.

The evaluation of proposals and the selection of Contractor will be based on the information provided in the proposal. University may consider additional information if University determines the information is relevant.

Criteria to be considered by University in evaluating proposals and selecting Contractor, will be these factors:

### 2.3.1 Threshold Criteria Not Scored

- A. Ability of University to comply with laws regarding Historically Underutilized Businesses; and
- B. Ability of University to comply with laws regarding purchases from persons with disabilities.

### 2.3.2 Scored Criteria

- A. Cost (30%);
- B. Vendor Experience and Vendor Information (15%);
- C. Deviations from the RFP (5%);
- D. Operational Services (5%);
- E. Financial Requirements (5%);
- F. Benefits and Network Administration (15%);
- G. Customer Service and Account Service (15%);
- H. Technical and Data Exchange Capabilities (10%).

## 2.4 Key Events Schedule

Issuance of RFP	November 15 <sup>th</sup> , 2018
Pre-Proposal Conference (ref. <b>Section 2.6</b> of this RFP)	10:30 a.m. CST on Thursday, November 29 <sup>th</sup> , 2018
Deadline for Questions / Concerns (ref. <b>Section 2.2</b> of this RFP)	2:30 p.m. CST on Monday, December 3 <sup>rd</sup> , 2018
Submittal Deadline (ref. <b>Section 2.1</b> of this RFP)	2:30 p.m. CST on Friday, December 14 <sup>th</sup> , 2018

## 2.5 Historically Underutilized Businesses

- 2.5.1 All agencies of the State of Texas are required to make a good faith effort to assist historically underutilized businesses (each a “HUB”) in receiving contract awards. The goal of the HUB program is to promote full and equal business opportunity for all businesses in contracting with state agencies. Pursuant to the HUB program, if under the terms of any agreement or contractual arrangement resulting from this RFP, Contractor subcontracts any of the Services, then Contractor must make a good faith effort to utilize HUBs certified by the Procurement and Support Services Division of the Texas Comptroller of Public Accounts. Proposals that fail to comply with the requirements contained in this **Section 2.5** will constitute a material failure to comply with advertised specifications and will be rejected by University as non-responsive. Additionally, compliance with good faith effort guidelines is a condition precedent to awarding any agreement or contractual arrangement resulting from this RFP. Proposer acknowledges that, if selected by University, its obligation to make a good faith effort to utilize HUBs when subcontracting any of the Services will continue throughout the term of all agreements and contractual arrangements resulting from this RFP. Furthermore, any subcontracting of the Services by Proposer is subject to review by University to ensure compliance with the HUB program.
- 2.5.2 University has reviewed this RFP in accordance with [Title 34, Texas Administrative Code, Section 20.285](#), and has determined that subcontracting opportunities (HUB and/or Non-HUB) are probable under this RFP. The HUB participation goal for this RFP **is 26%**.
- 2.5.3 A HUB Subcontracting Plan (“HSP”) is required as part of, *but submitted separately from*, Proposer’s proposal. The HSP will be developed and administered in accordance with University’s Policy on Utilization of Historically Underutilized Businesses and incorporated for all purposes.

*Each Proposer, **whether self-performing or planning to subcontract**, must complete and return the HSP in accordance with the terms and conditions of this RFP. Proposers that fail to do so will be considered non-responsive to this RFP in accordance with [§2161.252, Government Code](#).*

*Questions regarding the HSP may be directed to:*

Contact: Kyle Hayes  
HUB Coordinator  
Phone: 512-322-3745  
Email: [khayes@utsystem.edu](mailto:khayes@utsystem.edu)

Contractor will not be permitted to change its HSP after the deadline submittal date unless: (1) Contractor completes a new HSP, setting forth all modifications requested by Contractor, (2) Contractor provides the modified HSP to University, (3) University HUB Program Office approves the modified HSP in writing, and (4) all agreements resulting from this RFP are amended in writing to conform to the modified HSP.

- 2.5.4 Proposer must submit, **via email**, one (1) HSP in PDF format to University no later than Friday, December 14<sup>th</sup>, 2018 at 2:30 p.m. CST (ref. **Section 3.2** of this RFP) to the email address below:

**HSP Submittal Email:** [utadminHSP@utsystem.edu](mailto:utadminHSP@utsystem.edu)

Proposer must include the following information in the email submission:

*Subject Line: RFP 720-1907 Fully Insured Group Long Term Care Insurance Plan, Friday, December 14th, 2018 at 2:30 p.m. CST, HUB Subcontracting Plan*

*Body: Proposer company name and the name and contact information of the person who prepared the HSP.*

### **Instructions on completing an HSP**

Proposer must visit <https://www.utsystem.edu/offices/historically-underutilized-business/hub-forms> to download the most appropriate HUB Subcontracting Plan (HSP) / Exhibit H form for use with this Request for Proposal. Proposer will find, on the HUB Forms webpage, a link to “[Guide to Selecting the Appropriate HSP Option](#)”. **Please click on this link and read the Guide first before selecting an HSP Option.** Proposer shall select, from the four (4) Options available, the Option that is most applicable to Proposer’s subcontracting intentions. These forms are in **fillable** PDF format and must be downloaded and opened with *Adobe Acrobat/ Reader* to utilize the fillable function. If Proposer has any questions regarding which Option to use, Proposer shall contact the HUB Coordinator listed in **Section 2.5.3**.

Proposer must complete the HSP, then print, sign and scan *all pages* of the HSP Option selected, with additional support documentation\*, **to the submittal email address noted above**. NOTE: signatures must be “wet” signatures. Digital signatures are not acceptable.

Any proposal submitted in response to this RFP that does not have a corresponding HSP meeting the above requirements may be rejected by University and returned to Proposer unopened as non-responsive due to material failure to comply with advertised specifications.

University will send an email confirmation to each Proposer upon receipt of the Proposer’s HSP. Each Proposer’s HSP will be evaluated for completeness and compliance prior to opening the proposal to confirm Proposer compliance with HSP rules and standards. Proposer’s failure to submit one (1) completed and signed HUB Subcontracting Plan **to the email address noted above** may result in University’s rejection of the proposal as non-responsive due to material failure to comply with advertised specifications; such a proposal *may* be returned to the Proposer unopened (ref. **Section 1.5** of **APPENDIX ONE** to this RFP). **Note:** *The requirement that Proposer provide one (1) completed and signed pdf of the HSP under this **Section 2.5.4** is separate from, and does not affect, Proposer’s obligation to provide University with the number of copies of its proposal as specified in **Section 3.1** of this RFP.*

**\*If Proposer’s submitted HSP refers to specific page(s) / Sections(s) of Proposer’s proposal that explain how Proposer will perform entire contract with its own equipment, supplies, materials and/or employees, Proposer must submit copies of those pages with the HSP sent to the HSP Submittal email address noted above. In addition, all solicitation emails to potential subcontractors must be included as**

**backup documentation to the Proposer's HSP to demonstrate Good Faith Effort.**  
Failure to do so will slow the evaluation process and may result in DISQUALIFICATION.

## **2.6 Pre-Proposal Call**

University will hold a pre-proposal conference call at **10:30 a.m. Central Time on Thursday, November 29th, 2018**. The pre-proposal conference call will allow all Proposers an opportunity to ask University's representatives relevant questions and clarify provisions of this RFP.

**Call-in number: (877)226-9790**

**Participant Code: 6269693#**

## SECTION 3

### SUBMISSION OF PROPOSAL

#### 3.1 Number of Copies

- A. One (1) complete paper copy of its *entire* proposal.

The paper copy of the proposal should contain the mark "original" on the front cover of the proposal. An original signature by an authorized officer of Proposer must appear on the Execution of Offer (ref. Section 2 of APPENDIX ONE) of the submitted paper copy of the proposal.

***University does not consider electronic signatures to be valid therefore the original signature must be a "wet signature."***

- B. One (1) complete electronic copy of its entire proposal in a single .pdf file on USB Flash Drive. USB Flash Drive must include a protective cover and be labeled with Proposer's name and RFP number. In addition, Proposer must submit one (1) complete electronic copy of the proposal on the same USB Flash Drive on which all proposed pricing information, provided in response to **Section 6**, has been removed.

#### 3.2 Submission

Proposals must be received by University on or before the Submittal Deadline (ref. **Section 2.1** of this RFP) and should be delivered to:

The University of Texas System Administration  
210 West 7th Street  
Austin, Texas 78701-2982  
**Attn: Darya Vienne**

**NOTE: Show the Request for Proposal number and submittal date in the lower left-hand corner of sealed bid envelope (box / container).**

Proposals must be typed on letter-size (8-1/2" x 11") paper, and must be submitted in a 3-ring binder. Preprinted material should be referenced in the proposal and included as labeled attachments. Sections within a proposal should be divided by tabs for ease of reference.

#### 3.3 Proposal Validity Period

Each proposal must state that it will remain valid for University's acceptance for a minimum of one hundred and twenty (120) days after the Submittal Deadline, to allow time for evaluation, selection, and any unforeseen delays.

#### 3.4 Terms and Conditions

- 3.4.1 Proposer must comply with the requirements and specifications contained in this RFP, including the Agreement (ref. **APPENDIX TWO**), the Notice to Proposer (ref. **Section 2** of this RFP), Proposal Requirements (ref. **APPENDIX ONE**) and the

Specifications and Additional Questions (ref. **Section 5** of this RFP). If there is a conflict among the provisions in this RFP, the provision requiring Proposer to supply the better quality or greater quantity of services will prevail, or if such conflict does not involve quality or quantity, then interpretation will be in the following order of precedence:

3.4.1.1. Specifications and Additional Questions (ref. **Section 5** of this RFP);

3.4.1.2. Agreement (ref. **Section 4** and **APPENDIX TWO**);

3.4.1.3. Proposal Requirements (ref. **APPENDIX ONE**);

3.4.1.4. Notice to Proposers (ref. **Section 2** of this RFP).

### **3.5 Submittal Checklist**

Proposer is instructed to complete, sign, and return the following documents as a part of its proposal. If Proposer fails to return each of the following items with its proposal, then University may reject the proposal:

3.5.1 Signed and Completed Execution of Offer (ref. **Section 2** of **APPENDIX ONE**);

3.5.2 Signed and Completed Pricing and Delivery Schedule (ref. **Section 6** of this RFP);

3.5.3 Responses to Proposer's General Questionnaire (ref. **Section 3** of **APPENDIX ONE**);

3.5.4 Signed and Completed Addenda Checklist (ref. **Section 4** of **APPENDIX ONE**);

3.5.5 Responses to questions and requests for information in the Specifications and Additional Questions Section (ref. **Section 5** of this RFP);

3.5.6 Signed and Completed HUB Subcontracting Plan (ref. **Section 2.5** of this RFP).

## SECTION 4

### **GENERAL TERMS AND CONDITIONS**

The terms and conditions contained in the attached Agreement (ref. **APPENDIX TWO**) or, in the sole discretion of University, terms and conditions substantially similar to those contained in the Agreement, will constitute and govern any agreement that results from this RFP. If Proposer takes exception to any terms or conditions set forth in the Agreement, Proposer will submit redlined **APPENDIX TWO** as part of its proposal in accordance with **Section 5.2.1** of this RFP. Proposer's exceptions will be reviewed by University and may result in disqualification of Proposer's proposal as non-responsive to this RFP. If Proposer's exceptions do not result in disqualification of Proposer's proposal, then University may consider Proposer's exceptions when University evaluates the Proposer's proposal.



## SECTION 5

### **SPECIFICATIONS AND ADDITIONAL QUESTIONS**

#### **5.1 General**

The minimum requirements and the specifications for the Services, as well as certain requests for information to be provided by Proposer as part of its proposal, are set forth below. As indicated in **Section 2.3** of this RFP, the successful Proposer is referred to as the “**Contractor.**”

##### **Contract Term:**

The term (**Initial Term**) of this Agreement will begin on the Effective Date and expire on August 31, 2022. University will have the option to renew this Agreement for one (1) additional three (3) year term (a **Renewal Term**). The Initial Term and Renewal Term are collectively referred to as the **Term**.

#### **5.2 Additional Questions Specific to this RFP**

Proposer must submit the following information as part of Proposer’s proposal:

5.2.1 If Proposer takes exception to any terms or conditions set forth in the Agreement (ref. **APPENDIX TWO**), Proposer must redline **APPENDIX TWO** and include **APPENDIX TWO** as part of its Proposal. If Proposer agrees with terms or conditions set forth in the **APPENDIX TWO**, Proposer will submit a written statement acknowledging it.

5.2.2 By signing the Execution of Offer (ref. **Section 2** of **APPENDIX ONE**), Proposer agrees to comply with Certificate of Interested Parties laws (ref. [§2252.908, Government Code](#)) and [1 TAC §§46.1 through 46.5](#)) as implemented by the Texas Ethics Commission (“**TEC**”), including, among other things, providing TEC and University with information required on the form promulgated by TEC and set forth in **APPENDIX FOUR**. *Proposer may learn more about these disclosure requirements, including applicable exceptions and use of the TEC electronic filing system, by reviewing [§2252.908, Government Code](#), and information on the TEC website at [https://www.ethics.state.tx.us/whatsnew/FAQ\\_Form1295.html](https://www.ethics.state.tx.us/whatsnew/FAQ_Form1295.html). **The Certificate of Interested Parties must only be submitted by Contractor upon delivery to University of a signed Agreement.***

#### **5.3 Scope of Work**

Contractor will provide the following services to University:

##### **1. Benefits and Program Requirements**

###### Introduction

The UT System has in the past and would like to again starting on April 1<sup>st</sup> or May 1<sup>st</sup>, 2019, offer a fully insured GLTC plan to benefits eligible employees, retired employees, surviving spouses and eligible dependents, non-employee graduate students and post-doctoral fellows who are benefits eligible pursuant to [TIC](#)

[1601.1021](#), and certain family members (see **Section 5.3.3.A** for a list of eligible dependents and family members). Contractor may recover the costs of the services described in this Section only by making provision for such costs in the calculation of the proposed premium rates.

The purpose of this RFP and the subsequent review process is to select the Contractor that the System considers to be most qualified to provide the most effective, efficient and high-quality services, supplies, and products to System and the fully insured GLTC plan participants. The System views the relationship with Contractor as a cooperative one, and will continue to seek to improve the plan.

Contractor must agree to act in good faith in connection with all such efforts and in performing all of its services, duties, and provisions of coverage related to the fully insured GLTC plan.

## 2. The Benefit (or Plan) Year

The UT Group Insurance Plan Year begins on September 1st and ends the following August 31st. This time period corresponds with the fiscal year of UT System and the State of Texas. UT System would like to start the new GLTC Plan off-cycle and begin open enrollment on April 1<sup>st</sup> or May 1<sup>st</sup>, 2019. Future enrollment periods may move to a fiscal year basis to coincide with the rest of the UT Group Insurance Plans.

## 3. Plan Participation

[Chapter 1601 of the Texas Insurance Code \(TIC\)](#) establishes eligibility criteria and enrollment requirements for the GLTC plan.

### A. Eligibility

[Section 1601.101 of the Texas Insurance Code](#) provides that an employee who is expected to work at least twenty (20) hours per week and to continue in the employment (is expected to work) for a term of at least four (4) and one-half (1/2) months, or is appointed for at least 50% of a standard full-time appointment, is eligible for employee group insurance benefits. System makes GLTC coverage available to all employee group insurance benefits eligible employees. Certain non-employee graduate students and post-doctoral fellows who are eligible to participate in System's employee group insurance program pursuant to [TIC 1601.1021](#) are also eligible for GLTC.

In accordance with [TIC Section 1601.102](#), retired employees of the System are eligible for GLTC benefits.

In addition, UT System permits the following individuals with a dependent or family relationship to a benefits eligible UT employee or retiree to participate in the GLTC plan:

- a) spouse and surviving spouse;
- b) child age 26 or older;
- c) parents and parents-in-law; and
- d) grandparents and grandparents-in-law.

### B. Basic Coverage

UT System offers a basic package for benefits-eligible employees which includes employee-only coverage under UT SELECT, \$40,000 basic group term life (GTL), and \$40,000 basic accidental death and dismemberment (AD&D) coverage.

The basic coverage for benefits-eligible retired employees includes retiree-only coverage under UT SELECT and \$6,000 basic GTL.

***Important:*** *The Basic Coverage Package does not include Group Long Term Care coverage.*

#### C. Premium Sharing

On a biennial basis, the Texas Legislature determines the amount of premium sharing available for employees, retired employees and any eligible dependents. For the current biennium, premium sharing is funded to cover the total cost of the basic package for full-time employees, half the cost for part-time employees and the total cost of the basic package for retired employees. A percentage of the medical plan cost for covered dependents of participating active and retired employees is also paid through premium sharing.

***Important:*** *GLTC coverage is not eligible for such premium sharing.*

#### D. Enrollment

UT System policies, in accordance with [TIC Chapter 1601](#), define the enrollment process for the System's UT Group Insurance Program. Annual Enrollment for all insurance plans is held each year during the month of July. The first enrollment for the GLTC plan will take place off-cycle and begin on April 1<sup>st</sup> or May 1<sup>st</sup>, 2019. All subsequent enrollment periods will happen during Annual Enrollment each July. During the open enrollment period for the initial plan year in which benefits for the GLTC plan will be administered by Contractor, any eligible System employee or retired employee may apply for GLTC coverage. However, Evidence of Insurability (EOI) may be required, and any EOI requirements and exceptions will be described in **Section 5.3.6** of this RFP.

Once Contractor is selected, each participant in the current LTC plan shall be provided the following options:

- (a) retain his / her current coverage with the past vendor and decline coverage with Contractor;
- (b) transfer his / her current coverage to Contractor; or
- (c) keep his / her current coverage with the past vendor and enroll in new coverage with Contractor.

Beginning April 1st or May 1st, 2019, all newly benefits-eligible active employees and non-employee graduate students and post-doctoral fellows who are benefits eligible pursuant to [TIC 1601.1021](#) will have the opportunity to purchase GLTC coverage without EOI during their initial thirty-one (31) days of eligibility. Thereafter, EOI will be required for employees or non-employee graduate students

and post-doctoral fellows who are benefits eligible pursuant to [TIC 1601.1021](#) to enroll in the GLTC plan during any subsequent Annual Enrollment period or following a qualified change of status event during the plan year.

Eligible retired employees, spouses, surviving spouses, children age 26 or over, parents, parents-in-law and grandparents must always submit satisfactory EOI to enroll in the GLTC plan, including during the Annual Enrollment periods.

Technical and data exchange requirements related to eligibility and enrollment are detailed in **Section 5.3.12** of this RFP.

#### 4. Group Long Term Care Benefit Design

The Schedule of Benefits and features \ provided under the GLTC plan offered in the past to eligible System employees, retired employees, non-employee graduate students and post-doctoral fellows who are benefits eligible pursuant to [TIC 1601.1021](#), and certain dependents and family members is located in **APPENDIX FIVE** of this RFP. In response to this RFP, Proposers must submit premium rates in accordance with this Schedule of Benefits using the forms in **Sections 6.1 & 6.2** of this RFP.

The following list highlights many of the benefits and features of the past plan.

- Elimination Period: Ninety (90) days.
- Daily Maximum Benefit (“**DMB**”) – Nursing Facility: A choice of \$100, \$125, \$150, or \$200.
- Daily Maximum Benefit – Home Care: 50% of DMB.
- Maximum Lifetime Benefit: 1,825 X DMB.
- Benefit Period: Five (5) years Nursing Facility; Ten (10) years Home Care not to exceed Maximum Lifetime Benefit.
- Optional Inflation Protection Benefit: Five percent (5%) compound interest.
- Optional Periodic Increase Benefit: The amount offered is based on 5% compound interest at each offer, and not specifically based on \$25 for each offer.
- Premium Waiver: Yes.
- Non-Forfeiture Option: None.
- Return Premium Option: No.
- Guaranteed Renewable Coverage: Coverage shall be guaranteed and can be cancelled only for non-payment of premium or when benefits are exhausted.
- Eligible participants include employees, retirees, spouses, surviving spouses, children age 26 and over, parents, parents-in-law, and grandparents.
- Active employees and non-employee graduate students and post-doctoral fellows who are benefits eligible pursuant to [TIC 1601.1021](#) enrolling during the initial enrollment period (first 31 days of employment) were offered coverage on a guaranteed-issue basis without having to provide satisfactory evidence of insurability and without preexisting condition limitations.
- Spouses, surviving spouses, children age twenty-five (25) and over, parents, parents-in-law, and grandparents of employees and retirees were required to submit satisfactory evidence of insurability to Contractor.

#### 5. Alternative Group Long Term Care Benefit Design

Proposers must submit a proposal based on the benefit design as described in the schedule of benefits (**APPENDIX FIVE** of this RFP). Prospective vendors may also submit an alternative GLTC benefit design, other than as described in **APPENDIX FIVE**, which may be considered by UT System. Any alternative Schedule of Benefits must be at least comparable to the current benefits in **APPENDIX FIVE**. Premium rates proposed for an alternative benefits plan should be submitted using the forms in **Sections 6.1 & 6.2** of this RFP.

UT System reserves the right to make the final decision as to the benefit plan to be offered to System participants.

6. Evidence of Insurability (EOI)

Evidence of Insurability (EOI) is required for eligible participants to enroll in GLTC coverage except for the following exceptions:

- a) During the initial enrollment period prior to the beginning of the new contract period effective April 1<sup>st</sup> or May 1<sup>st</sup>, 2019, EOI will not be required for enrollment by current benefits-eligible active employees and non-employee graduate students and post-doctoral fellows eligible for System group insurance benefits under TIC 1601.1021.
- b) Beginning April 1<sup>st</sup> or May 1<sup>st</sup>, 2019, EOI will not be required for enrollment in GLTC for newly benefits-eligible employees and non-employee graduate students and post-doctoral fellows eligible for System group insurance benefits under TIC 1601.1021 during their initial 31-day enrollment period.

7. Statutory Compliance

The plan, including administration of the plan, must comply with all applicable state and federal statutes, rules, and regulations, including the Privacy and Security requirements of the Health Insurance Portability and Accountability Act (HIPAA), the Health Information Technology for Economic and Clinical Health (HITECH) Act, and the Age Discrimination in Employment Act (ADEA), and all amendments thereto.

8. Continuity of Coverage

The previous GLTC plan was portable with former employees permitted to continue coverage and pay premiums directly to the past vendor. Contractor underwriting GLTC coverage would be required to permit employees who leave the UT System to continue their coverage through the same payment structure by continuing to pay premiums directly to Contractor.

9. Process for Grievance and Appeals

Contractor must have in place a claims review and appeals process that has been approved by the Texas Department of Insurance. The past vendor is responsible for all grievances and appeals submitted in connection with services rendered on or before April 1st (or May 1<sup>st</sup>), 2019.

## 10. Periodic Buy-Up Option

Every three (3) years during an Annual Enrollment period Contractor must offer the opportunity for UT participants currently enrolled in the Guaranteed Benefit Option to increase their maximum daily and lifetime benefit without Evidence of Insurability. The offered increase will be not less than a compounded annual five percent (5%) rate.

## 11. Operational Requirements

Contractor must administer the GLTC plan in a manner consistent with all applicable laws and regulations, as well as with the requirements set forth in this RFP. Contractor must provide all services associated with the administration of the plan, including, but not limited to the items specified in the following sections. Contractor may recover the cost of compliance with the requirements described in this Section only by making provision for such cost in the proposed premium rates (ref. **Sections 6.1 & 6.2** of this RFP).

### A. General Requirements

- ✓ Contractor must provide general administrative support as required in the operation of the GLTC plan.
- ✓ Contractor must provide legal and technical assistance as it relates to the operation and administration of the GLTC plan.

### B. Implementation and Account Teams

If selected, Contractor must notify UT System in writing of the names and roles of all members of its complete Implementation Team no later than **February 1, 2019**. In addition, Contractor will be required to establish an Account Management Team that is acceptable to System and agree to make staffing adjustments to this team as required by System throughout the contract term. Contractor must ensure that the Account Management Team is established no later than **February 1, 2019**, and that this team will be available to assist System as required every Monday through Friday from 8:00 a.m. until 5:00 p.m. CST (excluding national holidays).

Contractor's Implementation and Account Management Teams must each include a designated information technology (IT) contact with the technical knowledge and expertise to efficiently and effectively collaborate with UT System's IT team regarding data transmission, data integrity, and timely processing of data. The designated IT contact should be appropriately positioned within Contractor's organization to allow for direct management of all technical issues related to the contract.

### C. Customer and Account Service

- 1) Contractor's Account Management Team must provide a minimum of one (1) annual review to UT System regarding the utilization and performance of the GLTC plan, including cost saving recommendations and updates regarding

ongoing operational activities. UT System may also require quarterly operational meetings (in person or via telephone conference), as needed.

- 2) UT system strongly believes that the account service relationship is the critical link in developing and maintaining a strong partnership dedicated towards the achievement of plan objectives. As such, Contractor must be committed to provide UT System with service attention that is at the highest levels in the industry, and fully consistent with expectations. Contractor and UT System shall define the criteria for measurement and evaluation of service performance.
- 3) Contractor shall notify the System prior to implementing material changes in policies, business and key personnel on the System account management team.
- 4) Contractor's customer service unit should be staffed and trained adequately to handle questions specific to the GLTC plan and benefits. Contractor's customer service hours should include, at a minimum, Monday through Friday from 8:00 a.m. to 5:00 p.m. Central Time (excluding national holidays);
- 5) Customer Service call centers serving the GLTC plan must be located within the United States, preferably within the state of Texas. The establishment of toll-free lines (telephone and facsimile) is required and customer service staffing levels must be adequate at a minimum to maintain the following performance standards:
  - Average abandonment rate of 5% or less; and,
  - Average time to answer of thirty (30) seconds or less.
- 6) During and following System's Annual Enrollment period each year, Contractor must, as needed, dedicate additional staff members, as needed, to update System-related records and accounts and to provide additional help for the GLTC customer service team.

#### D. Claims Processing and Administration

- 1) Contractor must process and administer all required GLTC claims incurred in connection with services rendered on or after April 1st (or May 1st), 2019, and throughout the term of the Contract. General requirements for claims processing include the following:
  - Create and maintain enrollment records for all participants to be relied on for the processing of claims and other administrative functions for the GLTC plan;
  - Process claims submitted by System participants, including Coordination of Benefits claims for which the GLTC plan pays secondary benefits.
  - GLTC claims filed by participants must be processed within fifteen (15) calendar days (excluding holidays) of submission to Contractor unless additional information or investigation is required;
  - Process and pay GLTC claims using its own funds.
- 2) In the event Contractor issues excess payments or payments for ineligible claims or participants, it will:

- Take all steps necessary to recover the overpayment, including recoupment (offset) from participants' or providers' subsequent claim payments;
  - Assume 100% liability for incorrect payments which result from policy or UT System errors attributable to Contractor in whole or in part.
- 3) Contractor must maintain a complete and accurate claims reporting system and provide for the retention, maintenance, and storage of all payment records with provision for appropriate reporting to UT System. Contractor must maintain all such records throughout the term of the Contract and for at least three (3) years following the end of the Contract, and shall make such records accessible and available to the System for inspection and audit upon the System's request. In the event Contractor is scheduled to destroy payment records, Contractor must contact the System for approval prior to the destruction of the payment records. If UT System approves destruction, verification of the destroyed records shall be required at UT System's direction.

E. Cost Containment Initiatives

Contractor must maintain effective automated systems to detect fraud and misuse of the program, overpayments, wrongful or incorrect payments, unusual or extraordinary charges, verification of enrollment and unnecessary GLTC treatment. Contractor must also conduct thorough, diligent, and timely investigations with regard to fraudulent or suspicious claims and report quarterly all such claims to UT System. Contractor must include a written description of its comprehensive fraud detection plan with its response.

Contractor understands that UT System may develop further policies in connection with the detection and prevention of fraud or abuse of the GLTC plan. Contractor must comply with all applicable laws and regulations and must also comply with all UT System policies and is encouraged to develop additional safeguards as allowed by law.

F. Reporting and Information Sharing

Routine Contractor reporting, including utilization and claims data, is required to support UT System's ability to proactively monitor trends and to identify and address variances on targeted Contractor performance guarantees and customer service standards. The timelines and formats for required reports shall be specified by UT System. Additionally, UT System may request customized reports on an ad hoc basis. Such reports must be provided in a timely manner at no additional cost to UT System.

Performance Monitoring

Some report formats shall include a column indicating a performance standard for the item being reported, which shall be utilized by UT System as a benchmark to monitor compliance and to analyze the reported statistics. See the Administrative Performance Report template, included as **APPENDIX EIGHT** to this RFP, for examples of this type of reporting.



#### G. GLTC Plan Statistics

Contractor must accumulate claims payment statistics and develop reports for the GLTC plan as is typically done in the normal course of business, but no less frequently than on a quarterly basis. Contractor must provide copies of such reports upon request by UT System along with results of any audits conducted in connection with the reports.

#### H. Consulting Actuary

UT System retains an independent consulting actuary on insurance matters. The consulting actuary, who is a Business Associate of the UT SELECT Medical plan, assists and advises UT System staff on benefit plan design, proposal review, and premium rate analysis. UT System staff or the consulting actuary may, from time to time, request that Contractor provide additional information specific to the GLTC plan. Contractor must cooperate with and act in good faith in working with the consulting actuary and must be prepared to respond to these requests promptly.

### 12. Technical and Data Exchange Requirements

#### A. Enrollment Files

Each institution of UT System self-administers its eligibility. With this new plan, all new LTC enrollments will be made by UT participants directly to Contractor, and Contractor will submit enrollment files to UT System. Contractor is required to collect the enrollment data and submit billing statements to the enrollees on a monthly basis. Contractor is also required to report enrollment data to UT System on a monthly basis. The reporting will be in the form of an electronic dataset that must be transmitted via the internet using Secure File Transfer Protocol (SFTP). See **APPENDIX EIGHT** of this RFP.

Premiums for all enrollees will be direct billed.

#### B. Secure File Transfer Protocol (SFTP) Over the Internet

Contractor's ability to use SFTP over the Internet and to work with UT System's preferred dataset layouts (ref. **APPENDIX ELEVEN** of this RFP) will be important requirements in the System's evaluation of the proposals.

#### C. System Data Security Requirements

For the purpose of this RFP, UT System data is defined as any and all information maintained, created, or received by or on behalf of UT System including all data maintained, created, or received by or on behalf of the GLTC plan.

Contractor must maintain a robust security program capable of protecting the integrity, confidentiality, appropriate accessibility, and security of UT System data. Questions included in **Section 5.4** of this RFP are designed to elicit specific information about Proposer's security program and must be thoroughly and accurately completed.

#### D. Web Authentication Via Security Assertion Markup Language (SAML)

Security Assertion Markup Language (SAML) is an XML-based framework that forms the basis for the method of single sign-on user authentication that UT System strongly prefers be used for Contractor's System-specific website (ref. **Section 13.B.5** of this RFP). An alternative method of user authentication must also be provided for those participants who cannot or who choose not to authenticate via single sign-on, including many retired employees. Responses that indicate Contractor's willingness and ability to implement SAML-based authentication (v2.0) will be strongly preferred over those that do not.

When implementing SAML-based authentication for Contractor's System-specific website, each of the fourteen (14) UT System institutions and System Administration will act as an Identity Provider (IdP) and determine whether the user has authenticated properly using local credentials. If the user authenticates correctly, UT System will redirect the user's browser and pass a SAML assertion to Contractor site in question. Contractor site will accept the SAML assertion in order to grant access.

Contractor must either agree to use System's SAML Discovery Service or to host an alternative solution for IdP discovery on Contractor's System-specific website. Contractor must agree to accept the IdP's assertion that identifies the individual using the Benefits Identification (BID) number, which may be the sole attribute in the SAML assertion. Each participant has a unique BID, and BIDs will be communicated to Contractor via eligibility dataset.

Only user authentication will be handled via SAML. Authorization to access specific information, such as limiting the ability to view participant-specific data to only the authenticated participant, will still need to be handled by Contractor's website.

It is UT System's strong preference that Contractor be capable of immediate implementation of SAML-based authentication (v2.0) at the start of the Contract period or that Contractor anticipates being able to implement within three (3) to six (6) months of the start of the Contract period. Contractor who is currently unable to implement SAML-based authentication (v2.0) should provide a statement of its ability to support authentication via proxy and should note in its response whether it anticipates being able to implement SAML-based authentication (v2.0) and, if so, when it anticipates being ready to do so.

#### E. Enrollment and Billing Data

**Note:** *OEB has contracted with Benefitfocus to replace its enrollment platform and data integration between the fifteen (15) UT Institutions and the various insurance and benefit carriers. The implementation of this software solution will be rolled out in three (3) main waves over the next two (2) years. During each wave, a number*

*of institutions will be migrating to the new platform, until all are on the new platform by March 1, 2020.*

1) Security Protocols

For electronic transmissions, Contractor must be able to accept and / or transmit data via Secure File Transfer Protocol (SFTP) over the Internet. Responses must affirmatively state that Contractor agrees to use SFTP.

2) Enrollment Transmission

The enrollment datasets that Contractor will send to UT System and Benefitfocus each month will include benefit plan and level information for each current participant. Each participant's eligibility category should also be included - either System employee, retired System employee or the specific relationship to a System employee that made the participant eligible.

F. Ad Hoc Requests and Issue Resolution

Contractor must provide UT System with priority positioning for delivery of ad hoc system service requests and issue resolutions. Through the designation of an appropriate technical contact as required for the Implementation and Account Management Teams, Contractor must ensure that all UT System information systems requests and issues are given priority positioning and thoroughly analyzed to ensure speedy resolution. Contractor must provide competent, focused attention to each information systems request or issue presented by UT System.

It is the expectation that Contractor will make every effort to deliver a resolution within thirty (30) days from receipt of UT System's written notification of a request or issue related to Contractor's information systems. UT System will be responsible for supplying detailed information reasonably necessary for Contractor to complete the requested services. If a 30-day resolution is not reasonable for a particular issue, Contractor must provide UT System with an implementation plan and timeline for resolution within five (5) days from receipt of notification.

An example of a requirement falling under this provision would include, but would not be limited to:

Modifications to benefits or eligibility processing requirements must be reviewed, responded to, and approved by Contractor within fifteen (15) days of such request by UT System. If Contractor requires adjustments prior to granting approval, Contractor must immediately notify UT System and set up weekly update meetings to be held until UT System agrees that the modifications will meet UT System's operating requirements. Once requested modifications have been mutually agreed upon, Contractor must complete the eligibility or benefits project, including required testing within forty-five (45) days of UT Systems' approval.

13. Communication Requirements

Contractor is required to communicate information regarding GLTC plan design using only communications approved by UT System. All plan communications must be designed to educate both potential enrollees and current participants and must be approved by UT System prior to dissemination. Communications regarding the GLTC plan must be clear and concise, using terminology familiar to participants as specified by UT System. For purposes of this **Section 5.3.13**, a communication includes any “click through agreement” or other “terms of use” agreement Contractor seeks to impose on System employees or System GLTC plan participants as a condition of access to Contractor’s website or other portal to access GLTC plan services provided under future Agreement with selected Proposer.

Contractor is required to develop GLTC communications for written, electronic, and verbal dissemination to accommodate the varying needs of potential participants. However, UT System prefers electronic communication be used whenever reasonably possible. Printed materials must always be made available electronically. Communication materials must meet WCAG 2.0 standards <https://www.w3.org/TR/WCAG20/> for accessibility.

Contractor may recover the costs of the services described in this Section only by making provision for such costs in the calculation of the proposed premium rates.

#### A. General Information

Communication materials to be developed by Contractor may include, but are not limited to:

- 1) HIPAA Privacy Notice
- 2) Participant brochures and information for inclusion in benefits books and newsletters;
- 3) A customized, System-specific GLTC website. Websites need to follow these rules:  
[https://texreg.sos.state.tx.us/public/readtac\\$ext.TacPage?sl=R&app=9&p\\_dir=&p\\_rloc=&p\\_tloc=&p\\_ploc=&pg=1&p\\_tac=&ti=1&pt=10&ch=206&rl=70;](https://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=1&pt=10&ch=206&rl=70;)  
[https://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac\\_view=5&ti=1&pt=10&ch=213&sch=C&rl=Y](https://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=1&pt=10&ch=213&sch=C&rl=Y); and <https://www.w3.org/TR/WCAG20/>
- 4) Presentations to institution Benefits Staff and participants;
- 5) Online videos (or participation in System’s video development process as needed);
- 6) Scripted responses to be used by customer service representatives;
- 7) Advertising materials in association with GLTC enrollment;
- 8) Enrollment and claim forms;
- 9) News releases, including contract signing announcement;
- 10) Participant welcome packet;

- 11) Token giveaways for the annual benefits conference, enrollment fairs and events; and
- 12) Any “click through agreement” or other “terms of use” agreement by which Contractor seeks to impose on System employees or System GLTC plan participants.

Communication materials designed for GLTC participants cannot, and Contractor represents and warrants it shall not, advertise or promote coverage, products, or materials, other than those relating to Contractor’s administration of the GLTC plan.

## B. Annual Enrollment

Annual Enrollment information must be available to all benefits-eligible employees and retirees. The requirements listed below apply to all Annual Enrollment materials, including information for benefits guides. Annual Enrollment is typically held in July of each year.

### 1) Customer Service Information

All items must include the customer service phone number, hours of operation, a description of the process for filing claims, the appeal process for claim denials, and Contractor’s website address.

### 2) Due Dates for Enrollment Materials

All educational and enrollment materials used for both initial rollout (off-cycle launch) as well as during the Annual Enrollment period must be distributed to all System institution benefit offices a month before initial rollout and / or no later than June 15 of each plan year for Annual Enrollment.

### 3) Attendance at Annual Enrollment Meetings

Contractor is required to attend key scheduled Annual Enrollment meetings at each System institution when requested by the institution Benefits Office at Contractor’s own expense. Contractor participation at Annual Enrollment meetings will help educate employees about the GLTC plan. If Contractor is unable to attend all Annual Enrollment meetings being offered at a particular System institution, the institution will have the discretion to designate a particular meeting or meetings as high-priority and request Contractor attendance specifically for the designated priority meeting(s).

### 4) Customer Service During Annual Enrollment

Contractor’s Customer Service Team will be required to assist in answering questions regarding the GLTC plan each year during System Annual Enrollment period(s), in addition to this off-cycle launch. Education by Contractor’s Customer Service Team must be provided to all current and

potential GLTC participants. Customer service should be made available via phone, email, or by mail.

5) System-Specific Website

Contractor must establish a customized, System-specific website with the primary goal of allowing participants to easily access plan information regarding customer service toll-free numbers, enrollment information, claims, and plan contacts for the GLTC plan. The website must meet all requirements as detailed in this Section.

6) Technical Specifications. System-Specific Website

Contractor must establish a customized, System-specific website with the primary goal of allowing participants to easily access plan information regarding customer service toll-free numbers, claims, and plan contacts for the GLTC plan. The website must meet all requirements as detailed in this section.

Before deploying the UT System-specific website, Contractor must submit to UT System information describing:

- (1) the architecture of the website or application;
- (2) the authentication mechanism for the website or application; and
- (3) the administrator level access to data included in the website or application.

Before deploying the UT System-specific website, the website must be subject to vulnerability and penetration tests either conducted by UT System or an independent third party.

Contractor must be available to address additional information security-related questions.

Contractor's System-specific website must be available to UT System for testing no later than **March 15th, 2019**. The final System-approved website for plan year 2018-2019 must be completed by **March 26th, 2019** and must include UT System-approved enrollment materials. UT System must approve new website additions or redesigns at least two (2) weeks prior to any scheduled launch date. Contractor must update the website as often as needed with System-specific content (e.g., news) when requested by UT System. UT System's requests should be implemented within two (2) weeks from the request date, or within a reasonable time as agreed by UT System, depending on the complexity of the update requested.

a) Content Specifications

UT System-specific website should be kept regularly updated with timely, relevant information for the GLTC plan. All content for UT System-specific website must be approved by the System before it is released. The site must include:

- ✓ A link to the UT GLTC Plan Guide and summary, as approved by UT System;
- ✓ All information must be updated in accordance with the above time frames. The online and printed provider directories must include a disclaimer that providers are subject to change;
- ✓ Customer service information, including phone numbers, mail and claim addresses, hours of operation, and guidelines for the complaint and appeals processes;
- ✓ Electronic forms or email addresses for customer complaints and questions. Response to email complaints should have no more than a 48-hour turnaround time. A tracking system for complaints submitted online, similar to the tracking of telephone complaints, must be in place, with the ability to provide data and details to UT System upon request;
- ✓ All necessary Contractor forms (e.g., claim forms) for participants. If forms are made available in PDF format, an easily identifiable link must be provided to download Adobe Acrobat Reader to enable participant viewing and printing;
- ✓ UT System's branding and UT System-specific welcome message must be included to clearly indicate the site is specific to System and the GLTC plan;
- ✓ A link to UT System's UT Benefits website; and
- ✓ If Contractor provides a website through which a participant may view specific information about himself / herself, the site must utilize secured protocol (https://) and require authentication. The site may not use the participant's social security number as either the user identification or the password. The Benefits ID may be used as the user identification. Authentication via Single Sign-On using SAML 2.0 is strongly preferred over requiring a unique user identification and password specific to the site. See **Section 5.3.12** of this RFP for additional details.

b) Technical Specifications

UT System-specific website must be accessible to as many participants as possible. Therefore, the following specifications must be met:

- ✓ All website content must be clearly visible and functional in Internet Explorer, Safari, Microsoft Edge, Firefox, and Google Chrome browsers;

- ✓ Entering a Social Security Number should not be required at any time to access information on the website;
  - ✓ The log-on page must not allow the browser to store the information entered in the cache. The auto-complete feature must be turned off for every form;
  - ✓ The font must be easy to read, no smaller than 10px; and
  - ✓ All web content and downloadable documents, including Adobe Portable Document Format (PDF) files, must be made accessible to persons with disabilities, in accordance with **Section 5.3.13** of this RFP.
- c) Before deploying UT System-specific website, Contractor must submit to UT System information Security Officer describing:
- ✓ the architecture of the website or application;
  - ✓ the authentication mechanism for the website or application; and
  - ✓ the administrator level access to data included in the website or application.
- d) Before deploying UT System-specific website, the website must be subject to vulnerability and penetration tests either conducted by UT System or an independent third party.
- e) Contractor must be available to address additional information security-related questions.

#### 14. Group Long Term Care Certificate of Coverage

A separate certificate of coverage must be provided for the LTC plan for each plan year. If corrections or amendments are made to the certificate of coverage during a plan year, all System participants must receive an updated certificate of coverage or the appropriate written amendment. The certificate of coverage must include the Schedule of GLTC Benefits as approved by UT System. The certificate of coverage shall include any additions, limitations and exclusions, and a description of the appeals process. The certificate of coverage should include a description of current eligibility requirements that complies with the eligibility requirements set forth in [Section 1601 of the Texas Insurance Code](#) for the employee, retired employee and their spouses. Additionally, Contractor may offer the plan to any other family member the System determines, in consultation with Contractor, to be eligible under applicable law. Final drafts of any required certificate of coverage must be submitted by Contractor to UT System for review by March 15th, 2019. Thirty (30) finalized and printed copies must be provided to the System before April 1<sup>st</sup> (or May 1st), 2019.

After the April 1st (or May 1st), 2019 initial enrollment period and following each subsequent Annual Enrolment period of this contract, Contractor must mail certificates of coverage to all participants who enroll in the GLTC plan. An average of 90% of certificates of coverage must be mailed to new enrollees within five (5) business days following the date of request from a UT participant or from the date of receipt of enrollment information from the institution.



15. Prohibitions; Notice of Inquiries from Third Parties

As the administrator for the fully insured GLTC plan, Contractor may receive numerous inquiries from interested third parties relating to the UT GLTC plan and their program administration. Contractor is strictly prohibited from disseminating any information about coverage, products, or materials on Contractor's website other than those explicitly relating to Contractor's plan offered or service provided to System participants, including the System-specific GLTC website.

Contractor must forward all inquiries from interested third parties relating to the GLTC plan and program administration to the System Office of Employee Benefits.

16. Dissemination of Communication Materials

Communication materials may be considered "published" when a final electronic copy is delivered to UT System or is accessible on Contractor's website. Materials that contain protected health information or other confidential information must be mailed in an envelope or packaging designed to secure confidential information from casual viewers.

17. Training of System and Institution Staff

Contractor must provide training to System staff and institution HR and Benefits staff regarding the GLTC plan. Centralized training for institution HR and Benefits staff occurs on an annual basis during the Benefits and Human Resources Conference (BHRC) hosted in Austin, Texas by OEB. The BHRC is usually scheduled annually during the month of June. In addition, specific training for institution HR and Benefits staff may be required at other times during the year based on changes to operations and the needs of UT System. Contractor must provide UT System with updates on current industry best practices and legislative changes as they relate to non-federal governmental health plans.

18. Performance Standards and Penalties

Contractor must monitor its administrative performance to ensure compliance with the requirements listed below and must report the specified information to UT System on a quarterly basis in an Administrative Performance Report. See the template included as **APPENDIX EIGHT** to this RFP for the required format for the Administrative Performance Report.

Contractor selected to administer the GLTC plan must agree to pay the financial penalties as shown in this Section if the associated performance standards are not met. Additionally, Contractor should be aware that compliance with these requirements will be a key consideration during any future contract renegotiations.

A. Administrative Report Timeliness

**System Requirement:** Each Administrative Performance Report is due no later than the 20th of the month following the end of UT System plan year quarter or by the first business day following the 20th, if it falls on a weekend or holiday.

**Financial Penalty:** A penalty of \$2,000 may be assessed for each quarter in which Contractor fails to submit the Administrative Performance Report by the required due date.

B. Customer Service Call Handling

**System Requirement:** When contacting the toll-free GLTC Contractor's customer service number, the average time a caller waits before speaking to Contractor customer service representative should be thirty (30) seconds or less. The average abandonment rate should not exceed 5%.

The average speed of answer ("**ASA**") and average abandonment rate ("**ABR**") must be reported on a quarterly basis. System-specific data is strongly preferred; however, if System-specific data is not available due to technical limitations, these two (2) customer service statistics for the complete book of business may be reported instead.

**Financial Penalty:** A separate penalty of \$4,000 each may be assessed for each quarter in which the ASA exceeds thirty (30) seconds and for each quarter in which the ABR exceeds 5%.

C. Call Center and Website Outages

**System Requirement:** Outages of customer service access points, including telephone and IVR services at the Customer Service call center as well as with UT System-specific website, should be kept to a minimum. If an outage does occur (or is expected to occur), Contractor must report the outage to UT System as soon as possible and service should generally be restored within one (1) hour of the outage, dependent upon specific circumstances.

**Financial Penalty:** A penalty of \$1,000 may be assessed for each outage longer than one (1) hour but less than eight (8) hours. If an outage is greater than eight (8) hours but less than twenty-four (24) hours, a penalty of \$2,000 may be assessed. If an outage lasts longer than twenty-four (24) hours, a penalty of \$4,000 may be assessed for each occurrence, up to a maximum penalty of \$12,000 for each quarter. UT System may waive this penalty based on extenuating circumstances, including down time due to unusually severe weather, a natural disaster, or an act of terrorism.

D. Certificate of Coverage

**System Requirement:** Contractor must meet all due date requirements as specified in this RFP for mailing of this certificate during 2019 and subsequent Annual Enrollment periods and during the plan year.

**Financial Penalty:** A penalty of \$4,000 may be assessed for failure to mail certificates of coverage prior to September 1st to all new enrollees during each Annual Enrollment period. A separate \$4,000 may be assessed for each quarter that Contractor did not mail at least 90% of their certificates of coverage to enrollees within five (5) business days from the date Contractor receives the enrollment information.

E. Initial Enrollment and Annual Enrollment Materials

**System Requirement:** Contractor must meet all due date requirements as specified in this RFP for materials related to Annual Enrollment.

**Financial Penalty:** A penalty of \$4,000 may be assessed for each violation of the due date requirements for: (1) preparation of UT System-specific website; (2) distribution of plan materials; and (3) preparation of plan booklets.

F. Plan Design Changes

**System Requirement:** Requested plan design changes must be implemented by Contractor with 100% accuracy following final approval and agreement between UT System and Contractor regarding specific expectations and effective dates.

**Financial Penalty:** A penalty of \$5,000 may be assessed for each set-up error, up to a maximum of \$20,000 per Contract Year.

G. Claims Processing

**System Requirement:** Contractor must meet the average time to process and pay claims to be within fifteen (15) days from Contractor's receipt of all necessary information.

**Reporting:** Contractor must include in its quarterly report the total number of claims received from System participants, the total dollar amounts paid and denied, the average processing time (in days) for payment of these claims, and the percentage processed and paid within fifteen (15) days and thirty (30) days, respectively, from date of receipt.

**Financial Penalty:** A penalty of \$4,000 may be assessed by UT System for each quarter in which the average time to process claims exceeds fifteen (15) days.

H. Written Inquiries

**System Requirement:** At least 95% of written inquiries received from participants that require a response should be responded to within five (5) business days of receipt.

**Financial Penalty:** A penalty of \$4,000 may be assessed for each quarter in which the overall rate at which the timeliness standard for responding to written inquiries is met falls below 95%.

I. Complaints

**System Requirement:** The average time to resolve System participants' complaints should not exceed thirty (30) calendar days, with at least 90% resolved within fifteen (15) days of Contractor's receipt of all information reasonably necessary to address the complaint.

**Reporting:** Contractor must report the total number of complaints received from System participants (via mail or email), the average length of time to resolve complaints, and the percentage resolved within fifteen (15) days of receipt of all reasonably necessary information. System-specific data is required.

**Financial Penalty:** A penalty of \$4,000 may be assessed for each quarter in which the average time to resolve complaints received from System participants exceeds thirty (30) days or when fewer than 90% are resolved within fifteen (15) days of receipt of reasonably necessary information.

J. Appeals

**System Requirement:** Contractor should average processing claims appeals from System participants within thirty (30) calendar days from the date of receipt of all necessary information.

**Reporting:** Contractor must report the total number of appeals received from System participants (via mail or email), the number upheld, the number overturned, the average length of time to process the appeals, and the percentage processed within thirty (30) days of receipt of all reasonably necessary information.

**Financial Penalty:** A penalty of \$4,000 may be assessed for each quarter in which the average time to process appeals received from System participants exceeds thirty (30) days.

**5.4 Additional Questions Specific to this RFP**

Proposer must submit the following information as part of Proposer's proposal:

**Vendor Experience and Vendor Information (15%)**

1. Provide references from three (3) of Proposer's customers from the past five (5) years for services that are similar in scope, size, and complexity to the Services described in this RFP.

Provide the following information for each customer:

- Customer name and address;

- Contact name with email address and phone number;
  - Time period in which work was performed;
  - Short description of work performed.
2. Provide Proposer's total commercial enrollment as of December 1, 2016 and December 1, 2017. Provide a statement of Proposer's capacity to enroll new participants and the likelihood of any future limitations on enrollment.
  3. Explain Proposer's previous experience in providing GLTC plan design administration and coordination or similar benefits, as applicable, to groups of 3,000 or more, especially higher education institutions and governmental organizations if possible.
  4. Provide the following information that applies to the GLTC Plan:
    - a) The full legal name, address, telephone number, and URL for the corporate website.
    - b) The name, title, mailing address, telephone number, and email address for the following individuals:
      - The organization's contact person for this RFP;
      - The person authorized to execute any contract(s) that may be awarded;
      - The person who will serve as the organization's legal counsel;
      - The actuarial / financial expert(s) responsible for preparation of items in this response, who must be available to respond to inquiries made by UT System or its consulting actuary and provide any requested information concerning such items.
    - c) A copy of the organizational chart identifying the personnel who will be responsible for the administration and management of Contractor's contract with UT System.
    - d) A copy of Proposer's current State of Texas Vendor ID number (14-digit number).
  5. Provide the names and addresses of all parties who would receive compensation (Proposer's sub-contractors and 3-rd party vendors) as a result of the Proposer's selection under this RFP, including, but not limited to, consulting fees, finder's fees, and service fees.
  6. Is Proposer presently actively considering or subject to any mergers with and / or acquisitions of or by other organizations? If so, provide specifics. Affirm that Proposer agrees to notify UT System immediately upon reaching any form of binding agreement in connection with any merger, acquisition or reorganization of the Proposer's management.
  7. Disclose any contractual relationships with affiliates that could present a conflict of interest with Proposer's role as insurer of the GLTC plan.

8. Describe any litigation, regulatory proceedings, and / or investigations completed, pending or threatened against Proposer and / or any of its related affiliates, officers, directors, and any person or subcontractor performing any part of the services being requested in connection with the Contract during the past five (5) years. Identify the full style of each suit, proceeding or investigation, including county and state, regulatory body and / or federal district, and provide a brief summary of the matters in dispute, current status and resolution, if any.
9. Describe any investigations, proceedings, or disciplinary actions by any state regulatory agency against the organization and / or any of its related affiliates, officers, directors and any person or subcontractor performing any part of the services being requested in connection with the Contract during the past five (5) years. Identify the full style of each suit, proceeding or investigation including county and state, regulatory body and/or federal district, and provide a brief summary of the matters in dispute, current status and resolution, if any.

**Deviations from the RFP (5%)**

10. Identify any provision in Proposer's response that does not conform to the standards described in the RFP. For each deviation, provide the specific location in the response and a detailed explanation as to how the provision differs from the RFP standards and why.

**Operational Services (5%)**

11. Where is Proposer's primary administrative facility located?
12. State if Proposer contracts with a management or service company for some or all of the administrative services. If applicable, specify the name of the company, the services provided, and the method of reimbursement. Note that this would require compliance with the HUB requirements described in this RFP (ref. Section 2.5 of this RFP).
13. Provide a detailed description of the Proposer's HIPAA Privacy and Security Compliance programs as these would apply to System data in the Proposer's capacity as a Covered Entity. Include information on HIPAA workforce training and monitoring. Describe all policies and practices implemented to ensure the privacy of all confidential information as defined in the Contract, including but not limited to protected health information as defined by the HIPAA privacy rule, employee / participant information, or other confidential information about the System and its participants. Include a link to the Proposer's HIPAA policies and Notice of Privacy Practices as well as a brief description of any HIPAA violations alleged against the Proposer by consumers or the Department of Health and Human Services, including the outcomes.
14. Provide the name of Proposer's HIPAA privacy officer and a description of his or her qualifications.

15. Confirm Proposer's compliance with current HIPAA rules and regulations applicable to data transmission and privacy, and the organization's willingness to comply with future changes.
16. List any entities with whom Proposer anticipates sharing or disclosing any PHI (Protected Health Information) that the Proposer will create or receive from (or on behalf of) UT System. State the general purpose for which the PHI will be shared or disclosed, and confirm that each entity will comply with requirements for business associates under HIPAA with regard to this PHI.
17. Provide a detailed description of the procedures and systems Proposer uses to prevent, deter, detect and investigate fraud or related issues, and explain how such processes shall be utilized in connection with the GLTC plan.
18. Does Proposer have an information security plan in place, supported by security policies and procedures, to ensure the protection of information and information resources? If so, provide an outline of the plan and note how often it is updated. If not, describe what alternative methodology Proposer uses to ensure the protection of information and information resources.
19. Describe the procedures and tools used for monitoring the integrity and availability of the information systems interacting with the service proposed, detecting security incidents, and ensuring timely remediation.
20. Describe the physical access controls used to limit access to Proposer's data center and network components.
21. What procedures and best practices does Proposer follow to harden all information systems that would interact with the service proposed, including any systems that would hold, process, or from which UT System data may be accessed?
22. If Proposer were selected, would Proposer agree to a vulnerability scan and penetration tests by System of all information systems that would interact with the service proposed including any systems that would hold, process, or from which System data may be accessed? If Proposer objects to a vulnerability scan and penetration tests, describe in detail the reasons for objection.
23. Does Proposer have a data backup and recovery plan, supported by policies and procedures, in place for the hosted environment? If so, provide an outline of the plan and note how often it is updated. If not, describe what alternative methodology Proposer uses to ensure the restoration and availability of UT System data.
24. Does Proposer encrypt data backups? If so, describe the methods used to encrypt backup data. If not, what alternative safeguards will Proposer use to protect System data backups against unauthorized access?
25. Does Proposer encrypt data in transit and at rest? If so, describe how that security is provided. If not, what alternative methods are used to safeguard data in transit and at rest?

26. What technical security measures does Proposer propose to take to detect and prevent unintentional (accidental) and intentional corruption or loss of UT System data?
27. What safeguards does Proposer have in place to segregate UT System and other customers' data to prevent accidental or unauthorized access to UT System data?
28. What safeguards does Proposer have in place to prevent the unauthorized use, reuse, distribution, transmission, manipulation, copying, modification, access, or disclosure of UT System data?
29. What administrative safeguards and best practices does Proposer employ with respect to staff members (Proposer and third-party) who would have access to the environment hosting all information systems that would interact with the service proposed, including any information systems that would hold, process, or from which UT System data may be accessed, to ensure that UT System data and resources will not be accessed or used in an unauthorized manner.
30. Describe the procedures and methodology in place to detect information security breaches and notify customers in a manner that meets the requirements of HIPAA and Texas breach notification laws.
31. Describe the procedures Proposer has in place to isolate or disable all information systems that would interact with the service proposed, including any systems that would hold, process, or from which UT System data may be accessed, when a security breach is identified?
32. Describe the safeguards in place to ensure that all information systems that would interact with the service proposed, including any systems that would hold, process, or from which UT System data may be accessed, reside within the United States.
33. Detail the planned data security and handling of data.
34. Describe Proposer's implementation strategy for segregating sensitive and non-sensitive data including: 1) How Proposer ensures different levels of protection mechanisms and security controls based on UT System Data Classification scheme; and 2) How Proposer integrates updated or new security controls specified by the UT System.
35. Explain how Proposer reliably deletes UT System data upon request or under the terms of the contractual agreement. Describe the evidence that is available and provided after data has been successfully deleted.
36. Explain how strong encryption using a robust algorithm with keys of required strength are used for encryption in transmission and in processing per requirements identified in NIST 800-53v4. Explain how cryptographic keys are managed, protection mechanisms, and who has access to them. Describe how strong data encryption is used for web sessions and other network communication including data upload and downloads. Define how encryption in transmission is used to ensure data security between applications (whether cloud or on premise) and during session state.



37. Describe how strong data encryption is applied to data at rest in all locations where confidential information is stored.
38. Provide evidence that processes are in place to compartmentalize the job responsibilities of the Proposer's administrators from the responsibilities of other staff and different administrators to ensure the principles of Least Privilege and Separation of Duties.
39. Provide documentation regarding HIPAA and Security Awareness training that meet industry standards (e.g. NIST 800-53v4, HIPAA Rules).
40. Provide policy, procedures, and controls to demonstrate how Proposer protects against malicious insiders.
41. Describe the service Proposer's process to ensure all personnel read and understand the Proposer's acceptable use policy, and negotiate an agreement.

#### **Financial Requirements (5%)**

42. Do you agree to a no minimum participation requirement for the GLTC plan? If not, describe Proposer's requirements.
43. Describe any buy-up program Proposer offers. How often is the buy-up or increase of coverage option offered?
44. Does Proposer's company normally retain all risk associated with a GLTC policy or does Proposer use a reinsurer? If Proposer uses a reinsurer, what amount of the risk is assumed by the reinsurer? What reinsurer does Proposer use? Is the reinsurer involved in the approval of claims? Was the reinsurer involved in the preparation of this proposal?
45. What is the standard waiting period (number of days) for a premium waiver? Is there a time limit for application for waiver of premiums?
46. Would this plan be experience rated? What level of creditability is given to the claims experience?
47. Describe all reserve accounts that would be established and how these reserves are credited with interest. How often does the credited interest rate change?
48. When establishing a reserve for a disabled employee, does Proposer take into consideration the probability of recovery from the disability? If so, how is this determined? Does Proposer consider the probability of receiving Social Security disability benefits? What is done in regard to the reserves if a disabled employee returns to work? What actuarial table(s) and interest rates are used in establishing Proposer's disabled lives reserves?

- 49. Would UT System receive a reimbursement of excess reserves? If so, would reimbursement be received during the contract term or after expiration of the contract?
- 50. Describe Proposer's non-forfeiture and / or return-of-premium provision in the plan? Does the plan contain vesting rights should future changes in Medicare or socialized programs include GLTC benefits?
- 51. How long after expiration of the Contract would the final accounting be completed?
- 52. Would interest be credited on reserves between the expiration of the Contract and the final accounting?
- 53. Indicate what percentage of the total earned premium will go towards retention.

**Benefits and Network Administration (15%)**

- 54. Provide a benefit summary or chart detailing the benefit design Proposer recommends.
- 55. Provide a detailed description of any exclusion or limitations that pertain to the benefits schedule as well as any enhanced benefits to be considered in evaluating the product(s) Proposer is proposing in response to this RFP.
- 56. Describe Proposer's organization's buy-up option process.
- 57. Describe Proposer's experience in providing cost-containment enhancements for Proposer's clients.
- 58. Describe the claim filing process.
- 59. For the claims office that would be processing claims for UT Participants, provide the following statistics for all claims paid by Proposer for the most recent 12- month period:

PERIOD:	VENDOR STANDARD	ACTUAL
Claims payment accuracy rate		
Claims processing accuracy rate		
Financial accuracy rate		
Average turnaround time		

- 60. Explain the process for obtaining medical records required to pay a claim.
- 61. Provide a sample claim form.

62. Explain if UT participants be able to view their claims information online via Proposer's System-specific website?
63. Confirm that System will have a specific high-level contact for issues regarding GLTC claims administration and indicate where this contact will be located.
64. Provide a detailed description of Proposer's facilities and procedures for processing claims, including the following:
- The location where claims will be processed and their hours of operation;
  - The size and composition of the staff that will be assigned to process claims;
  - Proposer's hiring and training practices for claims examiners, processors, and data entry operators;
  - The claims processing system to be utilized and how long the system has been in operation;
  - Any procedures used to expedite claims processing, such as electronic claims submission; and
  - Any arrangements designed to reduce or eliminate participant responsibility for filing claims.
65. Can Customer Service Representatives view historical claims information online to assist participants? Will UT participants be able to view their claims information online via Proposer's System-specific website? How will designated System staff members access claims information for System participants so that specific claims can be reviewed and / or specific reporting requested?
66. Provide a detailed description of the grievance and appeals process for benefits and services provided.
67. Discuss Proposer's policies and procedures for addressing situations in which benefits have been utilized after a participant's eligibility has terminated.
68. Are there value-added products or programs Proposer offers that may not be requested in this RFP? If so, describe.
69. Describe Proposer's process for implementing changes to the benefit plan design. How much advance notice is required for a change to be made in Proposer's information system?
70. What quality assurance processes are integrated into Proposer's information systems to ensure accurate programming of the initial benefit plan design and to improve the accuracy of programming related to plan design changes during the contract period?
71. What are Proposer's contingency plans and procedures for providing back-up service in the event of strike, natural disaster, backlog, or other event that might interrupt, delay, or disrupt service? Provide a copy of Proposer's disaster recovery plan and / or business resumption plan, including results of Proposer's most recent test of the plan.

72. Describe Proposer's current reporting capability. Provide samples of utilization and administrative performance reports currently available to contracting plans. How often are reports prepared? Describe the method that Proposer would use to determine the cost of any special reports that might be requested by UT System.
73. Provide copies of sample administrative performance reports meeting the requirements as described in the Administrative Performance Report Template included as **APPENDIX EIGHT** to this RFP.
74. If Proposer is unable to provide any of the information requested in the Administrative Performance Requirements Report template included as **APPENDIX EIGHT** to this RFP, describe in detail any information that cannot be provided and explain why it cannot be provided.
75. Describe Proposer's ad hoc reporting capability.
76. Describe any unique reporting capabilities that differentiate Proposer from its competitors. Confirm that Proposer can provide normative data against which UT System can benchmark its plan.

**Customer Service and Account Service (15%)**

77. Briefly outline Proposer's account management philosophy.
78. What is the Proposer's account manager / executive turn-over rate for the last twelve (12) months?
79. What is the expected response time for the account management team when responding to Office of Employee Benefits (OEB) staff? To UT Institution HR staff?
80. What is the expected response time for escalated customer service team members to members of the OEB staff? To UT Institution HR staff?
81. Describe the organization, location and structure of the account service team that shall (1) initially implement the GLTC plan; and (2) provide ongoing program support. Provide a resume of each team member, including Proposer-related duties and length of time with Proposer's organization. Briefly describe any other duties these personnel will be performing related to non-System responsibilities.
82. Provide the names and titles of Proposer's administrative support staff that will administer the GLTC plan, including the total number of full-time equivalent employees and which employees are located in Texas. What is the turnover rate among this staff for the past two (2) years?
83. If applicable, describe in detail any previous significant issues with contract implementation Proposer has experienced, and all measures Proposer took to remedy the situation.
84. Provide a list, beginning with the most recent, of any performance assessments incurred by Proposer during the last ten (10) years, or the life of the company if

less than ten (10) years. Separate by governmental and nongovernmental clients indicating the reason for the assessment and the amount paid.

85. Confirm that UT System will be notified of any change in the dedicated Account Management Team. Describe the efforts Proposer makes to discourage turnover of Account Management Team personnel responsible for oversight of major group accounts.
86. Describe Proposer's customer service unit, including the manner in which it is accessed, hours of operation, and the location(s) of the customer service call centers to be utilized by System participants.
87. Are any major changes currently planned or anticipated for the customer service organization or facilities (e.g., moving to a different location, reorganizing or merging units)? If so, describe.
88. Will Proposer provide a separate toll free number for System members? Provide the days and hours in which this access will be available.
89. How many telephone lines and support staff will be dedicated to customer service and claims processing for the GLTC plan?
90. How are after-hours calls to customer service handled?
91. Indicate the average number of telephone calls received over the past six (6) months on a weekly basis for the primary call center(s) to be utilized by System participants.
92. Does Proposer's customer service system support TTY, also known as TDD (Telecommunications Device for the Deaf) technologies?
93. How does Proposer's customer service system support non-English-speaking participants?
94. Briefly describe the training that each employee or representative receives to provide customer service. Include the length of time it takes to advance from training to a qualified Customer Service Representative (CSR).
95. How does Proposer ensure that its CSRs are providing timely and accurate information?
96. How does Proposer monitor first-call resolution and member inquiries that do not get resolved?
97. Does Proposer's customer service inquiry system allow CSRs to enter information and provide the ability for CSRs to review previous notes to better assist members?
98. Can CSRs view historical claims information online to assist participants?
99. Does the plan have a prior hospitalization rule? If yes, when does coverage begin?

100. Describe how Proposer handles written inquiries. Are they always responded to in writing?
101. What is Proposer's current standard for response time with respect to questions requiring written communication?
102. Describe Proposer's problem resolution policies.
103. Describe Proposer's procedures for handling and escalation of customer service complaints.
104. Confirm that Proposer's proposal contains no provision for "binding arbitration" in a complaint procedure and that no such provision shall be utilized with regard to System participants.
105. Describe the customer complaint tracking system that Proposer utilizes. How long has this system been in place?
106. Describe any changes that are planned or scheduled within the next forty-two (42) months for Proposer's computer systems, including Customer Support changes, and provide timelines for when the changes will be implemented to the existing computer system.
107. Does the GLTC benefit plan coordinate with other benefit plans (such as Medicare, employer-sponsored LTD plans)? Explain.
108. Does Proposer record all phone calls and notify all parties that their conversations are being electronically recorded and stored? If not, how many calls are recorded, and what criteria are used in their selection?
109. Describe Proposer's processes for monitoring the adequacy of customer service and provider and participant satisfaction. Does Proposer currently perform overall participant satisfaction surveys? If so, does an outside organization perform the surveys?
110. Explain in detail the resources and procedures to be applied in connection with GLTC communications and the services that will be available at no additional cost to UT System regarding development and dissemination of communications materials.
111. Discuss Proposer's experience with the innovative use of communication tools and techniques to improve participant engagement and increase participation in the GLTC plan. Include examples of unique approaches to participant communications and a discussion of how results from specific communication campaigns aimed at increasing engagement are measured.
112. Describe any enhanced tools and programs currently offered by Proposer in support of participant communication efforts, such as mobile integration features offered through Proposer's website (e.g. option to send provider information direct

to mobile device), smart phone applications, etc. Include a discussion of applicable direct costs to the plan or participants in conjunction with the use of such tools.

113. Provide a sample copy of all written materials to be used in administering the GLTC plan coverage. At a minimum, Proposer's response should include the following:
- Initial Enrollment / Marketing Packets: Include copies of proposed marketing materials; all proposed advertisements and presentation materials for employee meetings.
  - Annual Enrollment / Marketing Packets: Include copies of proposed marketing materials; all proposed newspaper, billboard, television and radio advertisements for Annual Enrollment; and presentation materials for employee meetings.
  - Post enrollment member packets: Include a copy of the proposed benefits books, including a complete description of benefits provided, limitations, and exclusions.
  - Proposers should also submit samples of communication materials, including consumer targeted educational materials (in both print and electronic format) and the format of the customized System-specific website.
114. Explain in detail the services that will be available at no additional cost to UT System regarding communications and participation of the organization's personnel at employee / retiree meetings during annual enrollment periods.
115. Provide a Schedule of Benefits that contains the benefits as set forth in **APPENDIX FIVE** of this RFP. The summary shall include any additions, limitations and exclusions.
116. Describe Proposer's process for implementing plan design or benefit changes. How much advance notice is required for a change to be programmed into Proposer's information systems? What quality assurance measures are in place to ensure the accuracy of such programming?
117. Describe the facilities, personnel, and procedures the vendor intends to use to service those functions required for the GLTC plan other than the processing of claims. This response should include a description of:
- Personnel that will be available to confer with the System's consulting actuaries concerning financial issues,
  - Legal and other expertise available to represent the vendor in the execution of its duties under the Contract, and
  - The vendor's internal processes to deal with participant grievances and appeals.
118. Provide a copy of Proposer's Evidence of Insurability (EOI) application form(s). Describe each including who must complete.

119. Explain the process followed when an evidence of insurability (EOI) form is required. What is the average decision time on an EOI form? What factors determine if a medical report is needed? If a report is required, does Proposer organization decide which medical professional is to complete the form? If so, who pays for the medical report and what is the average cost?
120. Describe Proposer's quality assurance (QA) program. Include or address the following as part of the description:
- The name of the designated senior executive responsible for the program;
  - Proposer's current QA policies and procedures;
  - The extent of the Medical Director's involvement in the program;
  - The extent of participating health care providers' involvement in the program;
  - Quality of clinical care and quality of service issues;
  - The composition and activities of the quality assurance committee; and
  - The number and expertise of staff dedicated to quality assurance.
121. Describe Proposer's processes for monitoring the adequacy of customer service and claims service. How often are surveys specific to these functions conducted? Provide a copy of the most recent results.
122. Does Proposer currently perform overall participant satisfaction surveys? If so, does an outside organization perform the surveys? Are health care providers notified of the results? Provide a copy of the latest survey and its results, if applicable, including the percentage of participants who indicated that they were "satisfied" or "very satisfied" with the overall program.

### **Technical and Data Exchange Capabilities (10%)**

123. Describe the Proposer's ability to provide automated notification upon receipt of eligibility data as well as automated, timely notifications confirming either successful load or failure to load for any eligibility dataset received from System and Benefitfocus.
124. Explain how Proposer plans to ensure that it meets all requirements regarding protecting the confidentiality of social security numbers as outlined in this RFP, including the requirements of Section 501 of the Texas Business and Commerce Code, CONFIDENTIALITY OF SOCIAL SECURITY NUMBERS.
125. Describe Proposer's experience with automated enrollment systems, including any specific automated systems that Proposer has worked with.
126. Explain how data is entered into Proposer's eligibility system. Provide a data flow diagram of the process to receive, audit, and load eligibility datasets, including an indication of whether the diagram refers to a current or proposed system. If documenting a proposed system, the anticipated implementation date should be included.



127. Where is the location of the computer system that maintains and hosts Proposer's eligibility system and data? Is a third-party application used for entering data into the organization's eligibility system or was proprietary software developed in-house?
128. Upon receipt of eligibility datasets from UT System and Benefitfocus, can Proposer's eligibility system produce a detailed error report indicating which records which have been accepted for loading and which have been rejected? Will such reports be provided following each eligibility transmission?
129. Discuss the staffing and capabilities of Proposer's team that would be responsible for managing information systems and data for the GLTC plan.
130. How soon after receiving eligibility data from UT System would any updates be reflected in Proposer's eligibility system?

**SECTION 6**

**PRICING AND DELIVERY SCHEDULE**

**Proposal of:** \_\_\_\_\_  
(Proposer Company Name)

**To:** The University of Texas System

**RFP No.:** 720-1907 Fully Insured Group Long Term Care Insurance Plan

**6.1 Proposed Monthly Premium Rates for Group Long Term Care Plan with Required Evidence of Insurability for all Participants (April 1 or May 1, 2019 – August 31, 2022) (15%)**

Using the following rate proposal chart, provide proposed monthly rates guaranteed for a fully insured Group Long Term Care Plan for the 36-month period beginning 4-5/1/2019 through 8/31/2022.

NOTE: Premiums paid under this Program are exempt from Texas premium taxes.

MONTHLY PREMIUM RATE PER \$25 OF COVERAGE		
Issue Age	Basic Benefit with Guaranteed Benefit Increase Option	Basic Benefit with Life Automatic Benefit Increase Option (Inflation Protection)
< 25	\$ _____	\$ _____
25 to 29	\$ _____	\$ _____
30 to 34	\$ _____	\$ _____
35 to 39	\$ _____	\$ _____
40	\$ _____	\$ _____
41	\$ _____	\$ _____
42	\$ _____	\$ _____
43	\$ _____	\$ _____
44	\$ _____	\$ _____
45	\$ _____	\$ _____
46	\$ _____	\$ _____
47	\$ _____	\$ _____
48	\$ _____	\$ _____
49	\$ _____	\$ _____
50	\$ _____	\$ _____
51	\$ _____	\$ _____
52	\$ _____	\$ _____
53	\$ _____	\$ _____
54	\$ _____	\$ _____
55	\$ _____	\$ _____
56	\$ _____	\$ _____
57	\$ _____	\$ _____

58	\$ _____	\$ _____
59	\$ _____	\$ _____
60	\$ _____	\$ _____
61	\$ _____	\$ _____
62	\$ _____	\$ _____
63	\$ _____	\$ _____
64	\$ _____	\$ _____
65	\$ _____	\$ _____
66	\$ _____	\$ _____
67	\$ _____	\$ _____
68	\$ _____	\$ _____
69	\$ _____	\$ _____
70	\$ _____	\$ _____
71	\$ _____	\$ _____
72	\$ _____	\$ _____
73	\$ _____	\$ _____
74	\$ _____	\$ _____
75	\$ _____	\$ _____
76	\$ _____	\$ _____
77	\$ _____	\$ _____
78	\$ _____	\$ _____
79	\$ _____	\$ _____
80	\$ _____	\$ _____
81	\$ _____	\$ _____
82	\$ _____	\$ _____
83	\$ _____	\$ _____
84	\$ _____	\$ _____
85	\$ _____	\$ _____
86	\$ _____	\$ _____
87	\$ _____	\$ _____
88	\$ _____	\$ _____
89	\$ _____	\$ _____
90	\$ _____	\$ _____

The percentage of the premium for administration is \_\_\_\_\_%. Enumerate what services will be paid for by this administrative cost:

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The premium rates above are guaranteed for **April 1 or May 1, 2019 – August 31, 2022.**

List and explain any other types of fees:

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**6.2 Proposed Monthly Premium Rates for Group Long Term Care Plan With Guarantee Issue for Current Benefit-eligible Employees and Initial Eligibility (15%)**

Using the following rate proposal chart, provide proposed monthly rates guaranteed for a fully insured Group Long Term Care Plan for the 36-month period beginning 4-5/1/2019 through 8/31/2022.

NOTE: Premiums paid under this Program are exempt from Texas premium taxes.

MONTHLY PREMIUM RATE PER \$25 OF COVERAGE		
Issue Age	Basic Benefit with Guaranteed Benefit Increase Option	Basic Benefit with Life Automatic Benefit Increase Option (Inflation Protection)
< 25	\$ _____	\$ _____
25 to 29	\$ _____	\$ _____
30 to 34	\$ _____	\$ _____
35 to 39	\$ _____	\$ _____
40	\$ _____	\$ _____
41	\$ _____	\$ _____
42	\$ _____	\$ _____
43	\$ _____	\$ _____
44	\$ _____	\$ _____
45	\$ _____	\$ _____
46	\$ _____	\$ _____
47	\$ _____	\$ _____
48	\$ _____	\$ _____
49	\$ _____	\$ _____
50	\$ _____	\$ _____
51	\$ _____	\$ _____
52	\$ _____	\$ _____
53	\$ _____	\$ _____
54	\$ _____	\$ _____
55	\$ _____	\$ _____
56	\$ _____	\$ _____
57	\$ _____	\$ _____
58	\$ _____	\$ _____
59	\$ _____	\$ _____
60	\$ _____	\$ _____
61	\$ _____	\$ _____
62	\$ _____	\$ _____
63	\$ _____	\$ _____
64	\$ _____	\$ _____
65	\$ _____	\$ _____
66	\$ _____	\$ _____
67	\$ _____	\$ _____

68	\$ _____	\$ _____
69	\$ _____	\$ _____
70	\$ _____	\$ _____
71	\$ _____	\$ _____
72	\$ _____	\$ _____
73	\$ _____	\$ _____
74	\$ _____	\$ _____
75	\$ _____	\$ _____
76	\$ _____	\$ _____
77	\$ _____	\$ _____
78	\$ _____	\$ _____
79	\$ _____	\$ _____
80	\$ _____	\$ _____
81	\$ _____	\$ _____
82	\$ _____	\$ _____
83	\$ _____	\$ _____
84	\$ _____	\$ _____
85	\$ _____	\$ _____
86	\$ _____	\$ _____
87	\$ _____	\$ _____
88	\$ _____	\$ _____
89	\$ _____	\$ _____
90	\$ _____	\$ _____

The percentage of the premium for administration is \_\_\_\_\_%. Enumerate what services will be paid for by this administrative cost:

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The premium rates above are guaranteed for **April 1 or May 1, 2019 – August 31, 2022.**

List and explain any other types of fees:

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**6.3 Discounts**

Describe all discounts that may be available to University, including, educational, federal, state and local discounts.

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**6.4 Delivery Schedule of Events and Time Periods**

Indicate number of calendar days needed to commence the Services from the execution of the services agreement:

\_\_\_\_\_ Calendar Days

**6.5 Payment Terms**

University's standard payment terms are "net 30 days" as mandated by the *Texas Prompt Payment Act* (ref. [Chapter 2251, Government Code](#)).

Indicate below the prompt payment discount that Proposer offers:

Prompt Payment Discount: \_\_\_\_\_% \_\_\_\_\_ days / net 30 days.

[Section 51.012, Education Code](#), authorizes University to make payments through electronic funds transfer methods. Proposer agrees to accept payments from University through those methods, including the automated clearing house system ("ACH"). Proposer agrees to provide Proposer's banking information to University in writing on Proposer letterhead signed by an authorized representative of Proposer. Prior to the first payment, University will confirm Proposer's banking information. Changes to Proposer's bank information must be communicated to University in writing at least thirty (30) days before the effective date of the change and must include an [IRS Form W-9](#) signed by an authorized representative of Proposer.

University, an agency of the State of Texas, is exempt from Texas Sales & Use Tax on goods and services in accordance with [§151.309, Tax Code](#), and [Title 34 TAC §3.322](#). Pursuant to [34 TAC §3.322\(c\)\(4\)](#), University is not required to provide a tax exemption certificate to establish its tax exempt status.

Respectfully submitted,

**Proposer:** \_\_\_\_\_

**By:** \_\_\_\_\_  
(Authorized Signature for Proposer)

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**APPENDIX ONE  
PROPOSAL REQUIREMENTS**

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## SECTION 1

### GENERAL INFORMATION

#### 1.1 Purpose

University is soliciting competitive sealed proposals from Proposers having suitable qualifications and experience providing services in accordance with the terms, conditions and requirements set forth in this RFP. This RFP provides sufficient information for interested parties to prepare and submit proposals for consideration by University.

By submitting a proposal, Proposer certifies that it understands this RFP and has full knowledge of the scope, nature, quality, and quantity of the services to be performed, the detailed requirements of the services to be provided, and the conditions under which such services are to be performed. Proposer also certifies that it understands that all costs relating to preparing a response to this RFP will be the sole responsibility of the Proposer.

PROPOSER IS CAUTIONED TO READ THE INFORMATION CONTAINED IN THIS RFP CAREFULLY AND TO SUBMIT A COMPLETE RESPONSE TO ALL REQUIREMENTS AND QUESTIONS AS DIRECTED.

#### 1.2 Inquiries and Interpretations

University may in its sole discretion respond in writing to written inquiries concerning this RFP and mail its response as an Addendum to all parties recorded by University as having received a copy of this RFP. Only University's responses that are made by formal written Addenda will be binding on University. Any verbal responses, written interpretations or clarifications other than Addenda to this RFP will be without legal effect. All Addenda issued by University prior to the Submittal Deadline will be and are hereby incorporated as a part of this RFP for all purposes.

Proposers are required to acknowledge receipt of each Addendum as specified in this Section. The Proposer must acknowledge all Addenda by completing, signing and returning the [Addenda Checklist](#) (ref. **Section 4 of APPENDIX ONE**). The Addenda Checklist must be received by University prior to the Submittal Deadline and should accompany the Proposer's proposal.

Any interested party that receives this RFP by means other than directly from University is responsible for notifying University that it has received an RFP package, and should provide its name, address, telephone and facsimile (**FAX**) numbers, and email address, to University, so that if University issues Addenda to this RFP or provides written answers to questions, that information can be provided to that party.

#### 1.3 Public Information

Proposer is hereby notified that University strictly adheres to all statutes, court decisions and the opinions of the Texas Attorney General with respect to disclosure of public information.

University may seek to protect from disclosure all information submitted in response to this RFP until such time as a final agreement is executed.

Upon execution of a final agreement, University will consider all information, documentation, and other materials requested to be submitted in response to this RFP, to be of a non-confidential and non-proprietary nature and, therefore, subject to public disclosure under the *Texas Public Information Act* (ref. [Chapter 552, Government Code](#)). Proposer will be advised of a request for public information that implicates their materials and will have the opportunity to raise any objections to disclosure to the Texas Attorney General. Certain information may be protected from release under §§[552.101](#), [552.104](#), [552.110](#), [552.113](#), and [552.131](#), *Government Code*.

#### 1.4 Type of Agreement

Contractor, if any, will be required to enter into a contract with University in a form substantially similar to the Agreement between University and Contractor (the "**Agreement**") attached to this RFP as **APPENDIX TWO** and incorporated for all purposes.

#### 1.5 Proposal Evaluation Process

University will select Contractor by using the competitive sealed proposal process described in this Section. Any proposals that are not submitted by the Submittal Deadline or that are not accompanied by required number of completed and signed originals of the HSP will be rejected by University as non-responsive due to material failure to comply with this RFP (ref. **Section 2.5.4** of this RFP). Upon completion of the initial review and evaluation of proposals, University may invite one or more selected Proposers to participate in oral presentations. University will use commercially reasonable efforts to avoid public disclosure of the contents of a proposal prior to selection of Contractor.

University may make the selection of Contractor on the basis of the proposals initially submitted, without discussion, clarification or modification. In the alternative, University may make the selection of Contractor on the basis of negotiation with any of the Proposers. In conducting negotiations, University will use commercially reasonable efforts to avoid disclosing the contents of competing proposals.



University may discuss and negotiate all elements of proposals submitted by Proposers within a specified competitive range. For purposes of negotiation, University may establish, after an initial review of the proposals, a competitive range of acceptable or potentially acceptable proposals composed of the highest rated proposal(s). In that event, University may defer further action on proposals not included within the competitive range pending the selection of Contractor; provided, however, University reserves the right to include additional proposals in the competitive range if deemed to be in the best interest of University.

After the Submittal Deadline but before final selection of Contractor, University may permit Proposer to revise its proposal in order to obtain the Proposer's best and final offer. In that event, representations made by Proposer in its revised proposal, including price and fee quotes, will be binding on Proposer. University will provide each Proposer within the competitive range with an equal opportunity for discussion and revision of its proposal. University is not obligated to select the Proposer offering the most attractive economic terms if that Proposer is not the most advantageous to University overall, as determined by University.

University reserves the right to (a) enter into an agreement for all or any portion of the requirements and specifications set forth in this RFP with one or more Proposers, (b) reject any and all proposals and re-solicit proposals, or (c) reject any and all proposals and temporarily or permanently abandon this selection process, if deemed to be in the best interests of University. Proposer is hereby notified that University will maintain in its files concerning this RFP a written record of the basis upon which a selection, if any, is made by University.

#### **1.6 Proposer's Acceptance of RFP Terms**

Proposer (1) accepts [a] Proposal Evaluation Process (ref. **Section 1.5** of **APPENDIX ONE**), [b] Criteria for Selection (ref. **2.3** of this RFP), [c] Specifications and Additional Questions (ref. **Section 5** of this RFP), [d] terms and conditions of the Agreement (ref. **APPENDIX TWO**), and [e] all other requirements and specifications set forth in this RFP; and (2) acknowledges that some subjective judgments must be made by University during this RFP process.

#### **1.7 Solicitation for Proposal and Proposal Preparation Costs**

Proposer understands and agrees that (1) this RFP is a solicitation for proposals and University has made no representation written or oral that one or more agreements with University will be awarded under this RFP; (2) University issues this RFP predicated on University's anticipated requirements for the Services, and University has made no representation, written or oral, that any particular scope of services will actually be required by University; and (3) Proposer will bear, as its sole risk and responsibility, any cost that arises from Proposer's preparation of a proposal in response to this RFP.

#### **1.8 Proposal Requirements and General Instructions**

- 1.8.1 Proposer should carefully read the information contained herein and submit a complete proposal in response to all requirements and questions as directed.
- 1.8.2 Proposals and any other information submitted by Proposer in response to this RFP will become the property of University.
- 1.8.3 University will not provide compensation to Proposer for any expenses incurred by the Proposer for proposal preparation or for demonstrations or oral presentations that may be made by Proposer. Proposer submits its proposal at its own risk and expense.
- 1.8.4 Proposals that (i) are qualified with conditional clauses; (ii) alter, modify, or revise this RFP in any way; or (iii) contain irregularities of any kind, are subject to disqualification by University, at University's sole discretion.
- 1.8.5 Proposals should be prepared simply and economically, providing a straightforward, concise description of Proposer's ability to meet the requirements and specifications of this RFP. Emphasis should be on completeness, clarity of content, and responsiveness to the requirements and specifications of this RFP.
- 1.8.6 University makes no warranty or guarantee that an award will be made as a result of this RFP. University reserves the right to accept or reject any or all proposals, waive any formalities, procedural requirements, or minor technical inconsistencies, and delete any requirement or specification from this RFP or the Agreement when deemed to be in University's best interest. University reserves the right to seek clarification from any Proposer concerning any item contained in its proposal prior to final selection. Such clarification may be provided by telephone conference or personal meeting with or writing to University, at University's sole discretion. Representations made by Proposer within its proposal will be binding on Proposer.
- 1.8.7 Any proposal that fails to comply with the requirements contained in this RFP may be rejected by University, in University's sole discretion.

## 1.9 Preparation and Submittal Instructions

### 1.9.1 Specifications and Additional Questions

Proposals must include responses to the questions in Specifications and Additional Questions (ref. **Section 5** of this RFP). Proposer should reference the item number and repeat the question in its response. In cases where a question does not apply or if unable to respond, Proposer should refer to the item number, repeat the question, and indicate N / A (Not Applicable) or N / R (No Response), as appropriate. Proposer should explain the reason when responding N / A or N / R.

### 1.9.2 Execution of Offer

Proposer must complete, sign and return the attached Execution of Offer (ref. **Section 2** of **APPENDIX ONE**) as part of its proposal. The Execution of Offer must be signed by a representative of Proposer duly authorized to bind the Proposer to its proposal. Any proposal received without a completed and signed Execution of Offer may be rejected by University, in its sole discretion.

### 1.9.3 Pricing and Delivery Schedule

Proposer must complete and return the Pricing and Delivery Schedule (ref. **Section 6** of this RFP), as part of its proposal. In the Pricing and Delivery Schedule, the Proposer should describe in detail (a) the total fees for the entire scope of the Services; and (b) the method by which the fees are calculated. The fees must be inclusive of all associated costs for delivery, labor, insurance, taxes, overhead, and profit.

University will not recognize or accept any charges or fees to perform the Services that are not specifically stated in the Pricing and Delivery Schedule.

In the Pricing and Delivery Schedule, Proposer should describe each significant phase in the process of providing the Services to University, and the time period within which Proposer proposes to be able to complete each such phase.

### 1.9.4 Proposer's General Questionnaire

Proposals must include responses to the questions in Proposer's General Questionnaire (ref. **Section 3** of **APPENDIX ONE**). Proposer should reference the item number and repeat the question in its response. In cases where a question does not apply or if unable to respond, Proposer should refer to the item number, repeat the question, and indicate N / A (Not Applicable) or N / R (No Response), as appropriate. Proposer should explain the reason when responding N / A or N / R.

### 1.9.5 Addenda Checklist

Proposer should acknowledge all Addenda to this RFP (if any) by completing, signing and returning the Addenda Checklist (ref. **Section 4** of **APPENDIX ONE**) as part of its proposal. Any proposal received without a completed and signed Addenda Checklist may be rejected by University, in its sole discretion.

### 1.9.6 Submission

*Proposer should submit all proposal materials as instructed in **Section 3** of this RFP. RFP No. (ref. **Title Page** of this RFP) and Submittal Deadline (ref. **Section 2.1** of this RFP) should be clearly shown (1) in the Subject line of any email transmitting the proposal, and (2) in the lower left-hand corner on the top surface of any envelope or package containing the proposal. In addition, the name and the return address of the Proposer should be clearly visible in any email or on any envelope or package.*

University will not under any circumstances consider a proposal that is received after the Submittal Deadline or which is not accompanied by the HSP as required by **Section 2.5** of this RFP. University will not accept proposals submitted by email, telephone or FAX transmission.

Except as otherwise provided in this RFP, no proposal may be changed, amended, or modified after it has been submitted to University. However, a proposal may be withdrawn and resubmitted at any time prior to the Submittal Deadline. No proposal may be withdrawn after the Submittal Deadline without University's consent, which will be based on Proposer's written request explaining and documenting the reason for withdrawal, which is acceptable to University.

## SECTION 2

### EXECUTION OF OFFER

**THIS EXECUTION OF OFFER MUST BE COMPLETED, SIGNED AND RETURNED WITH PROPOSER'S PROPOSAL. FAILURE TO COMPLETE, SIGN AND RETURN THIS EXECUTION OF OFFER WITH THE PROPOSER'S PROPOSAL MAY RESULT IN THE REJECTION OF THE PROPOSAL.**

**2.1 Representations and Warranties.** Proposer represents, warrants, certifies, acknowledges, and agrees as follows:

- 2.1.1 Proposer will furnish the Services to University and comply with all terms, conditions, requirements and specifications set forth in this RFP and any resulting Agreement.
- 2.1.2 This RFP is a solicitation for a proposal and is not a contract or an offer to contract. Submission of a proposal by Proposer in response to this RFP will not create a contract between University and Proposer. University has made no representation or warranty, written or oral, that one or more contracts with University will be awarded under this RFP. Proposer will bear, as its sole risk and responsibility, any cost arising from Proposer's preparation of a response to this RFP.
- 2.1.3 Proposer is a reputable company that is lawfully and regularly engaged in providing the Services.
- 2.1.4 Proposer has the necessary experience, knowledge, abilities, skills, and resources to perform the Services.
- 2.1.5 Proposer is aware of, is fully informed about, and is in full compliance with all applicable federal, state and local laws, rules, regulations and ordinances relating to performance of the Services.
- 2.1.6 Proposer understands (i) the requirements and specifications set forth in this RFP and (ii) the terms and conditions set forth in the Agreement under which Proposer will be required to operate.
- 2.1.7 Proposer will not delegate any of its duties or responsibilities under this RFP or the Agreement to any sub-contractor, except as expressly provided in the Agreement.
- 2.1.8 Proposer will maintain any insurance coverage required by the Agreement during the entire term.
- 2.1.9 All statements, information and representations prepared and submitted in response to this RFP are current, complete, true and accurate. University will rely on such statements, information and representations in selecting Contractor. If selected by University, Proposer will notify University immediately of any material change in any matters with regard to which Proposer has made a statement or representation or provided information.
- 2.1.10 PROPOSER WILL DEFEND WITH COUNSEL APPROVED BY UNIVERSITY, INDEMNIFY, AND HOLD HARMLESS UNIVERSITY, THE STATE OF TEXAS, AND ALL OF THEIR REGENTS, OFFICERS, AGENTS AND EMPLOYEES, FROM AND AGAINST ALL ACTIONS, SUITS, DEMANDS, COSTS, DAMAGES, LIABILITIES AND OTHER CLAIMS OF ANY NATURE, KIND OR DESCRIPTION, INCLUDING REASONABLE ATTORNEYS' FEES INCURRED IN INVESTIGATING, DEFENDING OR SETTLING ANY OF THE FOREGOING, ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM ANY NEGLIGENT ACTS OR OMISSIONS OR WILLFUL MISCONDUCT OF PROPOSER OR ANY AGENT, EMPLOYEE, SUBCONTRACTOR, OR SUPPLIER OF PROPOSER IN THE EXECUTION OR PERFORMANCE OF ANY CONTRACT OR AGREEMENT RESULTING FROM THIS RFP.
- 2.1.11 Pursuant to §§[2107.008](#) and [2252.903](#), *Government Code*, any payments owing to Proposer under the Agreement may be applied directly to any debt or delinquency that Proposer owes the State of Texas or any agency of the State of Texas, regardless of when it arises, until such debt or delinquency is paid in full.
- 2.1.12 Any terms, conditions, or documents attached to or referenced in Proposer's proposal are applicable to this procurement only to the extent that they (a) do not conflict with the laws of the State of Texas or this RFP, and (b) do not place any requirements on University that are not set forth in this RFP. Submission of a proposal is Proposer's good faith intent to enter into the Agreement with University as specified in this RFP and that Proposer's intent is not contingent upon University's acceptance or execution of any terms, conditions, or other documents attached to or referenced in Proposer's proposal.
- 2.1.13 Pursuant to [Chapter 2270, Government Code](#), Proposer certifies Proposer (1) does not currently boycott Israel; and (2) will not boycott Israel during the Term of the Agreement. Proposer acknowledges the Agreement may be terminated and payment withheld if this certification is inaccurate.
- 2.1.14 Pursuant to [Subchapter F, Chapter 2252, Government Code](#), Proposer certifies Proposer is not engaged in business with Iran, Sudan, or a foreign terrorist organization. Proposer acknowledges the Agreement may be terminated and payment withheld if this certification is inaccurate.

**2.2 No Benefit to Public Servants.** Proposer has not given or offered to give, nor does Proposer intend 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 its proposal. Failure to sign this Execution of Offer, or signing with a false statement, may void the submitted proposal or any resulting Agreement, and Proposer may be removed from all proposer lists at University.

- 2.3 Tax Certification.** Proposer is not currently delinquent in the payment of any taxes due under [Chapter 171, Tax Code](#), or Proposer is exempt from the payment of those taxes, or Proposer is an out-of-state taxable entity that is not subject to those taxes, whichever is applicable. A false certification will be deemed a material breach of any resulting contract or agreement and, at University's option, may result in termination of any resulting Agreement.
- 2.4 Antitrust Certification.** Neither Proposer nor any firm, corporation, partnership or institution represented by Proposer, nor anyone acting for such firm, corporation or institution, has violated the antitrust laws of the State of Texas, codified in [§15.01 et seq., 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.
- 2.5 Authority Certification.** The individual signing this document and the documents made a part of this RFP, is authorized to sign the documents on behalf of Proposer and to bind Proposer under any resulting Agreement.
- 2.6 Child Support Certification.** Under [§231.006, Family Code](#), relating to child support, the individual or business entity named in Proposer's proposal is not ineligible to receive award of the Agreement, and any Agreements resulting from this RFP may be terminated if this certification is inaccurate.
- 2.7 Relationship Certifications.**
- No relationship, whether by blood, marriage, business association, capital funding agreement or by any other such kinship or connection exists between the owner of any Proposer that is a sole proprietorship, the officers or directors of any Proposer that is a corporation, the partners of any Proposer that is a partnership, the joint venturers of any Proposer that is a joint venture, or the members or managers of any Proposer that is a limited liability company, on one hand, and an employee of any member institution of University, on the other hand, other than the relationships which have been previously disclosed to University in writing.
  - Proposer has not been an employee of any member institution of University within the immediate twelve (12) months prior to the Submittal Deadline.
  - No person who, in the past four (4) years served as an executive of a state agency was involved with or has any interest in Proposer's proposal or any contract resulting from this RFP (ref. [§669.003, Government Code](#)).
  - All disclosures by Proposer in connection with this certification will be subject to administrative review and approval before University enters into any Agreement resulting from this RFP with Proposer.
- 2.8 Compliance with Equal Employment Opportunity Laws.** Proposer is in compliance with all federal laws and regulations pertaining to Equal Employment Opportunities and Affirmative Action.
- 2.9 Compliance with Safety Standards.** All products and services offered by Proposer to University in response to this RFP meet or exceed the safety standards established and promulgated under the Federal Occupational Safety and Health Law ([Public Law 91-596](#)) and the *Texas Hazard Communication Act*, [Chapter 502, Health and Safety Code](#), and all related regulations in effect or proposed as of the date of this RFP.
- 2.10 Exceptions to Certifications.** Proposer will and has disclosed, as part of its proposal, any exceptions to the information stated in this Execution of Offer. All information will be subject to administrative review and approval prior to the time University makes an award or enters into any Agreement with Proposer.
- 2.11 Manufacturer Responsibility and Consumer Convenience Computer Equipment Collection and Recovery Act Certification.** If Proposer will sell or lease computer equipment to University under any Agreement resulting from this RFP then, pursuant to [§361.965\(c\), Health & Safety Code](#), Proposer is in compliance with the Manufacturer Responsibility and Consumer Convenience Computer Equipment Collection and Recovery Act set forth in [Chapter 361, Subchapter Y, Health & Safety Code](#), and the rules adopted by the Texas Commission on Environmental Quality under that Act as set forth in [30 TAC Chapter 328, §361.952\(2\), Health & Safety Code](#), states that, for purposes of the Manufacturer Responsibility and Consumer Convenience Computer Equipment Collection and Recovery Act, the term "computer equipment" means a desktop or notebook computer and includes a computer monitor or other display device that does not contain a tuner.
- 2.12 Conflict of Interest Certification.**
- Proposer is not a debarred vendor or the principal of a debarred vendor (i.e. owner, proprietor, sole or majority shareholder, director, president, managing partner, etc.) either at the state or federal level.
  - Proposer's provision of services or other performance under any Agreement resulting from this RFP will not constitute an actual or potential conflict of interest.
  - Proposer has disclosed any personnel who are related to any current or former employees of University.
  - Proposer has not given, nor does Proposer intend to give, at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor or service to an officer or employee of University in connection with this RFP.

**213 Proposer should complete the following information:**

If Proposer is a Corporation, then State of Incorporation: \_\_\_\_\_

If Proposer is a Corporation, then Proposer's Corporate Charter Number: \_\_\_\_\_

RFP No.: 720-1907 Fully Insured Group Long Term Care Insurance Plan

**NOTICE:** WITH FEW EXCEPTIONS, INDIVIDUALS ARE ENTITLED ON REQUEST TO BE INFORMED ABOUT THE INFORMATION THAT GOVERNMENTAL BODIES OF THE STATE OF TEXAS COLLECT ABOUT SUCH INDIVIDUALS. UNDER §§[552.021](#) AND [552.023](#), *GOVERNMENT CODE*, INDIVIDUALS ARE ENTITLED TO RECEIVE AND REVIEW SUCH INFORMATION. UNDER [§559.004](#), *GOVERNMENT CODE*, INDIVIDUALS ARE ENTITLED TO HAVE GOVERNMENTAL BODIES OF THE STATE OF TEXAS CORRECT INFORMATION ABOUT SUCH INDIVIDUALS THAT IS INCORRECT.

**Submitted and Certified By:**

\_\_\_\_\_  
(Proposer Institution's Name)

\_\_\_\_\_  
(Signature of Duly Authorized Representative)

\_\_\_\_\_  
(Printed Name / Title)

\_\_\_\_\_  
(Date Signed)

\_\_\_\_\_  
(Proposer's Street Address)

\_\_\_\_\_  
(City, State, Zip Code)

\_\_\_\_\_  
(Telephone Number)

\_\_\_\_\_  
(FAX Number)

\_\_\_\_\_  
(Email Address)

**SECTION 3**

**PROPOSER'S GENERAL QUESTIONNAIRE**

**NOTICE:** WITH FEW EXCEPTIONS, INDIVIDUALS ARE ENTITLED ON REQUEST TO BE INFORMED ABOUT THE INFORMATION THAT GOVERNMENTAL BODIES OF THE STATE OF TEXAS COLLECT ABOUT SUCH INDIVIDUALS. UNDER §§[552.021](#) AND [552.023](#), GOVERNMENT CODE, INDIVIDUALS ARE ENTITLED TO RECEIVE AND REVIEW SUCH INFORMATION. UNDER [§559.004](#), GOVERNMENT CODE, INDIVIDUALS ARE ENTITLED TO HAVE GOVERNMENTAL BODIES OF THE STATE OF TEXAS CORRECT INFORMATION ABOUT SUCH INDIVIDUALS THAT IS INCORRECT.

Proposals must include responses to the questions contained in this Proposer's General Questionnaire. Proposer should reference the item number and repeat the question in its response. In cases where a question does not apply or if unable to respond, Proposer should refer to the item number, repeat the question, and indicate N / A (Not Applicable) or N / R (No Response), as appropriate. Proposer will explain the reason when responding N / A or N / R.

**3.1 Proposer Profile**

3.1.1 Legal name of Proposer company:

\_\_\_\_\_

Address of principal place of business:

\_\_\_\_\_

\_\_\_\_\_

Address of office that would be providing service under the Agreement:

\_\_\_\_\_

\_\_\_\_\_

Number of years in Business: \_\_\_\_\_

State of incorporation: \_\_\_\_\_

Number of Employees: \_\_\_\_\_

Annual Revenues Volume: \_\_\_\_\_

Name of Parent Corporation, if any \_\_\_\_\_

**NOTE: If Proposer is a subsidiary, University prefers to enter into a contract or agreement with the Parent Corporation or to receive assurances of performance from the Parent Corporation.**

3.1.2 State whether Proposer will provide a copy of its financial statements for the past two (2) years, if requested by University.

3.1.3 Proposer will provide a financial rating of the Proposer entity and any related documentation (such as a Dunn and Bradstreet analysis) that indicates the financial stability of Proposer.

3.1.4 Is Proposer currently for sale or involved in any transaction to expand or to become acquired by another business entity? If yes, Proposer will explain the expected impact, both in organizational and directional terms.

3.1.5 Proposer will provide any details of all past or pending litigation or claims filed against Proposer that would affect its performance under the Agreement with University (if any).

3.1.6 Is Proposer currently in default on any loan agreement or financing agreement with any bank, financial institution, or other entity? If yes, Proposer will specify the pertinent date(s), details, circumstances, and describe the current prospects for resolution.

3.1.7 Proposer will provide a customer reference list of no less than three (3) organizations with which Proposer currently has contracts and / or to which Proposer has previously provided services (within the past five (5) years) of a type and scope similar to those required by University's RFP. Proposer will include in its customer reference list the customer's company name, contact person, telephone number, project description, length of business relationship, and background of services provided by Proposer.

- 3.1.8 Does any relationship exist (whether by family kinship, business association, capital funding agreement, or any other such relationship) between Proposer and any employee of University? If yes, Proposer will explain.
- 3.1.9 Proposer will provide the name and Social Security Number for each person having at least 25% ownership interest in Proposer. This disclosure is mandatory pursuant to [§231.006, Family Code](#), and will be used for the purpose of determining whether an owner of Proposer with an ownership interest of at least 25% is more than 30 days delinquent in paying child support. Further disclosure of this information is governed by the *Texas Public Information Act* (ref. [Chapter 552, Government Code](#)), and other applicable law.

### 3.2 Approach to Project Services

- 3.2.1 Proposer will provide a statement of the Proposer's service approach and will describe any unique benefits to University from doing business with Proposer. Proposer will briefly describe its approach for each of the required services identified in **Section 5.3** Scope of Work of this RFP.
- 3.2.2 Proposer will provide an estimate of the earliest starting date for services following execution of the Agreement.
- 3.2.3 Proposer will submit a work plan with key dates and milestones. The work plan should include:
- 3.2.3.1 Identification of tasks to be performed;
  - 3.2.3.2 Time frames to perform the identified tasks;
  - 3.2.3.3 Project management methodology;
  - 3.2.3.4 Implementation strategy; and
  - 3.2.3.5 The expected time frame in which the services would be implemented.
- 3.2.4 Proposer will describe the types of reports or other written documents Proposer will provide (if any) and the frequency of reporting, if more frequent than required in this RFP. Proposer will include samples of reports and documents if appropriate.

### 3.3 General Requirements

- 3.3.1 Proposer will provide summary resumes for its proposed key personnel who will be providing services under the Agreement with University, including their specific experiences with similar service projects, and number of years of employment with Proposer.
- 3.3.2 Proposer will describe any difficulties it anticipates in performing its duties under the Agreement with University and how Proposer plans to manage these difficulties. Proposer will describe the assistance it will require from University.

### 3.4 Service Support

Proposer will describe its service support philosophy, how it is implemented, and how Proposer measures its success in maintaining this philosophy.

### 3.5 Quality Assurance

Proposer will describe its quality assurance program, its quality requirements, and how they are measured.

### 3.6 Miscellaneous

- 3.6.1 Proposer will provide a list of any additional services or benefits not otherwise identified in this RFP that Proposer would propose to provide to University. Additional services or benefits must be directly related to the goods and services solicited under this RFP.
- 3.6.2 Proposer will provide details describing any unique or special services or benefits offered or advantages to be gained by University from doing business with Proposer. Additional services or benefits must be directly related to the goods and services solicited under this RFP.
- 3.6.3 Does Proposer have a contingency plan or disaster recovery plan in the event of a disaster? If so, then Proposer will provide a copy of the plan.

**SECTION 4**

**ADDENDA CHECKLIST**

**Proposal of:** \_\_\_\_\_  
(Proposer Company Name)

**To:** The University of Texas System

**Ref.:** Fully Insured Group Long Term Care Insurance Plan

**RFP No.:** 720-1907

Ladies and Gentlemen:

The undersigned Proposer hereby acknowledges receipt of the following Addenda to the captioned RFP (initial if applicable).

**Note: If there was only one (1) Addendum, initial just the first blank after No. 1, not all five (5) blanks below.**

No. 1 \_\_\_\_\_ No. 2 \_\_\_\_\_ No. 3 \_\_\_\_\_ No. 4 \_\_\_\_\_ No. 5 \_\_\_\_\_

Respectfully submitted,

**Proposer:** \_\_\_\_\_

**By:** \_\_\_\_\_  
(Authorized Signature for Proposer)

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_



**APPENDIX TWO**  
**SAMPLE AGREEMENT**  
**(INCLUDED AS SEPARATE ATTACHMENT)**

## APPENDIX THREE

### ACCESS BY INDIVIDUALS WITH DISABILITIES

Contractor represents and warrants (**EIR Accessibility Warranty**) the electronic and information resources and all associated information, documentation, and support Contractor provides to University under this Agreement (**EIRs**) comply with applicable requirements set forth in [1 TAC Chapter 213](#), and [1 TAC §206.70](#) (ref. [Subchapter M, Chapter 2054, Government Code](#).) To the extent Contractor becomes aware that EIRs, or any portion thereof, do not comply with the EIR Accessibility Warranty, then Contractor represents and warrants it will, at no cost to University, either (1) perform all necessary remediation to make EIRs satisfy the EIR Accessibility Warranty or (2) replace EIRs with new EIRs that satisfy the EIR Accessibility Warranty. If Contractor fails or is unable to do so, University may terminate this Agreement and, within thirty (30) days after termination, Contractor will refund to University all amounts University paid under this Agreement.

## APPENDIX FOUR

### CERTIFICATE OF INTERESTED PARTIES (Texas Ethics Commission Form 1295)

This is a sample Texas Ethics Commission's FORM 1295 – CERTIFICATE OF INTERESTED PARTIES. If not exempt under [Section 2252.908\(c\), Government Code](#), Contractor must use the Texas Ethics Commission electronic filing web page (at [https://www.ethics.state.tx.us/whatsnew/FAQ\\_Form1295.html](https://www.ethics.state.tx.us/whatsnew/FAQ_Form1295.html)) to complete the most current Certificate of Interested Parties form and submit the form as instructed to the Texas Ethics Commission and University. **The Certificate of Interested Parties will be submitted only by Contractor to University with the signed Agreement.**

**CERTIFICATE OF INTERESTED PARTIES**

**FORM 1295**

Complete Nos. 1 - 4 and 6 if there are interested parties. Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.	<b>OFFICE USE ONLY</b>
1 Name of business entity filing form, and the city, state and country of the business entity's place of business.	Must file online at <a href="http://www.ethics.state.tx.us/File">www.ethics.state.tx.us/File</a>
2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.	

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

4 Name of Interested Party	City, State, Country (place of business)	Nature of Interest (check applicable)	
		Controlling	Intermediary

5 Check only if there is NO interested Party.

**6 UNSWORN DECLARATION**

My name is \_\_\_\_\_, and my date of birth is \_\_\_\_\_.

My address \_\_\_\_\_ (street) \_\_\_\_\_ (city) \_\_\_\_\_ (state) \_\_\_\_\_ (zip code) \_\_\_\_\_ (country).

I declare under penalty of perjury that the foregoing is true and correct.

Executed in \_\_\_\_\_ County, State of \_\_\_\_\_, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

(month) (year)

\_\_\_\_\_  
Signature of authorized agent of contracting business entity  
(Declarant)

**ADD ADDITIONAL PAGES AS NECESSARY**

**APPENDIX FIVE**

**SCHEDULE OF BENEFITS  
(SEPARATE ATTACHMENT)**

**APPENDIX SIX**

**PLAN BROCHURE JUNE 2012**

**(SEPARATE ATTACHMENT)**

**APPENDIX SEVEN**

**PLAN BROCHURE JUNE 2013**

**(SEPARATE ATTACHMENT)**

**APPENDIX EIGHT**

**ADMINISTRATIVE PERFORMANCE REPORT**

**(SEPARATE ATTACHMENT)**



**APPENDIX NINE**

**HIGHLIGHTS JUNE 2011 & 2013**

**(SEPARATE ATTACHMENT)**

**APPENDIX TEN**

**INTRODUCTION JUNE 2011 & 2013**

**(SEPARATE ATTACHMENT)**

**APPENDIX ELEVEN**  
**DATASET LAYOUT**  
**(SEPARATE ATTACHMENT)**

**AGREEMENT BETWEEN UNIVERSITY AND CARRIER FOR FULLY-INSURED  
LONG TERM CARE BENEFITS**

This Agreement between System and Contractor ("**Agreement**") is made and entered into effective as of \_\_\_\_\_, 20\_\_ (the "**Effective Date**"), by and between **The University of Texas System Administration**, an agency and institution of higher education established under the laws of the State of Texas (**System**), and \_\_\_\_\_ (**Contractor or Carrier**), Federal Tax Identification Number \_\_\_\_\_.

System and Carrier hereby agree as follows:

**1. Scope of Work.**

The Coverages and Services to be provided by Contractor shall be the coverage described in **Exhibit B (the Coverages)** and the services described in **Exhibit B**, and all other related, necessary and appropriate services (**the Services**) described in this Agreement and **Exhibit A (Scope of Work)**.

**2. Time for Commencement and Completion.**

The term (**Initial Term**) of this Agreement will begin on the Effective Date and expire on August 31, 2022. University will have the option to renew this Agreement for one (1) additional three (3) year term (a **Renewal Term**). The Initial Term and Renewal Term are collectively referred to as the **Term**.

**3. Carrier's Obligations.**

- 3.1 Carrier will perform Work in compliance with (a) all Applicable Laws, and (b) the Board of Regents of The University of Texas System *Rules and Regulations* (<http://www.utsystem.edu/offices/board-regents/regents-rules-and-regulations>); and the policies of The University of Texas System (<http://www.utsystem.edu/board-of-regents/policy-library>) (collectively, **University Rules**). Contractor represents and warrants that neither Carrier nor any firm, corporation or institution represented by Contractor, or anyone acting for the firm, corporation or institution, (1) has violated the antitrust laws of the State of Texas, [Chapter 15, Texas Business and Commerce Code](#), or federal antitrust laws, or (2) has communicated directly or indirectly the content of Contractor's response to University's procurement solicitation to any competitor or any other person engaged in a similar line of business during the procurement process for this Agreement.
- 3.2 Contractor will call to System's attention in writing all information in any materials supplied to Contractor (by System or any other party) that Contractor regards as unsuitable, improper or inaccurate in connection with the purposes for which the material is furnished.
- 3.3 University at all times is relying on Contractor's skill and knowledge in performing Work. Contractor represents and warrants that Work will be accurate and free from any material defects. Contractor's duties and obligations under this Agreement will not be in any way diminished by reason of any approval by University. Contractor will not be released from any liability by reason of any approval by University.
- 3.4 Contractor will, at its own cost, correct all material defects in Work as soon as practical after Contractor becomes aware of the defects. If Contractor fails to correct material defects in Work within a reasonable time, then University may correct the defective Work at Contractor's expense. This remedy is in

addition to, and not in substitution for, any other remedy for defective Work that University may have at law or in equity.

- 3.5 Contractor will maintain a staff of properly trained and experienced personnel to ensure satisfactory performance under this Agreement. Contractor will cause all persons connected with Contractor directly in charge of Work to be duly registered and licensed under all Applicable Laws. Contractor will assign to the Project a designated representative who will be responsible for administration and coordination of Work.
- 3.6 Contractor represents and warrants it is duly organized, validly existing and in good standing under the laws of the state of its organization; it is duly authorized and in good standing to conduct business in the State of Texas; it has all necessary power and has received all necessary approvals to execute and deliver this Agreement; and the individual executing this Agreement on behalf of Contractor has been duly authorized to act for and bind Contractor.
- 3.7 Contractor will comply with the Performance Guarantees under the terms described in **Exhibit C**, Performance Guarantees, which is attached and incorporated for all purposes.

**4. Premium and Contract Costs.**

- 4.1 Contractor's premium rates for the Coverages to be provided are set forth in **Exhibit D** which is attached hereto and incorporated herein for all purposes.
- 4.2 University will pay no additional fees or costs for out of pocket cost to Contractor incurred in the performance of services under this Contract not reflected within this agreement.
- 4.3 The Contract Amount includes all applicable federal, state or local sales or use taxes payable as a result of the execution or performance of this Contract.

**5. INTENTIONALLY DELETED.**

**6. Ownership and Use of Work Material.**

- 6.1 All tools, software, programs, drawings, specifications, plans, computations, sketches, data, photographs, tapes, renderings, models, publications, statements, accounts, reports, studies, and other materials prepared by Contractor or any subcontractors in connection with Work (collectively, **Work Material**), whether or not accepted or rejected by University, are the sole property of University and for its exclusive use and re-use at any time without further compensation and without any restrictions.
- 6.2 Contractor grants and assigns to University all rights and claims of whatever nature and whether now or hereafter arising in and to Work Material and will cooperate fully with University in any steps University may take to obtain or enforce patent, copyright, trademark or like protections with respect to Work Material.
- 6.3 Contractor will deliver all Work Material to University upon expiration or termination of this Agreement. University will have the right to use Work Material for the completion of Work or otherwise. University may, at all times, retain the originals of Work Material. Work Material will not be used by any person other than University on other projects unless expressly authorized by University in writing.
- 6.4 Work Material will not be used or published by Contractor or any other party unless expressly authorized by University in writing. Contractor will treat all Work Material as confidential.

## **7. Default and Termination**

- 7.1 In the event of a material failure by a party to this Agreement to perform in accordance with its terms (**default**), the other party may terminate this Agreement upon fifteen (15) days' written notice of termination setting forth the nature of the material failure; provided, that, the material failure is through no fault of the terminating party. The termination will not be effective if the material failure is fully cured prior to the end of the fifteen-day (15-day) period.
- 7.2 University may, without cause, terminate this Agreement at any time upon giving ninety (90) days' advance written notice to Contractor. Upon termination pursuant to this Section, Contractor will be entitled to payment of an amount that will compensate Contractor for Work satisfactorily performed from the time of the last payment date to the termination date in accordance with this Agreement; provided, that, Contractor has delivered all Work Material to University. Notwithstanding any provision in this Agreement to the contrary, University will not be required to pay or reimburse Contractor for any services performed or for expenses incurred by Contractor after the date of the termination notice, that could have been avoided or mitigated by Contractor.
- 7.3 Termination under **Sections 7.1** or **7.2** will not relieve Contractor from liability for any default or breach under this Agreement or any other act or omission of Contractor.
- 7.4 If Contractor fails to cure any default within fifteen (15) days after receiving written notice of the default, University will be entitled (but will not be obligated) to cure the default and will have the right to offset against all amounts due to Contractor under this Agreement, any and all reasonable expenses incurred in connection with University's curative actions.

## **8. Indemnification.**

- 8.1 TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAWS, CONTRACTOR WILL AND DOES HEREBY AGREE TO INDEMNIFY, PROTECT, DEFEND WITH COUNSEL APPROVED BY UNIVERSITY, AND HOLD HARMLESS UNIVERSITY AND RESPECTIVE AFFILIATED ENTERPRISES, REGENTS, OFFICERS, DIRECTORS, ATTORNEYS, EMPLOYEES, REPRESENTATIVES AND AGENTS (COLLECTIVELY, **INDEMNITEES**) FROM AND AGAINST ALL DAMAGES, LOSSES, LIENS, CAUSES OF ACTION, SUITS, JUDGMENTS, EXPENSES, AND OTHER CLAIMS OF ANY NATURE, KIND, OR DESCRIPTION, (COLLECTIVELY, **CLAIMS**) BY ANY PERSON OR ENTITY, ARISING OUT OF, CAUSED BY, OR RESULTING FROM CONTRACTOR'S PERFORMANCE UNDER OR BREACH OF THIS AGREEMENT AND THAT ARE CAUSED IN WHOLE OR IN PART BY ANY NEGLIGENT ACT, NEGLIGENT OMISSION OR WILLFUL MISCONDUCT OF CONTRACTOR, ANYONE DIRECTLY EMPLOYED BY CONTRACTOR OR ANYONE FOR WHOSE ACTS CONTRACTOR MAY BE LIABLE. THE PROVISIONS OF THIS SECTION WILL NOT BE CONSTRUED TO ELIMINATE OR REDUCE ANY OTHER INDEMNIFICATION OR RIGHT WHICH ANY INDEMNITEE HAS BY LAW OR EQUITY. ALL PARTIES WILL BE ENTITLED TO BE REPRESENTED BY COUNSEL AT THEIR OWN EXPENSE.
- 8.2 IN ADDITION, CONTRACTOR WILL AND DOES HEREBY AGREE TO INDEMNIFY, PROTECT, DEFEND WITH COUNSEL APPROVED BY UNIVERSITY, AND HOLD HARMLESS INDEMNITEES FROM AND AGAINST ALL CLAIMS ARISING FROM INFRINGEMENT OR ALLEGED INFRINGEMENT OF ANY PATENT, COPYRIGHT, TRADEMARK OR OTHER PROPRIETARY INTEREST ARISING BY OR OUT OF THE PERFORMANCE OF SERVICES OR THE PROVISION OF GOODS BY CONTRACTOR, OR THE USE BY INDEMNITEES, AT THE DIRECTION OF CONTRACTOR, OF ANY ARTICLE OR MATERIAL; PROVIDED, THAT, UPON BECOMING AWARE OF A SUIT OR THREAT OF SUIT FOR INFRINGEMENT, UNIVERSITY WILL PROMPTLY NOTIFY CONTRACTOR AND CONTRACTOR WILL BE GIVEN THE OPPORTUNITY TO NEGOTIATE A SETTLEMENT. IN THE EVENT OF LITIGATION, UNIVERSITY AGREES TO REASONABLY COOPERATE WITH CONTRACTOR. ALL PARTIES WILL BE ENTITLED TO BE REPRESENTED BY COUNSEL AT THEIR OWN EXPENSE.

**9. Relationship of the Parties.**

For all purposes of this Agreement and notwithstanding any provision of this Agreement to the contrary, Contractor is an independent contractor and is not a state employee, partner, joint venturer, or agent of University. Contractor will not bind nor attempt to bind University to any agreement or contract. As an independent contractor, Contractor is solely responsible for all taxes, withholdings, and other statutory or contractual obligations of any sort, including workers' compensation insurance.

**10. Insurance.**

10.1 Contractor, consistent with its status as an independent contractor will carry and will cause its subcontractors to carry, at least the following insurance, with companies authorized to do insurance business in the State of Texas or eligible surplus lines insurers operating in accordance with the [Texas Insurance Code](#), having an A.M. Best Rating of A-:VII or better, and in amounts not less than the following minimum limits of coverage:

10.1.1 Workers' Compensation Insurance with statutory limits, and Employer's Liability Insurance with limits of not less than \$1,000,000:

Employers Liability - Each Accident	\$1,000,000
Employers Liability - Each Employee	\$1,000,000
Employers Liability - Policy Limit	\$1,000,000

Workers' Compensation policy must include under Item 3.A. on the information page of the Workers' Compensation policy the state in which Work is to be performed for University.

10.1.2 Commercial General Liability Insurance with limits of not less than:

Each Occurrence Limit	\$1,000,000
Damage to Rented Premises	\$ 300,000
Personal & Advertising Injury	\$1,000,000
General Aggregate	\$2,000,000
Products - Completed Operations Aggregate	\$2,000,000

The required Commercial General Liability policy will be issued on a form that insures Contractor's and subcontractor's liability for bodily injury (including death), property damage, personal, and advertising injury assumed under the terms of this Agreement.

10.1.3 Business Auto Liability Insurance covering all owned, non-owned or hired automobiles, with limits of not less than \$1,000,000 single limit of liability per accident for Bodily Injury and Property Damage;

10.1.4 Professional Liability (Errors & Omissions) Insurance with limits of not less than \$5,000,000 each occurrence. Such insurance will cover all Work performed by or on behalf of Contractor and its subcontractors under this Agreement. Renewal policies written on a claims-made basis will maintain the same retroactive date as in effect at the inception of this Agreement. If coverage is written on a claims-made basis, Contractor agrees to purchase an Extended Reporting Period Endorsement, effective twenty-four (24) months after the expiration or cancellation of the policy. No Professional Liability policy written on an occurrence form will include a sunset or similar clause that limits coverage unless such clause provides coverage for at least twenty-four (24) months after the expiration or termination of this Agreement for any reason.

10.1.5 Cyber Liability Insurance with limits of not less than \$10,000,000 for each wrongful act. This policy must cover:

- Liability for network security failures or privacy breaches, including loss or unauthorized access, use or disclosure of University data, whether by Contractor or any of subcontractor or cloud service provider used by Contractor;
- Costs associated with a privacy breach, including notification of affected individuals, customer support, forensics, crises management / public relations consulting, legal services of a privacy attorney, credit monitoring and identity fraud resolution services for affected individuals;
- Expenses related to regulatory compliance, government investigations, fines, fees assessments and penalties;
- Liability for technological products and services;
- PCI fines, fees, penalties and assessments;
- Cyber extortion payment and response costs;
- First and Third Party Business Interruption Loss resulting from a network security failure;
- Liability for technological products and services;
- Costs of restoring, updating or replacing data; and
- Liability losses connected to network security, privacy, and media liability.

If this policy is written on a claims-made basis, (a) the “retroactive date” must be prior to the commencement of Work under this Agreement; and (b) if this policy is cancelled, terminated or non-renewed at any time during the Term, Contractor will purchase an “extended reporting period” for at least a period of two (2) years beyond the termination or expiration of the Term.

10.2 Contractor will deliver to University:

10.2.1 After the execution and delivery of this Agreement and prior to the performance of any Work by Contractor, evidence of insurance on a Texas Department of Insurance (TDI) approved certificate form (the Acord form is a TDI-approved form) verifying the existence and actual limits of all required insurance policies; and, if the coverage period shown on the current certificate form ends during the Term, then prior to the end of the coverage period, a new certificate form verifying the continued existence of all required insurance policies.

10.2.1.1 **All insurance policies** (with the exception of workers’ compensation, employer’s liability and professional liability) will be endorsed and name the Board of Regents of The University of Texas System and University as Additional Insureds for liability caused in whole or in part by Contractor’s acts or omissions with respect to its on-going and completed operations up to the actual liability limits of the required insurance policies maintained by Contractor. Commercial General Liability Additional Insured endorsement including ongoing and completed operations coverage will be submitted with the Certificates of Insurance. Commercial General Liability and Business Auto Liability will be endorsed to provide primary and non-contributory coverage.

10.2.1.2 Contractor hereby waives all rights of subrogation against the Board of Regents of The University of Texas System and University. **All insurance policies** will be endorsed to provide a waiver of subrogation in favor of the Board of Regents of The University of Texas System and University. No policy will be canceled until after thirty (30) days’ unconditional written notice to University. **All insurance policies** will be endorsed to require the insurance carrier providing coverage to send notice to University thirty (30) days prior to any cancellation, material change, or non-renewal relating to any insurance policy required in this **Section 11**.



10.2.1.3 Contractor will pay any deductible or self-insured retention for any loss. Any self-insured retention must be declared to and approved by University prior to the performance of any Work by Contractor under this Agreement. All deductibles and self-insured retentions will be shown on the Certificates of Insurance.

10.2.1.4 Certificates of Insurance and Additional Insured Endorsements as required by this Agreement will be mailed, faxed, or emailed to the following University contact:

Name:  
Address:  
Facsimile Number:  
Email Address:

10.3 Contractor's or subcontractor's insurance will be primary to any insurance carried or self-insurance program established by University. Contractor's or subcontractor's insurance will be kept in force until all Work has been fully performed and accepted by University in writing.

10.3.1 Professional Liability Insurance coverage written on a claims-made basis requires Contractor to purchase an Extended Reporting Period Endorsement, effective for twenty-four (24) months after the expiration or cancellation of the policy.

## **11. Miscellaneous.**

11.1 **Assignment and Subcontracting.** Except as specifically provided in **Exhibit E**, Historically Underutilized Business Subcontracting Plan, Contractor's interest in this Agreement (including Contractor's duties and obligations under this Agreement, and the fees due to Contractor under this Agreement) may not be subcontracted, assigned, delegated, or otherwise transferred to a third party, in whole or in part, and any attempt to do so will (a) not be binding on University; and (b) be a breach of this Agreement for which Contractor will be subject to all remedial actions provided by Applicable Laws, including [Chapter 2161, Texas Government Code](#), and [34 TAC §§20.285\(g\)\(5\), 20.585 and 20.586](#). The benefits and burdens of this Agreement are assignable by University.

11.2 **Texas Family Code Child Support Certification.** Pursuant to [§231.006, Texas Family Code](#), Contractor certifies it is not ineligible to receive the award of or payments under this Agreement, and acknowledges this Agreement may be terminated and payment withheld if this certification is inaccurate.

11.3 **Tax Certification.** If Contractor is a taxable entity as defined by [Chapter 171, Texas Tax Code](#), then Contractor certifies it is not currently delinquent in the payment of any taxes due under Chapter 171, Contractor is exempt from the payment of those taxes, or Contractor is an out-of-state taxable entity that is not subject to those taxes, whichever is applicable.

- 11.4 **Payment of Debt or Delinquency to the State.** Pursuant to [§§2107.008](#) and [2252.903](#), *Texas Government Code*, Contractor agrees any payments owing to Contractor under this Agreement may be applied directly toward any debt or delinquency Contractor owes the State of Texas or any agency of the State of Texas, regardless of when it arises, until paid in full.
- 11.5 **Loss of Funding.** Performance by University under this Agreement may be dependent upon the appropriation and allotment of funds by the Texas State Legislature (**Legislature**) and/or allocation of funds by the Board of Regents of The University of Texas System (**Board**). If Legislature fails to appropriate or allot necessary funds, or Board fails to allocate necessary funds, then University will issue written notice to Contractor and University may terminate this Agreement without further duty or obligation. Contractor acknowledges that appropriation, allotment, and allocation of funds are beyond University's control.
- 11.6 **Entire Agreement; Modifications.** This Agreement (including all exhibits, schedules, supplements and other attachments (collectively, **Exhibits**)) supersedes all prior agreements, written or oral, between Contractor and University and will constitute the entire agreement and understanding between the parties with respect to its subject matter. This Agreement and each of its provisions will be binding upon the parties, and may not be waived, modified, amended or altered, except by a writing signed by University and Contractor. All Exhibits are attached to this Agreement and incorporated for all purposes.
- 11.7 **Force Majeure.** Neither party hereto will be liable or responsible to the other for any loss or damage or for any delays or failure to perform due to causes beyond its reasonable control including acts of God, strikes, epidemics, war, riots, flood, fire, sabotage, or any other circumstances of like character (**force majeure occurrence**). Provided, however, in the event of a force majeure occurrence, Contractor agrees to use its best efforts to mitigate the impact of the occurrence so that University may continue to provide mission critical services during the occurrence.
- 11.8 **Captions.** The captions of sections and subsections in this Agreement are for convenience only and will not be considered or referred to in resolving questions of interpretation or construction.
- 11.9 **Venue; Governing Law.** Travis County, Texas, will be the proper place of venue for suit on or in respect of this Agreement. This Agreement, all of its terms and conditions, all rights and obligations of the parties, and all claims arising out of or relating to this Agreement, will be construed, interpreted and applied in accordance with, governed by and enforced under, the laws of the State of Texas.
- 11.10 **Waivers.** No delay or omission in exercising any right accruing upon a default in performance of this Agreement will impair any right or be construed to be a waiver of any right. A waiver of any default under this Agreement will not be construed to be a waiver of any subsequent default under this Agreement.
- 11.11 **Confidentiality and Safeguarding of University Records; Press Releases; Public Information.** Under this Agreement, Contractor may (1) create, (2) receive from or on behalf of University, or (3) have access to, records or record systems (collectively, **University Records**). Among other things, University Records may contain social security numbers, credit card numbers, or data protected or made confidential or sensitive by Applicable Laws. Additional mandatory confidentiality and security compliance requirements with respect to University Records subject to the [Health Insurance Portability and Accountability Act](#) and [45 Code of Federal Regulations \(CFR\) Part 160](#) and [subparts A and E of Part 164](#) (collectively, **HIPAA**) are addressed in **Section 11.24**. Contractor represents, warrants, and agrees that it will: (1) hold University Records in strict confidence and will not use or disclose University Records except as (a) permitted or required by this Agreement, (b) required by Applicable Laws, or (c) otherwise authorized by University in writing; (2) safeguard University Records according to reasonable administrative, physical and technical standards (such as standards established by the National Institute of Standards and Technology and the Center for Internet Security) that are no less rigorous than the standards by which Contractor protects its own confidential information; (3) continually monitor its operations and

take any action necessary to assure that University Records are safeguarded and the confidentiality of University Records is maintained in accordance with all Applicable Laws and the terms of this Agreement; and (4) comply with University Rules regarding access to and use of University's computer systems, including UTS165 at <http://www.utsystem.edu/board-of-regents/policy-library/policies/uts165-information-resources-use-and-security-policy>. At the request of University, Contractor agrees to provide University with a written summary of the procedures Contractor uses to safeguard and maintain the confidentiality of University Records.

11.11.1 **Notice of Impermissible Use.** If an impermissible use or disclosure of any University Records occurs, Contractor will provide written notice to University within one (1) business day after Contractor's discovery of that use or disclosure. Contractor will promptly provide University with all information requested by University regarding the impermissible use or disclosure.

11.11.2 **Return of University Records.** Contractor agrees that within thirty (30) days after the expiration or termination of this Agreement, for any reason, all University Records created or received from or on behalf of University will be (1) returned to University, with no copies retained by Contractor; or (2) if return is not feasible, destroyed. Twenty (20) days before destruction of any University Records, Contractor will provide University with written notice of Contractor's intent to destroy University Records. Within five (5) days after destruction, Contractor will confirm to University in writing the destruction of University Records.

11.11.3 **Disclosure.** If Contractor discloses any University Records to a subcontractor or agent, Contractor will require the subcontractor or agent to comply with the same restrictions and obligations as are imposed on Contractor by this **Section 11.11**.

11.11.4 **Press Releases.** Except when defined as part of Work, Contractor will not make any press releases, public statements, or advertisement referring to the Project or the engagement of Contractor as an independent contractor of University in connection with the Project, or release any information relative to the Project for publication, advertisement or any other purpose without the prior written approval of University.

11.11.5 **Public Information.** University strictly adheres to all statutes, court decisions and the opinions of the Texas Attorney General with respect to disclosure of public information under the *Texas Public Information Act (TPIA)*, [Chapter 552, Texas Government Code](#). In accordance with §§[552.002](#) and [2252.907](#), *Texas Government Code*, and at no additional charge to University, Contractor will make any information created or exchanged with University pursuant to this Agreement (and not otherwise exempt from disclosure under TPIA) available in a format reasonably requested by University that is accessible by the public.

11.11.6 **Termination.** In addition to any other termination rights in this Agreement and any other rights at law or equity, if University reasonably determines that Contractor has breached any of the restrictions or obligations in this Section, University may immediately terminate this Agreement without notice or opportunity to cure.

11.11.7 **Duration.** The restrictions and obligations under this Section will survive expiration or termination of this Agreement for any reason.

11.12 **Binding Effect.** This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective permitted assigns and successors.

11.13 **Records.** Records of Contractor's costs, reimbursable expenses pertaining to the Project and payments will be available to University or its authorized representative during business hours and will be retained for four (4) years after final Payment or abandonment of the Project, unless University otherwise instructs Contractor in writing.

11.14 **Notices.** Except as otherwise provided by this Section, notices, consents, approvals, demands, requests or other communications required or permitted under this Agreement, will be in writing and sent via certified mail, hand delivery, overnight courier, facsimile transmission (to the extent a facsimile number is provided below), or email (to the extent an email address is provided below) as indicated below, and notice will be deemed given (i) if delivered by certified mail, when deposited, postage prepaid, in the United States mail, or (ii) if delivered by hand, overnight courier, facsimile (to the extent a facsimile number is provided below) or email (to the extent an email address is provided below), when received:

If to University: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_  
Attention: \_\_\_\_\_

*with copy to:* \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_  
Attention: \_\_\_\_\_

If to Contractor: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_  
Attention: \_\_\_\_\_

or other person or address as may be given in writing by either party to the other in accordance with this Section.

11.15 **Severability.** In case any provision of this Agreement will, for any reason, be held invalid or unenforceable in any respect, the invalidity or unenforceability will not affect any other provision of this Agreement, and this Agreement will be construed as if the invalid or unenforceable provision had not been included.

11.16 **State Auditor's Office.** Contractor understands acceptance of funds under this Agreement constitutes acceptance of authority of the Texas State Auditor's Office or any successor agency (**Auditor**), to conduct an audit or investigation in connection with those funds (ref. §§[51.9335\(c\)](#), [73.115\(c\)](#) and [74.008\(c\)](#), *Texas Education Code*). Contractor agrees to cooperate with Auditor in the conduct of the audit or investigation, including providing all records requested. Contractor will include this provision in all contracts with permitted subcontractors.

11.17 **Limitation of Liability.** EXCEPT FOR UNIVERSITY'S OBLIGATION (IF ANY) TO PAY CONTRACTOR CERTAIN FEES AND EXPENSES UNIVERSITY WILL HAVE NO LIABILITY TO CONTRACTOR OR TO ANYONE CLAIMING THROUGH OR UNDER CONTRACTOR BY REASON OF THE EXECUTION OR PERFORMANCE OF THIS AGREEMENT. NOTWITHSTANDING ANY DUTY OR OBLIGATION OF UNIVERSITY TO CONTRACTOR OR TO ANYONE CLAIMING THROUGH OR UNDER CONTRACTOR, NO PRESENT OR FUTURE AFFILIATED ENTERPRISE, SUBCONTRACTOR, AGENT, OFFICER, DIRECTOR, EMPLOYEE, REPRESENTATIVE, ATTORNEY OR REGENT OF UNIVERSITY, OR THE UNIVERSITY OF TEXAS SYSTEM, OR ANYONE CLAIMING UNDER UNIVERSITY HAS OR WILL HAVE ANY PERSONAL LIABILITY TO CONTRACTOR OR TO ANYONE CLAIMING THROUGH OR UNDER CONTRACTOR BY REASON OF THE EXECUTION OR PERFORMANCE OF THIS AGREEMENT.

11.18 **Survival of Provisions.** No expiration or termination of this Agreement will relieve either party of any obligations under this Agreement that by their nature survive expiration or termination, including **Sections 8, 11.5, 11.9, 11.10, 11.11, 11.13, 11.16, 11.17, 11.19** and **11.21**.

11.19 **Breach of Contract Claims.**

11.19.1 To the extent that [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 Laws, the dispute resolution process provided for in [Chapter 2260](#) will be used, as further described herein, by University and Contractor to attempt to resolve any claim for breach of contract made by Contractor:

11.19.1.1 Contractor's claims for breach of this Agreement that the parties cannot resolve pursuant to other provisions of this Agreement or in the ordinary course of business will be submitted to the negotiation process provided in [subchapter B](#) of Chapter 2260. To initiate the process, Contractor will submit written notice, as required by [subchapter B](#) of Chapter 2260, to University in accordance with the notice provisions in this Agreement. Contractor's notice will 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 University allegedly breached, the amount of damages Contractor seeks, and the method used to calculate the damages. Compliance by Contractor with [subchapter B](#) of Chapter 2260 is a required prerequisite to Contractor's filing of a contested case proceeding under [subchapter C](#) of Chapter 2260. The chief business officer of University, or another officer of University as may be designated from time to time by University by written notice to Contractor in accordance with the notice provisions in this Agreement, will examine Contractor's claim and any counterclaim and negotiate with Contractor in an effort to resolve the claims.

11.19.1.2 If the parties are unable to resolve their disputes under **Section 11.19.1.1**, the contested case process provided in [subchapter C](#) of Chapter 2260 is Contractor's sole and exclusive process for seeking a remedy for any and all of Contractor's claims for breach of this Agreement by University.

11.19.1.3 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, Texas Civil Practices and Remedies Code](#). The parties hereto specifically agree that (i) neither the execution of this Agreement by University nor any other conduct, action or inaction of any representative of University relating to this Agreement constitutes or is intended to constitute a waiver of University's or the state's sovereign immunity to suit and (ii) University has not waived its right to seek redress in the courts.

11.19.2 The submission, processing and resolution of Contractor's claim is governed by the published rules adopted by the Texas Attorney General pursuant to

[Chapter 2260](#), as currently effective, thereafter enacted or subsequently amended.

- 11.19.3 University and Contractor agree that any periods provided in this Agreement for notice and cure of defaults are not waived.
- 11.20 **Undocumented Workers.** The *Immigration and Nationality Act* ([8 USC §1324a](#)) (**Immigration Act**) makes it unlawful for an employer to hire or continue employment of undocumented workers. The United States Immigration and Customs Enforcement Service has established the [Form I-9 Employment Eligibility Verification Form \(I-9 Form\)](#) as the document to be used for employment eligibility verification ([8 CFR §274a](#)). Among other things, Contractor is required to: (1) have all employees complete and sign the I-9 Form certifying that they are eligible for employment; (2) examine verification documents required by the I-9 Form to be presented by the employee and ensure the documents appear to be genuine and related to the individual; (3) record information about the documents on the I-9 Form, and complete the certification portion of the I-9 Form; and (4) retain the I-9 Form as required by Applicable Laws. It is illegal to discriminate against any individual (other than a citizen of another country who is not authorized to work in the United States) in hiring, discharging, or recruiting because of that individual's national origin or citizenship status. If Contractor employs unauthorized workers during performance of this Agreement in violation of the Immigration Act then, in addition to other remedies or penalties prescribed by Applicable Laws, University may terminate this Agreement in accordance with **Section 7**. Contractor represents and warrants that it is in compliance with and agrees that it will remain in compliance with the provisions of the Immigration Act.
- 11.21 **Limitations.** THE PARTIES ARE AWARE THERE ARE CONSTITUTIONAL AND STATUTORY LIMITATIONS (**LIMITATIONS**) ON THE AUTHORITY OF UNIVERSITY (A STATE AGENCY) TO ENTER INTO CERTAIN TERMS AND CONDITIONS THAT MAY BE PART OF THIS AGREEMENT, INCLUDING TERMS AND CONDITIONS RELATING TO LIENS ON UNIVERSITY'S PROPERTY; DISCLAIMERS AND LIMITATIONS OF WARRANTIES; DISCLAIMERS AND LIMITATIONS OF LIABILITY FOR DAMAGES; WAIVERS, DISCLAIMERS AND LIMITATIONS OF LEGAL RIGHTS, REMEDIES, REQUIREMENTS AND PROCESSES; LIMITATIONS OF PERIODS TO BRING LEGAL ACTION; GRANTING CONTROL OF LITIGATION OR SETTLEMENT TO ANOTHER PARTY; LIABILITY FOR ACTS OR OMISSIONS OF THIRD PARTIES; PAYMENT OF ATTORNEYS' FEES; DISPUTE RESOLUTION; INDEMNITIES; AND CONFIDENTIALITY, AND TERMS AND CONDITIONS RELATED TO LIMITATIONS WILL NOT BE BINDING ON UNIVERSITY EXCEPT TO THE EXTENT AUTHORIZED BY THE LAWS AND CONSTITUTION OF THE STATE OF TEXAS.
- 11.22 **Ethics Matters; No Financial Interest.** Contractor and its employees, agents, representatives and subcontractors have read and understand University's Conflicts of Interest Policy at <https://www.utsystem.edu/documents/docs/policies-rules/ut-system-administration-standards-conduct-guide>, and applicable state ethics laws and rules at <https://www.utsystem.edu/offices/systemwide-compliance/ethics>. Neither Contractor nor its employees, agents, representatives or subcontractors will assist or cause University employees to violate University's Conflicts of Interest Policy, University's Standards of Conduct Guide, or applicable state ethics laws or rules. Contractor represents and warrants that no member of the Board has a direct or indirect financial interest in the transaction that is the subject of this Agreement.
- Further, Contractor agrees to comply with [§2252.908, Texas Government Code \(Disclosure of Interested Parties Statute\)](#), and [1 TAC §§46.1 through 46.5 \(Disclosure of Interested Parties Regulations\)](#), as implemented by the Texas Ethics Commission (**TEC**), including, among other things, providing the TEC and University with information required on the form promulgated by TEC. Contractor may learn more about these disclosure requirements, including the use of TEC's electronic filing system, by reviewing the information on TEC's website at [https://www.ethics.state.tx.us/whatsnew/FAQ\\_Form1295.html](https://www.ethics.state.tx.us/whatsnew/FAQ_Form1295.html).
- 11.23 **Access by Individuals with Disabilities.** Contractor represents and warrants (**EIR Accessibility Warranty**) the electronic and information resources and all associated information, documentation,



and support Contractor provides to University under this Agreement (**EIRs**) comply with applicable requirements in [1 TAC Chapter 213](#) and [1 TAC §206.70](#) (ref. [Subchapter M, Chapter 2054, Texas Government Code](#)). To the extent Contractor becomes aware the EIRs, or any portion thereof, do not comply with the EIR Accessibility Warranty, then Contractor represents and warrants it will, at no cost to University, either (1) perform all necessary remediation to make the EIRs satisfy the EIR Accessibility Warranty or (2) replace the EIRs with new EIRs that satisfy the EIR Accessibility Warranty. If Contractor fails or is unable to do so, University may terminate this Agreement and, within thirty (30) days after termination, Contractor will refund to University all amounts University paid under this Agreement.

- 11.24 **HIPAA Compliance.** University is a HIPAA Covered Entity and some of the information Contractor receives, maintains or creates for or on behalf of University may constitute Protected Health Information (**PHI**) that is subject to HIPAA. Before Contractor may receive, maintain or create any University Records subject to HIPAA, Contractor will execute the HIPAA Business Associate Agreement (**BAA**) in **EXHIBIT F**, HIPAA Business Associate Agreement. To the extent that the BAA conflicts with any term contained in this Agreement, the terms of the BAA will control.
- 11.25 **Historically Underutilized Business Subcontracting Plan.** Contractor agrees to use good faith efforts to subcontract Work in accordance with the Historically Underutilized Business Subcontracting Plan (**HSP**) (ref. **Exhibit E**). Contractor agrees to maintain business records documenting its compliance with the HSP and to submit a monthly compliance report to University in the format required by the Statewide Procurement and Statewide Support Services Division of the Texas Comptroller of Public Accounts or successor entity (collectively, **SPSS**). Submission of compliance reports will be required as a condition for payment under this Agreement. If University determines that Contractor has failed to subcontract as set out in the HSP, University will notify Contractor of any deficiencies and give Contractor an opportunity to submit documentation and explain why the failure to comply with the HSP should not be attributed to a lack of good faith effort by Contractor. If University determines that Contractor failed to implement the HSP in good faith, University, in addition to any other remedies, may report nonperformance to the SPSS in accordance with [34 TAC §§20.285\(g\)\(5\), 20.585](#) and [20.586](#). University may also revoke this Agreement for breach and make a claim against Contractor.
- 11.25.1 **Changes to the HSP.** If at any time during the Term, Contractor desires to change the HSP, before the proposed changes become effective (a) Contractor must comply with [34 TAC §20.285](#); (b) the changes must be reviewed and approved by University; and (c) if University approves changes to the HSP, this Agreement must be amended in accordance with **Section 11.6** to replace the HSP with the revised subcontracting plan.
- 11.25.2 **Expansion of Work.** If University expands the scope of Work through a change order or any other amendment, University will determine if the additional Work contains probable subcontracting opportunities *not* identified in the initial solicitation for Work. If University determines additional probable subcontracting opportunities exist, Contractor will submit an amended subcontracting plan covering those opportunities. The amended subcontracting plan must comply with the provisions of [34 TAC §20.285](#) before (a) this Agreement may be amended to include the additional Work; or (b) Contractor may perform the additional Work. If Contractor subcontracts any of the additional subcontracting opportunities identified by University without prior authorization and without complying with [34 TAC §20.285](#), Contractor will be deemed to be in breach of this Agreement under **Section 7** and will be subject to any remedial actions provided by Applicable Laws, including [Chapter 2161, Texas Government Code](#), and [34 TAC §20.285](#). University may report nonperformance under this Agreement to the SPSS in accordance with [34 TAC §§20.285\(g\)\(5\), 20.585](#) and [20.586](#).

- 11.26 **External Terms.** This Agreement completely supplants, replaces, and overrides all other terms and conditions or agreements, written or oral, concerning Contractor's performance or provision of goods or services under this Agreement (**External Terms**). External Terms are null and void and will have no effect under this Agreement, even if University or its employees, contractors, or agents express assent or agreement to External Terms. External Terms include any shrinkwrap, clickwrap, browsewrap, web-based terms and conditions of use, and any other terms and conditions displayed in any format that University or its employees, contractors, or agents are required to accept or agree to before or in the course of accessing or using any goods or services provided by Contractor.
- 11.27 **Contractor Certification regarding Boycotting Israel.** Pursuant to [Chapter 2270, Texas Government Code](#), Contractor certifies Contractor (1) does not currently boycott Israel; and (2) will not boycott Israel during the Term of this Agreement. Contractor acknowledges this Agreement may be terminated and payment withheld if this certification is inaccurate.
- 11.28 **Contractor Certification regarding Business with Certain Countries and Organizations.** Pursuant to [Subchapter F, Chapter 2252, Texas Government Code](#), Contractor certifies Contractor is not engaged in business with Iran, Sudan, or a foreign terrorist organization. Contractor acknowledges this Agreement may be terminated and payment withheld if this certification is inaccurate.

University and Contractor have executed and delivered this Agreement to be effective as of the Effective Date.

**UNIVERSITY:**

**CONTRACTOR:**

**THE UNIVERSITY OF TEXAS  
SYSTEM ADMINISTRATION**

\_\_\_\_\_

By: \_\_\_\_\_  
 Name: Scott C. Kelley  
 Title: Executive Vice Chancellor for Business Affairs

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

**Attach:**

- EXHIBIT A** – Scope of Work
- EXHIBIT B** – Coverages
- EXHIBIT C** – Performance Guarantees
- EXHIBIT D** – Premium Rates
- EXHIBIT E** – HUB Subcontracting Plan
- EXHIBIT F** – HIPAA Business Associate Agreement



**EXHIBIT A**

**SCOPE OF WORK**

**[Note: Provide a detailed description and break-down of all tasks Contractor is to perform and technical standards for the tasks, if appropriate.]**

**EXHIBIT B**

**THE COVERAGES**

**[Note: To be completed as per Contractor's proposal.]**

**EXHIBIT C**

**PERFORMANCE GUARANTEES**

**[Note: To be completed as per Contractor's proposal.]**

EXHIBIT D

PREMIUM RATES

**[Note: To be completed as per Contractor's proposal.]**

**EXHIBIT E**

**HUB SUBCONTRACTING PLAN (HSP)**

**[Note: To be completed as per Contractor's proposal.]**

**EXHIBIT F**

**HIPAA BUSINESS ASSOCIATE AGREEMENT**

This Business Associate Agreement (“Agreement”), effective \_\_\_\_\_ (“Effective Date”), is entered into by and between The University of Texas \_\_\_\_\_ on behalf of its \_\_\_\_\_ (“Covered Entity”) and \_\_\_\_\_, a \_\_\_\_\_ company doing business as “\_\_\_\_\_” (“Business Associate”, as more fully defined in section 1(c)) (each a “Party” and collectively the “Parties”).

**RECITALS**

WHEREAS, Covered Entity has entered or is entering into that certain \_\_\_\_\_ Agreement with Business Associate (“the Underlying Agreement”) by which it has engaged Business Associate to perform services;

WHEREAS, Covered Entity possesses Protected Health Information that is protected under HIPAA and the HIPAA Regulations, HITECH Act and state law, including the Medical Records Privacy Act (MRPA), and is permitted to manage such information only in accordance with HIPAA and the HIPAA Regulations, HITECH Act, and MRPA;

WHEREAS, Business Associate may receive such information from Covered Entity, or create, receive, maintain or transmit such information on behalf of Covered Entity, in order to perform certain of the services under the Underlying Agreement;

WHEREAS, the Parties desire to comply with health information privacy and security protections subsequent to the enactment of the HITECH Act, Subtitle D of the American Recovery and Reinvestment Act of 2009 which has established requirements for compliance with HIPAA. In particular, the requirements provide that: (1) Covered Entity give affected individuals notice of security breaches affecting their PHI, and Business Associate give notice to Covered Entity pursuant to the provisions below; (2) Business Associate comply with the HIPAA security regulations; and (3) additional and/or revised provisions be included in Business Associate Agreement;

WHEREAS, Under HIPAA and HITECH, Covered Entity is required to enter into protective agreements, generally known as “business associate agreements,” with certain downstream entities that will be entrusted with HIPAA-protected health information;

WHEREAS, Health information is further protected by state law, including the MRPA; and

WHEREAS, Covered Entity wishes to ensure that Business Associate will appropriately safeguard Protected Health Information.

NOW THEREFORE, Covered Entity and Business Associate agree as follows:

1. Definitions. The Parties agree that the following terms, when used in this Agreement, shall have the following meanings, provided that the terms set forth below shall be deemed to be modified to reflect any changes made to such terms from time to time as defined in HIPAA and the HIPAA Regulations and the MRPA. All capitalized terms used in this Agreement but not defined below shall have the meaning assigned to them under the HIPAA

Regulations.

- a. “Breach” shall have the meaning given such term under 45 C.F.R. § 164.402 as such regulation is revised from time to time.
- b. “Breach of System Security” means unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of Sensitive Personal Information maintained by a person, including data that is encrypted if the person accessing the data has the key required to decrypt the data.
- c. “Business Associate” means, with respect to a Covered Entity, a person who:
  - 1) on behalf of such Covered Entity or of an Organized Health Care Arrangement (as defined under the HIPAA Regulations) in which the Covered Entity participates, but other than in the capacity of a member of the workplace of such Covered Entity or arrangement, creates, receives, maintains, or transmits PHI for a function or activity regulated by HIPAA, HIPAA Regulations, or MRPA including claims processing or administration, data analysis, processing or administration, utilization review, quality assurance, patient safety activities listed at 42 C.F.R. 3.20, billing, benefit management, practice management, and re-pricing; or
  - 2) provides, other than in the capacity of a member of the workforce of such Covered Entity, legal, actuarial, accounting, consulting, Data Aggregation, management, administrative, accreditation, or financial services to or for such Covered Entity, or to or for an Organized Health Care Arrangement in which the Covered Entity participates, where the provision of the service involves the disclosure of PHI from such Covered Entity or arrangement, or from another Business Associate of such Covered Entity or arrangement, to the person.
- d. “Data Aggregation” means, with respect to PHI created or received by Business Associate in its capacity as the Business Associate of Covered Entity, the combining of such PHI by Business Associate with the PHI received by Business Associate of another covered entity, to permit data analyses that relate to the health care operations of the respective covered entities.
- e. “HIPAA” means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.
- f. “HIPAA Regulations” means the regulations promulgated under HIPAA by the United States Department of Health and Human Services, including, but not limited to, 45 C.F.R. Part 160 and 45 C.F.R. Part 164 subparts A and E (“The Privacy Rule”) and the Security Standards as they may be amended from time to time, 45 C.F.R. Parts 160, 162 and 164, Subpart C (“The Security Rule”).
- g. “HITECH Act” means the provisions of Division A, Title XIII of the American Recovery and Reinvestment Act of 2009, known as The Health Information Technology for Economic and Clinical Health, Act 42 U.S.C. §3000 et. seq., and implementing regulations and guidance, including the regulations implemented in 78 Fed. Reg. 5566 (January 25, 2013).

h. “Individually Identifiable Health Information” means information that is a subset of health information, including demographic information collected from an individual, and:

1) is created or received by a health care provider, health plan, employer, or health care clearinghouse; and

2) relates to past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and

a) that identifies the individual; or

b) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

i. “MRPA” means Texas Medical Records Privacy Act, as codified in Section 181 et seq. of the Texas Health and Safety Code and as implemented through regulations including the Standards Relating to the Electronic Exchange of Health Information, codified at Title 1, Section 390.1 et seq. of the Texas Administrative Code.

j. “Protected Health Information” or “PHI” means Individually Identifiable Health Information that is transmitted by electronic media; maintained in any medium described in the definition of the term electronic media in the HIPAA Regulations; or transmitted or maintained in any other form or medium. The term excludes Individually Identifiable Health Information in educational records covered by the Family Educational Right and Privacy Act, as amended, 20 U.S.C. § 1232g; records described at 20 U.S.C. § 1232g(a)(4)(B)(iv); and employment records held by a Covered Entity in its role as employer and regarding a person who has been deceased more than 50 years.

k. “Security Incident” means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with systems operations in an information system, but does not include minor incidents that occur on a routine basis, such as scans, “pings”, or unsuccessful random attempts to penetrate computer networks or servers maintained by Business Associate.

l. “Sensitive Personal Information” means: (1) an individual’s first name or first initial and last name in combination with any one or more of the following items, if the name and the items are not encrypted: (a) social security number; (b) driver’s license number or government-issued identification number; (c) account number or credit or debit card number in combination with any required security code, access, code, or password that would permit access to an individual’s financial account; or (2) PHI information that identifies an individual and relates to: (a) the physical or mental health or condition of the individual; (b) the provision of health care to the individual; or (c) payment for the provision of health care to the individual.

m. “Unsecured PHI” means PHI that is not rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of a technology or methodology specified in the guidance issued under Section 13402(h)(2) of the HITECH Act on the HHS



web site.

2. Permitted Uses and Disclosures.

a. Compliance with Law. Covered Entity and Business Associate agree to comply with HIPAA, HIPAA Regulations, the HITECH Act, and the MRPA.

b. Performance of Services. Except as otherwise permitted by this Agreement, Business Associate may create, receive, maintain or transmit PHI on behalf of Covered Entity only in connection with the performance of the services contracted for in the Underlying Agreement or as Required by Law (as that term is defined by 45 C.F.R. § 164.103).

c. Proper Management and Administration. Business Associate may use PHI it receives in its capacity as Covered Entity's Business Associate for the proper management and administration of Business Associate in connection with the performance of services in the Underlying Agreement, as permitted by this Agreement or as Required by Law (as that term is defined by 45 C.F.R. § 164.103), and to carry out the legal responsibilities of Business Associate. Business Associate may also disclose Covered Entity's PHI for such proper management and administration of Business Associate and to carry out the legal responsibilities of Business Associate. Any such disclosure of PHI shall only be made in accordance with the terms of this Agreement, including Section 5(c) if to an agent or subcontractor of Business Associate, and only if Business Associate obtains reasonable written assurances from the person to whom the PHI is disclosed that: (1) the PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and (2) Business Associate will be notified by such person of any instances of which it becomes aware in which the confidentiality of the PHI has been breached.

d. Data Aggregation. Business Associate may use and disclose PHI received by Business Associate in its capacity as Covered Entity's business associate in order to provide Data Aggregation services relating to Covered Entity's health care operations only with Covered Entity's permission.

e. Business Associate may use and disclose de-identified health information if written approval from the Covered Entity is obtained, and the PHI is de-identified in compliance with the HIPAA Rules.

3. Nondisclosure.

a. As Provided in Agreement. Business Associate shall not use or further disclose Covered Entity's PHI other than as permitted or required by this Agreement or as Required by Law (as that term is defined by 45 C.F.R. § 164.103).

b. Disclosures Required By Law. Business Associate shall not, without prior written consent of Covered Entity, disclose any PHI on the possibility that such disclosure is required by law without notifying, to the extent legally permitted, Covered Entity so that the Covered Entity shall have an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such a disclosure, Business Associate, shall, to the extent permissible by law, refrain from disclosing the PHI until Covered Entity has exhausted all

alternatives for relief. Business Associate shall require reasonable assurances from persons receiving PHI in accordance with Section 2(c) that such persons will provide Covered Entity with similar notice and opportunity to object before disclosing PHI when a disclosure is required by law.

c. Additional Restrictions. If Covered Entity notifies Business Associate that Covered Entity has agreed to be bound by additional restrictions on the uses or disclosures of Covered Entity's PHI pursuant to HIPAA or the HIPAA Regulations, Business Associate shall be bound by such additional restrictions and shall not disclose Covered Entity's PHI in violation of such additional restrictions to the extent possible consistent with Business Associate's obligations set forth in the Underlying Agreement.

d. Restrictions Pursuant to Subject's Request. If Business Associate has knowledge that an individual who is the subject of PHI in the custody and control of Business Associate has requested restrictions on the disclosure of PHI, Business Associate must comply with the requested restriction if (a) the Covered Entity agrees to abide by the restriction; or (b) the disclosure is to a health plan for purposes of carrying out payment or health care operations and the PHI pertains solely to a health care item or service for which Covered Entity has been paid out of pocket in full. If the use or disclosure of PHI in this Agreement is based upon an Individual's specific authorization for the use or disclosure of his or her PHI, and the Individual revokes such authorization, the effective date of such authorization has expired, or such authorization is found to be defective in any manner that renders it invalid, Business Associate shall, if it has notice of such revocation, expiration, or invalidity, cease the use and disclosure of the Individual's PHI except to the extent it has relied on such use or disclosure, or if an exception under the Privacy Rule expressly applies.

e. Remuneration. Business Associate shall not directly or indirectly receive remuneration in exchange for disclosing PHI received from or on behalf of Covered Entity except as permitted by HITECH Act § 13405, the MRPA, and any implementing regulations that may be promulgated or revised from time to time.

f. Disclosure. Business Associate shall not use or disclose PHI in a manner that would violate Subpart E of 45 C.F.R. part 164, or MRPA, if done by the Covered Entity itself except as authorized under Section 2 of this Agreement.

4. Minimum Necessary. Business Associate shall limit its uses and disclosures of, and requests for, PHI, to the minimum amount of PHI necessary to accomplish the intended purpose of the use, disclosure or request.

5. Additional Business Associate Obligations.

a. Safeguards. Business Associate shall use appropriate safeguards and comply with Subpart C of 45 C.F.R. 164 with respect to electronic PHI to prevent use or disclosure of the PHI other than as provided for by this Agreement. Business Associate shall implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of any paper or electronic PHI it creates, receives, maintains, or transmits on behalf of Covered Entity.

b. To the extent the Business Associate is to carry out one or more of Covered Entity's

obligation(s) under the Privacy Rule, Business Associate shall comply with the requirements of the Privacy Rule that apply to the Covered Entity in the performance of the obligations.

c. Business Associate's Agents and Subcontractors.

1) Business Associate shall ensure that any agents and subcontractors to whom it provides PHI agree to only create, receive, maintain or transmit PHI on behalf of the Business Associate under the same restrictions that apply to Business Associate. Such agreement between Business Associate and subcontractor or agent must be in writing and must comply with the terms of this Agreement and the requirements outlined at 45 C.F.R. §164.504(e)(2); 45 C.F.R. §164.502(e)(1)(ii); 45 C.F.R. §164.314; and 45 C.F.R. §164.308(b)(2). Additionally, Business Associate shall ensure agent or subcontractor agree to and implement reasonable and appropriate safeguards to protect PHI.

2) If Business Associate knows of a pattern of activity or practice of its subcontractor or agent that constitutes a material breach or violation of the agent or subcontractor's obligation under the contract or other arrangement, the Business Associate must take steps to cure the breach and end the violation and if such steps are not successful, must terminate the contract or arrangement if feasible. If it is not feasible to terminate the contract, Business Associate must promptly notify the Covered Entity.

d. Reporting. Business Associate shall, as soon as practicable but not more than five (5) business days after becoming aware of any successful security incident or use or disclosure of Covered Entity's PHI or Sensitive Personal Information in violation of this Agreement, report any such use or disclosure to Covered Entity. With the exception of law enforcement delays that satisfy the requirements under 45 C.F.R. § 164.412 or as otherwise required by applicable state law, Business Associate shall notify Covered Entity in writing without unreasonable delay and in no case later than ten (10) calendar days upon discovery of a Breach of Unsecured PHI or Breach of Security System. Such notice must include, to the extent possible, the name of each individual whose Unsecured PHI or Sensitive Personal Information has been, or is reasonably believed by Business Associate to have been, accessed, acquired, or disclosed during such breach. Business Associate shall also provide, to the extent possible, Covered Entity with any other available information that Covered Entity is required to include in its notification to individuals under 45 C.F.R. § 164.404(c) and Section 521.053, Texas Business & Commerce Code at the time of Business Associate's notification to Covered Entity or promptly thereafter as such information becomes available. For purposes of this Agreement, a Breach of Unsecured PHI or Breach of Security System shall be treated as discovered by Business Associate as of the first day on which such breach is known to Business Associate (including any person, other than the individual committing the breach, who is an employee, officer, or other agent of Business Associate, as determined in accordance with the federal common law of agency) or should reasonably have been known to Business Associate following the exercise of reasonable diligence.

e. Mitigation. Business Associate shall have procedures in place to mitigate, to the maximum extent practicable, any deleterious effect from any Use or Disclosure (as defined by 45 C.F.R. §160.103).

f. Sanctions. Business Associate shall apply appropriate sanctions in accordance with Business Associate's policies against any employee, subcontractor or agent who uses or discloses Covered Entity's PHI in violation of this Agreement or applicable law.

g. Covered Entity's Rights of Access and Inspection. From time to time upon reasonable notice, or upon a reasonable determination by Covered Entity that Business Associate has breached this Agreement, Covered Entity may inspect the facilities, systems, books and records of Business Associate related to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of Covered Entity or the safeguarding of such PHI to monitor compliance with this Agreement. Business Associate shall document and keep current such security measures and safeguards and make them available to Covered Entity for inspection upon reasonable request including summaries of any internal or external assessments Business Associate performed related to such security controls and safeguards. The fact that Covered Entity inspects, or fails to inspect, or has the right to inspect, Business Associate's facilities, systems and procedures does not relieve Business Associate of its responsibility to comply with this Agreement, nor does Covered Entity's (1) failure to detect or (2) detection but failure to require Business Associate's remediation of any unsatisfactory practices, constitute acceptance of such practice or a waiver of Covered Entity's enforcement or termination rights under this Agreement. This Section shall survive termination of this Agreement.

h. United States Department of Health and Human Services. Business Associate shall make its internal practices, books and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity available to the Secretary of the United States Department of Health and Human Services for purposes of determining Covered Entity's compliance with HIPAA and the HIPAA regulations, provided that Business Associate shall promptly notify Covered Entity upon receipt by Business Associate of any such request for access by the Secretary of the United States Department of Health and Human Services, and shall provide Covered Entity with a copy thereof as well as a copy of all materials disclosed pursuant thereto, unless otherwise prohibited by law.

i. Training. Business Associate shall provide such training in the privacy and security of PHI to its Workforce (as that term is defined by 45 C.F.R. § 160.103) as is required for Business Associate's compliance with HIPAA, HIPAA Regulations, HITECH, and the MRPA.

6. Obligation to Provide Access, Amendment and Accounting of PHI.

a. Access to PHI. Business Associate shall make available to Covered Entity, in the time and manner designated by the Covered Entity, such information as necessary to allow Covered Entity to meet its obligations under the HIPAA Regulations, PHI contained in a Designated Record Set held by Business Associate as Covered Entity may require to fulfill Covered Entity's obligations to provide access to, and copies of, PHI in accordance with HIPAA and the HIPAA Regulations and MRPA. In the event that any individual requests access to PHI directly from Business Associate, Business Associate shall notify Covered Entity within five (5) business days that such request has been made.

b. Amendment of PHI. Business Associate shall make available to Covered Entity PHI contained in a Designated Record Set held by Business Associate as Covered Entity may

require to fulfill Covered Entity's obligations to amend PHI in accordance with HIPAA and the HIPAA Regulations. In addition, Business Associate shall, as directed by Covered Entity, incorporate any amendments to Covered Entity's PHI into copies of such information maintained by Business Associate. In the event that any individual requests amendment of PHI directly from Business Associate, Business Associate shall forward such request to Covered Entity within five (5) business days.

c. Accounting of Disclosures of PHI.

1) Record of Disclosures. Business Associate shall maintain a record of all disclosures of PHI received from, or created or received by Business Associate on behalf of, Covered Entity, except for those disclosures identified in Section 6(c)(2) below, including the date of the disclosure, the name and, if known, the address of the recipient of the PHI, a brief description of the PHI disclosed, and the purpose of the disclosure which includes an explanation of the reason for such disclosure. Business Associate shall make this record available to Covered Entity upon Covered Entity's request. If Business Associate maintains records in electronic form, Business Associate shall account for all disclosures made during the period of three (3) years preceding the request. In the event that any individual requests an accounting of disclosures of PHI directly from Business Associate, Business Associate shall notify Covered Entity within five (5) business days that such request has been made and provide Covered Entity with a record of disclosures within ten (10) days of an individual's request. If the request from an individual comes directly to Covered Entity and Covered Entity notifies Business Associate that it requires information from Business Associate in order to respond to the individual, Business Associate shall make available to Covered Entity such information as Covered Entity may require within ten (10) days from the time of request by Covered Entity.

2) Certain Disclosures Need Not Be Recorded. The following disclosures need not be recorded:

- a) disclosures to carry out Covered Entity's treatment, payment and health care operations as defined under the HIPAA Regulations;
- b) disclosures to individuals of PHI about them as provided by the HIPAA Regulations;
- c) disclosures for Covered Entity's facility's directory, to persons involved in the individual's care, or for other notification purposes as provided by the HIPAA Regulations;
- d) disclosures for national security or intelligence purposes as provided by the HIPAA Regulations;
- e) disclosures to correctional institutions or law enforcement officials as provided by the HIPAA Regulations;
- f) disclosures that occurred prior to the later of (i) the Effective Date or (ii) the date that Covered Entity is required to comply with HIPAA and the

HIPAA Regulations;

g) disclosures pursuant to an individual's authorization in accordance with HIPAA and the HIPAA Regulations; and

h) any other disclosures excepted from the right to an accounting by the HIPAA Regulations.

7. Material Breach, Enforcement and Termination.

a. Term. This Agreement shall become effective on the Effective Date and shall continue unless or until this Agreement terminates, the Underlying Agreement terminates, or the Business Associate has completed performance of the services in the Underlying Agreement, whichever is earlier.

b. Termination. Either Party may terminate this Agreement:

1) immediately if the other Party is finally convicted in a criminal proceeding for a violation of HIPAA or the HIPAA Regulations;

2) immediately if a final finding or stipulation that the other Party has violated any standard or requirement of HIPAA or other security or privacy laws is made in any administrative or civil proceeding in which the other Party has been joined; or completed performance of the services in the Underlying Agreement, whichever is earlier.

3) pursuant to Sections 7(c) or 8(b) of this Agreement.

c. Remedies. Upon a Party's knowledge of a material breach by the other Party, the non-breaching Party shall either:

1) provide an opportunity for the breaching Party to cure the breach and end the violation or terminate this Agreement and the Underlying Agreement if the breaching Party does not cure the breach or end the violation within ten (10) business days or a reasonable time period as agreed upon by the non-breaching party; or

2) immediately terminate this Agreement and the Underlying Agreement if cure is not possible.

d. Injunctions. Covered Entity and Business Associate agree that any violation of the provisions of this Agreement may cause irreparable harm to Covered Entity. Accordingly, in addition to any other remedies available to Covered Entity at law or in equity, Covered Entity shall be entitled to seek an injunction or other decree of specific performance with respect to any violation of this Agreement or explicit threat thereof, without any bond or other security being required and without the necessity of demonstrating actual damages.

e. Indemnification. This indemnification provision is enforceable against the Parties only to the extent authorized under the constitution and laws of the State of Texas. The Parties will indemnify, defend and hold harmless each other and each other's respective

employees, directors, officers, subcontractors, agents or other members of its workforce, each of the foregoing hereinafter referred to as “indemnified party,” against all actual and direct losses suffered by the indemnified party and all liability to third parties arising from or in connection with any breach of this Agreement or of any warranty hereunder or from any negligence or wrongful acts or omissions, including failure to perform its obligations under MRPA, HIPAA, the HIPAA Regulations, and the HITECH Act by the indemnifying party or its employees, directors, officers, subcontractors, agents or other members of its workforce.

f. Breach of PHI and Breach of System Security. Business Associate will pay or reimburse Covered Entity for all costs and penalties incurred by Covered Entity in connection with any incident giving rise to a Breach of PHI and/or a Breach of System Security, including without limitation all costs related to any investigation, any notices to be given, reasonable legal fees, or other actions taken to comply with HIPAA, the HITECH Act, or any other applicable law or regulation, where (i) the PHI was in the custody or control of Business Associate when the Breach of PHI and/or Breach of System Security occurred, or (ii) the Breach of PHI and/or Breach of System Security was caused by the negligence or wrongful acts or omissions of Business Associate and its employees, directors, officers, subcontractors, agents or other members of its workforce.

## 8. General Provisions.

a. State Law. Nothing in this Agreement shall be construed to require Business Associate to use or disclose PHI without written authorization from an individual who is a subject of the PHI, or written authorization from any other person, where such authorization would be required under state law for such use or disclosure.

b. Amendment. Covered Entity and Business Associate agree to enter into good faith negotiations to amend this Agreement to come into compliance with changes in state and federal laws and regulations relating to the privacy, security and confidentiality of PHI. Covered Entity may terminate this Agreement upon thirty (30) days written notice in the event that Business Associate does not promptly enter into an amendment that Covered Entity, in its sole discretion, deems sufficient to ensure that Covered Entity will be able to comply with such laws and regulations.

c. No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended or shall be deemed to confer upon any person other than Covered Entity, Business Associate, and their respective successors and assigns, any rights, obligations, remedies or liabilities.

d. Ambiguities. The Parties agree that any ambiguity in this Agreement shall be resolved in favor of a meaning that complies and is consistent with applicable law protecting the privacy, security, and confidentiality of PHI, including, without limitation, MRPA, HIPAA, the HIPAA Regulations, and the HITECH Act.

e. Primacy. To the extent that any provision of this Agreement conflicts with the provision of any other agreement or understanding between the Parties, this Agreement shall control.

f. Destruction/Return of PHI. Business Associate agrees that, pursuant to 45 C.F.R. §

164.504(e)(2)(ii)(I), upon termination of this Agreement or the Underlying Agreement, for whatever reason,

- 1) It will return or destroy all PHI, if feasible, received from or created or received by it on behalf of Covered Entity that Business Associate maintains in any form, and retain no copies of such information which for purposes of this Agreement shall mean all backup tapes. Prior to doing so, Business Associate further agrees to recover any PHI in the possession of its subcontractors or agents. An authorized representative of Business Associate shall certify in writing to Covered Entity, within thirty (30) days from the date of termination or other expiration of the Underlying Agreement, that all PHI has been returned or disposed of as provided above and that Business Associate or its subcontractors or agents no longer retain any such PHI in any form.
  - 2) If it is not feasible for Business Associate to return or destroy said PHI, Business Associate will notify the Covered Entity in writing. The notification shall include a statement that the Business Associate has determined that it is infeasible to return or destroy the PHI in its possession, and the specific reasons for such determination. Business Associate shall comply with the Security Rule and extend any and all protections, limitations and restrictions contained in this Agreement to Business Associate's use and/or disclosure of any PHI retained after the termination of this Agreement, and to limit any further uses and/or disclosures to the purposes that make the return or destruction of the PHI infeasible.
  - 3) If it is infeasible for Business Associate to obtain, from a subcontractor or agent any PHI in the possession of the subcontractor or agent, Business Associate must provide a written explanation to Covered Entity and require the subcontractors and agents to agree to comply with the Security Rule and extend any and all protections, limitations and restrictions contained in this Agreement to the subcontractors' and/or agents' use and/or disclosure of any PHI retained after the termination of this Agreement, and to limit any further uses and/or disclosures to the purposes that make the return or destruction of the PHI infeasible.
- g. Offshore Work. In performing the functions, activities or services for, or on behalf of Covered Entity, Business Associate shall not, and shall not permit any of its agents or subcontractors who receive Covered Entity's PHI to, transmit or make available any PHI to any entity or individual outside the United States without prior written consent of Covered Entity.
- h. Integration. This Agreement embodies and constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes all prior oral or written agreements, commitments and understandings pertaining to the subject matter hereof.
- i. Governing Law. This Agreement is governed by, and shall be construed in accordance with, applicable federal law and the laws of the State of Texas without regard to choice of law principles.
- j. Notices. Any notices to be given hereunder to a Party shall be made via U.S. Mail or express courier to such Party's address given below, and/or (other than for the delivery of



fees) via facsimile to the facsimile telephone numbers listed below.

If to Covered Entity:  
The applicable U.T. Institution(s)'s Privacy Officer.

With copy to:  
The University of Texas System Privacy Officer  
Office of Systemwide Compliance

If to Business Associate: \_\_\_\_\_

Each Party named above may change its address and that of its representative for notice by the giving of notice thereof in the manner herein above provided.

k. Privilege. Notwithstanding any other provision in this Agreement, this Agreement shall not be deemed to be an agreement by Business Associate to disclose information that is privileged, protected, or confidential under applicable law to the extent that such privilege, protection or confidentiality (a) has not been waived or (b) is not superseded by applicable law.

l. Multiple Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall together constitute one and the same instrument. Facsimile and electronic (pdf) signatures shall be treated as if they are original signatures.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives in the manner legally binding upon them as of the date indicated below.

BUSINESS ASSOCIATE

COVERED ENTITY  
THE UNIVERSITY OF TEXAS

\_\_\_\_\_

By: \_\_\_\_\_  
(Authorized Signature)

By: \_\_\_\_\_  
(Authorized Signature)

Name: \_\_\_\_\_  
(Type or Print)

Name: \_\_\_\_\_  
(Type or Print)

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



Continental Casualty Company  
Group Long Term Care  
333 South Wabash Avenue  
Chicago, IL 60604  
1-(888)-825-0353

**LONG TERM CARE INSURANCE**

**OUTLINE OF COVERAGE**

**Policy 10025-IS**

**THIS OUTLINE OF COVERAGE IS INTENDED TO BE A QUALIFIED LONG TERM CARE INSURANCE PLAN AS DEFINED BY THE INTERNAL REVENUE CODE OF 1986, §7702B(b).**

In this outline of coverage the Continental Casualty Company is referred to as "We," "Our" or "Us." The insured is referred to as "You" or "Your."

**Caution: If You complete an application to obtain this coverage, please be advised that issuance of coverage is based upon Your responses to the questions in that application. If Your answers are incorrect or untrue, We may have the right to deny benefits or rescind Your coverage.**

**A copy of the application or the enrollment form, as applicable, is attached to Your certificate. The best time to clear up any questions is now, before a claim arises! If, for any reason, any of Your answers are incorrect, contact Us at Continental Casualty Company, Group Long Term Care, 333 South Wabash Avenue, Chicago, IL 60604.**

**If Your age has been misstated, the benefit will be in an amount that the premiums paid would have purchased at Your true age. If coverage would not have been issued, We will refund the premium paid.**

- 1. TYPE OF POLICY.** The policy is a group policy issued to **The University of Texas System** in the state of **Texas**.
- 2. PURPOSE OF OUTLINE OF COVERAGE.** This outline of coverage provides a very brief description of the important features of Your coverage. You should compare this outline of coverage to outlines of coverage for other policies available to You. This is not the insurance contract but only a summary of coverage. Only the actual policy provisions will control. The policy itself sets forth in detail both Your rights and obligations and Ours. It is therefore important that You **READ YOUR CERTIFICATE CAREFULLY!**

**3. TERMS UNDER WHICH THE CERTIFICATE MAY BE RETURNED AND PREMIUM REFUNDED.**

You have the right to return Your certificate within 30 days for a refund of the initial premium if You are not satisfied with the coverage.

If You die, We will make a pro-rata return of premium paid for the period beyond the date of death.

**4. THE POLICY IS NOT A MEDICARE SUPPLEMENT POLICY.** If you are eligible for Medicare, review the Guide to Health Insurance for people with Medicare.

**Neither We nor Our agents represent Medicare, the federal government or any state government.**

**5. LONG TERM CARE COVERAGE.** Long-term care insurance is designed to provide coverage for one or more necessary or medically necessary diagnostic, preventive, therapeutic, curing, treating, mitigating, and rehabilitative services, and maintenance or personal care services, provided in a setting other than an acute unit of a hospital, such as in a nursing home, in the community, or in the home. Coverage is provided for the benefits outlined in paragraph 6 below. The benefits described in paragraph 6 below may be limited by the limitations and exclusions in paragraph 7 below.

**6. BENEFITS PROVIDED BY THE POLICY.** Benefits are payable for Long Term Care services received as part of a plan of care if You are Chronically Ill.

**WAITING PERIOD.** To receive the long term care benefit You must first complete the waiting period stated in the “Plans At A Glance.”

**LIFETIME MAXIMUM BENEFIT.** We will pay the lifetime maximum benefit shown in the “Plans At A Glance.” All amounts paid under any benefit provision in or attached to Your certificate, including any payments under the Alternate Plan of Care provision, count towards this maximum unless otherwise specified in specific benefit descriptions in the policy.

**LONG TERM CARE BENEFIT FOR FACILITY CARE.** The benefit payable for facility care is stated in the “Plans At A Glance.” Facility care consists of nursing home care, a bed reservation benefit, hospice facility care, and an assisted living facility benefit. Facility care must be received in a facility licensed by the state in which it is located or, if licensing is not required, meets the other requirements stated in the certificate.

**LONG TERM CARE BENEFIT FOR HOME BASED CARE.** The benefit payable for home based care is stated in the “Plans At A Glance.” Home based care consists of a home health care benefit, home hospice care, adult day care, a caregiver training benefit, and a home medical technology benefit. It must be received from a provider that is licensed or certified by the state in which it is located and which meets the other requirements stated in the certificate. We will waive the licensing and certification requirement for adult day care centers in states which do not regulate these facilities, provided they are certified by a recognized accrediting agency.

**LONG TERM CARE BENEFIT FOR RESPITE CARE.** The benefit payable for respite care is stated in the “Plans At A Glance.” Respite care is the temporary use of the Facility Care or Home Based Care benefits to relieve informal caregivers of their duties so that they may have time off. The policy’s waiting period does not apply to this benefit. You cannot receive respite care for more than the number of days shown in the “Plans At A Glance.”

**LONG TERM CARE BENEFIT FOR ALTERNATE PLAN OF CARE.** If You require long term care, We may pay for alternate services, devices or types of care, not otherwise covered, under a written alternate plan of care. This benefit may specify benefits payable in a different manner than specified in the policy. It will be developed by or with health care professionals, agreed to by You, and approved by Your physician and Us. It must be a medically acceptable option.

**CHRONICALLY III** means (i) You have been certified by a Licensed Health Care Practitioner as being expected to be unable to perform, without Hands-On Assistance or Stand-by Assistance from another person, at least 2 Activities of Daily Living, as listed and defined below, for a period of 90 consecutive days, or (ii) having a level of disability similar (as determined under regulations prescribed by the Secretary in consultation with the Secretary of Health and Human Services) to the level of disability in (i) above, or (iii) requiring Substantial Supervision to protect You from threats to health and safety due to a Severe Cognitive Impairment.

You will not be considered Chronically III unless within the preceding 12 months a Licensed Health Care Practitioner has certified that the above requirements have been met.

#### **ACTIVITIES OF DAILY LIVING.**

**Bathing.** Washing oneself by sponge bath; or in either a tub or shower, including the task of getting into or out of the tub or shower.

**Continence.** The ability to maintain control of bowel and bladder function; or, when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene, including caring for a catheter or colostomy bag.

**Dressing.** Putting on and taking off all items of clothing and any necessary braces, fasteners, or artificial limbs.

**Eating.** Feeding oneself by getting food into the body from a receptacle (such as a plate, cup or table) or by a feeding tube or intravenously.

**Toileting.** Getting to and from the toilet, getting on and off the toilet, and performing associated personal hygiene.

**Transferring.** Sufficient mobility to move into or out of bed, chair, or wheelchair, or to move from place to place, either via walking, a wheelchair or other means.

**SEVERE COGNITIVE IMPAIRMENT.** A loss or deterioration in Your intellectual capacity that is (a) comparable to (and includes) similar forms of irreversible dementia, and (b) measured by clinical evidence and standardized tests that reliably measures impairment in the individual’s:

1. Short term or Long term memory,
2. Orientation as to people, places or time, and
3. Deductive or abstract reasoning.

**PLAN OF CARE.** This is a program of treatment or care which is initiated and approved in writing by a Licensed Health Care Practitioner.

## **7. LIMITATIONS AND EXCLUSIONS**

**EXCLUSIONS.** We will not pay benefits for the following:

- (a) Long Term Care resulting from war or an act of war whether declared or undeclared;
- (b) Long Term Care for which benefits are payable under Workers' Compensation or the Occupational Disease Act or Law. However, the days on which Long Term Care is received will count towards satisfying the Waiting Period;  
(indemnity plan)
- (c) Long Term Care which would be provided without charge in the absence of insurance;
- (d) Long Term Care received in a facility or section of a facility which operates primarily for the treatment of Substance Abuse; or mental illness;
- (e) Long Term Care to the extent that benefits are payable under Medicare or would be so reimbursable but for the application of a deductible or coinsurance amount.

### **THIS POLICY MAY NOT COVER ALL THE EXPENSES ASSOCIATED WITH YOUR LONG TERM CARE NEEDS**

8. **RELATIONSHIP OF COST OF CARE AND BENEFITS.** Because the costs of long term care will likely increase over time, You should consider whether and how the benefits of this plan may be adjusted. The benefit level is not guaranteed to increase over time unless an automatic benefit increase option or other inflation benefit is elected.
9. **TERMS UNDER WHICH YOUR COVERAGE MAY BE CONTINUED IN FORCE AND IS CONTINUED.**

**RENEWABILITY.** THE CERTIFICATE IS GUARANTEED RENEWABLE. This means You have the right, subject to the terms of the Certificate, to continue the Certificate as long as You pay Your premiums on time. Continental Casualty Company cannot change any of the terms of the Certificate on its own, except that in the future, IT MAY INCREASE THE PREMIUM YOU PAY.

**NON-RENEWAL.** The holder may elect not to renew the policy at any time by written notice to Us. We guarantee to renew the policy at the end of each renewal period unless the holder fails without good and sufficient cause to duly perform in good faith any obligation pertaining to the policy, or the number of persons insured under the policy is less than We require. Coverage may be continued as provided below if the policy is not renewed.

**CONTINUATION OF COVERAGE.** You become eligible to elect continuation of coverage on the date Your coverage under the group policy terminates. Coverage will be continued with the same benefits and provisions as You had prior to termination. If You elect continuation of coverage, Your coverage is effective as of the date Your coverage under the group policy terminates. You may not continue coverage if termination is due to nonpayment of premium or to the lifetime maximum benefit being reached.

**WAIVER OF PREMIUM.** We will waive premiums starting with the first premium due after You complete the Waiting Period. We will continue to waive premiums until the first of the month following the end of the Plan of Care.

**10. ALZHEIMER'S DISEASE AND OTHER BRAIN DISORDERS.** Your policy provides benefits, subject to all of the provisions of the policy, for a clinical diagnosis of Alzheimer's disease and similar dementias; biologically based brain diseases/serious mental illness including schizophrenia; paranoid and other psychotic disorders; bipolar disorders (mixed, manic and depressive); major depressive disorders (single episode or recurrent) and schizo-effective disorders (bipolar or depressive).

**11. PREMIUM.** Premium rates are shown in the printed enrollment material, or on the website.

If We do not receive Your premium on the Premium Due Date, We allow a grace period of 65 days for each premium due after the first premium. Your coverage stays in force during the grace period if You pay the premium due.

**12. TEXAS DEPARTMENT OF INSURANCE'S CONSUMER HELP LINE.** If you would like to discuss this insurance with the Texas Insurance Department, you may call their Consumer Help line at 1-800-252-3439 for agent, company, or any other insurance information.

If you would like to order any publications related to Long Term Care insurance from the Texas Insurance Department, you may call them at 1-800-599-SHOP.

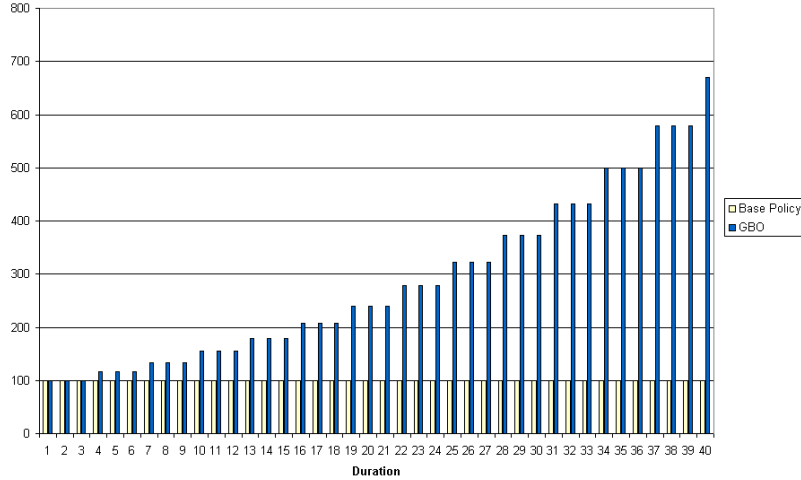
If you would like to receive counseling regarding the purchase of Long Term Care insurance or other health care coverage, you may call the Texas Department of Aging at 1-800-252-9240 or current number if different to receive counseling regarding the purchase of long term care or other health care coverage.

**13. DENIAL OF APPLICATION.** If your application for coverage is denied, we will refund any premiums paid within 30 days

**14. OFFER OF INFLATION PROTECTION**

**[GUARANTEED BENEFIT INCREASE.** We will offer You an increase in benefits on each third anniversary of the master policy, as indicated in the "Plans At A Glance." Premiums for the increased amount will be based on Your attained age. Premiums for Your initial benefit amount will always be based on Your age when You entered the plan. You have the right to accept the benefit increase without showing evidence of insurability as long as You increased Your benefit amount at the previous benefit increase offer. If You declined an offer, You will be required to submit evidence of insurability.]

Benefit Increase Comparison - Guaranteed Benefit Increase



**LIFETIME COMPOUND AUTOMATIC BENEFIT INCREASE.** On each anniversary of this benefit’s effective date, all benefit amounts in effect on that anniversary and the remaining Lifetime Maximum Benefit will increase by 5%.

**15. OFFER OF NONFORFEITURE BENEFITS**

**[FUTURE BENEFIT GUARANTEE.** If You have had at least 3 years of coverage then, at lapse, We will continue Your coverage in force with the same daily benefit but a shortened benefit period with no further premiums being payable.

Included below is a sample chart.

Assumptions:

Issue Age:	40
Lifetime Maximum	1095 x daily Facility Care Benefit
Maximum daily Facility Care Benefit	\$100
Maximum daily Home Based Care benefit	\$50
No automatic inflation protection	



Attained Age	Total Premiums Paid	Shortened Benefit @ \$50/day (Home Care)	Shortened Benefit @ \$100/day (Facility Care)	Reduced Lifetime Maximum (dollars)
40	N/A	60 days	30 days	\$3,000
50	\$1,620	60 days	30 days	\$3,000
60	\$3,240	64 days	32 days	\$3,240
70	\$4,860	97 days	48 days	\$4,860
80	\$6,480	129 days	64 days	\$6,480

**CONTINGENT NONFORFEITURE BENEFIT.** If Your premium has increased over the years to a certain percentage over Your initial premium, You may reduce Your level of benefits so that future premium increases would not apply, or You may continue Your same level of benefits but with a reduced Lifetime Maximum Benefit with no further premium being required.

**16. DISCLOSURE REGARDING FEDERAL TAX TREATMENT OF LONG TERM CARE INSURANCE POLICY.** The policy is intended to be a qualified long term care contract as defined by the Internal Revenue Code §7702B(b). There may be tax consequences associated with the purchase of a qualified long term care insurance contract, such as the tax deductibility of premiums and the exclusion from taxable income of benefits. The prospective insured is urged to consult with a qualified tax advisor.

**17. ADDITIONAL FEATURES.**

**[UNDERWRITING.** Employees, as defined in the master application, will not be subject to underwriting if they enroll during the enrollment period stated in the master application. All other eligible classes may obtain coverage subject to Our approval of evidence of insurability.]

**REINSTATEMENT OF COVERAGE.** If your coverage should terminate for non-payment of premium because you were Chronically Ill, we will reinstate your coverage without requiring evidence of your insurability if you or the designated individual who also receives notification, requests it within five months following the termination.

**UNINTENTIONAL LAPSE PROTECTION.** You have the right to name an individual (friend or relative) to receive notification when Your policy will lapse because the premium has not been paid. This notice will be sent no earlier than 30 days after the date the premium is due, and the policy will not terminate until 30 days after such notice is given. Notice is considered to have been given as of 5 days after the date of mailing.

If payment is made for the policy through a payroll or pension deduction plan, we will inform You and the designated individual, no earlier that 60 days after You are no longer on a payroll or pension deduction plan.

If the policy should terminate for non-payment of premium because You were Chronically Ill, We will reinstate the policy without requiring evidence of insurability if You or the designated individual requests it within five months following the termination.

**CAREGIVER BENEFIT.** This benefit provides a cash payment for informal care received in Your residence equal to the amount shown in the “Plans At A Glance.” Informal care benefits are not payable while You are receiving Facility Care; however, they are payable while You are receiving Home Based Care. Informal care being provided must be greater than care or services the informal caregiver provides for others residing in Your residence or wherever care is provided. An informal caregiver is a person who is approved by Us as being experienced in or trained to provide informal care, is physically capable of providing informal care to You, and is not paid as a home health care provider under the policy.

**WORLD WIDE COVERAGE BENEFIT.** If You become eligible to receive benefits under this plan while You are living or traveling outside the United States, this benefit will provide a cash benefit as shown in the “Plans At A Glance.” This cash benefit is not based on actual charges incurred, is paid regardless of the provider of services, and is paid in lieu of all benefit payment descriptions otherwise shown in the “Plans At A Glance.” Expenses, however, must occur outside the United States.

## Plans At A Glance

<b>Waiting Period:</b>	90 consecutive days.
<b>Lifetime Maximum Benefit:</b>	1095 times the Facility Care daily benefit.
<b>Long Term Care Benefits:</b>	
<b>Facility Care Benefit:</b>	100% of the Eligible Expenses per day for Facility Care, not to exceed \$100, \$125, \$150, \$200 or \$250 per day, as chosen by the applicant.
<b>Bed Reservation Benefit:</b>	Up to 60 days per calendar year.
<b>Home Based Care Benefit:</b>	100% of the Eligible Expenses per day for Home Based Care, not to exceed 50% of the Facility Care Benefit.
<b>Caregiver Training Benefit:</b>	The actual expense incurred, not to exceed five times the daily benefit for Home Based Care.
<b>Home Medical Technology Benefit:</b>	The eligible expenses incurred, not to exceed \$1,000 per calendar year.
<b>Respite Care Benefit:</b>	Paid according to the Long Term Care Benefit being used to give respite, up to 14 days per calendar year.
<b>Alternate Plan of Care Benefit:</b>	
<b>Waiver of Premium Benefit.</b>	
<b>Guaranteed Benefit Increase:</b>	5%
<b>Future Benefit Guarantee (Nonforfeiture Benefit):</b>	See the description of this benefit in Your Outline of Coverage.
<b>Contingent Nonforfeiture Benefit:</b>	See the description of this benefit in Your Outline of Coverage.
<b>World Wide Coverage Benefit:</b>	75% of the Facility Care Benefit per day.

### OPTIONAL CHOICE:

**Lifetime Compound Automatic Benefit Increase:** 5%

# Group Long Term Care

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Provided by CNA  
For The University of Texas System

For Plan Year 2012-2013



# Continental Casualty Company



CNA Plaza A Stock Company  
Chicago, Illinois 60685

"We," "Our," and "Us" are used to refer to the Continental Casualty Company.

**Holder:** University of Texas System  
**Policy Number:** 0010025TQ(the "Policy")  
**Policy Effective Date:** September 1, 2001

**THIS POLICY IS INTENDED TO BE A QUALIFIED LONG TERM CARE INSURANCE CONTRACT  
AS DEFINED BY THE INTERNAL REVENUE CODE OF 1986, §7702B(b).**

The Policy is issued in consideration of the statements made in the Master Application, and any other required evidence of insurability for participants and the payment of premium. We agree with the Holder to insure eligible persons based on the statements made in the Master Application. We promise to pay benefits for loss covered by the Policy.

The policy is not a Medicare Supplement policy. If the Insured is eligible for Medicare, the Medicare supplement Buyer's Guide is available from Us for review.  
SPS1AA-42-TQ

### EFFECTIVE DATE AND TERM

The Policy starts on the Policy Effective Date. The Insured's coverage starts on the Coverage Effective Date stated in the Master Application and stays in force for the period for which premium has been paid.

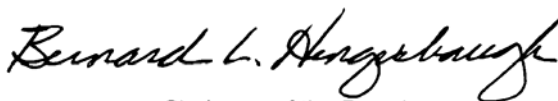
The Holder may elect not to renew the Policy at any time by written notice to Us. Termination of the Policy will be the later of: (a) The effective date of non-renewal stated in the written notice; or (b) The end of the Period for Notice of Non-Renewal stated in the Schedule. This period starts on the date We receive the written notice from the Holder.

We guarantee to renew the Policy at the end of each renewal period, unless the Holder fails without good and sufficient cause to duly perform in good faith any obligation pertaining to the Policy. The Initial Renewal Period starts on the Policy Effective Date. Each Subsequent Renewal Period starts on the day after the preceding period ends. The length of these periods is stated in the Schedule. If We elect not to renew the Policy, it terminates on the later of: (a) The effective date of non-renewal stated in Our written notice; or (b) The end of the Period for Notice of Non-Renewal stated in the Schedule. This period starts on the date the Holder receives the written notice from Us.

If the Insured is paying premiums directly to Us, We will notify him or her of any non-renewal by written notice at least 31 days before the Policy terminates. In the event the Policy is not renewed, each Insured may continue coverage as provided in the Continuation of Coverage Due to Termination provision.

All insurance periods start and end at 12:01 a.m., Standard Time, at the Holder's address stated in the Master Application.  
SPS2BA-42

Signed for the Continental Casualty Company at its Home Office, CNA Plaza, Chicago, Illinois 60685.

  
Chairman of the Board

  
Secretary

### GROUP LONG TERM CARE INSURANCE POLICY

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SGS2A

## DEFINITIONS

The terms defined here are capitalized whenever they are used.

SGD1AA

**Alternate Care Facility** means a facility or other supportive residence which is engaged primarily in providing ongoing care and related services to residents in one location and meets all of the following criteria:

1. Provides 24 hour care and/or supervision and is able to provide Qualified Long Term Care Services sufficient to support needs resulting from the Insured being Chronically Ill;
2. The facility has at least one supervised, trained and ready to respond employee on duty at all times to provide care;
3. Offers 3 meals a day and accommodates special dietary needs;
4. Is licensed or accredited by the appropriate agency to provide such care, if such licensing or accreditation is required by the state in which care is received, or, if licensing is not required, has a quality of care program;
5. Maintains specific policies and procedures, consistent with state requirements, for handling medical emergencies and trains staff to follow those procedures;
6. Maintains accessible files or records for each resident which includes up to date information listing that resident's physician, dentist and other community based health care providers;
7. Has appropriate methods and procedures for recording, handling and administering drugs and biologicals, as needed; and
8. If the facility provides dementia care, has a secured physical plant and specialized dementia programs.

Alternate Care Facility does not mean a Long Term Care facility, hospital or clinic, assisted living facility not meeting the above criteria or a place which operates primarily for the treatment of alcoholics or drug addicts. However, care or services for assisted living facilities not meeting the Alternate Care Facility definition may be covered subject to the conditions of the Alternate Plan of Care provision.

SGDAC1AA

**Community Based Care** consists of the categories of care listed and defined below.

**(a) Home Health Care** means the following types of care for medical or nonmedical services provided to ill, disabled or infirm persons when received from a Home Health Care Provider at the Insured's Residence:

- (1) Homemaker, occupational, physical, respiratory or speech therapy, or nutritional services;
- (2) Nursing care performed by a registered nurse (RN), a licensed practical nurse (LPN); or a licensed vocational nurse (LVN)
- (3) Assistance with Activities of Daily Living;
- (4) Respite Care Services;
- (5) Hospice Care;
- (6) Case Management Services; or
- (7) Any other maintenance or personal care services that are Qualified Long Term Care Services, provided by a home health aide.

A Home Health Care Provider is an entity which:

- (1) Has a business which provides home health care service and;
- (2) Is licensed by the Texas Department of Health under Texas Civil Statutes, Article 4447u or
- (3) For residents outside of Texas, is certified or licensed by the state in which it is located as a provider of such care.

SGDH1BA-42-TQ

**(b) Adult Day Health Care** means a community based group program of health, social and related support services for Insureds living at home who can benefit from care in a group setting outside the home. It does not include 24-hour care. The facility providing this type of care must meet the certification or licensing requirements of the state in which it is located. If the state does not certify or license adult day care centers, the facility must be certified by a recognized accrediting agency.

SGDH2AA-42

**(c) Adult Foster Care** means a residential alternative to Nursing Home Care for Insureds whose condition is such that they cannot live alone, but whose needs can be met in a private home. The provider of this type of care must be certified or licensed by the state in which it is located.

SGDH4AA

**(d) Assisted Living Care** means a living arrangement in a facility for Insureds whose condition is such that it precludes total independent living, but which does not require the level of care available in a Nursing Home. The facility providing this type of care must be certified or licensed by the state in which it is located.

SGDH3AA

**Disability** means any disorder resulting in the Insured being Chronically III.

SGD28AA-TQ

**Eligible Expense** means the actual expense incurred by the Insured for Long Term Care and other services covered by the Policy. For Community Based Care, it does not include the cost of transportation (except for Adult Day Care), supplies and rent or those costs which the Insured would incur regardless of whether the Insured is Chronically III.

SGD2AA-TQ

**Hospice Care** means care designed to alleviate the physical, emotional, social and spiritual discomforts resulting from the last stages of a terminal disease and to provide emotional support to the primary caregiver and family.

SGD20AB

**Insured** means the eligible person whose coverage is in force under the Policy.

SGD3AA

**Insured's Residence** means wherever the Insured lives, except a hospital or Nursing Home.

SGD4AA

**Licensed Health Care Practitioner** means any physician, registered professional nurse (RN) or licensed social worker, acting within the scope of his or her license.

SGD24AA-TQ

**Lifetime Maximum Benefit** means the most We will pay in benefits due to the Insured who has been certified to be Chronically III. This maximum is stated in the Schedule. All amounts paid to the Chronically III Insured, under any benefit provision in or attached to the Policy, including the Alternate Plan of Care Benefit, count towards the maximum.

SGD5AA-TQ

**Long Term Care** means Qualified Long Term Care Services providing Nursing Home Care, Hospice Care, Alternate Care Facility, and/or Community Based Care.

SGD6IA-TQ

**Master Application** means the Holder's application attached to the Policy when issued.

SGD7AA

**Nursing Home** means a place which:

- (a) Is licensed by the state in which it is located;
- (b) Provides Nursing Home Care on an inpatient basis under the supervision of a physician;
- (c) Has nursing services provided by or under the supervision of a registered nurse (RN), licensed vocational nurse (LVN), or licensed practical nurse (LPN);
- (d) Keeps a daily medical record of each patient; and
- (e) Is either a freestanding facility or a ward, wing, unit or swing bed of a hospital or other institution.

SGDN1AA



**Nursing Home Care** consists of the categories of care listed and defined below when received in a Nursing Home.

- (a) **Nursing Care.** Nursing services which require the training and skills of an RN, LVN or LPN.
- (b) **Custodial Care.** Services which are above the level of room and board but do not require the continuous attention of trained medical or paramedical personnel. They may be provided by persons without professional skills or training.

SGDN2AA

**Plan of Care** means a program of care and treatment initiated by and approved in writing by a Licensed Health Care Practitioner.

SGD26AA-TQ

**Qualified Long Term Care Services** means preventive, therapeutic, mitigating and rehabilitative services and maintenance or personal care services, which:

1. are required due to a Disability, and
2. are provided pursuant to a Plan of Care prescribed by a Licensed Health Care Practitioner.

SGD27AA-42-TQ

**Schedule** means the schedule of benefits.

SGD8AA

**Waiting Period** means the number of consecutive calendar days, stated in the Schedule, which must pass before the Long Term Care Benefit becomes payable and before We start to waive premiums.

SGD9BA

## **ELIGIBILITY FOR THE PAYMENT OF BENEFITS**

SGDE1AA

**Chronically Ill** means an Insured who has been certified by a Licensed Health Care Practitioner as being unable to perform (without substantial assistance from another individual) at least 2 Activities of Daily Living for a period of 90 days, due to an Activities of Daily Living Impairment or requiring Substantial Supervision to protect the Insured from threats to health and safety due to a Severe Cognitive Impairment.

The Insured will not be considered Chronically Ill unless within the preceding 12 months a Licensed Health Care Practitioner has certified that the Insured meets the above requirements.

SGD23BA-TQ

**Activities of Daily Living Impairment** means the Insured's inability to perform without human assistance or substantial supervision from another person at least two of the Activities of Daily Living listed and defined below.

SGD22AA-TQ

**Bathing.** Washing oneself by sponge bath; or in either a tub or shower, including the task of getting into or out of the tub or shower.

SGDQ2CA-9

**Continence.** The ability to maintain control of bowel and bladder function; or, when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene, including caring for a catheter or colostomy bag.

SGDQ2BA-6

**Dressing.** Putting on and taking off all items of clothing and any necessary braces, fasteners, or artificial limbs.

SGDQ2BA-2

**Eating.** Feeding oneself by getting food into the body from a receptacle (such as a plate, cup or table) or by a feeding tube or intravenously.

SGDQ2BA-1

**Toileting.** Getting to and from the toilet, getting on and off the toilet, and performing associated personal hygiene.

SGDQ2BA-3

**Transferring.** Sufficient mobility to move into or out of a bed, chair or wheelchair or to move from place to place, either via walking, a wheelchair or other means.

SGDQ2BA-8-42

**Severe Cognitive Impairment** means a deterioration in the Insured's intellectual capacity which has been diagnosed by a Licensed Healthcare Practitioner and which requires Substantial Supervision of the Insured by another person because the Insured engages in behavior which poses a health or safety hazard to him or to others. Such diagnosis is measured by clinical evidence and standardized tests that reliably measures impairment in the following areas:

1. Short term or long term memory,
2. Orientation as to people, places or time, and
3. Deductive or abstract reasoning.

SGDQ3EA-42

**Substantial Supervision** means continual supervision, which may include cueing by verbal prompting, gestures, or other demonstrations, by another person that is necessary to protect the severely cognitively impaired Insured from threats to his or her safety.

SGD32AA

### LIMITATIONS OR CONDITIONS ON ELIGIBILITY FOR BENEFITS

**Exclusions -** We will not pay benefits for the following:

SGL2AA

1. Loss due to or resulting from war or an act of war whether declared or undeclared.  
SGL2AA-1
2. Long Term Care to the extent that benefits are payable under Workers' Compensation, the Occupational Disease Act or Law or a group health plan. However, the days on which Long Term Care is received will count towards satisfying the Waiting Period, subject to the provisions of the Policy.  
SGL2CA-2-TQ
3. Long Term Care which would be provided without charge in the absence of insurance.  
SGL2AA-3
4. Treatment for neurosis, psychoneurosis, psychopathy, psychosis or mental or emotional disease or disorder which is not of organic origin. Alzheimer's Disease and similar dementias; biologically-based brain disease/serious mental illness including schizophrenia; paranoid and other psychotic disorders; bipolar disorders (mixed, manic and depressive); major depressive disorders (single episode or recurrent) and schizo-effective disorders (bipolar or depressive) are covered, subject to the provisions of the Policy.  
SGL2AA-4-42
5. Nursing Home Care received in a hospital or clinic or a rehabilitation hospital, except as provided in the definition of Nursing Home; or in a facility or section of a facility which operates primarily for the treatment of alcoholics or drug addicts or the mentally ill.  
SGL2DB-5
6. Long Term Care received outside the United States and its possessions.  
SGL2AA-6
7. Long Term Care to the extent that benefits are payable under Medicare or would be so reimbursable but for the application of a deductible or coinsurance amount.  
SGL2AA-7-TQ

**Waiting Period -** The Insured must complete the Waiting Period before the Long Term Care Benefit becomes payable. The Waiting Period starts on the date We receive written notice of claim at Our Home Office. For benefits to become payable after the Waiting Period, the Insured must have been certified as Chronically Ill during the entire Waiting Period. If We receive proof that the Insured was Chronically Ill prior to the date We receive the written notice of claim, We will begin the Waiting Period starting on the date the Disability began.

SGL3EB-TQ

## **LONG TERM CARE BENEFIT**

We will pay the Long Term Care Benefit stated in the Schedule, subject to the conditions below.

- (a) The Insured must be certified as Chronically Ill by a Licensed Healthcare Practitioner.
- (b) The Long Term Care Benefit will be paid pursuant to a Plan of Care provided by a Licensed Healthcare Practitioner.
- (c) The Long Term Care must start while the Insured's coverage is in force.
- (d) The Lifetime Maximum Benefit must not yet have been reached.
- (e) The terms of the Limitations or Conditions on Eligibility for Benefits provision must be met.

SGNH1AB-TQ

## **WAIVER OF PREMIUM**

We will waive premiums starting with the first premium due after the Insured completes the Waiting Period. We will continue to waive premiums until no benefits have been paid for 6 months.

If premiums are being paid other than monthly, the Insured will be placed on the monthly premium payment mode when We start to waive premiums. We will then refund any unearned monthly premiums, starting with the premium of the first full month for which premiums are waived.

When waiver of premium stops, the Insured's coverage may be continued in force by payment of the first modal premium due after the date it stops. The modal premium will be the same as in effect prior to the date waiver of premium started, subject to any change in the premium rates which may have occurred as provided in the Payment of Premium provision.

SGS3BA

## **ALTERNATE PLAN OF CARE BENEFIT**

If the Insured requires Long Term Care, We may pay for alternate services, devices or types of care, pursuant to a written Alternate Plan of Care, developed by or with a Licensed Healthcare Practitioner.

Any alternate care, including the benefits to be paid, may be adopted, as long as it is mutually agreeable to the Insured, the Insured's physician and Us. No benefits will be payable under this provision until an agreement is reached. Agreement to participate in an alternate Plan of Care will waive neither the Insured's nor Our rights.

The Alternate Plan of Care may specify special treatments or different sites or levels of care. Some of the care the Insured may receive may be different from that otherwise covered by the Policy. In this case, benefits will be paid at the levels specified and agreed to in the alternate Plan of Care.

SGA1AB-TQ

## **INDIVIDUAL TERMINATIONS**

The Insured's coverage under the Policy terminates on the earliest of the dates below. Unless termination occurs under Paragraphs (c) or (d) of this provision, the Insured's coverage may be continued in force as provided in the Continuation of Coverage Due to Termination provision.

- (a) Except as stated in the Continuation of Coverage Due to Death or Divorce of Spouse provision, the date the Insured is no longer eligible for coverage, as provided in the Master Application.
- (b) On the date the Policy terminates.
- (c) The end of the grace period of an unpaid premium, unless non-payment is due to a clerical error made by Us or the Holder.
- (d) The date the Lifetime Maximum Benefit is reached.

SGS4AA

## **CONTINUATION OF COVERAGE DUE TO TERMINATION**

The Insured becomes eligible for continuation of coverage on the date his or her coverage under the Policy terminates as provided in Paragraphs (a) and (b) of the Individual Terminations provision. Coverage will be continued under a new group policy (the "continuation policy") subject to the conditions below:

- (a) The Insured must remit the first quarterly premium to Us for the continued coverage and We must receive it within 60 days from the date coverage terminates under the Policy or, if a claim started before termination, when waiver of premium stops. The Insured must remit the first quarterly premium to Us regardless of whether a bill has been sent by Us or received by the Insured. The Insured not receiving a bill for continuation of coverage is not to be considered a clerical error made by Us or the Holder.

The first quarterly premium for the continued coverage is three times the Insured's monthly premium and is due on the date coverage terminates under the Policy. The first quarterly premium should be paid by check, made out to 'Continental Casualty Company' and identify the Insured's Certificate Number and Social Security Number. The remittance should be sent to CNA-GLTC, P.O. Box 946760, Maitland, FL 32794-6760.

- (b) Upon receipt of the Insured's remittance of the first quarterly premium for continuation coverage, We will verify that the Insured is eligible for continuation and provide ongoing billings. All future premiums under the continuation policy are due quarterly. The Insured must remit them directly to Us. We will consider requests for payment modes other than quarterly.
- (c) Coverage will be continued under the continuation policy with the same benefits and provisions as the Policy, such that the Insured is left in the same position as if coverage had not terminated.
- (d) The Insured's coverage under the continuation policy is effective as of the date coverage terminates under the Policy. The Insured will not be covered or receive benefits simultaneously under the Policy and the continuation policy.
- (e) There is no continuation of coverage if Extension of Benefits stops due to the Lifetime Maximum Benefit having been reached.

SGS5DA

#### **CONTINUATION OF COVERAGE DUE TO DEATH OR DIVORCE OF SPOUSE**

If the Insured is no longer eligible for coverage due to the death of, or divorce from, the spouse, the Insured's coverage will continue in force under the Policy, subject to its provisions. If the Insured's premiums are being deducted from a payroll account, the Insured must remit the first quarterly premium for the continued coverage at the end of the period for which premium has already been paid or, if later, on the first Premium Due Date after We stop waiving premiums. All future premiums are due quarterly. The Insured must remit them directly to Us. We will consider requests for payment modes other than quarterly.

SGS6AA

#### **EXTENSION OF BENEFITS**

If the Insured's coverage under the Policy terminates, except as provided in (d) of the Individual Terminations provision, We will recognize the Insured's basis for a claim which started before the date of termination in the same manner as if the Insured's coverage were still in force. Extension of benefits stops on the earlier of:

- (a) The end of a 6 month period during which no benefits become payable due to the same or a related condition; or
- (b) The date the Lifetime Maximum Benefit is reached.

SGS7AA

#### **REINSTATEMENT OF COVERAGE**

If the Insured's coverage terminates for non-payment of premium and if the Insured has a diagnosed organic brain disease or is Chronically Ill at the time of termination, We will reinstate coverage up to 5 months after the coverage terminated without requiring evidence of insurability. The reinstated coverage will cover losses from the date coverage terminates. All premium must be paid in order for coverage to be reinstated. Subsequent reinstatements may require evidence of insurability.

In all other situations, if the Insured's coverage terminates for non-payment of premium, coverage may be reinstated at Our option. We may require the Insured to submit an application for reinstatement. If We approve the application, coverage will be reinstated as of the date of Our approval. If We have accepted premium and issued a conditional

premium receipt, the Insured's coverage will be reinstated no later than 45 days after the date of that receipt, unless We notify the Insured by written notice prior to that date that the application for reinstatement is not approved. If We do not require an application for reinstatement, coverage will be reinstated as of the date We accept the Insured's premium.

The reinstated coverage will cover only losses for conditions that start after the date of reinstatement. In all other aspects, the Insured's rights and Ours will be the same as before the coverage terminated, unless there are new provisions added due to the reinstatement. The premium We accept for reinstatement may be used for the period for which premiums were not paid. We can apply the premium back for as many as 60 days before the date of reinstatement.

SGS8EA-TQ

## CERTIFICATES

We will issue an individual certificate for the Insured. The certificate describes the benefits, to whom they are payable, the limits and where the Policy may be inspected.

SGS9AA

## CLAIMS

**Notice of Claim:** Written notice must be given to Us within 30 days after a loss. If notice cannot be given within that time, it must be given as soon as reasonably possible. The notice will be sufficient if it identifies the Insured and the Policy. It must be sent to Us at P.O. Box 946760, Maitland, FL 32794-6760.

SGC1AA

**Claim Forms:** After We receive the written notice of claim, We will furnish claim forms within 15 days. If We do not, We will consider the Insured to have met the requirements for written proof of loss if We are given written proof of the extent and nature of the loss.

SGC2AA

**Written Proof of Loss:** Written proof of loss must be given to Us within 90 days after the date of such loss. If this is not reasonably possible, the claim is not affected if the proof is given to Us as soon as possible. Unless the Insured is legally incapacitated, written proof must be given within 1 year of the time it is otherwise due.

SGC3AA

**Time of Payment of Claim:** Benefits for a loss which requires periodic payment will be paid monthly subject to receipt of due written proof of loss. Any balance unpaid when liability terminates will be paid when We receive due written proof.

SGC4AA

**Payment of Claim:** All benefits are paid to the Insured or the Insured's estate, unless the Insured has assigned them elsewhere.

If benefits are payable to the estate, We may pay up to \$1,000 to any relative of the Insured who We feel is entitled to them. Any payment We make in good faith discharges Us to the extent of the payment.

SGC5AA

**Misstatement of Age:** If the Insured's age has been misstated, the benefit will be in an amount that the premiums paid would have purchased at the Insured's true age. If coverage would not have been issued, We will refund the premium paid.

SGC6AA

**Physical Examination and Assessment:** At Our expense, We may, as often as reasonably necessary while the claim is pending, have a physician examine the Insured or obtain an assessment of the Insured's impairment.

SGC7AA-TQ

**Claim Denial:** If a claim is denied, We will make available to the Insured or the Insured's personal physician, all information directly related to such denial. We will release such information within 60 days of Our receipt of the written request unless such disclosure is prohibited under state or federal law.

SGC9AA

**Claim Appeal:** If the Insured contests the denial, We will request from the Insured, the nature of the dispute in writing and (if applicable) the amount of money involved. We will then compile all relevant data including evaluations by qualified

individuals independent of Us, if appropriate. The accumulated data will be reviewed by Us. The decision is sent to the Insured in writing within 60 days.

SGC10AA

## PREMIUM

**Payment of Premium:** Premium is computed as stated in the Master Application. Premiums are payable in United States currency to Us on the Premium Due Dates stated in the Schedule.

We cannot change the Insured's premiums because of age or health. We can, however, change the Insured's premiums based on his or her premium class, but only if We change the premiums for all other Insureds in the same premium class. A change may be made, as provided in the following paragraph, on any Premium Due Date after the end of the Premium Rate Guarantee Period. The Premium Rate Guarantee Period starts on the Policy Effective Date. The length of this period is stated in the Schedule of the Master Application.

If We elect to change premium rates, the Insured's premiums change on his or her first Premium Due Date following the later of: (a) The effective date of the change stated in Our written notice to the Holder; or (b) the end of the Period for Notice of Premium Rate Changes stated in the Schedule of the Master Application. This period starts on the date the Holder receives the written notice from Us. If the Insured is paying premiums directly to Us, We will notify him or her of the change at least 31 days before the Premium Due Date on which his or her premiums change.

The Premium Rate Guarantee Period does not limit Our right not to renew the Policy, as stated in the Effective Date and Term provision.

SGP1AA

**Grace Period:** We allow a grace period of 65 days for each premium due after the first premium. The Insured's coverage stays in force during the grace period. It terminates, subject to the Unintentional Lapse provision, unless non-payment is due to a clerical error made by Us or the Holder.

SGP2AA-42

**Refund of Unearned Premium at Death:** If the Insured dies, We will make a pro-rata refund of premium paid for the period beyond the date of death.

SGP3AA

**Unintentional Lapse:** The Insured has the right to designate another individual to receive notification of lapse. Upon notice of nonpayment of premium, We will inform both the Insured and, if chosen, the designated individual at least 30 days before the effective date of lapse. If payment is through a payroll or pension deduction plan, We will inform both the Insured and, if chosen, the designated individual 60 days after the Insured is no longer on a payroll or pension deduction plan. The notice will be given by first class United States mail, postage prepaid, to the designated individual no earlier than 30 days after the premium due date. Notice is considered to have been given as of 5 days after the date of mailing. The Insured will be notified of the right to change the designated person at least once every 2 years.

SGP6AB

## THE CONTRACT

**Entire Contract; Changes:** The Policy, the Master Application, the individual applications of the Insureds and any attached papers make up the entire contract between the parties. No change is valid unless approved in writing on the Policy by one of Our officers. No agent may change the Policy or waive any of its provisions.

SGX1AA

**Incontestability:** Statements the Holder or the Insured makes are, in the absence of fraud, representations and not warranties. No statement voids the insurance, reduces the benefits or may be used in defense to a claim unless it is in writing and a copy of it has been furnished to the Holder or the Insured, whoever made the statement.

After the Insured's coverage has been in force for 2 years, only fraudulent misstatements of the Insured may be used to void the Insured's coverage. After the Insured's coverage has been in force for at least 6 months but less than 2 years, only misstatements of the Insured on the application and which pertains to the condition for which benefits are sought may void the Insured's coverage. If the Insured's coverage has been in force for less than 6 months, any misstatements of the Insured may be used to void the Insured's coverage in the event that We would not have issued coverage if the correct information was known.

After the Policy has been in force for 2 years, only fraudulent misstatements of the Holder may be used to void the Policy.

SGX2AC-TQ

**Legal Actions:** No action at law or in equity may be brought until 60 days after the date written proof of loss was given. No action may be brought after 3 years from the date written proof is required.  
SGX3AA

**Conformity with Statutes:** If a provision conflicts with the statutes of the jurisdiction in which the Policy was delivered or issued, it is automatically changed to meet the minimum requirements of the statute.  
SGX4AA

### TEMPORARY BED HOLDING BENEFIT

When the Insured is receiving benefit payments for Nursing Home Care, We will pay the Temporary Bed Holding Benefit, subject to the conditions below, if the Insured is temporarily absent from the Nursing Home due to a hospital stay or other event. The Temporary Bed Holding Benefit will be paid only if the Insured continues to incur a charge for a bed in the Nursing Home and that charge would have been assessed even in the absence of insurance.

- (a) The benefit will equal the Long Term Care Benefit payable for Nursing Home Care. It will be limited to 21 days per calendar year. Unused days cannot be carried over into the next calendar year.
- (b) The temporary absence must start while the Insured is receiving benefits for Nursing Home Care.
- (c) The Lifetime Maximum Benefit must not yet have been reached.

SGB1AA

### CAREGIVER TRAINING BENEFIT

**Caregiver Training** means training received by the Informal Caregiver to care for the Insured in the Insured's Residence.

**Informal Care** means Informal Care provided by an Informal Caregiver, making it unnecessary for the Insured to be in a Nursing Home, or to receive such care in the Insured's Residence from a paid provider.

**Informal Caregiver** means the person who has the primary responsibility of caring for the Insured in the Insured's Residence. A person who is paid for caring for the Insured cannot be an Informal Caregiver.

### BENEFIT

We will pay the Caregiver Training Benefit stated in the Schedule, subject to the conditions below:

- (a) The conditions which must be met for the Long Term Care Benefit to become payable, stated in the Long Term Care Benefit provision, must also be met for benefits to become payable under this provision. However, there is no Waiting Period.
- (b) The Caregiver Training must be provided by a Home Health Care Provider, Nursing Home or hospital while the Insured is receiving Long Term Care or Informal Care. If the Insured is in a Nursing Home or in a hospital, the Caregiver Training Benefit will only be payable if the training will make it possible for the Insured to return to the Insured's Residence where he or she can be cared for by the Informal Caregiver.
- (c) If Long Term Care or Informal Care due to the same or a related condition stops, the Caregiver Training Benefit will again become payable subject to the preceding conditions if Long Term Care or Informal Care resumes due to a new or unrelated condition. We will consider Long Term Care or Informal Care due to the same or a related condition to have stopped when 6 months have passed during which the Insured has received no Long Term Care or Informal Care due to such condition.

SGT1AA

### EMERGENCY ALERT SYSTEM BENEFIT

**Emergency Alert System** is a communication system located in the Insured's Residence which is used to summon medical attention in case of a medical emergency.

We will pay the Emergency Alert System Benefit stated in the Schedule for the rental or lease of an Emergency Alert System for the Insured's Residence while the Insured is living in that residence, subject to the conditions below.

- (a) We will start paying the Emergency Alert System Benefit when benefits for Community Based Care start. The Emergency Alert System Benefit will continue to be paid until 6 months pass during which the Insured receives no Community Based Care, or, if earlier, until Nursing Home Care starts.

- (b) The Insured's condition must be such that he or she could not be left alone were it not for the presence of the Emergency Alert System.
- (c) We will not pay for any charges for normal telephone service while the system is installed or for a home security system.
- (d) The Lifetime Maximum Benefit must not yet have been reached.

SGM1AA

### **HOSPICE CARE FACILITY BENEFIT**

We will pay the Hospice Care Facility Benefit stated in the Schedule, subject to the conditions below:

- (a) The conditions which must be met for the Long Term Care Benefit to become payable, stated in the Long Term Care Benefit provision, must also be met for benefits to become payable under this provision;
- (b) Care must be received in a facility that specializes in Hospice Care for patients who are expected to live less than six months. This facility is a stand-alone facility or ward/wing of a Nursing Home and is licensed by the state in which it is located;
- (c) The benefit payable for Hospice Care in a Hospice Care Facility will equal the Long Term Care Benefit payable for Nursing Home Care. However, benefits will not be paid for Hospice Care in a Hospice Care Facility, Community Based Care and Nursing Home Care simultaneously; and
- (d) The Lifetime Maximum Benefit must not yet have been met.

SGHC1AA

### **FUTURE BENEFIT GUARANTEE**

If the Insured has had at least 3 years of continuous coverage under the Policy, and this benefit has been in effect for at least three years, then, at the end of the grace period of an unpaid premium, the Insured's coverage will be continued in force with the same daily benefit but a reduced Lifetime Maximum Benefit, with no further premiums being payable.

The reduced Lifetime Maximum Benefit will equal the total premiums paid toward a plan which includes this benefit. However, the reduced Lifetime Maximum Benefit will never be less than 30 times the Insured's daily benefit.

The reduced Lifetime Maximum Benefit will not be reduced due to prior benefits paid under the Policy but, in no case will the total benefits paid under the Policy exceed what would have been paid had the Insured continued to pay premiums.

No benefit increases will be offered after the effective date of the reduced benefit.

If the Insured has the Automatic Benefit Increase provision, no further increases under that provision will occur after the effective date of the reduced benefit.

The reduced Lifetime Maximum Benefit will take effect on the Premium Due Date of the unpaid premium or, if later, on the date Extension of Benefits stops.

The reduced Lifetime Maximum Benefit will be subject to the provisions of the Policy.

SGF1JB-42

### **LIFETIME COMPOUND AUTOMATIC BENEFIT INCREASE**

On each anniversary of the Insured's Effective Date, We will increase by the Automatic Benefit Increase Percentage stated in the Schedule each benefit amount then in effect.

SG11CA

### **GUARANTEED BENEFIT INCREASE OPTION**

On the third anniversary of the Policy Effective Date, as stated in the Schedule, and no less than every three years thereafter, the Insured may elect to increase each benefit amount then in effect by the amount stated in the Schedule.

The Insured has the right to accept the benefit increase offers without showing evidence of insurability as long as the Insured increased his benefit amount at the most recent previous benefit increase offer. When an offer is declined, the Insured must submit evidence of insurability in order to exercise the next benefit increase offer. Once We accept the Insured's evidence of insurability, We will not require further evidence of insurability for future benefit increase offers until another offer is declined.



SG11GB

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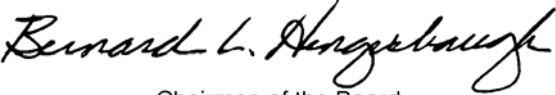
CNA Plaza                      A Stock Company  
Chicago, Illinois 60685

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## ADMINISTRATIVE RIDER

It is understood and agreed that in the event the Group Long Term Care policy to which this rider is attached replaces another Long Term Care policy, the Continental Casualty Company will waive any time periods applicable to pre-existing conditions, waiting periods and waiver of premium qualification periods to the extent such time was spent under the policy being replaced.

Signed for the Continental Casualty Company at its Home Office, CNA Plaza, Chicago, Illinois 60685.

  
Chairman of the Board

SRAR-11

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CNA Plaza                      A Stock Company  
Chicago, Illinois 60685

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## ADMINISTRATIVE RIDER

This amendment is part of the Policy. It is understood and agreed that the Guaranteed Benefit Increase Option has been amended as follows:

Employees who are actively-at-work and their spouses may refuse any number of benefit increase offers without forfeiting the right to accept future offers on a guarantee issue basis.  
SR-15288 (GBO)



CNA Plaza Chicago IL 60685-0001

# **CNA PRIVACY NOTICE**

## *For Group Long-Term Care Policyholders*

Protection of private information is a matter of great importance to CNA. The nature of insurance requires that we periodically gather private information from you, the individuals we insure under your policy ("certificateholders"), and applicants who are not approved for coverage. CNA recognizes that access to nonpublic personal financial and health information must be protected. This notice explains CNA's commitment to privacy with respect to the nonpublic personal financial or health information we maintain.

### **WHY WE COLLECT INFORMATION**

We collect information that is necessary to review, process, or service requests for Group Long-Term Care coverage, benefits and other services. For example, we may collect nonpublic personal financial and health information to determine eligibility for coverage or benefits.

### **TYPES OF INFORMATION WE COLLECT**

We collect information directly from you as the policyholder. Generally, we request identification information from you such as name, address and telephone number. We may also request information from you regarding your employees as prospective certificateholders. Examples of this kind of information include employee name, address, date of birth, and Social Security Number.

In addition to the information we collect from you, we also obtain information from applicants and certificateholders in connection with providing Group Long-Term Care coverage or services. An example of this is information provided to us on applications for insurance or other forms.

### **Information We Disclose**

The information we collect as described above is used to make service, benefit and other insurance-related decisions. This information is sometimes shared as permitted by law with CNA affiliates and nonaffiliated third parties to carry out daily business functions; review, process or service your Group Long-Term Care products or services. Examples of nonaffiliated third parties with whom we can and do share information are:

- Insurance regulatory authorities;
- Third party administrators engaged by you or by us for purposes of marketing, servicing, or administering Group Long-Term Care plans; or
- Claim service and administrators engaged by us to adjust, administer, service or process claims.

## **HOW WE PROTECT YOUR INFORMATION**

CNA restricts access to information to those employees or service providers who need to know the information in order to provide Group Long-Term Care products or services to you, certificateholders, or applicants. We regularly review our security measures and employee education programs to help protect this information.

When we share information with nonaffiliated third parties, we require that they have standards to keep this information private. We do not share information with nonaffiliated third parties for purposes of marketing other products or share personally identifiable information for industry studies.

This privacy policy is not in lieu of any other privacy notice issued by any other affiliate, business unit, department or division of CNA. This privacy policy continues to apply even when your relationship with CNA has terminated.

## **WHOM TO CONTACT REGARDING PRIVACY MATTERS**

If you have questions regarding privacy matters, you may contact Dale Branda by telephone at 312-822-1994, by e-mail addressed to [dale.branda@cna.com](mailto:dale.branda@cna.com), or by mail addressed to CNA Plaza, 42<sup>nd</sup> Floor South, Chicago, IL 60685, Attn: Dale Branda.

THIS NOTICE IS PROVIDED ON BEHALF OF CONTINENTAL CASUALTY COMPANY, A CNA AFFILIATE.

June 2001

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# Continental Casualty Company



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333 S. Wabash Ave.      A Stock Company  
Chicago, IL 60604

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"We," "Our," and "Us" are used to refer to the Continental Casualty Company.

**Holder:** The University of Texas System  
**Policy Number:** 0010025-IS (the "Policy")  
**Policy Effective Date:** September 1, 2013

**THIS POLICY IS INTENDED TO BE A QUALIFIED LONG TERM CARE  
INSURANCE CONTRACT AS DEFINED BY THE INTERNAL REVENUE CODE OF 1986, 7702B(b).**

The Policy is issued in consideration of the statements made in the Master Application, any other required evidence of insurability for participants and the payment of premium. We agree with the Holder to insure eligible persons based on the statements made in the Master Application. We promise to pay benefits for loss covered by the Policy.

The Policy is not a Medicare Supplement policy. If the Insured is eligible for Medicare, the Medicare Supplement Buyer's Guide is available from Us for review.

### EFFECTIVE DATE AND TERM

The Policy starts on the Policy Effective Date. The Insured's coverage starts on the Coverage Effective Date stated in the Master Application and stays in force for the period for which premium has been paid.

The Holder may elect not to renew the Policy at any time by written notice to Us. If this occurs, the Policy will terminate on the later of: (a) The effective date of non-renewal stated in the Holder's written notice; or (b) The end of the Period for Notice of Non-Renewal stated in the Schedule of the Master Application. This period starts on the date We receive the written notice from the Holder.

We guarantee to renew the Policy at the end of each renewal period subject to timely payment of premium. The Policy's Initial Renewal Period starts on the Policy Effective Date. Each Subsequent Renewal Period starts on the day after the preceding period ends. The length of these periods is stated in the Schedule of the Master Application.

If the Insured is paying premiums directly to Us, We will notify him or her of any non-renewal by written notice at least 31 days before the Policy terminates. In the event the Policy is not renewed, each Insured may continue coverage as provided under the Keeping Your Coverage provision.

All insurance periods start and end at 12:01 a.m., Standard Time, at the Holder's address stated in the Master Application.

Signed for the Continental Casualty Company at its Home Office, CNA Plaza, Chicago, Illinois 60685.

Chairman of the Board

  
Secretary

**GROUP LONG TERM CARE INSURANCE  
POLICY**

GLTC-3-P-TX-01

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**DEFINITIONS**

The terms defined here are capitalized throughout to indicate that they have a specific meaning for purposes of this document and any attached Riders.

**Assisted Living Facility** means a facility or other supportive residence which is engaged primarily in providing ongoing care and related services to residents in one location and meets all of the following criteria:

- (a) Provides 24 hour care and/or supervision and is able to provide Qualified Long Term Care Services sufficient to support needs resulting from Your being Chronically III.
- (b) The facility has at least one supervised, trained and ready to respond employee on duty at all times to provide care;
- (c) Offers 3 meals a day and accommodates special dietary needs;
- (d) Is licensed and operated pursuant to state and federal law. If licensing is not required it must
  - Provide 24-hour care on an inpatient basis under the supervision of a physician
  - Have nursing services provided by or under the supervision of a Registered Nurse (RN), Licensed Vocational Nurse (LVN) or Licensed Practical Nurse (LPN)
  - Keep a daily medical record of each patient and
  - Is either a freestanding facility or a ward, wing, or swing bed of a hospital or other institution;
- (e) Maintains specific policies and procedures, consistent with state requirements, for handling medical emergencies and trains staff to follow those procedures;
- (f) Maintains a Plan of Care that (1) includes, but is not limited to, assistance with Activities of Daily Living or supervision due to Severe Cognitive Impairment, and medical needs, and (2) is updated not more often than once every 90 days;
- (g) Maintains at least weekly documentation of specific care provided along with Your needs and responses;
- (h) Administers drugs and biologicals with appropriate methods and procedures for recording and handling;
- (i) If the facility provides dementia care, has a secured physical plant and specialized dementia programs.

Assisted Living Facility does not mean (a) a Nursing Home, (b) a hospital or clinic, (c) a facility not meeting the above criteria or (d) a place which operates primarily for the treatment of Substance Abuse or mental illness. However, care or services for Assisted Living Facilities not meeting the definition may be covered by a Home Health Care Provider.

**Care Coordinator** means a registered nurse (RN), licensed practical nurse (LPN), licensed vocational nurse (LVN), occupational therapist, vocational therapist, or masters prepared social worker qualified, through experience or certification, to provide care coordination services.

**Eligible Expense** means the actual expense incurred by You for Long Term Care Services covered by the Policy. For Home Based Care, it does not include the cost of transportation (transportation for Adult Day Health Care is covered), supplies, and rent or those costs which You would incur regardless of whether You are Chronically III.

**Home Health Agency** means a business which provides home health services and is licensed by the Texas Department of Health.

**Home Health Care Provider** means an entity which:

- (1) Has a business which provides home health care services; and
- (2) Is licensed by the Texas Department of Health; or
- (3) For residents outside of Texas, is certified or licensed by the state in which it is located as a provider of such care.

A **Home Health Care Provider** may also be an Registered Nurse (RN), Licensed Vocational Nurse (LVN), Licensed Practical Nurse (LPN), licensed therapist, or Independent Provider working within the scope of his or her license.

A **Home Health Care Provider** also includes an organization that provides care given in apartment-like settings and that accepts residents who have no initial long-term care needs. In these apartments, care is given as needed while the person is living in the apartment.

A Home Health Care Provider cannot be a member of Your immediate family living in Your Residence.



**Home Delivered Meals** means meals, delivered to Your Residence, that meet normal dietary requirements or any specific dietary requirements You may have.

**Housekeeper Services** are services such as cooking, cleaning, laundering, organizing bills for payment and running errands.

**Hospice Care** means care designed to alleviate the physical, emotional, social and spiritual discomforts resulting from the last stages of a terminal disease and to provide emotional support to the primary caregiver and family.

**Hands-On Assistance** means physical assistance (minimal, moderate, or maximal) without which the individual would not be able to perform the Activity of Daily Living.

**Independent Provider** means an individual who

- (a) Works independently of a licensed Home Health Agency;
- (b) Provides services to Chronically III individuals as a business;
- (c) Provides daily records (including daily charges) of the care or services provided, as described in the Plan of Care; and
- (d) Either (a) holds an active state license or certification or (b) is included in a government-sponsored nurse aide registry; in the state where care is provided and which is appropriate to the level of care being provided. If the state in which You live does not require licensure or certification for Independent Providers nor does it have a nurse aide registry, We will approve benefits if We can determine the individual is qualified by training and experience to provide services. (The Caregiver Training Benefit may also be utilized to train an individual to perform these services.)

**Informal Care** means Housekeeper Services or Personal Care Services provided by an Informal Caregiver in Your Residence. Such care or services must be greater than care or services the Informal Caregiver provides for other members of the household residing in Your Residence.

**Informal Caregiver** means a person who:

- (1) Is approved by Us as being experienced in or trained to provide Informal Care;
- (2) Is physically capable of providing Informal Care to You; and
- (3) Is not paid as a Home Health Care Provider under the Policy.

**Insured** means the eligible person whose coverage is in force under the Policy.

**Licensed Health Care Practitioner** means any physician, registered nurse (RN) or licensed social worker, acting within the scope of his or her license.

**Lifetime Maximum Benefit** means the most We will pay in benefits due to the Insured who has been certified to be Chronically III. This maximum is stated in the Schedule of Benefits. All amounts paid to the Chronically III Insured, under any benefit provision in or attached to the Policy, including the Alternate Plan of Care Benefit, count towards the maximum, unless otherwise stated.

**Long Term Care** means Long Term Care Services provided by a covered service provider.

**Long Term Care Services** means services that:

1. Are provided pursuant to a Plan of Care prescribed by a Licensed Health Care Practitioner;
2. Are provided by a covered service provider;
3. Are intended to provide support for assistance with Activities of Daily Living or supervision due to Severe Cognitive Impairment.

**Maintenance or Personal Care Services** means any care the primary purpose of which is the provision of needed assistance with any of the disabilities as a result of which the individual is a Chronically Ill individual (including the protection from threats to health and safety due to Severe Cognitive Impairment).

**Master Application** means the Holder's application attached to the Policy when issued.

**Nursing Home** means a place which is licensed and operated pursuant to state and federal law.

If licensing is not required, then a Nursing Home means a place which

- (a) Provides 24-hour care on an inpatient basis under the supervision of a physician;
- (b) Has nursing services provided by or under the supervision of a Registered Nurse (RN), Licensed Vocational Nurse (LVN) or Licensed Practical Nurse (LPN)
- (c) Keeps a daily medical record of each patient; and
- (d) Is either a freestanding facility or a ward, wing, unit or swing bed of a hospital or other institution.

**Plan of Care** is a written, individualized plan for care and support services for You that:

- (a) Has been developed as a result of an assessment and incorporates any information provided by Your personal physician; and
- (b) Has been prescribed by a Licensed Health Care Practitioner; and
- (c) Fairly, accurately and appropriately addresses Your long term care and support service needs; and
- (d) Specifies (1) the type, frequency, and duration of all services required to meet those needs; (2) the providers appropriate to furnish those services; and (3) an estimate of the cost of such services.

The Plan of Care must be updated as Your needs change. We must have a copy of the Plan of Care upon its completion and each time it is updated. We retain the right to obtain periodic updates every 90 days. We will make copies of the current Plan of Care available to Your personal physician.

**Severe Cognitive Impairment** means a loss or deterioration in Your intellectual capacity that is (a) comparable to (and includes) Alzheimer's disease and similar forms of irreversible dementia and (b) measured by clinical evidence and standardized tests that reliably measure impairment in the individual's:

- 1. Short term or long term memory,
- 2. Orientation as to people, places or time, and
- 3. Deductive or abstract reasoning.

**Stand-by Assistance** means the presence of another person within arm's reach of You that is necessary to prevent, by physical intervention, injury to the individual while he or she is performing the Activities of Daily Living.

**Substance Abuse** means abuse of alcohol or drugs or other substance abuse or dependency.

**Substantial Supervision** means continual supervision, which may include cueing by verbal prompting, gestures, or other demonstrations, by another person that is necessary to protect the severely cognitively impaired Insured from threats to his or her safety.

**You/Your** means the Insured.

**Your Residence** means wherever You live except a hospital, Nursing Home, Assisted Living Facility, or Hospice facility.

## WHEN DOES MY INSURANCE BEGIN?

Your coverage starts on the Insured's Original Effective Date stated in the Certificate Identification.

## HOW DO I BECOME ELIGIBLE FOR THE PAYMENT OF BENEFITS?

You must be Chronically III as defined below to become eligible for benefits.

**Chronically III** means (i) You have been certified by a Licensed Health Care Practitioner as being expected to be unable to perform, without Hands-On Assistance or Stand-by Assistance from another person, at least 2 Activities of Daily Living, as listed and defined below, for a period of 90 consecutive days, or (ii) having a level of disability similar (as determined under regulations prescribed by the Secretary in consultation with the Secretary of Health and Human Services) to the level of disability in (i) above, or (iii) requiring Substantial Supervision to protect You from threats to health and safety due to a Severe Cognitive Impairment.

**You will not be considered Chronically III unless within the preceding 12 months a Licensed Health Care Practitioner has certified that You meet the above requirements.**

**Activities of Daily Living** are defined as follows:

**Bathing.** Washing oneself by sponge bath; or in either a tub or shower, including the task of getting into or out of the tub or shower.

**Continence.** The ability to maintain control of bowel and bladder function; or, when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene, including caring for a catheter or colostomy bag.

**Dressing.** Putting on and taking off all items of clothing and any necessary braces, fasteners, or artificial limbs.

**Eating.** Feeding oneself by getting food into the body from a receptacle (such as a plate, cup or table) or by a feeding tube or intravenously.

**Toileting.** Getting to and from the toilet, getting on and off the toilet, and performing associated personal hygiene.

**Transferring.** Sufficient mobility to move into or out of bed, chair, or wheelchair or to move from place to place, either via walking, a wheelchair or other means.

**Hands-On Assistance** means physical assistance (minimal, moderate, or maximal) without which the individual would not be able to perform the Activity of Daily Living.

**Stand-by Assistance** means the presence of another person within arm's reach of You that is necessary to prevent, by physical intervention, injury to You while You are performing the Activities of Daily Living.

**Severe Cognitive Impairment** means a loss or deterioration in Your intellectual capacity that is (a) comparable to (and includes) Alzheimer's disease and similar forms of irreversible dementia and (b) measured by clinical evidence and standardized tests that reliably measure impairment in the individual's:

1. Short term or long term memory;
2. Orientation as to people, places or time; and
3. Deductive or abstract reasoning.

**Substantial Supervision** means continual supervision, which may include cueing by verbal prompting, gestures, or other demonstrations, by another person that is necessary to protect the severely cognitively impaired Insured from threats to his or her safety.

### **WHEN DO LONG TERM CARE BENEFITS BECOME PAYABLE?**

We will pay the Long Term Care Benefits and other benefits, stated in the Schedule of Benefits, when all of the following conditions are met unless exempted for a particular benefit/provision:

- (a) Your coverage is in force;
- (b) You have been certified as Chronically III by a Licensed Health Care Practitioner;
- (c) All benefits have been included in a Plan of Care which has been provided by a Licensed Health Care Practitioner;
- (d) The Waiting Period has been completed, unless not required under a particular benefit/provision; and
- (e) The Lifetime Maximum Benefit has not yet been reached.

## WHAT ARE MY LONG TERM CARE BENEFITS?

Your Long Term Care Benefits consist of Facility Care, Home Based Care, and Other Benefits as follows:

### Facility Care

Nursing Home Care  
Bed Reservation  
Hospice Facility  
Assisted Living Facility

### Home Based Care

Home Health Care  
Home Hospice Care  
Adult Day Health Care  
Caregiver Training  
Home Medical Technology

### Other Benefits

Respite Care  
Alternate Plan of Care  
Waiver of Premium  
Contingent Nonforfeiture

## FACILITY CARE

### NURSING HOME CARE BENEFIT

#### What is Nursing Home Care?

Nursing Home Care is the care You receive if You are confined in a Nursing Home.

**Nursing Home Care** consists of the categories of care listed and defined below when received in a Nursing Home.

- (a) **Nursing Care.** Nursing services which require the training and skills of a Registered Nurse (RN), Licensed Vocational Nurse (LVN) or Licensed Practical Nurse (LPN).
- (b) **Custodial Care.** Services which are above the level of room and board but do not require the continuous attention of trained medical or paramedical personnel. They may be provided by persons without professional skills or training.

#### What is payable under this benefit?

If You are in a Nursing Home, We will pay the Facility Care Benefit, as stated in the Schedule of Benefits.

#### Under what conditions are benefits paid?

Benefits are paid if the Nursing Home meets the following definition:

**Nursing Home** means a place which is licensed and operated pursuant to state and federal law.

If licensing is not required, then a Nursing Home means a place which

- (a) Provides 24-hour care on an inpatient basis under the supervision of a physician;
- (b) Has nursing services provided by or under the supervision of a Registered Nurse (RN), Licensed Vocational Nurse (LVN) or Licensed Practical Nurse (LPN)
- (c) Keeps a daily medical record of each patient; and
- (d) Is either a freestanding facility or a ward, wing, unit or swing bed of a hospital or other institution.

## **BED RESERVATION BENEFIT**

### **What is Bed Reservation?**

If You must temporarily leave a Nursing Home, Assisted Living Facility, or Hospice Facility (Facility) due to a hospital stay or other event, You may incur a charge by the Facility to hold Your place while You are away.

### **What is payable under this benefit?**

If You leave the Facility temporarily, We will pay a benefit equal to the benefit payable for Facility Care as shown in the Schedule of Benefits.

### **Under what conditions are benefits paid?**

- (a) The temporary absence must start while You are receiving benefits for a stay in the Facility. It will be limited to the number of days per calendar year as shown in the Schedule of Benefits. Unused days cannot be carried over into the next calendar year;
- (b) You must incur a charge by the Facility for holding Your place, and that charge must be one that You would incur even in the absence of insurance.

## **HOSPICE FACILITY BENEFIT**

### **What is Hospice Facility Care?**

Hospice Facility Care means care designed to alleviate the physical, emotional, social, and spiritual discomforts resulting from the last stages of a terminal disease. It is also designed to provide emotional support to the primary caregiver and family.

### **What is payable under this benefit?**

If You are confined to a facility that provides Hospice Care, We will pay the Facility Care Benefit, as stated in the Schedule of Benefits.

### **Under what conditions are benefits paid?**

- (a) Care must be received in a facility that specializes in Hospice Care for patients who are expected to live less than six months. This facility must be a stand-alone facility or ward/wing of a Nursing Home and is licensed by the state in which it is located;
- (b) We will not simultaneously pay benefits for Hospice Care under this benefit and any other benefit.

## **ASSISTED LIVING FACILITY BENEFIT**

### **What is the Assisted Living Facility Benefit?**

Assisted Living Facility Care is a combination of housing, personalized supportive services, and health care designed to meet the needs -- both scheduled and unscheduled -- of those who need help with Activities of Daily Living or supervision due to Severe Cognitive Impairment. Assisted Living Facility Care includes care on an intermittent basis in a facility that accepts only individuals who are impaired. These facilities may be called Adult Foster Care or Board and Care homes.

### **What is payable under this benefit?**

If You are confined in an Assisted Living Facility, We will pay the Facility Benefit shown in the Schedule of Benefits.

### **Under what conditions are benefits paid?**

The Assisted Living Facility must meet the definition set forth in the Definitions section. However, care or services for Assisted Living Facilities not meeting the definition may be covered by a Home Health Care Provider.

## **HOME BASED CARE**

### **HOME HEALTH CARE BENEFIT**

#### **What is Home Health Care?**

Home Health Care means the following types of care for medical or nonmedical services provided to ill, disabled, or infirm persons:

1. Occupational, physical, respiratory or speech therapy, or nutritional services;
2. Nursing care performed by a Registered Nurse (RN), a Licensed Practical Nurse (LPN), or a Licensed Vocational Nurse (LVN);
3. Personal Care Services or Housekeeper Services;
4. Home Delivered Meals;
5. Assistance with Activities of Daily Living.

#### **What is payable under this benefit?**

If You receive the care described above, We will pay the Home Based Care Benefit as shown in the Schedule of Benefits for services other than room and board.

#### **Under what conditions are benefits paid?**

- (a) Care must be received from a Home Health Care Provider;
- (b) Care must be provided at Your Residence.

See the Definitions section for further explanation of Personal Care Services, Housekeeper Services, Home Health Care Provider and Your Residence.

## HOME HOSPICE CARE BENEFIT

### What is Home Hospice Care?

Home Hospice Care means care, received in Your Residence, that is designed to alleviate the physical, emotional, social, and spiritual discomforts resulting from the last stages of a terminal disease. It is also designed to provide emotional support to the primary caregiver and family.

### What is payable under this benefit?

If You are diagnosed as being Terminally Ill and are living in Your Residence, We will pay the Home Based Care Benefit as shown in the Schedule of Benefits for services delivered by a hospice program licensed by the state where services are provided.

### Under what conditions are benefits paid?

- (a) Terminal Illness means an incurable or irreversible condition that, with or without the administration of treatment will, in the opinion of the attending physician, result in death within six months;
- (b) All care must be provided at Your Residence;
- (c) Benefits are payable for Home Hospice Care and other benefits in the Policy simultaneously; however, in no event will the total benefit payable for any combination of Home Hospice Care and other benefits exceed the Home Based Care Benefit as shown in the Schedule of Benefits.

## ADULT DAY HEALTH CARE

### What is Adult Day Health Care?

Adult Day Health Care is a social and health-related services program provided during the day in a community group setting for the purpose of supporting frail, impaired elderly or other disabled adults who can benefit from care in a group setting outside the home.

### What is payable under this benefit?

We will pay the Home Based Care benefit as stated in the Schedule of Benefits, including costs of transportation from Your Residence to the location where services are provided.

### Under what conditions are benefits paid?

Benefits are payable for Adult Day Health Care and other benefits in the Policy simultaneously; however, in no event will the total benefit payable for any combination of Adult Day Health Care and other benefits exceed the Home Based Care Benefit as shown in the Schedule of Benefits.

## CAREGIVER TRAINING BENEFIT

### What is Caregiver Training?

Caregiver Training is the training of an Informal Caregiver, or independent provider not previously qualified, to such an extent that he or she is able to care for You in Your Residence.

### What is payable under this benefit?

We will pay the Caregiver Training Benefit, as stated in the Schedule of Benefits. If necessary, We will also pay for the training of the Informal Caregiver, or independent provider not previously qualified, to such an extent that any required licensure or certification, for the services he or she provides, may be obtained.

### Under what conditions are benefits paid?



- (a) The Policy's Waiting Period will not apply to this benefit, but all other conditions as described under "When do Long Term Care Benefits Become Payable" must be met;
- (b) The Caregiver Training must be provided by a Home Health Care Provider, Care Coordinator, Nursing Home, or hospital while You are receiving Long Term Care Benefits under this Policy. If You are in a Nursing Home or in a hospital, the Caregiver Training Benefit will only be payable if the training will make it possible for You to return to Your Residence where You can be cared for by the Informal Caregiver;
- (c) The Informal Caregiver to be trained must be the person who has the primary responsibility of caring for You in Your Residence, or who will have the primary responsibility after he or she has been trained;
- (d) If changes in Your condition warrant it, this benefit will pay for additional training of the Informal Caregiver to such an extent that he or she will be able to provide additional care or will pay for training of another Informal Caregiver to replace the one currently providing care.

### **HOME MEDICAL TECHNOLOGY BENEFIT**

#### **What is Home Medical Technology?**

Home Medical Technology means the following types of systems and/or equipment used in Your Residence: assistive devices, medical monitoring or communications, medication compliance, and emergency response. Home Medical Technology also means, for purposes of this benefit, home modifications which may be necessary to accommodate such equipment or which is necessary to allow You to remain at home.

#### **What is payable under this benefit?**

We will pay the Home Medical Technology Benefit, as stated in the Schedule of Benefits.

#### **Under what conditions are benefits paid?**

- (a) We will not pay for charges for normal telephone service, home security system(s), or other household improvements unless those charges relate directly to the services payable under this benefit;
- (b) The Policy's Waiting Period shall not apply to this benefit;
- (c) All other conditions as described under "When do Long Term Care Benefits Payable" must be met.

## **OTHER BENEFITS**

### **RESPIRE CARE BENEFIT**

#### **What is Respite Care?**

Respite Care is the temporary use of the long term care services in this Policy to relieve Informal Caregivers of their duties so that they may have time off. Any of the Facility Care or Home Based Care benefits may be used to care for You while the Informal Caregiver is temporarily relieved.

#### **What is payable under this benefit?**

For any benefit used for Respite Care, We will pay up to the maximum amount for that benefit as shown in the Schedule of Benefits.

#### **Under what conditions are benefits paid?**

- (a) The Policy's Waiting Period shall not apply to this benefit, but the Respite Care benefit cannot be used to satisfy the Waiting Period;
- (b) You cannot receive Respite Care for more than the number of days stated in the Schedule of Benefits. You may not carry over unused Respite Care benefits into the next calendar year;
- (c) You may not receive Respite Care benefits and other benefits in this Policy at the same time.

### **ALTERNATE PLAN OF CARE BENEFIT**

#### **What is an Alternate Plan of Care?**

An Alternate Plan of Care is a plan that may include Long Term Care not otherwise covered. Care received under this benefit may be received in an alternate facility or setting, or at Your Residence. This benefit may specify special treatments or different sites or levels of care or a benefit payable in a different manner than specified in the Policy.

#### **What is payable under this benefit?**

We will pay for alternate services, devices, or types of care pursuant to a written Alternate Plan of Care developed by or with a Licensed Health Care Practitioner, agreed to by You, and approved by Your physician and Us. Benefits will be paid at the levels specified and agreed to in the Alternate Plan of Care.

#### **Under what conditions are benefits paid?**

- (a) No benefits are payable under this benefit until an agreement is reached between You and Us and approved by Your personal physician;
- (b) Agreement to participate in an Alternate Plan of Care will waive neither Your nor Our rights under the Policy;
- (c) The Alternate Plan of Care must only include Qualified Long Term Care as defined by the Federal Tax Code;
- (d) We are not obligated to provide benefits for services received prior to agreement on an Alternate Plan of Care unless those services are covered elsewhere under the Policy;
- (e) Benefits will not be paid under the Alternate Plan of Care and under other benefits simultaneously unless specified in the Alternate Plan of Care.

## WAIVER OF PREMIUM

We will waive premiums starting with the first premium due after You complete the Waiting Period. We will continue to waive premiums until the first of the month following the end of the Plan of Care.

If premiums are being paid other than monthly, You will be placed on the monthly premium payment mode when We start to waive premiums. We will then return any unearned monthly premiums, starting with the premium of the first full month for which premiums are waived.

When waiver of premium stops, Your coverage may be continued in force by payment of the first modal premium due after the date it stops. The modal premium will be quarterly unless otherwise agreed to, subject to any change in the premium rates which may have occurred as provided in the Payment of Premium provision.

## CONTINGENT NONFORFEITURE BENEFIT

### **What is the Contingent Nonforfeiture Benefit?**

If premiums increase, You may change coverage without paying increased premiums.

### **How does this benefit work?**

If We have already increased premium rates to such an extent as to have reached the percentages shown in the table on the next page over the initial premium, then We, on or before the effective date of the next premium increase, will offer You the following options:

- (a) Offer to reduce Your level of benefits so that the premium increase would not apply;
- (b) Offer to convert Your coverage to the benefit described in the "Future Benefit Guarantee" provision on the next page, with no further premiums being required.

When We make the above offers, We will also notify You that if options (a) and (b) are declined and the increased premium payment is not made within 120 days of its due date, the "Future Benefit Guarantee" provision described on the next page will automatically be in effect.

### **What are the conditions of this benefit?**

- (a) This benefit is effective during the first three years of coverage whether the Insured has the Future Benefit Guarantee Nonforfeiture Benefit or not;
- (b) For those Insureds who have the Future Benefit Guarantee Nonforfeiture Benefit:
- (c) 1. After three years of coverage under the Policy, this Contingent Nonforfeiture Benefit becomes null and void;
- (d) 2. This Contingent Nonforfeiture Benefit becomes effective if the Future Benefit Guarantee Nonforfeiture Benefit is terminated by the Insured;

Increases in premium due to benefit increases will not count towards the percentage limits in the table on the next page.

Issue Age	Percent of Increase over Initial Premium	Issue Age	Percent of Increase over Initial Premium
29 and under	200%	73	34%
30-34	190%	74	32%
35-39	170%	75	30%
40-44	150%	76	28%
45-49	130%	77	26%
50-54	110%	78	24%
55-59	90%	79	22%
60	70%	80	20%
61	66%	81	19%
62	62%	82	18%
63	58%	83	17%
64	54%	84	16%
65	50%	85	15%
66	48%	86	14%
67	46%	87	13%
68	44%	88	12%
69	42%	89	11%
70	40%	90 and over	10%
71	38%		
72	36%		

#### **FUTURE BENEFIT GUARANTEE**

At the end of the grace period of an unpaid premium, Your coverage will be continued in force with the same daily benefit but a reduced Lifetime Maximum Benefit, with no further premiums being payable.

The reduced Lifetime Maximum Benefit will equal the total premiums You paid toward a plan that included this benefit, but will never be less than 30 times Your current daily benefit for Facility Care.

The reduced Lifetime Maximum Benefit will not be reduced due to prior benefits paid under the Policy but, in no case will the total benefits paid under the Policy exceed what would have been paid had You continued to pay premiums.

No benefit increases will be offered after the effective date of the reduced benefit.

If You have the Automatic Benefit Increase provision, no further increases under that provision will occur after the effective date of the reduced benefit.

The reduced Lifetime Maximum Benefit will take effect on the Premium Due Date of the unpaid premium or, if later, on the date Extension of Benefits stops.

The reduced Lifetime Maximum Benefit will be subject to the provisions of the Policy.

## ARE THERE LIMITATIONS OR CONDITIONS ON ELIGIBILITY FOR BENEFITS?

Yes, benefits under this Policy may be delayed, limited, or excluded under certain circumstances as follows:

**Waiting Period** - You must complete the Waiting Period shown in the Schedule of Benefits before Long Term Care Benefits become payable. The Waiting Period starts on the date the Licensed Health Care Practitioner certifies that You became Chronically III; however, in no event will the Waiting Period start later than the date We receive notice of claim if You are Chronically III at that time. For benefits to become payable after the Waiting Period, You must have been certified as Chronically III during the entire Waiting Period.

Once the Waiting Period is satisfied, no additional Waiting Period is required during Your lifetime.

### **Exclusions:**

We will not pay benefits for the following:

- (a) Long Term Care resulting from war or an act of war whether declared or undeclared;
- (b) Long Term Care which would be provided without charge in the absence of insurance;
- (c) Long Term Care received in a facility or section of a facility which operates primarily for the treatment of Substance Abuse; or mental illness;
- (d) Long Term Care to the extent that benefits are payable under Medicare or which would be reimbursable under Medicare but for the application of a deductible or coinsurance amount, except expenses which are reimbursable under Medicare only as a secondary payor.

**Coordination of Benefits** - Benefits under the Policy shall be reduced by any amounts payable in Long Term Care benefits under Workers' Compensation, the Occupational Disease Act or Law or Medicare. The days on which Long Term Care is received will count towards satisfying the Waiting Period and, if applicable, the Waiver of Premium Qualification Period, subject to the provisions of the Policy.

Benefits under the Policy will coordinate with benefits payable under another group long term care plan in the following manner.

1. When the Policy is a primary plan, its benefits are determined before those of the other group long term care plan and without considering the other plan's benefits. When the Policy is a secondary plan, its benefits are determined after those of the other group long term care plan and may be reduced because of the other plan's benefits. Where there are more than two plans covering the Insured, the Policy may be a primary plan as to one or more other plans, and may be a secondary plan as to a different plan or plans.
2. Where there is a basis for a claim under the Policy and another group long term care plan, the Policy is the secondary plan which has its benefits determined after those of the other plan. The Policy is primary when the other plan has rules coordinating its benefits with those of the Policy and both the Policy's rules and the other plan's rules require the Policy's benefits be determined first.
3. Coverage under the Policy will be considered primary for active employees as described in the Master Application.

Benefits under the Policy will coordinate with benefits payable under another group health plan in the following manner.

1. Where there is a basis for a claim under the Policy and a group health plan or Medicare, the Policy is the secondary plan which has its benefits determined after those of the other plan. The Policy is primary when the other plan has rules coordinating its benefits with those of the Policy and both the Policy's rules and the other plan's rules require the Policy's benefits be determined first.

When the benefits of the Policy are reduced as described above, each benefit is reduced in proportion. The amount paid is then charged against any applicable benefit limit of the Policy.

Certain information is needed to apply the above Coordination of Benefits rules. We have the right to decide which information We need and to collect that information from or give that information to any other organization or person. We need not notify the Insured of the receipt or disbursement of information. Each person claiming benefits under the Policy must provide us with any facts We need to pay the claim.

A payment made under another plan may include an amount which should have been paid under the Policy. If it does, We may pay that amount to the organization which made that payment. That amount will then be treated as though it were a benefit paid under the Policy. We will not have to pay that amount again.

If We pay more than We should have paid under this provision, We may recover the excess from one or more of the following.

1. The persons We have paid or the person for whom We have paid;
2. Insurance companies; or
3. Other organizations.

## KEEPING YOUR COVERAGE

You may keep Your coverage if the following situations occur:

1. You are the employee and You are no longer a member of a class eligible for insurance according to the Master Application;
2. You are the spouse of the employee and become divorced;
3. You are the spouse of the employee and the employee dies or is no longer a member of a class eligible for insurance according to the Master Application;
4. The group Policy ends.

### Under what conditions is coverage continued?

- (a) You must notify Us within 60 days following the applicable above occurrence to assure that Your coverage remains in force;
- (b) You must remit the first quarterly premium to Us for the continued coverage and We must receive it within 60 days from the date coverage terminates under the Policy or, if a claim started before termination, when waiver of premium stops. You must remit the first quarterly premium to Us regardless of whether a bill has been sent by Us or received by You. Your not receiving a bill for continuation of coverage is not to be considered a clerical error made by Us or the Holder;
- (c) The first quarterly premium for the continued coverage is three times Your monthly premium and is due on the date coverage terminates under the Policy. The first quarterly premium should be paid by check, made out to 'Continental Casualty Company' and identify Your Certificate Number and Social Security Number. The remittance should be sent to Continental Casualty Company, Group Long Term Care, 333 South Wabash Avenue, Chicago, IL 60604;
- (d) Upon receipt of Your remittance of the first quarterly premium for continuation coverage, We will verify that You are eligible for continuation and provide ongoing billings. All future premiums are due quarterly. You must remit them directly to Us. We will consider requests for payment modes other than quarterly;
- (e) Coverage will be continued with the same benefits and provisions as the Policy, such that You are left in the same position as if coverage had not terminated.

Under the above conditions, this Certificate becomes Your individual policy with the modifications described in the Continuation Rider attached to this Certificate.

Notwithstanding the foregoing, this provision shall not apply if:

- (a) Following non-renewal of the Policy, it is replaced by Us on its date of termination by a new policy; and
- (b) You are covered under the new policy on the same basis as You were covered under the Policy.

## **WHEN DOES MY LONG TERM CARE INSURANCE END?**

Your coverage ends on the earliest of the following dates:

- (a) The end of the grace period of an unpaid premium, unless non-payment is due to a clerical error made by Us or the Holder subject to Unintentional Lapse;
- (b) The first of the month following the later of (1) the date We receive Your written request to cancel Your insurance or (2) the date You request, in writing, that We cancel Your insurance;
- (c) The date the Lifetime Maximum Benefit is reached.

## **CAN COVERAGE BE CONTINUED AFTER TERMINATION?**

Yes. If Your coverage terminates due to non-payment of premium Your Long Term Care coverage may be continued even after termination. The provisions that allow for continuation are as follows:

### **EXTENSION OF BENEFITS**

If Your insurance terminates, except as provided in (c) of "When Does My Long Term Care Insurance End?," while You are receiving Facility Care Benefits, We will recognize those Facility Care expenses incurred after termination in the same manner as if Your coverage were still in force. This Extension of Benefits stops on the earlier of:

- (a) The date on which You no longer incur charges for Facility Care; or
- (b) The date the Lifetime Maximum Benefit is reached.

This provision does not apply if the Policy is replaced by Us on its date of termination as provided in "Keeping Your Coverage."

### **REINSTATEMENT OF COVERAGE**

If Your coverage terminates for non-payment of premium We may reinstate Your coverage as follows:

1. If Your coverage terminates for non-payment of premium and if You become Chronically III any time up to 5 months after the coverage terminated We will reinstate coverage without requiring evidence of insurability. The reinstated coverage will cover losses from the date coverage terminates. All past-due premiums must be paid in order for coverage to be reinstated.
2. In all other situations, if Your coverage terminates for non-payment of premium, coverage may be reinstated at Our option.
  - (a) We may require that You submit evidence of insurability. If We require that You submit evidence of insurability, We may require a reinstatement fee equal to 60 days premium. If We approve the evidence of insurability, Your coverage will be reinstated as of the first day of the month following Our approval. If We have accepted premium, Your coverage will be reinstated no later than 45 days after the date of receipt, unless We notify You by written notice prior to that date that the evidence of insurability is not approved. The reinstated coverage will cover only Long Term Care that starts after the date of reinstatement. We will not pay benefits for Long Term Care received between the date coverage lapsed and the date coverage was reinstated.
  - (b) If We do not require that You submit evidence of insurability, coverage will be reinstated back to the date that coverage ended. All past-due premiums must be paid.

In all other aspects, Your rights and Ours will be the same as before the coverage terminated.



## CLAIM

**HOW DO I INITIATE A CLAIM?** If You become Chronically III, You must notify Us at the address below. The notice will be sufficient if it identifies You and Your Certificate. You must provide Us with the information required to determine eligibility to receive benefits and develop a Plan of Care.

**HOW DO I SUBMIT A CLAIM FOR SERVICES?** Notice of a receipt of covered service and any additional information needed must be given to Us within 90 days of the date of the service or as soon as reasonably possible within one year. We will not accept notice of a receipt of covered service more than one year from the date the loss began unless You are legally incapacitated. It must be sent to Us at the following address:

Continental Casualty Company  
Group Long Term Care  
333 South Wabash Avenue  
Chicago, IL 60604

**ARE THERE ANY FORMS REQUIRED?** After We receive the notice of claim, We will furnish required forms, if any, within 15 days. If We do not, We will consider You to have met the requirements for proof of receipt of covered services if We are given proof of the extent and nature of the service.

**WHO ARE CLAIM PAYMENTS PAID TO?** All benefits are paid to You or Your estate, unless You have assigned them elsewhere. You may choose to have benefits paid directly to You, Your legal representative, or a licensed service provider. If benefits are payable to the estate, We may pay up to \$1,000 to any of Your relatives who We feel is entitled to them. Any payment We make in good faith discharges Us to the extent of the payment. Benefits for a loss which requires periodic payment will be paid monthly subject to receipt of due written proof of loss. Any balance unpaid when liability terminates will be paid when We receive due written proof.

**DO I HAVE TO TAKE A PHYSICAL EXAM OR BE ASSESSED?** At Our expense and discretion, We may, as often as reasonably necessary during the duration of the claim, have a physician examine You or obtain an assessment of Your impairment.

**WHAT CARE COORDINATION SERVICES WILL I RECEIVE?** If You are not certified as Chronically III, We will pay to have a Licensed Health Care Practitioner certify that You are Chronically III and develop a Plan of Care. In addition, at Our expense and sole discretion, We may provide a Care Coordinator to assist You with other aspects of Your claim.

**WHAT IF MY AGE IS MISSTATED?** If Your age has been misstated, the benefit will be in an amount that the premiums paid would have purchased at Your true age. If coverage would not have been issued, We will refund the premium paid and Your Certificate will become null and void.

**WHAT IF MY CLAIM IS DENIED?** If a claim is denied, We will make available to You or Your personal physician, all information directly related to such denial. We will release such information within 60 days of Our receipt of the written request unless such disclosure is prohibited under state or federal law.

**HOW DO I APPEAL A DENIED CLAIM?** If You contest the denial, We will request, in writing from You, the nature of the dispute and (if applicable) the amount of money involved. We will then compile all relevant information including evaluations by qualified individuals independent of Us, if appropriate. The accumulated data will be reviewed by Us. The decision is sent to You in writing within 60 days of Our receipt of all accumulated data.

## PREMIUM

**PAYMENT OF PREMIUM:** Premium is shown on the Schedule of Benefits. Premiums are payable in United States currency to Us on the Premium Due Dates stated in the Schedule of Benefits. If the frequency and amount of premium changes, We will send You a premium notice with the changes.

### **WHAT HAPPENS IF PREMIUM IS NOT PAID?**

- If We do not receive Your premium on the Premium Due Date stated in the Schedule of Benefits, We allow a grace period of 65 days for each premium due after the first premium. Your coverage stays in force during the grace period if You pay the premium due.
- If You pay premium directly to Us and We do not receive it within the grace period, We will give You a lapse warning notice no earlier than 30 days after the Premium Due Date. This notice will be given by first class United States Mail, postage prepaid, and We will consider it to have been given on the sixth day after mailing. The date of lapse specified in the lapse warning notice will be at least 30 days from the date this notice is given to You.
- If We do not receive Your premium within the grace period, Your coverage will terminate as of the last date for which premium was paid, and You will receive a notice that Your coverage has lapsed.
- If premium is paid through a payroll or pension deduction plan and We receive notice that You no longer qualify for payroll or pension deductions (or if We simply do not receive premiums for You), You must send premium as described in Keeping Your Coverage. If You do not, We will send a lapse warning notice and notification of lapse to You at Your last known address.

You may, at any time, designate another individual to receive lapse notices issued to You. In this case, We will send any such notices to both You and the designated individual. Either You or the designated individual must send premium within the grace period or Your coverage will terminate as of the last date for which premium was paid. We will inform You of the right to change the designated individual at least once every 2 years.

**WHAT HAPPENS TO ANY PRE-PAID (UNEARNED) PREMIUM IF I CANCEL?** If You cancel coverage, We will make a pro-rata return of premium received by Us for the period beyond the date of cancellation.

**WHAT HAPPENS TO ANY PRE-PAID (UNEARNED) PREMIUM IF I DIE?** If You die, We will make a pro-rata return of premium paid for the period beyond the date of death.

**CAN MY PREMIUM BE CHANGED?** We cannot change Your premiums because of age or health. We can, however, change Your premiums based on Your premium class, but only if We change the premiums for all other Insureds in the same premium class. A change may be made, as provided in the following paragraph, on any Premium Due Date after the end of the Premium Rate Guarantee Period. The Premium Rate Guarantee Period starts on the Policy Effective Date or a renewal date. The length of this period is stated in the Schedule of the Master Application.

If We elect to change premium rates, Your premiums change on Your first Premium Due Date following the later of: (a) The effective date of the change stated in Our written notice to the Holder or You if this Certificate has become Your individual policy; or (b) the end of the Period for Notice of Premium Rate Changes stated in the Schedule of the Master Application. This period starts on the date the Holder receives the written notice from Us. If You are paying premiums directly to Us, We will notify You of the change at least 45 days before the Premium Due Date on which Your premiums change.

## WHAT ARE THE CONTRACT RULES?

**Entire Contract; Changes:** The Policy; the Master Application; Your individual application, Certificate, and Riders; and any attached papers make up the entire contract between the parties. No change is valid unless approved in writing signed by one of Our officers. No agent may change the Policy or waive any of its provisions. The contract may be amended, at any time, without the consent of the insured person(s) or of anyone else with a beneficial interest in it. But an amendment or a reduction in benefits will not affect a claim incurred before the date of change.

**Certificates.** We will issue an individual certificate for the Insured. The certificate describes the benefits, to whom they are payable, the limits and where the Policy may be inspected.

**Participation of Participating Employer.** The Participating Employer's participation under the Policy starts on the Participating Employer's Effective Date. It terminates on the earliest of the dates described below.

- (a) The date the Policy terminates.
- (b) We guarantee to continue the Participating Employer's participation at the end of each participation period, unless: (a) the Participating Employer fails without good and sufficient cause to duly perform in good faith any obligation pertaining to its participation; or (b) the number of eligible persons insured is less than required by our Participation Underwriting Standards stated in the Schedule of the Master Application. The Initial Participation Period starts on the Participating Employer's Effective Date. Each Subsequent Participation Period starts on the day after the preceding period ends. The length of these periods is stated in the Schedule of the Master Application. If we elect to terminate the Participating Employer's participation, termination is the later of: (1) The effective date of termination stated in our written notice; or (2) The end of the Period for Notice of Termination stated in the Schedule of the Master Application. This period starts on the date the Participating Employer receives the written notice from us.

**Incontestability:** Statements of the Holder regarding Your eligibility for coverage or statements You make on the application or enrollment form are, in the absence of fraud, representations and not warranties. No statement voids the insurance, reduces the benefits or may be used in defense to a claim unless it is in writing and a copy of it has been furnished to the Holder or You, whoever made the statement.

If Your coverage has been in force for less than 2 years when You begin needing assistance with Activities of Daily Living or supervision due to Severe Cognitive Impairment, We may rescind Your coverage or deny an otherwise valid long-term care claim upon a showing of misrepresentation and an intent to deceive by the Insured in the application for insurance.

After Your coverage has been in force for 2 years, only non payment of premium may be used to void Your coverage.

In the absence of fraud no statement made by You relating to Your insurability shall be used in contesting the validity of the insurance with respect to such statement was made after such insurance has been in force prior to the contest for a period of two years during Your lifetime nor unless it is contained in a written instrument signed by You; provided, however, that no such provision shall preclude the assertion at any time of defenses based upon (a) provisions in the policy which relate to eligibility for coverage; (b) provisions which relate to overinsurance; (c) provisions of the policy which relate to the relation of earnings to insurance; or (d) other similar provisions in such policies that limit the amounts of recovery from all sources to no more than 100 percent of the total actual losses or expenses incurred.

**Legal Actions:** No action at law or in equity may be brought until 60 days after the date written proof of loss was given. No action may be brought after 3 years from the date written proof is required.

**Conformity with Statutes:** If a provision conflicts with the statutes of the jurisdiction in which the Policy was delivered or issued, it is automatically changed to meet the minimum requirements of the statute.

## CONTINUATION OF COVERAGE RIDER

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### CONTINUATION OF COVERAGE

If Your insurance under the group Policy terminates due to the conditions described in the provision entitled "Keeping Your Coverage," this Certificate becomes Your individual policy. Only the following provisions of the Certificate are changed:

1. The term "Holder," wherever it may appear, is deleted.
2. The term "Policy," wherever it may appear, means this Certificate and any attached Riders.
3. The "When Does My Insurance Begin?" provision is changed to read as follows:

#### WHEN DOES MY INSURANCE BEGIN?

Your individual policy starts on the date You are no longer eligible under the group Policy.

4. The provision entitled "Can My Premium Be Changed?" is amended to read as follows:

**CAN MY PREMIUM BE CHANGED?** We cannot change Your premiums because of age or health. We can, however, change Your premiums based on Your premium class, but only if We change the premiums for all other Insureds in the same premium class in Your state. A change may be made on any Premium Due Date.

If We elect to change premium rates, Your premiums change on Your first Premium Due Date following the effective date of the change stated in Our written notice to You.

5. The provision entitled "Entire Contract; Changes" is changed to read as follows:

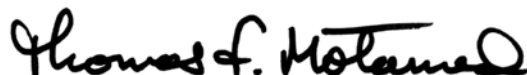
**Entire Contract; Changes:** This Certificate, the Group Policy's Master Application for purposes of incontestability, Riders, Your individual application(s); and any attached papers make up the entire contract between the parties. No change is valid unless approved in writing on the Policy by one of Our officers. No agent may change the Policy or waive any of its provisions.

Nothing herein contained will alter, vary, or affect any of the terms, provisions, or conditions of Your Certificate other than what is stated above in this Rider.

This Rider takes effect on the date Your coverage under the group Policy terminates in consideration of the provisions and conditions set forth in the provision entitled "Keeping Your Coverage." It expires concurrently with the Certificate to which it is attached.

Signed for the Continental Casualty Company at its Home Office, CNA Plaza, Chicago, Illinois 60685.

Continental Casualty Company



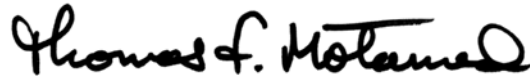
Chairman of the Board

## CREDIT FOR PRIOR COVERAGE RIDER

It is understood and agreed that in the event the Group Long Term Care policy or certificate to which this rider is attached replaces another Long Term Care policy or certificate, the Continental Casualty Company will waive any time periods applicable to pre-existing conditions, and waiting periods to the extent such time was spent under the policy being replaced.

Signed for the Continental Casualty Company at its Home Office, CNA Plaza, Chicago, Illinois 60685.

Continental Casualty Company



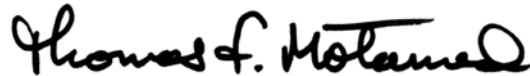
Chairman of the Board

## TERMINATION RIDER

It is understood and agreed that if any premium payable by the Holder is not paid by the end of the grace period, the Group Policy will end when that period ends. But the Holder may write to Us, in advance, to ask that the Policy be terminated at the end of the period for which premiums have been paid or at any time during the grace period. In this case, the Policy will terminate on the date requested.

Signed for the Continental Casualty Company at its Home Office, CNA Plaza, Chicago, Illinois 60685.

Continental Casualty Company



Chairman of the Board

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## INFLATION PROTECTION RIDER

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### GUARANTEED BENEFIT INCREASE (TX)

#### What is the Guaranteed Benefit Increase?

This benefit offers You the opportunity to increase Your coverage.

#### By what amount may I increase my coverage?

You may increase each benefit amount then in effect by the percentage shown in the Schedule of Benefits.

#### What are the conditions of this benefit?

- (d) The offer to increase Your benefits is made not before the third anniversary of Your Original Effective date, shown in Your Certificate of Insurance, and no less than every three years thereafter;
- (e) If You elect to increase Your coverage, the premium for the increase will be based on Your age at the time of the increase. Premiums for existing benefits remain unchanged. Premium for the increase will be added to the premium for Your existing amount of coverage;
- (f) You have the right to accept the benefit increase offer without showing evidence of insurability; however, if You decline an offer You must submit evidence of insurability in order to increase benefits when the next offer is made. Once We accept Your evidence of insurability, We will not require further evidence of insurability until another offer is declined;
- (g) You will receive an offer while You are on claim if You have the right to accept an offer without evidence of insurability. If Your premiums are waived, You will be billed for the increase when the claim is completed and billing is resumed;
- (h) You cannot exercise Your right to increase coverage under this rider if You are already exercising Your right to inflation protection under another rider for the same period of time.

This rider takes effect at 12:01 a. m. standard time at the address of the Holder on the Effective Date indicated in the Schedule of Benefits of the Certificate to which it is attached; it expires concurrently with the Policy and is subject to all the provisions, limitations, exclusions, and conditions of the Policy to the extent they are not inconsistent herewith.

Signed for the Continental Casualty Company at its Home Office, CNA Plaza, Chicago, Illinois 60685.

**Continental Casualty Company**



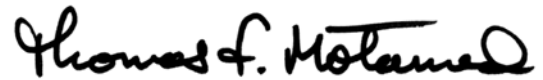
Chairman of the Board

## ADMINISTRATIVE RIDER

It is understood and agreed that the following is added to condition c of the “**What are the conditions of this benefit?**” section of the “Guaranteed Benefit Increase” benefit:

Employees who are actively at work and their spouses may refuse any number of benefit increase offers without forfeiting the right to accept future offers without showing evidence of insurability.

**Continental Casualty Company**



Chairman of the Board



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333 S. Wabash Ave.      A Stock Company  
Chicago, IL 60604

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## INFLATION PROTECTION RIDER

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### LIFETIME COMPOUND AUTOMATIC BENEFIT INCREASE

#### What is the Lifetime Compound Automatic Benefit Increase?

This benefit automatically increases Your coverage each year.

#### By what amount will my coverage increase?

On each anniversary of this rider's effective date indicated below, all benefit amounts in effect on that anniversary and Your remaining Lifetime Maximum Benefit will increase by the percentage shown in the Schedule of Benefits.

#### What are the conditions of this benefit?

- (a) This benefit voids any other Inflation Protection Rider; and
- (b) The benefit increase will be based on the benefits in effect on the prior anniversary.

This rider takes effect at 12:01 a. m. standard time at the address of the Holder on the Effective Date indicated in the Schedule of Benefits of the Certificate to which it is attached. It expires concurrently with the Policy and is subject to all the provisions, limitations, exclusions, and conditions of the Policy to the extent they are not inconsistent herewith.

Signed for the Continental Casualty Company at its Home Office, 333 S. Wabash, Chicago, Illinois 60604.

**Continental Casualty Company**



Chairman of the Board

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## NONFORFEITURE RIDER

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### FUTURE BENEFIT GUARANTEE

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#### What is the Future Benefit Guarantee?

This provision ensures that You won't forfeit past paid premiums if Your Long Term Care insurance ends due to non-payment of premium. At the end of the grace period of an unpaid premium, Your insurance will continue at the same benefits, but at a reduced lifetime maximum. In effect, this means the full benefit will continue to be available, but for a shorter period of time. No further premiums will be required.

#### What will be the Reduced Lifetime Maximum amount?

This amount will equal the total premiums You paid toward a plan that included this benefit. However, the Reduced Lifetime Maximum will never be less than 30 times Your current daily benefit for Facility Care.

#### What are the conditions of this benefit?

- (a) You must have had at least three years of continuous coverage under the Policy with this benefit being in effect;
- (b) The Reduced Lifetime Maximum will not be reduced due to prior benefits paid under the Policy, but in no event will the total benefits paid exceed what would have been paid had You continued to pay premiums;
- (c) No benefit increases will be offered after the effective date of the Reduced Lifetime Maximum;
- (d) If You have the Automatic Benefit Increase provision, no further increases under that provision will take effect after the effective date of the Reduced Lifetime Maximum;
- (e) The Reduced Lifetime Maximum will take effect on the Premium Due Date of the unpaid premium or, if later, on the date Extension of Benefits provision stops;
- (f) All other provisions, maximums, limitations, and conditions of the Policy will remain unchanged after the Reduced Lifetime Maximum takes effect.

This rider takes effect at 12:01 a. m. standard time at the address of the Holder on the Effective Date indicated in the Schedule of Benefits of the Certificate to which it is attached; it expires concurrently with the Policy and is subject to all the provisions, limitations, exclusions, and conditions of the Policy to the extent they are not inconsistent herewith.

Signed for the Continental Casualty Company at its Home Office, 333 S. Wabash Ave., Chicago, Illinois 60604.

**Continental Casualty Company**



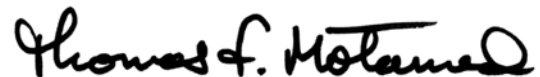
Chairman of the Board

## ADMINISTRATIVE RIDER

It is understood and agreed that the following is added to condition c of the “**What are the conditions of this benefit?**” section of the “Guaranteed Benefit Increase” benefit:

Employees who are actively at work and their spouses may refuse any number of benefit increase offers without forfeiting the right to accept future offers without showing evidence of insurability.

**Continental Casualty Company**



Chairman of the Board

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## WORLD WIDE COVERAGE RIDER

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### WORLD WIDE COVERAGE

#### What is World Wide Coverage?

If You become eligible to receive benefits under this Policy while You are traveling or living outside the United States, benefits will be payable according to the terms of the Policy except that reimbursement will be based on a cash payment instead of actual charges.

#### What is payable under this benefit?

We will pay a cash benefit as shown in Your Schedule of Benefits under "World Wide Coverage" for Long Term Care services received outside the United States regardless of the provider, but subject to the conditions below. This payment is in lieu of all benefit payment descriptions otherwise shown in Your Schedule.

#### What are the conditions of this benefit?

- (a) Expenses must have been incurred outside the United States;
- (b) As a condition for receiving all benefits under this Policy, You must have been certified by a Licensed Health Care Practitioner as being Chronically Ill. For purposes of benefits paid under this Rider, We will recognize a foreign country's determination of who may be a Licensed Health Care Practitioner, and certification or licensing of this individual must comply with regulations of the jurisdiction in which care is received;
- (c) All providers of care must meet licensing or certification requirements, if any, of the jurisdiction in which care is received;
- (d) We may do periodic reassessments of Your condition or require a physical exam by a physician as often as once per month;
- (e) Benefits will be payable in United States Currency.

This rider takes effect at 12:01 a. m. standard time at the address of the Holder on the Effective Date indicated in the Schedule of Benefits of the Certificate to which it is attached; it expires concurrently with the Policy and is subject to all the provisions, limitations, exclusions, and conditions of the Policy to the extent they are not inconsistent herewith.

Signed for the Continental Casualty Company at its Home Office, 333 South Wabash Avenue, Chicago, Illinois 60604.

**Continental Casualty Company**



Chairman of the Board

The University of Texas System  
LONG TERM CARE ADMINISTRATIVE PERFORMANCE REPORT

PLAN YEAR 2014  
September 1, 2013 - August 31, 2014

Long Term Care Administrator

	Performance Standard	First Quarter 9/13-11/13	Second Quarter 12/13-2/14	Third Quarter 3/14-5/14	Fourth Quarter 6/14-8/14	Total 9/13-8/14
<b>ADMIN REPORT TIMELINE</b>						
Date Report Due	20 days after qtr	12/20/2013	3/20/2014	6/20/2014	9/20/2014	
Date Submitted by Vendor	--					
Date Received by OEB	--					

	Performance Standard	First Quarter 9/13-11/13	Second Quarter 12/13-2/14	Third Quarter 3/14-5/14	Fourth Quarter 6/14-8/14	Total 9/13-8/14
<b>CUSTOMER SERVICE CALLS</b>						
Total telephone calls received*	--					
Average Abandonment Rate (%)	5%					
Average Waiting Time (seconds)	<30 sec					
% of calls waiting > 30 seconds	N/A					

\* Statistics specific to Univ. of Texas participant calls preferred, but System will accept statistics for total book of business if UT specific call data is not available.

	Performance Standard	First Quarter 9/13-11/13	Second Quarter 12/13-2/14	Third Quarter 3/14-5/14	Fourth Quarter 6/14-8/14	Total 9/13-8/14
<b>PLAN BOOKLETS</b>						
Total Booklets Mailed*	--					
Average Time to Mail**	<5 days					
% mailed within 5 work days	90%					

\* Includes booklets mailed to both current and newly enrolled UT participants.

\*\* Measured from date of request from member or receipt of complete enrollment data from UT System.

	Performance Standard	First Quarter 9/13-11/13	Second Quarter 12/13-2/14	Third Quarter 3/14-5/14	Fourth Quarter 6/14-8/14	Total 9/13-8/14
<b>CLAIMS PROCESSING</b>						
Total Claims Processed	--					
Amount Paid	--					
Amount Denied	--					
Avg Time to Process Claim*	<15 days					
% Processed within 15 days	--					
% Processed within 30 days	--					

\*\* Measured from date complete information received to date processed.

	Performance Standard	First Quarter 9/13-11/13	Second Quarter 12/13-2/14	Third Quarter 3/14-5/14	Fourth Quarter 6/14-8/14	Total 9/13-8/14
<b>WRITTEN INQUIRIES</b>						
Total Written Inquiries Received*	--					
% response within 5 business days	95%					

\* Written inquiries received from UT members that require a response from LTC vendor.

The University of Texas System  
LONG TERM CARE ADMINISTRATIVE PERFORMANCE REPORT

PLAN YEAR 2014  
September 1, 2013 - August 31, 2014

Long Term Care Administrator

	Performance Standard	First Quarter 9/13-11/13)	Second Quarter 12/13-2/14	Third Quarter 3/14-5/14	Fourth Quarter 6/14-8/14	Total 9/13-8/14
<b>COMPLAINTS*</b>						
Claims/Appeals	--					
Customer Service	--					
Plan Design/Benefits	--					
Other	--					
Total Complaints Received	--					
Average Time to Resolve**	<30 days					
% resolved within 15 days	90%					
% resolved within 30 days	--					

\* Total number of written and emailed complaints received from University of Texas participants.

\*\* Measured from date complete information relating to complaint was received by LTC vendor to date resolved.

	Performance Standard	First Quarter 9/13-11/13	Second Quarter 12/13-2/14	Third Quarter 3/14-5/14	Fourth Quarter 6/14-8/14	Total 9/13-8/14
<b>APPEALS*</b>						
Total Appeals Received						
Number upheld						
Number overturned						
Average Time to Process (days)	<30 days					
% Processed within 30 days						

\* Written appeals received and processed from UT participants.

	Performance Standard	First Quarter 9/13-11/13	Second Quarter 12/13-2/14	Third Quarter 3/14-5/14	Fourth Quarter 6/14-8/14	Total 9/13-8/14
<b>FRAUD DETECTION*</b>						
Total amount recovered**	--					

\* By no later than Oct. 31, 2013, submit a description of the LTC vendor's comprehensive fraud detection plan (or amendments to any previously submitted plan), including how the vendor will be using its automated systems to detect and prevent participant and provider fraud, abuse, and other improprieties.

\*\* Report the total number of dollars recovered during the past quarter through the LTC vendor's fraud investigation activity.

# Highlights of Your Plan

## The Amount of Insurance You Can Purchase

When you enroll in the Group Long-Term Care plan you can choose one of several benefit levels. This table shows the options available to you. Other benefit levels and features of the University of Texas System Group Long-Term Care Plan are described in greater detail below.

### Benefits Levels Available to You

	Option 1	Option 2	Option 3	Option 4
Lifetime Maximum Benefit	\$182,500	\$228,125	\$273,750	\$365,000
Daily Nursing Home Maximum Benefit	\$100	\$125	\$150	\$200
Community Based Care Maximum Benefit	\$50	\$63	\$75	\$100
Emergency Alert	\$50	\$63	\$75	\$100

## Who is Eligible for the Plan

- Employees – employees who are actively at work on the day coverage takes effect
- Spouses of employees
- Parents, parents-in-law, grandparents, grandparents-in-law
- Retirees and their spouses

## Standard Plan Features

**Lifetime Maximum Benefit** – Your Lifetime Maximum Benefit is the total amount of insurance you purchase. It is the total available pool of money you can use to pay for long-term care services.

**Daily Nursing Home Maximum Benefit** – Pays the actual cost of services you receive, up to the amount shown in the table above, for care in the following facilities:

- Nursing Homes
- Alternate Care Facilities
- Hospice Facilities

**Community Based Care Benefit** – Pays the actual cost of services you receive, up to the amount shown in the table, for care in the following settings:

- Your own home
- Adult Day Care facility

**Alternate Plan of Care** – The Alternate Plan of Care feature allows coverage for long-term care services, special devices or other needs not otherwise covered by the contract. It applies to care received in non-standard facilities or settings, or care or non-standard services received at home. Benefit payments for the Alternate Plan of Care feature depend on the specific plan of care developed but cannot exceed the Daily Nursing Home Maximum.

**Bed Reservation** – The Bed Reservation benefit pays up to the Daily Facility Care Benefit, 21 days per year, to hold your place in a nursing home or other facility if you need to be away temporarily.

**Caregiver Training** – The Caregiver Training benefit pays up to three times your Daily Community Based Care Benefit to train an informal caregiver or an independent provider to care for you in your residence. It also pays for training required to license or certify an independent provider, if required. You do not need to satisfy the waiting period to receive this benefit.



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6/07

# Highlights of Your Plan

**Contingent Nonforfeiture** – If your premiums increase, this feature will automatically provide you with options to maintain your premium level and still have coverage. See the Outline of Coverage for details.

**Future Benefit Guarantee (Nonforfeiture)** – There may come a time when you either cannot, or no longer want to, continue paying premiums. If you stop paying premiums after having coverage for at least three years, the Future Benefit Guarantee keeps your daily benefits the same but reduces your lifetime maximum benefit. Your reduced lifetime maximum benefit equals the total premiums paid or 30 times the Daily Facility Care Benefit, whichever is higher, less any benefits paid.

**Emergency Alert** – Independent living at home may require the ability to summon help quickly with an emergency alert system. Monthly rental or lease fees for such equipment are covered up to an amount equal to the daily community based care benefit.

## Inflation Protection

**Guaranteed Benefit Increase** – No sooner than every three years, CNA will offer you the chance to increase your benefits to help you keep up with inflation. The benefit increase offered will be equal to at least a compound 5% rate of increase. Premiums for additional increased coverage will be based on your age on the effective date of the offer. Actively-at-work employees and their spouses are guaranteed acceptance regardless of whether a previous offer was rejected. All others are guaranteed acceptance as long as they continue to accept offers.

**Waiting Period** – You will need to satisfy a 90 calendar day waiting period before benefits can be paid. You must only satisfy this waiting period once in your lifetime. You do not need to incur any paid services during this time.

**Waiver of Premium** – After you satisfy the waiting period, your premiums will be waived while you are receiving benefits.

## Optional Features

These are extra, add-on features that can be purchased with your policy. These features can be used to customize your plan even further. The optional features available to you are:

### Inflation Protection

**Lifetime Compound Automatic Benefit Increase** – This feature automatically increases your benefits by 5% compounded each year without increasing your premiums. Increases continue, even while on claim, unless premium payments stop for any reason except waiver of premium.

## Other Important Elements of Your Plan

**Qualifying for Benefits** – You qualify to receive benefits when a licensed healthcare practitioner has certified that either of the following conditions exists and is likely to last more than 90 days:

1. You are unable to perform two of the following six activities of daily living (ADLs): Bathing, dressing, eating, maintaining continence, transferring, and toileting.  
**OR**
2. You have a cognitive impairment (confusion, memory or orientation problems, lack of reasoning or judgement) that causes safety concerns for you or another person.



CNA is a registered service mark, trade name and domain name of CNA Financial Corporation, underwritten by Continental Casualty Company. Coverages, features and product availability may vary by state. This is for illustrative purposes only and is not a contract. Only the insurance policy can give actual terms, coverage, amounts, conditions and exclusions.

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6/07



# Highlights of Your Plan

**Exclusions** – Long-term care insurance protects against catastrophic losses. Exclusions help keep the cost of the plan affordable. Your plan will not pay benefits for the following:

- 1) Long-term care that results from war.
- 2) Long-term care normally provided without charge.
- 3) Care in a facility that primarily treats substance abuse or mental illness.
- 4) Long-term care received outside the United States.

**Coordination of Benefits** – This means you will not receive double payments for the same long-term care services under more than one program (i.e., Group Health plan or Medicare). Your long-term care plan may work together with other plans so that each pays for part of your care, or the long-term care plan may cover services excluded by other programs.



# Highlights of Your Plan

Independent Solutions®

## The Amount of Insurance You Can Purchase

When you enroll in the Independent Solutions® plan, you can choose one of several benefit levels. This table shows the options available to you. Other benefit levels and features of the University of Texas System Group Long-Term Care Insurance plan are described in greater detail below.

### Benefits Levels Available to You

	Option 1	Option 2	Option 3	Option 4	Option 5
<b>Daily Facility Care Benefit</b>	\$100	\$125	\$150	\$200	\$250
<b>Daily Home Based Care Benefit</b>	\$50	\$63	\$75	\$100	\$125
<b>Lifetime Maximum Benefit</b>	\$109,500	\$136,875	164,250	\$219,000	\$273,750

**Inflation Protection:** There are two choices for inflation protection available for all options. See details in the Plan Features section below.

**Choice #1: Guaranteed Benefit Increase Option** (Standard Inflation Protection)

**Choice #2: Automatic Benefit Increase Option** (Optional Inflation Protection)

## Who is Eligible for the Plan

- Employees – employees who are actively at work on the day coverage takes effect
- Spouses of employees
- Adult children of employees who are over the age of 25
- Parents, parents-in-law, grandparents, grandparents-in-law
- Retirees and their spouses

## Standard Plan Features

**Lifetime Maximum Benefit** – Your Lifetime Maximum Benefit is the total amount of insurance you purchase. It is the total available pool of money you can use to pay for long-term care services.

**Daily Facility Care Benefit** – Pays the actual cost of services you receive, up to the amount shown in the table above, for care in the following facilities:

- Nursing Homes
- Assisted Living Facilities
- Hospice Facilities

**Daily Home Based Care Benefit** – Pays the actual cost of services you receive, up to the amount shown in the table, for care in the following settings:

- Your own home
- Adult Day Care facility

**Alternate Plan of Care** – The Alternate Plan of Care benefit allows CNA to consider emerging or non-traditional long-term care services not specifically covered under the policy, as long as the benefits provided are based on a written Alternate Plan of Care which is agreed to and approved by the insured individual, the insured's physician and CNA. Benefits are paid at levels specified in the Alternate Plan of Care and will not exceed an individual's daily facility care maximum.



The University of Texas System v1

Continental Casualty Company provides the products and/or services described. The information is intended to present a general overview for illustrative purposes only. It is not intended to constitute a binding contract. Please remember that only the relevant insurance policy can provide the actual terms, coverages, amounts, conditions, and exclusions for an insured. All products and services may not be available in all states and may be subject to change without notice. CNA is a registered trademark of CNA Financial Corporation. 2013 CNA. All rights reserved.

# Highlights of Your Plan

Independent Solutions<sup>®</sup>

**Bed Reservation** – The Bed Reservation benefit pays up to the Daily Facility Care Benefit, 60 days per year, to hold your place in a nursing home or other facility if you need to be away temporarily.

**Caregiver Training** – The Caregiver Training benefit pays up to three times your Daily Home Based Care Benefit to train an informal caregiver or an independent provider to care for you in your residence. It also pays for training required to license or certify an independent provider, if required. You do not need to satisfy the waiting period to receive this benefit.

**Contingent Nonforfeiture** – If your premiums increase, this feature will automatically provide you with options to maintain your premium level and still have coverage. See the Outline of Coverage for details.

**Future Benefit Guarantee (Nonforfeiture)** – There may come a time when you either cannot, or no longer want to, continue paying premiums. If you stop paying premiums after having coverage for at least three years, the Future Benefit Guarantee keeps your daily benefits the same but reduces your lifetime maximum benefit. Your reduced lifetime maximum benefit equals the total premiums paid or 30 times the Daily Facility Care Benefit, whichever is higher, less any benefits paid.

**Home Medical Technology** – The Home Medical Technology benefit pays up to \$1,000 each year for assistive devices, medical monitoring or communications technology, medication compliance equipment, and emergency response systems used in your residence. It also covers home modifications necessary to accommodate this kind of equipment or as needed to allow you to remain at home. The Alternate Plan of Care feature may supplement this benefit.

## Inflation Protection Options:

**Choice #1 - Guaranteed Benefit Increase** – Every three years, CNA will offer you the chance to increase your benefits to help you keep up with inflation. Premiums for increased coverage will be based on your age on the effective date of the offer, and will be at least equal to a compound 5% rate of increase. Actively-at-work employees and their spouses are guaranteed acceptance regardless of whether a previous offer was rejected. All others are guaranteed acceptance as long as they continue to accept offers.

**Choice #2 - Lifetime Compound Automatic Benefit Increase** – This feature automatically increases your benefits by 5% compounded each year without increasing your premiums. Increases continue, even while on claim, unless premium payments stop for any reason except waiver of premium.

**Respite Care** – Respite Care is the temporary use of paid long-term care services to relieve family members and other “informal” caregivers of their duties so they can take needed time off. The Respite Care benefit pays up to either the Daily Facility Care Benefit or Daily Home Based Care Benefit, up to 14 days per year, depending on where benefits are used. You do not need to satisfy the waiting period to receive this benefit.

**Waiting Period** – You will need to satisfy a 90 calendar day waiting period before benefits can be paid. You must only satisfy this waiting period once in your lifetime. You do not need to incur any paid services during this time.

**Waiver of Premium** – After you satisfy the waiting period, your premiums will be waived while you are receiving benefits.



The University of Texas System v1

Continental Casualty Company provides the products and/or services described. The information is intended to present a general overview for illustrative purposes only. It is not intended to constitute a binding contract. Please remember that only the relevant insurance policy can provide the actual terms, coverages, amounts, conditions, and exclusions for an insured. All products and services may not be available in all states and may be subject to change without notice. CNA is a registered trademark of CNA Financial Corporation. 2013 CNA. All rights reserved.

**World Wide Coverage** – If you are living or traveling outside the United States and become eligible to receive benefits, reimbursement will be based on a cash payment equal to the Home Based Care Maximum, but not more than 50% of the Facility Care Maximum Benefit. Any caregiver may provide services. To receive benefits, a Licensed Health Care Practitioner (as defined by that particular country) must certify that you are chronically ill and have a plan of care. Your benefits will be paid in United States currency.

## Other Important Elements of Your Plan

**Qualifying for Benefits** – You qualify to receive benefits when a licensed healthcare practitioner has certified that either of the following conditions exists and is likely to last more than 90 days:

1. You are unable to perform two of the following six activities of daily living (ADLs): Bathing, dressing, eating, maintaining continence, transferring, and toileting.

OR

2. You have a cognitive impairment (confusion, memory or orientation problems, lack of reasoning or judgement) that causes safety concerns for you or another person.

**Exclusions** – Long-term care insurance protects against catastrophic losses. Exclusions help keep the cost of the plan affordable. Your plan will not pay benefits for the following:

- 1) Long-term care that results from war.
- 2) Long-term care normally provided without charge.
- 3) Care in a facility that primarily treats substance abuse or mental illness.

**Coordination of Benefits** – This means you will not receive double payments for the same long-term care services under more than one program (i.e.: Group Health plan or Medicare). Your long-term care plan may work together with other plans so that each pays for part of your care, or the long-term care plan may cover services excluded by other programs.



## What is long-term care?

Long-term care is the kind of care people need when, because of severe injury or chronic illness such as Multiple Sclerosis, or Alzheimer's Disease, they cannot perform basic activities of daily living without help.

And importantly, long-term care doesn't just affect the elderly. According to a research alert from the Agency for Healthcare Research and Quality, nearly half of the Americans receiving hands-on help from others so they can accomplish basic daily activities are under age 65.<sup>1</sup>

## Why should I consider long-term care insurance now?

Disabling accidental injuries can strike at any age. In fact, accidents occurring in the home alone account for a disabling injury every four seconds in this country.<sup>2</sup> Some common disabling illnesses and injuries include:

- Multiple Sclerosis
- Parkinson's Disease
- Stroke
- Head Trauma

A disabling illness or injury might mean needing the help to do basic activities, such as bathing and dressing. In other words, you might need long-term care.

## Coverage you can trust because it's from CNA

CNA has been meeting customers' needs for over 100 years. Since the 1960's, the Continental Casualty Company, CNA's underwriting company for long-term care coverages, has been a pioneer in the long-term care insurance arena.

With CNA's stability, commitment to quality insurance products and experience, you can be confident you will receive the help you need when you need it.

For more information visit  
[www.ltcbenefits.com/uts](http://www.ltcbenefits.com/uts)  
 or call 1-888-825-0353.

### References

- <sup>1</sup> Long-term Care Users Range in Age and Most Do Not Live in Nursing Homes. Research Alert, November 8, 2000. Agency for Healthcare Research and Quality, Rockville, MD. [www.ahrq.gov/news/press/pr2000/ltcpr.htm](http://www.ahrq.gov/news/press/pr2000/ltcpr.htm).
- <sup>2</sup> Report on Injuries in America, 2001. National Safety Council.
- <sup>3</sup> A Shoppers Guide to Long-Term Care, 2003. National Association of Insurance Commissioners.
- <sup>4</sup> Journal of Financial Planning, "Putting Long-Term Care on the Radar Screen," September 1, 2001.
- <sup>5</sup> 2002 CNA Cost of Nursing Care Study, room and board costs only.

### Continental Casualty Company

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## Introducing

Group Long-Term Care  
 From CNA\*  
 for

## THE UNIVERSITY OF TEXAS SYSTEM



Your financial  
 security could  
 be at risk



\*Continental Casualty Company

## MYTH

**The government will pay for long-term care.**

**My health insurance will cover it.**

**My disability insurance will help.**

**I'll pay for it myself.**

**I probably won't need it, at least not until I'm older.**

## REALITY

Medicare only pays for limited care following hospitalization. Medicaid will only pay for long-term care if you are impoverished. People must exhaust their savings and only then will Medicaid pay. Medicaid only pays for nursing homes of their choice and generally does not cover home care. Medicare only pays for limited long-term care related only to treatment following hospitalization.

Health insurance typically covers very limited long-term care services related only to acute health care treatment.

Disability insurance is intended as a partial replacement of your pay when you are unable to work. That money will be needed for regular living expenses and may not be enough to cover long-term care.

Long-term care can eat through savings quickly. The cost of part-time basic home care can cost as much as \$16,000 a year, with skilled nursing services costing even more. Care in an assisted living facility averages over \$22,400 per year, and nursing home care averages \$56,000 a year.<sup>3</sup>

An accident or chronic illness could strike at any time and any age. 40% of Americans using long-term care services today are between the ages of 18 and 65.<sup>4</sup>



## Who can apply?

- Actively at work benefit eligible employees; \*\*
- Spouses of Employees;
- Parents, Grandparents, and related in-laws of University of Texas System employees.
- Retirees and their spouses.

**\*\*Employees who enroll within 31 days of becoming benefits eligible are guaranteed to be accepted in the plan, provided you are actively at work on the date your coverage begins.**

## How do you qualify for long-term care benefits?

- You must meet one of the following criteria while under a plan of care prescribed by a licensed health care practitioner...

Be unable to perform any two of the six "Activities of Daily Living"; bathing, continence, dressing, eating, toileting, transferring for a period of at least 90 days, or

Be cognitively impaired (e.g., Alzheimer's Disease).

## Why buy now? –The cost of putting off your decision

The younger you are when you buy long-term care insurance, the lower your premium rate will be. The premium is based on your age at time of purchase and the coverage you select. Because of that, the total amount you pay over the years will probably be less than if you buy at an older age, even though you pay for more years.

## What is the estimated cost?

The cost of long-term care can add up quickly. Costs vary by locality and by the type of service used, but here are some averages.

- The average cost of part-time, basic home care ranged from \$12,000 to \$16,000 per year.<sup>3</sup>
- Assisted living facilities cost an average of \$1,873 per month, or \$22,476 per year, including rent and most other fees.<sup>3</sup>
- If you need facility care, it would cost from about \$30,000 to about \$110,000 per year, depending on the state.<sup>5</sup>

## Standard Plan Features

With Group Long-Term Care from CNA, you choose a plan that's right for your needs. Because not everyone needs the same amount of coverages, you determine how high or low your daily benefit amount will be. Your daily nursing care benefit amount is the maximum daily amount you can receive in benefits. Listed below are just some of the standard plan features available.

**Daily Benefit for Nursing Home Care:** This plan offers daily maximum benefit amounts of \$100, \$125, \$150 and \$200.

**Nursing Home Benefit:** Pays 100% of the eligible expenses per day, up to the maximum daily benefit amount, for care received in a properly licensed nursing home or alternate care facility.

**Community Based Care Benefit:** Pays 50% of the maximum daily nursing home benefit for care received outside a nursing home, such as home healthcare, adult day care/foster care center or an assisted living facility.

**Lifetime Maximum Benefit (LTM):** This is the total amount of insurance you purchase. It is a pool of money you can use to pay for eligible long-term care expenses and is related to the Daily Nursing Home Benefit you choose. The corresponding lifetime maximums are as follows:

\$100 Daily Nursing Home Benefit = \$182,500 LTM  
\$125 Daily Nursing Home Benefit = \$228,125 LTM  
\$150 Daily Nursing Home Benefit = \$273,750 LTM  
\$200 Daily Nursing Home Benefit = \$365,000 LTM

**Waiver of Premium:** Your premiums will be waived while receiving benefits.

**Waiting Period:** 90 Calendar Day waiting period (does not require paid services). This only needs to be satisfied once per lifetime.

**Temporary Bed Holding:** Pays the daily benefit amount to hold a nursing home bed, up to 60 days per year, if you are temporarily absent from the nursing home due to a hospital stay or other event.

**Caregiver Training Benefit:** Pays the actual expense incurred for caregiver training, up to five times the daily community based care benefit.

**Emergency Alert:** Pays the monthly rental or lease fees for such equipment are covered up to an amount equal to the daily community based care benefit.

**Premiums:** Premiums are based on your age at entry and you cannot be singled out for a future increase because of your health.

**Guaranteed Renewable:** Your coverage can never be cancelled as long as you pay your premiums and have not exhausted your benefit maximum. However, the insurer may change premiums by class.

**Benefit Account:** There may come a time when you cannot or choose not to continue your plan. After three years in the plan you may stop paying premiums without losing the value of the premium dollars you have paid into the plan over the years. If you stop paying the premium (after three years) your reduced lifetime maximum will be the greater of either the amount of premium paid or 30 times your daily nursing home benefit.

**Inflation Protection:** At routine intervals you will be given the opportunity to increase your coverage to keep up with inflation. To increase your coverage in this manner, you must have rejected, in writing, the State of Texas offer of inflation protection, which is described next.

For an additional charge, if you choose to add the Optional Lifetime Automatic Benefit Increase, your benefit will automatically increase by 5% each year.

**For specific costs and further details of the coverage, including exclusions, reductions or limitations, and the terms under which the policy may be continued in force, contact CNA at 1-888-825-0353.**

Want to find out how Group Long-Term Care from CNA could benefit you and/or your spouse?

1. Visit the CNA web site for plan information and rates at:

**[www.ltcbenefits.com/uts](http://www.ltcbenefits.com/uts)**

2. Obtain enrollment information from your Human Resources Department;
3. For enrollment information, call our toll-free number to speak with one of our CNA Group Long-Term Care customer service representatives at:

**1-888-825-0353**



**What is long-term care?**

Long-term care is the kind of care people need when, because of severe injury or chronic illness such as Multiple Sclerosis, or Alzheimer's Disease, they cannot perform basic activities of daily living without help.

And importantly, long-term care doesn't just affect the elderly. According to CNA claim statistics, 37% of the insured people on claim needing long-term care services are working age adults between the ages of 25 and 65.<sup>6</sup>

**Why should I consider long-term care insurance now?**

Disabling illness or accidental injuries can strike at any age. Some common disabling illnesses and injuries include:

- Multiple Sclerosis
- Parkinson's Disease
- Stroke
- Head Trauma

A disabling illness or injury might mean you need help with basic activities like bathing and dressing. In other words, you might need long-term care.

6 - CNA claim data as of April 1, 2013



**Coverage you can trust because it's from CNA**

CNA has been meeting customers' insurance needs for over 100 years. Since the 1960's, Continental Casualty Company, CNA's underwriting company for group long-term care coverages, has been a pioneer in the long-term care insurance arena.

With CNA's stability, commitment to quality insurance products and experience, you can be confident you will receive the help you need when you need it.

**For more information visit [www.ltcbenefits.com/uts](http://www.ltcbenefits.com/uts) or call 1-888-825-0353 to talk to a long-term care representative who will answer your questions.**



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AG-147732-C (6/13 Printed in USA)

Continental Casualty Company Policy GLTC-3-P-TX-01, et. al.

**Your Solution to Long-Term Care Insurance.**

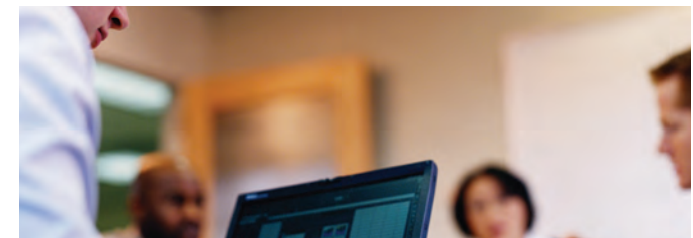


**The University of Texas System**



Coverage underwritten by Continental Casualty Company

CNA Independent Solutions® Group Long-Term Care



**Your financial security could be at risk.**

Myth	Reality
<b>The government will pay for long-term care.</b>	Medicare only pays for limited care following hospitalization. Medicaid will only pay for long-term care if you are impoverished. People must exhaust their savings and only then will Medicaid pay. Medicaid only pays for nursing homes of their choice and generally does not cover home care. Medicare only pays for limited long-term care related to treatment following hospitalization.
<b>My health insurance will cover it.</b>	Health insurance typically covers very limited long-term care services related only to acute health care treatment.
<b>My disability insurance will help.</b>	Disability insurance is intended as a partial replacement of your pay when you are unable to work. That money will be needed for regular living expenses and may not be enough to cover long-term care.
<b>I'll pay for it myself.</b>	Long-term care can eat through savings quickly. Part-time, basic home care costs as much as \$16,000 a year, with skilled nursing services costing even more. Care in an assisted living facility averages over \$39,000 per year, and nursing home care averages \$78,000 a year. <sup>1</sup>
<b>I probably won't need it, at least not until I'm older.</b>	An accident or chronic illness could strike at any time, at any age. 40% of Americans using long-term care services today are between the ages of 18 and 65. <sup>2</sup>

1 - 2011 CNA Cost of Nursing Care Study, room and board costs only.  
 2 - A Shopper's Guide to Long Term Care Insurance, 2009 National Association of Insurance Commissioners.



### Who can apply?

- Actively at work, benefit eligible employees\*
- Spouses of Employees;
- Parents, Grandparents and related in-laws of University of Texas employees.
- Retirees and their spouses.

\*New employees who enroll within 31 days of becoming benefits eligible are guaranteed acceptance into the plan, provided they are actively at work on the date coverage begins.

### How do you qualify for long-term care benefits?

You must meet one of the following criteria while under a plan of care prescribed by a licensed health care practitioner;

- Be unable to perform any two of the six Activities of Daily Living - bathing, continence, dressing, eating, toileting, or transferring for a period of at least 90 days, or
- Be cognitively impaired (e.g., Alzheimer's Disease).

### Why buy now? – The cost of putting off your decision

The younger you are when you buy long-term care insurance, the lower your premium rate will be. Premiums are based on your age on the coverage effective date and the specific coverage you select. Because of that, the total amount you pay over the years may be less if you purchase now than if you buy at an older age, even though you pay for more years.

### What is the estimated cost?

The cost of long-term care can add up quickly. Costs vary by locality and by the type of service used, but here are some averages:

- The average cost of part-time, basic home care ranges from \$12,000 to \$16,000 per year.<sup>3</sup>
- Assisted living facilities cost an average of \$3,261 per month, or \$39,132 per year, including rent and most other fees.<sup>4</sup>
- Facility care costs about \$50,000 to about \$125,000 per year, depending on the state.<sup>5</sup>

3 A Shoppers Guide to Long Term Care Insurance, 2008. National Association of Insurance Commissioners.

4-5 2011 CNA Cost of Nursing Care Study, room and board costs only.

## Want to find out how Independent Solutions® group long-term care insurance from CNA can benefit you?

1. Visit the CNA web site for plan information and rates at [www.ltcbenefits.com/uts](http://www.ltcbenefits.com/uts);
2. Obtain enrollment information from your Human Resources Department;
3. Call CNA's toll-free number to speak with one of our customer service representatives at 1-888-825-0353.



### Standard Plan Features

With the Independent Solutions® Group Long-Term Care plan from CNA, you choose a plan that's right for your needs. Not everyone needs the same amount of coverage, so you determine how high or low your daily benefit amount will be. Your daily facility care benefit amount is the maximum daily amount you can receive in benefits. Listed below are just some of the standard plan features available.

**Daily Facility Care Benefit** — You choose a daily facility care benefit of \$100, \$125, \$150, \$200 or \$250. The plan reimburses the actual cost of services you receive, up to your Daily Maximum Benefit, for care in the following facilities:

- Nursing Homes
- Assisted Living Facilities
- Hospice Facilities

**Daily Home-Based Care Benefit** — Reimburses the actual cost of services you receive each day, up to an amount equal to 50% of your facility care benefit, for care you receive in your own home or an adult day care facility.

**Lifetime Maximum Benefit (LTM)** — The total amount of insurance you purchase. It represents the pool of money available to you for reimbursement for long-term care services. Unless noted, all benefits you receive reduce your Lifetime Maximum Benefit.

\$100 Daily Facility Care Benefit =	\$109,500 LTM
\$125 Daily Facility Care Benefit =	\$136,875 LTM
\$150 Daily Facility Care Benefit =	\$164,250 LTM
\$200 Daily Facility Care Benefit =	\$219,000 LTM
\$250 Daily Facility Care Benefit =	\$273,750 LTM

**Home Medical Technology** — Reimburses up to \$1,000 per calendar year to help cover the actual cost of assistive devices, medication compliance equipment, or emergency response systems used in your residence. It also reimburses the cost of home modifications necessary to accommodate this kind of equipment or as needed to allow you to remain at home.

**Bed Reservation** — Reimburses costs you incur to hold your place in a nursing home or other facility if you need to be away temporarily. This feature reimburses up to your Daily Maximum Benefit, for as many as 60 days per year.

**Future Benefit Guarantee (Nonforfeiture)** — There may come a time when you cannot, or no longer want to, continue paying premiums. If you stop paying premiums after at least three years of coverage, this feature keeps your daily benefits the same but reduces your Lifetime Maximum Benefit. Your reduced Lifetime Maximum Benefit equals the total premiums paid or 30 times your Daily Maximum Benefit, whichever is higher.

**For specific costs and further details of the coverage, including exclusions, reductions or limitations, and the terms under which the policy may be continued in force, contact CNA at 1-888-825-0353.**

**Caregiver Training** — Reimburses up to five times your Daily Home-Based Care Benefit for charges you incur to train an informal caregiver or independent provider to care for you at home. No waiting period applies to this feature.

### Inflation Protection

**Guaranteed Benefit Increase** — Periodically, CNA will offer you the chance to increase your benefits to help you keep up with inflation. We base premiums for any increased coverage you purchase on your age on the effective date of that coverage. The amount we offer you will equal at least 5% compounded annually since your last offer. We guarantee acceptance for actively-at-work employees and their spouses regardless of whether they rejected previous offers. We guarantee acceptance for all others as long as they continue to accept offers.

**Optional Lifetime Compound Automatic Benefit Increase** — This feature automatically increases your Daily Maximum Benefit, remaining Lifetime Maximum Benefit, and any other benefits indexed to them by 5% compounded each year without automatically increasing your premiums. Increases continue for life, unless premium payments stop for any reason except waiver of premium.

**Respite Care** — Respite Care is the temporary use of paid long-term care services to relieve family members and other informal caregivers of their duties so that they can take needed time off. The Respite Care benefit reimburses up to either the Daily Facility Care Benefit or Daily Home-Based Care Benefit, as many as 14 days per year, depending on where benefits are used.

**Waiting Period** — After you become chronically ill, you will need to satisfy a 90 calendar day waiting period before you receive benefits. You must only satisfy this waiting period once in your lifetime. You do not need to incur any paid long-term care services during this time.

**Waiver of Premium** — After you satisfy the waiting period, your premiums will be waived while you receive benefits.

**World Wide Coverage** — If you are living or traveling outside the United States and qualify for benefits, we will make a cash payment equal to your Home-Based Care Benefit, but not more than 75% of your Daily Maximum Benefit, each day you receive paid long-term care services. Any caregiver may provide services. To receive benefits, a Licensed Health Care Practitioner (as defined by the country you are in) must certify that you are chronically ill and have a plan of care. We will issue all benefits in United States currency.



## Electronic Dataset Layout – Benefit Enrollment and Maintenance Transaction Set

### HEADER:

HEADER-ID	A1 /* 'H'header
HEADER-LABEL	A9
FILLER	A1
CREATION-CYMD	A8
FILLER	A132

### DETAIL:

FILLER	A9 /* begin detail
INDICATOR	A1 /* 'E'mployee; 'S'pouse
SSN	A9
BID	A8
FILLER	A6
NAME-L	A20
NAME-F	A10
NAME-MI	A1
COV-EFF-CYMD	A8
FILLER	A8
TERM-CYMD	A8 /* for C and L Statuses
FILLER	A8
PAYROLL-LOC	A3 /* 000=DIRECT; 001-016=GRP
FILLER	A7
COV-DEDUCTION	N7
FILLER	A7
DAILY-BEN-AMT	N3
LIFETIME-MAX	N4
COV-CODE	A8 /* 3 or 5 year; GBO or ABI
FILLER	A15
STATUS	A1 /* 'A'ction; 'C'ancelled; 'L'apsed; 'W'aived

### TRAILER:

TRAILER-ID	A1 /* 'T'railer
TOT-NUM-RECS	N7
FILLER	A143

## ADDENDUM 1

DATE: January 10, 2019  
PROJECT: Fully Insured Group Long Term Care Insurance Plan  
RFP NO: 720-1907  
OWNER: The University of Texas System Administration  
TO: Prospective Bidders

This Addendum forms part of Contract Documents and modifies Bid Documents dated November 15th, 2018 with amendments and additions noted below.

### **Questions and Answers:**

**1. Question: In lieu of a Fully Insured Group Long Term Care Insurance Plan, will you consider a Multi-Life Worksite Long Term Care Insurance Plan?**

**Answer:** *UT System will evaluate all responses, once received, to ensure the proposal meets the scope and purpose stated in the RFP.*

**2. Question: Would the university system consider looking at multi-life long-term care insurance or permanent life insurance with long-term care benefits products considering the marketplace has shifted significantly over the past 5-6 years? Both products would be viable within the university system and would satisfy the need for long-term care planning.**

**Answer:** *UT System will evaluate all responses, once received, to ensure the proposal meets the scope and purpose stated in the RFP.*

**3. Question: Are we able to get a census file (in Excel or CSV) with the following information?**

- **Name or other employee identifier**
- **Gender**
- **Date of birth**
- **Date of hire**
- **Job Title**
- **Annual Salary**
- **State of residence**
- **Marital status**

**Answer:** *This information is provided in **ADDENDUM TWO**.*

**4. Question: I had a question about the procurement process at the UT System, is the UT System partnering with a 3rd party consulting firm to evaluate**

**RFP responses and if awarded the contract, would the winner of the contract be instructed to work alongside a broker partner? Or would the RFP winner work directly with the UT System benefits team?**

**Answer:** *The Contractor will work directly with the UT System Office of Employee Benefits.*

**5. Question:** **The way I read the RFP, they want their existing enrollees to stay put, and offer a new plan to new enrollees. Can you clarify? ....Sounded as if for both existing and new.**

**Answer:** *UT System Office of Employee Benefits (OEB) wants the opportunity for those who are currently enrolled with the old LTC plan to enroll in the new one, as well as offer it to those employees who are not currently enrolled and those who are hired moving forward. Throughout the time OEB offered the LTC plan in the past, OEB experienced steady enrollment at approximately 7,500 people.*

**6. Question:** **Please clarify the enrollment date and if the enrollment period will coincided with the annual enrollment period.**

**Answer:** *It is OEB's plan to have an initial enrollment to ensure the plan is noticed by employees and doesn't get lost during the regular Annual Enrollment period. During implementation a discussion will occur to decide if it's reasonable and necessary to also offer during Annual Enrollment in 2019 or wait until 2020.*

**7. Question:** **Are you willing to reconsider your desire to contract directly with a carrier, given the current landscape of carriers and their distribution strategies?**

**Answer:** *The System is pleased to announce that OEB will consider responses from both carriers and brokers / consultants. Carriers and brokers / consultants will continue to be required to meet the scope of work and requirements of the RFP.*

**8. Question:** **Would you advise [Company name redacted] to complete this RFP on the carrier's behalf or request that our carrier partners complete and list [Company name redacted] as a sub-contractor?**

**Answer:** *The System is pleased to announce that OEB will consider responses from both carriers and brokers / consultants. Carriers and brokers / consultants will continue to be required to meet the scope of work and requirements of the RFP.*

**9. Question:** **The topic of compensation came up on the bidder call. Currently, there are Individual LTC products and multi-life individual products that are filed with commissions automatically built into the pricing,**

**and commissions would be payable to an agent or third party vendor for each policy sold. Would UT System consider bid responses that propose an Individual LTC or multi-life individual solution?**

**Answer:** *Yes, we will consider these options. The System will not consider an option where the premium is structured to have a commission in addition to the premium.*

**10. Question: There are also annuity products and life insurance products that include a rider provision for LTC? As noted in the previous question, these life and annuity programs traditionally include commissions to compensate the salesperson or third party vendor soliciting the product. Would UT System consider bid responses that propose an annuity product or life insurance product for long-term care?**

**Answer:** *Yes.*

**11. Question: Will UT System allow the use of their logo on marketing materials? Does the chosen carrier obtain a logo from each of the member institutions, or would all materials go out under one common logo?**

**Answer:** *Yes, OEB would prefer our logo to be used on marketing materials for OEB plan. The appropriate logo will be provided by System during the implementation process.*

**12. Question: If, for whatever reason, a Group Long Term Care Insurance program is not available or otherwise not engaged, would the University be willing to consider a MultiLife or Hybrid product program as an alternative to Group Long Term Care Insurance?**

**Answer:** *Yes, OEB will consider these options. The System will not consider an option where the premium is structured to have a commission in addition to the premium.*

**13. Question: Is there any prohibition on the payment of commissions by the carrier to an entity such as [Company name redacted], providing services as an agent and sub-contractor of the carrier pursuant to a contract that would exist directly between the University and the carrier?**

**Answer:** *The System is pleased to announce that OEB will consider responses from both carriers and brokers / consultants. Carriers and brokers / consultants will continue to be required to meet the scope of work and requirements of the RFP.*

*There is no prohibition of the payment of commissions by the carrier, however, ensure the premium quoted is inclusive of commissions as OEB will not consider an option where the premium is structured to have a commission in addition to the premium.*

**14. Question: Please advise if and how census data may be accessed.**

**Answer:** *Aggregate salary data is provided in **ADDEDNUM TWO**. Individualized census data is not available.*

**15. Question: Is there a website location where the University will post answers to these questions as well as any addenda and/or further instructions regarding this RFP? If so, please advise Web address.**

**Answer:** <http://www.txsmartbuy.com/sp/720-1907> *Please use Chrome to open this link.*

**END OF ADDENDUM 1**

University of Texas System  
Salary Information for All Active Employees(1)  
September 2018

Age	Males			Females			Total		
	Number of Emps	Monthly Salary	Max of \$250,000 (2)	Number of Emps	Monthly Salary	Max of \$250,000 (2)	Number of Emps	Monthly Salary	Max of \$250,000 (2)
15-19	44	\$76,782	0	35	\$65,772	0	79	\$142,554	0
20-24	2,194	\$4,874,305	0	2,985	\$7,512,567	1	5,179	\$12,386,872	1
25-29	5,692	\$16,665,957	2	8,458	\$29,196,971	1	14,150	\$45,862,928	3
30-34	5,894	\$29,312,360	118	9,083	\$45,141,256	99	14,977	\$74,453,616	217
35-39	5,053	\$34,717,125	310	8,472	\$50,965,805	201	13,525	\$85,682,930	511
40-44	4,647	\$37,238,927	369	7,627	\$48,564,645	192	12,274	\$85,803,572	561
45-49	4,438	\$37,227,796	379	7,482	\$48,616,973	181	11,920	\$85,844,769	560
50-54	4,156	\$34,403,893	357	6,391	\$41,205,536	177	10,547	\$75,609,429	534
55-59	3,779	\$32,361,209	383	6,026	\$37,842,493	134	9,805	\$70,203,702	517
60-64	2,892	\$26,090,597	338	4,141	\$27,723,192	118	7,033	\$53,813,789	456
65-69	1,439	\$14,400,228	186	1,496	\$10,518,480	62	2,935	\$24,918,708	248
70-74	619	\$6,977,856	105	320	\$2,493,843	19	939	\$9,471,699	124
75-79	255	\$3,011,837	55	82	\$695,729	7	337	\$3,707,566	62
80-84	63	\$786,407	10	14	\$106,039	0	77	\$892,446	10
85-89	24	\$288,223	3	7	\$66,338	0	31	\$354,561	3
90-94	2	\$22,250	0	0	\$0	0	2	\$22,250	0
95-99	1	\$20,833	1	0	\$0	0	1	\$20,833	1
100+	0	\$0	0	0	\$0	0	0	\$0	0
<b>Total</b>	<b>41,192</b>	<b>\$278,476,585</b>	<b>2,616</b>	<b>62,619</b>	<b>\$350,715,639</b>	<b>1,192</b>	<b>103,811</b>	<b>\$629,192,224</b>	<b>3,808</b>

Footnotes:

(1) Excludes 723 Active Employees with no reported salary.

(2) Employees whose annual salary value is capped at \$250K. Monthly salary based on the lesser of \$250,000 and the employee's annual salary.